

The Encounter of Project Control and Innovation in a New Business Model - or, Book-Save-Sleep Wisely

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Nowadays, the really competitive enterprises go beyond the opportunities offered by the market - depending on their size, they become multi- or transnational and expand the competition to the whole world market, or perhaps even create new markets. This latter process was realized when two German businessmen implemented their idea deploying a new and innovative strategy: the start-up business called Dream Cheaper. One might think that corporate success depends mainly on innovation, but our study highlights that innovation is only a tool to achieve success, as without a proper project and controlling aids, the innovative idea will not develop further and it will remain only an idea. We examined whether the objectives of business leaders have been achieved or not; whether they are able to maintain their market advantage generated from a unique idea, or not and whether the company will be able to develop - by using the proper controlling aids - and achieve multinational or transnational level, or not.

Abstract – Companies consist of structures and the centre of all structure function. The functional approach prefers the system of divisions and their cooperation. The functional control system controls the company functions. The different control systems want to achieve continuous development, protection, competitive edge, conformance and value. In the past couple of years the emphasis from the method of the control put onto its for the companies. The expected results show us the functional control systems and the factors which influence them. This way we can define the factors to be eliminated and the factors which have a positive affect so that the controlled functions of the company can work successfully.

Keywords – Dream Cheaper, Functional Controlling, Disruptive Innovation, Strategy, Transnationality.

I. INTRODUCTION

It is a natural process in the economy that everything changes and renews. The market calls for innovative ideas and impulses. But new ideas are born in vain if this is not accompanied by a system, as that way the idea will not be able to be realized. In our opinion, sustainable success is the combined result of innovative ideas, the project built on them and the controlling system encompassing and systemizing all of these.

1.1 An innovative approach to project-controlling

There are a number of schemes available to us for the determination of the project, but we believe that by the concept of the project we mean the implementation of a one-time, financially and personally determined task, in order to achieve a clearly defined goal. We think that the

operation of projects can be characterized by four boundary conditions, four components:

- The time limit
- Quality (range)
- The relevance of management information for project implementation
- Resource constraints (financial and human factors)¹

In some respect, the objectives of projects are the same as the corporate goals, i.e. the long-term survival, the preservation of competitive advantage and position in the market and the maximization of profits. For all of these, the system-wide and future-oriented way of thinking of the management is essential, which can lead to success only in conjunction with the existence of the right R&D&I².

Project controlling provides support to its implementation, by contributing to the achievement of short- and long-term goals of businesses in such a way that it carries out organizational tasks, analyses, controls, furthermore, in addition to the decision-making function, it participates also in the developments of certain plans. These goals include profitable management, maintenance of liquidity, improvement of competitiveness and an efficient use of the available resources, not to mention the continuous product innovation in the life of the corporation. In addition to this, one should provide those information to the managers which are essential for bringing decisions. They expect current, up-to-date information and data on the ongoing projects and the whole corporation.

However, project controlling needs to provide answer also to the issues related to the compliance with the deadlines of projects, it has to provide information and data to accounting on the expected costs and the outstanding invoices, furthermore, the expected costs of R&D&I management. Its further objectives include the settlement of accounts with the client, the review of the project's practical results and production management. During its development, controlling has had ever-expanding responsibilities, thus it has contributed also to the implementation of larger-scale decisions. While project management is an integrated management control system covering the project as a whole and supporting effectiveness, fulfilling management preparation, organisation and implementation tasks, the task of project controlling - operated as one of the subsystems of the above - is to organize project work, to perform the difference analysis between the plans and facts and to

¹Tomka - Vermes (1998)

²R&D&I: Research, Development and Innovation

provide information, thus it can be said that project controlling fulfils also some kind of supporting function.

Project Management	Operative	Operative goals, Schedule conditions, Capacity needs	Strategic Project Controlling Multi Project Controlling Individual Project Controlling	Innovation, Globalization, Disruptive innovation	Operative	Controlling in the light of R&D&I
		Planning, Environmental variables, Resources		Product and service Innovation, Blue Ocean, Resource needs		
	Controlling					

Fig.1. The project structure³, Own edition

In the life of modern enterprises, it is inevitably necessary to operate projects and to apply a project-oriented way of thinking. The controlling of continuous activities constitutes a part of other organisational, process and management theories and the related practices than project controlling. Although the projects are related to the continuous activity many times and in many points, it is still necessary to distinguish between their two types.

A controlling system with traditional structure has the following functions (the controlling system can be supplemented by functions relevant to the corporate activity): accounting-related controlling, financial controlling, R&D controlling, purchasing controlling, production controlling, human resources controlling, furthermore, marketing controlling. The various functions provide different types of information to the controllers and the management, but this information is largely relying on the past. In contrast, project controlling is capable of examining projects in their entirety, showing a true and authentic result to the management and thereby providing the most accurate information possible to the company.

II. THE RELATIONSHIP BETWEEN INNOVATION AND R & D CONTROLLING

As a result of globalisation, in the 21st century, both the society and the markets have become information-oriented, therefore knowledge has become one of the determining elements of corporate competitiveness and also a factor influencing economic development. “In the information society, innovation activity does not characterize a distinct sphere of the world but it is a result of a kind of natural attitude and pressure to adapt⁴. “Therefore it is very important to ensure that innovation and/or the information can serve corporate interests as soon as possible, as the rapid introduction of innovations, new technologies and the technical novelties means competitive advantage.” As “innovation is more and more

regarded as one of the most important sources of competitive advantage of modern economies⁵.” The information that constitutes the basis of knowledge - furthermore, its acquisition and application in an efficient way determines the development opportunities of both the corporations and the specific regions, respectively, their competitiveness, as well. Corporate success will be based on the selection of the right technology, its development, respectively, an efficient combined application of the processes. In this case, the most emphatic task of controlling is related to the achievement of successful innovation performance.

When controlling the innovation activities, one should assess their impact on the quality of products and services (yes/no) and on their quantity (amount/expenditure), too. The information related to the expenditures can be very useful because it measures innovative intensity (the innovation expenditure in proportion to income). Consequently, it is very difficult to answer control questions on innovation expenditures, as the companies do not keep records on the financial data of a number of their activities. In view of this, several innovation surveys have limited their questions to certain specified expenditures, which are related to other companies (on a benchmark basis) and which provide financial data: intra- and extramural R&D, acquisition of machinery, equipment, facilities, capital goods and external knowledge. In case of marketing innovation, the controlling factors related to the purposes and impacts of innovation are the following ones:

- Competition, demand and markets
 - Maintaining or increasing market share
 - Entry into new markets
 - Increasing of the visibility or publicity of products
- Workplace organisation
 - Strengthening of the skill of adaptability to the different needs of customers
 - Development of closer relationships with customers
- Percentage estimates on the increase in the turnover of goods and services due to the significant improvement in their design or packaging, or
- The proportion estimation of turnover increase attributable to the introduction of new marketing methods.

2.1. The role of innovation management

For the executives, the development of further innovation strategies in the management control and the implementation of ensuring useful data means a new challenge in control. Accounting deals primarily with the events of the past, thanks to which it can say only very little about the future, even though the value of a company does not rely primarily in its property or assets but its strategy and the intellectual resources supporting it, furthermore, in its innovative character and efficiency. It is important to highlight that it is not the task of the controlling system and the controllers to replace the innovation capabilities or ideas of the engineers or developers. Rather, starting from the process, they clearly

³On the basis of: Rudolf Fiedler, Controlling von Projekten, 2008

⁴Borsi, 2004

⁵Hallbrook-Wolfie, 2002

define the boundaries of the controlling system and in order to reach well-founded decisions, they guide the management and the managerial decisions towards objectivity.

Innovation management can be best determined as the function that supports the completely new or innovative products, services or technologies and which forwards them to the state of market maturity, i.e. starting from the innovative idea, it continues with the designing process of the product or service and ends with the launch to the market.

According to Brauchle and Sauter, authors⁶ at these processes, innovation controlling must prioritize the management of two different aspects. On one hand, it has to support the decision-making in strategic issues, i.e. which are the ideas that serve the corporate interests and objectives the most, and which - above all - fit into the corporate strategy. To this end, it is recommended to apply indicators that make the innovation management transparent from the aspect of efficiency, the results achieved and the time factor. On the other hand, the aim is to create such a unique and portfolio-level project controlling that ensures transparency in respect of costs, time and quality, respectively, that properly handles the proportion of an optimal allocation of resources and assets.

2.2. R & D & I in Corporate Life

Given the above, it is clear that there is no competitive company without research, development or innovation. The already known market space and its various segments are globalized and hence saturated. Starting from the beginning of the 2000's, in the life of companies, more and more attention has been paid to ensuring that in the financial, marketing, etc. plans, the product/service-related innovation and the expansion of R&D&I can have a special place.

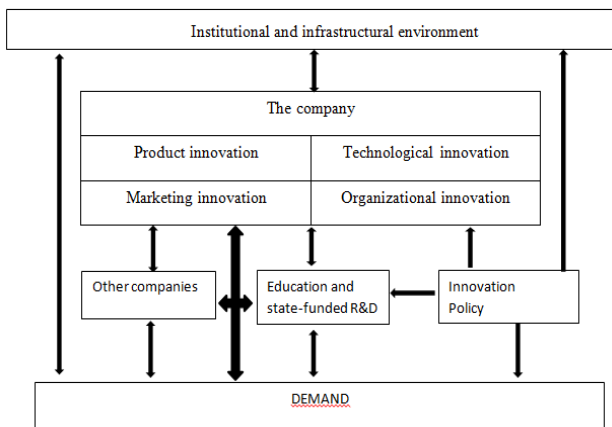


Fig.2. The main elements of the innovation system⁷ (On the basis of Pakucs-Papanek, 2006)

On the basis of Charles H. Pence⁸, I can see the implementation of the triple of research, development and innovation in practice as follows:

1. Research and Development
2. Design and testing
3. Production/service
4. Integration into the life of the company and the consumer market

In many cases, research and development is the result of brainstorming that has become popular by now, or it is the revised form of existing goods or services, so that the consumer market and the corporation can equally benefit from it. However, an essential element of these developments is the coordinated work of the CFO, the manager and the controller⁹ as this leadership triad gives the successful combination of the corporate plans, the workforce (loyalty, motivation and social capital) that can make the corporation successful in the market competition and also the step of research and development. Nowadays, competitive advantage is meant by developed innovation, respectively, its application at corporate level. The innovation capacity of corporations is not provided mainly by quantifiable factors any more but those intangible elements from which the corporation can gain a great competitive advantage. These factors are, for example: the social capital, trust, knowledge, loyalty (to mention only the most important ones) - which constitute an increasing share of corporate values. Still, they do not become quantifiable, demonstrable data.¹⁰

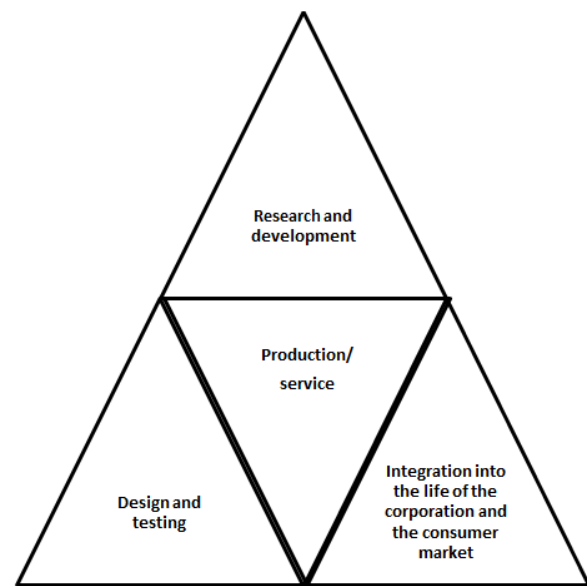


Fig.3. R&D&I in practice, Own edition

The design of the new or the revised product and its impact on the customers is the first feedback whether our development was successful, or not. The start-up company, selected the case illustration of the study had been starting the response of the consumers and the market for a period of six months starting from the implementation of the idea, before the decision of its owners to give a major capital injection to the company.

⁶ A. Brauchle – R. Sauter: On the basis of Menschen, Zahlen, Sensationen, 2011/11

⁷ On the basis of Pakucs-Papanek, 2006

⁸ www.charlespence.net_ downloaded on: 011.11.2015

⁹ Z. Zéman: Z. Zéman (2002): The integrity of controlling systems in the controlling system of businesses, Practical guide

¹⁰ On the basis of Lukovics, 2005

In this development phase, if the innovation of the product or service does not present the desired results, by registering the responses of consumers and the market, we still have an opportunity to modify the product, the design or to perform other adjustments. But, if our efforts turn out to be successful and also the behaviour of customers confirms this effectiveness, we will move to the next step in the R&D&I process, meaning that we will get to the manufacturing or production of the product or service offered by the company. Depending on the scope of activities, this process entails the restructuring within the corporation which is essential at the occasion of such developments. On one hand, the redimensioning of costs, the reconsideration of marketing and logistics functions and, if necessary, the establishment of new production lines and quality assurance systems is indispensable, furthermore, the HR functions also come to the fore.

In the settlement of accounts, a controlling point of paramount importance within the direct costs of R&D activities - in a different proportion depending on the character of the activity - is the accounting of human resources-related costs, the services rendered by external experts and other services used, the value of the materials used, the depreciation of the tangible assets used for the activities, etc., furthermore, the costs subsequently shared between the specific topics.

By applying a regular control of cost accounting, thereby ensuring its proper establishment and with the space to manoeuvre provided by the regulation, it is possible to create a cost center-cost-bearer structure that fits better to the information needs. The separation of costs in this way can provide considerable support to a potential activation realized within the framework of accounting regulation (by separating the direct and indirect costs), to the separation of activities performed for own purposes or upon order, to the acquisition of funding sources (aids), to the enforcement of taxation benefits provided by the regulatory system, and, last but not least, to the introduction of research and development.

If these elements are well-structured, the company will be ready to provide something completely new: a unique product or service to its customers and to impress the market.

2.3. The disruptive innovation - or a market space without competition

Previously, the theory of market space without competition has already been published, but it has started to gain ground for itself only nowadays when the industry branches start to become more and more saturated. This model of innovation is very simple - it says that the market universe consists of two types of oceans: the red and the blue ocean. The red oceans represent all the currently existing industry branches - it is considered as the known market space. The so called “blue oceans” represent the still non-existent industry branches, which is taken as the unknown market space. In the red oceans, the specific industry branches are precisely delimited, the boundaries of industry branches are cleared; furthermore, the players of competition are familiar with the terms and conditions dictated by the market. In the known market space, the

corporations try to outmanoeuvre the rival firms by attracting the greatest possible part of the existing demand from the other players. As the market becomes more and more saturated, the outlook for profit and growth decreases to a proportionate extent and the developments and innovation becomes narrowed, as well.

The blue oceans are those still untouched markets which can be characterized by demand creation and profitable growth opportunities. The majority of these unknown market spaces develops from the red oceans by extending the frontiers of the existing industry branches. In the blue oceans, competition does not have a major role, as the conditions of market competition are not determined or laid down. Of course, it should always be kept in mind that the red oceans will always be of great importance and be the determining factors of business life.

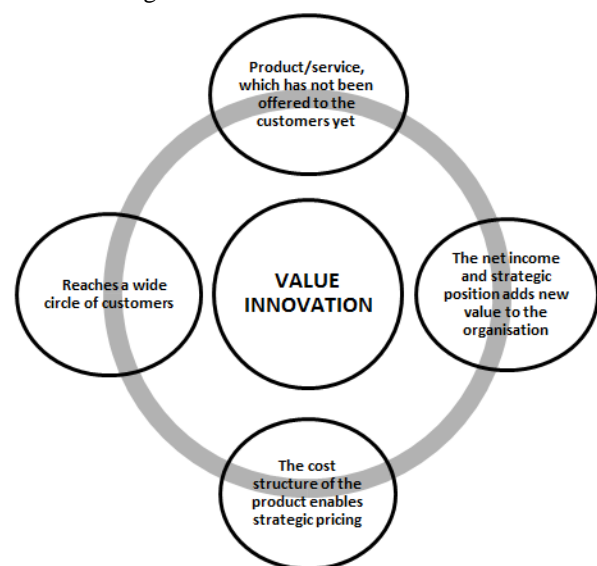


Fig.4. The consequences of developing blue oceans¹¹

Analyzing the various industry branches, we can see that in terms of their main product and service category, the market participants are increasingly becoming similar to each other, which results in the consumer behaviour that the primary base of selection is not the brand’s uniqueness or the brand loyalty but the prices have the dominant role due to the similarities.

Many companies do not attach much importance to the fact that the conditions of an industry branch and the boundaries of the various industry branches are not standard but they are formed and shaped by the market participants themselves. It should be noted that these requirements should be incorporated into the methodological application of strategic controlling. According to the authors Chan Kim and Mauborgne¹², these strategic steps are the same with a group of steps and decisions of company leaders which are made during a major market-creating business sacrifice.

All these mean that without this strategy, the corporations do not make else than trying to defend themselves within the already evolved industry branch

¹¹On the basis of Albert Kondor, 2015

¹²Source: Chan Kim-Mauborgne: The Blue Ocean Strategy, 2008

order, to preserve their place gained in the market and to compete with other players regarded as their rivals. On the other hand, those companies who open towards the blue ocean, do not carry out benchmarking activities as to what other companies do. Instead of this, the so called value innovation is applied. In this regard, the value-innovation is one of the cornerstones of the blue oceans, as instead of focusing on the other players of the market competition, it places the termination of competition into the center, so that in terms of value, they can create an excessive development both for the customers and their corporation, thereby creating a new market space in which there is no competition.

Table 1: Comparison of the red and blue ocean strategy¹³

The Red Ocean Strategy	The Blue Ocean Strategy
It competes in the existing market space.	It creates a competition-free market space.
It beats the competition.	It makes the competition irrelevant.
It exploits the existing demand.	It creates and conquers the new demand.
It concludes a compromise between value and costs.	It breaks out of the value-cost compromise.
The company coordinates the whole system of its activities by strategically selecting differentiation or the low-cost strategy.	The company coordinates the whole system of its activities by simultaneously pursuing differentiation and striving for low-cost operation.

Source: Chan Kim-Mauborgne, 2008

If we observe the table carefully, we can see that the blue ocean moves toward such a (complex) business model where the company generates profit from the blue ocean generated by itself. It does it in a way that it determines a proper combination of the governing strategy, usefulness, price, costs and acceptance for the corporation.

III. CASE ILLUSTRATION

DreamCheaper - When an innovative idea creates a separate market

DreamCheaper, founded in 2014 originated from the idea of its owners according to which the continuous travels - whether private or business-related - imply the less pleasant task to search for accommodation in the given city, with the parameters that are ideal for us. This means a long search between the offers, for an accommodation with appropriate facilities and affordable prices.

3.1. The innovative idea in practice

There are numerous web portals and travel agencies that help the customers in finding accommodation according to the parameters set by them, however, unfortunately, they do not always have the best prices. From DreamCheaper's part, innovation laid in this simple step. Why should not we provide the service - required by the customer - at a more favourable price to him?

One of the major shareholders of DreamCheaper who is also the owner of the idea at the same time, has built on and invested in this idea. Thus, nowadays the core business of the company is the search for the ideal accommodation based on the parameters determined by us, while continuously monitoring the price of hotel rooms (taking into consideration all the online and hotel web surfaces), and if it finds a service of the same quality at a more favourable price, it turns down the more expensive one and reserves the more affordable one. This is done by continuously informing us about the modified reservations. Thus our only task is to send our reservation to DreamCheaper and before our trip, to check our electronic mailbox and use our reservation obtained in a new, convenient and time- and cost-saving way.

3.2. The Unknown Market Space

The owners have found a new, so far undiscovered segment that has not been covered by the market yet. They built their strategy on the blue ocean of opportunities, the unknown market space. Before the first major investment, they had given a half-year test period to the company and the idea itself. The initial success has proved to be continuous, thus in June 2014 the company started a more comprehensive marketing and media campaign and it has brought the international attention and fame to them that is still unbroken.

DreamCheaper keeps continuously evolving and instead of being concerned about its market position, it works on the extension of its service and the improvement of its quality and efficiency. According to the leader of the company, every customer is a "first-time" customer, but their satisfaction generates that they will become "repetitive" customers who will use later on the services offered by the company also for their private, respectively, business trips. The businessman pointed out that although - for the time being - they cover only a small part of the segment, the development phase they need to fulfil is still long and as DreamCheaper is a start-up company, they still have much to learn. Mainly about themselves, the market needs, customs and changes and all these need to be coordinated with the service representing a high quality level, where - in terms of the functional structure of the company - the IT system and the time factor mean the most important measurement unit.

On the basis of the research carried out - in agreement with the opinion of the CEO - the following aspects should be put into the process:

- In respect of financial aspects, the CAC14 and LTV15 metrics give the basis of operating processes, corporate clients and innovation units, as it will be decided here, whether it is worth to invest - and if yes, to what extent - or not, respectively, what is the price we are willing to pay to gain (new) customers.
- In case of DreamCheaper, from among the operational processes, the technical (IT) and technological background is the most important, as its proper operation, development and the operation of the system gives the driver of the company's existence.

¹³ Source: Chan Kim-Mauborgne: The Blue Ocean Strategy, 2008

¹⁴ CAC = Customer Acquisition Cost

¹⁵ LTV = Lifetime Value

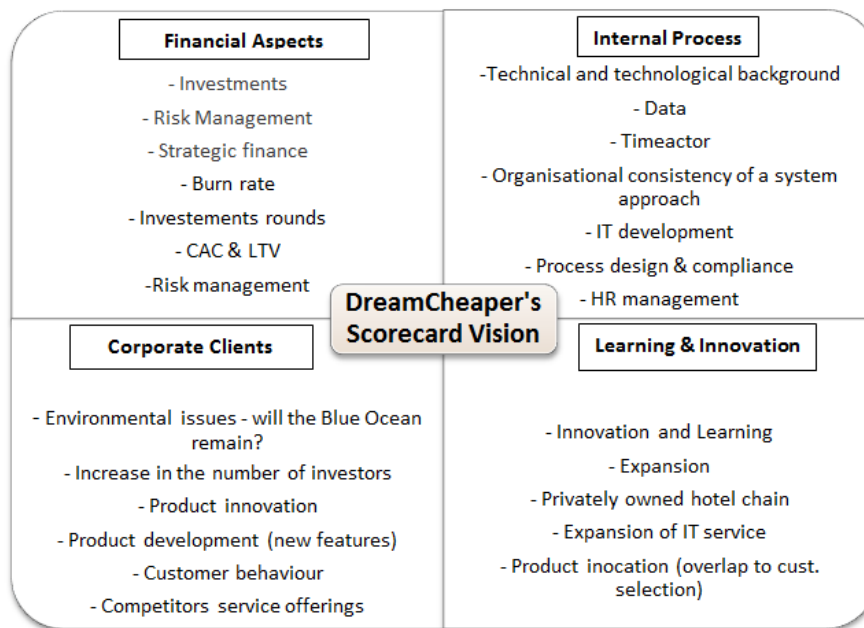


Fig.5. The BSC model of Dream Cheaper; Own edition

- For the measurement of (corporate) customers and their satisfaction level, the company uses the USP (Unique Selling Proposition)¹⁶ indicator. As USP is the unique selling proposition, i.e. it shows the difference between the service offered by them and the one offered by the competitors and what makes it really unique in the eyes of their customers. Therefore, from the aspects of the CEO, I find it very important to mention the recurring motif of product (or service, in our case) innovation, which demonstrates that the company structure has been created based on the innovative idea and it plays an important role also in the current, daily processes and...

- It is treated by the leaders with special attention also in the process of learning and innovation. The founder of the corporation believes that in order to ensure success and renewal, the previous business models need to be rethought and exceeded, and for the market, such products or services need to be created that are unusual of their kind - and in addition to these, one should continuously strive for the renewal of the service and to maintain and raise its quality level.

In our opinion, the long-term perspective of the product and the service - in agreement with J. C. Usunier¹⁷ is that "...the success of the brand is not time limited", but it must constantly renew and adapt to the market and customer needs.

Our case study showed that the management of DreamCheaper - by applying an innovative idea, due diligence and timely market entry - has managed to gain such a competitive advantage and leading market position which can be caught up by the competitors only by making considerable efforts. It means that the market immediately responded to the innovation, the competitors appeared, i.e. the unknown market space created by the

start-up is already beginning to saturate and the "blue ocean" is starting to disappear.

Even if it will not be that significant, but in the future, DreamCheaper will have to pay attention to its competitors, as the competition has started and the market needs are changing rapidly. The extension of the existing services and a better coordination of time and IT factors will not be enough for being the market leader any more. In case of DreamCheaper, there are two companies that should be noted as remarkable competitors. The German-owned TripRebel and the US-based Tingo.

Although their quality policy is clear, the above-mentioned two competitor companies still do not use the same strategy that gives the charm of DreamCheaper - they have not extended search interfaces but they control them from certain aspects. (e.g. they offer only hotels rated by a given travel portal and the best price is searched only here). But if we really want the best priced accommodation, we have to look around in all possible platforms, by which we can really get the ideal offer for ourselves - this is what DreamCheaper can offer. From the aspect of consumers, it can offer the perfect choice where the time saved and the extent of the accommodation costs are proportional for the customer in a favourable way.

Let's examine, why is this business model successful? What makes the innovative idea unique and profitable? Of course, to a large extent, it can be owed also to the commitment and hard work of the owners, furthermore, their professional experience of several years. Another success factor is that the period ranging from the thought to its implementation can be accompanied by a priority chain applied also by the authors Brauchle and Sauter. The most optimal implementation of efficiency, acceptance and performance can be created by the combination of the following factors:

- Provision of flexibility and adaptability during the whole duration of the project

¹⁶USP = Unique Selling Proposition

¹⁷ J.-C. Usunier: Marketing across culture (Prentice Hall) GB, 1996

- Direct adaptation of performance measurement to the innovation process
- The maturity levels of innovation determine the controlling instruments applied, as the quantitative and value data can continuously be in the focus of measurements.
- The controlling supports the consistency of innovation concepts with the corporate strategy
- In the innovation management, the task of controlling is to assign qualitative and quantitative factors to the developments, furthermore, their measurement
- One of the key features of the control of innovation management and innovation processes is the uncertainty and operational risk.

The management of DreamCheaper perceived well the fundamental aspect that their innovative idea needs to be in accordance with the corporate strategy and it is also important to monitor the feedback from strategy formation and portfolio management. They have managed to successfully avoid the almost general error that often occurs in case of R&D and innovation management, that the ideas (no matter how unique or innovative in nature) are examined and considered exclusively from technological aspect. As it can be seen from the case study, in order to achieve market success, the corporation has fulfilled the needs and criteria raised by the market and it has managed to prove that the unique business model behind the idea is right, it responds to the market and customer needs and it is successful.

IV. SUMMARY

Innovations can be regarded as inventions which - in combination with the appropriate business model - have established themselves in the market. One of the most important tasks of innovation controlling is to support the enforcement of economic aspects within the corporation. As a result, the role of controlling and controllers comes to the fore - as in order to create successful accordance, the standards, numbers, data, strategic objectives of the company, and the ideas of developers and innovative thinkers must be coordinated. In our case study, we can say that “the father of DreamCheaper” has found the process named by Lindén as ¹⁸“planned randomness”¹⁹. In fact, the innovative idea of the German businessman was real work, just like the 90% of innovations that can be regarded as work. The right amount of work, professional background and experience provided a good basis to know which are the parts of a successful business model and suddenly, these details came together in a system. This is how the idea, the successful business model and the opportunity - to develop the start-up company into a giant company - was born.

However, before considering innovation as some kind of a panacea, let us call your attention to the finding of one of

the world’s most recognized designers: “The new things come together by chance only for those who go with open eyes and are able to draw the right conclusions. - Things happening by chance choose the prepared mind”²⁰ The creator of DreamCheaper was very well prepared and analyzed the trend that characterized his travels. He observed and was confronted with the problem occurring during his everyday business travels (in our case, the burdensome, expensive and time-consuming character of booking of accommodation related to the business trip), to which he tried to find an answer or at least think through a technical detail of the process.

In the innovative planning, the first step was the examination of the exact scope of problems to be optimized and improved and the goal, how the process could be made easier and more comfortable by using the innovation and ideas. Or, if they are not realized, at least the reservation of accommodation should be more cost-efficient.

The CEO pointed out that despite its success, DreamCheaper can still be classified as a start-up company and it still has a lot to learn about the market, the undiscovered market space, therefore the development of products or services cannot be handled based on predetermined formulas, schemes or prefabricated schedules. The participants of the corporation know that only learning and flexibility will make developments successful, together with the expectations against ourselves, that is: if one works hard, he can expect to create something new and unprecedented that is not possessed by neither the market, nor the competitors. However, this uniqueness must be combined with a timely maturation and testing phase, as the longer this period is, the more precise and better will the service - offered by us - be.

According to the leader, during the project work and innovation, there is a particularly great need for those human factors which, although, are not quantifiable in the preparation of reports, still, from the aspect of control, they are one of the most essential factors of processes, and these are the encouraging presence and sometimes critical approach of colleagues. The value of this factor that can be realized for the company is reflected in the fact that both the leaders and the product developers receive feedback on their work, as if you are the sole participant in the development process and get lost in the work, there is a risk of looking at the success of the project, the idea or the innovation in an over-confident way.

Based on the above introduced model, it can be said that the capacity to innovate and renew has become a fundamental necessity in our current informational society, as the information that can be globally obtained by everyone, and in the age of the fastest (and most efficient!) possible communication and money flow, the competition space has become globally available for everyone, too (be it about the already known or not-yet-known market space). We can also conclude that informatics permeates

¹⁸OlaviLindén - The chief designer of the Fiskars Corporation

²⁰OlaviLindén -
www.fiskars.com/content/garden_hu_hu/Garden/aboutFiskars/RandD
 (Innosutra case illustration - downloaded on: 05.11.2015)

and encompasses innovation, be it about operative or strategic issues.

Economy has one of the social spheres that have become the most globalized, thus together with innovation, this compulsion to renew is ranked into and applied mostly in economic science. Nowadays, particularly great emphasis is put on the competitiveness of companies, which can be achieved only with the capability of real and profitable innovation. One of the most motivating and most spectacular part of market results is when the completely new product or service is successful among the consumers and if the corporation is able to serve large masses of consumers. For a long time, it was thought by the corporations and the developers that in its primary sense, innovation is a strategy leading to the completely new product (or service), or the wholly new restructuring or re-thinking of the manufacturing or production process. Holczer²¹ (2007) believes that the corporate experts and analysts have recognized that companies generally deal with the cost-efficient solution of their own everyday worries. “During this, a number of minor changes are made to their organisational, logistics and production processes and their product-transformation and marketing activities which themselves do not necessarily require significant research and development work or creativity, but in the marketing competition, together they still have an extraordinary effect.”

The innovation and research and development, i.e., the “production” of new and productive ideas itself can result in meaningful, sellable goods and services and it serves potentially new raw material for the various corporations and researchers, created by the knowledge and innovative ideas and technologies. We cannot ignore the fact either that the innovations result in such positive economic processes which have a positive impact also on the evolution of GDP.

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