

# Creating insanely great experiences

S'pore is one of the most innovative countries, but its potential for innovativeness needs to be further harnessed

By THOMAS MENKHOFF

IN 2010, communications expert Carmine Gallo published a book titled *The Innovation Secrets of Steve Jobs*, summarising the core principles of the business thinking of Mr Jobs, who was the co-founder and CEO of Apple, and what others can learn from this great innovator. One (common-sense) principle put forward by Mr Gallo is "Create Insanely Great Experiences".

Apple managed to do that in different ways, including the "cool" design of its stores where customers are served by product experts rather than insufficiently trained service staff with poor attitudes. Comparing the Apple way with service standards in Asia, one may argue that we still have a long way to go before we can claim to be experts in enriching the lives of customers innovatively.

Much has been written about the enablers of innovation which refers to the implementation of a new or significantly improved service, product or business processes that exceed customers' needs at an affordable price. Two key enablers include the ability to mitigate crucial pain points of customers and to ensure that they experience pleasure.

Everyday pain points such as having to deal with cramped space situations at home when trying to dry a load of washed clothing or long queues in banks or at taxi stands indicate that Mr Jobs' common-sense principle of "creating insanely great experiences" is not commonly practised here despite the fact that Singapore is among the top three most innovative countries on planet Earth according to Insead's Global Innovation Index 2012.

One possible reason for this short-





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coming is the lack of conceptual understanding of both the principles and action steps of effective innovation management in business, entrepreneurship, creative arts, construction or social enterprises.

While innovation processes are seldom linear, four inter-related phases or main activities of the innovation value chain can be differentiated:

- ◆ Strategic Idea and Concept Development is characterised by searching for the strategic intent and value-added innovation needs triggered by the constantly changing ecosystem in which the organisation is embedded.

Once there is clarity about the overall strategic direction of the innovation efforts, the stage of idea generation or ideation management kicks in to systematically gather, share, analyse and execute on innovative ideas generated within the organisation and its collaborative networks.

**'Common-sense' principle:** *Apple managed to 'create insanely great experiences' in different ways, including the 'cool' design of its stores where customers are served by product experts rather than insufficiently trained service staff with poor attitudes.* PHOTO: REUTERS

- ◆ After ideas have been ranked, conceptualised and their feasibility assessed, they need to be turned into viable business models and aligned with the business models of partners. We refer to this second idea conversion phase as Development of Innovative Products, Services, Processes & Business Cases.

- ◆ Main objective of the third phase is the successful implementation of the innovation. This includes prototype production, testing and validation, production, finance, market launch, roll-out management, sales management etc. Innovation experts categorise this stage as Market Launch and Successful Commercialisation.

- ◆ The "final" phase (Managing Risk, Sustainable Growth and Value Extrac-

tion) puts emphasis on the business acceleration aspect of innovation management, sustainable growth and continuous value extraction.

While there are numerous innovative organisations here which have mastered the management of the innovation value chain such as Singapore Airlines, Qian Hu or the Singapore Armed Forces, there is no doubt that Singapore's potential for innovativeness needs to be further harnessed if one considers the hundreds of small and medium-sized enterprises (SMEs) which do not make use of official enterprise development schemes.

One reason is arguably the difficulty in practising what is common-sense elsewhere, namely the system-

atic integration of stakeholders into innovation planning activities. This so-called open-innovation approach does not only characterise the innovation frameworks of big multinational companies such as US giant IBM or Germany's skin-care leader Beiersdorf; it is also a key competitive differentiator for SMEs operating in volatile business environments whether in manufacturing or services.

A fine example from the world of finance is Fidor Bank (<https://www.fidor.de/>), a truly innovative German social banking enterprise which leverages Web 2.0. Customers sign on to through Facebook Connect, can see all of their accounts on one page and are able to influence the bank's interest rate on savings by the number of Likes on their Facebook page. Crowd

sourcing is also integrated into the bank's business model.

It proactively leverages its user-community to enable peer-to-peer support, sharing of experiences and cooperation in order to tackle all sorts of financial issues. "Real" innovators such as Fidor's CEO Matthias Kroener do challenge the status quo through their queries, constantly observe the ecosystem in which they operate (customers, services, products, technologies, firms) to generate ideas for new ways of doing things (and easing pain!), network with a very diverse group of people to get feedback for ideas, constantly pilot new ideas and frequently visit new places to get inspired.

While it takes time to master transformational business model innova-

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tion processes, rapid change “out there” suggests that a change in mindset is imperative. A “wait and see” attitude will do more harm than good as the failures of Rollei Singapore, Kodak, Sony, Borders etc, have shown.

While denial and ignorance will persist, the good news is that more and more enterprise development agencies and tertiary education institutions are rolling out support schemes and competency development programmes in order to enhance innovation management capabilities in business and society.

An example is SMU’s recently launched (12 months) Master of Science in Innovation (MI) Programme aimed at enabling graduates to:

- ◆ think beyond current paradigms in order to discover innovation needs and to envision impact through strategic idea and concept development;
- ◆ turn innovation concepts into tangible new products, services, processes and businesses;
- ◆ manage commercialisation challenges and market launch with confidence; and
- ◆ know how to accelerate growth and create sustainable value through appropriate business development, risk management, financing and value extraction strategies.

In combination with Spring’s Business Excellence Niche Standard (Innovation), which features an “Innovation Scorecard for Business Excellence (I-Score)”, and other schemes rolled out by Singapore’s Workforce Development Agency, such programmes provide a great launch platform for innovators eager to “create insanely great experiences” for customers and to avoid disruption by competitors.

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