

2015

Leverage innovation & change faster..

..imperative for organizations today

*Why so much change & innovation is on in the eco-system today.....
...How should organizations deal with this - in private, public sectors and
government.....and is this a threat or an opportunity ? - summary brief of
original paper*



Hexagon Consulting | insights

Leverage Innovation... the opportunity & challenge

The world today not only feels different. It is different.

But why is there so much change today?

THE INNOVATION EXPLOSION

And what is driving this explosion of ideas and products?

Let's understand this and implications for organizations



Change

Perhaps the biggest challenges leaders face today is how to stay competitive & survive amid constant turbulence and disruption

We can't even keep up with the pace of change let alone get ahead of it. At the same time, the stakes –financial, social, environmental, political are rising. The hierarchal structures and traditional organizational processes we have used for decades to run and improve organizations are no longer up to the task, to deal with this and survive, leave alone thrive in this fast moving world.

On the contrary, the usual & traditional way of doing things can thwart attempts to compete and stay relevant in a rapidly metamorphosing economy, eco-system and market, where discontinuities are more frequent and organizations must always be ready to innovate to face the maze of change.

The reasons are multiple; and one genesis is the explosion of information.

Explosion of information...



Data & intuition tell us the world is different today.....starting with changes driven by the internet, mobile, explosion in information, technology and other changes.. And the pace is accelerating.

Limits of traditional, conventional organizations; their hierarchies

Organizational structure & hierarchies are useful. They let us sort work into departments, product divisions, regions and the like with expertise and time tested procedures, with clear reporting relationships and accountability, so that we can orchestrate how to do work with efficiency, predictability and effectiveness. A typical large organisation has learnt, to make some & periodic improvements in our hierarchy based organizations, businesses, roles, products, processes. Using traditional structures and operating protocols, we identify the problem, find and analyze data to identify possible solutions, build business cases for change and gain approval. We have also learnt how to execute by creating task forces, project management, change management, executive sponsors for new initiatives, etc. Organisations can do all this as long as the change is gradual, it's thought through by all concerned in the hierarchy & due sign offs have been obtained – and so the implementation cycle for any major change can take years (typically).

While there are clear advantages of this robust thinking through, change management & implementation structure – especially in terms of predictability of impact and efficacy of implementation, we need to recognize that this was designed for organizations in another era, when the change in the eco-system were not so rapid, as today.

Traditional organisation structure & operations simply cannot handle rapid change.

And meanwhile amidst all of this, product Life cycles are shrinking

Leverage Innovation... the opportunity & challenge



And if you are feeling this and grappling with the bewildering pace of change – then you are not alone as multiple perception surveys of top CEOs are surmising that 80% and in some studies even more leaders are grappling with unease, on how to handle this change, continuous innovation and this fast evolving eco-system.

So what should be done?

There are a few options for organizations to consider, which we can share and detail with you.

Meanwhile, let's understand 'what is innovation?' a bit better – on which there is so much buzz.

TYPES OF INNOVATION

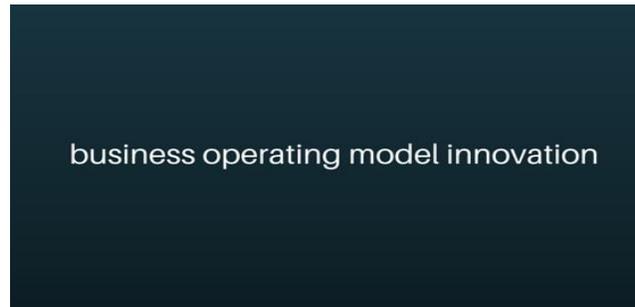


Most of us have different understanding of the term innovation. It's basically of three types::

- Product innovation
- Process innovation
- Business model- operating model innovation

While product and process innovation are reasonably well understood ... what is driving a lot of the change is not just these, but a third category: operating model innovation

Leverage Innovation... the opportunity & challenge



The e-commerce sector is a classical contemporary example of a business model innovation, which is transforming & disrupting, the traditional brick and mortar neighborhood retailer as well as the larger and more recent organized retailers & distributors, linking manufacturers with the end customers directly, thanks to improved technology, online connectivity, logistics and supply chain management as well as improved customer convenience, service & experience across customer contact channels.

Other contemporary examples of business model innovations are Metro disrupting bus and personal automobile travel (e.g. in Singapore) or bullet trains disrupting medium distance air travel.

Or courier companies disrupting slower and beauraucratic national postage departments in most countries around the world. Or cellphone telephony disrupting traditional landline telephones.

Or online universities & e-learning like Coursera or MOOCs or Khan Academy disrupting the traditional brick and mortar Universities, colleges and tuition centers for school children.

Or outsourcing being used by governments – like the Passport Seva Kendra of the Ministry of External Affairs, India to drive operational efficiencies, productivity and positive impact to the citizens



Much innovation is being done just by hearing, asking & leveraging your customers, users for thoughts, views and feedback. While technology, R&D, and other traditional means of driving innovation can and do help, but our view is that customer, user feedback led innovation is the

Hexagon Consulting | insights

Leverage Innovation... the opportunity & challenge

fastest and simplest way to innovate. ... at least to determine which direction and areas to innovate in or focus energies on.

This approach is being used by some of the smartest organizations today, and so they mine customer & user feedback across all customer contact channels and all stages of customer lifecycle. The application of this approach is not limited to just manufacturing sector, rather is equally applicable and successful in the services and the B2B segments as well.

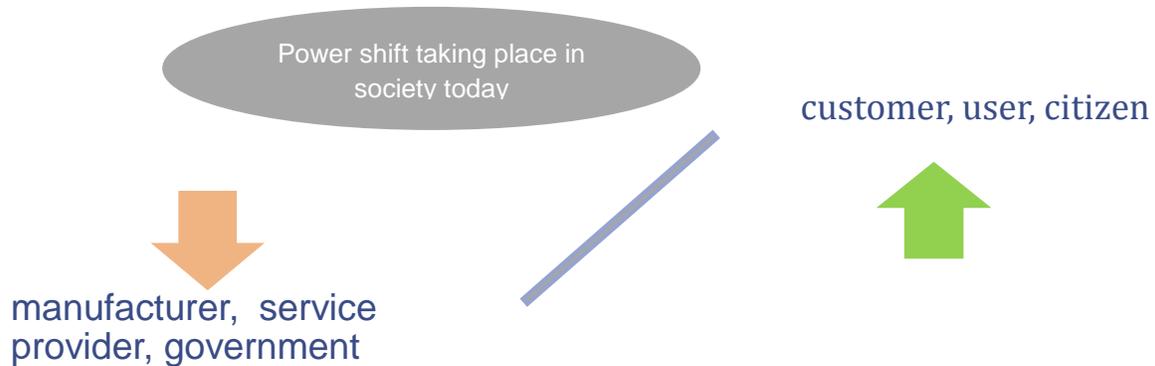


WHY INNOVATION & IMPLEMENTING CHANGE SO IMPORTANT FOR ORGANISATIONS?

Hexagon Consulting | insights

Leverage Innovation... the opportunity & challenge

Let's first understand & recognize that the power equation in society is shifting in favor of the customer, user and citizen.



The customer and user were earlier passive, who just bought or consumed goods & services provided by the producers. Producers pretty much assessed and decided what was good for the customers and sold their wares to relatively passive customers, users (who were not so expressive and engaged as today).

So the classical organizations created during the industrial age and perfected in the following years, focused on producing well and then distributing, selling the same to the consumers.

The producers were in command earlier. Not anymore

Organizations that are winning & surviving today are placing the customer, user - right in the center of their strategy & operations. And reacting fast, to the rapidly evolving needs and expectations of the more expressive and engaged customer.

Look around youthink of any organisation that you truly believe is great and is adapting with the change, and is successful & growing - you will observe this correlation.



BUT HOW CAN THIS BE DONE?

It's not so tough: firstly the organization's strategic & operating model needs to change & evolve from a product & production-sales focused organisation, to a customer, user centric organization

For this the organizations needs to be made far more agile & nimble to change; and restructured operationally around the customer/user/citizen... this will need enhancements in each of the following areas:

- org structure
- policies,
- procedures, processes
- technology
- metrics, KPIs, measures
- training, people practices, incentives,
- measures, performance outcomes, results
- continuous & rapid implementation of improvement in product & processes, driven by feedback & regular engagement with customer, user

And for starters it's critical to measure organizational performance slightly differently by enhancing KPIs focus on the end customer experience, than just production, sales, and profits.

As it has been said "We will get what we measure"

Restructuring, benchmarking & improving an organisation to become customer, user centric is thus the immediate goal for all Organisations to achieve.

Leverage Innovation... the opportunity & challenge

There are good restructuring & benchmarking models available to enable organizations to become more customers centric.

We at Hexagon Consulting deploy a few established and proven globally benchmarked frameworks for doing diagnostics and enabling improvement across the organisation, on an end to end basis.

Some of Hexagon Consulting's organizational improvement frameworks are developed based on the benchmarking, diagnostics, improvement framework of our collaborators : The International Customer Services Institute, UK(TICSI), which has an end to end globally benchmarked approach to diagnose and identify gap areas & methodologies to support implementation of improvements and revalidation on the ground across all stages of the customer, user engagement lifecycle and all customer, user touch points across all channels both physical, social or electronic – with no exceptions, so nothing gets left out

The diagnostic and continuous improvement cycle helps the organisation to deal with the rapid change and supports its endeavors to become more innovative, more engaged with end customers, relevant for its users & therefore more effective for all of its stakeholders.

OTHER KEY DRIVERS OF INNOVATION ECO-SYSTEM STORM TODAY:

Complementing the need to become more agile and customer centric, managing & optimizing the expectations of the customer, user & implementing the changes will however need the organisation to use some of the following tools & levers of the modern eco-system (and will also need to keep a look out for other similar emerging trends, tools & developments in the horizon).

- Social
- Mobile
- Analytics- big data
- Cloud based technology
- Internet of things (IOT)...internet of everything (IOE)
- 3D Printing
- Global linkages & partnerships: the world is flat
- optimize your build v/s buy decisions: outsourcing: focus on your core
- The emerging smart, agile & scalable SMB: small is beautiful – leverage their strengths

The very survival, leave alone success of organizations today is dependent on organizations, businesses(both in the private and public sectors) anticipating, understanding, leveraging, harnessing & leading the winds of today's fast changing eco-system.

Those who do not change with the change will become fossils or will be forced by the innovation eco-system to metamorphise.

Hexagon Consulting | insights

Leverage Innovation... the opportunity & challenge



Those who do not may become extinct like Compaq computers, Kodak film photography, Xerox copiers, VCRs, etc. This is not limited to specific sectors and industries, it's all over – and is impacting every aspect of society today, industry, agriculture, governments, private and public sectors.

This is both a threat – that all organizations' need to recognize and acknowledge and an opportunity for leveraging for any organization's success!

HEXAGON CONSULTING



Hexagon Analysts & Consulting Services Private Ltd (Hexagon Consulting) is a globally networked management consulting and professional services firm, with focus on (i) customer service excellence & experience enhancement, (ii) outsourcing & offshoring and (iii) broad spectrum management consulting including assisting organizations to improve risk management, compliance, setting up centers of excellence, use modern innovative techniques to improve growth, cloud and technology tools usage, process improvement, digitalization, etc.

Based at Gurgaon, New Delhi region, Hexagon Consulting works to help its clients navigate today's challenging times.

We operate on the cutting edge of contemporary management thinking, innovation and understanding of new technology & the emerging eco-system trends, thanks to the expertise of our consultants & our global network. We work with a professional, smart & pragmatic execution approach, on a foundation of values, ethics and simplicity in every engagement. Our practices are run by subject matter experts from industry (Engineers & MBAs from top business schools like XLRI, Jamshedpur, etc.) - with very successful track records & experience at operating & senior levels (up to C - level management roles) in MNC companies, in Indian and Global markets

Hexagon Consulting | insights

Leverage Innovation... the opportunity & challenge

Some of our key international collaborators & partnerships include

- American Customer Satisfaction Index(ACSI), US
- BeyondtheHedge, US
- The International Customer Services Institute, UK(TICSI)

Hexagon Consulting is on the anvil of launching the Indian Customer Satisfaction Index (ICSI) to benchmark Organisations in India on end customer satisfaction, in collaboration & partnership with ACSI.

BIBLIOGRAPHY & NOTES

Inputs for this insight paper integrate research done by Hexagon Consulting, inputs from our senior consultants & subject matter experts , inputs from our collaborators The International Customer Service Institute, UK & Dubai (TICSI) and some of our global partners, we work with @ Hexagon Consulting.

Besides data points & research points sometimes referred to in this insight paper have been gleaned by contemporary media reports and global business & research journals including from:

- i. The International Standard for Service excellence 2012(TISSE)
- ii. Harvard Business Review journals
- iii. McKinsey Global Institute
- iv. American Customer Satisfaction Index(ACSI)
- v. The Hackett group

We hope you enjoyed reading this paper...

Your feedback, comments, critique & perspectives are welcome at reach us at contact@hexagonconsulting.co or tweet @hexagonservices

Thanks!

[Hexagon Consulting © 2015 All copyright rights reserved (subject to above) on the contents of this insight paper]

Hexagon Consulting | insights

Leverage Innovation... the opportunity & challenge