

# CHAPTER 16

## Strategic Innovation and Technology Management

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### LEARNING OBJECTIVES

- *To explain strategic elements of innovation and technology management.*
- *To describe functional and servicing platforms for innovation.*
- *To discuss various modes of entry for capturing value on technology.*
- *To study how to sequence innovation and technology strategy, by time and over space.*
- *To appreciate why firms compete for technology standards.*
- *To understand experiential embedding of intellectual properties.*
- *To learn about entrepreneurial leadership and internal corporate venturing.*

### INTRODUCTION

In early 1970s, Rasna pioneered the Indian non-carbonated soft drink concentrate market, using a do-it-yourself model (to drink it, you had to mix the concentrate with sugar and water). At 50 paise (1 cent) a glass, Rasna was extremely affordable for the middle-class households. It was sold in small and easily portable packs, facilitating easy inroads into the small towns and cities, yielding an edge over the ready-made squashes and syrups that came in fragile glass bottles with a high-end positioning. Rasna gained a 95% share of the Indian non-carbonated soft drink concentrate market. Over the decade of 1990s, Rasna's growth stalled, as the competitors offered fruit drinks in tetrapacks, whose market tripled to Rs. 6 billion (\$ 1.2 billion) by 2000. Rasna's attempt to launch an aerated fruit drink Oranjolt failed, because of its short shelf life and the need for keeping it refrigerated 24 hours—most retailers in India switch off their refrigerators at night to save electric costs (Pande, 2002).