Nick's Corner

Disruptive Innovation in Mature Industries

With start-ups driving and defining transformation and disruptive change across industries, what is the role of larger companies?

Unable to compete with start-ups on focus and speed, large established organisations are considering ways to integrate new disruptive innovation with their core assets. Whether this is best done through acquisition, corporate incubators and accelerators or venture capital funds, depends on a corporation's makeup, but as a panel of four very different CEOs at INSEAD's recent **Global Business Leaders Conference** in Abu Dhabi agreed, no matter how successful the company or stable the industry, firms that don't prepare themselves for disruption risk extinction.

Innovation is not just about creating new markets. It extends product life cycles, improves cost margins and has the ability to transform the competitive landscape. Today few companies can escape the all-pervasive impact of digital disruption as it reshapes business relationships, overhauls logistics processes and revolutionises markets across every sector. The internet has created a world where if you don't do something, your competitor will. In fact you may not even be aware you have a competitor until it's too late."

While mature companies have the resources and capabilities to change, convincing decision-makers can be challenging. Leaders of organisations with a strong growth history and expansion pipeline may see disruption as an unnecessary risk. "It's clear to us that as a business we need to change, and we need to change quickly. We just have to make sure we don't, at the same time, throw away the business that we have. "

Disruption without risk: This is one of the biggest quandaries facing mature businesses today; how, or how far, can they adopt disruptive practices without harming their organisation. Or, as one participant at the conference asked, how do you strike a balance between standardisation necessary for scale, and innovation which requires disruption? "But if you're going to innovate, keep in mind that the people working in the core business have strict schedules, and keep the innovation outside of that sphere.

Innovation is not renovation: "Companies should have the aim to be entrepreneurs inside the enterprise," insisted Andreas Jacobs, Chairman of INSEAD and Chairman of **Barry Callebaut**, the world's leading supplier of chocolate. "Innovation is a culture, it doesn't come from a good idea alone, it's something you need to bring into the DNA of your company, and it's not easy."

"Fundamental change requires questioning today's and yesterday's position. It's about empowering people, in the company and within the supply chain. We want our company to be an enterprise of entrepreneurs, so we try and create an ecosystem which promotes start-up thinking and creates this feeling of ownership and entrepreneurship at each and every level."

Acquiring innovative practices: Alternatively this can be done through joint ventures, acquisitions and also by giving employees the incentive to be innovative. "You have to create an environment which rewards entrepreneurship, one that allows and encourages people to think differently. You can't hire really bright kids then get them to follow rigid rules. ".

Staying relevant: "Innovation doesn't happen by coincidence. You need to have structures there which allow you to deliver consistently over time."

Be prepared to change everything: Disruption is not typically about one sudden change but a host of small, related changes. Without bureaucracy to complicate the process smaller start-ups will always be better able to take risks, challenge tradition and react quickly to changes in the environment. Larger companies need to understand the motivating factors behind the transformation and be ready to invest and adapt to the shifting marketplace. Companies that drive disruptive change will always be one step ahead.
Jane Williams | November 16, 2015, Harvard Business Review

Client Services

Good Day,

THE WAIT IS OVER!

After a lot of back and forth the Transfer functionality has finally been released in UAT!

The functionality allows for:

- Workflow of process and documentation
- Reconciliation of cash and unit transfers
- Simple file upload and download
- Individual or bulk
- Automated scheduler or tracker system

The functionality will be in UAT for about **3 months** before moving to Live. **We urge all clients to test the functionality** and feel free to give us feedback on any updates or enhancements that may be required.

Best Wishes
Tasneem Gydien
Client Relationship Manager

News from the IT Desk

News from your Application

We have achieved a significant milestone with the deployment of real time mode, allowing instant access to downloadable files at the point of upload. A significant step towards implementing changes, enhancement and development to the application Architecture.

Transfers
We have finally produced this process module to the industry. Your participation and feedback over the next few months is of utmost importance, before we can commence to production.

Internet Explorer Version Upgrade
Our latest Security audit has recommended updating our security layer from using SSL 3.0 to TLS 1.2. TLS is a protocol or security layer that ensures privacy between communicating applications and their users on the internet. With continuous demand for better and simpler application solutions, the demand for newer technology and security cannot be ignored.

Our policy is to support the latest browser versions, which support TLS viz IE 10, 11 and Edge (current Microsoft browser versions). We have adopted IE 10 on a Windows 7 platform (operating system) as the minimum requirement. The roll out to our UAT will happen shortly (dates to be advised) and we will apply the change to production early November 2016. A communique on definitive dates to replace your browser version will be forwarded to you soon.

Web Services
Changes to our Web Services were also recommended as part of the Security audit. A security release will be deployed late in this quarter that will remove the exposed services via the Web Services URL. FinSwitch will provide the services as a separate file for those customised Web Services users that utilise the exposed service as part of their authentication process.

Best Wishes
Ismail Allie
Head: Development

NEW:
B-BBEE Certificate
Our B-BBEE Certificate for 2016 – 2017 is now available. FinSwitch is a QSE level 3 contributor with 110% recognition and noted as a value adding supplier. The certificate may be downloaded here.

Simplicity. Certainty. Efficiency.