

## **William Mzimba, Accenture South Africa CEO shares his insights on why companies need to be innovative**

Building on the success of last year's inaugural Innovation Index, Accenture has opened this year's competition to organizations of all sizes. The Index measures, recognises and rewards innovation businesses across South Africa.

Companies that enter the Innovation Index receive a "diagnostic" report, which compares their performance to the market and industry average, as well as to the top performers in four individual categories: Product Development, Process Design, System Design and Service Delivery.

There are five distinguishing characteristics, which delineates the winning organisations from the rest. The Accenture Innovation Index has revealed key drivers, which are common to all of the winning organisations whether they are large, medium or small enterprises.

The first and most notable driver is that innovation is driven from the top. Irrespective of whether there is a separate innovation unit, which is responsible for driving the innovation process. There also seems to be an inherent restlessness, which pervades these organisations, in which the executives encourage their employees to look at "what they can do better today than they did yesterday"?

These executives, who are never satisfied with the status quo, realise that it is the people at the "coalface" who have the best insight into where improvements can be generated. As such they recognise the role that their frontline employees play and go out of their way to seek their opinions. There is a high element of maturity especially at executive level where corporate politics gives way to working as a team and where workplace wars are fought outside the organisation, where the real competition exists.

The second driver is all about measuring the impact of the innovation process on the bottom line of the organisation. These winners are constantly examining areas of wasteful expenditure and time. Through the measurement process they get to understand those areas where they can gain maximum leverage by focussing on what really makes a meaningful impact on customer service. In these cases the customer can be both internal and external.

Finding elegant ways to get to understand the real needs of the customer is also high on the list of drivers for success, as probed by the Accenture Innovation Index. Some organisations set up formal "focus groups" to gauge the needs and the perceptions of their customer base whilst others use their employees and their families as the "test bed" for new ideas.

In some cases there is a conscious effort to bring their customers and suppliers into the same room to explore how better they can, as a partnership, develop more elegant ways to ensure customer lock-in? This customer/supplier interface is seen as an important driver and the notion of "partners in perfection" engenders a whole new perspective with the accent being on a long-term partnering arrangement. Partnerships are not seen to be sacrosanct and not entered into lightly, nor are they simply jettisoned. Winning organisations see that through partnering they can achieve so much more.

The use of elegant tools to minimise risk, whilst at the same time drive the innovation process, is high on the agenda. Whether consciously or unconsciously these winners will use tools such as S-Curves as an important indicator to determine the "state of health" of their product and service offerings, to decide when they should unleash a new or varied form of offering into the market place and when they need to start the development of a completely new suite of offerings is to be seen.

They strive to create disruption in the market place and in some cases defy the conventional wisdom of "focus" to offer a wide spread of products and or services which in some cases seem to be

unrelated. There is an inherent driver in all of this and it is about a constant examination of the notion of “what business are we in”?

Encompassing all of these drivers is an appreciation of the innovation eco-system and recognising that their stakeholder grouping goes way beyond the confines of the organisation. They are systemic in the way they manage their operations, they are responsible citizens being conscious of the communities they impact, and they strive to operate in an environmentally friendly way and are noted for their human resources practices and the way that they incentivise their employees.

This is not all about the warm and fuzzy concept of you must “trust your employees”, rather it is about a determined effort to attract and retain key employees. It also about understands their competitors, recognising the containing environment in which they have to operate in and in so doing becoming influencers in their industry sector, playing an active role in industry associations and looking at ways in which they can interface with the lawmakers.

To boost and demonstrate innovation excellence companies need to drive the process through total integration, where all practices are aligned to foster an innovative culture and most importantly is driven by senior leadership.

In addition lessons learnt from stronger innovators that participated in the innovation index showed that making use of innovative platforms like social media to gather competitor and business intelligence, utilising tools like S-curves for decision-making and Road Mapping Techniques to achieve technology goals are necessary to drive innovation.

Finally, having dedicated programmes to drive brand identity and having committed communications strategies to promote the identification of the company and their products with innovation will better position organisations innovation agenda's.

Registration is open and closes on 30 September 2014. On 20 November 2014, Accenture will host The Accenture Innovation Convention, and the winners and results will be announced.

Organisations can enter at [www.accenture.com/innovationindex](http://www.accenture.com/innovationindex)

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