

Post Graduate Diploma in Management, 2013-15

Business Innovation & Growth Strategy

Sub. Code: DM-402

Trimester – IV, END-TERM EXAMINATION: September 2014

Time: 2 Hrs 30 Min

Max Marks: 50

Roll No. -----

Instructions:

1. Students are required to write their Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.
2. Be brief and to the point. The answer to every 5 mark question should be of maximum 300 words, 10 mark question maximum 600 words and the case study analysis maximum 1000 words.

SECTION A (3X5=15 Marks)

Note: Attempt any three Questions

1. How will you use your understanding of 'Knowledge Exploration' and 'Knowledge Exploitation' in the context of a business organisation to make that organisation more innovative?
2. What do you understand by the term 'Transient Competitive Advantage' and why is it relevant for innovation? Please explain with suitable examples.
3. What is the concept of 'Dominant Logic'? Please explain with the help of a suitable example.
4. What are the four main kinds of Innovation outputs based on component knowledge and component configuration? Explain each with a suitable example.
5. What is 'Design Thinking'? Please illustrate the use of 'Design Thinking' with the help of an example.

TURN OVER

SECTION B. (2X10 = 20 MARKS)

Note: Attempt any two questions

1. Traditional thinking says that Innovation has been about new products or operating processes. Recent thinking indicates that Innovation can have multiple dimensions over and above these. Please comment.
2. How are Big-bang disruptions upending conventional wisdom? Please use examples.
3. As a leader, how will you go about creating a culture for Innovation in your organization?

TURN OVER

Case Study (15 marks)

Dhama Innovations: Blow Hot, Blow Cold

Dhama Innovations's healing braces and wraps are a hit in the US.

E. Kumar Sharma Business Today Edition: July 7, 2013

Kranthi Kiran Vistakula's early days at the Massachusetts Institute of Technology, Cambridge, US, were not comfortable. The intense winter cold bothered him no end. But Vistakula - universally referred to by his first name, Kranthi - a student of mechanical engineering and technology policy, soon found a solution - he invented a technology to provide both heating and cooling on demand. He patented it in the US, India and a few other countries, and later - back home in Hyderabad in end-2007 - he founded **Dhama Innovations**, which used his patented technology to develop braces and wraps that could turn both warm and cool as required. These have numerous applications in health-care as pain relievers. "The products can go from zero degrees Centigrade to 40 degrees in a matter of seconds," he says. "They are easy to use and have no moving part." Today, Dhama, begun in January 2008, named after his mother Dhamayanthi, has orders from the US to supply Rs 250 crore worth of Climaware products - as his creations are called - over the next five years.

His chief distributor in the US is the Florida-based Ed Marti, who has been in the medical devices business for over two decades. "My brother came across the product at a Las Vegas show where it won an award," he says. "I then contacted Kranthi. I ordered a knee brace to check out the product myself. I saw tremendous potential in this innovative technology." He was also delighted with Kranthi's willingness to adapt, based on customer feedback. "I was amazed to see how fast he and his team could make changes," Marti added. Dhama's extended range of products includes the highly popular carpal tunnel wrap - for painful wrists - and braces which, apart from heating and cooling also provide electrical muscle stimulation or electrical nerve stimulation. "There is no mess, no need for ice buckets, no need to stay plugged in to an electrical source or sit at one place," says Marti. "The patient can be mobile and self administer the therapy. The market potential is enormous."

Dhama Innovations' products employ the thermoelectric or Peltier effect - named after French physicist Jean Charles Athanese Peltier - which showed how the passage of electricity, under certain conditions, can produce both heating and cooling. Using batteries, they provide relief for knee, back, elbow and shoulder pain, for migraine and menstrual cramps. "Back in India, I

approached the government for funding under the Technopreneur Promotion Programme (TEPP)," says Kranthi. In two months, funding was cleared - Dhama Innovations has received around Rs 3 crore over the last five years under the TEPP. The company was incubated at the National Institute of Design, Ahmedabad. "That is where we hired our first employees," says Kranthi. But ironically, Dhama Innovations's products have yet to make an impact in the country of their origin. "For the first two years we focused on applications for the Indian military, but soon realised for a start-up, it was a difficult market to crack," he adds. Rebuffed he turned to the US market and struck gold.

However, Dhama Innovations has recently tied up with Woodland stores to sell its products, both at their stores and online. Prices of different products vary between Rs 3,000 and Rs 13,000.

Today, Dhama Innovations has outsourced all its manufacturing to contractors and focuses only on innovation. "We want to focus on what we are good at," says Kranthi. What is his ultimate aim? "We want to be like Google," he adds. Google? "Because Google also started by revolutionising one field, online search, but is now into everything. We have revolutionised heating and cooling in health-care and now we are looking at applications in other sectors such as the automobile industry. We have entered into a memorandum of understanding with a leading automaker," he adds.

Questions

1. What kind of innovations are these? (7 marks)
2. As Kranthi – the entrepreneur – what will be your business strategy to develop the Indian market? (8 marks)