



INNOVATION

by **mantu**

INTRODUCTION



Never before have humans lived in such a fast-paced age. 2020 in particular was a year of unforeseen challenges, invention, new technologies, and the need to adapt quickly. All around us are urgent problems requiring solutions, from the climate and the need to reduce our carbon footprint, to digitalization and the balance between people and technology.

Most pressing of all is the need to find creative solutions to the issues caused by the COVID pandemic. Businesses around the world had to convert to new ways of manufacturing, supplying, selling, or distributing; not all were successful. The organizations emerging strongest from the difficulties encountered over the past year are the ones which were digitally mature and customer-focused, with agile cultures and a willingness to find new answers to new problems quickly and efficiently. In other words, organizations which are innovative.

Sometimes associated most closely with the technology sector, 'innovation' is a term that applies equally to every company in every industry. Defined as the creation of something new, be it a

product, process, or method, innovation is only truly successful when it is done with purpose; a problem must be solved, a need filled. **Value innovation** fulfills the dual brief of achieving differentiation and lowering costs, providing an effective framework for creative problem solving.

Value innovation is the focus of Mantu's Innovation practice. We specialize in helping companies to identify their needs, understand the solution, and then embed that innovation within their organization. A key part of what we do involves **creating the optimum conditions for innovation within an organization;** from having the right training programs to the right digital frameworks in place.

As the pace of doing business continues to gain speed, it's crucial that companies are prepared and ready to face disruption in whatever form it may take, from new competitors to supply chain interference. Through **four key pillars – business, organization, talent and HR growth, and environment** – we explain how organizations can **become, and stay, innovative.**



BUSINESS: STRENGTHENING CLIENT RELATIONSHIPS

UNDERSTANDING & ENGAGEMENT

It's no secret that fully understanding and meeting consumer needs and wants is the key to winning customers. Thankfully, the days of testing campaigns through expensive and time-consuming focus groups are now behind us: emerging trends, consumer sentiments, expectations and pain points can now be heard directly from the source.

Social media has given businesses the power to know their customers better than ever before, but only if the right data science and technical expertise is in place. Using diversified Natural Language Processing approaches, including, among others, sentiment analysis and topic modelling, businesses

can now understand their customers' experience and can accurately measure their brand and product perception among their target market. Social media intelligence also offers the opportunity to identify new customer segments and detect weak signals in customer trends, effectively positioning companies ahead of the curve.

Possibly the biggest opportunity that social media listening and intelligence present is the chance for business to react in real-time. The highly targeted nature of social media means that communication and conversation strategies can be adjusted and readjusted almost instantly to achieve better returns, higher engagement, and far more meaningful message resonance with audiences.

BRAND PERCEPTION

Storytelling has always been a fundamental part of brand-building. Transporting customers to a better world through captivating imagery, a carefully crafted tone of voice, and an extended community of like-minded individuals is all well and good, but there remains a large gap between being *told* a story and actually *living* one.

Research shows that **89% of brands** compete primarily on the basis of customer experience. **While 80% of brands** claim to deliver a “superior experience”, just 8% of customers agree. Addressing this disconnect and achieving differentiation is where story living comes in.

Opening the virtual gate into a unique brand universe gives companies the chance to **communicate their value**, as well as providing additional customer touchpoints and a dedicated arena in which to **set themselves apart from competitors**. AR/VR and digital applications are essential tools in delivering the type of **personalized, engaging, and memorable experiences** today’s customers expect.

At a time when bricks-and-mortar stores are seeing steep declines in footfall, technologies such as these give brands an effective means of not only developing a stand-out point of difference, but an opportunity to improve brand perception through data capturing. Pinpointing user behavior patterns, opportunities for improvement, and pain-point identification make user-centric digital and immersive applications the perfect tool for enhancing brand perception among both existing and potential customers.

CUSTOMER SERVICE

Customer support services and sales processes have been areas of continual innovation since their inception, and since customer-centric companies are **60% more profitable** than companies that don’t focus on customers, it’s easy to understand why.

It’s predicted that digital customer service interactions will **grow by 40%** in 2021. Identifying areas for improvement through data analytics - gained from sources such as virtual assistants, chatbots and business intelligence services - empowers companies to deliver the service their customers expect, but also to delight them by going above and beyond expectations.

Reducing customer churn by delivering great service has its own rewards for businesses as well as customers: personalized product recommendations, for example, bring the dual benefit of being helpful to customers as well as increasing conversion opportunities. Advanced customer service analytics also enable businesses to predict sales more accurately, and in turn, optimize inventory and pricing strategies, resulting in efficient and streamlined operations.



ORGANIZATION: DRIVING AGILITY

THE FUTURE OF WORK

Changing workforce dynamics, automation, and new organizational models are already shaping the future of work. To **remain competitive and continue attracting top talent**, companies must **transform and adapt accordingly**.

Thanks in part to the accelerated move online witnessed during 2020, companies the world over have woken up to the cost reductions, increased productivity, and streamlined operations that accompany digitalization. **92% of senior executives believe organizational agility is critical to business success**, and digitalization plays a key part in achieving this agility. From smart contracts to digital applications and platforms, the resulting

improvements in **productivity, customer service, and internal collaboration** explain why **digital-first companies are 64% more likely to achieve their business goals than their peers**.

Alongside digitalization, changing employee expectations mean that **creating a stimulating environment in which all stakeholders are empowered to collaborate, create, and innovate** together has never been more important. As well as generating potentially valuable ideas and opportunities, training and intrapreneurship programs are effective ways of keeping talent engaged and playing a vital role in company success. Companies as diverse as DreamWorks, Google and 3M already have such programs in place, and are reaping the rewards in terms of value innovation.

PROCESS OPTIMIZATION

Research shows that 45% of companies find overcoming inconsistent processes a key challenge in becoming an agile organization. The potential for cost reductions and opportunities for automation mean that process optimization is a goal worth pursuing, however.

RPA and AI solutions can be used to automate maintenance operations, such as anomaly detection, allowing repairs to be carried out proactively before any issues can cause problems. The automation of manual activities also allows for talent to be redeployed in higher value areas.

Further process optimization can be found using AR/VR. Collaborative design reviews and quality control are facilitated by the ability to see and manipulate objects, and the advent of 'augmented technicians' means work can be carried out faster and with a higher level of accuracy. Immersive training through AR/VR is already gaining momentum: by 2024, \$4.1 billion will be invested in AR/VR training solutions.

SMART DATA

Traditional data analytics processes involve large swathes of raw data being gathered, sorted, and then analyzed, often at a much later date than the original data was created. This delay means organizations are making data-driven decisions based on out-of-date information.

Smart data, on the other hand, means information is formatted on collection. This allows data to be acted on instantly, without the need for batch processing or time-consuming cleansing before analysis. Strategic decisions can therefore be made faster and on the basis of more reliable information, **significantly boosting a company's agility and responsiveness to change.**

An important step in benefitting from smart data is to ensure a renewal in the data management process and to break down traditional data silos. Data queries can be answered using the latest information from multiple sources, and data visualization capabilities allow for the dissemination of information at scale amongst a variety of stakeholders across a business.



TALENT & HR GROWTH: ATTRACT & SECURE TALENT

STREAMLINED RECRUITMENT PROCESSES

From a productivity standpoint, introducing automation into the recruitment process is the obvious choice; 41% of HR managers say not fully automating manual processes has led to lower productivity. 67% of talent professionals agree that automation saves them time, with a lower time-to-hire being directly correlated with a reduced cost-per-hire. 14 hours per week is the average time HR managers lose to manual processes.

For candidates, automating recruitment processes through tools such as chatbots, applicant tracking

systems, sourcing, screening, and interviewing helps to speed up recruitment, resulting in a slicker, faster process for all stakeholders.

As well as a reduced time to hire, introducing automation to the recruitment and selection process can help to unearth passive candidates that would otherwise have been missed, delivering an improved quality of hire. Existing team dynamics can also be factored into AI screening, ensuring that new hires have the right personality and soft skills as well as being an educational and technical fit.

DIGITAL ONBOARDING & TRAINING

Once the right hire has been made, the onboarding process should welcome them and embed them within the company. **Onboarding is a crucial part of any new hire's experience, and it is a 'make or break' period for getting the most from talent;** companies with a standardized onboarding process experience **50% greater new-hire productivity**. A great onboarding experience also means new hires are **69% more likely to stay with the company for three years, effectively reducing employee churn and lowering hiring costs company wide.**

With much onboarding now being conducted remotely, it's vital that businesses move to ensure this **experience is as engaging, stimulating, and as memorable** as possible. AR/VR and digital solutions provide the perfect way to craft meaningful sessions that employees can become immersed in as they begin their workplace journeys.

Keeping employees engaged isn't something that stops after onboarding is completed, however. Since **94% of employees** stay longer at companies willing to invest in their personal development, training opportunities are therefore a must for organizations of all shapes and sizes. E-learning also increases information **retention rates by 25-60%**, making it a better investment than traditional training avenues.

EMPOWERING TEAMS

Undergoing a digital transformation is about far more keeping up with the latest technology. In fact, **86% of survey respondents** from digitally mature companies say that at least 10% of their time at work involves the opportunity to experiment or innovate.

Empowering individuals within an organization to ideate and come up with creative solutions to problems means companies can tap into their existing resources to find new and innovative ways of doing business. The chance to innovate and contribute materially to a company's success also keeps employees engaged; at present, **85% of employees** are disengaged at work, resulting in a \$7 billion loss in productivity globally.

Intrapreneurship programs, hackathons, and design thinking workshops are just some of the frameworks that can be put in place to help talent become, and remain, innovative. Upskilling in areas of technical expertise, such as blockchain, AI, or data engineering, can also assist in the innovation process. Giving employees access to tools and skills in cutting-edge areas like these can help to encourage 'out of the box' thinking, and provide insight into new ways of thinking, doing, and creating.



ENVIRONMENT: LET YOUR ECOSYSTEM FLOURISH

OPEN INNOVATION

Involving organizational structures that allow for easy collaboration with both internal and external partners, open innovation secures superior value for participants through shared capabilities and resources. Streamlining innovation strategies by working collaboratively also leads to reduced costs throughout the innovation process and strengthens competitive positioning by creating equal ownership of a product or process among numerous organizations.

The benefits of open innovation are already being seen in companies such as Unilever and Edenred,

with traditional concerns over intellectual property and skepticism about anything not invented in-house giving way to concrete gains such as accelerated product development. Open innovation accelerates time-to-market by 74.5%.

80% of digitally mature companies cultivate partnerships with other organizations to facilitate innovation, meaning that competitors which fail to do so could soon be left behind. Losing market share to more innovative competitors is a major risk for slow-moving organizations, and will result in talent being lost to competitors, falling productivity, and a dwindling market share.

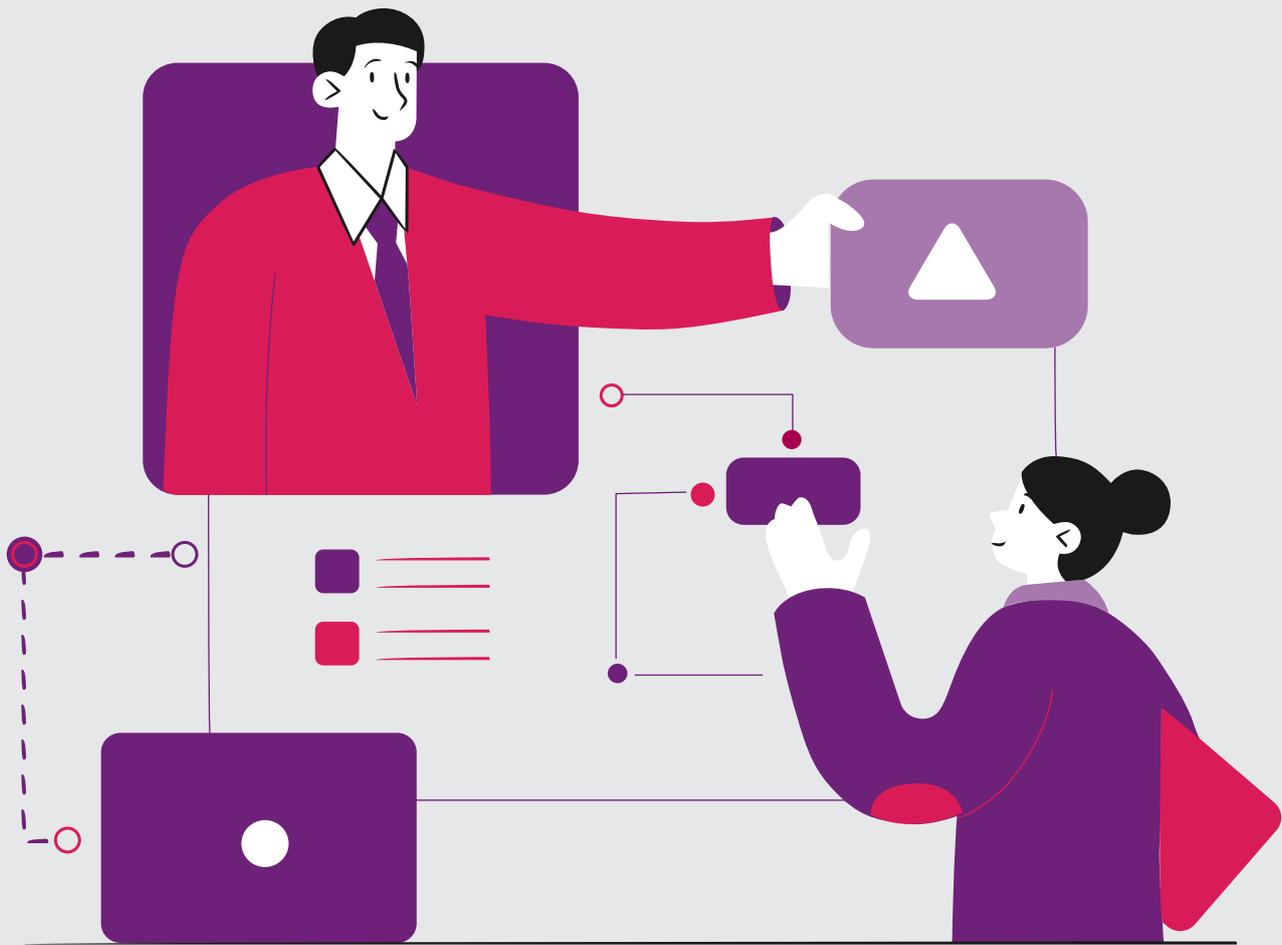
LAB PARTNERSHIPS

Innovation labs work collaboratively with organizations, academic partners, and public bodies on major research projects to deliver cutting-edge insights and practical, innovative solutions. Labs often use agile methods to draw on cross-functional expertise, creating and refining ideas until they are business-ready, then assisting in the integration of the desired solution within an organization.

Around 63% of large companies are currently experiencing disruption, and 44% show signs of susceptibility to disruption in the near future. Lab partnerships help companies to become part of their own disruption, finding new ways of working, creating new products or services, and ensuring that their market share isn't captured by new, more innovative competitors.

This type of co-development has a multitude of benefits for businesses. 61% of surveyed companies agree that co-creation has enabled them to produce more successful new products and services, while 52% say that a co-creative approach to innovation has reduced costs.

Offering a fertile ground for new innovations as well as creating efficiencies and cost reductions, it's clear that a collaborative approach to innovation is here to stay; 58% of companies are piloting or rolling out co-creation projects, and 47% say that they have such a strategy in place.



SUMMARY

Today's companies are facing global challenges; the need to strengthen client relationships, a quest for agility, talent attraction and retention, and developing ecosystems with external partners. Organizations must contend with each of these pressing concerns in the midst of a business landscape that is itself experiencing tectonic shifts; towards **digitalization, away from in-person operations, and with a keen eye on sustainability.**

Mantu stands beside businesses to bolster their growth, enable their development, and support their transformation, whatever form it may take. Our practice in Innovation is supported by specialist teams

of experts as well as the **Mantu Innovation Lab**, which delivers **value innovation** solutions in partnership with our clients around the world. Our cutting-edge insight and expertise are matched by the technical know-how and out-of-the-box thinking of our Innovation experts, who are always one step ahead of the issues being faced by companies everywhere.

Whether your organization would benefit from an enhanced digital solution or requires new methodologies for achieving business goals, our expert consultants are on hand to assist. View Mantu's Innovation practice [here](#).