



MANAGING INNOVATION TO ADDRESS FINANCIAL CHALLENGES IN THE TEXTILE INDUSTRY*

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ABSTRACT

This paper addresses the idea that innovation is a major key to competitiveness and financial success in the textile industry. It presents a framework—called the technological community—that can increase the probability of successful introduction of innovation, new technologies, new products, and new processes. The technological community can be applied in companies at multiple levels, and includes multiple stakeholders both inside and outside of the company (e.g., managers, employees, customers, suppliers, regulators, lobbyists, etc.). Recommendations for company decision-makers are included.

KEYWORDS: textile innovation, textile competitiveness, textile technology, new textile products, new textile processes, innovation management

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Introduction

In both the popular and academic press, competitiveness and innovation have been identified as keys to financial success in the U.S. textile industry (e.g., Ivey, 2002; Abernathy et. al., 1999). The future of the industry lies in high-tech products and processes. Correspondingly, Porter (1990) asserts that competitiveness can be achieved only through innovation, which he broadly defines as new technologies, new ways of doing things, or better ways to do old things. Hence, innovativeness, or innovation, can be seen as one of the major keys to financial success, especially in the U.S. textile industry.

This paper examines a theoretical framework—the technological community

perspective-- to effectively manage innovation, including new technologies, new products, and new processes. As illustrated by the cochlear implant, the beta max, and other promising technologies that were market failures, it is not always the best innovation that is financially successful—but rather, the innovation that is best disseminated to and adopted by users and other stakeholders. The technological community addresses innovation and technology management in these terms; hence, the technological community addresses how companies can increase the probability of financially successful innovations, new technologies, new products, and new processes.