

## `If you don't innovate, someone else will`

Q&A/ Robert Tucker, President, The Innovation Resource

Govindkrishna Seshan / Mumbai October 2, 2007



India is the 11th country on his agenda this year — and the diary's still open. But **Robert Tucker** doesn't find the constant travel exhausting. Instead, the corporate innovation guru uses the opportunity to study how innovation is being practised in different markets and then offers the examples as case studies.

A former professor at the University of California, Los Angeles, and now the president of California-based consulting firm The Innovation Resource, Tucker is the author of several bestselling books on the subject, including *Winning the Innovation Game*, *Managing the Future* and *Driving Growth Through Innovation*.

Recently in India to conduct a seminar on corporate innovation, Tucker spoke with *Govindkrishna Seshan* on how Indian companies need to stay ahead in the global innovation race. Excerpts:

### How would you define innovation?

To me, innovation is the process of coming up with ideas and bringing them to life. Any time you come up with an idea and implement it, you have essentially innovated. Not all ideas are commercially viable but, nevertheless, they are innovations.

In business, the commercial viability of an innovation is of supreme importance. Companies don't just need ideas, they need ideas that can make people see value. The idea you implement must make the consumer want to open his wallet and spend his money on your product.

Hence, in a corporate scenario, innovation to me is essentially of three types. Product innovations, like the i-Pod or Post-It notes. Process innovation, when you come up with a new process that reduces time or cost or makes you reach from point A to point B faster: Toyota and Tata are continuously making process innovations.

Then there's strategy innovation, when you find a better way of serving your customer — Air Deccan, for instance. A couple of years ago it looked at low-cost airlines across the world, picked some of the best practices, and then made itself. Now, that's an excellent example of strategy innovation.

Remember what I said about commercial viability? A couple of months ago, people in the US queued up outside stores to buy the i-Phone. Now, that's innovation.

### Does innovation have a greater role to play now?

Innovation today is ranked among the top three priorities on every CEO and manager's list. Today, you see people working with laptops and cellphones, which, in five years, will be obsolete.

Around the world innovation is happening and it is happening fast. I was in Tel Aviv recently, where managers can operate store cameras and keep a check on their employees through their cellphones.

Similarly, a refrigeration truck can call its driver when the temperature inside

starts rising. Now, these technologies can be used anywhere; there's a global innovation race on. So innovation needs to be taken a lot more seriously.

The good news, however, is that several Indian companies are responding well to this challenge. And this has helped India achieve greater prominence on the global economic stage. Companies like Mahindra & Mahindra, the Tata group and Ranbaxy, in particular, have done well. When I last visited India, in 2003, the Tata group was valued at \$12 billion, I read today that its net worth now is \$63 billion.

### **What are these companies doing differently? How important is innovation in India?**

India is a very young country. Youngsters are open to trying new products and are ready to spend. They demand new and improved products that enhance their lifestyles. Hence, companies here need to be innovative to survive.

What Indian companies have done right is... First, these companies are thinking globally: they don't want to be the best in the market or best in the country; they want to be the best globally.

Second, they are speaking to their consumers in a more organised fashion. And last, the leadership in these organisations is very serious about building a culture of innovation. **How does an organisation build a culture of innovation?**

A company is the result of its ideas. When the leadership shows serious intent for innovation, it percolates to all levels and you build a culture of innovation. Behaviour that gets rewarded gets repeated.

So your managers need to reward people who are taking risks, people who are experimenting with ideas, people who are being creative and are attempting to do things better. When you reward such behaviour you are sure to create a culture of innovation.

People by nature are creative, but you as an organisation need to be able to tap it. Employees are either being creative at their work place or are going home to their sports, passions, interests and spending their creativity there.

Companies need to ask people to be creative, and praise employees who try things differently, irrespective of the outcome. I spend most of my day asking managers to stroke their chin and ask their teams politely if there is a better way to do what they are doing. Most managers never ask this question, or they ask it in a very confrontational manner.

### **Innovation seems to be restricted to technology and IT companies. Do consumer goods companies also need to innovate?**

FMCG, too, has seen its innovation but large companies here are fighting for shares rather than creating markets. Also, many companies are facing strategic convergence, making their strategies similar and, hence, difficult for consumers to differentiate.

But that does not stop innovation: if you don't innovate, somebody else will. Take Coca-Cola and Pepsi. While these companies fought on marketshare, somebody else went ahead and launched Red Bull and Gatorade. Both were extremely innovative products that quickly made huge markets for themselves.

### **What is the lifecycle of an innovation? Does it cease to be innovative once others copy it?**

The microwave and the computer are still relevant innovations. But yes, the

day it is copied, a company loses the competitive edge an innovation provides. So the time between your implementing an idea and it being copied by competitors is the real life span of an innovation.

But companies cannot sit idle after completing an innovation because then they will let others catch up. The idea is to keep moving and keep innovating so that by the time others copy plan A you have already moved to plan B.

**If there are “good” innovations, there must be bad ones as well...**

Ideas can be implemented badly or they may be not be commercially viable, but there is nothing called “bad” innovation. Many times, an idea may be just ahead of its time.

For instance, DuPont invented Kevlar, which is 10 times stronger than steel, many, many years ago. At the time tyre manufacturers, who were approached with the product, were not very keen. The product was not used for many years, until the company found new uses for it.

Today, Kevlar is used by people who work with glass, oyster-opening gloves are made of Kevlar, armies and police personnel around the world use Kevlar vests, embassies of many nations have Kevlar curtains draped on their walls... So Kevlar was not a bad innovation. It was just not used correctly.