

A goal which otherwise is non-achievable through conventional strategy becomes possible through strategic innovation. In the annals of history, there are numerous cases which indicate the power and potency of strategic innovation. Starting from Sun Tzu in "The art of war" to the study of "Strategy" in today's management institutes, strategic innovation has found a prima donna spot as a distinctive competency of any leader. The creation of the blue water navy by Great Britain between 1649-1815 was a strategic innovation which catapulted England as a world power. Such a strategic innovation created an unparalleled synergy between the navy and international trade resulting in the expanse of the British Empire. And thus, it finally emerged as an empire where the sun never set. Strategic innovation is, therefore, a distinct competency of a leader. Such leaders possessing the courage to practice it, deliver extraordinary growth.

Most of the time, the strategy of the next year is an extension of the

Moving Beyond The Conventional Shackles

In the annals of history, there are numerous cases which indicate the power and potency of strategic innovation. Starting from Sun Tzu in "The art of war" to the study of "Strategy" in today's management institutes, strategic innovation has found a prima donna spot as a distinctive competency of any leader.

by **Sanjiv Narang**



strategy adopted last year. This does provide continuity and a semblance of stability, but it does not trigger an out of the ordinary growth. The output of such an approach is slow decline or the growth engine chugs and sputters continually in the process of churning out incremental growth. This is exemplified by a statement of the leader of an FMCG enterprise, "There is no magic in sales. You keep on doing what you have been doing diligently and sales will happen." This statement is an indication of the prevalence of a non-innovative mindset. The underlying hazard of such a mindset gets exacerbated if it is prevalent in the mind of the CEO of the organisation. The leader invariably leads the organisation into a cul-de-sac of non performance. If you keep on repeating what you have been doing in the past, you will keep on achieving the same result and this shall lead to performance stagnancy. If any growth happens, it is due to the economies of scale. Once the economies of scale are reached, the equilibrium of stagnation and slow decline sets in. What happened to the aforementioned FMCG organisation? It sank into oblivion.

Trojans and The Trojan Horse

The Trojan Horse as an example of strategic innovation is a benchmark. The visibility of the benchmark is indicated by the fact that a strain of

computer viruses is named after it viz. Trojans. These are such viruses that appear harmless on the face, and in fact, serve some useful purpose for the user, but once virulence gets triggered on a particular date the hidden virus makes its deep destructive impact on the user's computer. How is the Trojan Horse a strategic innovation benchmark and what is the background story? There was a war between Trojans and Troy. It went on for a decade with no resolution. Then one day the Troy army observed that the Trojans had left. They hailed it as their victory. When they went out of the castle gates, they saw a large wooden horse by the sea shore. The king's advisors suggested that he burn it, but he chose to wheel it inside the gates of the fort because it was perceived as a gift to Apollo, the God of the Troys whose carrier was a horse. At night, when the Troy army was sleeping, two platoons of Trojans came out of the horse and opened the gates of the city where the Trojan army lay waiting. It entered the city and destroyed it. Thus, what was not possible for a decade through a conventional war strategy was made possible because of Strategic innovation.

Strategic innovation makes it possible to achieve goals which cannot be achieved through strategic extensions of past years. Thus the mindset of "There is no magic in sales"

“ The underlying hazard of such a mindset gets exacerbated if it is prevalent in the mind of the CEO of the organisation. The leader invariably leads the organisation into a cul-de-sac of non performance. If you keep on repeating what you have been doing in the past, you will keep on achieving the same result and this shall lead to performance stagnancy. If any growth happens, it is due to the economies of scale. Once the economies of scale are reached, the equilibrium of stagnation and slow decline sets in.”



Sanjiv Narang is an author and corporate trainer in the area of Innovation. He is the author of the book "Innovation, Why, What and How". He has conducted innovation workshops and interventions for over 100 companies in public, private and government sectors. He can be contacted at 9810354339 or author.sanjivnarang@gmail.com.

is the anti-thesis of the innovator's mindset. Let us examine the case of IBM in 1993. IBM was in deep losses because of technological innovations such as PCs and Client-Server computing. IBM's annual net loss reached 8 billion in 1993. Then IBM leveraged its strengths in the area of providing integrated solutions and focused on the strategic innovation of "Network Computing." The creation of Deep Blue which defeated Gary Kasparov was a strategic innovation for IBM in its area of strength. This gets us to the learning point that strategic innovation cannot succeed on its own. It needs the foundation of organisational strengths to succeed. Thus, strategic innovation along with the leveraging of organisational strengths enabled the turnaround of IBM.

What exactly is strategic innovation?

We need to have a shared understanding of the concept in order to examine its applications. It is the formulation of a new strategy to achieve the goal. The strategy used by

the Russian army during World War II to defeat the Germans in Stalingrad is a case in point. Rather than attacking the German army head on in Stalingrad which would have resulted in fierce street to street fighting, the Russian army chose to encircle the German army and cut off its supply lines and links from the main German army. The isolated German army in Stalingrad became weak because of shortages in supply and thus became cannon fodder for the Russian army.

In the world of fiction, Strategic Innovation is visible in Star Wars. The strategy adopted by the Sith Lord for becoming the dictator is a classic example of strategic innovation. He created the rebels of the republic. The attacks of the rebels on the republic prompted the republic to give dictatorial power into the hands of the Sith lord. Once he acquired the power, he refused to relinquish it. He then used this power to destroy all the opposition and became the dictator of the galaxy. Thus, Strategic innovation is a powerful tool. It is used by heroes as well as villains. Another example of strategic innovation in fiction is in the movie "Independence Day." The formulation of the strategy to infect the alien mother ship with a virus so that the virus gets downloaded to all the connected alien ships, thereby, disabling their protective shields indicates the power and potency of strategic innovation. Without strategic innovation, the possibility of winning against the vast



technological superiority of the aliens was close to impossible.

Benchmarks to strategic innovation

In the world of commercial organisation, the strategic innovation benchmarks are Apple, Google and Tesla. Apple's strategic decisions to produce iPod followed by iPhone and thereafter the iPad indicate continual strategic innovation. If we notice all these strategic innovations of Apple carefully, it leverages its strengths in the field of computing. Google's strategic decision of developing Android as a mobile operating system was a game changing strategic

innovation. Organisations such as Nokia which did not respond to such a strategic innovation suffered heavily. Tesla's strategic decision to integrate the solar cell into roof tiles, thereby making the house independent of the electricity grid was a path breaking strategic innovation.

The intense dynamic nature of strategic innovation and it being a highly intellectual activity becomes visible in the aforementioned cases. Strategic innovation also requires courage that is more than the average level. It is not easy to step out into the unknown and deploy one's strategic assets in an untested environment. Most of the Indian organisations which are successful today are so because they adopted time tested strategies rather than strategic innovation. Hence, adopting strategic innovation by them is going to be an uphill task. The likely impact of this aversion to strategic innovation is the lack of spectacular successes such as Google and Apple in India. The strategic decision by NTPC to get into the business of Re-charging stations for electric cars is a strategic innovation. However, it is slow to take off because of the slow paradigm shift to electric cars. This Strategic innovation is not going to be sufficient for NTPC. Due to heavy technological innovations in Renewable energy, the requirement of strategic innovations from NTPC is intense. 

“ The intense dynamic nature of strategic innovation and it being a highly intellectual activity becomes visible in the aforementioned cases. Strategic innovation also requires courage that is more than the average level. It is not easy to step out into the unknown and deploy one's strategic assets in an untested environment. Most of the Indian organisations which are successful today are so because they adopted time tested strategies rather than strategic innovation.”