

Top tips from corporate experts: how to innovate

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Innovative companies manage to anticipate trends and meet future market demand while at the same time responding to current market drivers. Innovation, considered a key driver of business success, and disruptive strategies such as that of technology company, Apple, can transform industries. But innovation can be challenging with no guarantees of success unless you adopt a systematic approach championed by strong leadership and the right team.



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As innovation is a key focus for local business leadership organisation, Accelerate Cape Town, it recently facilitated a discussion on how companies and governments can approach innovation to gain competitive advantage. Entitled *A Strategic Approach to Innovation – Driving Businesses and Economies*, it produced the following top tips from the innovation experts in the room:

The commercialisation of ideas

David Silverstein, Global CEO of innovation and strategy consultancy BMGI, focused on the commercialisation of ideas. In doing so, he referenced the success of startups at Y Combinator, a Silicon Valley accelerator, and considered the cost-cutting culture that often exists in corporate companies, before suggesting a structured approach that includes:

- Building a portfolio of ideas through brainstorming new ideas in organisations in creative ways.

- Finding trend lines in product evolution as trends hint to what the future might hold.
- Define problems in ways that are ambivalent to current solutions. This could, for example, result in a lawn mower producer potentially looking at innovating lawn mowers, or to developing grass that only grows to a certain height.
- Start with internal processes and look at how to reduce costs through abstract models, i.e. a paper mill's break-through solution to stripping bark from trees was to microwave the logs, rather than to continuously try and refine its manual processes.

Think exponentially

According to Valter Adão of Monitor Deloitte in Africa, innovation is about deriving value from ideas to help unlock shareholder value at a time when customer satisfaction is no longer a differentiator. He cited John Deere as an example which, when it realised it could no longer compete on price, created driverless tractors to be leased by farmers to harvest select areas of fields using GPS co-ordinates. Adão emphasised the facts that, while the power of technology is doubling, its cost is also halving; and that innovative thinkers need to abandon linear thinking in favour of thinking exponentially.

Both Silverstein and Adão spoke of Southwest Airlines as an innovative company that created the first low cost airline in 1971. By selecting routes that were unpopular with other airlines, and changing their product offering, Southwest Airlines changed the competitive landscape and customer experience and, in 2014, achieved 110% growth as a result.

Adão concluded with top tips on the measures companies can introduce for innovation to thrive:

- Ensure that the CEO or a senior executive champions innovation.
- Create a dedicated team to drive innovation.
- Set compelling targets and create a burning platform, or the impetus required to catalyse radical change.
- Ensure that the innovative processes followed are relevant and applicable to the business environment.

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