

In the wonderland of 'innovation'

Innovation is the wonderland with an aura of enormous success that can impact a company's future and also impact its branding and professionalism

BY BISHRAM SINGH

When one thinks of innovation, the two big giants - Google, Apple, automatically comes to our mind. Can we stretch our mind to think of an Indian company? It takes time and after scratching our head with deep thinking, may be one can name a few but not instantaneously like Google and Apple of the world.

Let us start with looking at what innovation is? Different people have defined innovation in their words. A few have been mentioned below to cover the topic.

"The act of introducing something new" (the American heritage dictionary)

"A new idea, method or device" (Web-

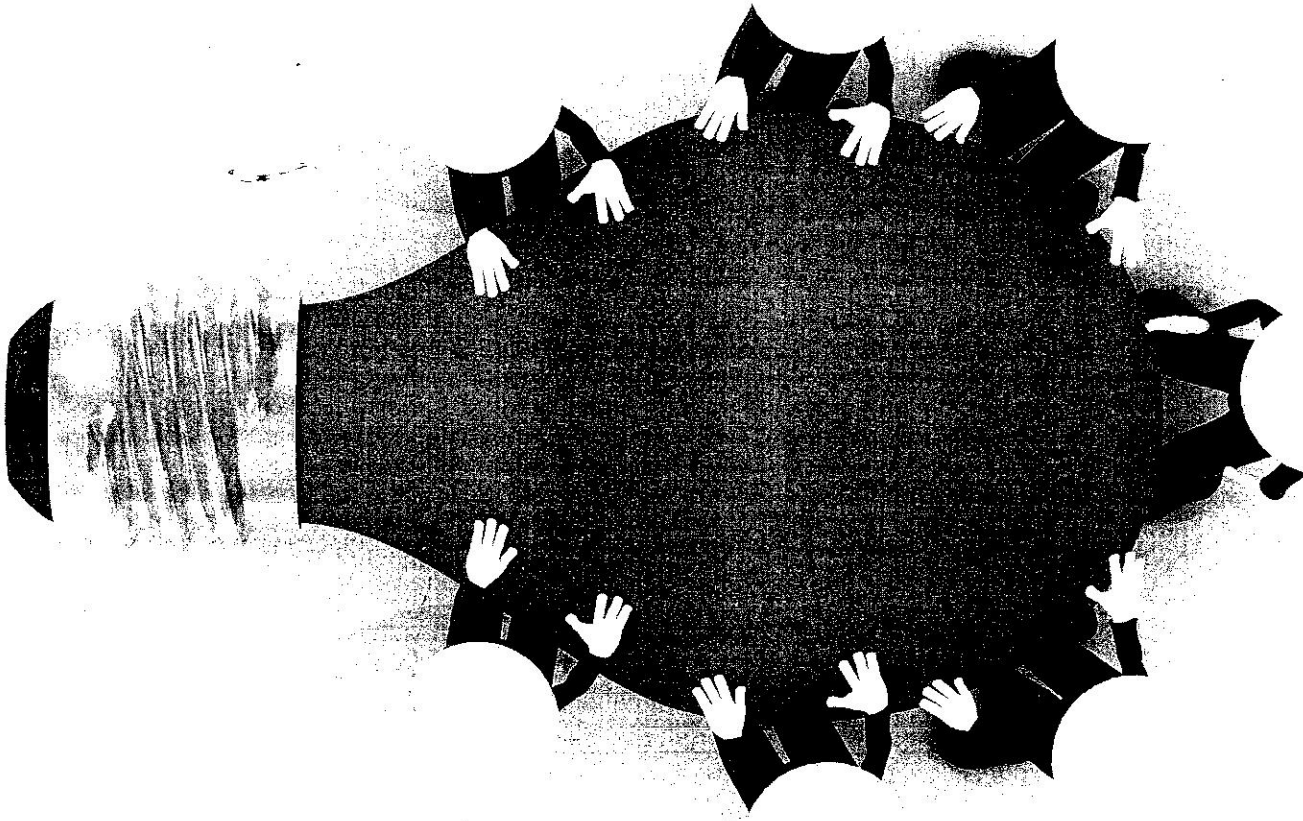
ster online)

"Change that creates a new dimension of performance" (Peter Drucker)

"The introduction of new goods (...), new methods of production (...), the opening of new markets (...), the conquest of new sources of supply (...) and the carrying out of a new organisation of any industry" (Joseph Schumpeter)

"The three stages in the process of innovation: invention, translation and commercialisation" (Bruce D Merrifield)

One can define innovation as "a new idea, method, equipment or business model that creates a new dimension of performance". New dimension to performance is



PHOTOS: THINKSTOCK

the key here. The emergence of idea, method or business model gets driven by hunger of new dimension of performance. It is important to note the difference between invention and innovation. Thomas Edison's light bulb is an excellent example of invention but he cannot be called a great innovator. In today's context, innovation is about the creation of new economic value with incremental or breakthrough ideas. Invention when commercialised becomes innovation.

We will discuss at length how innovation happens. It reminds me of a statement by Steve Jobs.

"Creativity is just connecting things. When you ask creative people how they did

something, they feel a little guilty because they didn't really do it, they just saw something. It seemed obvious to them after a while. That's because they were able to connect experiences they've had and synthesise new things."

Therefore, innovation is about hunger to create something, looking through one's eyes on world phenomenon, making meaning of one's experiences and finally, having a vision for satisfying one's hunger.

TYPE'S OF INNOVATION *Innovation in India*

I am reminded of two buzz words - customer care and innovation. Have you heard

of any company saying that they don't like customers? Everyone says that they love customers. Who can know better than you all? "How much customer care or customer intimacy exists in Indian industry? For doing a good customer service you need to know what your customer is looking for. You need to understand the customer's needs, their preferences. You have to have passion for solving customer problem". Innovation is in similar situation. Every company talks about innovation. But most of them fail to deliver because there is no passion for solving a problem.

The center of excellence for systematic development (CESD) categorises innovations in four categories namely reactive, incremental, radical and transformative.

As per CII-ITC Centre of Excellence for Sustainable Development's survey of 2013,

TO DO GOOD CUSTOMER SERVICE YOU NEED TO KNOW WHAT YOUR CUSTOMER IS LOOKING FOR. YOU HAVE TO HAVE THE PASSION TO SOLVE THEIR PROBLEMS

most of the Indian companies engaged in Innovations delivered incremental and radical innovations. The following picture depicts the scenario on the basis of respondents of the survey. I would like to take an example of CA aspirants appearing for CA examinations in India. It is a great profession. The CA aspirants can be classified in three categories:

- I. Students having love and passion for accounting and CA as a career
- II. Students want to complete CA as it has a great appeal and gets the aspirant a decent job
- III. Student's tries the CA path because it is a trendy examination

These three categories are very distinct in behaviour. Category-I have aspirants who succeed in their endeavour in one or two attempts. Category-II students keep on trying till they succeed and category-III students try few times, give up and choose an alternate career.

Indian companies are in a similar situation. I endeavour to categorise them in three categories as described by 3-S framework in terms of their innovations seriousness:

1. **Striving innovation:** The first category of

Indian companies may be called 'striving innovator'. They are characterised by a visionary leader. Leader has a concrete dream for the company; leader wants to solve the problems of the consumer. He keeps his sight focused and challenges organisation towards the goal. He is willing to experiment frequently to achieve success. He is tenacious. He uses adverse situation to his advantage. He is like an eagle who uses its wings to attain greater heights during storms. Selco's Harish Hande or Phani of Redbus can be put in this category.

Harish Hande - as a PhD student - walked out of laboratory to solve energy problems of people - in the real world. He found equations are meaningless. The real challenge is to implement technology for the people who need the most. He spent six months in a village in Sri Lanka and another two years in a village in Karnataka to understand the energy needs of the poor people. After spending 2.5 years in different villages, he realised that the poor people can and will pay for

solar energy. However he was also aware that the solution will need customisation as one size will not fit all.

He decided to launch a company to serve rural population which eventually gave birth to Selco in 1995; this was to provide service and sell solar electric system in rural India. He had a dream to provide sustainable low cost energy to masses. He wanted to reach the under privileged rural areas with his low cost solution. He did a lot of experimentations in terms of technology, consumption and financing. He later worked with micro finance companies to arrange loans for the consumers. His untiring effort has yielded results.

1. 38 energy service centers in Karnataka and Gujarat, Maharashtra, Bihar and Tamil Nadu in India
2. 1,35,000+ solar home lighting systems in 18 years
3. Largest solar water heating system ~ 4,00,000 liters for a single client in India
4. Supported 4 solar entrepreneurs currently, 6 solar entrepreneurs are being mentored in partnership with Selco Incubation Centre.

RedBus story is equally interesting. Phanindra was working with Texas Instru-



BS PHOTO

PHANINDRA SAMA OF REDBUS IS CREDITED WITH SUCCESSFUL INNOVATION. HE HAD A PROBLEM, THE PASSION TO SOLVE THE PROBLEM AND PERSISTENCE TO ACHIEVE SUCCESS



ments in Bangalore. In October 2005 during Diwali break, Phani wanted to visit his parents at Hyderabad. He made up his plan at the last moment. He reached bus ticket agents one after another but could not succeed in getting a ticket for himself. After undergoing the pain, he thought if airlines ticket and railway ticket can be purchased online why not bus ticket? He thought of building a ticketing platform and sounded his ideas to a few travel agents, bus operators

and few of his friends who travelled frequently. Their responses were encouraging.

Phani got together along with his four other classmates from BITS and started RedBus. The team got Ver 1.0 of ticketing platform ready. He thought of selling to bus operators. He realised that many operators did not have computers. They also did not show interest in improving productivity and automating ticketing. He was frustrated but was persistent to make his solution work.

He met Sanjay Anandram during The Indus Entrepreneurs (TiE) mentoring session for your entrepreneurs. Sanjay suggested to sell tickets directly instead of selling software products. The bus operators will see power of automation. Phani and his team ended up selling online bus tickets which they had not thought of initially.

The RedBus service was started in August 2006 and broke even the same year. As of June 2012, it has 700+ bus operators and 10000 buses listed. It was working in 15 states and sold 10 million tickets, has 2 million registered users and enjoy 65 per cent market share.

Harish Hande of Selco and Phani of RedBus, are credited with successful innovation. Both of them had a problem, passion to solve the problem, persistence to achieve success, invented a process to focus towards goals and brought in passionate people to team up with.

2. Systematic innovation: This category consists of companies which have a formal process in place, involve many people for Innovation. The leadership of the company is genuinely concerned about improvements happening due to worker's participation. Tata Motors, Titan and Maruti Udyog are a few companies which fall under this category.

The innovation story at Tata Motors dates back to late 1980s. There were two primary drivers for the company to seriously go after systematic innovation namely TQM movement in India and opening of the Indian economy. Tata Motors formalised the suggestion box scheme - a platform for systematic innovation and inviting employee's larger participation. The scheme was well crafted and regularly monitored by the senior management in terms of outcome, employee participation and resulting improvements in production and cost system of the company. Employees were paid cash amounts as their suggestion moves towards implementation.

Suzuki Motor Company (SMC) was keen to implement best practices of their Japan factory. One such practice was employee suggestion scheme. Initially, Indian managers did not respond positively. SMC management introduced token award for each

suggestion irrespective of the quality or acceptability of the suggestion scheme. This helped in motivating employees to participate and quality of suggestions started improving.

Subsequently SMC management changed the scheme for awarding on implementation. SMC also brought the quality circle practice from Japan. In their Japan factory QC group would meet after work hours. In Indian context that was seen impractical as Indian workers have to commute long distances to reach home. Most of them were using shift buses. Maruti local management modified this practice to suit Indian needs. Workers were allowed to conduct QC meetings during shift timings. This created wonders and the scheme became very effective. The innovation practices followed by different companies are not rocket science. The processes cannot be copied as it is. It requires customisation or evolving processes to suit the local needs.

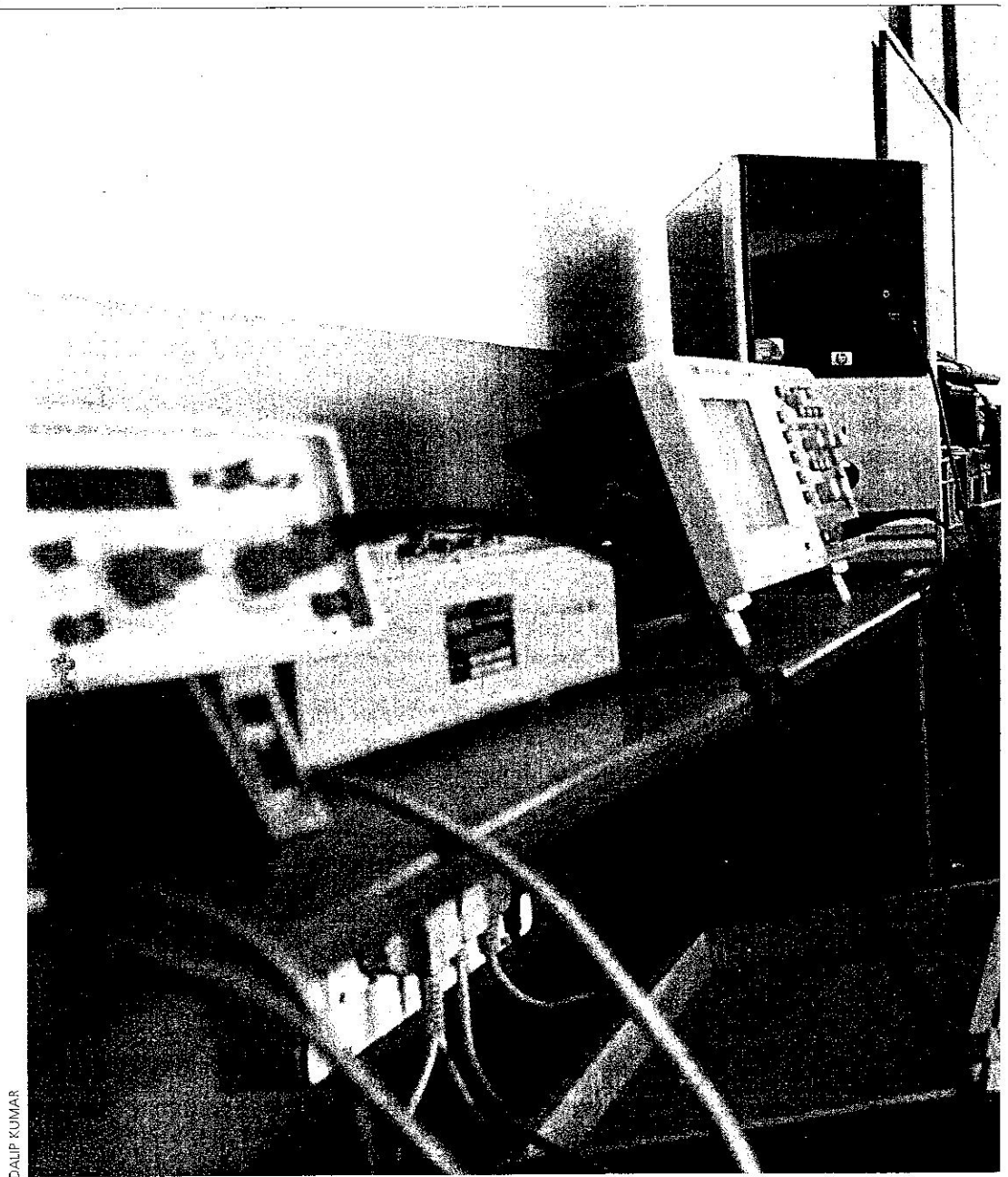
Systematic innovation is sustainable. It helps in bringing many incremental and

I INNOVATORS ARE MOSTLY FROM STARTUPS. EVENTUALLY THEY NEED TO MOVE TO SYSTEMATIC INNOVATION FOR SUSTENANCE WHILE KEEPING THEIR CHARACTER ALIVE

radical innovations in the company. Sometimes it might also lead to transformative innovations.

Dr Vinay Dabholkar and Dr Rishikesh T Krishnan in their book - '8 Steps to Innovation - Going from Jugad to Excellence' describes the various aspects of creating a platform for systematic innovations. It's worth reading for those who want to create platform, processes and participation for systematic innovation.

3. Superficial innovation: Majority of Indian companies fall in this category. They are like masses who say they love customers but only customers can say how serious they are. The management of this company hears good stories about Innovation. They join the race because innovation is supposed to bring the best. They are not in real love with innovation. They want quick buck. They get consultants, place some systems and do not go to the core of the problem. Finally the systems fail. They



DALIP KUMAR

start blaming the concept.

In this category, results from Innovation may at best be reactive and random. You can find many companies belonging to this category and their names are not worth mentioning. To sum up striving and systematic innovators are the key players in innovation journey. Generally striving innovators are from startups. Eventually they need to move to systematic innovation for sustenance while keeping their striving character alive. Google, Microsoft, Apple are some of the examples. They have successfully started with striving innovation based on deep love of the promoter. Eventually they have succeeded in creating a conducive

culture for systematic innovation.

The outcomes of the three types of innovators mentioned above and the categories of innovations, as proposed by CESD is best described in the table below.

Striving

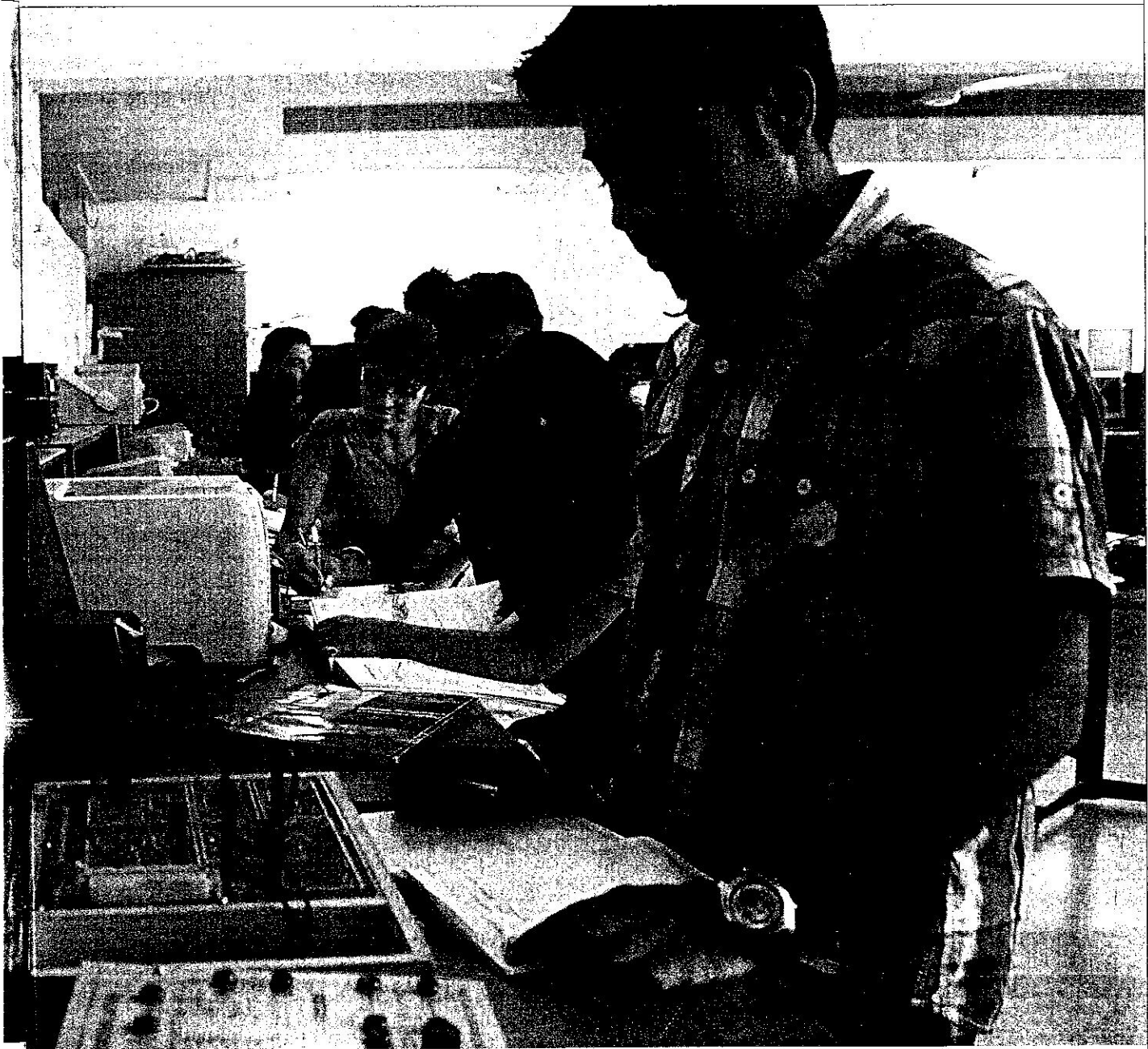
- Transformative
- Radical

Systematic

- Incremental
- Radical
- Rarely transformative

Superficial

- Reactive



I think striving, systematic and superficial innovators follow the most famous A:B:C framework. Although I do not have research data to prove this, I guess their ratio would be 10:20:70.

FRAMEWORK

When we go through the case studies mentioned in this paper, we can observe a pattern in all of them. Harish Hande of Selco or Phani of RedBus had something in common. They felt pain, they had a problem to solve. They were passionate in finding a so-

WE NEED MORE AND MORE COMPANIES TO JOIN THE INNOVATION ENDEAVOUR. EDUCATIONAL INSTITUTIONS ARE THE PLACES WHERE TALENT IS CHANNELISED

lution. They had enormous patience and went through a lot of iterations. Finally when Selco or RedBus started expanding they had to add process and bring the right people in who shared their passion to make the organisation successful. Based on the above stories, I suggest a '5-P' framework for institutionalising innovation.

Feel the pain is the beginning of inno-



AR RAHMAN IS A GREAT EXAMPLE OF A PERSON INNOVATING WITH MUSIC BECAUSE HE LOVES MUSIC AND NOT THE TECHNOLOGY BEHIND IT. IF HE DOESN'T HAVE AN INSTRUMENT HE USES A BUCKET UPSIDE DOWN AND PLAYS

vation journey. Md Yunis felt the pain of the poor masses, Harish Hande felt pain of rural masses and Phanindra felt the pain of Facebook oriented youths. Each of them went through various iterations till they solved the problem. They had the passion instilled. The journey was not smooth. They had bumpy rides but maintained their patience.

what next? The triangle vertices persistence-process-people answers the question. Having established the method, one needs a scale. Therefore processes have to be put in place. The processes have to address the sustainable innovation. Eight-steps to innovation by Dr Dhabolkar and Dr Krishnan beautifully addresses the systematic innovation challenges. People have

REUTERS

Pain-passion-patience are the three vertices of our framework triangle. This combination results transformational innovation. All innovations are not transformational. Having done the transformation,

to continue the journey. You need right minded people.

I am reminded of my visit to Google office in Hyderabad. Two of us well dressed, landed up in Google's office for a business discussion. We found many people dressed in shorts, sport shoes and tea shirts sipping coffee and working on their lap tops at different places. During discussion we found that Google's recruitment processes to be different than most of the other companies. They prefer maverick, people who do not believe in processes. They have 30 odd gates before they finalise on a candidate. They want to make sure that they build and continue the right culture and right mix for Innovation.

HOW INDIA INC CAN BE INNOVATIVE?

India is known as a "country of juggad or improvisation". We have a large talent pool. Satya Nadella reaching top of the one of the most innovative company speaks about the strength of Indian talent pools. What we lack is the Environment. We have a huge market and aspirational middle class. There is a tremendous scope for Innovations yielding more for less or socially inclusive innovation. On the other hand India stand at a cross road where a path goes toward world-class innovation. To summarise we need separate systems for

1. Inclusive innovation and
2. World class innovation creating Google of the world.

Government, industry and academic institutions have different roles to play to make this happen. It is encouraging to note that the President of India have declared 2010 as a decade of innovation. What is needed more is government support through policies framework to support the two categories of innovation mentioned above.

Industry has taken steps towards innovation. Tata Group has a group wide program to nurture the culture of Innovation and also to recognise the innovators. TCS has a small group as a 'think tank' and the whole company as executors. Not to un-

dermine the culture of incremental innovation that exists in the company. What we need is more and more groups/ company to join this innovation endeavour. Educational institutions are the place where talents are channelised. Institutions have to play role in channelising the talents of graduating students.

CONCLUSION

The wonderland of innovation is exciting and rewarding. It has enormous potential for success provided innovation attempt is directed properly. The '5-P' framework may prove to be a powerful tool for channelising enterprises efforts. Management work is to locate people who have love for solving the challenge (pain) of management.

AR Rahman is a great example of a person innovating music because he loves music and not the technology behind it. If he does not have advanced musical instruments (synthesiser etc) his love for music will compel him to use a bucket upside down and play music. That is the intense of love. Management has to find more and more AR Rahman like Google does. A growing company will have challenge to keep two different streams that is, incremental and radical innovation for ongoing business and transformative innovation for the big buck. I think this is possible with proper intent. □

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