Celebrate innovation and reward the risk people are willing to take

16th October 2024

What's the best way to approach innovation to ensure a thriving and successful business? The answer may not be as big and intimidating as you think. Meg Winton of the JEP spoke to our CEO, Paul Murphy, to find out more



WHAT comes to mind when you hear the word 'innovation'? AI, the latest iPhone, driverless cars? It's a buzzword you which you have probably encountered a lot lately.

Innovation looks different to each person, sector or industry, making it hard to fully grasp what the term means.

And though that might make it easy to dismiss the concept as a fad with a trendy-sounding name, Paul Murphy, chief executive of Jersey Business, says

that innovation is one of the most vital elements of business.

That doesn't necessarily mean switching your company car to a self-driving Tesla or only employing robots from here on though. Instead, he advocates embracing the platform that innovation provides for a "work smarter, not harder" approach.

Paul defines innovation as "extending far beyond just products".

"The business context of innovation is about the ability to conceive, develop, deliver and scale new products, services, processes and business models for customers," he says.

And in a wider context, he says that innovation is key to a successful productivity model and thriving business.

"They are close partners; productivity in its most global term is the skill of a business to achieve more from either the same level of input or less," Paul explained.

"We can break the productivity model down into adopting tech and innovation for efficiency, exporting capital investment – which can also be considered innovation because it's spending money and investing in process and organisational health – and then upskilling and engagement and wellbeing for teams."

The benefits of embracing innovation in an effective way can be seen beyond the product and services a business offers; it's essential for business health and strength too, he argues.

"It improves, keeps you ahead of, or differentiates you from, the competition," Paul shared. "You're generating resilience and relevance as an organisation, therefore reducing your risk."

For these reasons, he says that employing innovation in a way that positively impacts your business shouldn't be a task you tick off the list once in a while, but should be entrenched into business practices.

"For me, it's about setting a culture of innovation and giving permission," Paul said.

“Don't think of innovation as a massive change, but more incremental change or marginal gain that is baked into an organisation and occurs naturally. Have you ever asked someone to be innovative and given them 30 minutes? It doesn't tend to work.”

There are a number of approaches to make innovation omnipresent, including bringing in external support. An incubator firm, for example, helps businesses or start-ups to develop and grow their business.

“Innovation in hubs is spoken about a lot,” Paul shared. “Incubators and external consultants are great for bringing new ideas and challenges.”

And looking externally shouldn’t stop there. Paul recommends paying attention to markets beyond your niche, location and sector to gain insight that may otherwise be missed.

“How does retail do in Japan? What do they do in Switzerland? If they have particularly good performance in terms of outcomes, could we learn something?

“The agricultural sector in Jersey has a great deal of productivity after many years of developing how it operates, he said. “If the finance sector went to them and asked how they farm, look after their cattle and optimise output and outcomes every year, come rain or shine, you'd be surprised at what you might learn.”

There is value in internal resources too, he adds, stressing that innovation comes from all areas of a business or organisation, and that idea generation should be encouraged and supported.

Paul said: “My personal favourite approach is meritocracy. It's about making sure that ideas can come from anywhere and are not the privilege of anyone in a particular senior position. If you set the organisation up correctly culturally, you'll get innovation."

An innovation journey is seen by many as a trial-and-error approach that doesn't have to be successful on the first try. Indeed, Paul says that failure is part of the process.

“It provides a great deal of lessons that can educate you for the next step. Take some risk and think about celebrating failure,” Paul shared. “There is some success in failure when addressed the right way.”

Jersey Business has a front-row seat to the business landscape in the Island, providing advice, resources and support for businesses in all stages of their journey. Paul himself contributes 34 years’ experience in business of a total of 400 across the Jersey Business team.

With their experience and unique insight into the local economy, what are the trends and patterns they have deciphered from being witness to many businesses' innovation journeys?

“People tend to innovate based on what they know,” Paul explained, “but you need to put yourself where you’re forced to innovate. If your largest competitor came along today and took 80% of your revenue, what are you going to do? You need to test your hypotheses.”

In today’s economy, businesses are far more fluid and have influence and ownership over more than one market. Having full awareness of your competitors and market is integral, so Paul queries “where is competition coming from”?

“It might not,” he adds, “be as straight a line as you think. You might be missing out other businesses who could take your market share.”

As the saying goes, you can also have too much of a good thing. Idea generation is regarded as positive, but a problem Paul and his team see often is “too many ideas”.

"Some organisations are incredibly entrepreneurial, but they don't land any ideas. You have to be very cautious about the level and the balance of innovation and whether you have the capacity, cash, competency and delivery. There's the risk of having too many ideas and not get anything out.”

And you have to make sure the innovation you do implement is effective. A change in industry, a need to revolutionise a product or service or customer demand can all impact the journey a business takes.

Paul explained: "Consumers often dictate the success or failure of a product,

service or solution, which is an interesting take on innovation. Sometimes you're actually following the consumer, whose behaviours and appetites can change."

Owning, running or setting up a business is an inherently risky move that Jersey Business aims to support. Business owners encounter a double-edged sword in their journeys, Paul explains, saying: "The reality is that it's a two-sided risk. People believe change is a risk, but there's the risk of standing still too.

"If we look at businesses like Blockbuster and Kodak, it shows that if you don't change, or don't change fast enough, it won't work. You have to be careful with your level of resistance to innovation or change, because it's always about striking the right balance."

With that in mind, how do Jersey businesses shape up in terms of innovation? Paul describes the small island community as "very innovative", with lots of potential in the future.

"There are huge opportunities in productivity for us as an island, and many businesses are already doing fantastic work around innovation," he said.

And that work of local business owners has laid the foundations for investment and support for innovative solutions and projects of the future.

"There's a lot more to come and I see some wonderful things ahead for all sectors and markets," Paul said. "The Agricultural Loan Scheme has been recapitalised, which is a great opportunity for the sector to think about how it can invest and develop its businesses. With grants that may be on their way, there should be the same opportunities for all markets."

Paul and his team at Jersey Business say they are impressed by how businesses operate and the innovation being fostered across sectors.

He describes the access they have to the Island's business ecosystem as a "privilege", which fuels their desire to support the Island and make positive contributions to the economy and community.

Paul said: "We are here to help people through those various journeys around

innovation and productivity. We have lots of programmes and experience, and we're always very keen to support business wherever we can, in whichever capacity we can, across all sectors."

He added: "As a community, we should celebrate innovation and reward the risk people are willing to take."

This interview appeared in the 'Innovation' supplement in the JEP on Wednesday 16th October 2024