

COVID-19 busts Innovation Myths

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Innovation is vital for organization success. In this article Dr K Rajeshwari, Senior Associate Professor, Great Lakes Institute of Management, Chennai discusses how COVID-19 ruined many of the innovations beliefs.



Successful organisations all over the world understand that innovation is vital for their survival, growth and sustained performance (Blundell et al.,1995). National Knowledge Commission, BCG and Mckinsey have highlighted how organisations need to innovate in order to stay relevant. The stark reality is that the majority of the new ideas developed never get launched in the market and those that do, face a failure rate somewhere in the order of 25 to 45 per cent (Crawford, 1987; Cooper, 2001). For every seven new product ideas, about four enter development, one and a half are launched, and only one succeeds. A meta-analysis study of new product literature indicated that most of the factors affecting new product success are internally controllable by management (Benedetto, 1999) and provide a higher non-replicable competitive advantage than the external factors.

There have been extensive studies on what contributes to Innovation success. However, COVID -19 has modified/ upturned many of these. And has brought with it a host of innovations by way of coping mechanisms and solution providers.

Here are some Innovation beliefs that have been altered by COVID-19.

1. Innovation requires a lot of development time

Not always. During the COVID 19 crisis, we have witnessed new ideas emerging rapidly. Right from the time when the world knew of the virus on Dec 31 2019, ideas have been pouring in. Innovations are taking place at a rapid pace across the areas of mobile health technologies for screening and homecare, diagnostic kits and Point of Care tests, protective gear and sterilization innovations for care providers, low-cost ventilators and oxygen therapy units, AI systems to assist critical care etc. We now know of hospital beds assemblers that can do the job in under two hours or rapid testing kits that can provide results in less than 30 min. Abu Dhabi has paved the way for 'drive-in –testing and drive out' process too. All these in less than 45 days since the problem was set up.

Hence unlike what we believe, lack of adequate development time need not always be a deterrent in Innovating.

2. Creativity is for the select few.

Prof Vijay Govindarajan of Tuck University, Dartmouth, explains the difference between creativity and Innovation. The former relates to individual problem solving whereas the latter has to do with the organization's effort of harnessing that creative output for commercialization in the market place. This probably suggests that creativity rests with a certain select set of people. COVID-19 has shown otherwise. Nations relatively unknown in the space of Innovation have come up with some startling solutions to the crisis. Global Innovation Index that tracks the innovation output of countries, pegs the USA at no. 3 (correlation with current crisis management questionable?) On the other hand, some nations that didn't fare at the top (Vietnam at 42 and India at 57), have been enormously successful in coming up with innovative solutions. As examples, Vietnam has been using their ATM machines to dispense free rice and India, has readied numerous ICU units by converting their stationery railway compartments into beds (among the many other new ideas) So these Index ratings need to get refined to include 'ability to turn things around during crisis' - as a parameter.

3. Innovation is always a cross-functional effort.

We have always believed that a new product team should be cross-functional. Such teams encourage inter-functional communication and co-operation and as a result, can contribute to the resolution of possible conflicts. However, on the contrary, we have seen evidence across the world as to how various departments have devised their own solutions to local problems. Eg. South Korea which has utilized its cell-based satellite technology to create an app that gives real-time information to the public on how COVID-19 is progressing in their geographies. This was done almost solely by the IT Police department.

4. A process-driven approach is always required for innovation to flourish.

Booz, Allen and Hamilton (key authors in the space of new product development and Innovation) found that the companies that have successfully launched new products are more likely to have some kind of formal NPD process. COVID -19 has shown us how adhering strictly to a formal process may have its pitfalls. Stage-Gate, which is the most commonly used new product development process by around 80% of organizations in North America, also suffers from inflexibility as well as an irrelevance, when it comes to disruptive innovations. As is evident today, what has been the innovation output in health care or in government functioning, has been borne out of ‘adversity-led disruptive’ thinking, rather than a process-led approach. Bureaucratic rules may block innovation, and interest groups may maintain a status quo that could become inefficient and where a high price is to be paid for failure. The crisis has questioned these. Some examples of relaxing the rules are- how medical fraternity is prescribing anti-malaria drugs to treat COVID-19 patients and how the Centers for Medicare and Medicaid Services (CMS) gave states more flexibility in administering Medicaid programs in the USA. Another case is telemedicine. Obtaining consultation via phone –has now been encouraged even for pregnant women (normally a practice seldom done). New York State, another example, has put doctors and nurses who have not yet graduated to work on the front lines of fighting coronavirus. Industrial masks have been put to good use in healthcare, even though prior regulation prohibited such use in healthcare delivery. Ad hoc solutions have as much a place in the current scenario. E.g. Russians have made a cardboard mask with a disposable filter, that saves cost and displays ingenuity.

Or take the case of IPR adherence. Organizations investing huge amounts in pharma R and D need intellectual property protections. But, in times of crisis, the same IPR processes may hinder speedy development of vaccines and their deployment. There should be forums to discuss required breaches of some of these protocols for a greater good.

Processes need to deliver to the situation at hand. They need constant evaluation and modifications, in order to be effective-as COVID-19 has taught us.

5. Technology is only for high-end innovation.

There has simply been no other time when technology has come in handy as much as it has been in current times. There is much evidence of this. While Kerala (a state in India) boasts of how they have successfully used technology to trace, track, contain and isolate, China has displayed how drones can be used to disseminate information and other vital materials to the public. Also using robots to disinfect hospitals. India has been proactively encouraging the public to download their app- Arogya Setu – that informs people if they have entered a ‘dangerous’ zone or are in a safe zone.

6. Radical Innovations are required for a breakthrough outcome.

COVID-19 has shown how simple but incremental ways of approaching problems can yield dramatic results. Handwashing is one such, where technology is being used to slowly educate the masses. Kahol, a researcher and an entrepreneur, has developed the “health mirror” after the COVID-19 outbreak. Handwashing has been an often communicated need in the Indian context where children (below 5) mortality rate is very high, Since people may not remember to wash hands or do it the proper way, using a mirror could reinforce the hand-washing habit. A small study found that 98 per cent of people complied with the WHO handwashing protocol when they followed the mirror’s instructions—in contrast to a control

group, who only saw an instructional video, where the compliance rate was 43 per cent. This is not a radical idea but a simple systematic way to enforce habit change in people.

7. Governments are slow to Innovate

Completely untrue. Some of the best responses to COVID Management have indeed come from Governments across the world. The public distribution system in India is using a novel way to disburse food items to the public through a long funnel-like steel contraption, thus ensuring social distancing. The public sector banks in India are using tongs (used in the kitchen!) to pick up and disburse currency notes! This kind of initiative-taking has created a new perception in the minds of the public regarding their Government innovativeness. Thus building far higher responsiveness and trust.

Governments have also launched many competitions that are open to public participation. C-CAMP has launched C-CAMP COVID-19 Innovations Deployment Accelerator or C-CIDA on 26th March 2020 to help accelerate COVID-19 innovations stuck in last-mile issues. Other partners include- UNHIE, Social Alpha, XYNTEO India2022, MedTechConnect, India Health Fund etc. International public bodies such as UNDP, World Economic Forum are doing their bit by reworking on protocols to encourage social entrepreneurship. New guidelines are being developed and new collaborations are being sought, to make the world an integrated and inclusive one.

Similarly, there are numerous other stories of the Government leading the way. What is required is a sense of urgency and ownership in order to act- and whether one is a Government or private entity is immaterial.

Conclusion

Innovation is also about changing the rules of the game itself. To that extent, the current COVID-19 crisis has brought home many lessons to the Innovation experts. Societal challenges require transformative solutions that need to be proactively addressed. Many of the issues we face today could have been thought about even earlier before the crisis happened. Whether it is our insufficient hygiene habits or lack of focus in health care systems and R&D or even parents desperately figuring out which online education tools to use for their suddenly home-bound children- all these are existing problems requiring innovative solutions.

One lesson that stands the test of time is leadership. Countries that are managing COVID-19 well seem to have strong empathetic leaders who have a following among their masses. This has also been sufficiently talked about in academic literature as a key factor for Innovation success. The leader has an important role to play. S/he must have the necessary qualifications and sufficient know-how, and be able to devote her/himself sufficiently to the situation. Freedom of operation for the leader has a positive influence on the outcome and this fosters motivation and commitment of the team members, which, in turn, has a positive influence on the success of a new product.

Let us hope we learn our lessons well and not wait for yet another pandemic to drive home how misplaced our priorities are or how reactive we are, as a society.

Link: <https://electronicsmaker.com/covid-19-busts-innovation-myths>