INNOVATION: A CATALYST FOR CHANGE

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ABSTRACT

The ongoing pandemic has caused innumerable challenges in every industry, but it has also opened up opportunities for transformation. One of the most powerful catalysts for transformational change is innovation, yet it's a catalyst that's often ignored or underutilized. In this white paper, I examine three different types of innovation – product, process and business model innovation – and explore real-world examples of each. While the way forward to innovation can often seem abstract at best and unattainable at worst, when it's deconstructed, the roadmap to transformation through innovation becomes much clearer. This is true no matter what your business, your industry or your pain points may be.

"Innovation distinguishes between a leader and a follower."

Steve Jobs

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INTRODUCTION

When dealing with the aftershocks of the COVID-19 pandemic, organizations are finding that the post-pandemic business recovery is somewhat ambiguous. There are still critical business challenges that need to be examined. For example, during the pandemic, businesses had to pivot quickly and develop alternative approaches to cope with economic uncertainties.

Some of these strategies focused on reducing operating costs, reevaluating and realigning supply chains, overhauling their talent management initiatives and reorganizing their day-to-day office logistics to accommodate a largely remote and hybrid workforce. All of these initiatives have the potential to be catalysts for change. However, the catalyst I'd like to discuss in this white paper may be the most powerful and the most underutilized that an organization has at their disposal. That catalyst is innovation.

While most of us have a broad understanding of the importance of innovation, truly innovative ideas are often ignored when an organization is faced with crises of one sort or another, and that's understandable. When your house is on fire, your first priority is extinguishing the fire, not buying smoke detectors. But times of crisis can often offer up windows of opportunity and open up space for innovative change.

Let's work off of this assumption that the multiple crises that organizations are facing right now are ultimately opportunities for innovation and growth. In speaking with executives across various industries, I've found it to be universally understood that they need to innovate to thrive in times of uncertainty, but the majority of business leaders are unsure of how to go about it. Oftentimes they don't even know where to start.

In the majority of cases, the whole idea of innovation can seem overwhelming and obtuse with no clear roadmap to follow. However, that doesn't have to be the case. To illustrate, let's look at some of the different types of innovation and some of the most exciting examples of each.

"Without change there is no innovation, creativity, or incentive for improvement. Those who initiate change will have a better opportunity to manage the change that is inevitable."

William Pollard

WHAT IS INNOVATION?

It may seem rudimentary, but I find sometimes it's best to start off with a good old-fashioned dictionary definition when it comes to deconstructing seemingly abstract concepts. According to Merriam-Webster, the definition of innovation is simply a new idea, method or device, or the introduction of something new. Now, let's add on to that by saying that the newer and more novel an idea, method or device is, the more innovative it is.

In a recent post on the Harvard Business School Online's Business Insights Blog, contributor Kate Gibson breaks down innovation into three different types in order to simplify the concept.

1. **Product or Service Innovation** – This type of innovation focuses on creating a new product or service that improves significantly on an existing product or introduces a product or service that has never been offered to the public before.

2. **Process Innovation** – This type of innovation refers to any changes or improvements to business processes that make them better or more efficient.

3. **Business Model Innovation** – This type of innovation occurs when you completely transform the way a business or an industry operates.

The first step that business leaders can take when looking for new ways to be innovative is to look at these three types of innovation and evaluate opportunities in their organization for each one. Some businesses and industries are more suited for one type of innovation over the other two while others are ripe for all three types. Let's examine some recent examples to see how this concept looks when we take it out of a theoretical context and apply it to real-world settings.

Product or Service Innovation

1. **mRNA Vaccines** – One of the most revolutionary and widely utilized new products to emerge from the COVID-19 crisis is the mRNA vaccine. While mRNA vaccines were introduced as a new product in response to the pandemic, the technology had been in the works for a long time. In fact, research on mRNA vaccine technology dates back to the 1970s. According to the Johns Hopkins Bloomberg School of Health, the first mRNA flu vaccine was tested in mice in the 1990s and an mRNA vaccine for rabies was tested in humans in 2013.

Throughout the two decades of development, it was ultimately advances in nanotechnology that led to the ability of messenger RNA to be carried successfully into human cells. The technology was ready before COVID-19 hit, but it had no commercial development. However, in 2020, the first mRNA vaccines achieved full FDA approval and were rolled out en masse to inoculate the public against the novel virus, SARS-CoV-2.

Currently, mRNA vaccines are being developed for emergent COVID-19 variants as well as hundreds of other infectious diseases, including influenza, HIV, Zika, yellow fever, tuberculosis, Epstein-Barr virus and even certain types of cancers according to U.S. News & World Report. In fact, mRNA vaccines are considered by many to be a gamechanger when it comes to fighting infectious disease. Dr. Rajesh Gandhi, an infectious diseases physician and co-director of the Harvard Center for AIDS Research, sums it up when he closes out the U.S. News & World Report article by stating, "We're on the threshold of a new revolution in vaccinology."

2. **Zoom** – Zoom is not only a product, but thanks to the pandemic, it is now also a place, a verb and a way of life for many people working and going to school across the globe. Zoom is a perfect example of an innovative improvement to a product or service that proved to be transformational.

   There were video conferencing software in existence before Zoom, such as Webex, Team and Skype to name a few. In fact, the creator of Zoom, Eric Yuan, was an engineer for Webex before he started Zoom. According to an interview in Forbes, there was one big difference Yuan wanted to make between Zoom and its predecessors. He wanted to make a video-conferencing tool, "that worked equally well in a boardroom in Manhattan or from a kitchen table in China."

   Not only did he succeed, but he created a product that joined the likes of Xerox, Kleenex and Jacuzzi in terms of ubiquitous household name recognition and use. When Zoom first started out, its mission was simple – to build a better mousetrap. Yuan wanted to improve upon the technology that already existed in order to connect people through video with as little friction as possible. His product had been in development since 2011, and when COVID-19 forced the world to isolate, Zoom was in the perfect position to bring people together online so that they could easily and safely conduct business, go to school, seek medical help and socialize.

3. **Alternative Fuel Cars** – With record-high gas prices and a push to limit fossil fuel consumption, electric vehicles (EVs) are having a moment. However, some are questioning the sustainability of widespread EV adoption given the stress that many electric power grids are now facing. According to an article in the New York Times, if every single American switched to an EV, the United States would see electricity consumption jump by 25 percent.

   With increased electricity consumption comes increased emissions. By and large, most electric grids still source electricity from fossil fuels. The U.S. Energy Information Administration showed that most of the country's electricity in 2020 was generated by natural gas, nuclear energy and coal. Renewable energy sources, such as solar power, wind and hydropower were only responsible for about 20 percent of the nation's electricity, which has many wondering if there's an even greener alternative to EVs.