

MANAGING INNOVATIONS

EXECUTIVE SUMMARY

Innovation is the most essential component of every business owing to the fact that it enables the companies to cater to the changing demands and requirements of the customers as well as the market and improve the quality of goods and services to be provided to the users. This helps the company to maintain its reputation as well as steady sales figures in the particular market segment. Facebook is a social media platform, which needs to incorporate technological advancements like Virtual Reality to improve the user experiences and Encryption systems for minimizing incidences of cybercrime within the platform. Facebook operates in the social media industry, which is influenced maximally by the users of the service. As per recent researches, about 21% of the teenagers in US are not interested in opening accounts on Facebook since their parents use the same app and they are interested in using some app which retains their privacy instead of making the information open. This necessitates adoption of innovative technologies, in order to satisfy the existing customers as well as attract other users to utilize the services offered by Facebook. This would include incorporation of further technological innovations like use of Virtual reality systems and improved data encryption systems to improve the experience of the users as well as protect the vulnerable data from revelation to unwanted third parties. Knowledge management, transfer of knowledge, change management, building effective relationships with the stakeholders and similar such techniques would aid in managing the innovations at Facebook and help it achieve their organizational aim.

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Introduction, Purpose of the Report and structure

Innovation is the most essential component of every business owing to the fact that it enables the companies to cater to the changing demands and requirements of the customers as well as the market and improve the quality of goods and services to be provided to the users (Autio *et al.*, 2014). This helps the company to maintain its reputation as well as steady sales figures in the particular market segment. Facebook is a social media platform, which needs to incorporate technological advancements like Virtual Reality to improve the user experiences and Encryption systems for minimizing incidences of cybercrime within the platform.

The purpose of this project is to investigate the steps to be adopted by Facebook for implementing the changes in the technology to be incorporated into the existing systems, while maintaining its position as a market leader in the social media industry sector. The assignment will aid in understanding and prioritizing the changes that need to be incorporated into the systems as well as the rationale for doing the same.

The initial section of the assignment is aimed to introduce the probable changes that are expected to take over the social media industry sector within 2020. The second section is aimed to help the readers gain proper understanding of the PENTATHLON Framework and the SIMPLE model of Innovation, which will be utilized by Facebook, for understanding the process and the requirements for implementation of the changes in the existing systems. The third section will deal with the analysis of the innovation capabilities of Facebook and the ways in which the knowledge management, Stakeholder engagement, change management and organizational culture would be able to aid Facebook in realizing its mission “to give people the power to share and make the world more open and connected”.

The future of the industry 2020 and beyond

Facebook operates in the social media industry, which is influenced maximally by the users of the service. The demographics of the users using social media, mostly Facebook and Twitter, is changing at a rapid pace and in modern scenario, not only the teenager and the millennial population, but also the middle-aged population have started using it voraciously (Bonde, 2014). As per recent researches, about 21% of the teenagers in US are not interested in opening accounts on Facebook since their parents use the same app and they are interested in using some app which retains their privacy instead of making the information open (Thongmak, 2015). This necessitates adoption of innovative technologies, in order to satisfy the existing customers as well as attract other users to utilize the services offered by Facebook. This would include incorporation of further technological innovations like use of Virtual reality systems and improved data encryption systems to improve the experience of the users as well as protect the vulnerable data from revelation to unwanted third parties. The existent problems of data leakage in the Facebook systems, the reluctance of the users to join Facebook and the steady fall in the number of active users on the site would act as a ‘pull’ for the implementation of the technologically advanced systems in Facebook (Simon, 2011). The urge to maintain steady positions in the market, owing to the evolution of a number of other social media sites with similar and even better features, like Snapchat and Instagram, would also act as a factor influencing incorporation of innovation into the existing systems of Facebook.

There are few other expected changes, which would probably take over social media in the years to come. Facebook has largely evolved into a tool for broadcasting and marketing in the recent years; in future, it is expected that the focus will return to laying emphasis on relationships and maintaining intimate connections over the social media platforms like Facebook. It is expected that there will be development of different and separate groups and forums in the social media platforms like Facebook, which would allow the users to choose the kind of groups that would be able to view a particular content shared by them. This would also aid in staying connected with the different forums at the same time and maintain effective communication with them. The Implementation of the virtual reality systems in the social media is also expected to become widespread, especially for the game players on Facebook. The users would be able to get a feel of the environment being displayed in the game and experience the same level of thrill as exhibited in the game, which would help the sites gain larger acceptance among the users (Ryan, 2015). The encryption systems for the protection of the data available on the social media sites, like Facebook, are also expected to get improved through the years and the audience for the data is expected to become restricted, which would reduce the leakage of data to the unwanted third parties and keep the data secure from unauthorized access.

The Organization's innovation requirements, 2020 and beyond

Recommendations for Facebook, as stated in the previous assignment, can be enlisted as follows:

- The company needs to implement innovations for controlling the rate of cybercrime and incidences of data leakage
- Facebook needs to engage its users more effectively and incorporate technologically advanced systems like Virtual Reality, to improve the experiences of the users, mainly the game players over the social media platforms.
- The company should strategize policies, which helps them penetrate into countries like China, where Facebook is banned by law, and thus, improve their global presence

PENTATHLON Framework

The processes of innovation are associated with the generation of ideas for the development of new or improved products and services to be provided by the organization, to its users, which is followed by identification of the required innovations and selection of the ideas that helps in realizing the idea of innovation in the most appropriate way. The Pentathlon model of innovation encompasses five interlocking elements, viz. ideas and creativity management, selection of ideas and priority management, management of the implementation of the strategies, managing the innovation strategies and managing the human resources working for the organization. The first component is the role of the innovation strategy, which will govern the requirements for meeting the set goals as well as bringing about effective communication and implementation of technologies into the existing systems of Facebook. The middle of the model is funnel-shaped, denoting the flow of the innovative ideas, through the selection process, until its final implementation and development of new/improved products and services to be delivered to the users by Facebook (Dodgson, 2018). This phase in the model covers the recognition of the imminent problems of data leakage and the steady

decline in the interest among the teenagers to avail the services of Facebook and formulation of the strategies like advancements in technologies (example: Encryption systems and Virtual Reality systems respectively) to overcome them effectively. Convincing the staffs for complying with the change in the working systems due to the incorporation of new systems in the process as well as the leadership styles that are followed in Facebook, which motivates the employees to innovate as well as participate in the development of the company, comes at the base of this model.

SIMPLE MODEL of Innovation

According to this model, the actions for innovation are associated with the renovation and renewal of the processes, products and services that are provided by the organization, Facebook in this case. The three stages involved in the process of innovation can be expressed through this model can be enlisted as follows:

‘Searching’ involves the inspection of the ideas to be implemented for the innovation, based on the behavior of the users of Facebook, existing trends among the user and regulations of the use of service by the users and indicators as such (Fattal, 2012).

‘Selection’ involves choosing the most suitable innovative strategy to be implemented into the processes, which would help in maintaining the quality of the services being provided to the users by Facebook

Implementation involves training the staffs and adopting similar such measures which eases the process of incorporation of changes in technologies into the systems of Facebook.

Building the future Innovation capabilities for the organization

There might be some imminent problems arising for the reason that the staffs might be reluctant to get accustomed to the changes or the changes to be implemented might be quite ‘cost effective’. The ways in which these barriers to innovation are managed at Facebook and the employees are encouraged to keep up with the good performance is the topic of discussion for the subsequent section.

Transfer of knowledge

This is associated with the transfer or sharing of knowledge among different sections of the organization. The process is a complicated one and the most suitable methods for the transfer of knowledge within an organization can be determined with the help of the analysis regarding the kind of knowledge that needs to be delivered to the employees (Gassmann *et al.*, 2015). Determination of the skill set and the experience possessed by the newly recruited employees as well as the ones delivering the training plays a significant role in influencing the process of transfer of knowledge (Feitelson *et al.*, 2013). In case of Facebook, implementation of Virtual Reality systems in the game development processes as well as enhanced encryption processes for the data shared by the users requires adequate training to be delivered to the newly recruited as well as to the existing employees of the organization. Oculus VR is a company that has been acquired by Facebook; this company is responsible for handling the implementation of the Virtual reality Technologies into the gaming processes of Facebook. Delivering training to the staffs regarding the changes in the code for

the platform to support the VR games as well as to be developers of the game for the incorporation of the VR systems into the games being developed by them is necessary. The experts from Oculus can be called in for the purpose and their level of knowledge and skills can be shared with the employees. This would help the existing employees at Facebook to gain effective knowledge of the processes as well as re-orient themselves to the change in their job roles.

Building effective relations with stakeholders

The term 'stakeholders' refers to the individuals who are either involved in the functioning of the organization or are directly or mostly affected by the steps adopted by the companies, Facebook in this case. The major stakeholders at Facebook include the owner, the users of service, the employees and the government of the country where the company headquarters are located. Of these, the staffs and the management, along with the owner are the internal stakeholders while the users are the external stakeholders. The views of the employees are taken into consideration while implementing any change in the systems of functioning of Facebook, so that influencing the employees to get trained, for acquiring enough capability for managing the changed systems becomes easier. When technologically advanced systems are incorporated into the systems of Facebook, then the staffs are provided adequate training so that they are able to manage the changed systems effectively. In case the Virtual Reality systems are incorporated into the systems of Facebook, then the programmers generating codes for the smooth running of the Facebook platform as well as the game developers who work for implementing the VR systems into the games needs to be trained effectively, by the experts. The experts would also be able to give some tips and tricks about the management of the problems encountered in the advanced systems as well as during the incorporation of the processes.

The users of Facebook also need to be positively engaged and influenced, for maintaining proper relationships with the stakeholders. The demands and expectations of the users from Facebook are usually collected by means of online surveys and views from the employees are taken into account, for formulation of ideas and strategies for the kind of innovation that needs to be incorporated into the systems. The details of the technologies that are to be incorporated into the systems of Facebook would require to be properly advertised and the information requires to be transferred to the users, for attracting more users to using the site and the gaming platform being offered to them. Researches related to the ways in which the existing technologies could be innovated and creatively designed, for attracting the customers as well as help the employees to positively associate with the company requires to be executed too, by Facebook. All the available assets like the fiscal assets as well as the clientele needs to be managed and utilized effectively, for managing the proposed innovations in the systems of Facebook (Goffin and Mitchell, 2016). There are certain limitations of the process like conflict of interests of the company as well as the customers and issues as such, which needs to be managed effectively, to ensure that the processes are successfully innovated at Facebook.

Knowledge management

The knowledge management processes at Facebook is 'Process-oriented Knowledge management' in which the processes which requires change are identified and the knowledge required to be possessed by the staffs in order to handle the changes efficiently are noted down (Ragab and Arisha,

2013). The training are provided to the staffs in the appropriate direction and a record of the same is maintained, for enlightening the staffs recruited in future.

Change management issues and strategies to overcome the possible resistance to change

The term 'change management' encompasses all the techniques required for managing the innovations of the systems and the development of the existing processes at Facebook. The existence of change management techniques are essential in every business organization, for overseeing the ways in which the changes are being accepted and implemented into the systems (Hornstein, 2015). The organizations require adhering to the change management models, in order to oversee as well as guide through the process of management of changes in the operations of the organization. Lewin's change management model can be utilized for explaining and understanding the ways in which the changes are brought about and managed at Facebook. According to the model, the process of change management can be divided into three steps viz the unfreezing, making the changes and re-freezing. Unfreezing comprises of identifying the kind of changes that are to be implemented into the existing systems of Facebook, in order to improve the quality of the services that are provided to the users as well as the repute and establishment of the company in the market.

Implementation of the Virtual Reality systems for the development of the games that are played on the Facebook platforms by the users as well as the implementation of enhanced encryption systems for protecting the data shared by the users online, with their friends and relatives are the changes that require to be incorporated into the existing systems of Facebook (Kirkpatrick, 2012). For this purpose, the unfreezing process would encompass convincing the staffs about the changes that would be introduced after the implementation of the advanced technologies into the existing systems as well as the training regimen that they are required to adhere to, for coping up with the changes. Making the changes would involve incorporation of the technologically advanced systems, for providing improved quality of services to the users. Refreezing phase would involve monitoring the changes and the changed functions, for noting the improvements and the extent to which the users have been satisfied with the implementation of the changes (Morrison, 2014). The anomalies in the changes incorporated are identified and eliminated during this phase. The strengths of this model are the preference that are given to the views of the staffs which helps in establishing engaging relations with the staffs and the continuous evaluation of the processes carried out, which helps in improving the services delivered by Facebook (Prange and Schlegelmilch, 2018). The weaknesses of the model are the time consuming process it supports and its restrictions to be effectively implemented in organizations with culturally diverse workforce.

Organizational culture and leadership

Facebook exhibits a creative workplace and there are innovations included into the systems of the organization every now and then, so that the services delivered to the users are able to satisfy them amply. The views of the employees are taken into account, for implementation of the changes in the existing systems (Büschgens *et al.*, 2013). The organizational structure of Facebook is mixed, with the hierarchy levels in the lower levels of management being flat; this reduces the distance and the communication gap between the departmental leaders and the employees. The system of leadership is democratic too, which encourages the employees to implement their creativity for executing the tasks and the coding that they are required to execute. The management of the

changes also becomes easier with the flat organizational structure as well as democratic systems of leadership

Conclusion

The assignment helped in understanding the techniques and processes of innovation management at Facebook and the necessity of doing the same. It is imperative for any business organization to keep on with the development and evolution processes, providing appropriate services to the users as per their requirements and demands. In Facebook too, the management needs to keep up with the expectations of the users and provide innovative services to them, every now and then, in order to retain their good will and attraction towards the company. The stimulations to change and the ways in which the changes can be effectively managed has been discussed through the PENTATHLON framework as well as the Simple Model of Innovation. The different drivers of innovation that drives the innovation in the systems and services provided by Facebook has also been discussed in this assignment.

The key processes of management of the innovation systems like engagement with stakeholders, knowledge transfer and management systems at Facebook have been identified effectively through this assignment. Some activities like training the employees effectively and implementation Virtual Reality techniques in the gaming processes offered by the platform are the main changes that needs to be effectively incorporated within the existing systems of the organization, to increase the profitability and boost the performance of the same. Lewin's change management model has also been discussed, in an effort to understand the ways in which the imminent oppositions to the changes to be implemented in the organization would be effectively managed by Facebook.

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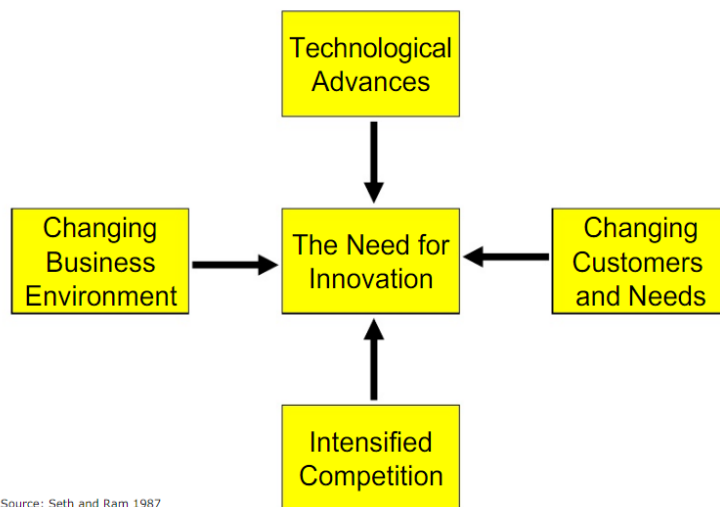
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Appendix



Source: Seth and Ram 1987

Fig 1: Drivers of innovation

Source:

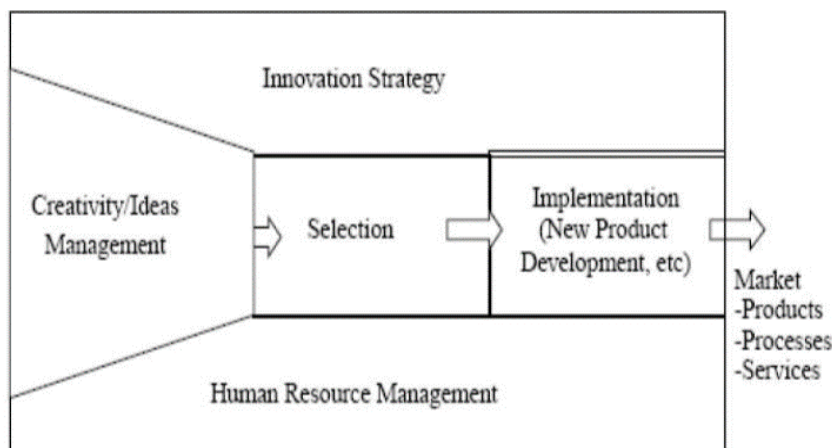


Fig 2: The Pentathlon Framework

Source:

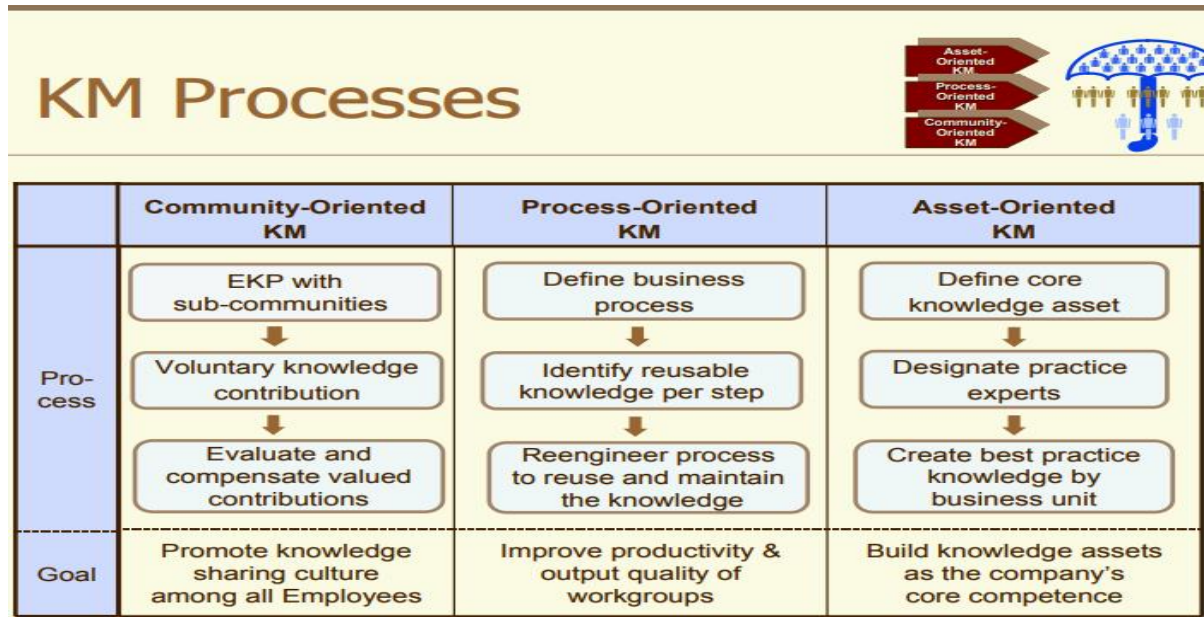


Fig 3: Knowledge management processes at Facebook

Source:



Fig 4: Components of Crowd sourcing

Source: