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Smart business: Qian Hu chairman Kenny Yap (second from right) and Biosensors Interventional Technologies chairman Lu Yoh-Chie (extreme right) at the last Business Excellence Awards. Their firms are among the well known award-winning ones which practise good synergistic innovation management. PHOTO: SPRING SINGAPORE

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Paving the S'pore path to innovating professionally

This will make organisations more profitable and the Republic a truly smart city

By THOMAS MENCKHOFF

AS part of Singapore's national efforts to prepare its citizens for the demands of the knowledge-based society and to nurture the city-state's economic clusters, educational institutions continue to roll out new master degree programmes ranging from business analytics to clinical investigation. An interesting case in point is the management of innovation.

The term innovation refers to the implementation of a new or significantly improved product, service or process that meets/exceeds customers' needs at an affordable price. Examples include mobile phones with GIS map capabilities, digital marketing methods (social media), new organisational methods in business practices such as open innovation and so forth. The word itself is derived from the Latin words *novus* ("new") and *innovatio* ("something newly created"). Innovations can range from small incremental improvements, such as Nabisco's extension of the Oreo product line, to radical breakthroughs, such as Toyota's battery-fuelled Prius.

While invention forms part of the innovation process, the latter goes far beyond invention because it embraces the critical process of commercialisation so that new products, services or processes can be successfully introduced into the market.

As in the case of a root-canal treatment or when it comes to stitching up a wound, making innovation work is best left to the professionals.

While this may sound like common sense, it is arguably not common practice. Although empirical studies about the number of professionally educated "chief innovation officers", "innovation development managers" or "organisational excellence specialists" in Singapore-based organisations are hard to come by, anecdotal evidence suggests that concerns about their organisations' ability to innovate effectively do keep many chief executives

awake at night as "real" innovation talent is (still) rare.

Can corporate Singapore afford not to innovate professionally? The answer is obvious. Whether smart(er) business models, smart(er) traffic, smart(er) health, smart(er) banking or smart(er) ageing, innovation opportunities exist across all sectors of the economy but are not always seized due to the lack of awareness or strategic innovation know-how.

There is also reluctance at times to utilise available support schemes provided by government agencies such as Spring, which supports a wide range of capability upgrading initiatives for SMEs as part of its Capability Development Grant (CDG) scheme, and the Workforce Skills Qualifications (WSQ) training programmes funded by the Singapore Workforce Development Agency which are customised to develop deep, vertical and horizontal skills across various industry disciplines and job functional areas.

Three well known, award-winning firms which practise good synergistic innovation management are Biosensors International Technologies, Qian Hu and Singapore Airlines with their differentiation through service excellence, innovation and superior levels of operational efficiency. What does it take so that more organisations implement management systems that deliver the desired innovation results consistently with similar levels of cutting-edge professionalism?

One strategy to trigger improvements in innovation work is to attract, retain, develop and reward professionally trained innovation specialists who are able to think beyond current paradigms and to turn strategically sound innovation ideas and concepts into tangible new products, services, processes and business cases.

Provided they have received proper competency-enhancing innovation management education, they will be instrumental in managing commercialisation challenges and market launch with confidence,

whether they work for MNCs, financial services firms, statutory boards, hospitals, government agencies or small and medium-size enterprises. And once the market has accepted the innovation, these specialists will know how to accelerate further growth and create sustainable value through appropriate business development, risk management, financing and value extraction strategies.

To support the innovation culture and, in particular, innovation for service excellence, the Singapore Workforce Development Agency (WDA) is offering up to 10 scholarship places for the Singapore Management University's Master of Science in Innovation (MI) Programme under its Service Excellence-Step (Skills Training for Excellence Programme) funding initiative.

Creating value

"Step" is an initiative by the Ministry of Manpower and WDA to help professionals, managers and executives (PMEs) update their skills, knowledge and expertise to remain competitive in today's global business climate.

Funded up to 90 per cent of the MI course fee, the Service Excellence-Step Scholarship aims to provide a progression pathway for service leaders and champions who are keen on advancing their careers in the field of service innovation.

Service innovation is just one of several areas where strategic innovation learning needs exist. Other innovation forms include product innovation (eg Dyson's bagless vacuum cleaner), process innovation (eg Walmart's product distribution system) and business model innovation (eg Amazon's online platform).

And then, there are the various types of innovation such as radical innovation (eg Samsung's flat-screen TVs with new LCD technology), architectural innovation (eg Sony's Walkman, which was based on reconfiguring existing components in a new way) and incremental innovation (eg Apple's iPod Mini/Nano).

Properly trained innovation profession-

als will be able to drive managed innovation on the basis of winning innovation strategies and a balanced innovation portfolio comprising both incremental and breakthrough innovations in order to extract good value out of innovation-related investments.

Innovation experts know how to create real value for customers and to capitalise on that, ensuring that the organisation retains some percentage of the customer value it creates in every transaction of the revenue stream. A good example is LinkedIn whose revenues are based on the premium subscriptions it sells to users. Its talent and marketing solutions are attractive to recruiters as well. As the war for talent continues, it is likely that demand for its services will further increase.

Besides the need to support business managers in driving their innovation teams to greater success by effectively organising internal (or open) innovation management systems, there are other target groups that would benefit from systematic innovation management programmes such as engineers, scientists and designers (by equipping them with commercialisation skills), entrepreneurs (to enable them to apply design thinking principles), fresh graduates (who can reap benefits if they are paired with experienced business mentors), health professionals (to leverage new developments in connectivity and monitoring) and social entrepreneurs who wish to dive deeper into the world of sustainable innovation on the basis of new social models.

Seizing available opportunities for innovation management education here will not only be instrumental in making organisations more profitable but also help to further improve Singapore's status as a truly innovative, livable smart city.

The writer is professor of organisational behaviour and human resources at the Lee Kong Chian School of Business, Singapore Management University (SMU), and academic director of SMU's Master of Innovation Programme