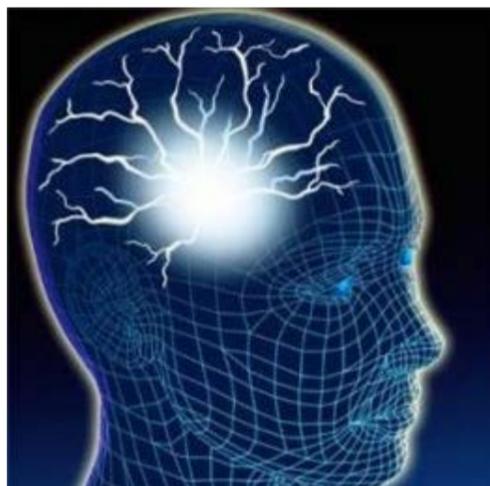


The Business of Innovation

Posted by [Donna Garcia](#) • July 22, 2009 • Category: [Rice Roll](#)

Change drives innovation, which in turn drives positive change.



This was the key takeaway at the recent Forum on Globalization and Innovation Services organised by the ESSEC Business School's Institute of Service Innovation and Strategy.

ESSEC Professors Christian Koenig, Director of the Asian Center in Singapore, and Herve Mathe, Director of ESSEC-ISIS led the discussion, bringing their scholarly perspectives and ardent interest in understanding how innovation can define success and profitability in these competitive times.

ESSEC has invited some of the leading personalities in today's innovation-gripped business and academic world. Stanley Samuel, Country Manager for Southeast Asia of Nespresso, was the first to take the stage, talking about how the Swiss company grew massively in the last decade through innovative business approaches and technologies.

From selecting the finest coffee beans to the precision development of smart, easy-to-use machines, Nespresso has leveraged technology to build the brand and grow what used to be a niche project in Europe into becoming a world market leader in premium portioned coffee. Nespresso in 2007 has increased its revenues by 40 percent; and in the last seven years has been enjoying a compound growth rate of more than 35 percent.

A roundtable on "Innovation in the Service Industry: Key Factors to Success" followed, joined by Deep Singhania, Country Manager and Head of Tata Consultancy Services (TCS); Jean Philippe Lunay, Vice President, Asia R&D Center of Essilor; and Damien Duhamel, Managing Director of Solidiance.

Deep Singhania shared TCS' proprietary innovation/technology specific- and opportunity-based stakeholder map called "Co-Innovation Network" (COIN).

Jean Philippe, meanwhile, talked about how innovation has catapulted Essilor into becoming the world leader in ophthalmic optics.

Founded in 1972, Essilor remains low-key despite its exponential growth. In 2008, Essilor's turnover was at €3 billion. It manufactured 245 million lenses, has 450, 000 products listed; and currently active in over 100 countries. Essilor has full-staffed R&D centers in Singapore, Japan, the US and France, where 550 researchers anticipate market expectations and develop lenses for the future. And its investment in innovation is richly paying off – products launched within the past 5 years account for 50% of turnover.

The third panelist, Damien Duhamel of Solidiance, focused on "demystifying innovation", by sharing what he referred to as the 10 rules of innovating:

1. Don't listen to customers, observe them.
Market research don't always get it right, it's better to know exactly what your customers are up to because they want tell you or your market researcher what they want.
2. Promote risk takers (and failure).
Reward failure with learning. Some great failures produce the best inventions.
3. Give employees room to think and breathe.
Don't eschew woolgathering. Timesheets should allow "wasting time innovating" entries.
4. Recruit beyond obvious circles.
Clash of ideas breeds innovation.
5. Don't wait for perfection.
A good idea implemented is better than a perfect idea in the making; and all ideas are not perfect at first.
6. Kill the red tape and kings of their domain.
A layered company hampers innovation. Silos and fiefdoms are the worst impediments to innovation.
7. Benchmarking doesn't work.
Setting yourself against another company won't land you the next best idea. If you have to benchmark, make it with a company that is outside your industry.
8. Incentives + wealth sharing.
Employees must be rewarded for being innovators.
9. Be disciplined. Innovators aren't just the creative bunch wearing pink hats and dancing away. They are disciplined workers who should deliver fast enough or perish.
10. There are no rules to innovate. Ignore all these. Make your own.

The last presenter, Olivier Horps, Asia Pacific Vice President at Club Med, shared how innovation saved their business. Short for Club Mediterranean, Club Med is a French luxury vacation resorts company which pioneered the "all-inclusive" resort concept.

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