



World Conference on Technology, Innovation and Entrepreneurship

Innovation Management System of Ecuador

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Abstract

This paper shows and describes the dawn of the innovation management national system in Ecuador and presents the public policies and financial movements made for improve such system. Furthermore, it exhibits a proposal model for the relation and interaction between the participant institutions from de private and public sector in order to follow a triple helix model.

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1. Introduction

Nowadays, the knowledge society that is being built demands studies and analysis about the dimension and the effect of investments in the companies' innovation management, this may give them a systematic visualization about their influence in the countries and communities development.

The innovation theory links together the impact from the technological changes and it's interrelation with governmental and business policies. In the early twentieth century, *Joseph Schumpeter* suggested that economic development is motivated because of innovation that is obtained by a dynamic process whereby new technologies

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replace older, in what he called "creative destruction" (Ayestaran, 2011). This author recommended a list with five types of innovation:

- i. Introduction of new products.
- ii. Introduction of new production methods.
- iii. Opening of new markets.
- iv. Development of new sources of supply of raw materials.
- v. Creation of new market structures in an industry.

On having introduced a new product a company places in a profitable position opposite to his competitors because it initiates his curve of learning, development and expansion, before the other actors of the market (Blumentritt & Danis, 2004).

Firms that innovate in the process obtains an increase of the productivity and the company benefits from an advantage in the structure of costs on his competitors and, therefore; an increase in margin of usefulness opposite to the price of market.

On having differentiated his products, the companies open new markets, acceding to new segments and niches with a disaggregated demand. Transforming his organizational structure and adapting to new markets, it manages to increase the benefits or to reduce his costs (Zhou, Yim, & Tse, 2005).

The improvement of the capacities of the methods of production generates the possibility of the emergence of new products, as well as to appropriate again knowledge and technologies that will be able to be in use in new innovations.

The technological environment possesses a double mission: to provide technology to the productive sectors, especially to the SME's (Small and Medium size Enterprises) and to the service companies; and, to facilitate the adoption of the knowledge produced in the scientific environment to the solution of the needs of the industrial sector (Berumen, 2011). Finally, the political and social environment, will allow the generation of systems of incentive for the innovation. In the case of Ecuador, the last public policies tries to make this system available for the whole country in order to achieve a triple helix model (Petrelli & Berumen, 2009).

2. Literature Review And Hypotheses

Abernathy and Utterback (1978) were the first ones in arguing that in order that another sector will be created inside the industry it was necessary to innovate, but for this to be it was also necessary to develop the processes of production. The right system of innovation was looked to obtain better results, influenced by investigations of the scientific institutes or universities, which are financed by government ministries.

The National Innovation Systems (NIS) bear in mind economic factors but they do not leave aside the social, institutional, organizational and political factors. The systems must have a very stable structure to continue working and always giving the principal role to the institutions. One of the principal tools to stimulate the development is the investment in research and development from the government. Porter affirms it establishing,

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