

**55<sup>th</sup> EOQ Congress**  
World Quality Congress  
Budapest, Hungary - June 20-23, 2011

"Navigating Global Quality in a New Era"



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**June 21, 2011 (Tuesday) 55<sup>th</sup> EOQ Congress**

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**CONCURRENT SESSIONS**  
**KEMPINSKI HOTEL CORVINUS**

**Tuesday 13:30 – 17:30**  
**Erzsébet tér 7-8, Budapest V.**

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**REGINA BALLROOM I.**

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## **10.1. INNOVATION AND QUALITY I.**

**Session Chair: Robert E. Cole, Doshisha Business School, Japan and University of California, Berkeley, USA**

**13.30 Developing Innovation for Greater Competitiveness and Higher Standards of Living**  
*Kostas N. Dervitsiotis, University of Piraeus, Greece*

**Dervitsiotis, Kostas N.** (Greece), Member of the International Academy for Quality (IAQ)

Prof. Kostas Dervitsiotis holds a Ph.D. degree (1968) in Industrial Engineering from Oregon State University, USA. The Academic positions he has held include those of full Professor at the University of Piraeus (1985-2000) and Portland State University (1967-1980), USA. He has served as a Director of European Master's in TQM (1994-2000), ex-chairman of its European Academic Board and member of its EFQM Advisory Council. He served as Chairman of the Department of Business Administration (1991-1995) and has been a Research Associate and Visiting professor and scholar in universities in Europe (Denmark, France, Spain) and the US.

He is a member of the International Academy of Quality (2004), a member of the World Academy of Productivity Science (1986) and a member of related professional societies. He has also received various awards for conference presentations, for teaching excellence (Best Educators in America, 1971), his research and for recent publications. His academic and professional interests include studying excellence in performance of human organizations, quality management and competitive strategies. He has been a keynote speaker in several international conferences and is the author of numerous articles and referred papers on quality management and competitive analysis published in professional journals, nine university textbooks, including the award-winning "Becoming Competitive with TQM", (2001) and "Operations Management" in several languages.

## Developing Innovation for Greater Competitiveness and Higher Standard of Living

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### Abstract

Following several big advances in technology (computers, telecommunications and others) and the end of the Cold War, signaled by the fall of the Berlin Wall in 1989, the World Economy entered a new phase of globalization. The borders of key national economies gradually gradually ceased to limit international trade. It has been argued that “*in today’s business environment, an organization is competing with everyone from everywhere for everything*” (Sirkin, Hemerling, Bhattacharya , 2009).

The key impacts of globalization include: (1) *increasing complexity* from an increasing number of competitors, trade relationships and evolving rules and regulations, (2) *increasing uncertainty* from numerous unpredictable interactions among many players and (3) *continual shifts of customer preferences*, attributed to the emergence of new or revised needs in an evolving social and economic environment. Competitors now require greater differentiation with new products and services offering greater value, expanded customers options, greater transparency for easier comparisons and easier access to suppliers using e-commerce.

In a business environment with an increasing *rate of change increases, customer preferences shift* because new offerings provide greater value. In such an environment, *quality in products and services becomes only the admission ticket* to evolving markets and successful *innovation becomes the key performance driver for competitive advantage*. Successful innovations affect not only products and services, or business processes, but also the way a firm does business, i.e. its business model. *Business model innovations often have a greater impact* than product innovations, because they impact how a market develops, thus magnifying a firm’s competitive advantage.

Presently we observe certain important global innovation trends. First, there is a shift from the conventional lab-developed “technology-pushed” to “market-pull” types of innovation. Second, there is a shift in generating innovations from developed advanced Western countries to the emerging large economies of the BRIC group (Brazil, Russia, India and China). Third, there is an increasing participation of external parties (research centers, independent researches and others) to complement and support internal R&D efforts for generating new ideas.

Thus, in today’s global economy, innovation management must become a top priority, not only in the corporate agenda, for increasing a firm’s competitiveness, but also for raising a country’s standard of living, highly correlated with significant improvements in productivity developed through innovations.