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business

The future of work: There's something wrong with "remote working"

Why innovation is fast becoming the new corporate capital

Part 4 (3 minute read)

Corporate capital has long been regarded as a good measure of how well a business is run. Typically, corporate capital refers to the assets a business uses to finance what it does. It's often a mix of debt and equity. And investors refer to it for value judgements on things like financial health, management approach and operational efficiency.

Today, this traditional view of corporate capital seems too narrow. The world of work is changing irreversibly. Businesses must adapt. And to do so means bringing new ideas to the fore.

As a result, a new class of corporate 'capital' is emerging: innovation.

Innovation breathes life into existing products or it creates new ones. It disrupts existing markets or it creates new ones.

Future financial health. The longer-term quality of management. The on-going discovery of operational efficiencies. These are now also dependent on the approach to innovation within the business.

If not enough time is spent on working on new ideas, then:

- What does the future of the business look like?
- How will the business respond when new entrants disrupt the market?
- Why should the business expect to stay profitable in the future?

Once you're convinced that innovation holds a vital role in the future of your business there is one more crucial question to answer: "How can we spark new ideas and foster innovation?"



The importance of individuals

By encouraging creativity and free thinking, people will come up with novel solutions to problems and spot potential opportunities. But this is something that's been difficult for traditional businesses. With profitability often the watchword, businesses regularly ask people to fulfil roles that contribute to short-term productivity or efficiency goals. Job descriptions can seem to be just a menu of tasks. A typical week is often full of appointments, targets, metrics and reporting.

Digital-native businesses understand the importance of headspace for innovation. Especially in the early days. Take Google's '20% time' that gave employees a day a week to explore radical ideas. This fast-paced approach allowed individuals to follow through on pet projects. Some of these became major releases, like Gmail.

Today, Google's innovation strategy is more focused. This might be less of an issue for a

huge company that can afford to invest in ideas deemed worthwhile. However, it does undermine the company-wide culture of innovation that underpinned its early success.

If people are expected to meet productivity or efficiency metrics every day of the week then they will have little time to think. If people are paid according to how much time they put in then they will inevitably choose to work the hours expected. These twin approaches to working life mean people aim to hit set targets or find the quickest route to an end goal. There is no licence for critical thinking, to unravel problems or to find new ways of solving them.

The popularity of 'side hustles' shows how innovative and entrepreneurial people can be. With every kind of digital tool at our fingertips, it's easier than ever to put ideas into practice. The limiting factor is time.

Making more time for innovation

Industry expectations. Job descriptions. Employment contracts. They're all responsible for setting employee expectations for what should be done 'at work'. But if you're looking to free more time for people to think then the biggest time killer is surely admin.

In this context, admin means more than just filling in timesheets or collating reports. It also means unnecessary meetings. It means unnecessary travel to and from workplaces, customer sites or depots. In fact, for 'admin' read 'anything deemed an unnecessary waste of time'.

And why are these activities unnecessary (at least for humans)? Well, because new technology is automating them. AI personal assistants free people from menial, time-consuming tasks. Some of these can be as simple as ordering to-do lists or making (necessary) travel arrangements. Others can be more complex. Like sifting through large datasets to uncover insights or monitoring sales KPIs.

Automating tasks and managing workflows can unlock valuable employee time. These time savings

can be used to cut costs or add more items onto someone's to-do list. But they can be put to better use – affording people the headspace to be creative, generate ideas and contribute to innovation.

Major changes to the use of office space can finance this digital investment. Workplaces will not need to house so many desks. Central business districts with gleaming corporate towers could become collections of white label buildings. Former corporate headquarters could be hired by businesses that need to host events, workshops or celebrations. The inevitable cost savings of reducing office overheads can contribute to innovation streams.

Collaboration is often crucial to developing ideas. So working hubs could spread out from city centre locations to regional areas. These spaces would be equipped with state-of-the-art collaboration technology. They would have rooms or desks available by the hour. And they would be available whenever people needed them – not just from nine to five.



Finding the innovators

Not everyone will come up with a great idea. One that transforms the business. Yet innovation can come from anywhere. A forklift driver in a warehouse may have a genius idea about how to revolutionise operations. A shop assistant might spot a market opportunity that no one else has.

Identifying the 'right people' can be difficult. Even tried and tested psychological indicators such as Myers-Briggs can't guarantee someone will be innovative. However, the rapid adoption of working from home in 2020 shows that businesses do not have to be restricted by geography. Traditionally, corporate HQ or branch sites were the places where people gathered to work. Some would live very close by. Others would need to commute in. But proximity would limit the pool of talent available.

Now imagine if you could draw on people from all over the country. Or retain those people who are proven creative thinkers but want to move out of the city or town where you've always been based.

Flexible working practices would allow you to attract and retain these innovative thinkers. They would also enable your business to embrace the gig economy. So you could call on the right experts at the right time without the same overheads for full-time employees. If you are pivoting to becoming a data-oriented organisation, you might need AI and Machine Learning expertise. Instead of a single full-time employee, you might choose to pay for a collection of different freelancers. Each with his or her own creative process, ideas and route to innovation. Another approach would be to keep the innovation process in-house but then outsource the production tasks to reduce costs.



The impact of innovation

There are macro factors that influence organisations' capacity for innovation. With fewer people tied to their desks, city centre living could change. New apartments may spring up with dedicated workspaces included so people can work from home properly. Such core lifestyle changes will allow people more time to think.

However, the critical element remains corporate attitudes. Freedom to innovate often means busting through corporate processes and hierarchies. Hybrid workforces that combine teams of all ages and skillsets may solve problems faster. Reducing friction between teams of people and the technology available to them could produce outcomes that individuals alone might not have achieved alone. Balancing the skills of

all generations could be vital. The collaboration between natural-born communicators and technologically-savvy innovators could speed up development.

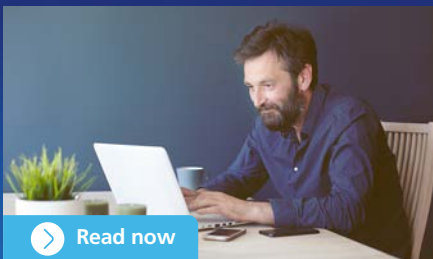
There is still plenty more to understand about stimulating innovation. And there is no one-size-fits-all approach for every business. Yet one thing is clear. Freeing up more time to think allows people to become the source of future profitability.

Still, innovation as corporate capital is not just about hard numbers and financial value. It's also about the softer (but no less important) measures of what makes an organisation tick. It's about new levels of job satisfaction. New organisational values. And new sources of sustainability.

Some key questions

- What kind of hybrid workforce – comprised of different generations, skills sets and tech – could spark innovation in your business?
- Will embracing the gig economy really free up more time for employees or will it create brands with next to no employees?
- What policies and technologies will you need to attract and retain individuals as opposed to people who fit specific job criteria?

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