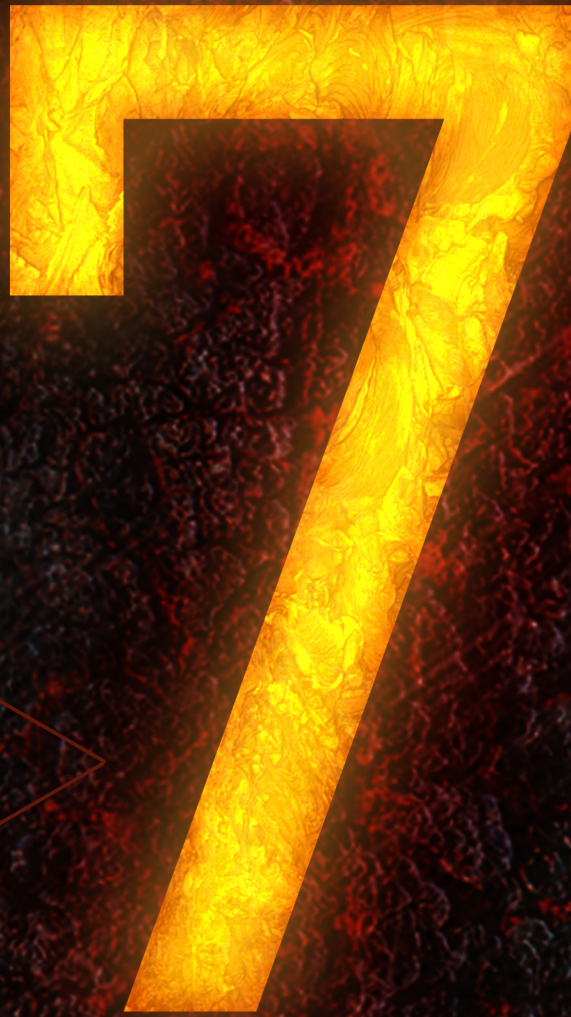


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# DEADLY SINS OF INNOVATION AND HOW TO AVOID THEM

HELPING TRAVEL & TOURISM BUSINESSES  
SOLVE THE INNOVATION PUZZLE


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# Executive Summary



**“Never before in history has innovation offered promise of so much to so many in so short a time.”**

**Bill Gates**

The travel and tourism industry is one of the few industries that bears the impact from many different forces, whether mother nature, economic fluctuations, evolving consumer preferences or indeed the increasingly rivalry from competitors locally vs globally including the arrival of new disruptors, who are mostly coming from outside of the industry. This being the case, players in the industry have had to become tough and resilient and one of the weapons in their arsenal is innovation. That is of course, if they have a plan, take time to invest, work with the best people and efficiently roll out new products and services that are in-demand. All those competing in the travel arena should be seriously thinking about what changes need to be made to their business model to cope with the imminent changes happening in all corners of the world: increase in number of travellers, integration of more sophisticated technologies not to mention the omnipresence of mobile usage.

A key priority and ongoing focus for those already playing in the industry and for those thinking about joining, is that of the customer. It has been said before that ‘Customer is King’ and this mantra still applies but we are now in an era where their relationship with brands and role within the conversation puts them very much in the driving seat. At the heart of any consumer-centric organisation there needs to be a well-oiled innovation machine that, at the very least, will ensure the existing products and services are adapted accordingly in response to global trends. But in an ideal world, innovation is paramount to future success as it will help drive growth, customer segment strategies as well as the creation of new ideas.

This paper will outline some of the key trends, latest developments that are happening in and outside of the industry and uses a couple of analogies to help bring to life the key messages – innovation is challenging, constantly changing, where many (subtle) inter-connections exist and most importantly is full of obstacles, holes and traps that any unsuspecting brand can find themselves in. Much like the Rubik’s Cube puzzle from the 80s, innovation shares a number of similar traits. They are both incredibly challenging, both have endless possibilities or permutations, both require great skill and strategic thinking for every single move and both seem to go on and on and never end. The second analogy is that of the deadly sins and in no way, is this paper trying to make any serious religious point. In truth, it is a powerful way to bring to life important lessons about the

treacherous path of innovation. The paper goes into detail explaining each of the 'sins' and how this relates to innovation overall and then gives specific examples of the many traps that exist therein. For example, Lust is the sin most closely related to the customer, in that most organisations do lust after their customers and the most common ways brands trip up in this area is by not listening to them consistently, not even having a 2-way dialogue with them and probably the guiltiest part is using innovation to create new ideas that are void of any consumer insight and so bring no value to the customer when launched.

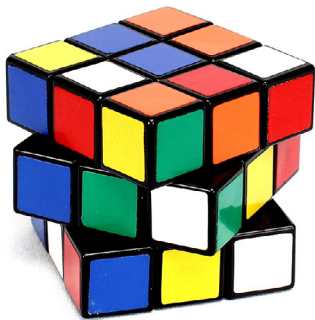
While not an exhaustive list of how-to's, towards the end of the paper we have provided a snippet of quick-fix ideas that can help any organisation get the best out of their innovation efforts. Whether that be related to cultivating the right culture, one which is open and brave, or it might be that you need help more with the logistics of being an innovative company so what are the best practice policies around processes and resources, but like most, it is probably the area of customer-focus that any help would be most welcomed and that usually comes in the form of simple 2-way communication, good listening and importantly lots of observation.

We are in an incredibly challenging time but equally there is so many exciting opportunities and untapped 'space' ready and waiting for those brave enough to think differently, stick their neck out and dive in. None of this can be done without a strategic plan and it certainly cannot be done without a solid foundation of innovative thinking.

# Setting the Scene

**“There is no substitute for innovation. Original ideas will always rise to the top.”**

**Richard Branson**



## Lessons from a Rubik's Cube

Just take a moment to think about the last time you were given a Rubik's Cube and asked to try and solve this quadratic puzzle. Like most people, it was probably an enduring task, frustrating, exciting and never seemed to end. If you give it more thought, perhaps there are more commonalities between the Rubik's Cube and innovation.

- **Both require focus:** unless you are some kind of genius, in order to even attempt to get close to solving the Rubik's Cube, you need to find a quiet corner and really concentrate. It is not easy. Just like with innovation, nobody said it was easy and if you want any amount of success from your endeavours, you need to take time, focus and apply genuine grit and determination.
- **Both have infinite possibilities:** there are so many permutations when trying to solve the Rubik's puzzle, the key is to keep turning and always have your eye on each side of the cube as you make every move. In the same way, we need to see innovation as an entire structure that constantly has different moving parts that are all inter-related. With every decision relating to any innovation, there will always be consequences – the best we can do is plan for those within our control and be prepared for those out of our control.
- **Both need ongoing 'moves':** attempting to align anything needs a sequence of moves. When thinking about innovation, in order to make any progress you need to successfully create a degree of alignment whether that be with internal stakeholders or partners external to the business. The key point is to ensure you are checking in before any move takes place, so you are fully aware of the consequences.
- **Both feel never-ending:** to the average person, they could sit for hours or even days trying to figure out how to crack the Rubik's Cube and innovation is not too dissimilar. What is exciting about innovation is that the challenges are always there and new ones always coming – the innovation puzzle will never truly be solved and there will always be something to do. The key is to be prepared for all the changes that pop up when you least expect it, and being able to keep turning to find a new temporary alignment

## Innovation Matters

Aside from innovation being critical for businesses today in order for them to grow and remain competitive, taking a broader view, innovation is also incredibly important on a more economic and social level: creation of more jobs, ability to offer pay increases, potential to provide stronger international trading negotiations and to put the foundations in place for a brighter future for generations to come. Beyond this, there is well documented evidence that innovation is also important from a consumer point of view. There may have been a time a few years ago when interest in anything new and different had waned, but the tides have turned and today, consumers have a strong desire for all things innovative – but that does not mean they'll embrace everything; more than ever they have quite the wish-list and mediocrity is not part of their vocabulary.

Some reports go as far to say that people are willing to spend more on innovative products and for those brands that appear innovative, this has a halo effect on their perceptions of the company overall. There are even suggestions that consumers now expect brands to be innovative in order to stay relevant and continue to offer some kind of competitive advantage to consumers. It is fairly common knowledge now that brands such as Nokia, Kodak and Blockbusters are examples of brands that suffered the consequences of not having a well-oiled innovation machine.

## To Sin or Not to Sin

The last decade or so has seen the arrival of many great innovations and the fall of yet more. Taking a step back and reviewing each of these cases, reveals a number of common issues. This paper looks at some of the more recurring mistakes through the lens of the seven deadly sins, for which the parallels act as a helpful reminder. No matter how great your brand is or how solid your business strategy, or you may even have one of the leading innovation gurus by your side, the following sins have the potential to get in the way of your innovation efforts, or worse, completely squash them.

The question is, which of these seven sins are you more or less guilty of? What is your weakness, when and where have you strayed from the 'right' path? Are you guilty of **lust**, that overpowering desire you have for customers? Or would **sloth** be more suited to you and your approach to innovative practices? Or maybe it is **wrath** that has you all tied up since you belong to the finger-pointing-brigade when things don't go your way. There is a good chance any jury would find you shamefully guilty of **pride** as ego is virtually a given when it comes to creating new ideas.

Well no matter where your guilt lies, possibly across all seven sins, this paper is here to help and provide much needed hope in the form of simple yet critical 'sin-dissolving' actions that will relieve you of the nightmares so that any future innovation you embark on will be accompanied by a flock of harp-playing angels.

# Industry State of Play

**“With digital transformation, the consumer, rather than the technology, is in the driver’s seat.”**

**Forbes**

Nobody can deny that the travel and tourism industry is undergoing seismic changes and the pressure is coming from all directions, but one thing is for sure and that is the control and power the consumer now bestows. Due to the proliferation of new technologies and the impact the Shared Economy continues to have, consumers demand more flexibility, control and choice than ever before – not forgetting their expectations are now at their peak. All around the world, the ever-changing and complex travel markets continue to surprise and delight, bringing more choice across all kinds of different companies, resulting in immense consumer engagement and a universal appetite for travel. As exciting as it sounds, this intensity brings with it many challenges and we are certainly seeing who in the industry is responding and of those, who are seemingly winning. Airlines are using social media to reach out to passengers while hotels are taking advantage of the rise of digital to enhance guests' experience and we are even seeing the more recent developments in AI and VR being

utilised out at sea. What is at the heart of all of this is change and the only way to create change is to embrace innovation.

We have seen a fair amount of consolidation in recent times particularly in the hotel space (Marriott, AccorHotels to name but a few). As the industry evolves and we start to see large, dominant players emerge, this brings with it endless amounts of new ideas, all promising to improve what and how we experience the world when we travel. Much of the change we are seeing can directly be linked back to trends that have been surfacing over the last 12-18 months – while these change from year to year, there are a number of megatrends that stand the test of time and will continue to have an impact across all our lives.

## Mega Trends at Play

No matter what industry you operate in, there are some trends which have a certain degree of universality about them, and with that comes the potential to have great influence. Not an exhaustive list, the following global trends are some of the more pertinent ones that relate closely to the travel sector:

- **Millennial mania:** it seems all eyes are on this demographic not least because of their sheer size but also due to their carefree attitude, lust for life and digital lifestyle
- **Blurring lines:** as we become even more integrated and reliant on technology it is hard to see where one part of our lives starts and the other finishes e.g. work and play

- **Grey matters:** baby boomers continue to be a force to be reckoned with and slowly brands are finally engaging with them in the way they want
- **Real experiential:** more and more people crave authenticity and want their relationship with brands to be as experiential as possible
- **Mass tech:** there's no escaping the extent to which technology is pervading our lives and becoming second nature, included in almost everything we do on a daily basis
- **Meaningful meandering:** as people evolve and start asking big philosophical questions so too does their desire to create authenticity in all aspects of their lives

## New Ideas in Travel & Tourism

Innovation is an integral component of any industry, not just because of the incredibly new and exciting products and services that continue to emerge, but also without such growth there would be less jobs, smaller pay increases, fewer community services and generally a less stable economy combined with a weaker trading position. We know that the travel and tourism sector is an important part of many economies, especially Australia's, and the role that innovation plays clearly demonstrates the diverse growth opportunities that are available. Some of the more inspiring innovations that have emerged from an ongoing technological revolution centre around making travel more affordable, simplifying processes, providing greater efficiencies not to mention making the whole sector far more customer-focused, all of which has been achieved by a persistent commitment to innovation. Here are just a handful of examples:

- **Bag tracking:** we are seeing a rise in 'smart' luggage such as the McCarran T3 in Vegas' main airport which uses radio frequency to chip and track suitcases

- **Luggage accessories:** Case-2-Fit developed an interactive app that enables you to check whether the dimensions of your cabin case will fit on a designated airline
- **Always on:** it is becoming more and more common to be able to use wifi wherever you are when travelling and power sockets mean you no longer arrive with a dead phone
- **App mania:** there seems to be an app for virtually everything now, mostly to help streamline processes but also to provide travel information, such as Rome2Rio
- **Helpful holograms:** virtual flight assistants created by Tensator, have started to emerge in some airports, designed to help passengers with schedules, security, directions, etc.
- **Mi casa su casa:** the shared economy continues to expand but when it comes to accommodation it's not just about AirBnB, there are a slew of other options available (e.g. Couchsurfing, Feastly, Knok, Vayable or Wimdu)
- **Travel easy:** you hardly need to speak to anyone now when travelling since everything is done online, through your mobile or app, seamlessly and practically paperless

All that aside, it would be virtually impossible to find one person that has never had to complain about their experience while travelling. Does this therefore mean, that there is more work to be done? Of course there are factors outside of any industry's control but it does not seem unreasonable to assume that there is room for [innovation] improvement. And this is where innovation comes in and takes centre stage, but just how well equipped are organisations today to really deliver?



# 7 Deadly Sins of Innovation

“Never innovate to compete, innovate to change the rules of the game.”

David O Adeife

No matter what line of business you are in, where you are located in the world or even how long you have been trading, we have seen over time that companies are having similar experiences whether that be getting caught behaving badly or falling into similar [innovation] traps. Sadly, there is no magic pill or secret 'how-to' book to save you from such situations, but there are lessons to be learned from innovators throughout history. Since most are aware of just how important innovation is and yet at the same time appreciate how challenging it can be, the seven deadly sins will be used metaphorically in this section to bring each of the common mistakes to life – also included is an example case study of a successful brand and a short survey to help you understand how much of a sinner you are. Hopefully, by sharing these stories and lessons from the mistakes others have made, you will be able to go away and create mind-blowing innovations in the future, free of sin.

## 1. WRATH



CULTURE NOT CONDUCTIVE TO (BEST) INNOVATIVE PRACTICES

Most people in the corporate world understand that organisational culture is a key driver of transformation and business performance as well as the day-to-day happiness and wellbeing of employees, and yet many in senior management positions find hard to define, crack or change culture. The level of interaction between teams as well as the degree to which their communication is perceived as effective, will undoubtedly contribute to how staff feel and perform at work. More than ever, organisations need to be clear about who they are and what they stand for – many would go as far to say culture is the most important factor when determining innovation success. Without the right environment to create and nurture ideas, businesses today are putting future success on the line if culture is not given centre stage. There are different layers to culture and the following are examples of common 'sins' that relate to **Wrath**:

- **Business defined with a narrow lens:** not only does this limit growth potential but also adds unnecessary constraints at times when either the market or consumer is undergoing change, management mentality is very much 'this is the way we've always done it'
- **Innovation initiatives occur on ad-hoc basis:** innovation is not something that can be flicked on and off, it needs to flow through the organisation naturally with ease and it should be made clear that everyone has a role to play
- **Underlying fear of failure across the business:** many of the greatest innovators advocated failing as part of everyday life and some, like Elon Musk, go as far to say if there are no signs of failure then the company is not innovating

In 2016, Virgin Holidays' pulled off the unthinkable with their 'Seize the Holiday' campaign which broke all the records and beat off 15 other brands competing for Marketing Week's coveted 'campaign of the year' award. The scale of this achievement was no fluke but it did require a very brave Virgin team to put themselves out there - one employee stating 'It was scary but the good thing is when you work for Virgin you're encouraged to take risks and disrupt the industry. There are very few places you get such a level of buy-in across the board to take such big risks.'



AFTER EACH OF THE 7 SECTIONS YOU WILL BE ASKED TO THINK ABOUT WHICH DESCRIPTION MOST ACCURATELY SOUNDS LIKE YOU AND YOUR RELATIONSHIP WITH INNOVATION EITHER PERSONALLY OR WITHIN THE ORGANISATION YOU WORK. THEN AT THE END YOU CAN ADD UP YOUR SCORES AND SEE WHAT KIND OF AN INNOVATOR YOU/YOUR COMPANY IS.

## THINKING ABOUT CULTURE, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

*Please circle your answer*

- A** We have a conventional way of doing things, ingrained routines, people's mindsets might be a little old fashioned but it's how things get done so why change.
- B** It feels like we are a little divided, those at the top are much more old school and take very few risks, just focus on meeting targets, whereas the rest want to stretch ourselves and look to the future.
- C** Our culture encourages people to think differently and work freely; it's a place where you can go out on a limb knowing you're supported throughout the good and bad times.



## 2. ENVY

### MINDSET FULL OF COUNTER-PRODUCTIVE BELIEFS

Closely related to company culture, is the whole minefield that relates to past and present beliefs, attitudes and mentality which has a significant influence on how innovation lives and breathes within a business. There are two distinct aspects to this: the first are those beliefs that are more internal and centre around how the business is run, whereas the second aspect is about the assumptions customers make which then feeds into the organisation and becomes reality. They can be incredibly destructive if not exhausting to deal with and are typically highly emotional and personal. Below are just some of the more damaging **Envy** sins:

- **Naïve and playing it safe:** the motivation behind this could be confidence or arrogance but amounts to the same belief: the current business performance and financial result does not warrant any change or anything new that nothing new is developed to avoid the risk of any cannibalisation
- **Managers in the wrong roles:** far too many employees are put in positions of authority (leading innovation projects) that neither have the skill nor experience to be able to think creatively and make decisions about potential innovation ideas
- **Faith and over-reliance in the system:** many believe that just because their organisation has invested in an innovation program and they have followed all the procedures, that this is a guarantee their efforts will be rewarded

Much to the surprise of many, Ryanair was quoted recently as having invested significantly in digital so they can better serve their 120 million customer-base, paying particular attention to the app's functionality. After much perseverance, their strategy to go against the grain and offer customers what they believed was in demand, paid off. At its peak, mobile traffic results smashed all previous highs – and so, from nowhere, Ryanair became the number one airline app in Europe over Christmas last year, which means they have a great launchpad to think about innovation in other products.



## THINKING ABOUT BELIEFS, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

- A** It is better to milk the cash cow now from the existing portfolio than take a risk on a potential new idea that's not been done before.
- B** I think we're ok in this area, if anything, the most frustrating issue is that everyone assumes they know the customer but it's been such a long time since anyone checked in with them.
- C** We have a few 'memorabilia' from our past which relates to how about we work but most of our DNA was crafted collectively with all staff.



### 3. SLOTH

## HAPHAZARD IMPLEMENTATION OF INNOVATION APPROACHES

Most people are familiar with the Horizon 3 framework that accepts the need to address the challenges that occur in the first horizon at the same time as tending to the seedlings of the third, while all the time simultaneously focusing on resources to manage the transitions from one to another. What makes the model valuable to innovators is that it 'accepts' that competition is restless, markets are evolving and that change is a constant. The three horizons approach provides a model that teams can use for constructing plausible and coherent innovation activities 5, 10 or even 15 years out. This area is closely related to **Sloth**, and below are prime examples which demonstrate how companies and management teams either become lazy, forgetful or remiss when it comes to structure for their innovation initiatives:

- **Stuck in self-centric mode:** even today, there are still many organisations that honestly believe they are going to win the race solo, and have a strong view that there is no need to bring anyone into the business from the outside
- **Inability to focus on the long and short term:** as is well documented in the book, Innovator's Dilemma by Clayton Christensen, it requires great skill and judgement to be able to juggle business needs both on the immediate horizon and on H2 and H3

- **Absence of 'tension' and divergent thinking:** while senior managers may believe they are doing everything right by creating inter-departmental SWAT teams, there is still a lack of diverse thinking that occurs during the innovation process

Princess Cruises is a leader in worldwide cruising and offers trips that range from 3 to 100+ days. They have adopted an Open Innovation approach with the help from their staff, which is over 4,000 strong. Like many organisations, the benefit to Princess Cruises is that it allows them to gather thousands of new ideas to help with anything related to brand, product, service or overall experience – and it means their employees get to have their voice heard, feel validated and overwhelmingly feel part of the evolution of the brand.





## 4. LUST

### CUSTOMER NOT AT THE HEART OF DECISION MAKING

THINKING ABOUT INNOVATION **APPROACHES**, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

**A** So long as we hit our numbers each quarter and the big boss at our head office is happy, then that works out just fine for me.

**B** I think we do a good job working with the H3 framework but sometimes we do go 'off plan' and very rarely do we integrate any external perspective into our plans.

**C** After careful consideration, we use a few innovation models across different parts of the business, depending on the specific need at hand.

Without a doubt, consumers today are very much in the driving seat, and most smart organisations accept this and work with it rather than against it, or worse simply ignore it. There is an increasing trend of co-creation with consumers, but not everyone is convinced they should be involved at the start, middle and end of the innovation process. The jury is out, but most would agree that the customer needs to have a greater presence in the boardroom, both physically and metaphorically. That said, it is essential for brand owners to realise that co-creation and/or collaboration on innovation projects must involve experts from outside of their world and beyond fans. It is only by exposing ideas to a different universe, that you can even contemplate seriously growing the business, although the danger is to Lust after too many different target potentials – below are some of the reoccurring sins we see:

- **Voice of the consumer heard inconsistently:** it's incredible to believe that large, established organisations still operate with little empathy or understanding of their target's needs, frustrations or desires where decisions are made based on outdated customer data
- **Little evidence of authentic two-way dialogue:** in order to stay ahead in today's highly competitive markets, businesses need to ensure they have a regular open dialogue with their customers and make them feel part of the brand's evolution
- **Anecdotal or gut-feel based innovation:** possibly one of the most damaging sins occurs when brand teams get together and dream up a new product themselves without having even a single conversation with the customer



## 5. GREED

### ABUNDANCE OF UNPRODUCTIVE PROCESSES AND PROCEDURES

With respect, there are many organisations that go out of their way to provide their employees with the necessary systems and protocols (lots of paperwork for some) to do their job to the best of their ability. Sadly, this area can be one of the most deflating sins when it comes to innovation. On the one hand your guilt may be related to **Greed** i.e. responsible for creating red tape and a stifling place of work vs the other extreme where there is virtually no structure and just chaos. The following are examples of how this sin appears in the workplace:

- **Paralysis of decision making due to layers of bureaucracy:** far too many layers of managers within the business that get involved in projects whether it be for approval or simply to provide status updates – the net result being a mountain of paperwork
- **Pre-occupation with data, research and perfecting forms:** companies may often spend more time planning and making adjustments to ideas in the pipeline, so much so, by the time it is ready for launch, another company has already delivered their version to the market
- **No formalised system to capture or share ideas:** all great innovators would agree that it does not matter where you sit in the organisation, everybody is capable of putting great ideas forward, yet an alarming majority of businesses today have no structure in place to accommodate this

Virgin America created a mobile-first strategy for the launch of their new app – with an intuitive design, bespoke animations and curated Spotify playlists for each destination, the app also featured a personalised 60-second booking process based on the user’s previous travel history. VP of Marketing Abby Lunardini wanted to innovate the journey part and make it as transformative as the travel itself. The net result is a beautifully designed app which acts like a concierge for our customers during their trip, whilst also provides a quick and seamless booking experience.



THINKING ABOUT CUSTOMERS, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

- A** We have a bi-annual online tracking study which provides a lot of data about customer attitudes, perceptions, usage and behaviours.
- B** There is a vault of data we have access to and mostly we are able to respond in a relatively timely manner should there be any significant changes in market.
- C** Many different kinds of data streamlined and disseminated regularly but key for us is hosting consumer forums every quarter with key stakeholders and even partners.

Royal Caribbean is a great example of a company that brings together highly skilled, passionate and diverse teams. They are known for designing and constructing some of the world's biggest cruise ships and behind the scenes at their Miami Innovation Lab is where the magic happens. Inside you'll see teams of designers, architects, builders and senior management coming together to create the most innovative vessels on the water, working seamlessly across time zones and disciplines with the same mission: to build ships that others only dream about.



**C** Our open and flat structure allows ideas to flow regularly and we have the whole innovation project flow down to 1 page but it does not come out until 100% agreed to move forward.



## 6. GLUTTONY

RESOURCES THAT PROVIDE LITTLE INSPIRATION OR SUPPORT

THINKING ABOUT **PROCESSES**, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

**A** We have a very thorough system in place for all our innovation projects which involves at least 3 different types of status sheets and it could be a year by the time anyone senior signs it off.

**B** Currently going through a challenging stage where the business is becoming much more digital and mobile focused so that our processes are becoming quicker and less painful.

Regardless of how large a company is, or how big its revenue, it is down to the senior management to equip their employees with the necessary tools and materials so that they can optimally achieve what they set out to do. Fortunately, there is no right or wrong solution when it comes to resources, but companies do need to use their logic and avoid starving them of inspiration, or worse overwhelming them with options.

Companies who seem to get it right and by virtue create breakthrough ideas, clearly think outside the box and typically implement a healthy mix of support aids that covers internal vs external inputs, individual vs group activities and in vs out of scope contextual stimuli. Unsurprisingly, the debate around resources fits well with the sin of **Gluttony**, as can be seen with these outcomes:

- **Attracted to and distracted by resource materials:** regardless of the size of the company or amount of available funds, there are just some leadership teams who would rather purchase everything but the kitchen sink, so as to ensure staff have all the latest resources with which to innovate
- **Outdated perception of the role of technology:** more recently we have moved away from the technology being the innovation and the hero, to a time when technology is simply the conduit to great ideas and often cannot be seen or is not spoken of
- **Missed opportunities for collaboration:** if a company invests a lot in the tangible resource materials such as technology, a library, guest speakers, trend reports, forecast tools etc., then they typically avoid participating in any additional collaboration with external parties

**Marriott used the power of consumer generated content with storytelling recently when it had just acquired Starwood. It was a big deal for the hotel brand and there were a lot of nerves as to whether it was going to deliver. "Travel lends itself to storytelling and we think our members are really great storytellers to collaborate with," says Marriott International global marketing officer Karin Timpone. All brands can learn from this and start to really think about how digital innovation and utilising all available resources can have a positive impact on brand.**

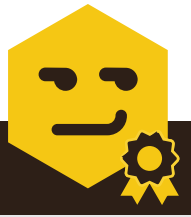


## THINKING ABOUT RESOURCES, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

- A** We mostly get on with things rather than waste time with bells and whistles – oh and once a year we have an inspirational guest speaker who comes and talks about themselves for a few hours.
- B** While I love the Idea Igloos that we had custom-made, it feels like we've either run out of money or don't know what to do now we have bespoke zones to think and be innovative.
- C** I believe we have a good mix of internal and external contributors that work alongside the core innovation team which includes regular 'mystery safaris' out in the real world.



## 7. PRIDE



### INNOVATION FOR THE SAKE OF INNOVATION

Many organisations fall into the habit of churning out 'new ideas' which the customer has never asked for, but they feel they need to get something out the door each year – some, because they fear losing their budgets and others simply because they like the idea of entering into an international competition. It is almost forgivable for the few who innovate for the sake of just keeping up with their nearest rival, but this still goes against all the 'rules' of innovation. A successful innovation will require much work to be done upfront, during production and equally when preparing for launch. To reach this point, the idea should have gone through rigorous testing and editing, but so long as the upfront consumer insight work was thorough, then there should be no reason why the idea won't be a big success. It is not difficult to connect these actions to ego and the sin of **Pride**, as demonstrated by these additional behaviours:

- **Inability to connect the dots across multiple data points:** it is no secret that truly great innovators are different or at least they certainly think differently; businesses today often have the wrong people in the wrong roles resulting in potentially amazing opportunities being missed
- **A noticeable element of 'human touch' missing:** it is not unheard of to see (on the surface) great ideas emerge but on closer inspection it is clear that the creators have stayed in the same lane and only thought about pure functionality – little emotion or human thinking has gone into the idea
- **Pointless products or ones that do not offer any value:** possibly one of the most damaging sins occurs when brand teams get together and dream up a new product themselves without having even a single conversation with the customer

The recent arrival of Trips from Google provides a great example of a brand that is well able to connect all the dots, create something useful with the consumer in mind and deliver it with a human touch in mind. This space is becoming incredibly over-crowded so Google needed to do something extraordinary – and the beauty of Google is that it continually makes improvements following consumer feedback to ensure they are making progress. Google expects machine learning and AI to be an important focus for travel this year, during which time you can book travel via Google Assistant.

## THINKING ABOUT YOUR **DELIVERY**, WHICH ONE OF THE FOLLOWING STATEMENTS BEST APPLIES TO YOU?

**A** Every year we have a certain amount of budget that we can use on ad-hoc projects which usually goes towards some random idea that never goes into production.

**B** Our internal managers will lead different groups to come up with ideas, which are then shared with our leadership team and the winning pitch gets backed by a sponsor to implement.

**C** All innovation initiatives start with solving an issue, goes through quick fire testing and prototyping so the only thing holding us back is the speed at which we can get it out the door.

So how many sins do you think you committed last week? Last month? It is highly likely that some, if not many of them will be familiar to you, but don't worry, you are not alone. It is not about trying to 'be perfect' and never sin again, but it is about being aware of the traps (some more obvious than others), and going about your innovation activities with an open mind and a strong will to innovate to the best of your ability. If at the heart of our thinking, is the core goal of creating something the customer has not experienced before that adds value to their life, then the rest is (virtually) plain sailing.

# Innovation Survey

**“The only source of profit, the only reason to invest in companies in the future is their ability to innovate and their ability to differentiate.”**

**Jeffrey Immelt**

Hopefully you are feeling pretty pumped after reading about all those impressive examples of companies really taking off with their innovation efforts. Or are you feeling disheartened or worried or worse, embarrassed? Not to worry, now is the time to stop and reflect on where you are at with innovation and complete this short survey. All you need to do is compile and circle your answers for each of the 7 sections in the below table.

YOUR SURVEY ANSWERS			
1. Wrath	A	B	C
2. Envy	A	B	C
3. Sloth	A	B	C
4. Lust	A	B	C
5. Greed	A	B	C
6. Gluttony	A	B	C
7. Pride	A	B	C

Below is an approximate guide to the kind of innovator you are based on your responses. So, how did you go? Take 5 mins to think about how you did.

## **MOSTLY A's: Inferior Innovator**

Ouch, you're a bit of a let down! It seems you don't really care about innovation and your apathy has a habit of negatively impacting your colleagues. You contribute very little, make poor choices and your behaviour is not conducive to a thriving innovative environment. Are you sure you're in the right job?

## **MOSTLY B's: Intermediate Innovator**

Good effort, you're an asset to the team! While you are not at the top of the league, you get bonus points for trying. Great that you are utilising different mechanisms to help drive innovation, but remember innovation does not happen in isolation. Maybe ask your boss for some additional support?

## **MOSTLY C's: Impresario Innovator**

Congrats, you're one of the best! You should be very pleased and pat yourself on the back; your thinking compliments your actions. Awesome that you're using a range of models. Have you thought about a bigger innovation role?

# Survival Kit

**“The best innovation comes from inclusive work environments that foster ideas, nurture people with diverse talent and create strong relationships with diverse communities.”**

**Mark Parker**

This quote from the current CEO of Nike perfectly sums up some of the key ingredients required to create compelling innovative ideas. “Starting with a strong foundation of inclusivity and the commitment to nurturing; add to that a group of talented individuals with all kinds of interesting skills and perspectives who genuinely care about what they do; then take all of that and go out into the world and find more smart, emphatic people who again come from all walks of life, and collaborate until you run out of ideas, always with the clear single-minded focus of your purpose: to create something meaningful for the customer.” Perhaps this does sound a little too ambitious and somewhat inconceivable given the current business climate around the world. It certainly can feel like a dog-eat-dog world out there sometimes, but we

must all stay positive, never settle and instead keep searching for like-minded people until eventually you collide. In the meantime, here are seven survival tactics that conveniently follow on from the previous section and should help you to make big or small improvements on your next innovation challenge.

## **1. CREATE A CULTURE THAT NURTURES IDEAS**

Culture is probably the best place to start not only due to its importance but because everything flows on from here, and if this isn't right, then there is a risk of subsequent efforts not being fully realised. There is a theory which suggests that you should start from a place of integrity and truly create something that is not about profits but about doing what you love and/or doing something that has the potential to benefit others. All of this is especially true for companies within the travel and tourism sector, renowned for selling dreams and experiences, for culture reinforces the entire guest experience. Whether people are travelling for business or for pleasure, people want to feel cared for, appreciated and welcome, so hospitality and travel companies by definition need to inspire and care for customers, more so than many other industries.

## 2. CLEAR OUT ANY OLD LINGERING OR STALE BELIEFS

Put everything aside and focus on what is important today, that is, problem solving and maintaining a creative mindset at all stages of the innovation process. If anything does not feel right or you sense that some member of the team is 'stuck', then it you have a duty to either speak to them individually or confide in a senior colleague – dead weights can be incredibly exhausting at the best of times.

## 3. DESIGN AN INNOVATION APPROACH THAT WORKS FOR YOU

It does sound so simple, but it is a very common hurdle that many businesses fall at, and that is, ensuring you have a horizon strategy that easily allows you to keep an eye on both the short and longer term. Knut Haanaes is a professor of strategy and international management at IMD, formerly senior partner and global leader of BCG's strategy practice, and well-known speaker on the TED circuit. One of his talks provides a simple yet meaningful presentation about the secret to building and maintaining successful innovations by finding a balance between doing what you're good at (Exploitation) and looking for new challenges (Exploration) to take on.

## 4. REMEMBER THE CUSTOMER IS ALSO HUMAN

When thinking about innovation and the consumer, there are a couple of key points to remember if you are going to have the slightest chance of creating a product that they will love. Firstly, the only way to truly deliver what the consumer wants is to step back and immerse yourself in their world, and by that it means taking time to literally go and walk in their shoes. Secondly, it is during this process that you have the most ideal opportunity to see in real time what their day-to-day frustrations are, what irritates them, what slows them down, changes their mood – keep your eyes and ears open and you will eventually observe a pain-point which you simply need to turn on its head and go off and create the solution.

## 5. IMPLEMENT SYSTEMS THAT SUPPORT THE INNOVATION PROCESS

There is no doubt that businesses, whether small or large, do need an internal infrastructure to be able to function properly. The danger however, is when the volume and complexity of internal procedures gets in the way of normal business activities. The advice is not necessarily to remove the processes or even streamline certain procedures, but instead, find new ways of working internally – from here think about how you can build similar solutions into your company for the times when you invite external collaborators into your space for any innovation activities.


## 6. INVEST IN THE MOST APPROPRIATE RESOURCES

Similar to processes, decisions relating to resources are very individual and most of the time are influenced by the type and size of the organisation. The best advice when it comes to resources is to avoid falling into the trap of 'analysis paralysis'. There has never been so much data available but what can often happen is the volume of data being analysed becomes overwhelming and all the time spent thinking, your competitor has been spending time 'doing' and launched a rival product before you. In addition, it is also important to remember that no matter how spectacular the data is that you have acquired, it loses its value and competitive strength if only looked at in isolation – the real magic happens when divergent data sets are combined to uncover rich consumer insights.

## 7. ALWAYS BE HONEST AND ONLY INNOVATE WHEN NECESSARY

There are many variables that impact any decision made here so we have to assume that individuals, even after reading this paper, will go away and make their own sound judgements and hopefully with time, we will eventually see a reduction in the number of pointless products flooding the market and instead welcome a future world which is less cluttered by 'beige' products and more interesting and useful items are sitting on shelves waiting for our curious eye to come and check them out.

# Final Word



**“An established company which, in an age demanding innovation, is not able to innovate, is doomed to decline and extinction.”**

**Peter Drucker**

On the one hand, the travel sector is applauded for all the incredible creativity that has been introduced across various operators, yet on the other hand there is increasing pressure being put on the travel sector to lift their game and do even more. It is crucial that all players with travel and tourism continue to invest in maintaining a strong and plentiful innovation pipeline. It is highly likely that markets will converge further, fragment and competitive rivalry will intensify – so this is exactly the time to be making smart decisions about innovation over the next 5, 10 or even 15 years.

We know innovation is hard. Nobody said it was going to be plain sailing. Like most good things in life, they rarely come handed to you on a plate. The truth right now, is that companies today do not really have a choice, since without taking on board any of these learnings and applying them back in your own organisation, means there is a slim chance of survival. Instead of sitting back and feeling defeated, join in and have some fun with it – most importantly, surround yourself with as many exceptional human beings as you can and at all costs avoid becoming another Kodak story. Innovate today, or be out-innovated tomorrow!

# About the Author

## Tammy Marshall

Managing Director

The B Hive



Tammy Marshall is the Founder of The B Hive – a business transformation consultancy that specialises in the Travel, Tourism, Hospitality, Leisure and Entertainment sectors.

Throughout her more than 25 years' experience in travel and tourism, she's played a leading role in propelling the sector into its current stage of dynamic modernisation, most notably through her successes in launching and embedding experiential travel as a globally relevant offer.

Tammy has built her career around enabling global companies to pivot, transform and capitalise on rapid growth opportunities. She has held C-level positions and executive roles at TFE Hotels, Carnival Australia, P&O Cruises, AAT Kings/ Inspiring Journeys, Contiki and more.

Early on in her career right up to her most recent roles, she's always been drawn to challenging, complex roles that require a progressive and change-oriented leadership style to forge paths into new territories and markets.

Today, as the founder of The B Hive, she is solidly focused on helping people and businesses to future proof themselves through a focus on business optimisation, growth and innovation initiatives.

Tammy holds a Master of Business Administration, a Graduate Diploma in Business Administration and a Bachelor of Business – Management from Queensland University of Technology (QUT). She is a member of the Australian Institute of Company Directors (AICD) and the Australian Institute of Management (AIM) and is a Non-Executive Director on the Board of Intouch Data and part of the Laureate Torrens Australia University Industry Advisory Board.

Tammy is also a mentor on, as well as, the official Hospitality & Tourism Industry Advisor for Slingshot – Australia's only Corporate Accelerator Program, a mentor for the Rare Birds Network and she is regularly engaged as keynote speaker and presenter at various events.

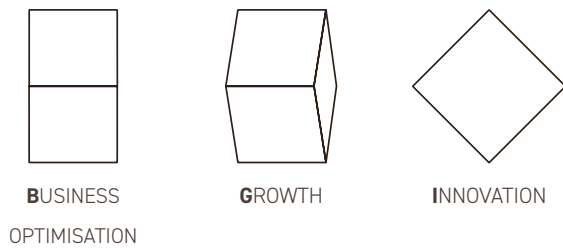
And when she's not working, you'll find her indulging in her passions of travel & discovery, food & wine, and getting outdoors every chance she can.

Connect with Tammy on LinkedIn [here](#).



# About The B Hive

The B Hive is a business transformation consultancy that helps people and businesses to transform, perform, grow and innovate their way to ongoing success. We work across three areas to help people and businesses future proof themselves against the rate of technological change.

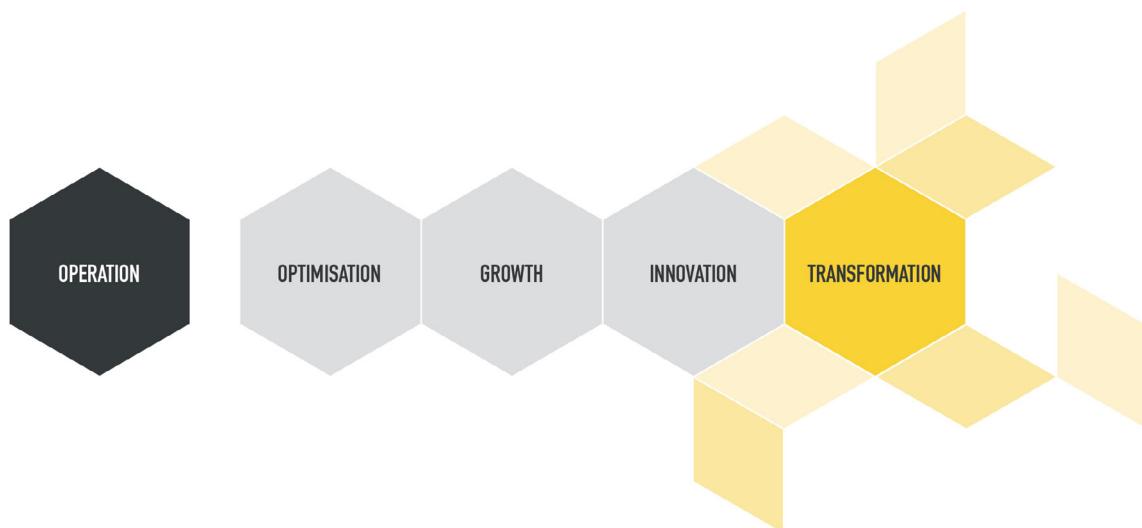


As Hospitality & Tourism industry specialists with extensive experience across all areas of business, The B Hive provides strategy, direction, planning, implementation, advice, insights, education and

mentoring to people and businesses at all stages, from start-up to established. The B Hive is focused on delivering real outcomes for individuals, your people and business. And, by providing business optimisation, growth and innovation, education and insights services and initiatives, we offer a path to transformation for businesses and people so that they become agile and competitive, and can withstand disruption and adapt more easily.

Today, people and businesses are faced with ever-increasing levels of volatility, uncertainty, complexity and ambiguity, with many people, employees and leaders alike, either unaware of feeling ill-equipped to deal with this dilemma.

At The B Hive, we believe that to be successful now and into the future, people and businesses must jump on board the **Path to Transformation**.



For more information about The B Hive's **Path to Transformation** or anything else covered in this paper, please contact:

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# Course:

## Mindshift for Executive Leaders

Innovation is no longer a choice. It is an imperative. Innovation has become a core driver of growth, performance and, customer and talent acquisition.

What changes is your business making to survive and remain relevant? How much are you investing in breakthrough innovation for long-term growth? Can your business model survive new, disruptive market entrants? What will be your future growth engine?

Find out more about The B Hive's **Mindshift for Executive Leaders [here](#)**.

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