

Testbank questions

Chapter 02 Innovation as a Core Business Process

Correct answers are indicated with a *

1. Which of the following would NOT qualify as a discontinuous innovation?
A) Voice over Internet protocol (VOIP) telephony
B) Gene therapies for cancer treatment
*C) Flat bed sleeping in business class airline cabins
D) The Internet
2. Which of the following is the discontinuous innovation?
A) Moving from four to six cylinder car engines
B) Moving from CD to DVD music and entertainment systems
*C) Moving from small shops to self-service supermarkets
D) Moving from sugar to artificial sweeteners in food products
3. The fluid phase of innovation is a common term used to describe catalytic cracking in the oil industry.
True
*False
4. Discontinuous shifts in technology always favor newcomer firms and established firms inevitably fail to take advantage of them.
True
*False
5. A dominant design is one imposed by the largest firm in a sector on the rest of that industry.
True
*False
6. Which of these innovations would not qualify as a dominant design?
A) The two-wheeled diamond frame bicycle
B) Direct online insurance via the Internet
C) The petrol driven internal combustion engine
*D) The 5 string bass guitar
7. Within the transitional phase in Abernathy and Utterback's model, the predominant type of innovation is in major process innovations required by rising volume.
*True
False
8. The "fluid" pattern in Abernathy and Utterback's model is characterised by incremental product and process innovation.

True
*False

9. The growing success of low cost airlines in the travel market is an example of disruptive innovation.

*True
False

10. Discontinuous innovations are always associated with radical technological breakthroughs.

True
*False

11. The use of tungsten filaments instead of carbon was a discontinuous innovation in the lighting industry.

True
*False

12. The problem for the firms that found their marketplace disrupted in the computer disk drive industry wasn't that they didn't listen to customers but rather that they listened too well—to the wrong customers.

*True
False

13. Which of the following are strategies for picking up weak signals about discontinuities? (Several choices may be correct.)

*A) Diversity—enabling odd connections to be made
B) Market research across existing customer groups
*C) Probe and learn/ prototyping
D) Competitor analysis and benchmarking of their products
*E) Work with the “fuzzy front end”
*F) Use futures techniques—scenarios, forecasting, etc.

14. Discontinuous innovations always come from outside the firm because of the difficulty of making them fit with the mainstream.

True
*False

15. Which of the following statements would you expect to hear people saying in an organization that is well prepared to deal with discontinuous innovation? (Several choices may be correct.)

*A) We have alternative and parallel mechanisms for implementing and developing radical innovation projects that sit outside the “normal” rules and procedures.
*B) We have mechanisms to bring in fresh perspectives—for example, recruiting from outside the industry
C) We have the largest R&D building in the country.

D) We always employ graduates from the same set of universities.

*E) We have mechanisms for managing ideas that don't fit our current business—for example, we license them out or spin them off.

*F) We use some form of technology scanning/intelligence gathering—we have well-developed technology antennae.