Chapter IX
Relating IT to Service Innovation

ABSTRACT

We explore how different types of opportunities for Interaction improvement - innovation, effectiveness, and resilience can be identified. We use the evolution in new media to illustrate:

- How can we systematically explore the opportunities?
- What are examples of innovation applied to new media?
- What is the larger role for IT in enabling new models for the business?

Our goal here is to explore how an understanding of Interactions also helps identify opportunities for innovation and resilience. Previously we have already covered examples of IT use in Interaction effectiveness though Lean and Knowledge Management. Our focus here is on identifying opportunities through a systematic understanding of Innovation.

First we present some recent definitions and background (Larson & Brahmakulam 2001) related to innovation:

Innovation is a locally-driven process that succeeds where organizational conditions foster the transformation of knowledge into products, processes, systems, and services. The local part of this is very important . . . it’s only when local expertise,
and knowledge of local needs, local conditions, and local resources, can be brought to the picture, that innovation will truly happen.

The first link in the innovation chain involves transforming what may be predominantly theoretical knowledge into a practical application, whether in terms of a product or a process. The tangible outputs include both a technology that can be transferred to industry and the knowledge capital (know-how) embodied in scien-