

# **KNOWLEDGE NETWORKS, INNOVATION AND ITS APPLICATION ON A SMALL BUSSINES**

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## INTRODUCTION

The main theme for the work are knowledge networks and innovation, both concepts are linked as we will explain below, so the work will not be focus on one of the two main themes but will try to give context and connect to both with a little research which should serve as a guide to everyone who does not know anything about this two concepts, also this guide will be used to analyze a company and provide guidelines to implement new strategies based on innovations and knowledge networks, or make a more efficient use of them for the company if they are already have implemented this concepts in the organization.

As election to present for our final assignment we decided to focus on the study of a small company that works in a sector which normally on case studies, analysis and research of companies that we have studied in the university in the past years do not usually have much presence, but innovation is closely linked to this sector because it is a creative product and therefore is tied directly to innovation, we refer to the comics industry.

The work will be separated into three parts, on the first part we will focus on making a small research study on knowledge networks, what they are , what are they for, from where they emerge, the networks in Spain and as a the more point, what relationship do they have with innovation.

In the second part we will focus on innovation, defining it, watching how they arises, the two opposing philosophies regarding business innovation , also we will observe what types of innovation there are in the companies, and a very important part in our guide with examples of how a company can help the employees to be more creative.

As a final part of the study and looking backward into the analysis set above, we will analyze the company Manhattan Company , a small Valencian retailer of comics, which thanks to small innovations and being one of the first store to establish networks of knowledge with other Spanish companies has grow from a single store in the city of Valencia to set up three more branches throughout the country; to have all the necessary information of the company will have a small interview with the shop owner Noel Martinez. And we will discover how he applied these innovations and what weight these knowledge networks had in the success of the company

After analyzing the company, we would try to give practical advices to the company as how to improve the organization, how to apply new useful innovations in the company, how to establish new networks of knowledge and how to strengthen the existing networks

Therefore the ultimate objective of the study are:

- Create an introductory guide to the knowledge networks,
- Create an introductory guide to business innovation
- Analyze an innovative small company that also uses knowledge networks
- Help Manhattan comics to implement new strategies in these areas and improve the management of them.

## KNOWLEDGE NETWORKS

At the beginning of the project we will focus our attention on knowledge networks, first from the most immediate form of knowledge, the information, and later we will define what the knowledge networks are and finally we will try to answer on the most important question. Why are these networks needed?

## WAYS TO SHARE INFORMATION

Before analyzing the situation of information networks in Spain we must put in context and explain what information networks are and why they are necessary in the business environment.

The business web nowadays is highly competitive, and to compete, or simply survive companies need a key asset **information**; Information is the raw material of knowledge, which has increasingly become the main source of power and wealth of nations and companies. In this sense, the organization of information networks, such as research support, is an urgent necessity. The companies share information in two ways:

1) Information and communication technologies (ICT) have revolutionized the concept of production and distribution of information across the globe.

The information and communication technologies are an important means of social appropriation of knowledge which companies can share knowledge every day easier thanks to these; either with their own tools shared by companies and private systems of information and created by them, which today are essential for running a business or free technologies made available to any person and which companies can take benefit.

ICT has evolved from the most primitive forms of communication, through the telegraph, telephone, radio and television, to reach this stage of the information revolution, by the use of satellite information technology and the always-growing use global network information, through the Internet, that is, of millions of personal computers connected together via telephone line, cable system or wire-less system.

In the field of Internet we emphasize the importance of social networks, omnipresent in the daily life of the western population; they can be considered a powerful tool when it comes to share and get information. On this last point we highlight the importance of getting information about, competitors, the environment and above all of our customers and target audience. Social networks have become a revolution in the recent years; people share personal information more comfortable in these environments, we can identify our potential

customers clients depending on what they like and practically nowadays almost all the people living in Spain has access to the internet.

The use of Internet, the network of networks, makes it potentially feasible access to more and more information from communities located in remote regions, allowing an exchange of knowledge never before seen in the history of mankind.

Most impressive is the speed with which more and more people integrate this new information system. As a recent CEPAL report says *"The rate of diffusion of the Internet, compared to that achieved by previous innovations in the field of information and electronics, it is simply amazing: the United States took 38 years to 50 million people were connected to the radio and transmission system information, 13 years for the same number of people were connected to the television, 16 to 50 million consumers had a personal computer and only four years for the same number of people were connected to the Internet, counting the time it was opened to the public.*

But social networks are an essential feature that is needed to succeed in the competitive environment mentioned where we live, it builds relationships between the customer and the company. Consumers have access to a huge amount of information and products, he can compare prices and have access to various ways of buying a product, so it is more difficult to create a lasting relationship between company and customer, with social networking how to get these and relating to them has taken a new perspective. Young people are more linked to theses media than other more traditional ways like television or newspapers. Have a good presence on social networks, especially the most used, Facebook and Twitter, it is something that any company has in mind; but the important thing is not just to do it; it's doing it properly. Google provides tools and tips that everyone can use to optimize your presence on social networks and the Internet; with the application Google Adwords and the SEO manual for search engine optimization.

Besides the way you treat these accounts is also important, depending on the type of product you sell will have to apply different formulas, some companies tend to the humor and the proximity; and usually supply effect to them this strategy helps them to remain in the minds of consumers and many times this accounts become viral, which makes them the potential costumers who share this advertising and make these accounts have more presence.

2) The information networks play an important role in strengthening communities in the world. Discussion lists, newsletters, news, chat rooms and online forums are an important tool for communities of all kinds to exchange information and experiences. We conclude on the need to develop networks to strengthen business, as we have said information is a valuable business asset and knowing collect and process this information can mean the difference between business success or failure.

## DEFINITION

The definition of information network has varied over the years since it was first mooted in 1967

Hammer (1967), in a first attempt at definition, had conceived an information network as the culmination of a more or less spontaneous and rough federation of various and information systems and previously existing libraries, probably developed according to local or special needs . Becker and Olsen (1968), based on the definition of network as an interconnection of things, systems or organizations claim that adding the word adjectivally term network the information, the concept can be defined more precisely, when the network is dedicated to a specific and limited purpose and no information interdependence among participants, then it seems logical to call this network, an information network.

Overhage (1969) repeats the same concept; considering communications technology an essential factor transfer of information says that when the channels of communication are used for the transfer of certain categories of information, usually said to constitute an information network.

Adams 1970 gives a definition that refers both to the structure and function of a network, a system that distinguishes. A system can be defined arbitrarily, as a confederation of interrelated functions under a single control which tends to produce useful products or services. A system can differentiate a network arbitrarily as this lacks the function of a single control.

Weinstock (1967) states that a network consists of independent or quasi-independent functional units, services and interrelated functions and cooperation agreements.

Budington (1971), referring solely to the network of libraries, conceived as a channel for easy access to information, whether bibliographic and physical states: the metamorphosis of cooperation networks seems to be based on: 1) the execution and planning . and 2) the application derived from new mechanical and technical "As regards the formalization must be selected and identify specifically and carefully the objectives of the network, based on recognized and solvable needs, planning assistance overcome differences and failures, and the advantages of the new techniques are obvious.

For Lopez (1997), networks in the field of scientific information activities keep intact the meaning of the fundamental elements of the definition: the combination of elements and common goals. Thus we speak of telecommunications networks and telepathic computer networks, centers, networks, databases, etc., to refer to realities that being different, they

share a number of elements to achieve a common goal. Ultimately, networking is nothing but a specific form of cooperative work or teamwork.

Guinchat (1992) states that information networks are made up of all persons and / or organizations from which information exchanges take place in various ways, but in an organized and regular basis. Interpersonal and inter-agency networks stem from the need to communicate, to acquire and verify information exchanged.

CEPAL (1986) defines networks as institutional arrangements of a cooperative nature that is created with the purpose of organizing and facilitating access and use of information at lower cost than would achieve that individual and isolated purpose.

Codina (1994) states that one of the objectives of the cooperative information sharing networks is to create the mechanisms for access to information and enhance their use in decision-making processes in the political, economic and social plan.

According to the "information networks and their importance" scientific research article of Alberto Romero(2002), he defines information *networks as "virtual" opportunities for exchange of knowledge and experiences between specialists from different fields of knowledge at global, regional and local levels by sending text, sound, voice and image. The purpose of networks is kept up to date scientists, entrepreneurs and, in general, the whole community, in recent advances in knowledge, in order to promote basic and applied research on end, which help improve the competitiveness of countries in different environments.*

To end the definition are some examples of knowledge networks known and have a good performance mentioned in the article are organizations such as UN, UNICEF and FAO.

## TYPES OF NETWORKS

The networks can be simple occasional collaborations to cover all documentary functions, including cost sharing, and exceeds the various intermediary tasks. The typical kind of networks that exist are

- Territorial networks: cities, regions or countries, which collectively serve the needs of all users in a specific area.
- Networks of documentary functions: acquisition, cataloging, loans, indexing and abstracts, creation of a common information base, online search ...
- Specialized Networks in a discipline or field of activity, in which all information units are



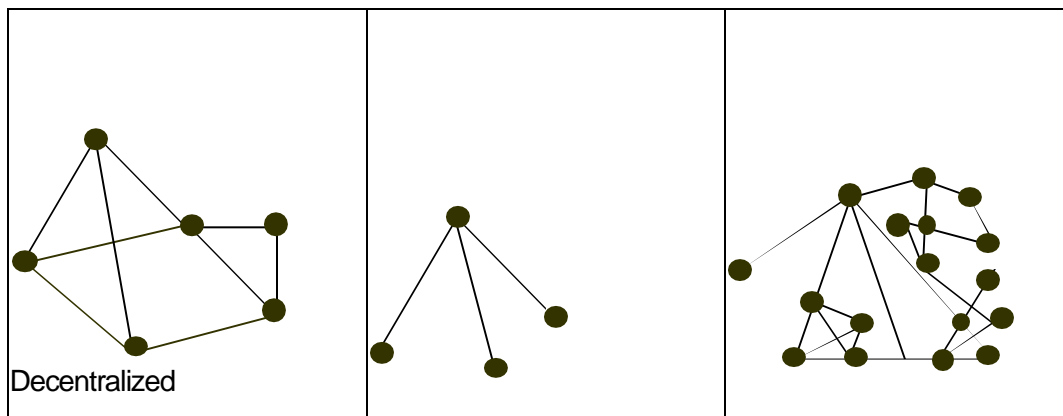
committed partners in order to support each other, or at least to harmonize their procedures or products.

- Specialized Networks in the service of a particular category of users (for example, small businesses, comics retailers, etc.)

These different types may be combined into a single network, and networks of different types can be combined with each other.

The network configuration is important because it influences the way of communicating the information, circulating it from one point to another.

- Decentralized Networks: All units communicate with each other. The channels are more numerous, the links usually shorter, but management is more difficult. The example will be case of inter library loan networks.
- Centralized Networks: the units communicate through a center or a core. There is a hierarchy: this is the case of a central library and its associated libraries, or branches.
- Mixed Network: certain functions or certain geographic levels are decentralized while others are centralized.

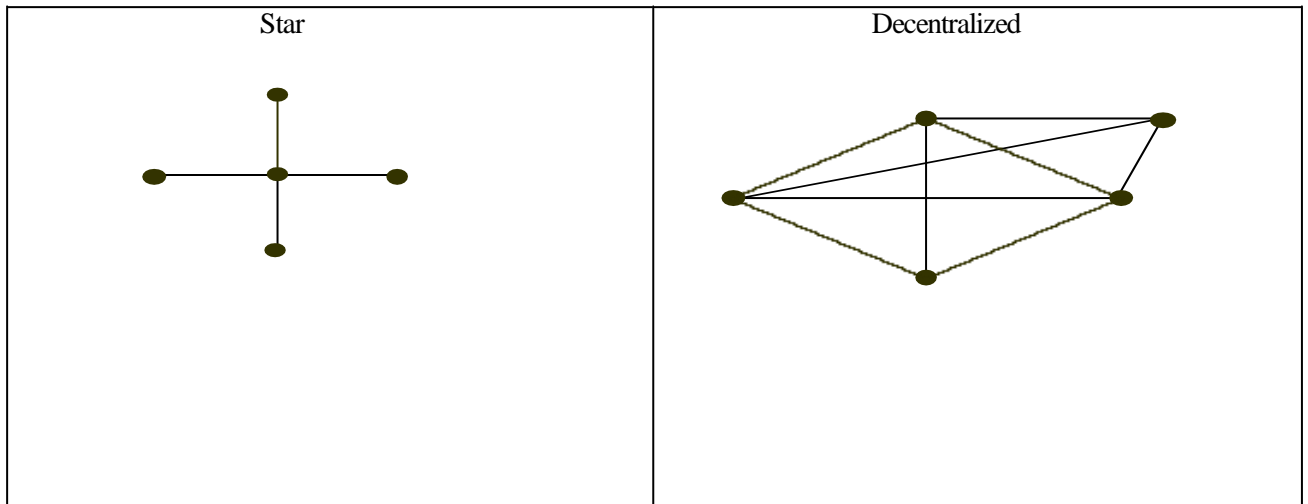


There is also another type of distribution networks with a more complex characteristics:

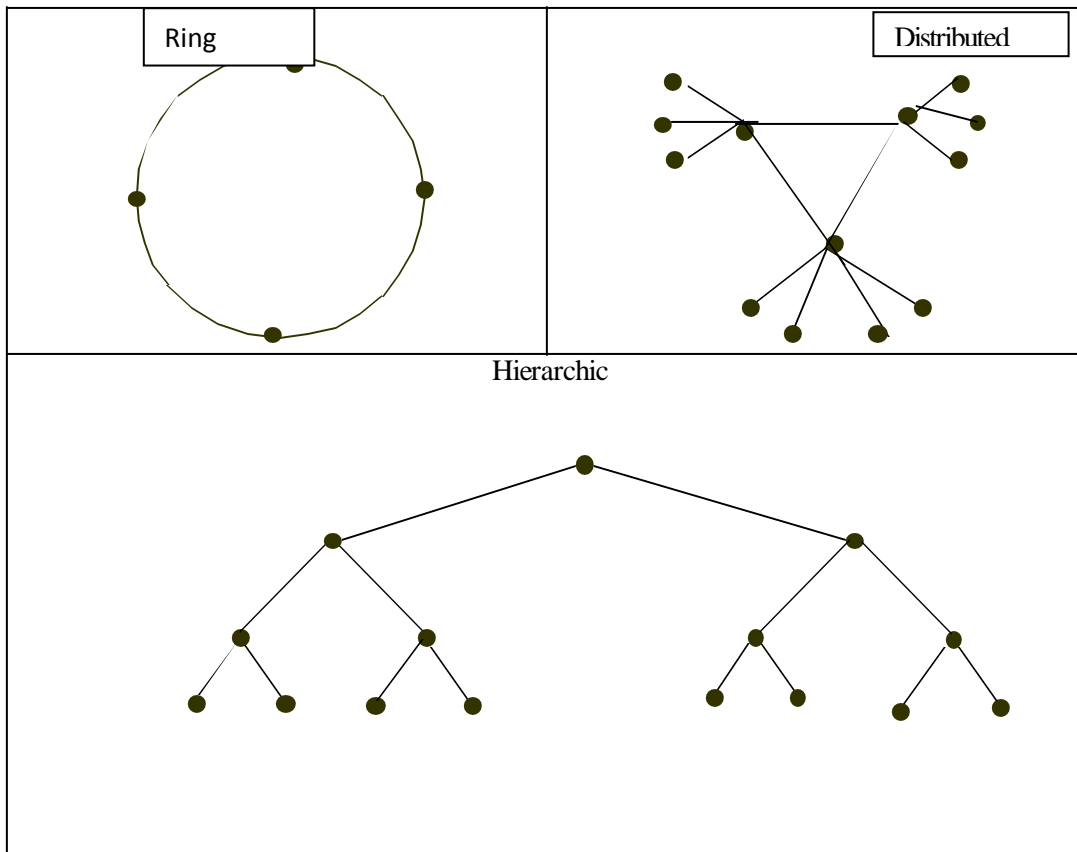
- Star Network: All information of the peripheral nodes is transmitted through the hub.

There is no communication between any of them. All communication is through the center.

- Decentralized network: all information is transmitted to all, without any limitation or hierarchy



- Ring Network : this network assumes that the information passes from a node to the next, and from there to the next. The ring can be unidirectional (the information always passes from A to B, B to C, and so on until you return to A). If the network is bidirectional, the information goes from A to B, C, D, etc., and vice versa.
- Distributed Network: consists of several network nodes that form a web, for example, each of whose nodes depend other nodes connected thereto in a star network.
- Hierarchical Network: every core of the network is part of a master node, which depend on two or more nodes. Each of these nodes depend, in turn, others, and so on indefinitely. Communication is always ascending or descending. Never collateral.



## EMERGENCE OF KNOWLEDGE NETWORKS

Now we will raise the question of why networks are so needed today and what factors have led to the knowledge networks to be an important part of the business.

According to Fuchs Yoguel, the emergence and consolidation of the Information Network is the result of three factors that emerged in the 90s strongly linked to the emergence of new technologies.

A) In the years after World War II, Western civilization lived some years of development never seen before, the production was massive and the population could withstand this demand without difficulty thanks to population growth like the baby boom . Technological paradigm prevailed and it was characterized by wide applicability . The key factor of this paradigm was oil; all this ended due the crisis emerged when the Arabs made costs more expensive, from the moment you could say that what distinguished companies ceased to

be economies of scale and began to be knowledge.

The knowledge that people can add to the company is involved in this new paradigm, it is a new well that is easy to deploy and does not end, but it is growing as is shared, people is who adds value to this new element, and can be distributed in four different ways according to Sanguino:

1. **Socialization:** People can acquire knowledge directly with others, without using language. Apprentices learn from their teachers through observation, imitation and practice; experience has always been a key factor secret to learn. The shared experience and practical training, contribute to the understanding of the reasoning of another individual. The generated content is thus shared knowledge.

2. **Outsourcing:** The expression of tacit knowledge in the form of metaphors, concepts, hypotheses, analogies or models. This mode conversion is considered the key or the key to knowledge creation, generating conceptual knowledge.

3. **Combination:** The combination of different sets of explicit knowledge through meetings, documents, conversations . With the combination the systemic knowledge is created.

4. **Internalization.** Explicit knowledge is built into the tacit knowledge of people in the form of mental models, this occurs through experience, generating as operational knowledge content.

**B) The importance that takes the discussion on competitiveness of people working in a group, as opposed to the competitiveness of those who act individually.**

To survive in a competitive environment the organizations must be as competitive as possible, this leads to them having to find new ways to promote this competitiveness.

New trends in Human Resources, try to make workers feel integrated and committed to the company and the company considers the employee a valuable asset rather than a necessary business expense, to achieve this among other methods aims to create work groups focused on achieve the same goal, so workers are not engaged only to look for their own benefit, they are integrated into the group and all members of the group fight for the same goal.

This can be transferred to all the departments of a organization, if a company wants all its departments to work efficiently and effectively, all of them should have some own goals to be met; But these objectives must be consistent with the overall objectives of the company and should also be integrated with other departments to ensure they are not working on the same thing in parallel or that the objectives that a department is following not impair in another part of the same company.

For both examples be achieved; communication and distribution of information its essential , with being communicative you are assuring that workgroups and departments will be more competitive, because all assets of the company work together for a common goal instead of each of them looking for their advantage.

This idea can be transferred to companies working in the same area or sector, they can coordinate their efforts and work together in order to be more competitive and also both of them will have more benefits. For this, the development of new ways to communicate, coordinate and share knowledge is necessary; It is leading to new technologies that advocate the development of knowledge networks.

### **c) The breakdown of the linear model of innovation.**

The prevailing idea about the need for the presence of intangibles in the company to achieve competitive advantages, coupled with other changes, begins to seriously limit the previously established approach according to which knowledge circulated unidirectionally from the offer of universities, agencies and laboratories research into the demand for other sectors, with the latter ones simply a passive role in knowledge generation.

This preset scheme is known as linear model of innovation in which, while companies and factories used and adapted this knowledge to their own activity universities and research and development centers were responsible for the generation of knowledge.

Begins to be a growing agreement that innovation is not an individual phenomenon of firms or organizations. It creates a tendency towards a multi-character multi emphasis on character of the learning process, that is a trend towards non-linear model of innovation is an interaction with a strong knowledge networks deliberately constructed or informal.

As seen above information networks are being re-evaluated in recent years since they are vital for creating and sharing knowledge and understanding of the learning process, so then play a key role in non-linear processes of innovation.

This is another factor that condition, coupled with the above, the role taken by knowledge in the creation of dynamic competitive advantages. The crisis of this model is the defining for the belief that the agents also generate knowledge through interaction and combination of tacit knowledge and codified within organizations, and through networks and systems they compose element.

Castañeda and Perez (2009) put special emphasis on this factor by being an important point:

Starting with the above statement may be mentioned various types and in the case of computer networks, academic and scientific information, regional, social and Knowledge networks .

Computer networks were defined by Lopera(2000) as the "*set of interconnected computer equipment to share computing resources and data.*" *These networks are applicable to a wide range of processes and human activities. They are comprised of several systems that connect through any of the means provided by telecommunications and are the support for information networks.*

Also it defines and identifies academic and research networks represented by people *who make up teams of study and work to share information, experiences, information and various resources; in order to achieve specific goals in any area of knowledge. They are based on cooperative work, with high levels of participation among academic peers of one or more universities, including a key aspect is developed in scientific work: the critical exchange of knowledge and experience.*

Lopera considers integration between information networks, computer networks and academic and scientific networks establish the knowledge networks, but argues that firstly an organizational and functional convergence has to be made in the conception. Design, implementation, operation and evaluation should be generated; and secondly, a social and cultural convergence that allows the development of a common language to facilitate dialogue and practice between actors of different types of networks.

In turn, this author explains that information networks and the academic and scientific networks have not had a real interaction, specifying that this is due to two basic reasons:

1. Information networks have concentrated their efforts in the provision of information, often in a reactive way, regardless of their users are social beings who usually work in groups and have an intellectual capital represented on experiences and knowledge, that hardly, they come to be translated into written documents.

2. The secrecy of the academic scientific data bases that are usually private use.

Social networks have their importance thanks to innovations such as the internet and are rooted in the needs of communication and information

The human being is defined as a social animal, the ability to communicate and engage with others is innate, this is the purpose of social networking. Rodriguez defines these social networks as a software that allows people to come into contact with other people, with whom they share the same tastes and affinities. These networks are built from people who know people. A person creates a group that is adding to his friends first and then each of these is inviting yours Social networks not only let you friends, are also used for business purposes such as looking for work or exchange of information between colleagues. Lynkedin is a network that brings together professionals and people looking for work with businesses and other professionals, today is one of the most used social networks.

In conclusion to the question posed at the beginning of this section we have deduced that the importance of information networks is given by the need for cooperation and communication between the different companies of the environment in order to survive, the need for cooperation is supported by the same base the need to have a presence in social networks mentioned above; the need for companies to create lasting relationships with the environment, whether between companies that compete directly in the business, but also to maintain lasting relationships with the suppliers themselves. However this need to maintain relationships is also due to other business needs such as:

- Get solutions to problems that others have previously acquired a solution.
- Innovation and development of new technologies in the sector.
- Rising production costs
- Share and preserve information.
- The increasing number of consumers and the need to assist the demand when we fail on our own.
- The need of support in a highly competitive environment ,.
- To not isolate ourselves from the environment.
- Get resources that we could not get on our own.
- Solidarity between competitors.
- Acting together for a common benefit.

## SPANISH KNOWLEDGE NETWORKS

Finally to close the issue of knowledge networks, point out briefly what presence they have nationally; mention the most important. It is necessary to observe what kind of networks are the most important in Spain in order to understand the importance that they have nationally when we analyze the company Manhattan Comics

In Spain especially the primary and secondary sectors have strengthened knowledge networks, according to the Ministry of Agriculture, Food and Environment; in those two sectors we have the following:

**Chil:** This is a collaborative Internet platform that integrates professional network, web hosting for companies, communication tools and knowledge management, and specialized in agriculture, food, rural and environmental sector services.

**FORAGRO:** The overall objective of this forum is to contribute to the consolidation of the Regional Agricultural Technology Innovation System for the Americas

**Technology Platform for Sustainable Agriculture:** The general objectives of this platform are working to consolidate a forum for the exchange of information and knowledge; and to integrate efforts in the development of technologies that contribute to a more sustainable food production through production efficiency and quality.

**Food for Life Spain :** Its goal is to guide the research of supply to industrial interests and reach consensus among all (enterprises and researchers) on issues to investigate.

**PTEPA:** Spanish Technology Platform of Fisheries and Aquaculture

**PTV:** Wine Technology Platform is a forum for discussion and reflection among the various players in the Spanish wine sector.

**ALENTA:** Oil Technology Platform aims to promote R + D + i between the different actors of the system science and business, all in order to improve the competitiveness of the Spanish olive sector.

**SERVIFAPA:** Platform counseling and knowledge transfer in the agricultural and fisheries of Andalucía.

**RuralCat:** Virtual Community agro and rural promoted by the Department of Agriculture, Livestock, Fisheries, Food and Natural Environment of the Generalitat de Catalunya.

**PTEA:** Technological Platform for Water and Irrigation, is a public-private partnership for the promotion of R + D + i between the scientific and technological agents national led by the industry and the rest of the business sector of water cooperation.

**PLANET:** The Spanish Technological Platform for Environmental Technologies, is a group of organizations with interests in the field of environmental technologies.

**PTFE:** The Spanish Forest Technology Platform aims to promote integrated research



forum, thereby helping to lead the forestry and related industries towards sustainable development and continuous innovation to promote growth.

**IOPLAT:** The Spanish Biomass Technology Platform aims to provide a framework in which all sectors involved in the development of biomass in a competitive and sustainable manner.

**PTECO2:** The overall scope of the Spanish CO2 Technology Platform is addressing technological development in Spain to help to reduce the environmental, social and economic impact of emissions of greenhouse gases in our country.

**HispaRob:** The main objective of the Spanish Technological Platform for Robotics, Spanish is improving competitive position in the global and European markets, strengthening the technological capacity of Spanish companies.

**Vet + i:** The Spanish Technology Platform for Animal Health is a multidisciplinary forum that brings together all public and private agents linked to animal health in Spain.

**BIOVEGEN:** The Technology Platform Plant Biotechnology, is a network of cooperation and exchange of scientific and technological knowledge among all agents in the environment I + D + i based on plant biotechnology.

There are also interesting initiatives that are not dedicated to the development of the industry if not for the benefit of the public as the Spanish Network of Intelligent Cities (RECI), which aims to integrate the Spanish smart cities, making them more efficient based on the use of new technologies and innovation and reduce public spending.

There are also projects to improve the universities, such as by project Net.Lab according to their website the platform "*aims to create a benchmark in the network to facilitate the incorporation of ICT in universities from the definition of some quality criteria*"

## INNOVATION

As we explained in the knowledge networks section, develop and research departments and the creation of new information technologies are closely linked to the expansion of these, so in the next section will focus on innovation; for this we will start by defining what is innovation, how companies can innovate and how they can encourage creativity (a factor quite related to innovation), why it is so necessary today to be an innovator in the current environment and finally we will review the current Spanish situation, which are seeing the most innovative Spanish companies and finally respond to the essential question. Why is the innovation and the innovative organizations necessary ?

Over time as many of the concepts related to economics and business management, innovation has had several ideas and definitions :

*Innovation is the development and implementation of new ideas by people in an organizational settings (Van de Ven, 1986).*

*An innovation is a new idea, which might be a recombination of old ideas, a scheme that challenges the present order, a formula, or a unique approach which is perceived as new by the individuals involved ( Van de Ven, 1985)*

*As long as the idea is perceived as new to the people involved, it is an innovation, even though it may appear to others to be an imitation of something that exists elsewhere*

*Innovation= generation of ideas + implementation of ideas Innovation is new knowledge incorporated into products, processes, organizations ,...(Afuah, 1998)*

*Innovation is the generation of a new idea and its implementation into a new product (good or service), process, new marketing methods, or organizational methods or practice. (Urabe, 1988; Oslo Manual OECD, 2005)*

As we can see innovation is based on an essential point, the generation of new ideas, and looking the things with another conception, the defined as Think Outside The Box. But this generation of knowledge precedes another very important part of innovation, the implementation of this idea is often the hardest to get.

## RADICAL VS INCREMENTAL INNOVATION

There are two different philosophies on how the companies must innovate,

### **A) Incremental innovation = adaptive learning + implementation of idea**

**Incremental innovation:** Incremental innovation is considered when value on a product that already exists is created, adding further improvements. The innovation process begins on a conceptual basis.

From here a series of creative processes aimed at achieving specific purposes are made. Brainstorming, Synectics, random words, mindmapping, etc., which make up a large fan to find innovative possibilities: different creative techniques are used. However, creativity is determined by time and space. Examples of incremental innovation: the addition of cameras to mobile.

It is important to note that incremental innovations favoring the business, however must take into account that market developments and follow the competitors to provide a radical innovation that breaks with the above.

Their dedication to continuous improvement in a way that meets market demands keeps them:

- Relevant to the consumer
- Continually making their product more competitive
- Focused on cost reduction (i.e. less bandwidth usage though more efficient code)

The main advantage of incremental innovation is that it's hard to go wrong.

In addition you create customer commitment to updating your products and see that you have not left out them, we can observe this in a better way on software products, companies strive to improve the product and bring new innovations; Facebook has changed a lot over the years and has been applying new enhancements that completely change the functionality of the application as the application of chats or search filters. One could also mention Apple as an example because although at first revolutionized the market with a radical innovation (Ipod); it's line of business is more involved in improving their star products such as the iPhone that is renewed almost every year, than focusing on the development of new products.

### **B)Radical innovation= generative learning + implementation of idea:**

**Radical or disruptive innovation:** Faced with incremental innovation, we found radical innovation . This occurs when a new product or service incorporated to the market, and itself can generate a category that was not known before, causing revolutionary changes in technology. It represents a turning point for existing practices because it focuses on the basis of a completely new concept.

Radical innovations create a high degree of uncertainty, severely alter the structure of the sectors in which they arise, alter the competitive positions of established companies and in many cases, lead to the emergence of new industries.

Such innovation comes from processes where opportunities are visible in an instant, perhaps as an accumulation of experiences, desires, condiments and a good deal of

chance. Representative examples of radical innovation, include several. First, the Amazon, which envisioned the business of virtual bookselling. Second, Apple, who was ahead of Sony in the positioning of MP3 players. The appearance in the mobile phone market can also be considered a radical innovation.

In many cases the consolidated companies are more careful with disruptive innovations and are often entrepreneurs who embark on this type of innovation.

In conclusion, create new ways to innovate involves very high costs in both money and time, and the company will never know if the investment will be profitable, so companies tend to stick to the incremental innovation and improve products that have already worked.

However there are companies that strive to innovate and bring something more, is what is called blue ocean strategy, and its definition is seeking new markets through innovation rather than compete for existing markets. Would create new products that customers do not know and offer supply them a new product that the organizations has created.

There are several companies that follow this philosophy they can be international companies such as Valve, Amazon or Google listing the most famous; but looking to the national area we could find interesting companies that invest heavily in innovation, such as: Ramem, a Spanish SME dedicated to the manufacture of electromechanical equipment for the industry its most important innovation started when in 2000 he decided to create a team of R & D to investigate a new own product line, instead of working on request as is customary in its sector. The first investigations of Ramem resulted in a detection system in aerosol form nanoparticles, which already has supply contracts NATO and investigates new applications in medicine or airport security, Union Fenosa with neural network system that helps predict energy needs and production capacity. The system has already been implemented in 500 wind farms, the Galician Imatia engaged in the development and commercialization of technology and software products aimed at improving business productivity and efficiency in public administration. The company devotes more than half of its resources to carry out R & D projects related to new technologies for the development of information systems among others.

## CREATIVITY AND IMAGINATION

Closely linked to innovation are two key concepts:

-The Creativity: the ability to generate new ideas or concepts, or new associations between known ideas and concepts, which usually produce original solutions.

-The Imagination is a superior process that enables individuals to manipulate information generated intrinsically in order to create a representation perceived by the senses of the mind.

Therefore it is important to encourage these qualities and in fact there are several ways to do this we highlight two:

The called wishful thinking, based on pose solutions "desired" by employees to problems that may arise during the development of the activity. After raising the desired situation should look how to develop this desire in a realistic way and apply it.

Once again, having a new idea and develop it.

The Wishful Thinking process follow these steps:

Step 1: The group members are first asked to write a brief statement of the problem, issue or opportunity.

Step 2: Each individual needs to develop some fantasy statements about the future using terms such as: 'in the future, it would be nice if the organization did..., what really needs to happen to be a great company is..., if I were in charge of this situation I would do...'

Step 3: The group members need to examine each fantasy statement and develop ideas on how these could be achieved

Step 4: Participants examine all statements and discuss more practical applications. The new ideas that have been developed need to be explored and linked back to the present problem situation.

Step 5: Steps 3 and 4 can be repeated after restating the problem, issue or opportunity.

### **The formulation of the SCAMPER questions:**

Substitute(S): What can be replaced? Can the rules change ?.

Combine(C): What ideas can be combined? Can we combine purposes?

Adapt (A): What other idea suggested? What could be copied? Who could be emulated?

Modify (M): How you can alter something to make it better? Can I change the name, meaning, color, motion, sound, shape or size? What can be added: more time, more mass, more space, higher, stronger?

Put (P): destine to other uses. Are there other variants? Any other markets ?. If you modify could it be used or be perceived differently?

Eliminate or minimize (E): can the rules be eliminated? What is not necessary? Can be omitted, split, downplay ?.

Reorder / Reverse (R): What other agreement or arrangement could be better Want to exchange components? Another sequence? Should turn it over?

## TYPES

Finally to understand how companies innovate let's define thee types or the fields where companies can innovate, according to the Olso manual exist:

**Product innovation:** brings a new good or service, or significantly improves them, in terms of its technical characteristics or terms of use or other functionalities, the improvement is achieved with knowledge or technology, with improvements in materials, components, or integrated computer . To consider innovative a product must have features and differentiated yields of existing products in the company, including improvements in installments or service.

**Process innovation:** is a concept applied to both sectors production and distribution. It is achieved through significant changes in techniques, materials and or the software used, that have for objective to decrease unit costs of production or distribution, improve the quality, or the production or distribution of new products or significantly improved . Process innovations include new or significantly improved techniques, equipment and software in ancillary support activities such as purchasing, accounting or maintenance. The introduction of a new or significantly improved information technology and communication is a process innovation if it is intended to improve efficiency and / or quality of an activity of basic support.

**Marketing innovation:** is to use a marketing method not used before in the company that may involve significant changes in design, packaging, positioning, promotion and pricing, always with the goal of increasing sales. The variation in the method has to make a fundamental break with what has been done previously. Position changes may include the creation of new sales channels and franchise development, direct sales, changes in the way of displaying the product or the sale of licenses. Changes in promotion make the change in communication using new media, replacing the logo,

loyalty systems and personalization of customer relations. Pricing refers to systems varying prices depending on the demand or the options offered.

Changes in the practices and procedures of the company, changes in the workplace, in external relations and implementation of strategic decisions in order to improve outcomes by improving productivity or reducing internal transaction costs for customers and suppliers . The update on knowledge management also enters in this type of innovation, like the introduction of management systems for production operations, delivery and quality management. Also variations in relationships with customers and suppliers, including research centers and supplier integration or outsourcing onset of activities are considered innovations in organizing . Innovation is manifested in new software and new ways of gathering and distribution of information between divisions programs. Instead, the new written rule does not imply innovation, for it to be transposed into programs and routines automated information processing is required. Innovation activities can be of three kinds: got, ongoing or discarded before implantation. All companies that develop innovation activities during the studied period considered are considered as "enterprises with innovative activities", whether the activity has ended or not the introduction of an innovation.

According to Robinson, there are nine principles that serve to foster the Organizational Innovation:

1. Everyone has creative potential: The innovation should be a purpose of the whole enterprise rather than a separate objective. The entire organization must be innovative not only one department
2. Innovation is the child of imagination: Let rise imagination is essential in creating an innovative culture, let you think, improvise and explore new possibilities.
3. We can all learn to be more creative: As we have seen there are techniques to encourage creativity and can teach people to have a creative thinking
4. Creativity thrives on diversity: The creative teams are different, the best ideas come from bringing together people with different backgrounds.
5. Creativity loves collaboration: It is necessary that people strive to collaborate and synchronize somehow , as separating tasks. The collaboration makes people involved in working side by side in a shared process, this interaction affects the final result
6. Creativity Takes Time: Time is an essential resource to innovation
7. Creative cultures are flexible: Delegation, autonomy, participation, etc.
8. Creative cultures are inquiring: employees must question everything, not taking everything for granted.

9. Creative cultures need creative workspaces

10. Furnishing, equipment, lighting, colors, ambiances are essential for creativity.

## CONCLUSION

The Oslo Manual refers to the work of Schumpeter's theories as a basis for innovation. "This author argued that economic development is driven by innovation through a dynamic process in which new technologies replace the old. According to him, the "radical" innovations originating great changes in the world while "progressive" innovations continuously feed the process of change. In conclusion we could say that the link between innovation and economic progress occurs through the creation of new products and methods of operation more productive ultimately businesses and other organizations innovate to improve results by increasing demand or reducing costs. In the process of adoption of an innovation internal diffusion of new knowledge or new technology is an added incentive to the extent that enriches the capabilities of individuals and organization and underpins other future developments



## MANHATTAN COMICS

As last part of the final assignment we will focus on the company Manhattan Comics, to start we will analyze firstly their environment, also focusing on what level of innovation is in the environment surrounding him, and then discuss what types of innovation the company implement on its strategy .

Manhattan comics began as a small shop in the center of Valencia which was dedicated to the sale of comics and graphic novels to the general public. In 2010 the management changed and nowadays is owned by Noel Martinez.

This new management brought a new revolution in the field of sale of comics in Valencia, with promotion innovations, presence and interaction in social networks, focusing its promotional campaign and positioning in the sector taking advantage of new technologies and the rise of social networks and accompanying it with a new graphic identity and the creation of a mascot to create branding that identifies with the company and its new direction (The Manhatto).

Thanks to the presence in social networks on the end of 2013, the company began a campaign to expand the brand by the Valencian Community, thanks to this new store in Alcoy was installed to use the Manhattan brand, and then a new store joined this campaign with a new opening in Xativa, and finally expanding the area of influence outside the Region to the city of Madrid.

The store sells the next kind of products:

- **Marvel Comics:** Comics of the publisher Marvel legendary creator of characters like Captain America, Spiderman, The Avengers, Fantastic 4 and X-Men. Super-heroes with super-personal problems.
- **DC Comics:** American comics publisher DC where they shine the great heroes like Superman, Batman, Wonder Woman, Green Lantern, The Flash. Icons that are recycled and adapted to today with an incredible capacity.
- **Great Sagas:** Great adventures, threats and dangers as both heroes and villains must unite to face to survive.
- **Independent Comic:** Apart from Marvel and DC Comics, there are many small publishers. Some of his comics are truly wonderful. Discover them.
- **Alternative Comic:** These comics are made considering a high quality dimension. They are published in the independent comics or in sub brands of Marvel (Epic, Max, etc.) or DC (Vertigo). They are adult in nature and contain high doses of sex and violence.
- **Manga:** Comics published in Asia such as China, Japan, Korea.

- European Comic: Comics produced in Europe. They try more intimate and intense stories.
- National Comic: Comics produced in Spain. Despite the existence of all genres the humor dominates.
- Fanzines Magazines: about comics made by amateurs.
- Specialized Magazines: Magazines about comics made by professionals.
- Merchandising: Shirts, key chains, stuffed animals, dolls, accessories, cups.

## DESTEP ANALYSIS

**DEMOGRAPHIC:** According to the latest reports from CIS the Spanish population over 65 years in 2050 will be 30% of the total population. The birth rate is down slightly, but according to data from 2007, the population aged 0 to 30 years accounts for 35% of the current Spanish population, given that the product sold by the company analyzed and directed is usually purchased for a young people, this could be a problem in the future.

It is also true that many young people are deciding to leave Spain because of unemployment and economic climate which makes the population of these decreases. The poverty level in Spain has decreased compared to previous years as noted in the Huffington post

**ECONOMIC:** Despite the economic climate is unfavorable and the unemployment rate is very high, 23% in the total population and 50% in those under 25, the following years, are expected to be of economic growth and development. However it is true that the unemployment rate can affect the consumption of goods due to the lack of income and since the product of Manhattan comics is not a basic necessity, if one of the clients are unemployed this will be one of the products that stop consuming. Spanish average wage is the lowest in the Western European bloc, which means that purchasing decisions would be more difficult for the consumer compared with other property in the indifference curve.

**SOCIAL:** The comics and superheroes are now fashionable, in Hollywood large amounts of money are invested in producing films where the scripts are taken from comics and graphic novels and have a great public success, making more people interested in knowing where they arise you're looking to buy films and related products.

Society is more educated and have more access to information and culture, so that if something interests you have an easier time finding it.

**TECHNOLOGIC:** The development of new management and communication software is easier to run a business today and communicate with customers and suppliers, creating relationships with former and can more effectively manage the latter. Besides the use of smart phones and tablets makes it easier to buy for the consumer and be informed of developments and news. Also with new technologies problems such as illegal distribution of these products arise, ie the so-called piracy.

**ECOLOGICAL:** The problem of resource scarcity and deforestation makes new ways are sought in publishing at the time of print books and derivatives. From printing on recycled to use eBooks to reduce the role and may represent an interesting business line role. Also the companies have the necessity of been environmental friendly, this causes a good perception in the consumer minds and also helps to take care of the planet which is one of the most important problems of the current age.

**POLITICAL:** To be autonomous or have a small company in Spain is not easy, while in other European countries usually relatively cheap in Spain to manage yourself a small company you have to pay various taxes not dependent on profit they are fixed costs, also there are several costly procedures to follow when it comes to open new stores.

## 5 FORCES OF PORTER

**COMPETITORS:** Competitors of the company could be distinguished into two blocs, small specialty shops with a similar size and department stores where all kinds of products are sold. They stand two large companies such as FNAC and El Corte Ingles in the second block; The problem with this type of competition can arise due to having a larger volume of business can devote more resources to the promotion of these products, besides being able to buy more quantities of product and therefore it comes out cheaper. They may also incur unfair competition and to sell a product expected by the public before their official release.

Among the first is where the most direct competition is, as these advocates a kind of public better informed and go to specialty stores in the field, in Valencia the best known are Futurama comics and Imagenes comics, both older companies that Manhattan comics, both have close to 30 years in sales experience therefore have more presence in the media and are better known so potential customers are likely to find information on these companies before Manhattan comics, should be added that already they have an established clientele. The relationships with this two companies are not very strong despite are the most similar stores to Manhattan comics according to Noel the relationships between them are very cool.

**CUSTOMERS:** The target audience are men and women of all ages, would be aimed at people who like reading and comics, who know how to handle new technologies and frequently use social networks, that look for specialized dealers are informed about the product. Because of the multitude of shops and stores that sell this product the customer have some power of decision because there is a great deal.

**SUPPLIERS:** Suppliers of comics can be divided into two: the first group would be publishers with large infrastructure and work with major American publishers comics (Marvel and DC) among these companies we found, Panini, ECC comics, Norma Editorial and Planeta Editorial. Due their size and that among these four spread the market practically, these companies have too much power and are the only ones that distribute comics most requested by customers. Also publishers depend on distribution channels with a lot of power and both publishers and stores have to abide by its conditions, and this can suppose problems as delays of major distribution or damage of

material, there are only a few companies and to be an strong competition and a election for the publishers.

In the second e can find modest and independent publishers, who are closer to Manhattan comics deal, the relationship is close therefore gives more freedom when it comes to payments and synergies between the two companies are created. These publishers we highlight : Aleta, Astiberri and Amaniaco among others.

There are other providers as dedicated of the publication of books, games or merchandising; merchandising is one of the most important parts in the business of the company along with comics and often deal with foreign companies as Kotobukiya and American Previews Service. Which they are two of the most important companies in American material and have more power than publishers.

As for books and games the company opt for national and local companies, but also works with major publisher of books (DeBolsillo and WizKids). The fact of working with small local businesses can offer customers an alternative and / or exclusive product, including this are Kelonia Publisher or Asylum Games.

**SUBSTITUTE:** The comics are a third need product, there are several substitutes for leisure products, we can found alternatives to these products such as sports or dining out, however we will focus on products that offer a similar feeling such as the movies, or video games. There are a wide range of these and costumers may choose these rather than the product offered by the company to study.

**POTENTIAL COSTUMERS:** Large providers have their own internet pages stores therefore there is a possibility that they start their own stores.

The barriers to entry are not very strong, because contacting and taking the appropriate permissions to open a comic book store are not difficult to find, also do not need to make major reforms, adjustments or investments in infrastructure for such permits; however an investment of between 20,000 to 50,000 Euros to be able to carry out the project .

## AN NOT INNOVATIVE ENVIRONMENT

Although the shop which we will set our analysis has based its strategy into bringing something new to the selling of comics in Spain, distributors and the others stores still follow a traditional vertical structure and conservative practices.

The other companies in the area are usually companies with years of experience in the sector, starting with the other stores of the environment, this other shops did not applied any innovation on marketing or distribution. The business was based on buying products to the suppliers and then sell it to the public without any interaction beyond that one that could physically exist on the store, and the marketing was based more on being the only city shops and Word to mouth generated by customers who already knew the store or a bit of advertising in the written press and the specialized media. Due to the limited competition that was in Valencia on these products it was not

necessary to apply innovations in the business for these companies to continue their activity, they already had loyal customer for years so they did not need an innovation in the form business to continue having incomes.

Also due to the stagnation of the sector the other store did not need to learn and share with other national and international companies, this means that there was not a knowledge network already established between all the companies comprising the sale and distribution of comics and similar products in the Spanish territory.

Large companies that are dedicated to selling comics are also stalled as it relates to the distribution and marketing, this is because these products are not a large percentage in terms of its business turnover; therefore they do not pay him much attention on promoting these products and this large retailers of comics are only concerned to maximize the benefits of these products regardless of incurring unfair competition and investing the least in them. Although the boom in superhero movies this began to show more interest in this kind of business still they did not bring anything new to the sector or the need to innovate on the sale or promotion of this products

The other problem that supposes the stagnation of the sector are the comic publishers, the conservative stance that keep companies engaged in the distribution of the most important and influential comics of the market is also due to the low competition between these, the market share It is distributed among four large companies as we highlight when we analyzed the environment. Among the practices that are counterproductive these companies we can found some like, stick with the same model of inefficient distribution that involves product delays and disrepair products that was established over ten years ago and continues being a problem for their clients; ore others like not investing in improving the customer service and claims, that reports on the discontent of its direct customer, comic stores often have difficulty even when they want only to contact with someone who treats the complaints. Due to the low offer of comics publishers in Spain, the costumers of these companies have obligatory to deal with these suppliers and the problems that they cause to them.

If these providers invested in incorporating improvements that fixed up some of these problems, they could expedite sales and the distribution , thus implementing an improvement that will benefit both parties, because this way its customers would be happier and also can offer a better product to the final clients and distribution companies will save in storage costs and they will have a higher turnover of its product.

However there exist some small distribution companies that despite they trade with a limited catalog this publishers offer to their customers products and costumed orders that enable them to differentiate themselves from the big companies; thanks to this their customers rely more on them to be reliable when it comes to distributing its products due they can not afford to lose market share and try to establish closer relations s with shops that often incur synergies as we will discuss below.

Consequently if a new company wants to enter the sector and achieve a significant market share, it must break the status quo and bring new ideas to a stagnant business that refuses to move forward, although the sector it is connected with such a creative product which has changed so much over the years. In the next point we will see the

case of a company that treats to bring innovations to the environment; Manhattan comics breaks this conventions and tries to bring freshness and innovation in the selling of comics in the Spanish market and that meant that many companies began to copy their strategy regarding to the promotion and customer relationships.

## MANHATTAN COMICS AN INNOVATIVE STRATEGY

In this environment with such lack of business innovations Manhattan comics arise as a new model of comics sale.

Manhattan comics was a shop with some experience, and spent several years open, but it was in 2010 when the store take a new direction, when management was handed to Noel Martinez. After studying about marketing and online marketing, the need to chart a new course arises and according to the company *"model comic book stores had expired and we had to find a new business model"*

This new direction was based on finding new ways to highlight against competitors, establish a close relationship with all the customers of the store, do a different promotion to which they were carried out and finally find new smaller, independent suppliers to have a closer relationship with them and create synergies.

As we have stated above it assumes see innovate new ways of doing things, but also implement them. Its first step to innovate is based on innovation in marketing, especially in the forms of promotion.

The first step when the company was acquired by Noel consisted of a complete revamp of the entire store, starting with the script and knowing start its presence on social networks with its boom, one of the most popular companies and more influence on social networks in this sector, one of the first to start the viral promotion. They are recognized as one of the pioneers who opened the doors of comic book stores to social networks. That is, it was one of the first companies to implement a radical innovation that changed the way they relate to customers and be promoted; today most comic shops try to adapt these strategies, being followers and this being a Promotional type already established.

This interaction and social networking is based on the idea of creating closer relationships with customers, informing them and become viral ;They become the first comic store to have 12000 followers on Facebook. This close relationship is then transferred to physical treatment in the store. Because of this they have succeeded, despite his short time in the market Manhattan Comics has managed to establish a significant market share, taking customers to its competitors thanks to a strategy of customer loyalty and also they have a better position in the consumers mind.

During these first months of new ownership, the idea of creating a mascot (Manhatta) to be identified with the company, and integrate all new business ideas emerged. According to Noel, *"we need to have something of their own, and at the same time serve to work specifically within social networks. Because we were aware that the success of Manhattan Comics came with social networks: it is a logo, or a pet, or an anagram or an image or a graphic brand created for social networks to reproduce any other aspect"*



This closeness can also be seen by looking how they deal with the suppliers of the company, in Manhattan there are two types of provider; large companies that are very important in the national and international market, or small businesses and independent publishers.

With the second long-distance relationships are established, these companies are more flexible when it comes to payments thanks to these relationships. With this relation synergies with other companies are established, in-store presentations of books, comics and even web series are some of the actions that these companies make with the help of Manhattan. With these projects are promoted in the store, and also Manhattan get exclusive products, and even some facilities when it comes to pay and receive products in advance. Thus implementing innovations to improve the process.

The company also promotes organizational innovations; the opening hours are Tuesday to Saturday, thus considerably reducing energy expenditure. Besides this way workers have a more flexible schedule, this measure reduces fixed costs of the company while workers are most satisfied in the workplace. With gestures like this show to be a company ecologically aware. Also they implement a totally horizontal structure; the tasks are distributed according to the employee looking where he can develop a better performance.

In short, thanks to the implementation of these innovations the company has managed to sustain a stable base of loyal customers and get differentiated from other companies that had more years in business. It is also a company that encourages creativity as we have observed above is a foundation to innovate, they try to listen to all ideas that can raise changes that may improve the management and image of the company, from the own clients to the employees soaking up with this way on new ideas and innovations.

## KNOWLEDGE NETWORKS AS THE PILAR OF THE BUSSINES

The first hurdle that the company had to overcome in order to implement its strategy was to create a network that would allow him contact with new customers, suppliers, other stores and people interested in the new store not only as part of the business but it could also bring new ideas in order to improve or expand what would be its activity. As indicated by Noel, without the application of these networks business success would have been impossible.

The first steps to establish this network are grounded in social networks, it was the first comic book store to use this tool not only as a means of promotion, if not to have a closer treat with the people that integrate this network and also have more information about their customers; know what kind of product they wanted to buy and thus able to sell custom products more adapted to suit their clients not only in the product also in the way to sell it. But this network was also used to contact other similar businesses, which could provide information, support and new ideas on how to run the business, among these companies we can find distributors as Distribuciones Mora, and publishers such as Aletta or Asylum Games, those companies are integrated into the business itself creating synergies between them, so with the support of the distributors can establish products that the customer could not buy in other stores, and can set standards of quality as a the people of the store as a seller would consume from themselves. The network they use is local and decentralized using the social networks, normally Whatsapp or Facebook

Also thanks to these networks it was possible to contact with people from other cities of Spain that showed interest in the form of business and the work methods that Noel had established, that in a first stay made the brand to expand to other cities of Valencian Community, specifically to the city of Alcoy, and then to the city of Xativa, where two stores that were previously independent and had no communication with other companies; whatsoever chose to establish this new model adopting the name and image of Manhattan comics for their own business and also can provide the experience gained over the years and the knowledge that could be complemented with other stores on products, as each person of the network provides specific knowledge of the business on each stores products, whether Asian comic, table games or American comic, while the valence store brought innovative knowledge that had made him establish itself as a major competitor in the market and the popularity of the brand, making the new stores increase its business turnover. Finally this expansion came from the local borders and settled in Madrid. Thanks to the knowledge shared by the persons making up this network, Manhattan Comics image has established itself as a leading brand in the Spanish sector and for some things into a reference.

The use of these knowledge networks also support a campaign of promotion and expansion of the pet store, which led to the development of a series of comics based



on it , they were written and drawn both store customers as industry specialists, this comic is available for free on the store website and everyone can download it.

Also some customers have collaborated with the store generating illustrations, some with paintings and other with handmade crafts generating a feedback in which the store gets material for the various promotional campaigns and artists receive recognition and distribution of his work.

Finally as part of this process of expansion on knowledge networks Noel faces to the European companies as part of their business strategy. One of the important parts on which Manhattan Comics strategy is based, is the radical Europeanism as they mentioned to us the store. They tells us that this concept is based on observing how the European business model is structured and set it up Spain because it shows how the companies will work be here in a few years.

To do this aside from base its strategy on how this European stores are managed , Manhattan Comics also tries to contact shops of all Europe. As we know France and Belgium are the largest European producers of comics and they have great success in and out of these countries such as comics Tintin or Asterix the Gaul known worldwide and with several film adaptations; therefore they are countries that can contribute much to businesses in countries like Spain where the comic is not as famous, but is losing part of the social stigma he had.

The model, the success and the growth of Manhattan comics is based and could not have happened without the help of these knowledge networks, was a risk bet at the time but definitely worth it; therefore it is necessary to continue to maintain and expand these knowledge networks, and try to apply any technological innovation arising mainly as communication is concerned, we have seen the company taking advantage of the social networks when they arise and they have to continue doing this.

## SWOT

If we want to try to advertise the company on how to behave and how to continue being an innovative company we should look on what opportunities there are out here, and what flaws and strengths the company have in order to firm up them.

### **Strengths:**

- Great presence in social networks
- Loyal customers
- Customer Intimacy
- Close to small suppliers. Payment facilities
- Green Company
- Innovative Company
- Diversification of products
- Expansion mark by the local territory
- Strong relationships with other companies and people from the sector

### **Weaknesses:**

- Been an autonomous in Spain
- Wide offer of leisure products in general.
- The big publishers have much decision-making power
- Strong competition, especially large stores
- Unit comics distributors, monopoly must adhere to these impositions
- Not long experience in the sector, compared with the competitors

### **Opportunities:**

- Electronic Sales comics and derivatives
- The superhero films based on comics and generally have a great public success.
- The level of poverty of the population has declined.
- The increased use of smartphones and tablets.
- The development of mobile applications related to shop

### **Threats:**

- Few barriers to enter the market
- Unfair competition from big stores
- High level of unemployment
- E-Book electronic distribution
- Piracy
- Ageing Population

## RECOMMENDATIONS

After analyzing the environment, the way Manhattan comics innovates and integrates knowledge networks in its strategy we will try to give advice on how the company can improve its management by applying new practices to enable it to continue to innovate and further strengthen these networks .

As we have seen the company focus its strengths on the high presence on social networks where they have very loyal fans and followers , however, this is based mainly on Twitter and Facebook and the company does not exploit one of the largest networks where almost all the media movement exists lately, the video platform Youtube, although the company has a channel in this network, is outdated and underused there is almost a year when they last updated the company channel, this network allows Manhattan Comics to promote one of the great strengths of the company, proximity and customer treatment. As we said customers of these products are usually informed and usually absorb a lot of information about comics and the world around them; although recording and editing a video is a big effort that does not refer a direct benefit, you can add value with this initiatives to what other competitors offer. With a monthly series of informative videos, the company can inform the customers about new products and events, thereby increasing the need for consumers to buy the product or promoting products that were unaware . Another of the strengths of the store is the contact with people specialized in the industry and other similar companies, with which they can make podcasts or hangouts to discuss about the world of comics in general; becoming known both to the followers of these companies and persons and publicizing also new talents to the main followers of Manhattan Comics. Although this can be costly in a first stay and can not report a large number of visits or followers initially, it can be an openness to new audiences and customers in a long term, and also be a way to make new relationships to the network and strengthen the ones that actually exists .

One of the major problems involved the inefficient resource management of the organization is the bad work of the distributors, which often distribute material shabby and also the cold relationship with the major suppliers. The first step to maximize the use of the warehouse and the supply chain is implementing an ERP (Enterprise Resource Planning) that consists in a computer software that allows you to have integrated in a single program all the elements of the company, and keep a better track of the employees, the customers with an CRM (Customer Relationship Management) program, and most important the suppliers and the warehouse, carrying a comprehensive control of the resources that come in and out of the company, also even the storage costs can be minimized applying a Just In Time control; in which the use of the warehouse would be minimal and the company would only need to ask the necessary products to the suppliers, although this is more difficult to control due to the variable demand of the products, it could be considered to ask in advance to the loyal customers the products they will bought in their next visit, and have already controlled a portion of the sales and orders. This integration of a new ERP should not assume an expense in the company, due to Manhattan Comics being a small business does not need many extra features and could choose an open software ERP. ;

The second step to strengthen the cold relationships with suppliers, would seek a way to keep good relations besides being durable, that suppose a benefit to both parties, despite the short supply of publishers; even apply this collaboration with competitors close to store. For nearby shops it would be recommendable to establish a network between the shops in the city of Valencia and promote joint exhibitions or events where the stores can present exclusive products, and also inform the potential customers about the sector, and introduce new talents and the stores themselves.

With suppliers to establish close relationships is more difficult due to secrecy and the problems to contact them, but in the first instance the company should try to contact them formally to support the distribution problem, or putting together a complaint among all companies that suffer these problems and if the suppliers see that this is a major problem should respond in some way to sustain customer dissatisfaction.

Establishing a network of communication and working together, between those companies involved in the dissatisfaction they could reach a joint solution or a way to minimize the damage caused by these distributors.

As we have seen the company shares knowledge networks and collaborates with some smaller suppliers, with which it has a close relationship due to this good relations and that the relationship with the other key companies in the sector is a bit cold, the company might consider the possibility of integrating some of these publishers in the supply chain of the company and use it as its main distributor, also being used to reach the major international distributors and not having to deal with the domestic suppliers.

This would be a costly and risky investment, which could lead to the decrease in the number of middlemen in the supply chain, therefore a reduction in expenditure on the purchase of products to be distributed, and a more effective and efficient receive of the orders.

Manhattan Comics should continue seeking new innovations that allow it to deploy other forms of communication that enable it to continue strengthening and expanding the knowledge networks already established; and also create new networks that bring other benefits that enable a more efficient management of the organization.

## CONCLUSION

In conclusion, if we want a development either scientifically, as a country or as we focused our research or as a small business, it is necessary to be constantly connected with the environment.

Companies have a constant need of information, and we can see this in how information systems are an essential element of any company whatever its size. But to access this information we can not as a company buy it or make it; we need to contact with other companies or persons who can bring something to the company and that you as a company can contribute something, creating synergies and establishing relationships that will lead to benefits for both parties if they are kept in a long run . In a highly competitive environment where resources are increasingly scarce, cooperation and achieve joint goals among all companies in the network it is necessary; this applies for example in to the management of business operations, where many companies are implementing Japanese supply chain models, where all components of the supply chain are integrated among them ,reporting lower fixed costs for all the parts of this chain, as well as impacting in a more effectively and efficiently management of the resources. Sharing information, knowledge and working together, companies are usually in situations where all parties win through collaboration.

Despite this, for companies to share information and work together, comes another component to the equation, the need to innovate, this is applying new ideas to business management.

Without the latest technological innovations, this integration and communication between companies could not have been as easily as it occurs today. Following the example of the supply chain; without the help of ERP's and different business management programs would have been impossible for these companies to efficiently integrate the manufacturing and distribution of products with the other companies in the chain. Also communication would be more complicated and expensive without the help of social networks where you can find people who can complement the needs of an enterprise with the knowledge that it can provide, thanks to these networks only one click is necessary to communicate with anyone in any corner the globe.

These innovations do not always represent a radical change of business approach, there are small changes that allow further improve and differentiation without spending too many resources on innovating radically; but these changes almost always lead to improvements in some department of the company making an most effective use of resources, therefore it is necessary to promote creativity and imagination to everyone in the company to find new innovations

Finally there are areas where the environment is stagnant and does not need to innovate in order to continue with the business activity, and where it is difficult for new companies to come in and take a percentage of market share.

As we have seen in the case of the sale of comics in Spain, to grow and become a part of the business it is necessary for these new companies to bring new ways to promote and differentiate themselves from competitors, for this they not only need to apply marketing and organization innovations, but it must rely on the use of knowledge networks to connect with people who can provide them with support and information and be able to contribute them with any knowledge, thus creating synergies and long-term relationships.

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## ANNEX: Interview

- ¿En qué año se fundó la empresa?  
2010
- ¿La empresa tiene establecidos algún tipo de misión o visión?  
Vender cómics. Merchandising , ocio y cultura.
- ¿Cuántas tiendas tenéis en España? ¿En qué ciudades?  
Cuatro, Madrid Valencia. Alcoi i xàtiva.
- ¿Qué línea de negocio tenéis?  
Co-working horizontal, todo horizontal.
- ¿Son vuestros clientes fieles?  
Sí, mucho.
- ¿Cómo os habéis ganado esta lealtad?  
Trabajando el boca a boca, la atención y la calidad de esta. La personalización, el detalle.
- ¿Cuál es la mayor fortaleza de la empresa? ¿Y su mayor debilidad?  
RRSS como fortaleza, y como debilidad, los distribuidores, modelos de negocio que se quedan obsoletos y que se niegan a avanzar. La competencia desleal de las grandes superficies.
- ¿Cuántos trabajadores hay ahora mismo en la empresa?  
Nueve
- ¿Qué estructura jerárquica sigue la empresa?  
Horizontal y colectivos de talentos, Las responsabilidades se distribuyen según el talento.
- ¿Os consideráis una empresa innovadora?  
Compulsivamente
- ¿Cómo habéis innovado desde que empezasteis?

Trayendo las RRSS a la tienda, y en segundo lugar, dando al cliente el producto que quiere en la forma que quiere, que, aunque pueda parecer extraño, no era la forma en la que estaba funcionando el mercado

- ¿En qué campos o departamentos creéis que sois innovadores o sois diferentes a otros competidores?

RRSS, comunicación, imagen y publicidad. Y en los nuevos campos, la psicología positiva y el europeísmo radical (Un modelo de negocio que mira como es el negocio en el exterior y en cómo será España dentro de diez-veinte años)

- ¿seguís algún proceso para fomentar la creatividad o a la hora de traer nuevas ideas a la empresa?

Absolutamente. Se habla con todo el mundo, se escucha a todo el mundo. En el ADN de Manhattan está el adaptarse a todo, empezando por la propia mascota.

- ¿Algún competidor os ha seguido en la forma que tenéis de innovar?

Todos, toda la competencia, RRSS fue el campo donde empezamos a innovar y todo el sector nos siguió. Fuimos la primera tienda de España en conseguir 12.000 seguidores en Facebook.

- ¿Considera el sector innovador?

Para nada. Totalmente tradicionalista, conservador, piramidal.

- ¿Las empresas del entorno son innovadoras?

Lo mismo, tradicionales y piramidales.

- ¿Cómo implanta la empresas redes de conocimiento con el sector?

Grupos privados de Whatsapp, Facebook y en un futuro la plataforma empresarial de Facebook AdWork.

- ¿Quiénes son los principales competidores? ¿Qué relación mantiene con estos?

Imagenes Comics y Futurama. Una relación fría.

- ¿Con que empresas integra redes de conocimiento?

Con algún distribuidor (Dist Mora) a nivel local, y editoriales (Aleta, Amaniaco, Asulym Games) ; integradas en el modelo de negocio de la empresa.

- ¿Cómo se crearon estas redes?

Por admiración al trabajo realizado en RRSS, donde todo el mundo no veía como “especie dominante” y querían empaparse de el espíritu de Manhattan Comics.

- ¿Crees que podrías haber mantenido el negocio sin la ayuda de estas redes?

NO.

- ¿Mantiene la empresa contacto con empresas extranjeras?

Sí, estamos a punto de entrar a formar parte de una asociación de tiendas de cómics a nivel europeo.

- ¿Con cuántos proveedores trabajáis? ¿Tenéis buena relación con ellos? ¿Que poder tienen estos a la hora de negociar?
- 10, relación fría. Todo, dependemos de ellos como principales suministradores.
- ¿Qué presencia tienen las redes sociales en la estrategia de la empresa?

120%. Absoluta.

- ¿Cómo creáis y mantenéis relaciones con clientes proveedores y competidores?

Básicamente RRSS, es el primer acceso. Con los proveedores es todo a través de email o página web.

Con los competencia es algo muy fría.