

DIGITAL ACCELERATION AND INNOVATION FOR BUSINESS RECOVERY AND GROWTH

A DISCUSSION WITH INNOVATION
LEADERS

The Securities Industry Development Corporation (SIDC) had recently invited Alpha Catalyst's Innovation Provocateur to share her thoughts as part of the continuous development courses they offer. Dr. Suraya spoke alongside AirAsia Digital's President, Aireen Omar on the topic of "Digital Acceleration and Innovation for Business Recovery and Growth". The panel was moderated by Gopi Ganesalingam, the Vice-President of Tech Ecosystems & Globalization at Malaysia Digital Economy Corporation (MDEC) - the government agency working on accelerating the country's digital economy growth.

The coronavirus pandemic has acted as an accelerant for digital change, speeding up the adoption of certain technologies by multiple factors of magnitude. For example, it only took 8 weeks for e-commerce penetration to grow by 11% in the US in early 2020,

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something that previously took 10 years. The pandemic has only highlighted what was already happening: companies need to embrace the digital revolution and innovation or get left behind. But how these things are understood and implemented within corporations will mean the difference between future-proofing and failure.

During the session, Suraya outlines the systemic changes that need to occur in order for large companies to effectively source and harness innovation. To her, it all begins at the top. Leadership support and trust were found to be the top driver for employees to innovate by a significant margin.

These lines of communication should serve to establish direction, promote transparency, and onboard everyone on a shared vision of the future.

Concurrently with establishing leadership support and trust, innovation itself needs to be clearly defined, with clear focus areas and processes for contribution, evaluation and funding allocation. A fatal error that many large corporations make is falsely believing that innovation is reserved for technology-centric departments. In the age of distributed intelligence, Suraya argues that it can and should come from everywhere, "...employees from different departments have the advantage of a



Chart from HR InnovAsian Report 2014

Without clearly communicated and consistent support from leadership on all levels, then any infrastructure put in place for innovation just topples. As Suraya puts it, "...people fear that their leaders might use them as scapegoats if things fail, or that they might steal their ideas". Therefore, a vital first step is to open up channels of communication and involve everyone in the conversation of wanting to create and sustain innovation in the company.

fresh perspective when coming up with solutions to challenges".

It is at this point that many worry about the logistics of not only communicating with everyone, but also providing the necessary tools to propose and evaluate innovative ideas. The answer: digital platforms - "that's where this whole digital pathway towards innovation comes in", reveals Suraya.

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Innovation management platforms like Alpha Catalyst's proprietary UVOIS solve many of the pain points in deploying a large corporation's innovation management strategy. Today's workforce is largely distributed, over location or time zones. As such, digital platforms can provide a singular channel where anyone, anywhere, at any time can contribute ideas. This is also particularly important as more organisations embark on the flexible work arrangements, with employees working from home. The consistent and clear communication from leadership can be done through announcement boards on the site, and interactive features like posts, likes, and comments, invite the feedback necessary to make innovation thrive. On a macro level, analytics and dashboards built into the platform can give a view of the frequency and types of ideas being submitted, which departments are submitting ideas, and how successful each idea is as it moves through the stages of development. This crowdsourcing model promotes visibility, accessibility, traceability, and transparency of innovation submissions, helping squash any doubts employees might have about idea theft or suppression. More importantly, platforms such as these offer a path towards circumnavigating inherent silos and bureaucracy within the organisation, while avoiding the cognitive biases that may influence decision making.

Digital Platforms for Transformation ALPHA CATALYST

Employees contribute Ideas

Employees contribute solutions to challenges

Projects monitored on Dashboards

Real time tracking of performance

Bureaucracy

Silo

Cognitive Bias

Mental Breaks

Speaking: Suraya Sulaiman

A case study for how to implement innovation management well is Sime Darby Plantation. The company had 100,000 employees dispersed over 20 countries, and needed to figure out a way to leverage their workers' experience and expertise for generating and developing innovative solutions.

Following a top-down approach, upper management communicated their goals to everyone in the company, deployed a digital innovation management platform, and formed a review panel, which consisted of those from the C-level to oversee idea submissions on the platform and manage the company's overall innovation strategy. With active involvement of the top management, Sime Darby's digital platform experienced early success with over 1000 people signing up in the first couple of months; submitting, discussing, and evaluating each other's ideas.

By design, large corporations are resistant to radical change. Sime Darby is no different and had to overcome significant challenges along the way, namely in getting more people to use the platform and getting leaders to change their mindset around innovation. Many in the company had to recalibrate their tolerance for risk, learn to understand that not all the ideas submitted will work out, and recognize that truly valuable ideas can be born out of the swashbuckling and collaborations that were facilitated by digital and physical platforms (e.g. hackathons, workshops).

Two years after Sime Darby had deployed their innovation management platform, over 1600 ideas had been submitted, with 520 of ideas passing through validation, 90 of those being implemented and 14 ended up being commercialised. Far from being over, Sime Darby Plantations is further intensifying their digital innovation strategy to solicit even more participation from their employees and strengthen innovation as part of the organisation culture.

AirAsia Digital is another prime example of a company that successfully leveraged digital and innovation solutions to drive their business.



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DR SURAYA SULAIMAN

Aireen explains that AirAsia had always had aspirations for expanding beyond just being a low cost carrier. Years before covid, they had devised a pivot strategy for the company. However, at the onset of the pandemic, with airports shuttered and planes grounded, their 5-year plan was accelerated to a 9-month window. In order to execute this elaborate pivot strategy, the company had to leverage their biggest assets: consumer data, a workforce 20,000+ strong, and digital platforms (website and app). Aireen echoed the sentiment for how vital leadership communication was for digital acceleration and innovation, explaining that AirAsia's leaders needed to get everyone onboard to engage with their plan to pivot. From there, they then began to further develop their super-app, which included features like e-commerce and food & grocery delivery. Additionally, AirAsia grew their digital learning offering, Redbeat Academy to re-skill or upskill some of their workforce into more technology-centric roles like data analysts and digital marketers. AirAsia Digital is a fabulous case study for how to identify opportunity in a crisis, and how to emerge stronger on the other side.

Developing and deploying an innovation management strategy should be a top priority for Malaysia's large corporations. To believe in the spontaneity and serendipity of innovation in the corporate context would be foolish, since company procedures and bureaucracy are often not conducive for great, original ideas to build the traction they need. Innovation management ensures that these ideas are celebrated and supported through open channels and programs, thus improving their chances of commercial success.

The effects of the pandemic on the business world will be felt long after it disappears - the rate of change of technology, consumer behavior, and corporate culture will only continue to accelerate.

If a large company wants to ensure that it stays competitive and successful in the future, it must fully embrace and support innovation now.



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Alpha Catalyst would like to thank SIDC for the opportunity to share our views. We would also like to thank Aireen and Gopi for their insights.

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