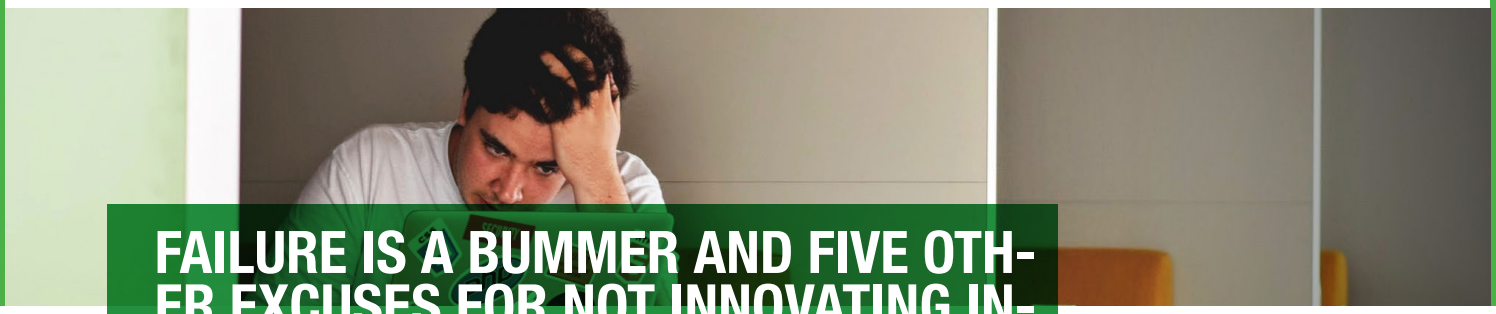

FAILURE IS A BUMMER AND FIVE OTHER EXCUSES FOR NOT INNOVATING INVALIDATED

Challenging your current status quo is uncomfortable, and this is why change is always accompanied by lots of excuses about why not to change. This is fatal in business, where standing still is really going backwards. We will be happy to help you to invalidate all the excuses you can think of for not innovating.

1. Failure is a bummer

Failing in something at work is a terrifying thought for lots of people. Yet it is a necessary asset in the search for new ways to grow. Taking risks, early failure and learning quickly are typical in a successful company. This is something that more and more companies are recognizing – around 79% of organizations are tolerant of failure (source: EY).

Without experimenting, it is impossible to explore the possibilities in front of you and to increase your understanding of what works and what doesn't. As well as the capacity to learn and respond to changes, the aim of experimentation is to reduce perceived risks and uncertainty. Focus on MVPs (minimum viable products) to test innovative products or solutions in practice and obtain quick feedback on their operation and success rate. The risk of failure can be reduced by not just coming up with ideas at random. Listen to customers and employees on a regular basis to learn what your key stakeholders are looking for and need.

2. Never change a winning team

Your current business model works, there's no doubt about that. The company structure, operations, processes, tools and culture are designed to maintain that success. It's important to remember that every business model has a life cycle. Such a cycle is finite and the life cycle of business models is getting shorter and shorter. In Belgium, 6,218 companies went bankrupt during the first half of this year. That is 16% more than last year and is a new record (source: De Tijd).

Adjusting your business model and associated structure is inevitable in the long run. The scope of the necessary changes and the willingness of managers to drive them will ultimately determine the success of innovation. In addition to the resources and foresight to develop innovative new technologies, it is also important to implement the right business models. Stubbornness to change can be fatal, just ask Kodak.

3. No news is good news

Success often comes after many attempts and as many failures. This success is the only way to move forward, and it's at the edge of a huge innovation iceberg. In that way, you can be wiped out of the market from one day to the next, resting in silence before the storm.

Storms certainly work, 81% of companies have already adopted cloud computing and 45% have implemented the Internet of Things (source: EY). Ernest & Young's Growth barometer also shows that 73% of medium-

sized companies want to work with artificial intelligence within two years. Almost all respondents (99%) say they will do so within five years. Belgium is a forerunner in Europe in the use of cognitive technologies to stimulate growth and ensure efficiency gains. Successful entrepreneurs embrace innovative developments and look for ways to use them to their advantage. The only way to predict the future is to create it yourself.

4. No desire for a tsunami of costs

Innovation requires an investment of time and money, there is no way around that. Even in the Europe 2020 strategy, the EU countries agreed to devote at least 3% of their gross national product to research and development every year. A report shows that 50% of organizations spend more than 5% of their annual budget on innovation. However, 42% also say that budget is their biggest barrier to progress (source: EY).

It is often no longer necessary to invest, but it is important to organize things differently in order to realize the full potential of the investment. Instead of dividing and dumping the budget into different silos, it is much more effective to set up multidisciplinary teams that centralize innovation work, collaborate well and share their knowledge. Create a culture that encourages people to transcend silos. Developing a new mindset is a much-needed time investment in innovation that is more valuable than a pile of money that is randomly distributed across your organization.

5. No golden goose

You are often so close to your own product and business that it obscures your view of the array of possibilities. At first glance, you may not be the new Uber, but creative thinking can bring a lot of hidden added value to the surface. Even a small adjustment can create a whole new business model. Perhaps you are collecting data that is very valuable in an entirely different domain. For example, postal vehicles have recently been used to collect weather data in local areas. This does not require any extra effort, but it is a new revenue model.

Think outside the box and broaden your horizons. Try to stimulate this throughout the organization, provide incentives to bring ideas to the surface and give people the freedom to attend external workshops and courses that broaden their horizons.

6. Wanting to, but not being able to

It is also possible that you want to work in an innovative way, but that certain resources are lacking. For example, many companies are concerned about their growth potential due to the lack of key skills. According to 55% of companies, the impact of this skills gap is noticed most strongly in terms of innovation, and a lack of skills in a company slows down the process of effective innovation (source: PWC). You could consider sourcing in the short term and the problem could solve itself in the longer term. Companies with an innovative character attract creative people more quickly.

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