

# Managing innovation realistically

Practical tips for the corporate changemaker





# Practical tips for innovation management

As the pace of change becomes more rapid, organisations need to have capabilities to absorb shocks and adapt quickly. Getting innovation management right not only helps to uncover new opportunities for the business, it also mitigates risks by promoting operational agility and small-scale experimentation. Those in the growing global community of corporate innovators would be familiar with the many stories of well-established companies losing their competitive advantages or becoming obsolete with the onslaught of societal, economic and technological changes. Corporate innovation may sound like just another buzzword, but it remains important to figure out how exactly it can work within your organisation's culture and mission.

More than just a spark of genius, innovation in an organisation is to be harnessed from a disciplined process that should be managed continuously, much like finance, human resources, corporate strategy and marketing. There is no one-size-fits-all innovation agenda, but there are methods and approaches that we can all learn from and apply contextually.





Innovation management is a tangible way for organisations to deal with change. Here are five practical tips for the corporate innovator who may be just stepping into this role:

- 1 Adopt a portfolio mindset**
- 2 Have good structure and discipline**
- 3 Address the ROI questions**
- 4 Don't just focus on improving technology**
- 5 Accept that there are people who are not ready**



# 1. Adopt a portfolio mindset

The adage is true - don't put all your eggs in one basket. The nature of innovation work is such that things can fail, because not everything may have been tried or tested before. If all your resources and efforts are concentrated on a single innovation initiative, the entire innovation budget is at risk of being wiped out.

Individual initiatives should be allowed to fail without jeopardising the entire agenda. In fact, within a portfolio, it is guaranteed that some items are bound to end up in failure- we just don't know which ones yet. It is true for investments and it is also true for innovation - you balance your risks and rewards by diversifying your portfolio.

The popular Three Horizons framework has helped a generation of corporate innovators justify how their efforts may take a short, medium, or long amount of time to achieve a corresponding level of innovative disruption. While this has been a useful framework, the main question you would need to answer is how to diversify your portfolio across these three horizons or by any other criteria you use. That is a matter of your organisation's risk appetite, which you would have to assess as the corporate innovator.

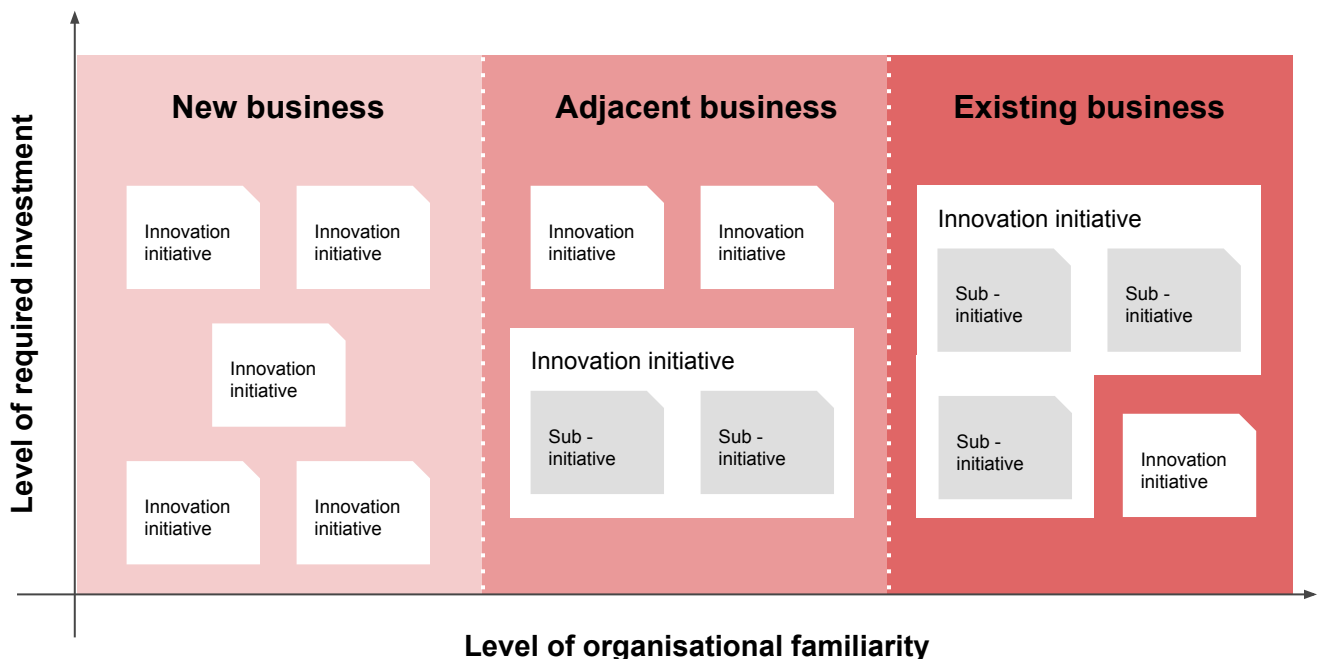


Figure 1. Illustrative example of a portfolio of innovation initiatives

## 2. Have good structure and discipline

One of your key roles as the corporate innovator is to monitor the performance of ongoing initiatives and decide what stays within the portfolio, in order to achieve the goals set out by your management. There is room in corporate innovation for divergent thinking, but to have maximum impact, the blue sky brainstorm has to land on a convergent point that meets the expectation of your management.

Especially for corporations, innovation has to be a disciplined endeavour.

Given the scale of the existing business-as-usual activities, a big organisation would need to be able to anticipate change in order to be able to absorb it. Ideally, there is strong leadership from the management that embraces innovation, which can then be translated into operating model considerations. The role of the corporate innovator is to facilitate constant innovation through ways of working that are regular and accepted within an organisation (see Figure 2).

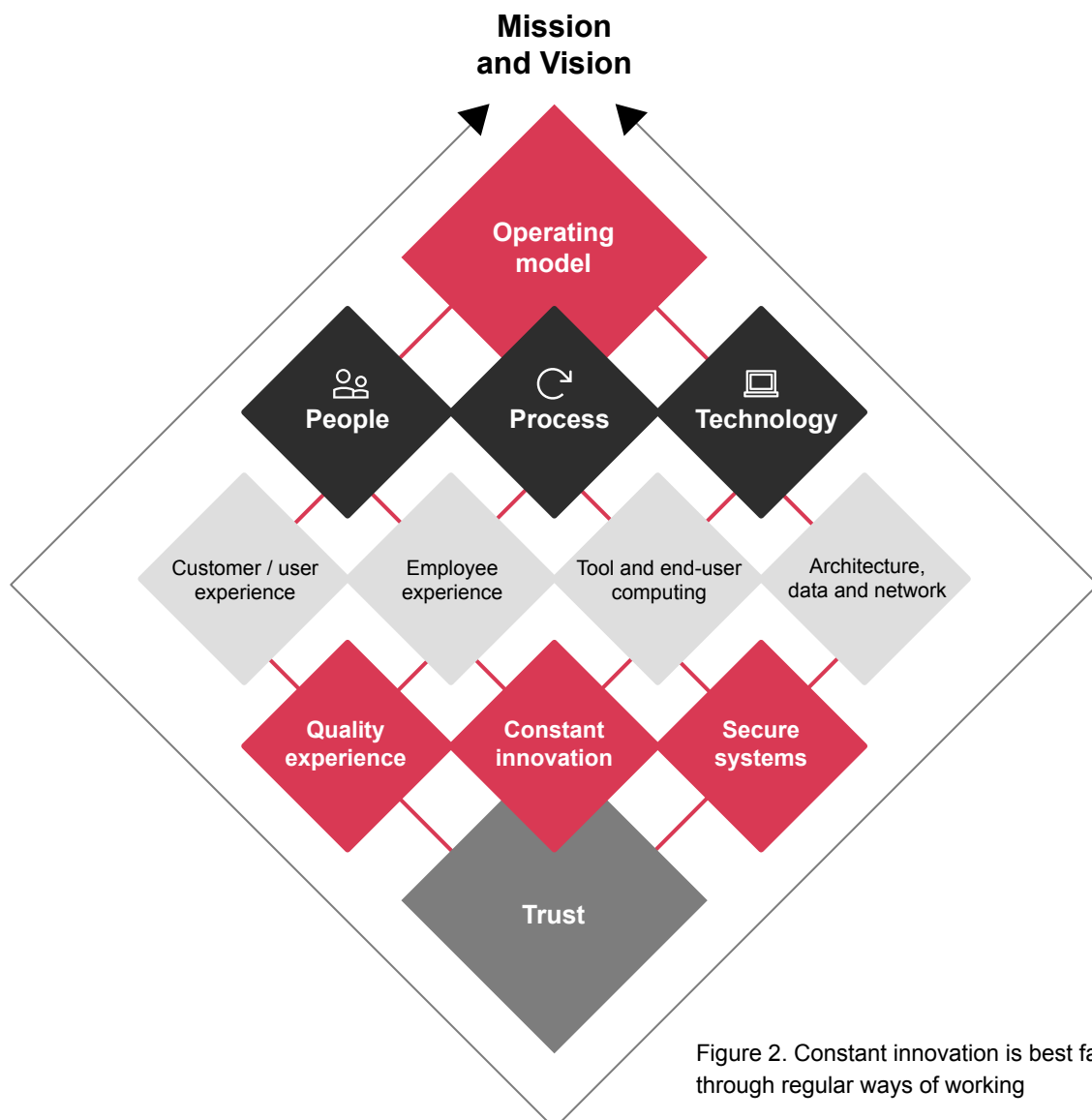


Figure 2. Constant innovation is best facilitated through regular ways of working

## 3. Address the ROI questions

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If indeed a truly innovative initiative for the organisation, it would mean that something has yet to be tested and proven. How then can anyone prove the returns on their investment (ROI) on innovation? Yet, the reality of being in a big organisation is that the corporate innovator is constantly being asked to justify ROI to business leaders.

While it is one of the more challenging aspects of the job, it would be best to press on with your management team to find the best metrics possible that can model ROI, or other

scorecards that provide business leaders the reassurance that they may need.

Depending on the organisation's goals, innovation activity may sit under a relevant entity separate from the main business, for example, in a corporate venture-building arm. Regardless of how innovation is structured, it remains expected in a big organisation that there would be checks and balances in place, and norms of governance and accountability to follow.

## 4. Don't just focus on improving technology

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Usability and adoption concerns often accompany the introduction of any new technology. Before deciding on any digital solution, it would be important to holistically consider the people and process aspects of it - What is the task that needs to be accomplished? How are decisions going to be made on the platform? Who should have what access to the information? Where is the information stored? What are the features that are truly needed, and which ones would be more than what is necessary for the ideal workflow?

A corporate innovator has to consider technology on two levels - as part of innovation outcomes for the organisation,

and also as part of the innovation management process. As corporate innovation becomes a more common function within organisations, there has been a push to adopt digital platforms to manage innovation, much like how it has been for other functions in finance or human resources.

When evaluating digital solutions, for innovation management workflows or other business functions, a major criterion should be that a digital solution is fit-for-purpose. Innovation is more than just about the latest and fanciest technology. It is about enabling new ways of working that are more efficient, effective and convenient for all.

# 5. Accept that there are people who are not ready

The corporate innovator's journey can be frustrating, and it would be easy to write off others as being resistant to change. Sometimes, it may be a matter of doing enough to nurture receptiveness to new ideas. For instance, change management initiatives like surveys may be helpful to understand where people most likely affected by upcoming changes are uneasy or confused. Participation in such activities also allow people to be mentally prepared for change. Some other people may need to be able to see small wins or at least visualise your proposals with wireframes, prototypes or a

proof-of-concept before they can truly appreciate what you are trying to achieve.

Often, when changemakers lament about the resistance they face, it is worth remembering that there may be other programmes within your innovation efforts that could be more palatable for a different crowd. Recognise that innovation initiatives can take many forms and stages, and concentrate your efforts on areas where you can move ahead and create an impact, instead of being stuck at loggerheads with opposition.

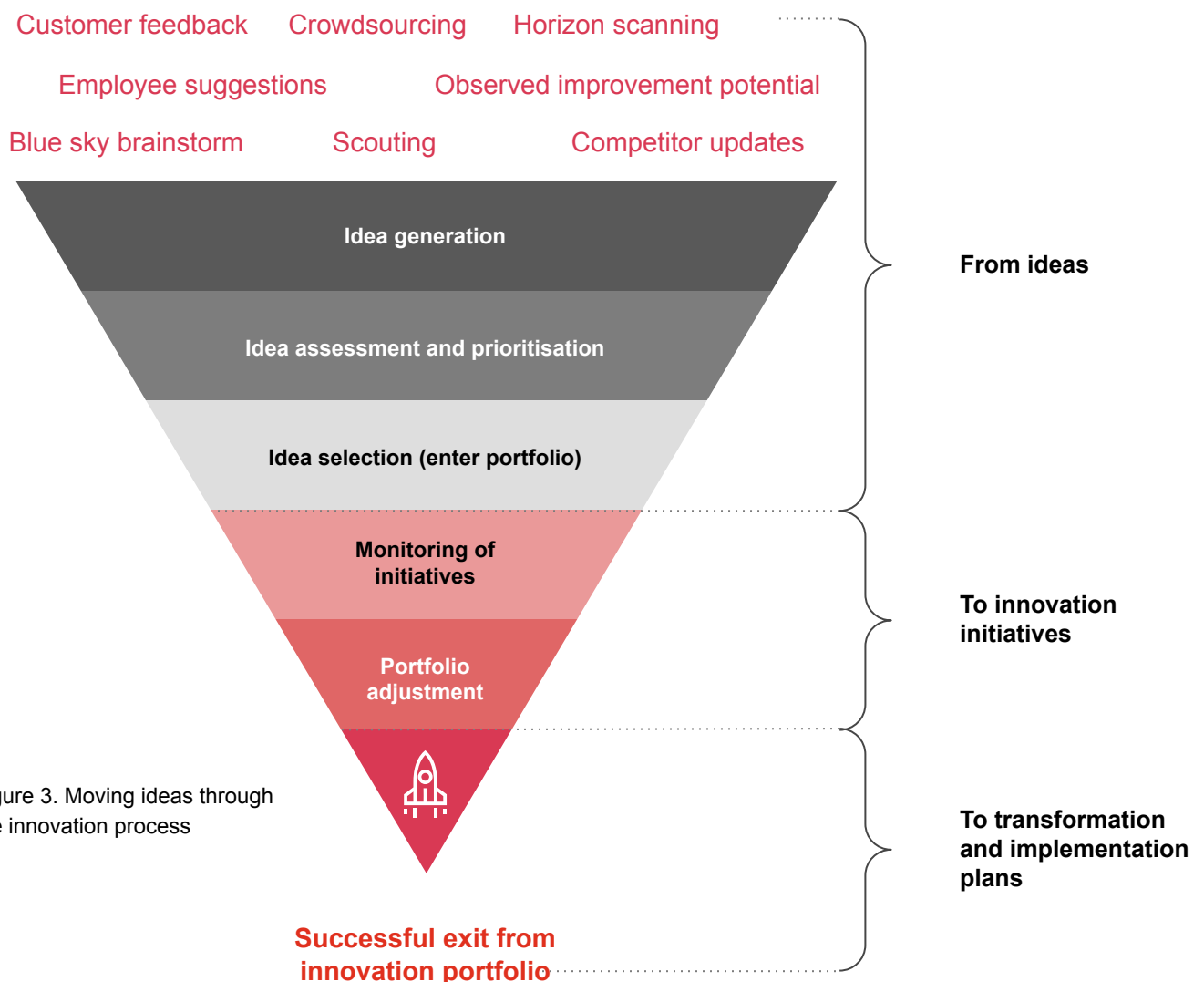


Figure 3. Moving ideas through the innovation process

# At PwC, we continue to innovate and transform



**In serving your needs, we bring with us first-hand experience in the digital innovation journey, which gives us invaluable insights into how organisations truly experience transformation.**

The story of the Digital Innovation Office began in 2018, when the team was set up to facilitate the digital transformation of PwC Singapore. Over the last few years, we have invested over US\$3B in our workforce and our systems globally, including US\$10M+ in Singapore. With structured programmes to upskill our workforce, as well as to promote a culture of learning and a digital mindset, we have seen our Digital Acceleration Index rise dramatically as externally rated by the IMDA, cementing our position as a “Digital Leader” in the professional services sector in Singapore.

We had taken into account our firm’s own culture and aspirations to craft our strategy and implementation, and it has worked well for us. Now, we take this valuable first-hand experience to help our clients customise similar programmes to make it meaningful for their context.

Have a chat with us, and let’s share stories on how we can continue growing and changing with the times.



# Contact us

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