

INNOVATION PROCESS AT DAILY PROJECT EVENT ORGANIZER

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ABSTRACT

This research is aimed to describe innovation process at creative industry and innovation formation that will be applied by Daily Project Event Organizer. The research utilizes descriptive qualitative method. Research interviewees were determined by purposive sample technique; they are creative business owners who are successfully innovate. Data collection instruments are semi-structured interview and observation. The research result indicates that innovation in creative industry has three main stages which are ideation, execution, and evaluation. Ideation consists of problems identification, brainstorming ideas, processing ideas, market forecasting, and business analysis. Innovation stages in creative industry can be different based on each company's condition. Besides that, stages of innovation can be done at the same time, and ideation stage is flexible and can be repeated if it is needed. If a company uses innovation process, it will increase its innovation success chance.

Keywords: Innovation process, Innovation, Creative Industries, Service Business, Event Organizer

Introduction

Fierce competition in business forces companies to create changes with new innovations in order to win. Ciputra states (2011: 74), innovation is an entrepreneurial instrument to develop and create innovative added value in every process business. Besides that, an innovation is an integrated system that can make customers to accept companies' products. Behind a successful and useful innovation, there is an innovation process (Eich, 2014), therefore, it is essential to understand innovation process to ease innovation execution. Innovation is not only ideas or creativities but it is also a development from idea, further perfection and implementation of idea to solve a problem. Thus, an innovation process is needed, and with innovation process will make common people to create things that are not only creative but also innovative.

The company which will be investigated in this research is Daily Project. This is a new company which is still striving for innovation to successfully develop its business. However, during the process, Daily Project's omzet didn't increase, even, it didn't earn any omzet. Fierce completion in the business causes Daily Project has difficulty in finding customers. Daily Project's problem as a new comer is that customers have already trusted other event organizers who have more experiences and loyal customers in the business. The aim of this research is to investigate innovation process which is applied by a company in creative industry to form suitable innovation process for Daily Project. The goal of this research also targeted to educate the company so that it can apply a right innovation process to win competition with its competitors.

Literature Review

Innovation is a changing process, applying something new and different but can add tangible value for customers. Innovation not only can be applied to a product but also to a service, message, and method to produce something (Eich, 2014). Every person is demanded to always innovate. This also applies to companies who also

request their employees to create something new and useful.

Innovation process consists of two main phases which are initiation phase and implementation phase. In first of these two phases, an idea or concept is adopted. This is the phase when a decision is made to apply an innovation. The initiation phase will have an idea as the end result. The next phase is implementation process or executing the idea phase. Innovation doesn't stop only at generating ideas. It also includes executing the ideas (Jong & Hartog, 2007). Innovation process according to Eich (2014) can be broken down as below:

1. Problems and chances identification
2. Question formation
3. Generating ideas
4. Idea analysis and synthesis
5. Concept development
6. Concept testing and nomination
7. Communicating ideas and follow up

According to Chandra and Hariyadi (2016) states that there are some stages in innovation process:

1. Brainstorming Ideas
2. Filtering Ideas
3. Testing Concepts
4. Business Analysis
5. Product Development
6. Market Testing
7. Commercialization
8. Control and Evaluation

Research Methods

This research uses qualitative methodology with descriptive approach. This is a participatory research which means researchers were involved in the company that becomes research object in order to fully comprehend the company's condition. The samples interviewed for this research are business owners of three companies who successfully innovate in creative industry.

Main data of this research are from interview result from the business owners and observation and data of the companies gathered from field. While secondary data supporting this research is from literature study, gathering books and researches that will be used as references in the study. Secondary data are collected through documenting existing innovations models which were applied to other companies on literatures. The data collection technique applied in this research is in depth interview which is supported by observation to complete interviewees' data. The researchers observed samples by examining any activity that was shared by them in their business social media. This research applies data source and method triangulation. The research also employs Miles and Huberman interactive data analysis model.

Result

Daily Project event organizer conducts innovation process by firstly doing ideation which consists of several activities from problem identification and chances that exist in surrounding generates ideas, processing ideas, later started to predict market to see whether market can accept its ideas. This company performs business analysis to determine target market, and if possible it will directly execute its innovation. After innovation is done, the company will evaluate it. Innovation process that will be applied by Daily Project is based on innovation process that is existed at interviewees' companies and the process is adjusted based on company's condition like below illustration:

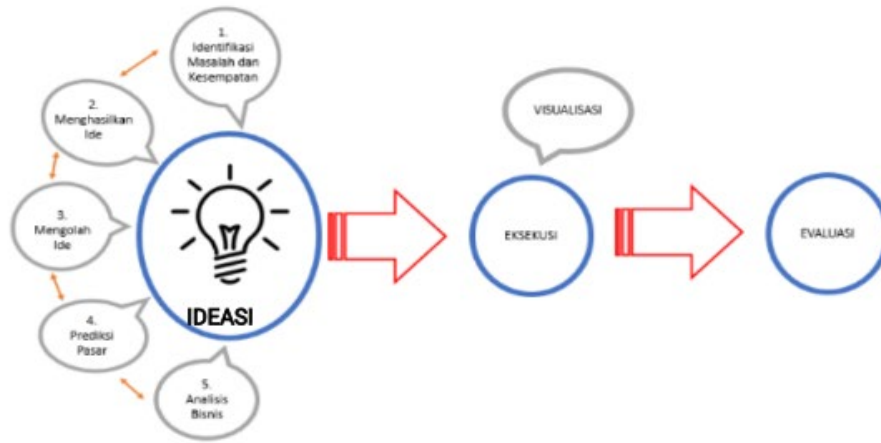


Figure 1.

Innovation Process conducted by Daily Project Event Organizer

Problems and Chances Identification

Problems and Chances Identification can be done by analyzing surrounding conditions, seeing what becomes customers' need, and understanding problems encountered by customers. If a company has a broad understanding it will ease the company to find problems and chances from surrounding. Besides that, hobbies, potentials, and backgrounds of the company can be a tool to seek what surrounding people's needs and problems. If a company can apprehend development on going trends and it will be its source of inspirations to see chances and conquer the market.

Generating Ideas

Process of generating ideas can be done at the same time while identifying problems and chances. Based on analysis done in this research, ideas can be obtained from market demands, observing ongoing trends on the market, like browsing internet for example. From internet, a company can get various ideas, noticing competitors' strategies, comprehending existing strategies on the market, and conducting evaluation result of prior innovations. As side from that generating ideas also can come from clients' requests.

Processing Ideas

Processing ideas can be done at the same time with generating ideas. This research result indicates that processing ideas can be done by discussing ideas in a team. By exchanging opinions with others and listening to suggestions, the ideas generated can be developed and executed. Also, in order to refine ideas to be an interesting innovation, a company can learn from competitors by giving added value to any prior existing innovation. It is also important to a company to adjust itself to its clients' request

Market Forecasting

A company can predict market by observing market. By that the company can predict whether market can accept its ideas or not. Market forecasting can be used as a medium to see past and project future. Market forecasting process can be executed at the same time with previous processes when brainstorming ideas, and it is also possible to come back to previous processes if it is needed.

Business Analysis

A company can do business analysis by conducting survey related to its product. The company will observe what have been done before to make sure that its innovation can have significant impact. Moreover, business analysis can be done with other ideation processes.

This stage is an important stage since a company will conduct planning regarding ideas that will be executed. By conducting business analysis, a company can consider if an idea can be implemented or not based on its condition. Business analysis also will allow a company to ease an idea execution to be in line with the determined ideas such as target market. A company conducts a business analysis by determining suitable target market with generated idea, determining sales target, and determining cost needed by conducting a price survey.

There are several stages in innovation process which are: problems and chances identification, generating ideas, processing ideas, market forecasting, and business analysis. All of the stages can be done at the same time or jump back to previous stage if it is needed.

The stages on innovation process are flexible based on a company's condition.

Flexibility in the innovation process is important because it is one of creative attribute that cannot be limited (Hadiyati, 2011). Therefore, as per the previous concept, if a company tries to conduct innovation process, it must be flexible in facing changes occurred in environment (Chandra and Hariyadi, 2016).

Visualization

Based on Picture 5.4, visualization is an element of execution. Visualization of a product or service which is result of innovation can be a form of promotion to attract and convince customers. Thus, visualization becomes an essential activity in execution. Product visualization can be done by creating product and service planning that will be executed so that it will make customers understand products better.

Execution

Execution is conducted after ideation stage is done. In execution stage, there is a visualization activity as part of this stage as Picture 5.4 indicated. If execution is done, there is still a chance to add ideas, but it will not be possible repeat ideation stage from beginning like shown by red arrow in Picture 5.4. In execution stage, a company will prepare anything related directly to execution such as communicating ideas and concepts that have been prepared to a team to be executed. What interviewees of this research done in execution are launched ideas and when their preparations are done and determine target market according to business analysis process.

Evaluation

Evaluation is a stage that is done after innovation executed. As per Picture 5.4 shown, evaluation can only be done on the last stage and a company cannot go back to the previous stage since execution is done as per red arrow indicated. A company should conduct evaluation to measure how significant impact that is earned by innovation result. Evaluation is conducted when innovation process is done; the evaluation will cover whole process from beginning which is problem identification process to idea execution. A company can evaluate ideation process by observing if there any obstacles and finding solutions of the obstacles to prevent them to re-occurred in the future. During evaluation on execution stage, a company will measure each individual by observing any problems or inefficiencies encountered during execution. After finding problems and inefficiencies, a company must find solutions to solve them to achieve more effective execution later on and it can be references for ideation process. Furthermore, evaluation can be through various ways and one of them is customers' feedbacks.

Without Market Testing

Market testing or direct survey to customers cannot be executed when a company is about to launch or execute innovation. To address this problem, a company can observe and predict if its ideas can be accepted by customers. Market testing cannot be done for several reasons and one of them is time limitation to execute innovation immediately.

Daily Project Company innovates without considering stages in innovation process. The company does innovation when it finds a problem or chance and directly find and idea to execute innovation. This company processes an idea to strengthen and make it interesting. However, it mostly done by considering consumers' side or on sided and never accommodates other ideas. Moreover, the company also does not execute business analysis stage in detail, but it is only done by estimation without in-depth analysis. While in visualization stage, Daily Project only gives an example to customers through documentation of prior events without explaining detail examples or pictures. Furthermore, in evaluation stage, the company only evaluates its execution stage not the whole process.

In the future, a company can innovate according to innovation process result from research. By conducting innovation process a company can increase its success chance in innovating because every stages in innovation process is targeted to minimized failure risk in execution stage. Application of innovation process is flexible based on a company's condition. A team discussion is needed to enrich innovation. Combination of several ideas into one concept is essential in order to produce a more interesting idea. Finally, evaluation is important to measure the whole process from the start until execution is done to seek which part can be improved.

Conclusion and Suggestion

Conclusion

There are several stages of innovation applied by Daily Project which are generating ideas, execution, and evaluation. Ideation stage is done by problems and chances identification, brainstorming ideas, processing ideas, predicting market, and analyzing business. Ideation stage is done by team discussion in order to generate ideas to be executed. While problem and chance identification can be performed by observing customers' needs, chances and surrounding problems. A company must be open minded, aware surrounding conditions, and interacting with surrounding people so that the company can see problems and chances to improve. A company must be able to generate an idea that is sourced from ongoing trends, survey result, information from internet and clients. If it can process ideas by developing them and creating added value, it can transform them into a total new idea. Market forecasting is executed by comprehending past results in order to forecast the future. A company must do market forecasting to determine market target based on generated idea, decided sales target and cost needed to conduct price survey to vendors.

Execution process begins with visualization which is by creating photos or videos that describe what will happen so that customers understand. Those photos and videos will be a company's interesting promotion materials to customers. Evaluation process will be done by measuring what are obstacles during generating ideas to execution stage, measuring every individual's performance and innovation result by seeking customers' opinions and its impacts to the company. Evaluation is also a useful solution to any obstacle faced during the innovation process to prevent it to re-occur in the future.

There is no obligation for a company to undergo innovation process based on order. The company can do some stages all at once or even repeat some stages if needed. Innovation process is interrelated stages that are meant to produce an innovation. Innovation process is a process that is required and always be done by every company in order to create innovations and win market. By conducting innovation process, a company can increase its chance to successfully innovate because in its stages are aimed to minimize failure risk that might occur.

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