

PANEL DISCUSSION

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Innovation in Action 2017

This briefing paper includes key take-aways from the Panel Discussion from the Innovation in Action Day 2. Jeanette Jäger, business developer at BankGiro and Niklas Siljeblad VD at Hertz Sweden shared their experiences from the past and provided tips on surviving the future in terms of innovation in the organisations.

PURPOSE

The purpose of the panel discussion was to discuss about the guest's experiences with Innovation inside their organisations, the changes in the surrounding market and the strategy in their organisation to survive the future.

METHOD

The guests talked about their own experiences in getting to the present day successful organization, how they look at innovation work and what are they doing, to be able to lead in the future in their market segment. The guests enlighten the participants about the different roles and responsibilities along with the different skills that are needed to survive the constant change in the market and keeping pace with the technological advances.

The guests talk about their involvement in innovation, the role of the HR department, disruptions in the market and cannibalization, role of competition in strengthening the organization and how they measure innovation in their organization.

5 TAKEAWAYS

- The company's vision is very important for the employees to be innovative.
- It is a continuous process that requires efforts and cannot be achieved in a day or a week.
- The management team should be involved and motivate the employees.
- The company needs to adapt with the changing markets and keep face with the technological advances.
- Having skills in IT is useful, though not compulsory, in a future driven by AI, IoT and machine learning.

Hertz and Bankgirot

The Hertz Corporation, a subsidiary of Hertz Global Holdings Inc., is an American car rental company based in Estero, Florida that operates 9,700 international corporate and franchisee locations. The car sharing market was not lucrative and the company struggled between 1998 to 2005 but has been growing rapidly since 2005 after a transition.

Bankgirot was established in 1959 by the Swedish banks. Bankgirot's task was to develop and maintain a system of payment that was completely open, that minimized costs, provided economy of scale advantages and had a high level of security. Since then, Bankgirot has developed and changed over the years.

HOW TO PROMOTE INNOVATION:

1. Involve all departments in the company along with the customers.
2. Make it a team-effort rather than individual efforts.
3. Never say No to new ideas. Have an idea management system to store and use ideas for later.

Roles of the Guests and Involvement with Innovation in Business

Niklas says that Innovation is not about IT as he was the CIO before. They had business development as part of the management team and not the IT team. When asked, if having an IT background helped him? Niklas responds that it did, as 70-80% people work in the IT sector and having knowledge about it helps him communicate ideas better and easier.

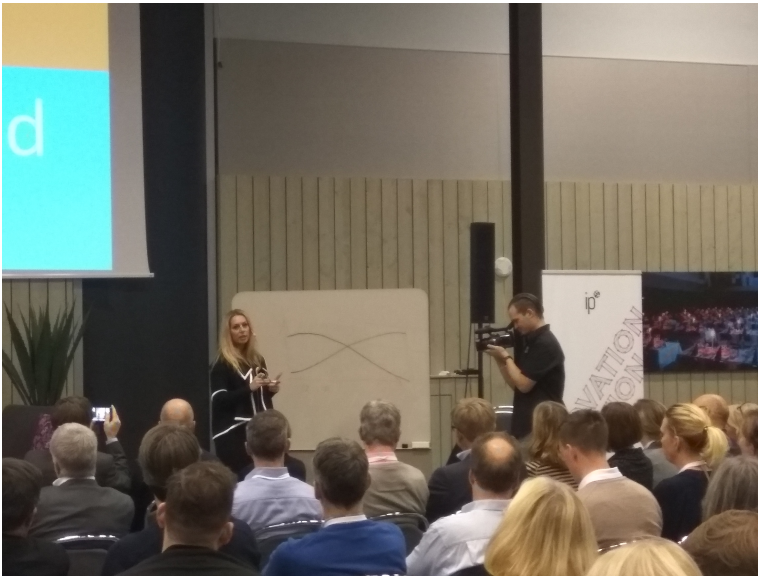
Jeanette believes that innovation should be in the company's culture. She shows people the direction and then empowers them to carry out the company's visions. As the business developer, she tries to understand the vision and where they are headed are the moment. She says, giving people scenarios of the results of not transforming gives them the motivation. At Bankgirot, they believe in not killing ideas by having processes to store and keep them.

As the guests point out, it's not about having innovation managers, but an innovative company. They believe innovation processes are tough to set up but are fruitful in the long run. The CFO of the company should be on board about ideas, innovations and businesses as he understands the financials of the company and the resources that would be needed to take up new ideas into implementation.

Role of HR in Innovation

The HR department should work with the CEO to build the journey of the company and transform it into an innovative organization. Understanding and hearing the customer's voice is important. While recruiting, the HR should understand what kind of competences are required. Also, innovation is a team effort and not individual in nature. The right atmosphere adds fuel to the organization's innovation capabilities.

Competition, Disruptions and Cannibalization



The guests believe that it is important to take down the cost for customers at a big scale. Jeanette points out through her graph that over time, the value of investment goes up and the cost comes down.

The future belongs to machine learning and AI. Machines will be interacting with machines and IoT will drive more payments, which will lead to scaling of businesses such as Bankgirot.

The guests say that competition can strengthen the position of the company as other new markets are opened through disruptive innovations. Small

companies are taken over or are closed if they can't keep up with the constant changes in the market. To be successful, a company must explore adjacent markets and plan to move to new markets in other countries. The guests sum up the discussions as "Adapt and Grow".

One of the challenges that Hertz faces is that the customers don't have driving licenses, or their driving licenses aren't valid in the country they are visiting. Niklas sees AI based self-driving cars as a potential solution to this problem.

Measuring Innovation and Tools to be Innovative

The guests share their thoughts about measuring innovation in their organization which they believe is not very tangible to measure and is tough. They believe in using key performance index(KPI) to keep a tab on the innovation capabilities. The KPI's include the number of ideas generated, the number of these ideas that are developed, the revenue brought in by these developments and the overall growth of the company.

On being asked about the three tools for being innovative in the organization, Jeanette points out business strategy, culture in the company along with the competence value and the processes that lift the innovation of the company. Niklas, believes in having the right company culture, risk taking and the processes the company uses to handle creativity.

LEARNING & RESULTS

The panel discussion session was very informative and to hear the personal experiences of two successful people in the industry adds to the charm of the discussion. Both guests have been working hard to make sure they have a very innovative company that makes progress in leaps and bounds. The audience had a fair share of questions to ask to satisfy their curiosity which were very well answered by the panelists.