

2. Six reasons it's critical to innovate in your business

 By [Douglas Kruger](#)

11 Sep 2015

Last year, I found myself on a squeaky leather couch in a TV studio. Beside me, also waiting to be interviewed, was a representative from Yellowwood marketing agency. We got to chatting about the respective reasons for our interviews...

"We've made a fascinating discovery," he said, with passion. "It may be the most important idea unearthed in business in the last decade - and no one seems to be aware of it. This one thing could kill off the old dinosaurs, unless they do something about it, or give small and medium-sized businesses a massive advantage, if only they were aware of it."

"I'll bite," I said. "Do you have enough time to explain it before they call you in?"

"I can explain it in under 30 seconds," he said. "It's simply this: South African consumers no longer care about 'legacy'. They only care about and respond to one thing, and that is: 'How are you innovating into my reality today?'"



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He really did sum it up in less than 30 seconds. And it really was like a meteorite strike for the business landscape - one of the most important shifts in recent history.

Innovation matters more today than ever. For now, let's focus on a few of the 'why's'. Aside from Yellowwood's finding, there are at least five more reasons why you should focus heavily on innovation:

1. Because it's fun

Innovation *is* fun. It's the very stuff of life - making brand-new things that didn't exist before, pioneering exciting ideas and guiding them to fruition. Getting it right makes you feel alive. It's small wonder God loves making planets!

2. Because sustained excellence becomes invisible

The longer you do everything perfectly, the more invisible you become. Perfect functionality is soon taken for granted. When do people notice you again? When things go wrong. Innovation is an opportunity for you to make new noise and get back on the radar.

3. Because changes can make your excellence irrelevant

You may own the best-run chain of video stores in the country, but your excellence becomes irrelevant when a company like Netflix's online rental comes along. Optimising your business processes is a good idea - but only up to a point. Eventually, the next thing may come along and make even an optimised business redundant. Innovation helps you avoid extinction.

4. Because unconventional armies tend to win

Political scientist Ivan Arreguin-Toft studied the history of battles over the centuries.

He found that when both sides engaged in the 'accepted rules of warfare', the superior force would win 71.5 percent of the time. However, when the inferior side refused to play by the accepted rules - by engaging in guerrilla warfare or creative and unconventional tactics - their chances of winning skyrocketed to 63.6 percent. That's a shift from 'probably will lose' to 'probably will win'.

Be unconventional and your chances of winning become greater than those of a stronger competitor.

5. Because even your most ardent supporters don't want more wooden bowls

A street vendor once sold us a wooden bowl. Every week since, she has returned, trying to persuade us to buy another one. She might stand a chance of repeat business if she were to say, 'This week I'm selling wooden key chains. Next week, it's wooden lamp stands, and the week after that, some beautiful carvings of our president paying back the money.'

One outcome of innovation is that you don't have to constantly seek new buyers. You can continue to provide new things to existing buyers who like your core proposition.

6. Because it unlocks hidden budgets

When your offering is viewed as a commodity, buyers can cite budgetary restraints while shooting you down. But the sheer novelty of innovation is often enough to unlock hidden budgets. Buyers may become excited by the story of your 'latest thing' and find a justification for purchase.

Those are just some of the 'why's'. In the next installment, we will dive headlong into the 'how's': the practical ways in which you can tinker with your underpinnings, and start changing the world.

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