

Excellence, Innovation and Entrepreneurship

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Every day provides opportunities to forge new connections, gain new experiences and learn new things, yet too often our daily rituals, familiar routines and ingrained habits insulate us from new possibilities. When directors are no longer alert to what is happening around them, cease to question and simply go with the flow the writing may be on the wall for their companies. In many arenas renewal and reinvention are required for continuing relevance, but is this always the case?

Are excellence and innovation always desirable? Is a restless search for more and better and something different an indication of a healthy desire for progress, or is it evidence of empty materialism on the part of those who are never satisfied or easily bored? Is it sometimes better to be content with what we have and tried and tested offerings that customers value and continue to buy? Does entrepreneurship determine whether change is desirable and justifiable?

Questioning Innovation and Change

Can striving for the latest model or fashion be wasteful? Does it lead to a disposable society? Can less be more? Are new things sometimes different rather than better? Many people are rightly cynical. They instinctively ask the question excellence for whom? Excellence and innovation need to be relevant and value adding to customers and users, affordable, and sustainable.

Many innovations are motivated by a desire for cost savings or the convenience of the producer or supplier, rather than benefits for the customer or user. Built in obsolescence or creating a new version with a limited life could be considered an irresponsible innovation. Change for the sake of change should be avoided as it can be disruptive and unsettling. Its consequences can also be uncertain. Continuity and predictability can be highly valued,

Are early adopters of innovations progressive role models to be emulated, or are they just gullible fools, the people who are the most easily conned by persuasive sales messages? Some so called marketing innovations are ploys rather than genuine improvements. If excellence is only now being sought, why have customers had to put up with less for so long?

The Rationale for Innovation

The purposes of innovations can be a key determinant of our attitudes towards them. An innovation that speeds up the biodegradability of packaging might be welcomed by those concerned with pollution of the world's oceans. Our ability to cope with certain challenges facing mankind is heavily dependent upon the achievement of certain

breakthroughs, such as a replacement for a material that is already in short supply. Should one carry on consuming as if there is no tomorrow or ration the use of a scarce resource, perhaps by means of a relatively high price for its internal use?

Boardroom discussions can be very revealing when new technologies or business models are considered. Directors often jump in with contributions that reveal their priorities. When discussing applications of artificial intelligence (AI), are the possibilities for replacing expensive experts with an AI system explored first? How long does one need to wait before someone raises the question of how such applications might improve the experience of customers?

The criteria used to reward innovations can also be revealing? Should people across an organisation be allowed to vote on which developments are deemed worthy of support? Recycling older offerings might seem less glamorous than creating new ones, but might make it easier to achieve sustainability or environmental goals? Not all innovations are radical breakthroughs or game changing developments. Many are incremental improvements, the cumulative impact of which may be significant over time.

Assessing Innovation

Innovations often need to be understood, implemented and absorbed to make an impact. If people do not embrace changes and adopt new offerings their potential benefits may not be realised. Not all new ideas lead to successful innovations. Many new product ideas fail. One needs to avoid complacency and intellectual laziness. Some groups do not achieve their creative potential due to colleagues being overly negative, fearful of failure, reluctant to trust, or defensive of the status-quo.

Some innovations frustrate. They require people to retrain or change how they operate. One needs to ensure the costs of any disruption involved do not outweigh the advantages. Sometimes the loss of output during a transition phase may not be made good by subsequent improvements in performance.

Some boards keep a stranglehold on the use of corporate resources. Other people might make much better use of them. On occasion it may be worth setting up internal mechanisms that enable groups to canvas support for new ideas and form development teams to bid for resources to prototype a suggestion. Such opportunities could be opened up to customers, business partners and/or local communities.

Stimulating Creativity

Some people are more curious than others, more open to ideas and more alert to what is happening around them. They question and

observe. They reflect and think. They do not take things for granted. Some cultures and environments are also more conducive of creativity and innovation than others. Diversity and freedom to collaborate and experiment can help, while uniformity, rigidity and rules can stifle and limit.

Confident directors invite questioning and challenge. They don't assume that more senior people always know best. Many innovations are the result of bringing a new combination of elements together, few if any of which might be new. In comparison, an invention that is new might not yet have a practical application. While some are restless, others bide their time. They wait for the right moment to introduce something new.

The sort of innovations that are sought can vary greatly according to the context. In a country such as India with relatively large numbers of poor people in rural areas, a company might give priority to inclusion by consciously looking for ways of producing large numbers of an affordable economy version to open up new markets.

Differing Approaches

Developments in connectivity are creating affordable ways of offering service and business model innovation. They are opening up new opportunities for entrepreneurship. Few people and organisations know who or what they may be competing or collaborating with in their lifetimes. How people use opportunities that are open to them will determine the extent to which they are helped or harmed by them.

Established organisations may not be the most successful innovators in a world of open-innovation and crowd sourcing in which people spontaneously come together for the purposes of co-creation to move something forward and prevent its control by a narrow and vested interest. At The Francis Crick Institute scientists are relatively free to decide what to work on and with whom and using what approaches. Social networks can be used to invite comments and contributions.

Bureaucratic organisations used to smother creativity and separate units such as Xerox PARC were set up to create spaces free of traditional organisational constraints. Free spaces can be more accommodating of different views than the safe spaces found in contemporary universities.

Setting the Agenda

Those at the top of organisations, often with the help of marketing specialists, used to determine what might be considered relevant and represent excellence and innovation from a customer perspective. Options were usually limited to what could be achieved with existing capabilities. The emphasis is increasingly upon creativity and entrepreneurship, people with imagination who are open-minded, alert to possibilities and who can show initiative, challenge, collaborate and build rather than wait for someone to give them the next task or a job.

Today if they are engaged and motivated, those closer to customers and people throughout an organisational network may be better judges of what would be considered excellent and innovative, but often more importantly, relevant, useful and affordable by their peers, communities and generations. The role of leaders may then be to help them assemble the capabilities, collaborations and connections needed to turn ideas into reality.

Routine and repetitive tasks are increasingly automated. People can be replaced by robots, drones and apps available on mobile devices where and whenever needed. Increasingly, organisations are looking for collaborators, co-creators and business partners rather than dependent employees. Collaboration can enable a collective search for

ideas, options and solutions that go beyond the limits of one person's imagination.

Partnering with Technology

Innovation and learning are often seen as social activities that require interaction and dialogue and which can be facilitated by breaking down barriers and increasing communication. Invariably some people contribute more than others. In other areas improvements and breakthroughs are increasingly, and in some fields almost universally, the result of people and technology and the intelligence of humans and software environments working together.

Technological developments, scientific breakthroughs and new business models are pushing back the boundaries in terms of what is possible in relation to excellence and innovation. Ideas often arise at the boundaries of disciplines when people from different subject backgrounds and with different ways of looking at the world come together to share insights and jointly explore possibilities. The traditional structures of organisations that group similar people together often limit the scope for cross-fertilisation.

Sometimes the people at the top of organisations are the furthest removed from the concerns and priorities of younger generations and the last to be in tune with their aspirations and preoccupations. Reverse mentoring of senior by junior staff might be advisable. Maybe more directors should spend quality time with their grandchildren and reflecting on the thinking behind their questions.

Avoiding Distortion and Complacency

Care needs to be taken to ensure that corporate innovation processes and the approaches and techniques employed do not distort the flow of ideas. Is there conscious or unconscious bias against certain proposals or sources? Do those charged with helping others to develop their ideas actually limit them or push them in preconceived directions? How objective is decision making? Are customers and business partners involved? Are risk reviews invariably negative?

It may be worth exploring whether particular areas that are relatively free of constraints, norms and assumptions should be set aside as incubator, design or prototyping units in which judgements can be suspended until a team with a new idea or proposal feels ready to submit it to the scrutiny of their peers.

Some people are easily discouraged while others are more persistent. Where resources are limited intense rivalries can arise between teams that are competing for attention and support. A company may be fortunate if it is able to fund a balanced portfolio of projects in the hope that enough will succeed to cover the costs of those that fail.

People and organisations can be constrained by their past, perhaps reluctant to write off historic investments. In comparison with established entities entrepreneurs can sometimes be more willing to try new approaches. Companies that have rested on their laurels and been reluctant to keep innovating and embracing new technologies such as Nokia and Kodak have found that market leadership can be quickly lost.

Leading Innovation

IOD recognises the importance of micro, small and medium sized enterprises and the role they can play in growth, development and job creation with its forthcoming summit on empowering MSMEs. There are opportunities for enlightened business leaders to partner and work with them in helping them to scale up. Transformative leadership for fostering creativity, innovation and business excellence is also the

theme of this year's Dubai Global Convention and 28th World Congress on Leadership for Business Excellence and Innovation.

Excellence in many areas has long been the result of people and technology working together, but creativity and innovation has traditionally been associated with the thought processes of human beings. Creative people have programmed otherwise dumb machines but AI environments can now complement human intelligence. Organisations may lack the time and resources to be excellent at everything and priorities and requirements can alter before changes are implemented. Hence the importance of focus, flexibility and personal, collaborative and corporate learning.

Where resources are scarce and there are other claims upon time and money, could it be irresponsible to seek to be excellent in areas that are not priority considerations or differentiators, or which are not a source of competitive advantage? In some backroom areas could it be more responsible to be just good enough?

In dynamic situations and when particular people and organisations may lack some of the skills and capabilities required, excellence at collaboration and co-creation can be especially important. Innovation may need to be the norm rather than an unusual activity if one is to remain at the cutting edge and competitive.

Embracing Disruptive Technologies

Increasingly applications of AI can identify links, patterns and relationships independently of the people who are responsible for them and who maintain them. For example, they can trawl through vast quantities of computerised medical records and suggest new treatments. They can process vast quantities of big data on customers to identify relationships between factors that have hitherto not been spotted, and would be difficult for human intelligence to find.

Increasingly, these environments and applications can "live" in the sense of being able to learn and become more capable and equipped to handle complex tasks that would be beyond the application of human intelligence without their support. They can learn more about

individuals, groups and whole communities with each use and interaction. Importantly, they can learn from all interactions rather than from the limited number of cases encountered by a human expert or from reading articles written - and surveys undertaken - by others based upon a much smaller sample of cases.

Business leaders need to move beyond rueful references to change and uncertainty and help and support their people to work and collaborate with relevant technologies and software environments in the search for affordable possibilities that others would consider represent excellence and an innovation.

Inspiring Future Generations

Given disruptive technologies, new business models and mutating threats and opportunities some directors are excessively cautious. Others are more flexible and open to possibilities. They encourage people around them to question, think and live rather than just exist. They attract and motivate entrepreneurial spirits.

We must always remember that it is customers who create value. As business leaders we generate wasted effort, dead ends, scrap and unwanted stock unless what we produce is purchased by customers. It is others who decide whether what we do represents excellence and innovation.

We also need to think of longer term implications and future generations. Is what we do today to satisfy customers and other stakeholders sustainable? How will we be judged in five, ten or fifty years time? What will those who write our obituaries think of our views and decisions relating to excellence and innovation? Are we excellent at polluting oceans and innovative in our use of materials that do not degrade when disposed of? Perhaps like beauty excellence and innovation are in the eyes of the beholder and can fade over time.

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presenting the
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