



Business Transformation During and After the Pandemic - Innovation, think then act

**Chapter 4. The Role of Innovation
in the Organization's Relevance and
Evolution**

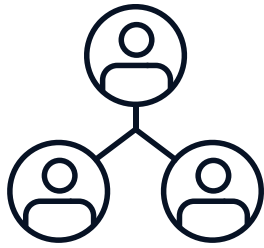


Is it possible to look to the future
and sustain our current operations
at the same time?

***Innovation! Think outside
the box! Come up with new
alternatives!***

How many times have we heard these expressions when facing a challenging situation? We feel pressured by the urgency of responding to a new challenge because we feel that our business is threatened by new players or simply because things are not going the way we expected. But have organizations made an effort to train their employees to acquire a different mindset that will allow them to think systematically, which will enable them to consistently think of new alternatives, producing a range of possibilities amid a difficult situation? Creativity and innovation are processes that can be developed and strengthened and are part of a package of professional abilities that is necessary in 2021, the so-called **4Cs**: **C**ollaboration, **C**reativity, **C**ommunication and **C**ritical thinking. This topic is key in ensuring that organizations stay relevant and must be part of a strategic effort that will enable organizations to adapt, evolve and be flexible.

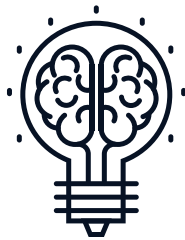
In the previous chapters, I introduced a process to help organizations organize their ideas to analyze their objectives, the existing gaps, the customers' needs and behaviors, the challenges they face, and the potential series of milestones needed to reach the established goal. In this chapter, I will address the importance of systemizing innovation within the organization (or its people), associating this process with the organization's objective and understanding the benefits that can be obtained.



Innovation as an integral part of the business model

When it comes to innovation or creativity, we tend to think of a group of people with bizarre collaboration methodologies and a ludic nature who spend their day sticking Post-it notes everywhere. They are also frequently identified as the odd individuals within the organization or those in charge of leading special projects. This misconception can limit an organization's capacity to have a culture that encourages creativity and innovation. The people and projects linked to these practices are stigmatized and labeled, affecting how the products and services developed by such groups are measured, handled, and delivered.

Nonetheless, all organizations currently aspire to acquire fundamental transformational capabilities, such as fast adaptation, flexibility, and, above all, the ability to find new ways to solve our customers' problems. Combining these capabilities with a people-centric approach sets apart the companies that are now successful organizations or are on a fast track to success. However, acquiring these capabilities involves making significant changes in the way we think, work and interact, which in turn will lead to a transformation of organizational leadership, since the habits and behaviors that were once viewed favorably within an organization will change radically, a shift that will become the seed of a new culture focused towards generating value for the customer through constant exploration.



What do innovative companies do differently?

First, it is necessary to define the term innovation, significant in the business world. Innovation means transforming a new and functional idea into a tangible product or service. Another significant component is the purpose of innovation, as creative efforts must have an objective to produce value for the organization and its customers. Problems usually arise when the purpose of innovation is not adequately defined because there is a lack of clarity regarding the results expected from the creation being generated. The goal is not to innovate just for the sake of it; for example, an ultra-light chair with only 3 legs might be innovative, but what is the purpose of creating it? Is it to create a new line of products for an exclusive segment? Is it to optimize space to solve a particular problem? Or is it to fix a specific design issue? Perhaps this new chair is the answer to all three questions, but it should be the product of a specific purpose since not every random innovative idea has the market of consumers like the microwave, saccharin, super glues, or Teflon.¹

In the 90s, Göran Ekvall set out to determine why unusual companies had conditions that were ripe for creativity and innovation² and identified 10 climate dimensions in organizations that stood out for their systemic innovative practices (among which are IKEA and Lego), which enabled them to maintain their status, conquer new markets and retain leaders who fostered this type of culture. The 10 climate dimensions are as follows:

Dimension	Impact
Challenge	The degree to which members of the organization are involved in its daily operations and long-term goals.
Freedom	The independence of behavior exerted by the people in an organization.
Idea time	The amount of time people can use (and do use) for elaborating new ideas.
Dynamism	The eventfulness of the life of the organization.
Idea support	The way new ideas are treated.
Trust and openness	The emotional safety in relationships.
Playfulness and humor	The spontaneity and ease that is displayed.
Conflict	The presence of personal, interpersonal, or emotional tensions (in contrast to idea tensions in the debate dimension) in the organization.
Debate	Encounters, exchanges, or clashes among viewpoints, ideas, and different experiences and knowledge.
Risk taking	The tolerance of uncertainty and ambiguity exposed in the workplace.

Ekvall found that all organizations with an adequate environment for innovation obtained a positive score on all dimensions, fostered creativity, and systemized the innovation culture. The only exception was the “Conflict” dimension; organizations with an adequate environment obtained a low score, which meant that the organization members focused more on ideas than people. Therefore, the possibility of conflict was lower than at other similar organizations. As a result of this study, numerous guides have been created for evaluating the 10 dimensions, the most recent being the SOQ (Situational Outlook Questionnaire)³, which can quickly show us whether an organization is enabling or hindering an appropriate climate for innovation. Considering the foregoing, it is important to reflect upon our organization and to think objectively about how prepared we are for the challenges brought about by our new environment, where change and uncertainty are increasingly common.



Training and development are essential

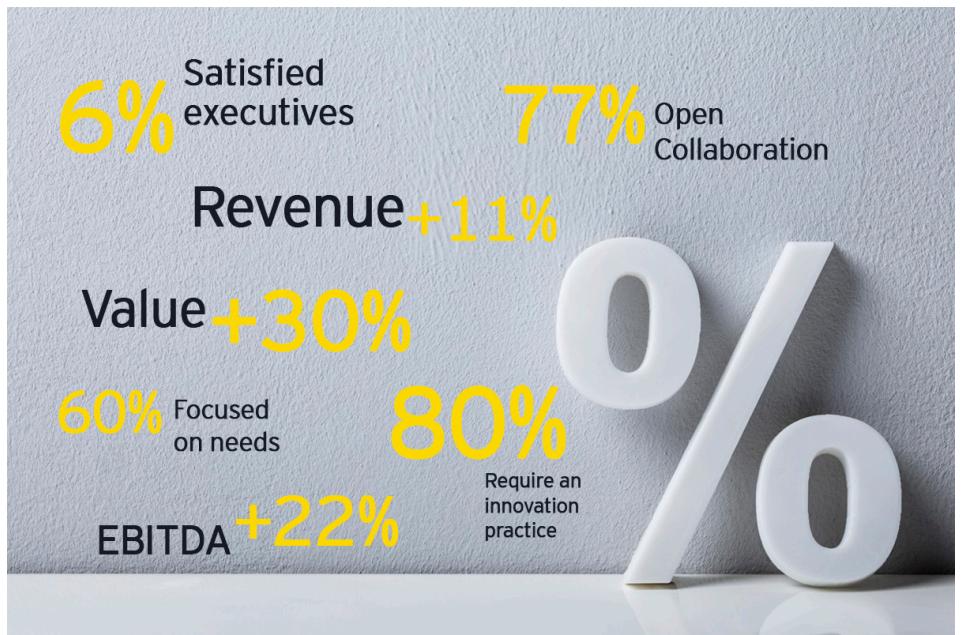
As was mentioned at the beginning of this chapter, although there are people whose professional profile includes being intrinsically curious and looking for new perspectives, most of us have forgotten that we also have these abilities because of the way we insert ourselves into our social and business environment. It is a fact that archetypes influence the type of abilities we've developed. Thus, it is essential to understand that creativity and the creative change process can be strengthened with training, providing a methodological framework and the tools to integrate these processes into our regular work method. Besides, the learning process, when carried out correctly, can become transformational by recovering and developing the abilities required by new business environments of any size.

When it comes to innovation, I prefer the CPS (Creative Problem Solving)⁴ model, which I have used as the basis for these four chapters. The use of this model can have an impact on the following areas:

- ▶ **Vision and goals:** creating concrete images of what a team wishes to achieve
- ▶ **Strategies:** considering the approaches and processes applied to achieve the team's vision and objectives
- ▶ **Leadership:** the style, quality and efficiency of a leader in establishing the tone for the team
- ▶ **Work environment:** the physical and virtual environment where the team members work
- ▶ **Individuals:** considering the personality traits, experience, and background of the team members
- ▶ **Type of work:** changing the nature of the work itself
- ▶ **Work organization:** how tasks are organized and executed and how decisions are made in a fast-paced environment
- ▶ **Context:** the relationship between the team and the organization as a whole
- ▶ **Values and rules:** common beliefs, assumptions, and practices

Regardless of the model or methodology selected, using formal training to awaken and develop the abilities required to systemize creativity and innovation is key, as well as making this practice an integral part of your business model, so that when you ask someone to “think outside the box,” you are confident that they have the necessary tools and abilities to do so.

Per VIIMA's⁵ website, adopting an innovation practice, a business can obtain the following benefits:



It is fair to conclude that integrating systematic innovation into the business model can no longer be put off. Organizations must consider this practice as a central strategy to remain relevant and grow in the current landscape. One way of thinking about the path to transformation through innovation⁶:

1. Resolves the **now**
2. Explores the **next**
3. Imagines the **beyond**

EY refers to this philosophy as Now, Next, and Beyond, which considers the current state, the necessary steps to reach the next level, and the understanding of trends to achieve a future state.

We are reaching the end of this series of articles, in which we have reflected on the lessons drawn from the Covid-19 pandemic and how we leverage this experience through an efficient model that will allow us to act quickly and provide the certainty needed to respond to challenges more assertively.

I have talked about becoming more people-centric, integrating innovation, generating value, and transforming leadership. In the next article, I will address the importance of the **design of products and services**, an essential step that directly affects the consumer of a product or service and the value chain behind it.

Sources:

¹ Whoops! The 10 Greatest (Accidental) Inventions of All Time (gizmodo.com)

² Ekvall, G. (1996) "Organizational climate for creativity and innovation." European Journal of Work and Organizational Psychology, 5 (1), 105-123. - References - Scientific Research Publishing (scirp.org)

³ <https://www.soqonline.net>

⁴ <https://www.creativeeducationfoundation.org/creative-problem-solving/>

⁵ 50+ statistics on innovation - What do the numbers tell us? (viima.com)

⁶ https://www.ey.com/en_gl/innovation-realized/about-the-summit

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