

Innovation - The lifeblood of Jersey businesses

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CEO of Jersey Business, Paul Murphy discusses the role of innovation in Jersey's business landscape. Paul draws inspiration from global innovators like Apple, Amazon, Microsoft, and Tesla and highlights their common success factors: fast-moving sectors and geographical clustering in the US.

Innovation is a big topic. It's an umbrella term for many things but, in a nutshell, it's the lifeblood of what keeps businesses moving forward in this constantly evolving business landscape.

Let's look at the most innovative companies in the world to understand what great innovation looks like. The key players are Apple, Alphabet, Amazon, Microsoft and Tesla. So, what is it that all these major companies have in common that make them powerhouses of innovation? Firstly, they sit within fast-moving sectors: technology, energy and transport. Secondly, they're all clustered geographically, working out of the US. It's these two core elements that have meant all five companies are rapidly climbing the competition ladder to be some of the best in the world.

But it's not just the innovation that's important. Not only are these core players extremely innovative, but they're also likely to be amazingly productive too. All are based in the US, which according to 2022 World Economic Forum data is the second most innovative country in the world. It's also the second most productive country in the G7, according to UK Parliamentary Data. I won't hesitate for a second to suggest that both productivity and innovation are closely linked.

But what does all of this have to do with Jersey's productivity and innovation? While yes, we'll be working on a smaller scale compared to the US, we should be looking at the country's success and emulating it to help solve our island's current productivity issues. As an island, we can also cluster our successful businesses and harness our local competitive advantages.

But what is it that innovation can truly deliver for us as people, business owners, teams, businesses and our community?

WHY MUST JERSEY INNOVATE?

Productivity has been declining in Jersey since 2018, and this has put a significant amount of pressure on businesses of all shapes and sizes. With our ageing population growing, we need to drive economic growth, working toward at least a 7.5% increase in productivity. It's a big number, that can't be argued.

However, innovation will help reaching this number feel far more attainable.

Firstly, innovation will enable businesses to be far more agile and adaptable to unforeseen circumstances. While cashflow forecasts and seasonal trend data can help businesses plan, environmental shocks, like the Covid-19 pandemic, cannot be predicted. However, by implementing innovative solutions, businesses can overcome and adapt to many more challenges that may come their way, even ones they couldn't have anticipated.

Secondly, innovation fosters growth. Stagnation can be extremely detrimental to businesses achieving their goals, especially those in hyper-competitive markets. Innovation is what's going to set you apart from others.

HOW TO INNOVATE

No business can innovate if it doesn't practise openmindedness.

Led from the top, business leaders must ingrain a culture that enables and empowers innovation to take place at all levels and, more importantly, doesn't only celebrate success but failure too.

Failure doesn't mean moving backwards: it means moving forward towards finding the right solution while overcoming challenges and correcting mistakes, ultimately bolstering your future operations.

Additionally, when it comes to encouraging innovation, don't be afraid to look

outside of your organisation for help. There are so many opportunities to consider collaboration, whether that's with competitors, other sectors, stakeholders, politicians and so on.

On such a close-knit island, collaboration in Jersey is one of our most distinct competitive advantages that can only benefit us all.

Looking at innovation in a more granular way, I personally feel that the word innovation and asking for innovation is a challenge. It can imply that someone, or a group of people, need to come up with something huge to completely alter a direction of travel. I believe it doesn't need to be this way, nor should it, otherwise it becomes too overwhelming and is pushed to the bottom of the to-do list. Instead, we must see innovation as a marginal gain, day in day out. Change should be constant in approach, not a flash in the pan.

WHAT CAN INNOVATION DO?

Continuous innovation combined with successful implementation achieves multiple outcomes at multiple levels.

Let's start with people. A successful practice of innovation can often lead to improved employee satisfaction and engagement. Over time, innovation is a key characteristic of high-performance teams. This then directly correlates to the continued success and growth of both individuals and the business. Really, it's a win-win situation.

Looking at business benefits, innovation often leads to increases in productivity. This then supports an acceleration of growth and shapes a more resilient business. Innovation can also enable disruption, which then gives businesses access to new markets or increases their market share.

Reputationally, most highly innovative organisations begin to benefit further from their success through notoriety, often becoming the go-to provider and employer.

Innovation is the key that unlocks continuous success for businesses of all shapes and sizes, in all sectors. Jersey is in a special position where it can harness not only brilliant innovation, but unified collaboration. At Jersey Business, we are enabled to support innovation and growth of all businesses in Jersey.

Throughout 2024, we have a core focus on enabling and supporting businesses

with productivity and people through our Business Improvement Programme, Productivity Circles, Leading Growth Programmes, and our Leading Growth Alumni.

Looking at the hard numbers, the average saving per business enrolled on our programmes is £50,000. Our leading growth programme now has over 100 business leaders who have attended and continue to practise the growth methodology and leadership framework.

Our team continue to support by one-to-one advice drop-in and our relationships with businesses and sectors, and working alongside our government partners. Talk to us today to start, refine or improve your innovation journey.

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