

How to Stay innovative Even During the Recession

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Innovation isn't this abstract thing that some companies have and some don't. Innovation is a business skill that business owners, executives, and employees can develop and master. Sustained innovation is the secret to prolonged success in business. Its one thing to have one new idea, but it's quite another to constantly be at the forefront of an industry.

Currently, the country and world are in a recession due to the pandemic. It is hard to think about innovation in the middle of this crisis. Most companies are just trying to survive. The truth is, companies can still innovate in this current situation. This is the time innovation is required than ever. Below are some of the ways of how companies can stay innovative even during a recession.

1. Strategically invest in R&D

Innovation is not instantaneous or magical. Instead, it is the result of continual probing and questioning. It is hard to work over an extended period. Many companies fail to fully invest in research and development, or they devote their resources to a single idea that may or may not prove successful.

Great businesses do the opposite. They build a strong R&D department, they pursue multiple possibilities, and they broaden their gaze to the industries around them. If you cast your net only as wide as your company or your field, you only encounter the ideas that your industry is already talking about. One possible way to strengthen innovation in your company is to establish a platform for your team members to share and test their ideas. This is often one of the simplest, and most powerful, ways to remain on the cutting edge of your field.

On the other hand, don't just squash money. The 10 most innovative companies aren't the ones that spend the most on R&D.

Of the list of the most innovative (Apple, Google, 3M, Samsung, General Electric, Microsoft, Toyota, Procter & Gamble, IBM, and Amazon), only three of them, that is, Toyota, Microsoft, and Samsung are among the companies with the biggest R&D budgets, as listed in this chart from Booz.

For example, Apple, Google, and 3M together spent \$9.2 billion on R&D. Samsung alone spent \$9.0 billion in total.

1. Embrace Change and Encourage Failure

It's important to take a look at how well your management team is set up to encourage innovation. To push your company forward, you need to get yourself comfortable with change and failure. No one has the answers, and the only real way to figure out what works is to try a bunch of things and see which one

is best. As a result, start taking a look at how well your leadership team embraces change.

If you find that many managers are shying away from trying new things for fear of failure, then it might be good to invest in some training that will help them get more comfortable with the chaotic nature of innovation. But you'll also need to look at how you incentivize innovation. Rewarding managers who embrace this aspect of the company will demonstrate to others that this is the type of management culture you want, something that can help shift the focus away from the status quo and toward a more dynamic spirit of innovation.

1. Implementing Idea Management Systems

While it's important to be flexible and encourage participation, it's also important to have systems in place for this to happen. These are known as "idea management" systems, and they are designed to not only encourage a culture of innovation but also to make sure the innovative ideas people come up with making it to the right people, increasing the chances that those which stand to have an impact are implemented as soon as possible.

The software then sorts these ideas based on keywords, meaning they can be filtered by topic, department, objective, etc. This gives leadership an accurate snapshot of the various ideas employees have about how to make things better. It also makes it easier for them to source solutions to company problems from those who are dealing with them daily, taking advantage of the organization's collective intelligence, and also boosting engagement by showing people they have an impact on how the business is run.

Casting a wider net when collaborating by using idea management solutions means a greater diversity of ideas and perspectives. So while collaboration has always been an important part of innovation, to stay innovative in 2020, you need to find better ways of including your employees in the innovation process.

1. Don't be afraid to emulate others

As children, we're taught to avoid copying, but imitating and improving upon the work of others in other industries can pay dividends. What new products or services do your competitors have? Is this an innovation you should adopt? When startups appear, why do they appear? What void are they attempting to fill, and what are they offering that others do not?

Take Vizio, for instance. Vizio was not the first business to sell flat screen or HD televisions. The company carved a niche for itself by creating affordable products that rivaled the performance capabilities of far pricier brands. In 2012, Vizio led LCD television sales in the United States, and they continue to push boundaries today. Their TV soundbars are consistently ranked highly for their performance and price, and the company's extended product line includes a host of other television accessories.

Processes being used in other industries can also inspire you. If you encounter a petrochemical business whose sales processes seem ideally suited to your field, consider tailoring them to your needs, even if

your products are opposites. Henry Ford, of Model T fame, allegedly took inspiration from meatpacking plants when he devised an assembly line for his car manufacturing.

The most important thing to remember is that there is no final destination. Your company will never reach some peak innovative state that all it has to do is maintain. That goes against everything we have said about constant change and the need to embrace it. So while these ideas will help you stay innovative in 2020, know that each year will come with its own unique set of challenges for which you need to come up with a unique set of solutions.

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