

THE FUTURE OF INNOVATION

By Bettina von Stamm

Innovation for growth?

Innovation is considered to be the major driver of growth, be it by government, industry or the third sector. We talk about growth and innovation similarly – both seem to have become an end in themselves rather than being the means to an end. Do we really want growth and innovation for the sake of it? Both are really measures for something else.

We started using GDP as a measure of growth since it seemed to be an indicator of the improvement of standards of living, which in turn reflects people's wellbeing. Therefore, when we are talking about innovation for growth, we are actually talking about innovating to improve people's standard of living, and ultimately their wellbeing.

The question in today's world is – should we really be focusing on growth as a measure for wellbeing? Mindlessly promoting innovation for growth flies in the face of the fact that we have but one planet, and one planet only. It is increasingly irresponsible to promote innovation for growth as measured by GDP alone.

The Dark Side of Innovation

We need to start asking some new questions:

1. Do we have too much innovation?
2. Do we have the right kind of innovation?
3. Do we have responsible innovation?

Just how likely is this mindset change? There are several things that might get in the way of such questions being asked, for example:

- » The current **hype around innovation** that leads to innovation for the sake of it. Everyone calls for innovation, but not many say what it is supposed to achieve.
- » We often get **too excited about what is possible**, without asking whether it also desirable and beneficial at a systems level.
- » We enjoy innovations that provide **convenience** – often without considering the true costs such as waste.
- » We seem to thrive on **quantity rather than quality**. Most people would rather buy five t-shirts that fall apart quickly than a quality one that is durable.

To achieve more responsible innovation we need innovation with a conscience.

What do we need to make this happen?

- » Taking and accepting responsibility at the individual level. We are all consumers, and we can each decide how much we accumulate. Can we really sustain our accumulation mentality?
- » Thinking, understanding and considering consequences at the systems level.
- » Transparency and openness
- » New yardsticks for the progress of humanity. We need to become serious about embracing the triple bottom line – people and the planet as well as profit.

In short, we need an approach to innovation where a sense of responsibility goes with the excitement of possibility. And this means that we have to develop an understanding of innovation that is somewhat different from our perspectives of it today.

Innovation, but not as we know it...

We need to think differently about the 'what' we are innovating. We need to move away from a view of innovation that centres around R&D, technology and patents. It is about innovating around processes and services as well as products; it is innovating our business models. This does not mean that innovation is not about R&D and technology, but it is about much more, particularly in the context of improving wellbeing.

As an example, we can look at a US-based chemical company specializing in pesticides that has created real value through innovation, which would not have been captured by looking solely at technology, R&D and patents. Prior to their innovation the company's sales people were incentivized to sell as much pesticide as possible. The more sold, the greater the profit – but possibly worse for the environment. Their innovation lay in the shift in business model – what their customers really wanted was pest-free fields. So that is what they started selling them! This meant that the pesticide became a cost to the company, which meant they were trying to use as little as possible. It is this kind of business model innovation, and switches from products to services, that can really make a difference. Instead of looking to R&D, organisations need to think about how



value can be achieved across the triple bottom line - people, planet, profit.

We need to think differently in terms of 'who' is innovating.

Most of us have come across terms such as 'open innovation', 'crowdsourcing' and user involvement, all based on the premise that "not all talented people work for us". Procter & Gamble have had great success soliciting 50% of ideas for new products from outside. GoldCorp found amazing precious metal resources by making their geographical data – considered by many competitors to be the crown jewels – available online. Companies such as Beiersdorf (Nivea), BMW, and Lego are collaborating closely with users in the development of new products.

We need to think differently in terms of 'why' we are innovating. We need to establish sustainability considerations. Given, the challenges we are facing as humanity, sustainability needs to drive the innovation agenda.

We need to think differently about 'where' we seek tools for inspiration. It is no longer a well kept secret that design – designers, design thinking – provide some great innovation tools and techniques. Companies such as Apple, BMW and P&G have brought design into their approach.

Where should we cast our net when seeking inspiration for innovation? Where should we try things out, develop new concepts and ideas? Here are two places that probably are not on most people's lists.

Developing countries

You have probably heard of the Tata car for £1,300. How about cataract surgery for \$100 to \$400? We cannot assume that innovation in developing countries will not have consequences for developed markets.

Nature

Shinkansen, the bullet train traveling over 200 miles per hour, is the fastest in the world. However, the first design had one small problem – noise. Every time the train came out of a tunnel, it would produce an extremely loud bang because of the change in air pressure. The engineers looked to nature for an answer. They found a similar situation in the kingfisher, which went from air into water with little splashing. They redesigned the front end of the train using the beak of the kingfisher as a model and created a much quieter train. The redesign also helped the train go even faster and use less energy.

We need to think differently about the 'how'.

The future of innovation will be led by those who are able to temper the competitive spirit. Our mental models are primarily based on a competitive frame of mind - competition at the individual, team, organisational and national levels. What are the consequences if we challenge this paradigm?

Innovation is key to our future, but we must shift from 'innovation for growth' to 'innovation for wellbeing'. Sustainability must be the driving force at the outset, not a tick in the box. For this to happen, we need a broader understanding of innovation, one that goes beyond R&D and technology, and individuals need to have the courage to lead the way. Each and every one of us has to take responsibility for creating a sustainable, worthwhile future through innovation.



About Dr Bettina von Stamm

Dr. Bettina von Stamm is an original and visionary thinker in the field of innovation, who has focused on enabling innovation in large organisations since 1992.

She is the founder and director of the Innovation Leadership Forum (ILF), which brings together leaders and decision makers in large organisations to embrace the challenges of innovation in a non-competitive and non-selling environment.

Through the ILF, she offers a variety of innovation MasterClasses and coaching for senior managers and innovation leaders to help address barriers to innovation and to help them create sustainably innovative organisations.

She is also Visiting Professor of Innovation at prestigious universities throughout the world.

The Innovation Leadership Forum

The ILF is a forum designed for like-minded individuals in senior positions who have the responsibility for innovation, the desire to share and develop knowledge on improving innovation performance, and the will to bring this practical knowledge back into their organisations so they can make a real and significant difference.

Supported by influential directors of innovation in large and prestigious corporations, the ILF Networking Group is an invaluable resource that gives members a competitive advantage in the pressure cooker life of business today.

Dedicated to sharing, clarifying, creating and applying knowledge about innovation, the forum operates in a dynamic atmosphere that incorporates knowledge development and academia with practice, real-life experiences and actual case studies.

The ILF directors work together with ILF members to facilitate insights into innovation, share existing knowledge, exchange ideas, explore concepts, formulate strategies, and find solutions that make a real difference.

Publications

- » The Innovation Wave: Meeting the Corporate Challenge
- » Managing Innovation, Design and Creativity
- » The Future of Innovation
- » The Innovation Handbook (contribution)
- » 4th Innovation Best Practice & Future Challenges Report

