

## How to make innovation great again w/ Herman Singh



1 Nov 2018

Spring is still in the air, and it is that time of the year, where the end is in sight. The air is abundant with bliss and the fields filled with blossom. For many of us, this time of the year inspires us to do a good thorough spring cleaning and for others, this season is the beginning of many allergies.

Just like our bodies respond to spring, these symptoms manifest itself in our businesses too. Many organisations become allergic to change and is in desperate need of a good spring cleaning.

### Out with old, in with the new

Einstein says it best. Insanity is doing the same thing over and over again and expecting different results. Today, our world is tracked by the ability to move at a breakneck speed and doing it as efficiently as possible. So what may have worked for many years is no longer working and we need to start looking at new ways of doing things more effectively.

Herman Singh is to LinkedIn, like Trump is to Twitter and I could not think of a better guest to invite to my podcast, <u>The Carmen Murray Show</u>, He gets candid about innovation, and empower us to understand "How to Make Innovation Great Again".

Herman is the group executive for innovation strategy at MTN, Africa and we unpack the myths of disruptive innovation and explore what needs to be "spring cleaned" in our organisations to reap the blossoms of tomorrows profits.



Herman Singh, group executive for innovation strategy at MTN, Africa.

Here are some of the questions I asked him, and his thought-provoking responses:

#### Why do businesses struggle to learn, unlearn and relearn?

I blame this on success from existing knowledge, existing processes, existing products, and mindsets. You have a lot of very successful people who have become very wealthy through doing what they've always done and it worked so well, that actually, it's created this mindset that there is no reason to change. We have this very dangerous situation where the world is changing and where businesses feel that they don't have to.

# Do you think the challenge also exist that businesses can't change because processes and structures restrict large organisations to be more agile?

Absolutely. What we tend to do is figure out what works. We then write manuals and build systems so that we can replicate that thing that's working. We teach people how to do it, we build processes, create scorecards, build incentive schemes and when you deviate, you get disciplined. Basically, the entire organisation is designed to do one thing, and do one thing well. What it's not designed to do, is change.

#### So how do businesses learn, unlearn and relearn and embed change in their organisations?

Act like a startup again. Especially older companies. They need to go back to look at what the business was like when they just started. Relearn the way they use to be. What businesses need to learn, is what is the key DNA and success factors in today's world. In other words, how do you experiment? Experimentation is a big part of this. It's about listening and engaging more with customers. Finding out where the trends are.



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You almost have to be a sociologist. It is important to understand how customers are going to use technology and devices and get in the mind of the customer. When we know this, we need to learn to build solutions very quickly based on what customers want. What we then need to unlearn is the behaviour that we just sit behind regulations, market dominance, and behind a brand. If you look at MTN for example, we didn't have to sell, because people wanted airtime. You getting to the point where you have to sell the things you have. People are not going to come to you anymore. We have to earn our license to serve our customers extremely well.

# The term disruptive innovation seems to me like it's overused and perhaps even lost its meaning? What does it mean to you?

I actually have two comments to make on this. The first is the traditional meaning of it, and secondly that it actually doesn't exist. Let me elaborate and start with why I think disruptive innovation doesn't exist.

Disruption is a term created by people who are in a position of power, in other words, people who are going to lose their power. So, if you think about it, the invention of the car disrupted the horse industry. Who used the term disruption? The horse industry. Who benefitted from the car? The consumers, billions of consumers. In the same way, electricity was created, we moved away from steam power to electrical power. Who used the term disruption? The steam power industry. Who benefitted from it? Everyone benefitted from electricity.

Corporate antibodies are the biggest challenge to newdisruptive ideas. Protecting vested interests. Same with national disruptive ideas and governments. Are we listening Africa? We are going to need to combat our own national antibodies. #Futureproofaafrica— Herman Singh (@Hermansingh\_mtn) October 16, 2018

We have to be very mindful that the word disruption is actually a term developed by the incumbents who are at risk of losing what they have. However, in almost every instance of disruption in the history of humankind, there has been a massive upliftment of billions of dollars. However, we have to be very careful here, because the word disruptive innovation has a very negative connotation. I would argue that disruption is incredibly positive for consumers all over the world. We need to understand the narrative and who controls the narrative. The narrative is controlled by people who are not innovating fast enough. They are the people who use the word disruptive innovation.



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Now to my first statement, what is disruptive innovation? It talks to two things.

- 1. Value chain compression: Things that used to take 100 units of effort takes one unit of effort. Let's take buying a book for example? It used to take a whole series of activities, for example: Get out of my pyjamas, get in my car, find parking, go into the shop, buy the book, pay for parking, drive home etc. Today I can sit in my bed, in my pyjamas, open up my Kindle, it says "Hello Herman, last time you were here, you bought this. We recommend this book as many readers who read this book, also enjoyed this book." For your convenience, we moved the cursor to buy, if you click on it, you will receive your book instantly. That is not a 5% improvement, 20% improvement, that is a massive improvement of the compression of the value chain.
- **2. Industry collision**: The best example of this is the cellphone. The cellphone killed the navigation book industry, it killed the navigation system industry, it killed the iPod, it killed the tape recorder, and I can carry on, there are probably 20 or 30

different industries that collided simultaneously and melted into one.

#### What are the key takeaways from Herman to make innovation great again?

- Businesses need to think like a startup
- Do not own the narrative of disruptive innovation, unless you are the consumer.
- Once you know what your customers want, move at breakneck speed and get it to market as soon as possible.
- Understand the DNA and success factors in today's world and experiment a lot.
- Have change embedded in your business so that you don't fall victim to value chain compression and industry collision.

If you would like to hear the full interview with Herman Singh, and #FutureFIt yourself, you can listen to the interview here.

Herman Singh was interviewed by Carmen Murray, founder of Boo-Yah! and podcast host.

#### ABOUT CARMEN MURRAY

Carmen Murray is one of the most influential modern marketers in South Africa. Her strong background in content, digital, mobile, innovation, and data analytics allows her to identify emerging trends and conceptualise disruptive communication strategies deployed with precision. The customer and their needs are always at the heart of her approach.

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