Innovate or Die!

Neil Davidson, Managing Director, Maconomy UK Ltd

Sometimes, when I use the word innovate, I tend to notice a certain glazing over of eyes, and my listeners slowly appear to retreat into themselves. And I understand why, the term can feel meaningless or can promote the kind of vague anxiety that many associate with change - or, even worse, restructuring. But this isn’t always the case. At Maconomy’s recent ‘Change to Win’ conference, business leaders from across Europe came together to embrace innovation, and were eager to see how it could help their business move forward.

Why this focus on innovation right now? Because in hard economic times, there are only two choices – we innovate, or we die. That is the hard reality of the business world. Even strong companies will disintegrate if they do not have the right perspective and commit to meet market challenges with innovation.

The indications are that there are certainly tough times ahead. Granted, there are mixed messages regarding how bad it could get. There are a considerable number of optimists out there who believe that the consultancy industry can dodge the crunch – but can you afford to take that gamble?

But we have seen this before. The trend tends to be that businesses stop making decision, preferring to wait and see what happens. This means that the demand for consultant’s starts to decline - which some believe is already starting to happen. Many consultancies have been very aggressive over recent years in their pursuit of the best talent. Evidence
suggests that this aggressive attitude from consultancies is starting to wane as they to start to be more cautious.

A significant problem in previous downturns was the fact that many consultancies decided to let staff go in order to prepare for the worst. However, when the economy turned a corner those same companies found it difficult to get the same quality of personnel back through the door.

Therefore, if you want to keep your head above water and retain your talent then taking a big picture view of the changing environment is essential for innovation to become meaningful and realistic. We need hard facts to make decisions, so that we can see change coming and to act on it before it alters our business. We need to spot the trends in real time in order to be able to meet them.

Practically, that means acting on reliable figures and connecting the right people to the right information. It means avoiding bottlenecks of resources at one time and having skilled people sitting on the bench the next. Enterprise Resource Planning (ERP) is the map on which we can begin to plan for innovation. Only by monitoring our resources, do we open up the possibility of deploying them in new ways. Put ERP-systems and a challenging business climate together and what do you have? A solid platform for innovation.

It is a fact that nothing like hard times will shine a light on our business structures because it is now that small errors matter and organizational flaws show on the bottom line. According to American innovation-guru Stephen Shapiro, it is precisely in a downturn that innovation will save you. It is when you face diminished growth or even losses that you will feel enough pain to envisage something better and summon up the effort to make it possible.

Of course, that is not to say that you should rush out and invest large sums of money in outlandish projects. Instead, Shapiro suggests that this is the time to fail cheaply – in other words, to try new ideas on a small scale and grow through experimentation. But who is this ‘you’, I keep referring to? Sure, it is the company leader to some extent, but it is also your
employees - they need a little space to think creatively and to ask different questions in their workplace. Up-to-the-minute data can help create this space.

With the right data behind you it is much easier to make innovative decisions. There may be signs of a downturn but that does not mean that there aren’t opportunities out there. Companies are looking for more specialist consultants with real experience in areas where they can add direct value to the business immediately. Specializing in specific areas can be just one example of how a consultancy can be innovative in their offering.

Consultancies are also seeing a noticeable shift overseas. As the industry becomes more international and large firms look to take advantage of off-shoring in developing countries. It is important that consultancies are ready to take advantage of any opportunity - location should not be a stumbling block to bringing in new business. However, with international work there is even more necessity for a planning system to be in place so that both project and consultant are monitored and kept organized.

There are a lot of talented people in business whose most basic needs are being met, and that means that there is the energy to think creatively, differently, maybe even dangerously. The challenge is to remain alive to the possibilities and not become anaesthetized by daily routines and comfort. Admittedly, that is a big challenge. But with the right planning systems in place, you can react to these possibilities with confidence.

But if innovation is going to be more than just management-speak, it will require some discomfort. The changes will have to become lodged in the company culture and that may require some tough love. That said, if a crisis separates the winners from the losers, this is no time to lie down and die.

*Maconomy is a global supplier of industry-specific business solutions for project- and service-oriented companies. Maconomy provides services to approx. 600 customers in 50 countries through offices in the U.S. and Europe, and through a comprehensive partner network. More than 100,000 users worldwide use Maconomy’s business solutions.*