

Demystifying innovation

Embrace the ordinary





Innovation has become a central theme in discussions across the Middle East region as countries try to capitalize on the demographic dividend and move away from industries that depend on natural resources. It is important for organizations to take stock of what lies behind the word and what it means for their businesses. This article is aimed at large and multi-national corporations headquartered in the region, and state-owned entities that, while linked to state, have a mandate to achieve growth in order to contribute positively to their economies.

Principle one – Have a proper understanding of innovation

“Innovation” has become a buzzword in business, sometimes to its own detriment. Popular culture refers to innovation as something that is very creative, that is ideas driven, that leverages the millennials, and that requires a campaign in order to be successful. While we do believe these factors to be important, they are certainly not at the core of an innovation

program. Innovation should be characterized by well-defined programs that aim to assist organizations achieve quantum growth—looking for new sources of revenues that don't exist in the business today—or helping organizations create their second core. This is particularly important if they have a good core business now but may come under threat in the future once a variety of global factors start taking hold (e.g. digitalization.) Innovation programs, especially those that use exponential technologies, can help organizations move towards their second core.

Principle two – Set big and bold ambitions

It is critically important for an innovation program to get traction inside the organization if its growth ambitions are to be substantial. If growth is not substantial, it is seen merely as an incremental program in the organization to unlock a few additional percentage points of growth, and quickly loses momentum. In a successful innovation program, you would typically double the business, with a three-year program, measured over a five-year period.

Big and bold ambitions, articulated unequivocally, in clear precise targets, get the business to pause and pay attention to what needs to be done. It is essentially equivalent to creating a burning platform in the organization that says: “We are going to go through significant change, and we are going to have to be incredibly focused,” and “our success as an organization and your success as executives or as individuals in the business needs to be set and calibrated to our growth ambitions.” If you as a leader don't set this ambition, then the organization doesn't take your program seriously and it will take it as

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another campaign inside the business that they don't have to lose any sleep on. The temptation will be there to maybe start small and build the program over time as you enjoy success. Our advice is: "Don't do that!" If you are going to embark on this journey. Start big. Be ambitious. To the extent that you might frighten the organization with the goals that you set.

American aerospace manufacturer and space transport services company SpaceX is a great example. It has set the ambitious goal of sending a manned mission to Mars by 2024. This has resulted in the company making some rather phenomenal leaps in engineering in a rather short period of time. SpaceX rockets have achieved costs per launch that are about 10 times cheaper than the federal space agency National Aeronautics and Space Administration (NASA.)

Principle three – Be well-structured, well-disciplined and well-governed

The third and final point is that in order for an innovation program to be successful it needs to be incredibly well-structured, well-disciplined and well-governed. Programs that are based on being creative and lack that structure are almost always guaranteed to fail. The best and most successful programs set up the governance structure that manages that program from the outset, as well as the structure that supports the program inside and outside the organization, and instills the discipline of doing things against the timeframe in which they need to be done. This is important for an organization because of the common myth in business that innovation should be left unstructured. From our experience, it is terribly important that the people who judge and nurture the potential of new

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transformative ideas be kept away from the core of the business, but it is critically important that the structures exist to provide them with legitimacy, funding and support.

In summary, as organizations and nations in the Middle East embark on a quest to create and capture new value for themselves using innovation as a method, we need to be mindful that successful innovation programs are run as well-oiled machines and are about meeting well quantified end-goals, either commercial or otherwise, that are ambitious and inspire creative solutions. ●

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