

The no BS guide to innovation

 By [Lee Naik](#)

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If there's anything that my time as a digital transformation leader has taught me, it's that everyone is a lot iffier about innovation than they let on.



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Every good business leader knows that innovation is necessary, but the truth is that we're currently in an economy that doesn't necessarily make that easy. South Africa's 2018 GDP growth came in at 0.8% and with similar levels of growth projected for 2019 at best, it is understandable that business appetite for taking on questionable ROI projects is at a low. This inevitably results in innovation taking the backseat, again.

During a recent lecture I gave at the Gordon Institute of Business Science on Practical Lessons on Digital Transformation, the questions from the post-graduate audience from across the private and public sector got me wondering whether the information was really being shared across the industry on what was working and what was not when it came to innovation.

Of course, if we get innovation right then we could be opening up new paths to business relevance and growth. It is without a doubt impossible to remove risk from innovation - but it is possible to understand and execute it better.

So here's my no BS take on innovation - the dos, the don'ts and the what-they-don't-tell-you.

Who's responsible for innovation?

One of the biggest questions asked when it comes to innovation is who's responsible for it? Is it the CEO, the CIO or the business leads?

Innovation is everyone's responsibility and not something that leadership owns. Of course, we need leadership's commitment to driving innovation, but when everyone tries to innovate within their areas of responsibility across the operating model, then there is a benefit to be had. We often forget that innovation does not always have to mean shiny and

new – it can also be a change to how the business currently runs.

How do you show commitment to innovation?

Innovation cannot be boxed into a 2-hour slot once a month – we need to intrinsically change the culture of the business and be committed to being innovative. This requires a multi-fold change to your approach to running the business including:

- Removing the airs and graces of leadership and being open to ideas emanating from any part of the organisation – innovative ideas shouldn't have boundaries
- Create the opportunity for the business to periodically adjust commitments to budgets and take on new projects linked to innovative ideas that make sense for the business
- Take the time to share and engage with all employees on what's not working or where we think opportunities may lie – oftentimes ideas will show up from people you never thought would have such ideas
- Take the time to teach employees simple techniques like Issue Base Problem Solving or Design Thinking to help them become part of the innovation culture
- Create a platform for employees to showcase the innovation in existing town-halls and promote a culture of recognition for innovation, regardless of whether the idea will fail or succeed

Creating space for employees to be innovative

It is all well and good that we show a commitment to innovation and ask employees to be innovative during the course of doing their jobs. Sometimes, we need to stop and create space for our employees to engage with their colleagues on some of the challenges or opportunities that we need to focus on as a business.

Some ideas that seem to work for many organisations include:

- Creating regular time in the diaries for teams to reflect, engage and challenge the status of projects currently underway with a leadership commitment to stop ideas that don't make sense anymore
- Getting cross-functional teams into the same physical space from time to time to allow them to engage. Sometimes leaving leadership out of these engagements allows the teams to truly think through constraint-free innovation

How do you convince your leadership to take a chance?

I come across many individuals during my industry engagements or during a talk that I am giving that ask me what they should do to convince the leadership of their company to be more committed to innovation. Below are some of the

suggestions that seem to work:

- Most business leaders do not understand innovation, technology or anything digital – a sweeping statement but not completely incorrect. Presenting your idea to the business leadership or even to the CEO in a language that can be understood is half the trick.

Business leaders talk revenue, margins, market expansion, effectiveness, efficiencies and growth. To convince your business to support innovation may require you to take the time to learn a common language in which to present your idea

- Traditional businesses do not like to be on the bleeding edge of anything and are happy to wait for innovative concepts to mature. Find case studies and even comparisons with what competitors may be doing to get your business leadership to stop and take notice of your idea. Some leaders react when they hear “Our competitors are already doing it”.

How do you measure innovation success?

Innovation is a commitment to a new way of working. That new way of working should contain key metrics to figure out whether it's working. In my experience, measuring innovation should be intrinsically part of how we measure the productivity of the business.

Some ideas to consider include:

- How much time does business allow for employees to present ideas for innovation?
- How many innovative ideas have been captured and how many have been adopted into the business product or project roadmap?
- Are you measuring effectiveness and efficiencies in the business? This assumes you are baselining critical business processes and have a regular check in to say how the business is progressing.

How do you drive innovation when the budget is limited?

Innovation seems to be a natural scapegoat when it comes to dealing with budget cuts. If it is meant to be part of the culture of your business, then it can't be optional and shouldn't be dropped in tough times.

One of the techniques that I learnt back in my consulting days, is that there are always opportunities to create some form of cost savings through low hanging fruits. Most businesses that are getting innovation right take some of these savings to drive margin improvement or deal with other challenges but they always channel some of these savings to fund further innovation.

In this way, employees and teams are encouraged to find innovative ways to be more effective and efficient and create their own budgets to fund innovation – something that CEOs will sign up to all day long.

So that's my start on some of the questions that businesses and need to consider to help us realise our potential.

ABOUT LEE NAIK

Lee Naik is the CEO of TransUnion Africa.
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