



A Study on Operational Innovation

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DEFINITION:

Operational innovation is a structured approach to identify new ways of providing world-class services and products to customers at a reasonable price. In the operational Innovation, strategies are monitored at the enterprise level while systems are managed at the organizational level.

PROCESS FOCUS:

When the effort restarted, it began with the creation of an enterprise process model, which describes a business's operations in terms of a small number of value-creating end-to-end processes. Schneider's model included Develop Transportation Solutions, Acquire New Business (ANB), Acquire Transportation Order, Move Freight, and Provide Ability to Move Freight. These few processes encompassed virtually all work performed by Schneider's thousands of employees. By defining the Acquire New Business (ANB) process, setting its boundaries, determining its metrics, and targeting it for improvement, Schneider appropriately defined the problem to be solved. Most companies set too narrow a scope for their innovation efforts and thus can make only incremental improvements. The first time around, Schneider conceptualized the effort purely in terms of proposal preparation, thereby excluding numerous groups and activities relevant to the larger goal of acquiring new business. By focusing the second time around on the entire ANB process, comprising as it did eight different departments and a host of different activities, the Schneider team could address the full range of issues responsible for slow customer response.