

Brazilian Industry Finds Out that Innovation Pays Off in a Big Way

Contributed by Omar Nasser
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Brazilian industries are investing in the improvement of management. The consequence of the adoption of new processes, computer programs and equipment has been an improvement in their financial result.

A research organized by the Brazilian Institute of Geography and Statistics (IBGE) shows that of the 22,700 industries researched throughout the country that stated they have invested in innovation, 30%, or approximately 6,800, had growth of 40% or more in revenues.

The IBGE study showed that of all the companies that invested in management, 71% (or approximately 16,100) increased their market. "This shows that innovation brings results - satisfactory results," pointed out the professor and company consultant Délcio Roberto dos Reis.

Companies that innovate expand their possibilities of reaching or maintaining a position of reference in the sector they operate in. A figure that shows the close relation between innovation and leadership is innovative company participation in the global revenues of Brazilian industries.

Out of the universe researched, 1,199 companies that stated they invested in innovation and product differentiation (1.7% of the total) answer to 26% of industrial sector revenues.

The cooperative Cooperativa Agrícola Consolata, also known as Copacol, from the southeastern Brazilian state of Paraná, was presented as a case of successful innovation.

One of the reasons for having reached annual revenues of US\$ 302 million was the adoption of software (ERP), which improved the control of information and sped up the processing of administrative and commercial figures.

"In strategic terms, we have reached significant technological advances and significant improvement in company management," explained Donizeti José Diniz, a supervisor in the Information Technology area at the cooperative.

According to the executive, however, it is not enough to apply new technology or to establish new productive processes in an isolated way, in a decision taken from above.

"It is important for the organization to be engaged," he pointed out. Established in 1963, Copacol has 4,300 associates and a similar number of employees. The organization's revenues, around 20% (or US\$ 60 million) come from exports. The cooperative processes approximately 414,000 tons of grain a year.

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