

Transforming legacy organisations

These are the highlights of Kris Østergaard's presentation at the SingularityU South Africa 2019 Summit.



Kris Østergaard - Singularity U South Africa 2019 Summit. Image supplied.

Innovation in legacy organisations is tough. It is simply much harder for older, more established companies with complex systems to innovate. But there's good news – legacy companies have a better chance of succeeding because they already have the data, design and workforce.

Sometimes version 1.0 is not practical. Just look at Graham Bell – the first telephone was bulky and hard to use. Are we really prepared for the future? There are questions we need to re-examine and look at with different lenses. Ask – what is your purpose? Is it more than making money? You need both purpose and profit, and there's an extricable link between the two.

It's related to ethics – Gartner, for example, puts out the top 10 technologies companies need to understand and this year, digital ethics was number one. Thanks to social media scandals, fake news and ethical issues related to deep bias, bad business decisions and transparency, ethics is more important than ever before. And big companies are starting to take a stand – H&M, for example, won't buy leather from unethical sources.



H&M introduces product transparency for all garments sold online

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These ethical stands have financial implications - purpose is fast becoming a differentiator for companies but soon it will be a hygiene factor. You may not be rewarded if you're ethical but you may certainly be punished if you're not.

Converging industries

Who are your key competitors? Today brands face identical products in a saturated market. Coffee is not just competing with coffee anymore – it's competing with other sources of energy like tea, energy drinks and takeout options.

But when we're all driving in Ubers and no longer need to go to petrol stations to fill up, what will happen to the on-the-go coffee market? The value chain is shifting dramatically. Companies need to work out the 5th or 6th degree of competition.

Are we informed enough when it comes to our decision-making process? Can you digitise the value which a product provides?

The immune system ecosystem

We would rather not lose than win. Human beings are resistant to change. That makes up our personal immune system.

In an organisation, KPIs are a mess – they're no longer strongly aligned with strategy but are extremely important.

Should innovation be compliant with legacy IT and infrastructures, processes and business models?

In a corporate setting, if you want change and transformation you need to change the system.

You also need to understand a society's immune system – legislation, legacy customers and suppliers and the economic climate.

How do we innovate?

Today companies need to innovate in multiply tracks at the same time:

1. Optimising innovation – improve the past
2. Augmenting innovation – prepare for the future
3. Mutating innovations – inventing the future

Large established companies with status quo cultures need to rediscover that their workforce can both incremental and radical when it comes to innovation. Different types of workspaces should depend on what you want to achieve as a company. Cubicles do not spark curiosity.

No matter how insane or ridiculous or laughable your idea sounds, we need to stop laughing and start cracking.