



## Innovation is the key to survival

**Slowly, realisation is dawning that old methods are no longer valid today and we need to look for alternative solutions**

**By K Jayshankar**



In turbulent times, such as those we are living in today, there is a desperate attempt to follow the tried and tested method to find solutions to the overwhelming problems we are faced with.

However, we realise that these methods are not working. There could be no better time than now to remember the old adage attributed to Einstein that 'Insanity is doing the same thing over and over again and expecting different results'. To put matters into perspective, let us begin by understanding three terms often used synonymously: creativity, invention and innovation. Creativity refers to a mental and social process involving the generation of new

ideas or useful concepts. Further, using the creative process or power, one can invent a new device, method, instrument, tool or product. Innovation is all about finding a new benefit (usually out of a creative idea or method) and has been recognised as the only way to create new wealth. It is important to also understand that while inventing involves creating something tangibly new, this per se does not guarantee commercial success. Only innovation makes that possible, as it adds value or serves a need, through perhaps a different application or modification of something already existing.

The launch of the Nano has created a new excitement in the Indian industry and the reverberations go beyond the automobile sector. In fact, I believe that the true impact is yet to be seen. Going ahead of the recognition of the 'frugal engineering' skills of the Indian industry, it will soon herald an acceptance of an 'Indian way' of doing things. Just as much as the Japanese way is associated with the Total Quality Movement (TQM), the 'Nano way' will lead to an Indian approach of generating solutions to the unique constraints-ridden world of developing economies.

With Prahlad's bottom of the pyramid crying out for 'sachet' solutions, we will find innovative responses to marketplace needs. In fact, it is already happening: notice the rise of pre-paid cards with their chhota recharge options, quality hotel rooms at budget prices, the recently launched Nano housing solutions for the urban millions and so on.

Any company that wishes to succeed in the mass markets of India has to find an innovative solution that combines high quality with economic pricing — in contrary to the age-old belief that low price is associated with poor quality. And, I would even hazard a prediction that these unique business models will be exported to other parts of the developing and developed worlds.

What this requires is recognition that innovation involves multiple facets — going beyond the traditional belief of product innovation. Organisations need to look deep within to seek new paradigms in the following areas, for instance:

- **Strategic:** Innovations involving products, services, market, customers, strategic assets (eg, in the face of rising cost or borne out of environmental concerns, there is a greater readiness to share resources and information).
- **Structural:** In organisational policies, employment practices (eg, more part-time or home-based employees, using of external alliances or partnership with vendors in unique ways).
- **Process:** Re-modelling the way the organisation conducts business, particularly using IT in imaginative ways (eg, fulfillment and customer support).
- **Cultural:** Innovations focused on changing values, mindsets, language and relationships. (How can we listen better to younger employees and even provide a greater say in organisational matters — some BPOs have been very innovative).

Slowly, realisation is dawning on us that old methods are no longer valid in today's times and we need to look for alternative solutions. In other words, it is time to put on those thinking caps that we had mothballed in the mad rush to copy the 'successful' western paradigms that were touted by prescriptive agents of globalisation. India and China are today recognised as growing sources of innovative practices. In fact, the recent Business Week study of the 50 most innovative companies in the world has three Indian firms (the Tata Group, Reliance and Infosys).

A final point to the business leader: by keeping the innovation edge sharpened and ready, you are ensuring the long term viability of the organisation in tough times.

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