

MAKING SENSE OF... INNOVATION

A Selbey Labs Series.



SELBEY LABS – OVERVIEW

The world is increasingly complex, and Selbey Labs helps clients make sense of it with practical, useful and effective strategies to adapt, evolve and thrive.

We look at macro trends, key sector and market trends and in-depth audience insights to make sense of a changing world.

Using a dynamic blend of data, behaviour, culture and brand insights, Selbey Labs delivers a deep identification and understanding of emerging opportunities and threats, giving clients more time to prepare and/or react.

To do this, Selbey Labs takes a holistic approach, beginning with machine and human learning to unearth deeper truths about audiences, culture, markets and brands before moving to hypotheses that can be tested and verified in our lab environment. This allows us to generate valuable and useful ideas.

Ultimately, our goal is to bring clarity to inform future strategies, campaigns, products and services. ensuring that our clients remain resilient and successful.

These brief 'discussion guides' are intended as an introduction to our thinking and approach. We welcome feedback and would like to discuss them with you!

For more information, contact us at

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These series of reports are intended as an introduction to our thinking and approach. They've been written by Sean Pilot de Chenecey, whose first book 'The Post-Truth Business' focused on authenticity, empathy and ethics. It reached No.1 in the business best-seller charts. His second book 'Influencers & Revolutionaries' illuminates leading-edge/multi-sector innovation, and was shortlisted for the 2021 'Business Book of the Year' Awards. He discusses these subjects in his podcast 'The New Abnormal' (which has over 100,000 downloads) alongside a range of other cultural/social/business issues.

Please note that we welcome feedback to these reports, which are intended to illuminate our specialist approach to innovation. Our team would naturally be keen to discuss them with you and outline how our ideation sessions, workshops and mixture of cutting-edge qualitative and quantitative tools could be of assistance regarding your requirements.

SELBEY LABS 'MAKING SENSE OF...' SERIES:

→ INNOVATION & CATALYTIC THINKERS

Innovation and Catalytic Thinkers
Trust & Authenticity
Future Cities
Wellness Economy
Mobility
Hospitality
Future of Work
Future of Retail
Future of Entertainment
Future of Food & Drink
Fintech & Insurtech



INNOVATION A SELBEY LABS VIEWPOINT

Innovation is a new way of doing things that adds value.

However, in the current era we need a more humanistic and interdisciplinary approach to the subject. One that promotes environmentalism, diversity, social progress and individual wellbeing as a foundation of the concepts, products, services and experiences that organisations create.

Those tasked with innovating are confronted by two key issues with implications that could not be more profound. The first sees the challenge of the environmental crisis, which means that society is confronted with an existential problem. Major action – not just ‘a good intention’ – is needed, with businesses in every industry having a part to play and a responsibility to fulfil. The second sees artificial intelligence having game-changing impacts on a multi-sector basis. From smart cities to automated vehicles, and from entertainment to Govtech, the effects will be deeply felt, across societies.

The environmental emergency is a global problem where innovation has a crucial role in finding solutions, whilst AI has become the ultimate ‘innovation catalyst’. In each case, creative thinking, social empathy and collaborative approaches show the way forward.

For companies that are seen, by their behaviour, to be meeting these challenges in an effective and inventive manner; then on purely consumer-engagement and brand differentiation levels, this will enable them to achieve greater business success.

In a consumer context, we’re witnessing a continued shift from passive to active consumption. The implications are that businesses must reflect new lifestyles, behaviours and attitudes from people who are both more demanding in their ‘brand desires’ but often less satisfied with current brand offerings.

From a business strategy perspective, being customer-centric via agile responses to behavioural and attitudinal trends is an ever more vital approach. Meanwhile, innovation departments are recasting product development as ‘service renovation’ or ‘experience creation’.

Elsewhere, ‘social innovation’ is a subject highlighted in locations from debates at the World Economic Forum to youthful street protests. Both combine some similar demands, including the call for organisations of all types to demonstrate a proactive social purpose, which requires open-minded thinking in order to achieve the required results.

But how do innovators answer the variety of demands with which businesses are confronted? For those innovators who ‘seek problems to solve when confronted with a challenge’ we believe that collaboration, engagement and sustainability are key issues on which to base strategic and tactical approaches.

A classic route to successful innovation involves challenging established thinking, utilising cultural signals and data analytics, leveraging organisational assets and conducting research into tension points. All of this alongside an evaluation of ideas, products or services of relevance to the issue faced. We can use these approaches to try and solve the dilemma that confronts us, or move from incremental innovation to genuine invention, and create a new answer to that problem.

In a context set by the geopolitical crises of conflict, the climate emergency and social inequality; businesses and society alike require levels of change that sees innovation, in all its forms, being highlighted as ‘the answer’ as never before.

But whilst many view these issues with a sense of resignation, even fear, we believe the future is one to look forward to with a positive mindset and a progressive attitude; at a time when innovation has become more dynamic and challenging than ever.

A well-known industry saying has it that the most successful companies achieve their ongoing success by preparing for change, rather than simply attempting to adapt to that change when it appears.

Hence why Selbey Labs was formed: to assist clients in making sense of a changing world, via leveraging four inter-locking disciplines: AI/data analytics, cultural insights, behavioural science and foresight strategy.

We therefore hope that the wide range of innovative approaches discussed in the reports to be published in this series will be of help regarding the disruptive changes impacting businesses today and tomorrow.

INNOVATION & CATALYTIC THINKERS

The following 'Hall of Fame' briefly highlights a collection of dynamic individuals, lauded for their viewpoints and overall ethos regarding innovation.

Industry legend Peter Drucker aka the 'founder of modern management' famously stated that "the two most important functions of a business are innovation and marketing, as they are the only two functions that contribute to profit, while all others are costs". Meanwhile, Rene Descartes has as good a claim as any to be the 'Founding Father' of innovation, due to his core belief of questioning accepted thinking and established practices. (As in 'you may believe this, but does the customer?') It seems reasonable to suggest Elon Musk took this stance when developing Tesla, regarding 'the killer app that the auto industry had missed' due to the sector essentially looking in the wrong direction when it came to battery technology.

One could argue that marketers take a 'Cartesian approach' to business problems when directly challenging core beliefs linked to the issue on which they're focused. Those problems often need to be reframed or indeed replaced by newer, fresher ideas that connect with today, as modern consumers are renowned for being 'demanding and dissatisfied'. That's something the renowned Philip Kotler focused on when stating that "companies last as long as they continue to provide superior customer value. They must be market-driven and customer-driven. In the best cases, they are market driving, by innovation".

Recent 'Top Five' examples highlighted in the Fast Company annual 'Most Innovative Companies Awards' include the likes of Stripe (for kick-starting the carbon-removal industry), Solugen (for devising an emissions-free way to turn sugar into industrial chemicals), Twelve (for turning the tide on petrochemicals), BlocPower (for tackling climate change by giving every homeowner the opportunity to electrify) and Climate Trace (for tracking down country-level emission data).

"SEEK OUT INSPIRATION – COMBINE SIMILAR IDEAS – SOLVE THE PROBLEM."

Forbes magazine



**"TRACK TRENDS
ACROSS SECTORS,
NOT JUST ONE
VERTICAL."**

Amy Webb



As for Kotler's view on being 'customer-driven' in order to gain a distinctive place in the market, Professor Douglas Holt identifies a faultline in the way a large number of legacy brands do business – by behaving in a stereotypically orthodox manner. This could be because they don't conduct ongoing trend research, including, for instance, social listening. They therefore produce a sort of 'cultural mimicry' as opposed to offering fresh alternatives for those evermore 'unsatisfied customers'.

This is where the trends analyst comes into their own, and in doing so, crucially, helps brands leapfrog competitors into new areas of dynamic growth. Because connecting with consumers on a 'Now & Next' basis enables brands to show they empathise with their 'cultural realities'. These realities can be of the real or virtual variety e.g. regarding the myriad innovation opportunities offered by the Metaverse. Meanwhile, and as Deloitte point out 'we need to have a clear vision of what we want our real world to look like to make the most of the opportunities offered by the virtual one'.

And while trend research is vital, it's crucial to do this on a cross-category basis, noting another 'reality' i.e. that most categories exist purely in the mind of the marketer, and not the consumer. Indeed, as the admired futurist Amy Webb says "it's about tracking trends across sectors, not just one vertical. If an organisation can see over the horizon, it'll be positioned as a first mover". This idea of 'leaping across markets' is an approach that Selbey Labs firmly endorses (as will be illustrated by the other reports in our 'Making Sense Of...' series) and is a core element of our approach.

"INSIGHT + IDEAS + IMPACT = INNOVATION."

That point about being a 'first mover' was identified by Richard Foster from McKinsey, who was a real believer in companies changing their mindset from being defence-orientated to attack-minded. Why? Because he identified an endless battle going on in business between the innovators (i.e. the attackers) versus the defenders who want to 'merely' maintain their existing advantage.

Which, as Clayton Christensen illuminated in his famous book *The Innovator's Dilemma* is an inbuilt problem facing successful companies i.e. doing the 'right thing' by obsessing over their loyal customers to the exclusion of others, whilst simultaneously being wary of innovative activity disrupting their own business. And avoiding being

disrupted (by both internal and external pressures) is an always-on issue that requires blending a 'digital-human' approach to prediction and analysis, regarding the myriad 'signals and noises' that research can highlight.

The point about 'signals and noises' was referenced by Peter Schwarz (a renowned expert in forecasting and scenario planning) regarding, for instance, 'possible, plausible and preferable' futures. He maintains that "we can't stop disruptions from happening, but we can cope with them far better than we have in the past, if we watch and listen constantly".

"TRUE INNOVATION IS EFFECTIVELY NEVER-ENDING."

Joseph Schumpeter



Whilst researchers of all varieties seek inspiration via ‘watching and listening’ what about the task for company leadership? Peter Drucker focused on how much of innovation is inspiration vs how much is genuinely hard work, from the angle of appropriate management. He believes that “if it’s mainly the former, then management’s role is limited: hire the right people and get out of their way. If it’s largely the latter, management plays a more vigorous role”. But above everything else, he pointed out that innovation “is work rather than genius”.

As for the level of thinking required, in an era when so many brands are focusing their attention away from products and onto ‘service as experience’ Rita McGrath of Columbia Business School gives an example of thinking that’s about as big as it gets, via her ethos of ‘changing the customers total experience’ as a way to drive growth. Crucially, and in order to create an innovation capability, she advises asking five questions in order to identify where to start the process: “where is the growth gap, how will your innovation practises be governed, how will you allocate resources, where does your innovation group belong, and how will you get started?”

Regarding the internal organisational culture needed to enable ‘innovation with impact’ the hugely influential thinker Don Tapscott suggests that ‘rebels and mavericks’ have to feel at home, in a welcoming, collaborative and participatory, supportive environment. (Those environments can effectively be anywhere e.g. from in-house depts at corporate headquarters to accelerators at startup campuses like Station F in Paris.) As he says “the world is deeply divided, too unequal, unstable and unsustainable. But the spirit of collaboration is penetrating every institution and all of our lives. It’s part of problem-solving, innovation and life-long learning in an ever-changing networked economy”.

As for the truly macro stage, the esteemed economist Mariana Mazzucato is lauded for her viewpoints relating to, amongst other issues, the importance of state support catalysing innovation in order to power economic value. Hence, in this context, repositioning the state as an entrepreneurial entity, utilising its enormous power to boost innovation and confront major issues impacting society.

A recent addition to this type of thinking has seen the UK Govt take an approach established by United States' DARPA (Defence Advanced Research Projects Agency) in the setting-up of ARIA (Advanced Research and Invention Agency). The purpose of ARIA is funding high-risk, high-reward research, which The Economist believes should be focused on an area where the UK has world-class critical mass: life-sciences, as demonstrated in both its academic citations and the UK's scientific response to Covid.

Regarding the overall approach that's required, tech billionaire Tom Siebel was asked for his advice on 'how to do it'. He responded in a much-repeated remark: "what creates great companies is to focus on satisfying your customers, become a market leader, be known as a good corporate citizen and a good place to work. Everything else follows".

In conclusion, the team at Selbey Labs aim to combine the viewpoints of some of these 'revolutionary and influential thinkers' along with an empathetic approach and leveraging cutting-edge technologies (such as an AI-driven 'prediction engine') to drive innovation forward. In doing so, we help our clients find and unlock hidden value in their brands.



"RELENTLESS EXPERIMENTATION WAS PROBABLY IMPORTANT IN THE PAST. NOW IT'S DO OR DIE."

Tom Peters

SELBEY ANDERSON OVERVIEW

The UK's fastest growing integrated marketing group, Selbey Anderson is an integrated marketing and communications network that finds and unlocks hidden value for people, agencies and brands.

selbeyanderson.com



SELBEY ANDERSON GROUP

DIGITAL RADISH

Breaks new ground in brand and ABM for high-growth technology businesses.

 digitalradish.co.uk

GREEN TARGET PR

Helps the world's leading financial services firms tell their stories with purpose and credibility.

 greentarget.co.uk

ORCKID

Creative Digital Development Agency builds tailor-made digital products, platforms and websites.

 orckid.com

SHARPER B2B MARKETING

Focused on giving B2B tech brands and their marketers fresh ideas and firepower.

 sharperb2b.com

BURN

Creates rewarding relationships – attracting quality customers, keeping them and your own employees engaged.

 burnmarketing.com

IGNIFI

Sparks and sustains successful brands in healthcare, wellbeing and active lifestyle.

 ignifi.co.uk

LAW CREATIVE

Offers clients advertising, content, film, strategy and digital all under one roof.

 lawcreative.co.uk

UNITY

Full-service creative consultancy helping brands grow with purpose.

 hellounity.com

AML

Award winning creative advertising agency in London.

 aml-group.com