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# EMPOWERING TIMES



**THINKING ALOUD**  
The Fuel for Growth:  
Innovation  
Jay

**PODIUM**  
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Professor of  
Entrepreneurial Innovation,  
ISME



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Dear Reader,

Every great pandemic in history has led to a new way of life & innovation. Be it the Great Plague in Europe that changed everything from society to modern medicine to the recent SARS that led to the acceleration of internet penetration in China & Hong Kong and eventually the birth of e-commerce as we know it today in the APAC region!

The current Covid-19 pandemic has brought individuals, companies, governments and human race together to find new tools or methods to survive. From recovering from the impact of the pandemic to leveraging digital capabilities to the way we respond to new market challenges, businesses in India and across the globe are now reimagining ways to remain resilient in the new normal.

History has been proof of how critical it is for us to preserve and reward continued investments in the inexhaustible engine of innovation. Prioritizing innovation today is the key to unlocking post-crisis growth.

**ET** this month looks at the '**Why Innovation Matters**'. Companies today are largely focusing on maintaining business continuity. Cost cutting measures to drive economies and productivity weigh heavily against supporting innovation-led growth. On the **Podium**, **David Wittenberg**, from the Indian School of Management & Entrepreneurship (ISME), shares his thoughts on how innovation is important in these challenging times, how it affects growth and profitability of business ventures and how investing in innovation is worth it in the long run.

In the **Thinking Aloud** segment, **Jay** explains how the curious & innovative mind drives the society and fuels transformations. In the **We Recommend** segment, **Sarah Frier's** debut book - **No Filter** - looks at what went behind



the scenes in the founding of an innovative firm, Instagram, by Kevin Systrom and Mike Krieger and how the photo sharing platform was eventually acquired by Facebook for a billion Dollars.

In **Figures of Speech**, **Vikram's** toon defines innovation!

Please also [Click Here](#) to check out our Special issue of ET, which is a collation of selected themes that were featured over the years highlighting the changing landscape of the business world. This special edition has been well received and can be [Downloaded Here](#) for easy reading and is a collector's item.

As always, we value your opinion, so do let us know how you liked this issue. To read our previous issues, do visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#) & [LinkedIn](#) - where you can join our community to continue the dialogue with us!

## THINKING ALOUD

### The Fuel for Growth: Innovation

Jay

A world without innovation is the route to a dead society. If society today enjoys the benefits of civilizational attractions in all fields and mankind as a whole is better off than their ancestors, then the credit goes to the spirit of innovation that has pervaded human society over generations. Our curiosity has driven us to explore new vistas in every field and given rise to new solutions to the complex challenges that we encountered. Apart from this urge to investigate new and unknown arenas, the restless and creative mind of mankind has constantly attempted new formations and serendipitously found joy in unexpected quarters. Thus, the cycle of discovery has pushed frontiers at a rapid clip over centuries.

The good news is that the inventive man has not slowed down. The difficulties of the pandemic year necessitated greater innovation, and this has been best illustrated by the speed at which vaccines have been launched across the world. The best of minds collaborated across laboratories and then seamlessly tied up the logistics to ensure appropriate delivery at vaccination centers.

Are some societies more innovative than others? This is a loaded question and answers can well reflect the confirmation bias that respondents have. Howard Gardner, the Harvard scholar, defined intelligence as 'the ability to create an effective product or offer a service that is valued in a culture.' With this in mind one can conclude that the opportunity to be creative can exist in different settings provided the environment rewards the search for novel solutions. Therein lies the rub. Most organizations are status-quoist in nature. Having succeeded in their

operations, the tendency for self-perseveration kicks in and the body begins to reject ideas that will make them modify their practices.

It takes a wise leader to keep an institution change ready by offering rewards for those who are willing to experiment with new concepts, products, practices. The desire to try something new is not universal. The well-known model developed by Everett Rogers regarding the diffusion of innovation across social systems states that only 2.5% are innovators in any society. These are the courageous people with a healthy appetite for the new idea, product, concept, etc. They are attracted by the novel and eager to be the first to consume the new.

This group is closely followed by the early adopters, who are akin to the first group. When such respectable people welcome the new, they set in a motion a wave which soon becomes a trend. This brings more people (the early majority) who are now willing to try the contemporary trend and a noticeable change in society is visible. Finally, the late majority joins in as these sceptics succumb to the latest offering in the face of overwhelming proof as by now the innovation is firmly established. That only leaves the stragglers, the Luddites and traditionalists who still pine away nostalgically for a lost world which supposedly was paradise.

Apart from the curious mind, an innovative society runs on the fuel of scientific enquiry. Rational minds welcome debate as they are comfortable with the intellectual challenge that pushes boundaries in the pursuit of excellence. Inherent to such debate is the acceptance of failure as pursuit of the creative option is seen as risky by the feeble-hearted. To the brave paradigm pioneer, risk is not abhorrent and he embraces it as a natural partner to an enterprise. Such comfort with the thrill of the challenge triumphs the fear of failure and innovation is a natural corollary.

I believe that we are living in exciting times - but the best is yet to come. Technology advances with every generation and the pace of change has accelerated like never before in history. It is time to accept the fact that the building blocks are well in place and the race is on to a never-before future for mankind. Space beckons but many are still leaden footed in conservative Indian organizations that cling to the known and secure. The task for Leaders at all levels (political, business, social, religious) is cut-out: ring-out the old, ring in the new by constantly communicating the need for progress and changing Indian society. With a youthful generation unencumbered with

the baggage of colonial history, there is a new momentum that start-ups are generating in many spheres. More power to them and let a thousand innovations bloom to transform India!

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## Podium

David Wittenberg

Professor of Entrepreneurial Innovation, ISME



*An innovator, an entrepreneur, and a teacher and mentor to innovators and entrepreneurs, David's career spans more than 40 years. He has provided consulting and training for such Indian and multinational corporations as Reliance Industries, Tata Sons, Aditya Birla, SAIL, Nestle, SAP, Cognizant and Marico. David earned his MBA cum laude at the Thunderbird School of Global Management. He has taught at four Indian business schools and has guest lectured at SP Jain, Narsee Monjee, MDI, IMT Ghaziabad, Great Lakes, Symbiosis, and other leading institutions.*

*Currently professor of Entrepreneurial Innovation at the Indian School of Management and Entrepreneurship, David specializes in Design Thinking. The author of *The Executive's Guide to Innovation*, David helps companies to apply Design Thinking to invent solutions worth hundreds or even thousands of crores.*

*From 2008 to 2016, David was CEO of The Innovation Workgroup, a Delhi-based consulting company. Earlier, he worked at one of the world's leading innovation labs, the Advanced Concepts and Technology group at Pitney*

*Bowes, a Fortune 500 corporation. A lifelong innovator, David holds two patents, has written six books, is a published songwriter, and has created four business solutions that each generated more than one million Dollars.*

*Prior to establishing his innovation practice, David worked as an independent management consultant for such firms as American Express, AT&T, Kelly Services, Philip Morris, Standard & Poor's and UPS. A highly-rated speaker, he has lectured on innovation, marketing, strategy, entrepreneurship and salesmanship. He resides in Mumbai.*

**ET: What are the characteristics that define innovative organizations?**

**DW:** Innovative organizations display three characteristics. They have a single, shared definition of innovation, they devote significant resources to innovation, and they use the latest tools and methods from the field of innovation.

The shared definition is important because it keeps everyone focused on the same goal. No one is free to claim that his new solution is innovation if the solution does not meet the definition used everywhere in the company. Without a shared definition, much time can be wasted going in the wrong direction or even arguing about whether a new solution qualifies as innovation or not.

Without significant resource, innovation is just a buzzword or a slogan. Too many companies talk about innovation but they devote most of their resources to doing the same thing the same way.

The methods of innovation do make a difference. There have been innovators throughout history, but it is only in the past 60 years or so that innovation has been studied as a science and an art. Both professional practitioners and academics have given us an extensive toolkit to use when we want to design new solutions. Innovative companies use them.

**ET: What are the barriers of innovation and how does one overcome them?**

**DW:** There are two main categories of barriers, attitudinal and institutional. Of the two, attitudinal barriers are by far the more serious. When attitudes don't support innovation, innovation does not happen.

Managers have three important levers to raise the innovation output of an organization and overcome the barriers. The first is policies. Everyone must know that the organization supports innovation not just with talk, but with rewards and recognition. Second is programs. Innovative leaders run innovation events, competitions, projects, and other programs regularly. Finally, there are structures. If no department or individual is assigned to innovate, then innovation will not happen. Innovation should have an address in the organization and everyone should know it.

**ET: How does innovation affect the growth and profitability of business ventures?**

**DW:** Every study by every large consulting company such as McKinsey or BCG shows the same thing. Companies that innovate enjoy a large advantage over their industry peers in revenue growth and profitability. If you think about it, this makes perfect sense. Revenue comes from customers, and customers love things that are new. So, to get more revenue and more profits, every company should design new solutions.

**ET: Innovation during a crisis is more critical than ever before. Can you share some thoughts on how companies can prepare a roadmap for implementing new ideas especially during trying times?**

**DW:** The COVID-19 crisis has been very difficult for most companies. Still, a few firms have done exceptionally well. The secrets of success in innovation do not change when a crisis occurs. The difference is in how well a company can follow the recommended plan. Innovation has to start with insight. Companies that prospered in the crisis either had or quickly developed valuable insights. They moved quickly to create solutions based on those insights. Then, they used creativity to bring their solutions to the market. It's really no more complicated than that. First, know how to innovate. Then, execute perfectly and quickly.

**ET: What is your organization, ISME, all about? What is your advice to our readers on incorporating a culture of innovativeness in the company?**

**DW:** ISME is part of a 21st century educational institution, the Innovative Schools Union in Mumbai. I head up innovation consulting for the organization. So, in addition to teaching UG and PG students, I continue to consult and hold trainings for corporations just as I have been doing in India since 2006. I work in both the practice of



innovation-the rules and tools - and the management of innovation-the levers that managers can use to create a culture of innovation.

As I said earlier, those levers are policies, programs, and structures. I recommend that any company that wants to be more innovative do two things. First, look at the most successful innovators around the world. Then, decide which elements of their policies, programs, and structures you want to use in your firm. There is no single recipe for an innovative culture. You must understand your unique situation: your industry, your market, and your employees for instance. I mentor companies through this and other processes that relate to innovation.

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## We Recommend

### No Filter Sarah Frier



"Does my COVID-19 moment look good on Instagram?" This is a question that many took seriously during the pandemic when the world was confined at home and screen time was up. According to surveys conducted to measure social media usage during the pandemic, Instagram took the top spot followed by TikTok & YouTube.

In her debut book, journalist Sarah Frier puts forth a non-judgmental read of how the innovative app, Instagram, has captured the likes of many users worldwide and continues to play a dominant role in shaping the way we think, the way we interact with technology and the way we yearn for attention.

Sarah Frier reports on social media companies for Bloomberg News from San Francisco. No Filter is the story of Instagram founders Kevin Systrom's and Mike Krieger's vision of Instagram and the struggles behind their journey. From its launch, its acquisition by Facebook, to its disputes with Mark Zuckerberg, No Filter bares it all. Little did the Stanford engineers know about the power of their app at the time and the fact that it had the capability to generate a quarter of Facebook's revenue!

Instagram began as an app to capture moments through mobile phone cameras and soon moved to live videos on art, music and entertainment. The author stresses the fact that no matter what the intentions were in building this

product, one cannot really control what people do with it. The incentives of Instagram have always been to increase the follower count, getting a better level of attention on photos, and now the incentives are to entertain.

Instagram's fan following grew faster than Facebook. There came a point where Zuckerberg tried to quell Instagram's rapid growth to protect Facebook from being cannibalized. Mark Zuckerberg becomes the key man of the book where Instagram's acquisition is a feather in his cap, from a financial standpoint. Facebook, in a historic \$1 billion cash and shares deal, acquired Instagram in 2012. Instagram is among Facebook's most important assets and currently has more than a billion active monthly users. The author highlights the fundamental difference between Facebook & Instagram; the former powered by algorithmic curation, optimized around ad revenue and attention, while the latter is a thoughtfully crafted product.

The read is a seamless mix of business and finance and the influencer culture that gained prominence especially from China's TikTok fame. Facebook is still the most powerful social network in the world with Instagram being the primary driver of its revenue growth. Adam Mosseri, head of Instagram, faces new challenges to moderate content and answering to federal regulators who have become concerned that the purchase of the app might have made the social media platform a monopoly.

With each move, Instagram seems to have the power to impact the mind-sets of more than 1 billion people worldwide. With users now spending an average 53 minutes a day, its impact on our day to day lives cannot be undermined. No Filter makes it easy to start paying attention to this trend which may help readers benefit from looking more closely at how Instagram's choices influence our own. The famous saying echoes amongst tech setups - "Everything breaks at a billion." Instagram's post-billion story is yet to unfold.

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## THROUGH THE LENS



Our in-house nature photographer **Rupesh Balsara** spots the Hoopoe at Nalsarovar, Gujarat. This is a shy and exotically coloured bird largely found in Europe, Asia, North Africa, Sub-Saharan Africa and Madagascar. These birds favour semi-open habitats such as farmlands and grassy lawns where it feeds on insects. The Hoopoe has stripes like a Zebra, beak like a Woodpecker and a beautiful crown that opens and closes like a fan.

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