What exactly is innovation?

1st March 2023

Paul Murphy

Chief Executive Officer

What exactly is innovation?

Innovation is a word that is banded about a lot, especially in business. We're always being told that the best companies innovate, the best entrepreneurs are innovative and to succeed, we all need to master the skill of innovation. It all sounds incredibly wonderous but when it comes to the crunch, what is it and how can you make it happen in your business?

So, what exactly is innovation?

While everyone will have their own take on what innovation means, to me it's about ideas and it's about change. While some may link innovation to shiny, modern businesses, I strongly believe that innovation can and does happen in all businesses, no matter their size or age. We see disruptors in the business world who launch innovative products and technology, growing at incredible rates. You will also have a well-established business that has implemented a new working procedure to help them cut down the number of hours spent on a task. This doesn't necessarily trigger an overnight boom in business but delivers consistent, effective, and impactful change. Both are innovative. Both use innovation to succeed.

Slowly, but surely

Innovation is exciting, but it can also be overwhelming. A business that is asked to 'innovate more' may feel stuck with where to start. What's important to remember is that innovation does not, and should not, need to happen overnight. In fact, I would argue that the best innovators take their time. Marginal Gain Theory, coined by elite cycling coach David Brailsford, was born from the idea that only focusing on the result isn't going to support progress. Instead, change – or innovation – happens best when small alterations happen

over a course of time. In sport, it's about showing up every day and making those 1% performance gains. In business, the same principle can be applied. Rather than thinking about one big change or improvement being made, view every day as an opportunity to make small changes which, in the long-term, can add up to one or more big business improvements. There's 365 days in the year, that's 365 daily opportunities to innovate.

Fostering an environment for innovation

Innovation is very rarely born from perfection. Nor is it born from an exclusive group of people being the only ones to have ideas. Whenever I've been in a business that is particularly good at innovating, it has worked on a meritocratic model. Everyone can bring ideas to the table; everyone's ideas are listened to with intent and there's no such thing as a bad idea. The business also rids itself of value judgement - the concept that someone's abilities are defined by their ideas. Of course, bringing ideas to the table will be a daunting task for some. It's up to leaders and senior teams to harbour an environment of openness, creativity, and curiosity as well as supporting the team to live and breathe these values. All ideas should be discussed in-depth, no matter the age or rank of the person sharing. Trying something new should be seen as an opportunity, not as a potential problem. At worst, the idea won't work, and you've learned something new. At best, that idea could revolutionise the way you do business. Additionally, make sure recognition is given to those who have the courage to bring something new to the table. A reward structure for outside-the-box thinking, research and a great level of understanding about where the business could use improvement will only encourage more people to think laterally.

Not all innovation is powered by AI and automation

In this new world of technology, gadgets and AI that can begin to code new websites from information it scans on the internet, it's easy to fall into the trap of thinking that all innovation needs to be powered by modern tech tools. There is, of course, a place for these tools. In one of the companies I worked for, we created immense opportunity within the business by automating certain tasks. Before Robot Process Automation (RPA) was introduced, a team of people would need to match purchase orders with shipping invoices and final invoices. Hours could be spent on this, and the team were held up from putting their brilliant skills and knowledge to use on tasks with higher reward (both for them and for the business). We chose to go ahead and automate the purchase order tasks and very quickly saw an uplift in the efficiency and productivity of the team. This is a great example of where technology

supports innovation. But innovation can happen without tech. It could be restructuring your business to streamline communication. It could be the introduction of a mental wellbeing programme that supports the health of your team, in turn boosting productivity. Don't get bogged down believing innovation has to mean reinventing the wheel. It can be small steps that create big outcomes.

The takeaway?

Innovation shouldn't be a challenging prospect. It can be an exciting mindset that is built into the DNA of a business. An ethos that promotes a fearless way of thinking laterally, with the aim of growth and change at all levels of the organisation. There are, of course, things to consider when it comes to building a team that thrives on innovation. How is the business being led? Are the people at the top table encouraging an innovative culture? Do the people within the team feel able to have the confidence to adopt a growth mindset, coming to the table with ideas that no one has tried before? Are there contacts that your team, from leaders to interns, can turn to if they want support and advice on how to innovate in 2023 and beyond? If not, I think I know who can help.