

Newsletter

Founders' Note

6-Pointers to Business Innovation in the times of Covid-19

Innovation is helping companies to survive the current pandemic while also laying a solid foundation for future growth. Innovation need not be driven only by the costly time-consuming research or some lucky serendipity, but most often it's derived by an intimate understanding of customer needs and behavior.

I believe innovation can be engineered, and even expedited, using the following framework of '6-Pointers' to inventions. Of course, the Key is the clarity of changing customer needs and behavior.

- 1. Product** – It offers a large dimension to adjust, adapt, and innovate based on customers' constraints, changed priorities, or new consumption patterns. For example, a company in the audiobooks market – Audible – started free streaming of children's stories to help executives manage their office meetings while also managing their kids at home. These positive stories helped them engage their young kids in a healthier way than watching TV or spending time on the play stations. Here, Audible adjusted its product offering to solve a key issue imaginatively, thus winning both loyalty and subscription. In B2B markets too, there are ample opportunities to play with the existing product and services to offer engaging options.
- 2. Price** – Most organizations are currently cash strapped. Thus, they would be far more critical to the product/ service 'values' than in normal times. One forward-integrated OEM company, which supplies machines as well as raw materials used by these machines for production, recognized the capital constraint of clients and offered machines free for a commitment to buying their raw material for a period. Thus, creating a win-win situation for both parties. Similarly, the value of products can be enhanced by lowering prices or by improving specifications. Service components can be re-engineered in many ways to enhance the overall specs increasing the perceived values of the products.

3. Place – In recent times, we have seen a spate of changes in the delivery methods due to the social distancing requirements. Top retail companies and many grocery shops started offering curbside delivery or even home deliveries. Some restaurants turned into hyper-local delivery partners for food and grocery supplies. In the B2B or industrial sectors too, there could be many ways to simplify the delivery channels. Here, product supplies are often accompanied by pre- and post-delivery requirements. Fulfilling these requirements through easier and transparent transactions can make a huge difference in the overall value proposition. Technology, especially digital and internet-based solutions, is increasingly getting used in enhancing the overall service experience of the customers.

4. Promotion – Today, promotion is all about deepening customer engagement, which means offering specific solutions to solve customer's needs, challenges, or bottlenecks. It also means effectively reaching out to the right customers to start the conversation. Probably, the easiest way is reaching out to the current customers offering solutions that they are needing the most. It may also mean to identify gaps in the market, probably arising due to competition's weakness, and proceeding to fill these gaps speedily. Digital marketing can be a great tool in connecting meaningfully to both these groups. But, there is no substitute for keeping ears to the ground for identifying the market gaps.

5. Process – One of the most difficult challenges today is to manage one's own as well as customers' costs, as there is severe pressure on revenues and costs in most sectors. Squeezing-in the 'direct' costs is an obvious area to work, but a lot of innovation is possible in the 'indirect' costs too – processes are required to be re-evaluated and most likely re-vamped to reduce scraps, rejects, damages or returns to maximize the capital productivity. These steps can, in fact, turn the current crisis into a significant long-term advantage for the company.

There could be many paths to process innovations. But, one of the proven ways is lean methodologies and technological upgradations of business processes. As an example from another equipment manufacturer, they integrated IoT into their finished products to reduce operating and maintenance costs of buyers, thereby innovating the products itself. Earlier, they had experimented with their own processes in a similar fashion reaping cost and quality benefits. In another tech-based application, a warehousing company innovated its power grid management by using IoT and analytics to reduce its electricity bill by half.

6. **Pace** – The speed of identifying opportunities, marshalling resources, and delivering solutions required to be far swifter now than ever as competitive anxiety has heightened due to the crisis. Thus, time buffers generally available for analysis and evaluation are squeezed-out more or less completely. In such a situation, this 6-pointers may help in kick-starting innovation quickly to not only meet the immediate challenges but also grab the emerging opportunities.

I will be happy to hear your success stories of innovations as also happy to join hands in your quest for continuous evolution. We are reached at connect@bizproworld.com.

Take care and stay safe,
Best Regards,

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Business Learnings From The Pandemic

Since the global outbreak of COVID-19 pandemic, the businesses are facing a massive blow with the total loss of the global economy estimated at \$1Trillion. Lockdowns and social distancing norms have changed the face of how companies run their business.

Yet, amid the mayhem, the pandemic has many critical future lessons to offer for businesses to emerge as clear future winners and attain successful business continuity.

COMMUNICATION IS THE KEY

The COVID-19 pandemic has highlighted the significance of timely communication with employees as well as consumers with increased transparency to avoid misinformation and maintain the stakeholders' trust by developing emergency and mass communication systems, contacts' list, social media presence, crisis-response teams, and centralized communication network.

TECHNOLOGY TO THE RESCUE

The pandemic has caused businesses to accelerate their digital transformation, with companies investing more in the digital infrastructure being on the brighter side of this pandemic.

- Strengthening IT systems functionality under crisis and reviewing cybersecurity
- Focusing on eMarketing and digital ad spending
- Building a digital supply chain
- Exploring cashless payment alternatives

REMOTE WORKING CULTURE

It is essential to implement work-from-home plans and policies, including the lessons learned from the pandemic combined with an annual drill exercise. WFH can also be implemented as a response to other crises like severe weather or long-term facility evacuation.

- Workforce absenteeism management by categorizing employees into 'Essential to the worksite' & 'Can work remotely.'
- Strengthening remote interactions through telehealth, teleconferencing, 5G technology, etc.

STRENGTHENING SOCIAL CONTRACT

The pandemic serves as a litmus test for the social contracts provided by businesses. Ramping up the rights of the employees through wage guarantee, social security benefits, etc. should be one of the key priorities for the companies to help their staff sustain themselves.

Adaptability and flexibility become the business mantra, and aligning strategies with a broader purpose becomes the key to business growth. It is right time businesses take this opportunity to update their current plans and not let a serious crisis go to waste.

New Trends In Supply Chain Management

Supply chain management has undergone enormous change in the 21st century owing to the massive technological advancements taking place. The incorporation of new technology in the supply chain has led to increased efficiency, bringing in more profits to businesses. Here are a few latest trends observed in supply chain management.

Digitalization Of Supply Chain: Shifting the process involved in a system from the paper format to online platforms is known as digitalization of the process. The inclusion of the same in supply chain management increases the transparency in the system and the team.

Artificial Intelligence and Machine Learning: AI provides an analysis of demand and supply trends to corporations for better supply chain planning. It enables the use of autonomous vehicles for faster and accurate shipping. Machine learning is used for warehouse management with minimal human intervention.

Green Logistics: Green supply chain integrates environmental concern into supplychain management. The process needs the entire supply chain to value the environment during the entire course of the product life cycle, necessitating especially right management of the products' end-of-life disposals.

Big Data: The use of big data analytics in supply chain management helps make it more efficient by eliminating several pain points at strategic and tactical levels. Big data analytics helps track consumer behaviour, and usage patterns enable enhanced inventory management and in streamlining E-commerce.

Internet of Things: Use of IoT allows organisations to monitor inventory, automate the reordering of stock, and keep track of the deliveries in real-time. It also increases the transparency of the supply chain.

The trends in supply chain management will continue to shift with increasing globalisation and technological advancements. Technology is making global markets accessible to small and medium-sized businesses as well. With the expansion of supply chains across borders, cloud computing is enabling enterprises to lower their operating costs and to scale-up effectively.

