International Journal of Management Science and Business Administration

Innovation in the Enterprise: Market Orientation as an Important Factor towards Product Innovation

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Abstract: The paper reviews the state of the aspects relating to business innovation in product and the process of measurement of success or failure in their performance, key elements of strategic reflection. It analyzes various theoretical conceptualizations of market orientation, the determinant factors of different market orientation level exhibited by companies and the positive consequences derived from an optic of this nature. There is also a brief consideration of the knowledge economy. We learned those factors that have led to the development of the knowledge economy and the effects that the usage of intangible knowledge company obtains. Marketing and innovation are the cornerstones of the business strategy of market-oriented organizations.

Keywords: Market orientation, Knowledge economy, Consumer orientation, Product innovation

1. Introduction

Innovation is perhaps one of the most discussed topics in business literature. While the extent of innovation is a major issue in national economies, we should not lose sight of the company as an economic agent, which is the "principal agent of an innovative economy" since business sector is responsible for the improvements presented by productivity levels of modern economies in recent years. That innovation gets out of the lab and gets impregnate of markets, should be understood as a learning process and, therefore of bipolar character: the basic resource is knowledge, but so is the result. The influence market-company and its correlate to company-market are of indissoluble character, if this is ignored the explanation gets incomplete. This consideration justifies that the analysis focuses on the microeconomic level and the optic be essentially of market aspects.

Innovation has been displayed, sometimes without sufficient scientific evidence, as a key element of differentiation, not only at the micro level, but, what is more, important at the macroeconomic level. That is why today, innovation is seen as a crucial key factor at all levels of economic activity in a country. This has led to the term innovation as one of the most discussed topics in the literature. However, to address this issue in the first place is essential its comprehension, and once done, second is necessary to provide logic and ways to manage it.However, while it is true that the public sector itself can be an innovator, has to be considered that much of the public policies developed to promote innovation, as a result, seek the innovative increment of activities in firms. On the other hand, besides the innovation itself developed by private entities, is in most cases the absolute majority of the innovative activity in countries. This reality, however differs from one country to another, and in some cases such as the Latin American countries, approximately 80 % of total spending on research and development is made by governments, so low level of private investment is likely one of the key explanatory lag in development of the economies of this region and its poor competitiveness (Alcorta et al., 1998). Regarding the role of the company in the market, it is said that "agents who innovate are those who actually are closer to the product, closer to the market, closer to the customer's needs." So given that most Latin American countries are poor, have only one alternative: turn towards a knowledge economy. And the only way to do it is with the economic boost of private capital. In this regard, the company as an agent that is in direct contact with the market, and therefore as an expert about the needs and preferences of consumers, it is, ultimately, as the innovator of excellence. Moreover, if does not adopt this role, it will not be covered by anyone thus insert options in the knowledge economy will vanish.

ISSN 1849-5664 (online) http://researchleap.com/category/international-journal-of-management-science-and-business-administration
ISSN 1849-5419 (print) International Journal of Management Science And Business Administration Vol. 1, No. 11, October 2015, pp. 21-33

On technology, it is clear the importance of it not only as a tool that promotes the development of innovations, but also as a source of benefits on which rests the adoption in the business of innovation orientation, Innovation is to generate ideas and implement them at a rate that ensures continuity of leadership of the company. In short, technology is the opinion of innovative, associated directly to the market, and therefore, the company.

Given the importance of the company as an innovative agent, it is understandable that the economic literature, in the study of the factors that determine the extent of innovation of a country, has also been forced to adopt a microeconomic perspective of innovation. Being essential to analyze this concept from a business management perspective and marketing as well.

The present work aims to make a pragmatic review of the state of some inherent aspects of business innovation, particularly the process of product innovation based on market orientation, highlighting some processes for measuring its success as elements with great strategic significance.

2. Literature Review

Possibly one of the biggest difficulties found by economic and marketing literature is to provide a precise definition of innovation. The concept of innovation is complex, and the difficulty of apprehension lies in its abstract character, multi-dimensional and comprehensive.

This character implies that often the limits to establish the concept remain vague, or at least, generate considerable controversy among the researchers. In principle, innovation is defined broadly as the introduction of a new product, a new method of production, a new form of organization, a new source of supply, a new market or a new way of doing things.

For the purposes of a methodological approach to the term, can be accepted that innovation is conceived broadly as the set of activities that transform an idea or invention into a product, a service or a service that is marketable and an improvement of the existing supply. (Vilaseca and Torrent, 2003 b)

2.1 Types of Business Innovation

Is frequent the confusion between an innovative company and innovator company. The definitions are more restrictive and precise, so defines an innovative company as "any economic unit during the period of analysis that have made some (at least one) innovative activity". Thus also defines innovative activities as the expenditures and shares held by a company to attract or introduce changes, developments or improvements that positively affect the general performance (Jaramillo et al., 2003).

Innovative activities can generally be classified into several types: Internal Research and Development, Research and External Development, Capital Goods, Hardware, Software, Technology transfer and Consulting, Design, Management, Training.

Only a proportion of innovative activities result in real innovation, firstly because of the basic and technological research that cannot be charged to specific innovation projects, and secondly because many wrecked, do not get successful in their attempt. Hence, then, is meant by innovator company "whose innovative activities have actually led to concrete results, which has introduced to the market innovations in product, process, organization or marketing." (DINACYT, 2003)
It is possible to distinguish in turn two large groups of companies according to the above classification. On one side are those who make innovations in technology products and/or processes, which are called innovators. On the other hand the rest of the companies, which can be called non-technological innovators. The latter include innovator companies that do it in organization and/or commercialization.

Recent studies show a significant relationship between market orientation of the company, the level of intensity in the use of ICT and performance in product development (Athuame-Gima, 1995, 1996), which implies the need for a greater level of understanding about this business orientation, and the effect on same executed by ICT. The research findings show that intensive use of ICT promotes the implementation of a market orientation and integration between departments or functional areas, which leads to improved performance in product development across all departments the organization, especially the marketing and production (Kahn, 2001).

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Table 1: Classification of innovation

Innovations	
Technological Innovation in product	Is the market introduction of a technologically new product (whose technological characteristics or intended uses differ significantly from those for previous goods) or significantly improved (previously existing whose performance has been improved or greatly improved).
Technological Innovation in process	It is the adoption of methods of new or significantly improved production. Can aim to produce or deliver technologically new or improved products, which cannot be produced or delivered using conventional production methods, or essentially increase the efficiency of production or delivery of existing products.
Organizational Innovation	It is the introduction of changes in the forms of organization and management of the establishment or premises, changes in the organization and management of the productive process, incorporating modified organizational structures significantly, and implementation of new strategic orientations or substantially modified.
Commercialization Innovation	It is the introduction of methods for the marketing of new products, new methods of delivering existing products or changes in the packaging and/or packing.

Source: Own elaboration based on DINACYT (2003)

2.1.1 Sources of Innovation

The new product development process is the most important business and absorbs the best energy of the company. All companies involved in innovative processes and successful share characteristics, intrinsic qualities and principles that do not arise from imitation of each other but its own internal processes. In particular, all continually redefine its business structure and strategy.

There are several areas of opportunity, both within and outside the enterprise or sector, which overlap even are different in nature of the risk, complexity and potential of innovation. It is even possible that the potential for innovation is not supported in one area at a time, these are classified in:

- Internal sources: unexpected events, incongruities, process and sector needs and market changes.
- External sources (social and intellectual environment): demographic changes, changes in perception, and new knowledge.

2.2 ICT Adapting in Business

The company as a principal trader does not remain exempt from the changes in the economic environment. In fact, it is common for organizations to be permeable in one direction or another to the changing environment. This has become that, over recent years, strong implementation of ICT has also caused a profound process of transformation in the company.

ICTs enable the accumulation of knowledge in the organization. Knowledge becomes a productive and strategic asset of the first order, so that the business begins to be based on the use of an intangible, the use of knowledge. This situation causes as a first change, alteration and redefinition of what until now were considered the basic inputs of business. The labor and capital, which were traditionally considered the factors generating economic growth, are displayed in a new optic. The massive incorporation of knowledge of business as a productive resource makes necessary, not only to redefine what is understood by labor and capital, but also knowledge should be added as the third basic input in the business activity. Beyond ventured to such a hypothesis, literature and academia are categorical that the implications of knowledge are so revolutionary that affects all relationships, entrepreneur, and social level.

The second great transformation in the business is generated by the substantial incorporation of knowledge as a strategic resource. The dissemination of knowledge throughout the organization, and its subsequent use as a basis for decision-making requires a change in organizational structure and the continued strategic model.

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Gradually organizations become more flexible, decentralized and specialized in the generation and management of a particular type of knowledge and activities (in short, a "core business" alternative). Also, more organizations become aware of their dependence on the environment, so they are more concerned about meeting the different agents around them, and to collect and gather information about them, ultimately provoking a shift of orientation in the organization to market.

Another closely related phenomenon is that the company, in one way or another, is multiplied to the extent that are created what are called network organizations. The network is a consensual union of several companies, which the sum of the group exceeds the individual contributions of each one. For this overall value added is greater than each of the participating companies, a condition must be met, and that is that each of the companies involved not add "more of the same" but to contribute to the joint or group, specialty items that belong to themselves.

The key factor that supply the network organization is the use of ICT as a means of innovation. Its use brings efficiency, makes direct and specific innovations and generate sustainable and durable competitive advantages (provided that when is lack turns the benefits become quickly fund traps). This transformation covers the economic system as a whole (Castells, 2001).

A second factor that stimulates the innovative dynamism of businesses is the use of ICT itself. The Internet definitely favors the interactions between companies with the environment and stimulates the seek of information and the development of original and alternative paths. Notes that even smaller companies to carry out innovations have to compensate the shortfall of economic resources and dedicated departments involved in cooperative networks of various kinds.

One factor to promote innovative dynamism perhaps less present in the literature is the existence of opportunities in the environment. There must be conditions able to "absorb" the cost inherent in innovation. Otherwise, it ends up being an expense concept and not of innovation. Many organizations have been pioneers in their field of action and have not found sufficient response in the market for their products or services, or weakened by a situation of persistent crises environment has severely limited these business ventures (such as underdeveloped countries), so that self-perpetuate their vicious circle of technological backwardness.

2.3 The concept of Market Orientation

Market orientation is emerging as a new corporate philosophy for companies competing in a new environment defined by the economy and knowledge society. Market orientation causes a revolution in enterprise systems, to the extent enhanced by the intensive use of ICT brings answers and radical changes in the competitive environment.

During the last two decades, there have been many studies that have tried the market orientation. All, to a greater or lesser extent, were carried out with the intention of providing a definition of this term and establish a measurement scale that is commonly accepted and use.

While there have been several approaches offered, it is considered that the work done by Tuominen and Möller in 1996 sheds light on how this concept has been understood, which distinguishes four perspectives necessary for understanding the concept of market orientation in all its extension. Thus, taking into account factors such as:
(1) The dimensions used to define the concept of market orientation
(2) Its relation to the identified background
(3) The identified consequences
(4)The contingencies or internal and external moderating effects included.
(5)The empirical association between market orientation and business performance
(6) The theoretical background of the study.
Tuominen and Möller detected four perspectives from which market orientation has been discussed in the marketing literature:

Market orientation as a business philosophy. Under a policy perspective argues that this company is driven by the needs of the customer and the market. Therefore, it poses to build a company oriented to the ideal market, where this approach acts as organizational culture and pattern to the establishment of values and beliefs.

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Market orientation as a cross-functional coordination of information related to the market. This line of research suggests that market orientation is understood as an organizational culture, and that culture is based on the combination of three components:

- Customer orientation,
- Orientation to competition
- Inter-functional coordination.

The first two components include related activities with the acquisition of information and subsequent dissemination of the same throughout the company, and the third, based on market information, aims to create more value for buyers.

Market orientation as a processing of market information. This line suggests that market orientation appears conceptualized around three actions:

- The generation by organizing a market intelligence on the current and future needs of consumers, as well as the study of exogenous factors affecting the organization in the process of exchange
- The dissemination of that intelligence by all departments
- The responsiveness of the organization.

Market orientation as a source of organizational learning. The concept of market orientation is something additional to the marketing orientation. Thus, it is viewed as a working structure to be implemented in the company to become part of its culture, and it is proposed that it should be guided by:

- The systematic search for information on current and potential consumers and competitors
- The systematic analysis of this information to develop a better understanding of the market
- The systematic use of this knowledge to guide the recognition, understanding, creation, implementation selection and modification of business strategy

According to this study, market orientation is characterized by presenting three basic elements: customer orientation, integration and coordination of functions and profit orientation, as a basic foundation for implementation. For its implementation, requires the addition of three types of activities: generation of market intelligence, dissemination by all departments, and the response of the entire organization based on itself.

3. Research Methodology

3.1 Product Innovation as Marketing Innovation

From a marketing standpoint, the process of innovation traditionally has been more limited, leaving only limited to the scope of the product, and leaving aside the changes in organizational structure and processes. It has been recent that from a marketing point of view have begun to analyze these last two types of innovation, but always with the interest to discover its effects and impact on product innovation.

For marketing, the concept of product innovation is broader and includes the so-called radically new products or innovations, also the improved products (or reformulated), includes repositioned products as well. Under this understanding, a product that has undergone a change in any of its elements of its marketing mix intended to change its position in the market, is also understood as an innovation. In conclusion, under a marketing standpoint product innovations can be of two types: radical innovation (product "break") or incremental innovation (product reformulated or repositioned product) (Cruz, 1991).

However, despite this wide range of product innovations considered, for practical purposes the marketing literature has been responsible for analyzing mainly the innovation processes in developed products that effectively presented a change, or technological innovation associated (radical innovations and reformulations). The existence of a high degree of uncertainty associated with the process of creation and launch, has gotten more attention in order to eliminate or at least reduce the high level of technology, business and strategic risks attached to them (Abetti, 2000, Rice et al 2001).

There have been many topics studied about innovation processes. Among others, including identification of factors favoring an orientation towards innovation, factors that inhibit innovation, factors that ensure its success, etc.. But of all these topics of interest are mainly two which have determined the line marked by the major study publications related

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to this field of research. Thus, it is referred to the analysis of the process of developing a new product, and the study of the degree of market orientation effects of the organization as a factor in successful product innovation.

Robert Cooper proposes a tool as a solution, an alternative to the merger mania that are created, to avoid the frustrating experience of new business development, especially those diversified. This instrument in its remarkable system of "stage-gate system (gates per stage)", in which the development of a new product is ultimately the result of a double process that occurs over time simultaneously (Cooper, 1990).

On the one hand, a process of development (stage) formed through different stages over which it passes from an idea to a final product. And in the other side an analysis process (gate) that evaluates the results obtained after the development of each stage of the development process, allowing it to passes from one stage to another.The Stage-Gate System (SGS) is both a conceptual and operational model that encourages the creation of new products, starting with the state of ideas generation and ending with the marketing of the product (Cooper 1990, 1994b). Promotes efficiency and effectiveness of the process, subdividing it into a number of phases or stages, reducing the pressure of time and driving the development of new high-tech products, although the latitude of its methodology allows its application to all types of products or services. Although conceptually simple, has some complexity in its practical application.

Clearly the concept of a process that is explicit in the SGS: all the process development consists in stages or workstations, separated each by an instance or point of quality control (gate). These gates are which assure when allowing passage to the next stage, whether the quality of the previous step has been sufficient according to previously established criteria. In what refers to the process of innovation itself, the system is at all similar. The innovation process is divided into a number of stages, each composed of activities described and often passes more frequently in parallel than sequentially.

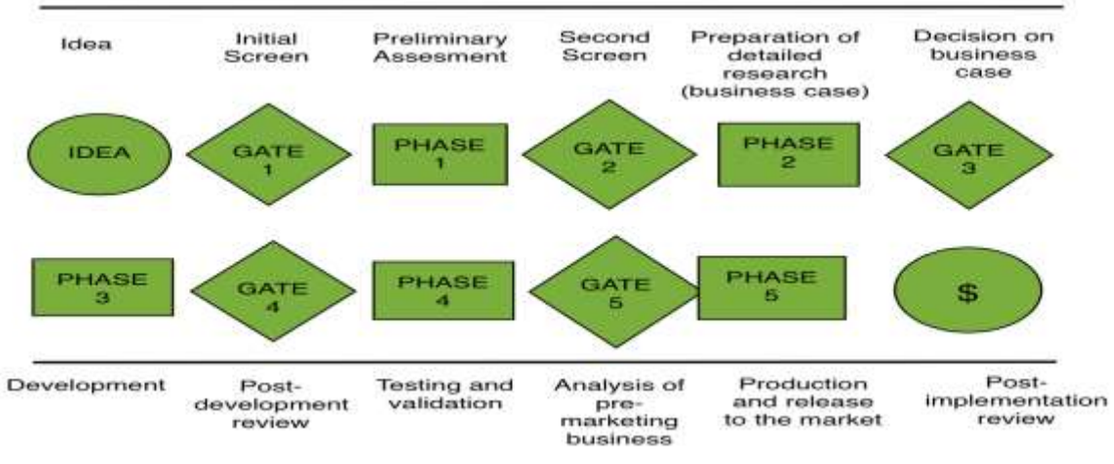

Figure 1: General View of Stage-Gate System
Source: Cooper (1990)

a) IDEA. The processes of new products start with a new product idea. This idea is referred to gate 1.
b) GATE 1: INITIAL SCREEN. The project borns actually here. It is the first decision on whether involving resources in the process or not. If the decision is to continue, the process will continue. The criteria will be strategic alignment, project feasibility, the importance of business opportunity, synergy with the core business of the company and its resources, market attractiveness, etc.. No financial criteria still apply.
c) PHASE 1: PRELIMINARY ASSESSMENT. It is a primary technical assessment, conducted in order to analyze the feasibility of the suggested production, its potential costs, and associated times. Provides both technical and market information, but at low cost and in a short time, the project may be re-evaluated more carefully in the gate 2.
d) GATE 2: SECOND SCREEN. The project is re-evaluated but in light of the information obtained in Phase 1. It is virtually a replica of the gate 1. It continues with qualitative indicators and factors are added as the expected reactions of sellers and consumers. If the decision is to continue, there are more onerous phases: the financial return will be added, but with simple and quick calculations (for example, the repayment period).

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e) PHASE 2: PREPARATION OF DETAILED RESEARCH (BUSINESS CASE). It is the final phase prior to product development. Should be analyzed the attractiveness of the project before incurring significant costs, i.e., in this instance the project should be well defined. It is conducted market research to determine consumer desires and preferences, competitor analysis and other market activities that may influence consumers. These desires of consumers must then be "translated" into technically and economically feasible solutions, which involve laboratory preliminary designs. Finally, it should conduct preliminary financial analysis, which is the input to the next stage discounted cash flows and sensitivity analysis.
f) GATE 3: DECISION ON BUSINESS CASE. It is the final gate prior to the development phase, the last time in which the project can be removed before committing large sums. After that, the financial commitments are relevant. Again the project is subjected to qualitative indicators, similar to those of phase 2, controlling whether the activities were carried out, the quality of implementation and whether the results have been positive. The results of the financial analysis are important and worthy of consideration in this gate.

The second part of this gate concerns the definition of the project, must reach agreement on key issues and then enter the development stage, including the definition of the target market, positioning strategy, benefits, attributes and specifications included in the product, etc. It is reviewed and approved in this instance the preliminary plans and marketing operations.

g) PHASE 3: DEVELOPMENT. Involves product development, detailed test, operations and marketing plans. An updated financial analysis is prepared and legal issues, patents, etc. are resolved.
h) GATE 4: POST-DEVELOPMENT REVIEW. This is a review of progress and attractiveness of the product and the project. It is reviewed and checked the work of development. The information used is more stringent. The validation test plans are approved, and the detailed marketing and operational plan is reviewed for future execution.
i) PHASE 4: TESTING AND VALIDATION. At this stage is tested the full feasibility of the project: the production process, consumer acceptance and economic aspects.
j) GATE 5: ANALYSIS OF PRE-MARKETING BUSINESS. It is the gate that leads to mass marketing, the end point where the project can be eliminated. It focuses on the quality and results of the activities of Phase 4 (validation). Financial projections and key are now operational and marketing plans are reviewed and approved for implementation of the next stage.
k) PHASE 5: PRODUCTION AND RELEASE TO THE MARKET. Involves implementing the marketing launch and operations plan.
l) GATE 6: POST-IMPLEMENTATION REVIEW. Once the new product process finishes, it becomes a "regular" product line of the company. And it is at this time that the process and product performance should be reviewed. It is compared the costs, sales, profits, times to what was projected.

Finally, a post-audit is performed, incorporating the whole process of learning achieved with this product and may benefit the following, including the strengths and weaknesses of the process. Thus, the goal of the project is marked. The SGS described provides a systematic and rigorous approach, tested and adopted by several companies. Since long ago, had shown that companies that had adopted a formal process of new products have better results as far as performance is concerned, those without it. Although the SGS has a profound impact on the innovation process by providing a focus often lacking in new product programs. And by the way, "emphasizes the market and marketing inputs" (Cooper, 1990, emphasis added).

4. Measurement indicators: market orientation and innovation performance

Market orientation is a determining factor in the success of a new product. However, although there is general agreement on the existence of a direct relationship between the two concepts, each job provides a different degree of influence exerted by market orientation on the success of the innovation to the market effect, so eventually is difficult to establish which is in reality the size or dimension of that influence.

It has to be considered that possibly the effect of the degree of market orientation on the success of innovation will not be the same if the companies analyzed belong to a business sector or another, or even if the study is conducted in one country or another. But it also has to consider that much of this disparity of results will be determined by the use of

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different measurement systems for the same concept, whether be market orientation, or the success of product innovation.

4.1 Model of performance measurement

Traditional performance measurement models were developed for large industries and concentrated on a few key variables, all of financial regard: internal rate of return, market share, etc. In the last ten years, however, has been producing a growing dissatisfaction with such indicators, which has led to a series of models with substantive input and that terminate to consolidate in the vastly known model of Kaplan and Norton: Balanced Scorecard (BS).

4.1.1 Kaplan and Norton: Balanced scorecard (BS)

The Balanced Scorecard (BS) is organized around four perspectives: financial, customer, the internal and innovation. While still emphasizing of achieving traditional financial targets as goals, including inducing action of those financial targets. It combines the short and long term also to incorporate other indicators, to the extent that the financial indicators be inadequate for guiding and evaluating the journey (as they reflect past performance)." (Kaplan et al, 1997). Then are complemented by the other three perspectives.

What is relevant about the BS that is more than a set of tactical or operational measurement system. It is used as a strategic management system: for a long-term management strategy. But also and above all, the emphasis on the measurement system is explicitly stated: "If can't measure it, can't manage it" (Kaplan et al., 1997.). Management processes that are carried out with the BS are:

a) Clarify and translate vision and strategy
b) Communicate and link strategic objectives and indicators
c) Plan, set targets and align strategic initiatives
d) Increase training and strategic feedback

The following chart shows these integrated processes.
The Kaplan and Norton model is according to own judgment, transcendent in several ways.

a) Gives a prominent place to various financial measures
b) Stand although other measures that does not lead to the neglect of the financial measures but rank them, exerting a kind of synthetic function of the measurement process
c) The set of four perspectives (financial, customer, process and innovation) adds, through the interaction, a significant wealth for conceptual analysis
d) When considering internal processes focuses on those who have the greatest impact on customer satisfaction and achieving the financial objectives of the company.
e) It incorporates innovative processes to the internal process perspective. The innovation process is for many a more powerful inducer of financial performance that the short-term cycle. May be more important to manage existing operations in an efficient way. (Kaplan et al., 1997). It incorporates as well into the analysis of the internal process of BS, giving it a prominent place to the process of innovation as a source of income.
f) Identify customer segments and measures performance of those segments. Indicators but also inducers that are critical to customers are included.

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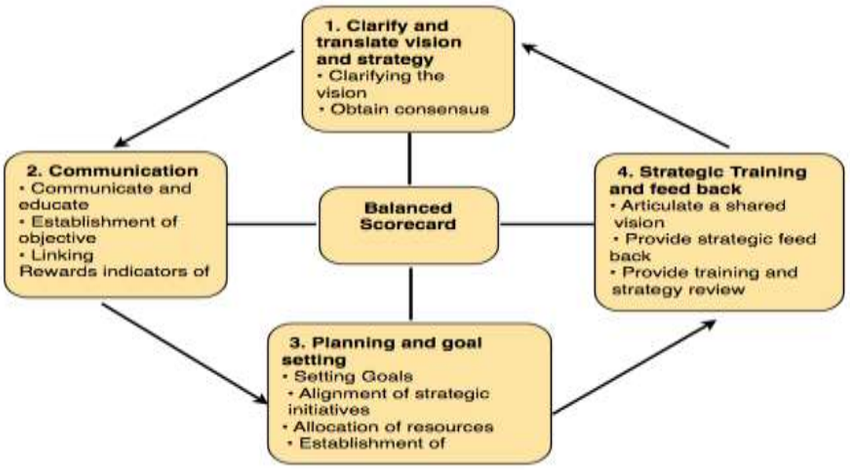
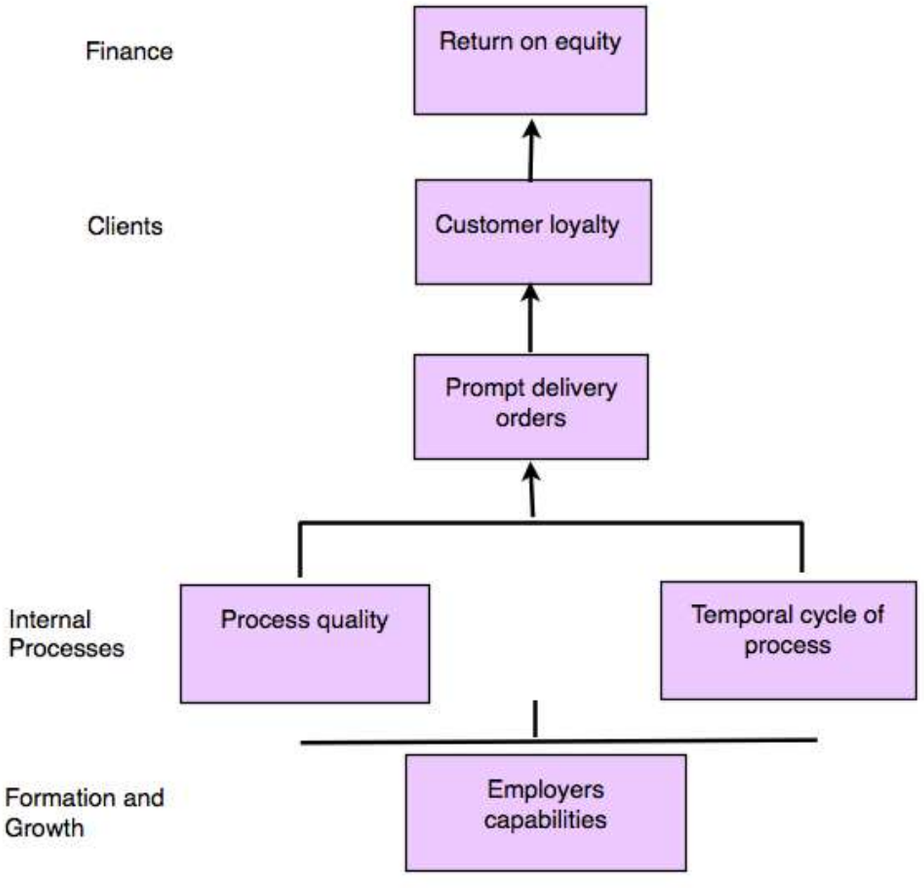


Figure 2. The Balanced Scorecard as a structure or strategic framework for action



Source: Kaplan et al. (1996b)

Incorporates the complicated set of cause-effect relationships between the critical variables. "(Kaplan et al., 1997). And shows the importance of the whole and the mistake of focusing on partial measures that should identify and unravel. These relationships are shown in the following figure:

g) It relates financial goals with strategies of business units for different phases: growth, maintenance, and harvesting:

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TABLE 2: Strategic subjects for the financial perspective. Source: Kaplan et al. (1996b)

		Strategic Subjects		
		Growth and income diversification	Cost reduction/ productivity improvement	Using assets/ investment strategy
Strategy Business Unit	Growth	•Growth rate of sales by segment •%of revenue of new products, services and customers	•Income by employees	•Investment (% of sales) •R&D (% of sales)
	Sustenance	•Fee accounts and selected customers •Cross-selling •% Of proceeds from new applications •Profitability of the product line and customers	•Cost versus competitors •Cost reduction rates •Indirect Costs (% of sales)	•Working Capital Ratios (ripening) •Touch key asset categories •Rate asset utilization
	Harvest	•Profitability of the product line and customers •% Of unprofitable customers	•Unit costs (per transaction)	•Pay back period

h) From the point of view of the customer perspective, translates vision and strategy into concrete objectives, based on the market and customers, displayed by segments. Causally linked of satisfaction indicators retention, customer acquisition with market share.

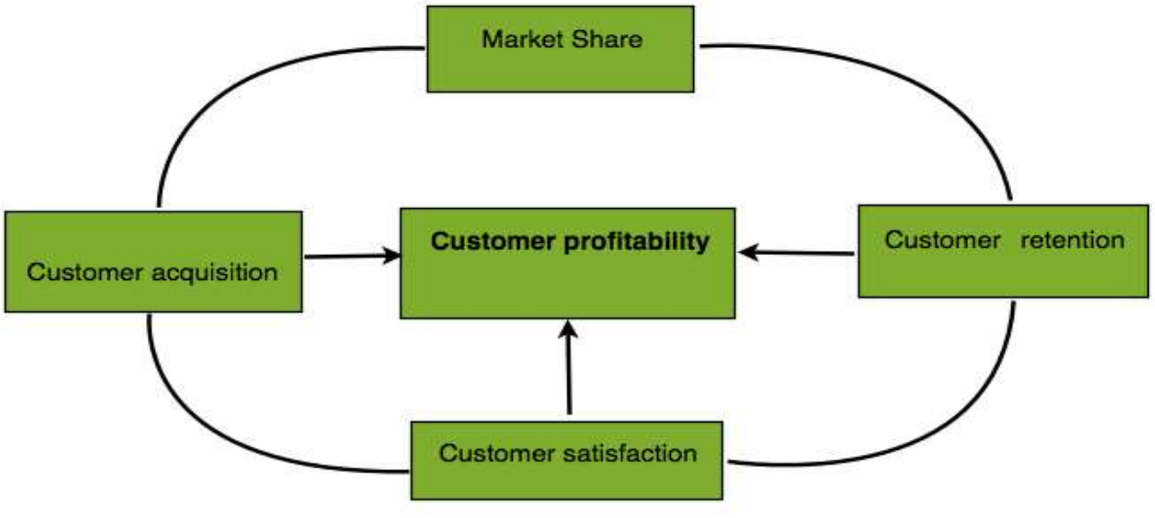

Figure 4: Core indicators of customer perspective
Source: Kaplan et al. (1996b)

i) From the point of view of the internal process perspective, define a single set of processes for creating value for customers and produce financial results, passing through three main processes: innovation, operations and aftermarket.

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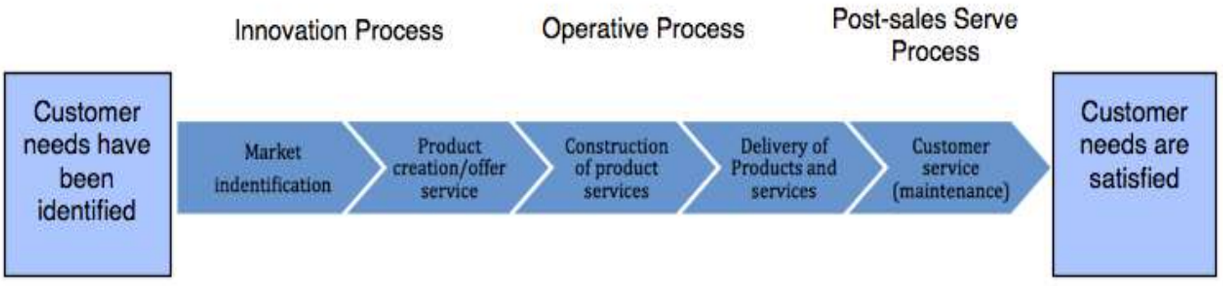

Figure 5: The model of the generic value chain
Source: Kaplan et al. (1996b)

j) In the practice phase is relatively easy to link the strategic with the BS indicators and inducers. In one side counts with the story of the strategic through a sequence relation of effect-cause, results are integrated and acting inducers are linked with the finance finally. A good BS has to emphasis in the results, especially in the financial.

TABLE 3: Linking indicators of BS with strategy Source: Own elaboration based on Kaplan et al. (1997)

Strategic Objectives	Indicators of strategic results (effect)	Inducing action (of cause)
Financial Outlook 1. Meet shareholder expectations 2. Improve operations 3. Achieve growth profitable 4. Reduce risks	Performance measures	Performance Company (vs. budgeted)
	Measure business portfolio	
Customer Perspective 5. Improve the performance of salespeople 6. Meeting the needs of customers	Measures acquisition and customer retention	Satisfaction surveys of customers and prospects
Internal perspective 7. Develop business in selected markets 8. Develop business profitably 9. Improve productivity	Measure business Mix	Acting Business Development
	Profit and loss ratios	Quality audits performance
	Expense ratios	Measures expenses (vs. budgeted expenses)
Learning perspective 10. Develop staff skills	Staff productivity measures	Staff Development (vs. budgeted goals)

ISSN 1849-5664 (online) http://researchleap.com/category/international-journal-of-management-science-and-business-administration
ISSN 1849-5419 (print) International Journal of Management Science And Business Administration Vol. 1, No. 11, October 2015, pp. 21-33

k) Finally, the BS translates client objectives in domestic priorities and rescuing wealth of customer orientation and its interface with the internal perspective of the organization, as shown in the following figure:

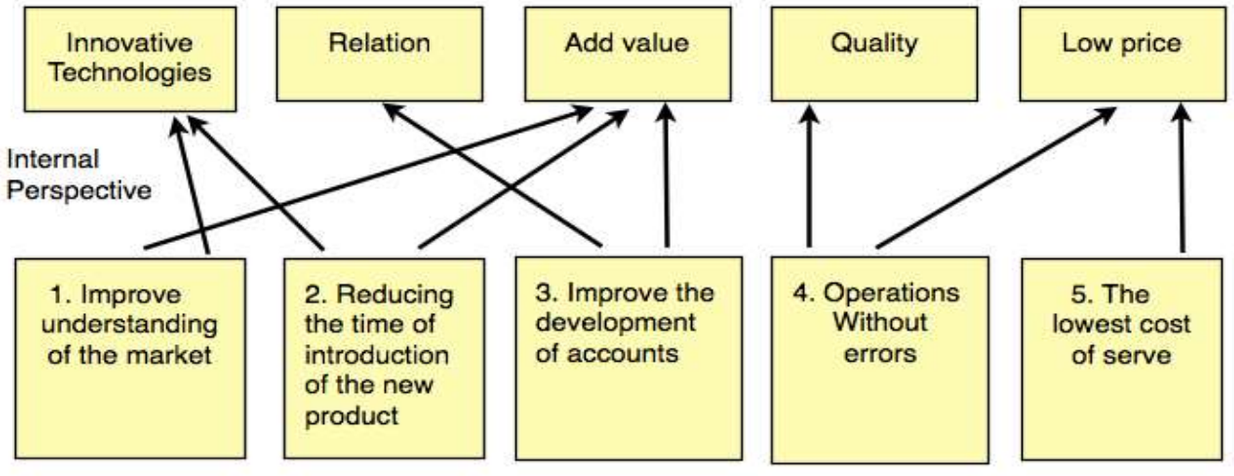

Figure 6: The translation of the client's goals in domestic priorities

TABLE 4: The translation of the client's goals in domestic priorities. Source: Kaplan et al., 1997

Objective	Indicators
1. Understanding the Market Improving the understanding of the market to generate enough products, services and future customers that do not have today.	•% of revenue from products and services with less than two years.
2. Product Development Reduce cycle time of product introduction.	• Cycle time of product development
3. Development of accounts Clarify the role of the account team as a focal point for the delivery of added value.	• Audit relations
4. Operations flawless Provide implantation and operations referring competitive cost.	• Reliability (No of defects / unit time) Availability (mean time to repair)
5. Services at low cost Become the leader firm in cost per unit of service	• Index competitive prices

5. Conclusion

The studies carried out on market orientation, say their adoption by companies can generate significant benefits. Beginning to strengthen the commitment of employees to the organization, to facilitate the process of adaptation to market and achieving long-term goals. Market orientation is presented, in all cases, as a business philosophy that can provide important strategic weapons of organizations.

One of the most important effects of market orientation is seen in the social and psychological benefits obtained by all employees of the organization. The inter- functional coordination and development of a team, as a means to achieve common goals, promote the generation, at all levels and in all areas, from a feeling of well-being and the feel of pride

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of being members of the organization. The motivation and the commitment shown by employees will increase as a determine corporate spirit is generated as a result of market-orientation.
Regarding the market, both domestically and internationally, the adoption of a strategic orientation of such features, facilitates the development of actions and the achievement of the objectives set by the organization. The generation of marketing intelligence knowledge based on consumers and competition, and especially its dissemination process among all areas of the organization, facilitates the rapid deployment of an adequate response to market needs. Not only can offer a product best suited to the needs and preferences of consumers but also based on this experience and knowledge, it is possible to anticipate with enough time to market changes, taking advantage of undiscovered business opportunities for competition.

Summarizing, it can be considered that the market orientation, both cognitive and behavioral dimension as a factor favoring the adaptation process of the enterprise market. Not only to identify new business opportunities and reduce the commercial, technological or strategic risk associated with the performance in the markets, but mainly by generating certain exploitable forces. Generating certain advantages and maintenance, ensures the growth and profitability of the organization in the short, medium and long-term, but its attractiveness lies mainly in the ability to consolidate the organization over time, in a strong and stable market position.

Perhaps this goal of long-term stability that really justifies the adoption of a market perspective and the consequent implementation of activities based on the principles that govern this orientation. However, of the four components that make behavioral market orientation, customer orientation is confirmed as the main line.

At the same time, of all strategies and policies implemented in the markets, the developed ones to achieve differentiation on the basis of offering a superior value to consumers through new products customized to meet customer needs and demands, are the ones that get more relevance currently under this guidance.

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ISSN 1849-5664 (online) http://researchleap.com/category/international-journal-of-management-science-and-business-administration
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