



## The Role of Innovation in Business Crisis

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### Abstract

Innovation plays an important role in managing business crisis. Business crisis is the period in which company is facing problem in term of financially or non – financially Business crisis need to handle very circumspectly and try to end as soon as possible. Innovation is the key to manage business crisis and it is one source of competitive advantage and essential element for company growth

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### Introduction

Innovation is the result that's means getting something new and better as compared to previous one. It can be come through politically Environment for example change in government, natural disaster for example earth quakes, damage in product image, power blackouts, Global economy, change in technology, competition, any mis happening to key leader. When business starts coming downfall that's means company is going to face crisis in near future or presently facing crisis. Crisis never comes abrupt. It's always come step by step. Delay in salary; pay Taxes with penalties, Increase in creditor turnover ratio, Increase in average payment period and the most important is increase in inventory turnover ratio are some of the symptoms of business crisis.

In business, Innovation is the process of implementation of new product, process or services or change in existing product, process or services or compensation of both, old technologies with new technology to achieve specified target.

### Review of Literature

Berthon, Hulbert and Pitt (1999, P .37) define innovation orientation in terms of technological superiority: firms that “devote their energy towards inventing and refining superior product (Berthon, 1999)”

### Type of Crisis:-

- **Natural Crisis:** - Natural crisis are those crisis which comes from natural disaster i.e Earthquake, Volcanic eruptions, Floods etc. These crises are non –controllable to