

PRODUCTIVITY AND INNOVATION IN THE DIGITAL BFSI WORLD

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JANUARY 2024

DIGITAL INNOVATION ISN'T ABOUT CHANGE IN BEHAVIOUR, IT IS CHANGE IN LIFE ITSELF

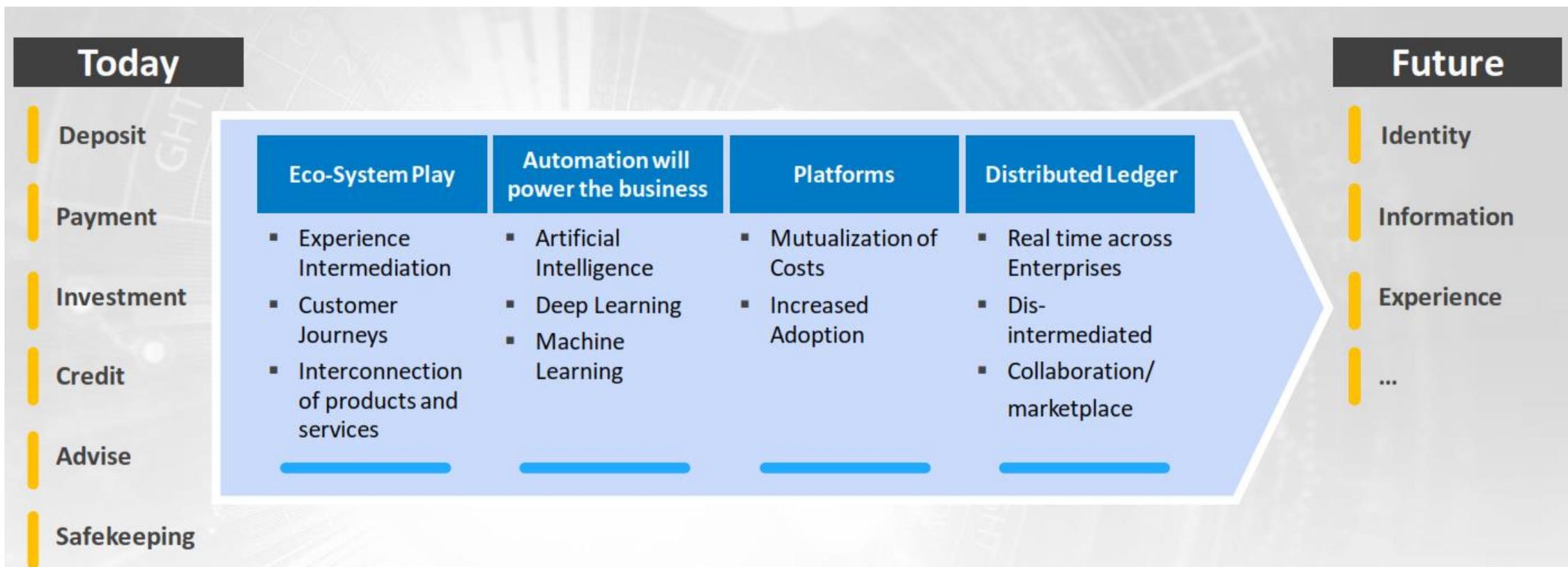


OUR EXPLORATION TODAY

- From Innovation to Digital Innovation
- Productivity is the Mother of Innovation
- The Power Laws of the Digital World
- Making sense of the Technological Hypes
- Cheat Sheet for Implementing Innovation
- Digital Manages Talent and Vice Versa
- Innovation as an 'Activity' and as a 'Culture'

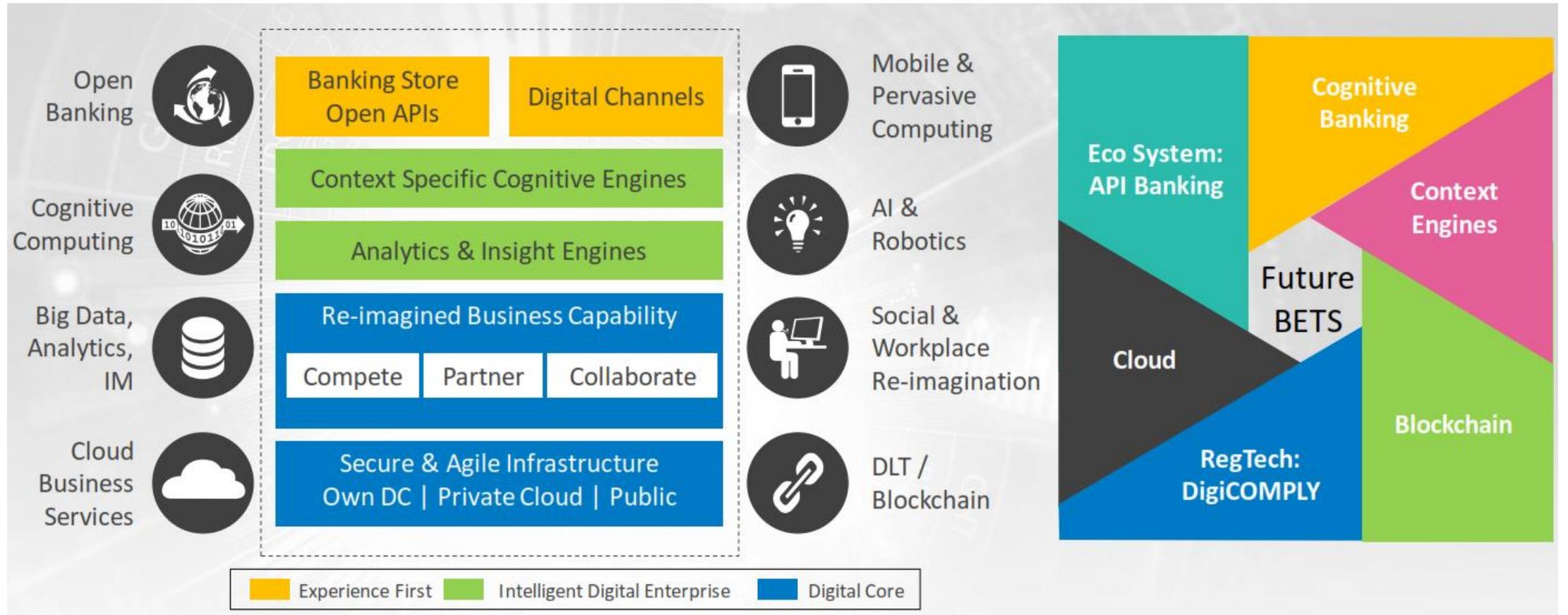


CHANGES IN BASICS OF BANKING



Financial Institutions will become **custodians & intermediaries** of information, risk, assets and liabilities...

TECH TRENDS





*"We only have two demands!
Why don't people just give us what we want?"*

© RICK ANDERSON

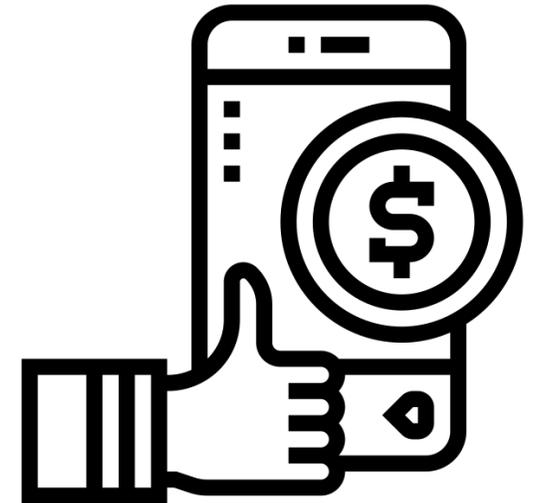


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"We need to innovate! Buck the status quo! Blaze a new trail! Here's how everyone else is doing it..."

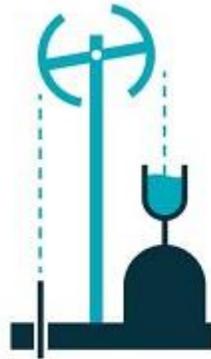
FROM INNOVATION TO DIGITAL INNOVATION



INNOVATION ACROSS THE AGES



The Best
Innovation ??



1st

Mechanisation,
water power, steam power



2nd

Mass production
assembly line, electricity



3rd

Computer
and automation



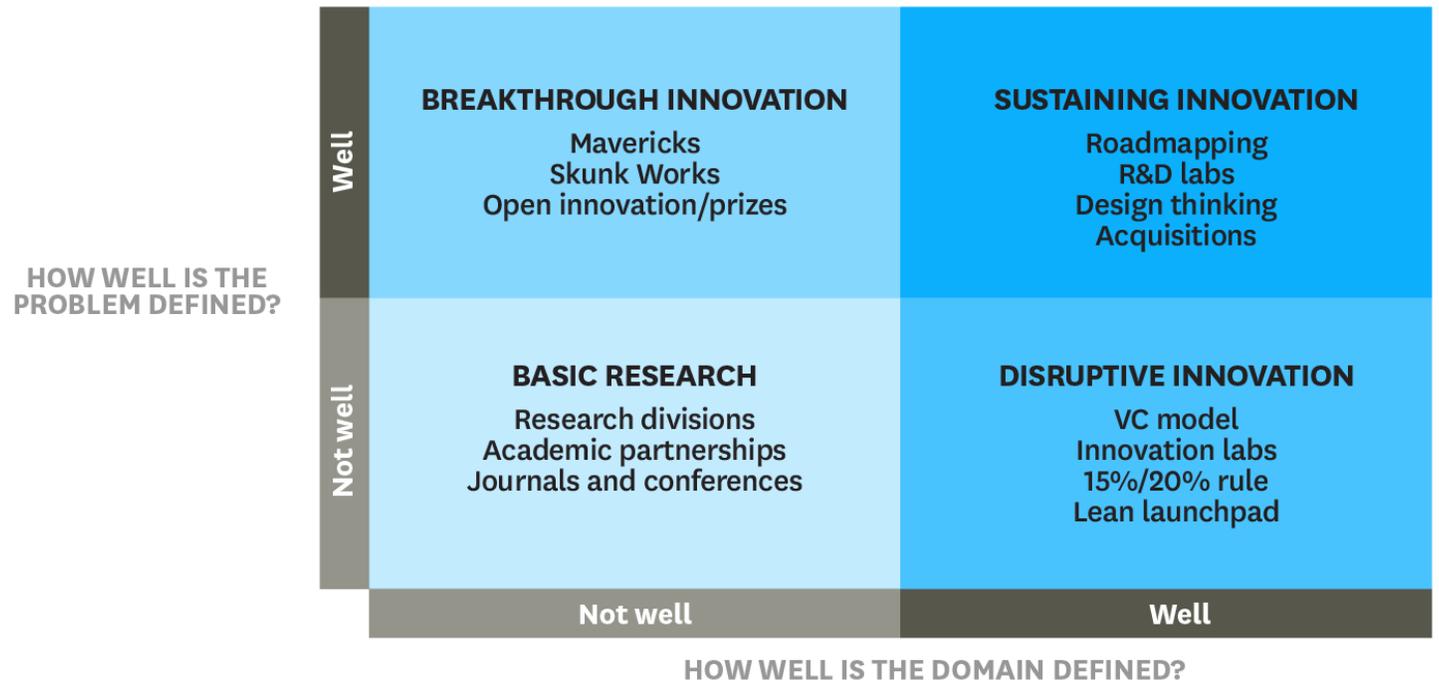
4th

Cyber physical
systems

INNOVATION TYPES

- Understanding the nature of Innovation in your Industry
- Planning for the Long Term vs Short Term
- Not all forms of Innovation are Equal
- Innovation should match the needs of your organization

4 Types of Innovation



SOURCE GREG SATELL

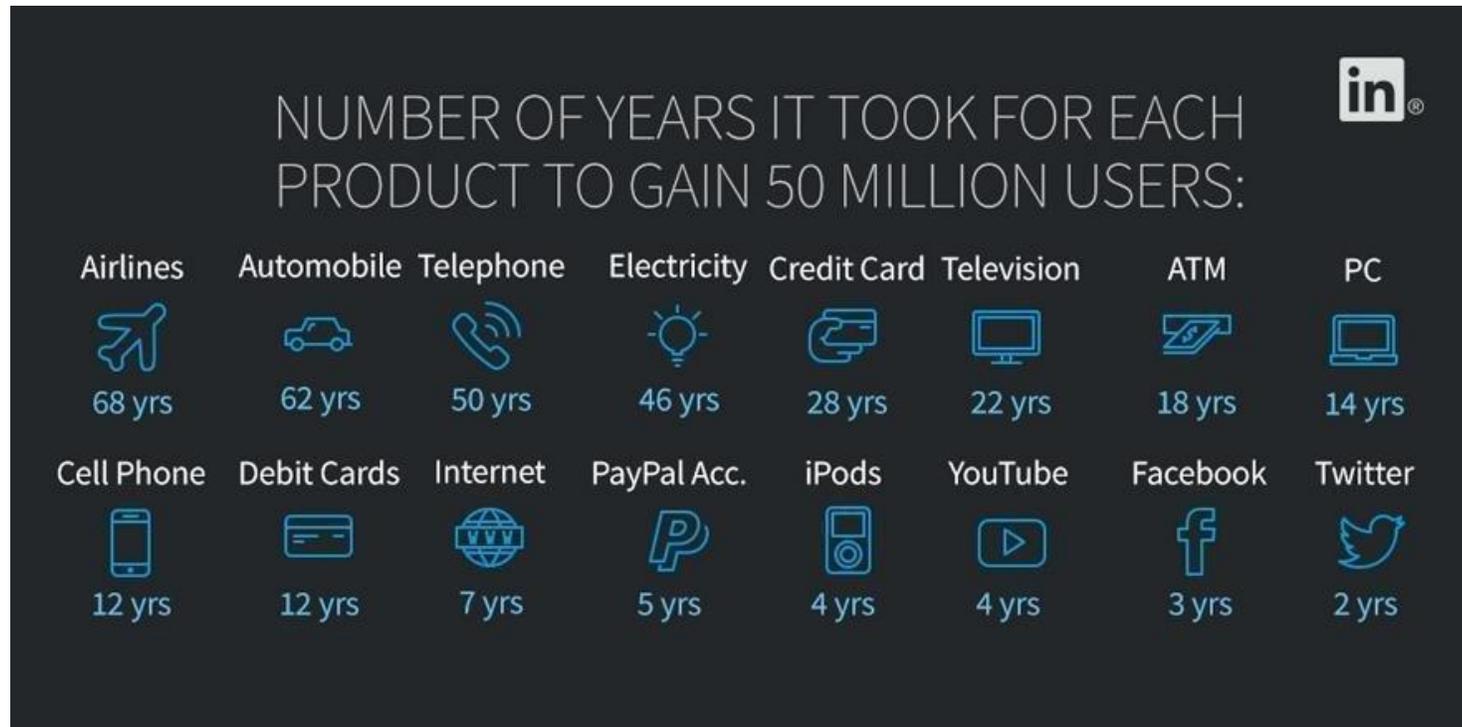
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INNOVATION IS BECOMING A TSUNAMI WITH DIGITAL POWER!

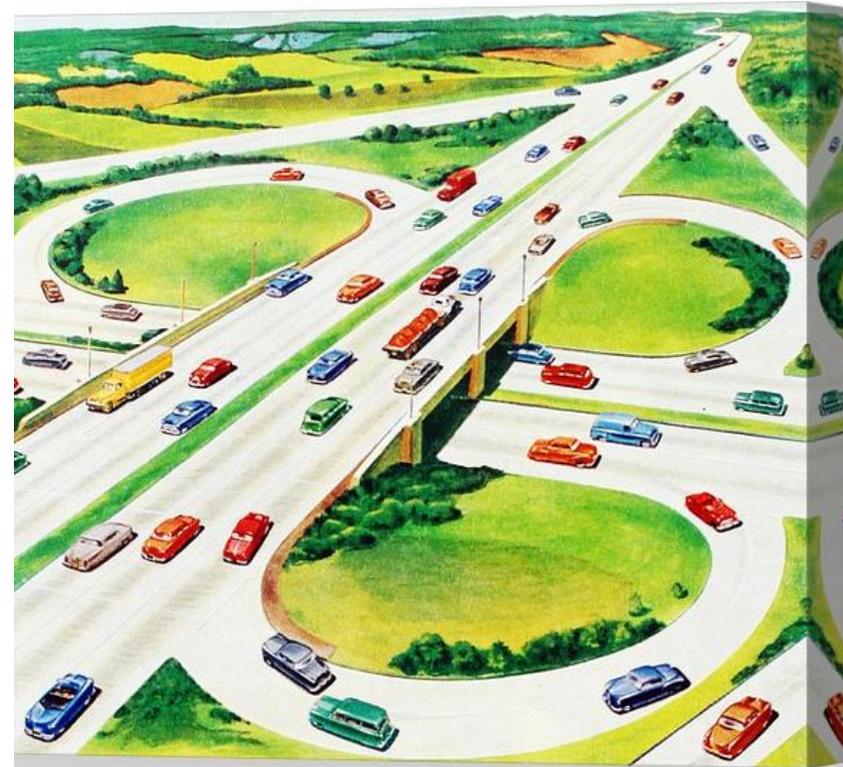
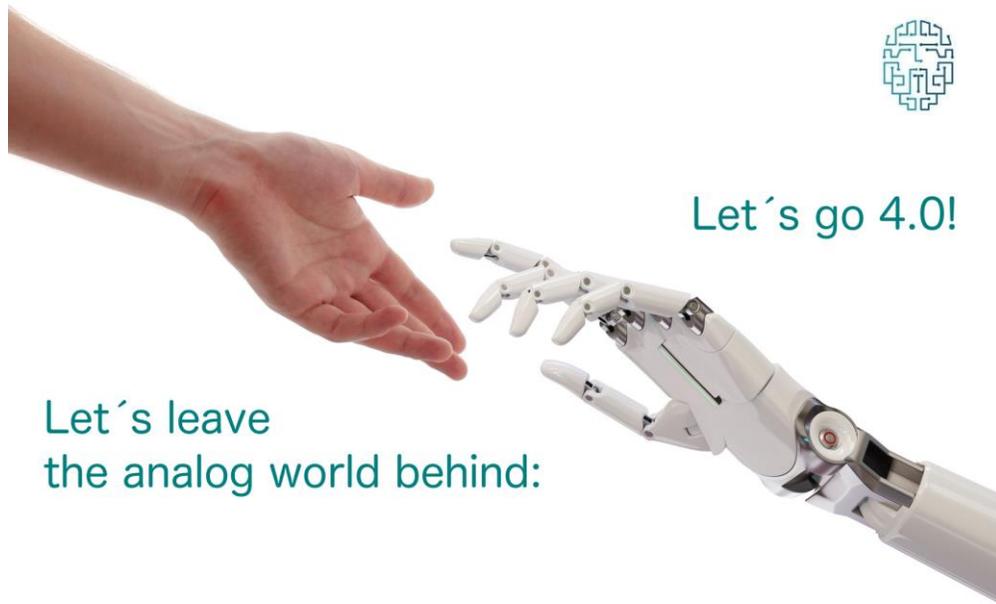
- **Moore's Law:** The Power of Exponential Growth

- **Meltcafe's Law:** The Power of Network Effects

- **The Power Law:** Winner-Takes All Outcome

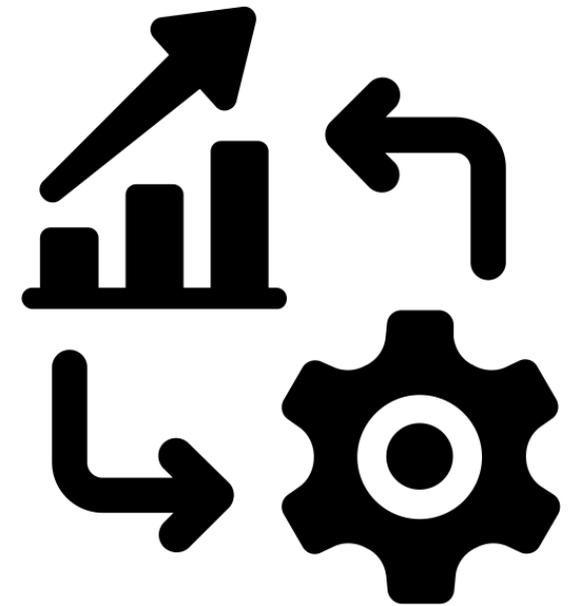


MAN MACHINE COLLABORATION AND QUICK INTERCHANGEABILITY ARE DEFINING INNOVATION

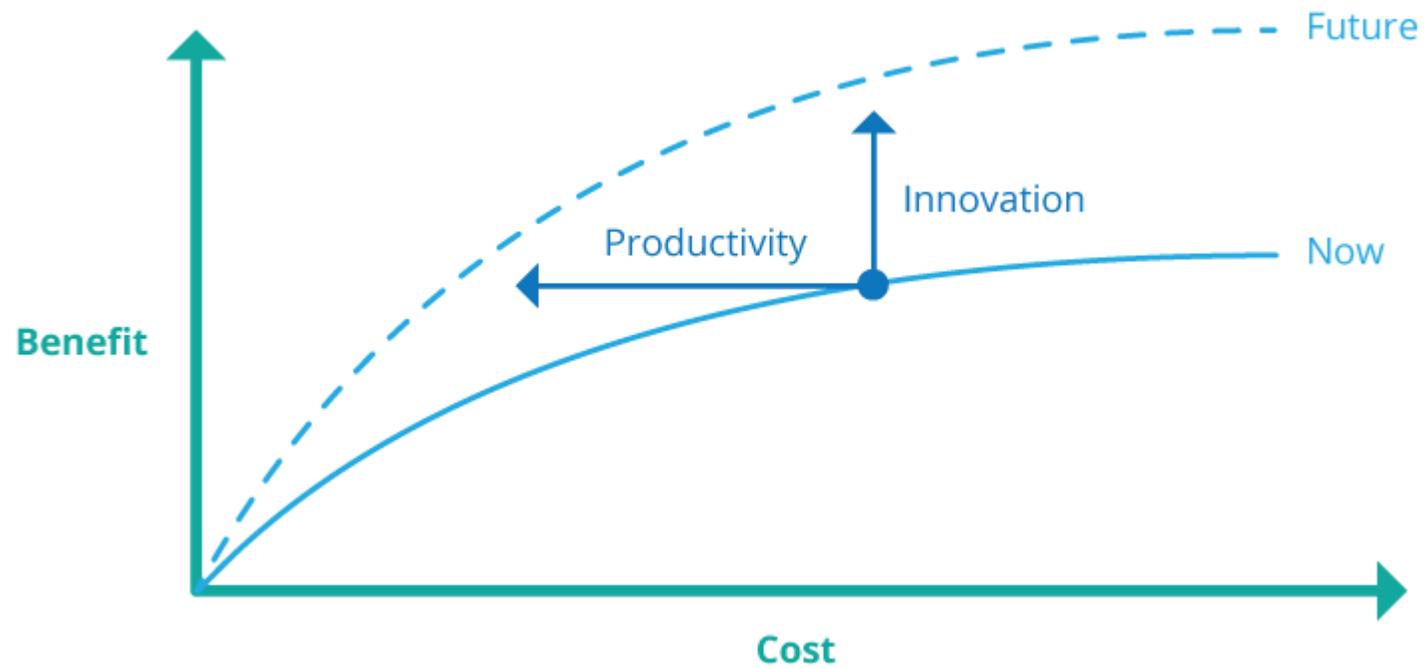




~~NECESSITY~~ PRODUCTIVITY IS THE
MOTHER OF
~~INVENTION~~ INNOVATION



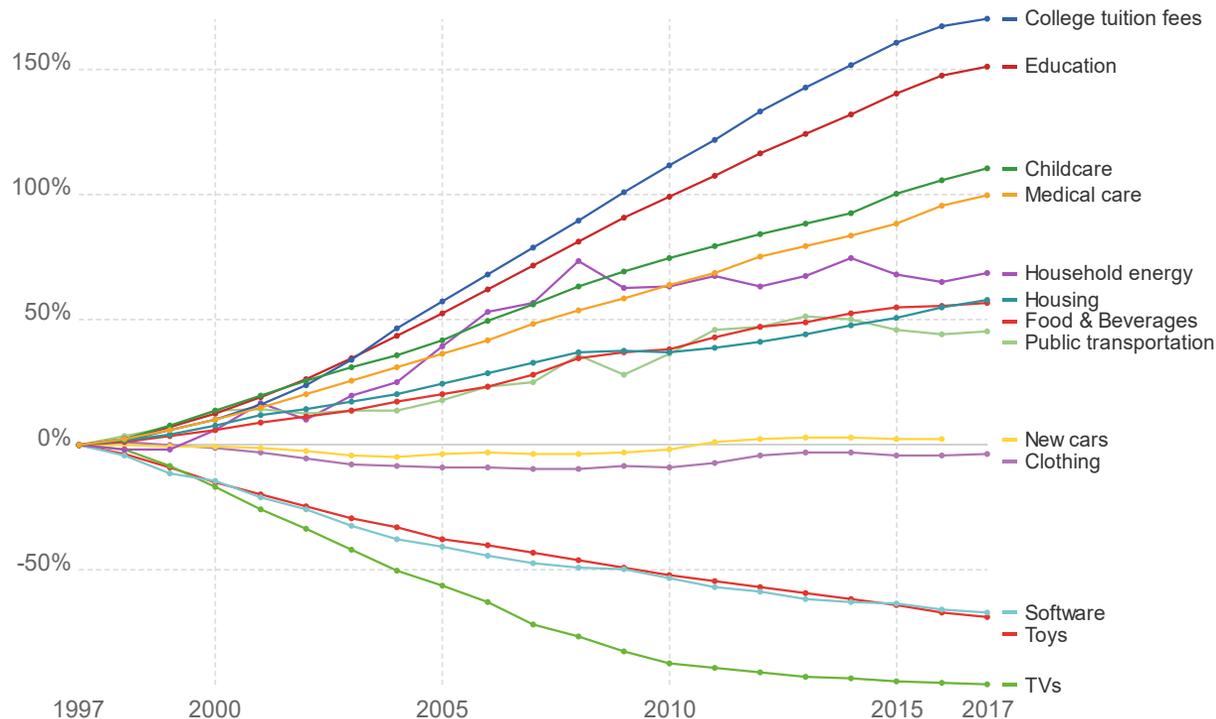
ARE INNOVATION AND PRODUCTIVITY A TRADEOFF ?



PRICE INFLATION AND PRODUCTIVITY

Price changes in consumer goods and services in the USA, 1997-2017

Price change in consumer goods and services in the USA, measured as the percentage change since 1997. Data is measured based on the reported consumer price index (CPI) for national average urban consumer prices.



Source: United States Bureau of Labor Statistics (BLS)

OurWorldInData.org/technological-progress/ • CC BY-SA

- **Low Innovation:** Education and Healthcare
- **Medium Innovation:** Transportation
- **High Innovation:** Software and Electronics

THE INDIAN EXAMPLES : PRODUCTIVITY ORIENTED INNOVATIONS

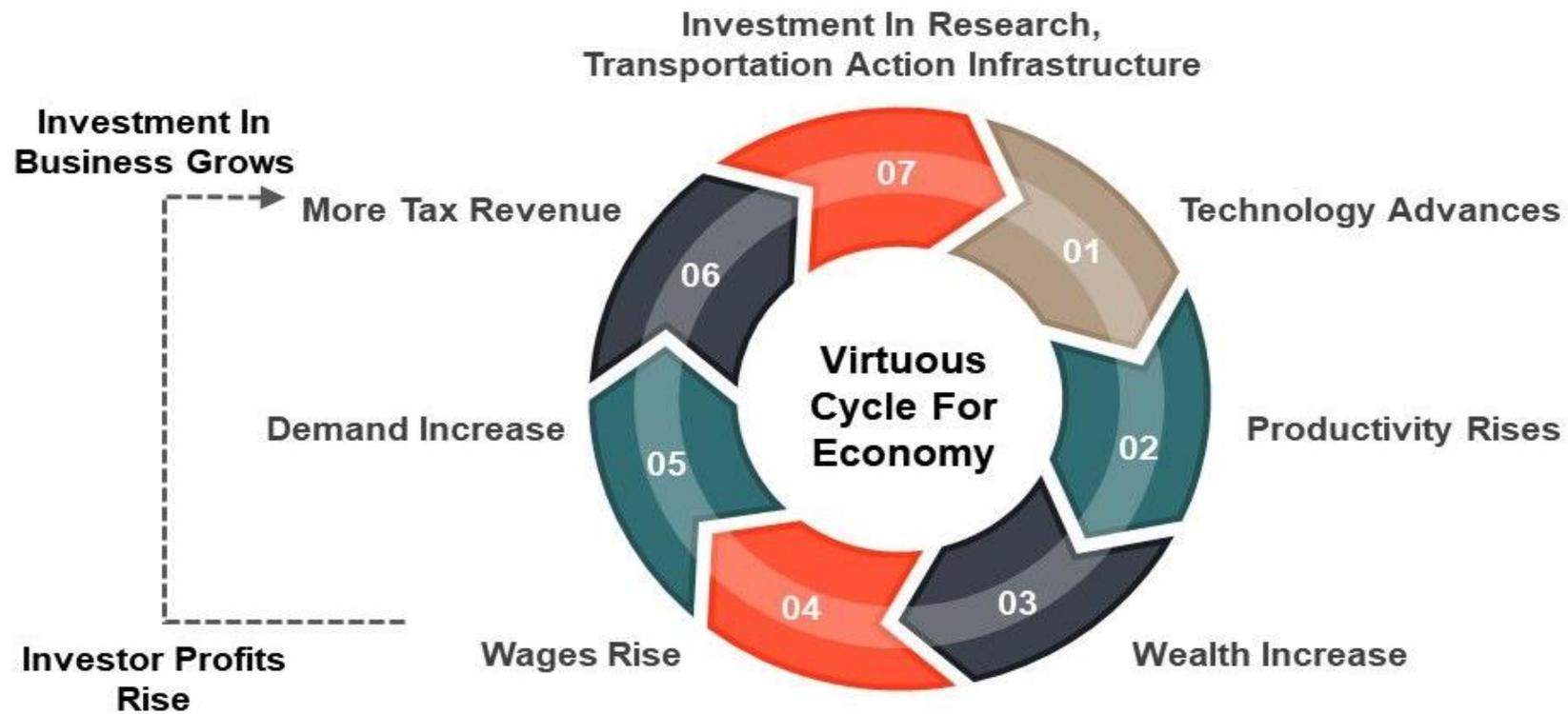
- Data Volumes and analytics
- Commercial and Technology Models travelling together
- Customised Indian content from Netflix, Facebook, Twitter and Google
- Expanding women and millennial work force
- Ambient regulation and government policy
- Innovative Platforms: UPI & Amazon



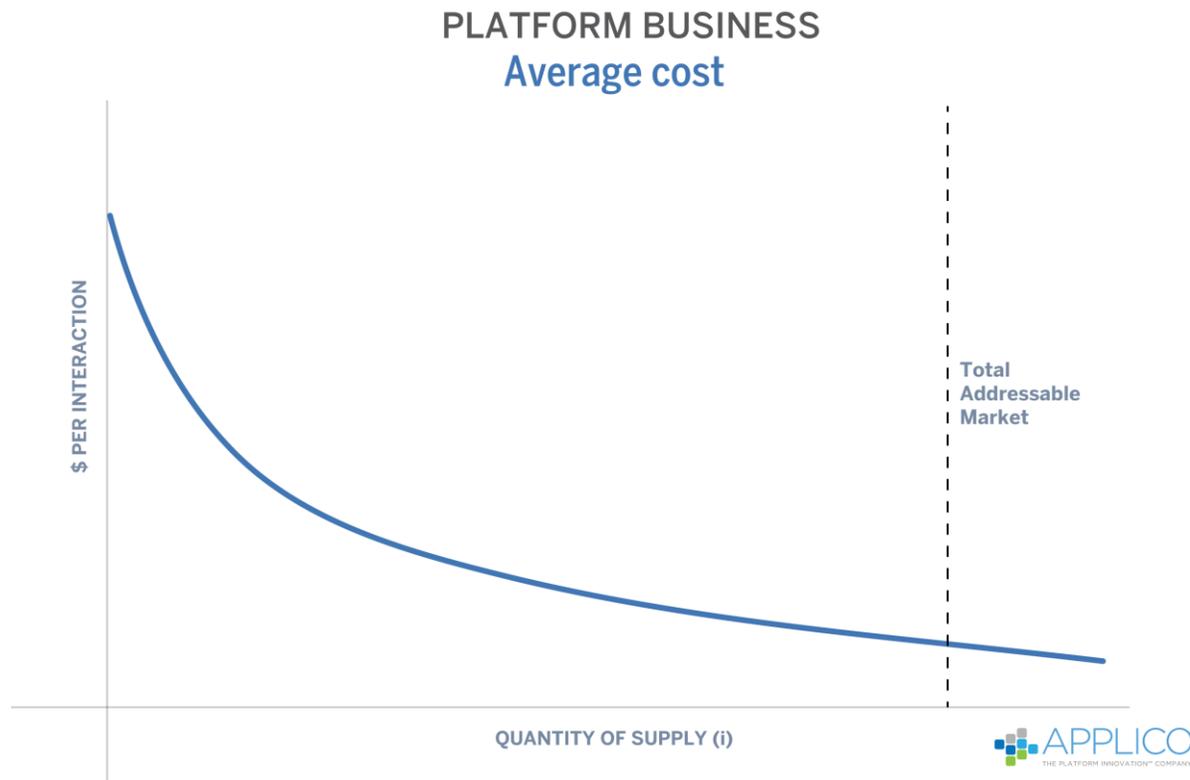
POWER LAWS OF THE DIGITAL WORLD



THE POWER OF VIRTUOUS CYCLES



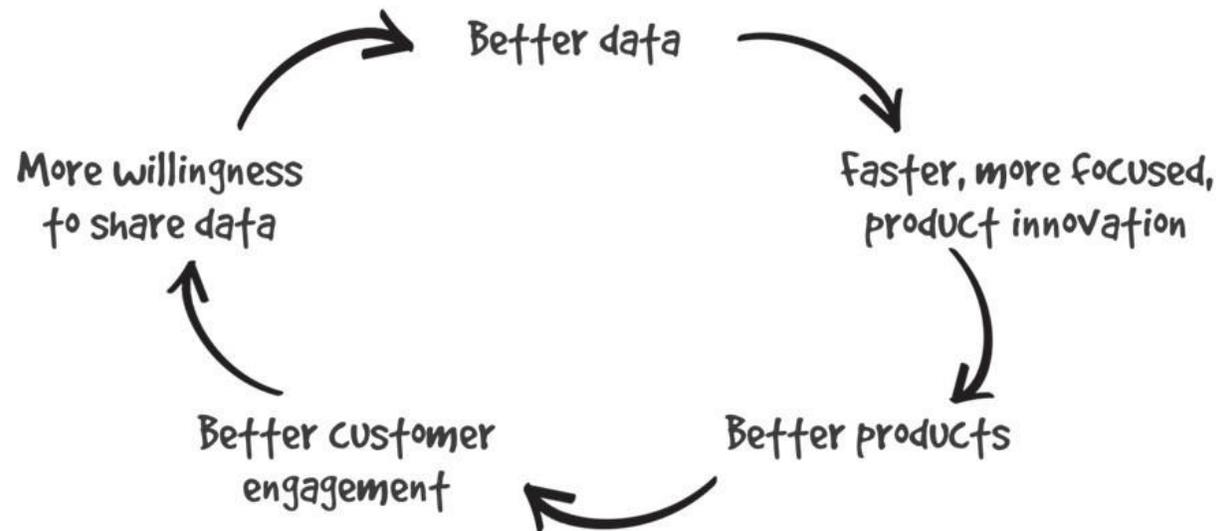
THE ZERO MARGINAL COST ADVANTAGE



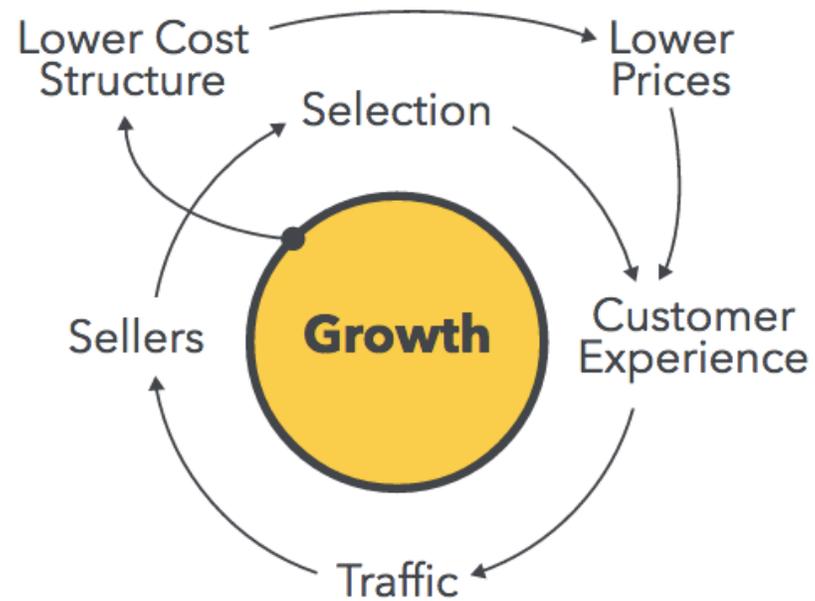
- Platform Business as a Compounder of Zero Marginal Cost
- Reaching Scale vs Product-Market Fit
- Cheaper Distribution Costs
- The Asset-Lite Advantage

DATA AS A VIRTUOUS ENABLER OF INNOVATION

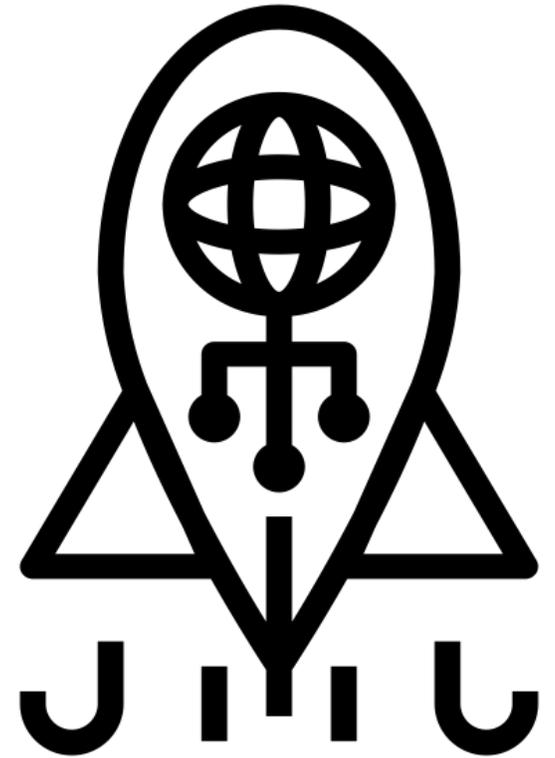
The Virtuous cycle of Data



BECOMING AMAZON-LIKE FOR DIGITAL SUCCESS



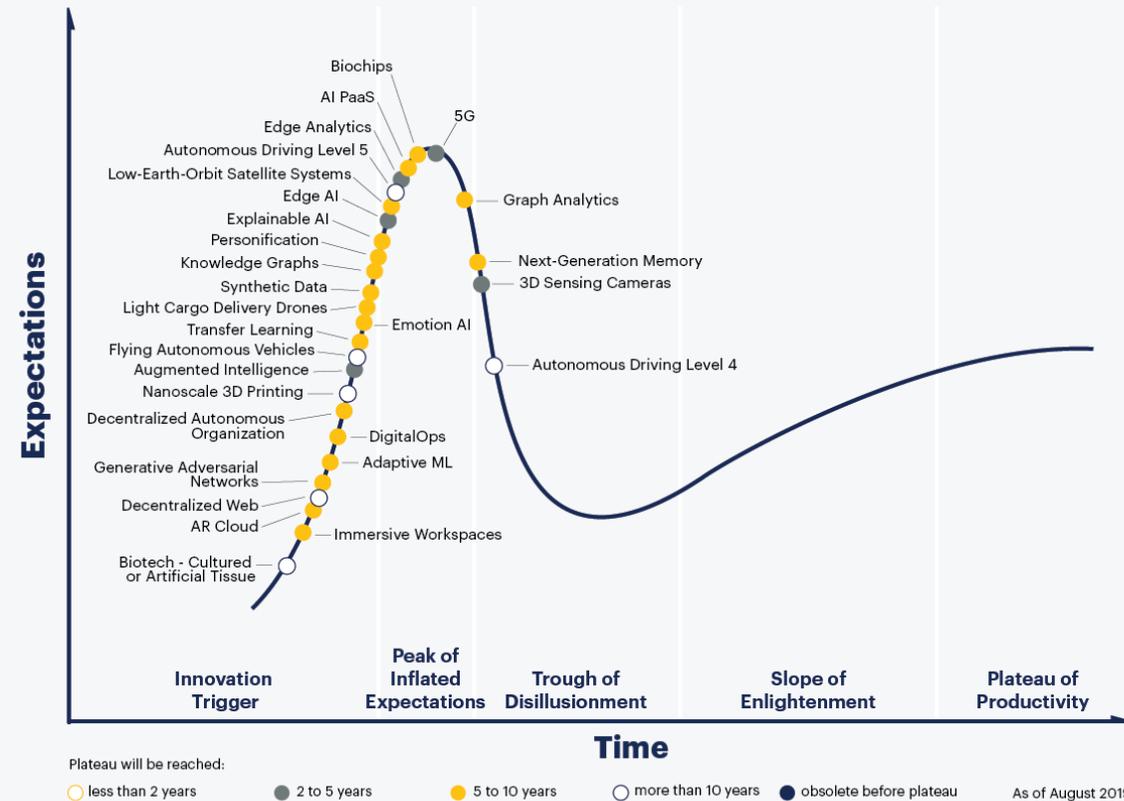
MAKING SENSE OF THE TECHNOLOGICAL HYPES



MAKING SENSE OF THE TECH BUZZ

- What to Know ?
- What to Look Out For ?
- The Challenge of Innovations looking for Problems
- Persisting with Emerging Tech

Gartner Hype Cycle for Emerging Technologies, 2019



BUSINESS DRIVEN SOLUTIONS VS IT SOLUTIONS

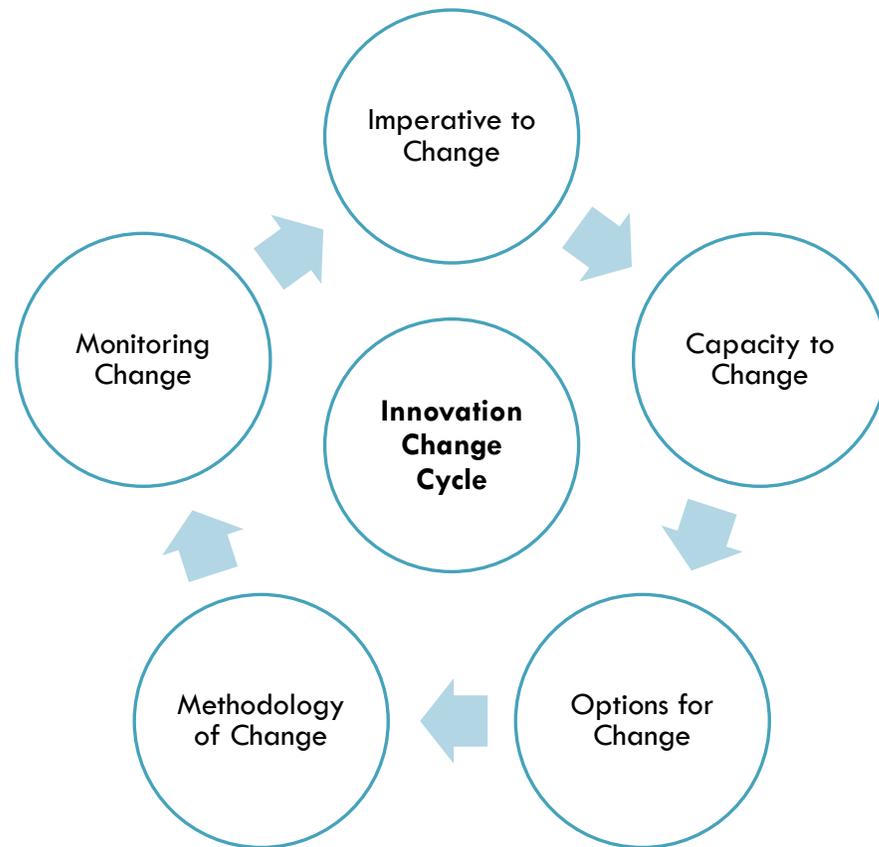
- Not falling trap to the latest buzz words: AI, IoT, Blockchain etc.
- Building a clear picture of where legacy applications constrain the business.
- Identifying risks directly related to running legacy systems.
- Revise application strategy and architecture driven by business needs.
- Justify funding for all modernization solutions by exposing business, security and technical risks inherent in their legacy systems.



CHEAT SHEET FOR IMPLEMENTING INNOVATION



UNDERSTANDING THE INNOVATION CYCLE



- Why is the change required : Regulation/ Business Needs/ Security ?
- How fast can we affect the change ?
- Who can we seek out for help in this journey ?
- Where is the change most required ?
- When will we initiate corrective actions if we get off track ?

SANS CLARITY INNOVATION IS A BLUR

- Better Alignment between IT and Business ?
- Taking Advantage of the Power of Cloud Applications ?
- Improving Agility and Visibility in New Product Development ?
- Improving Yield on IT Spend and Product Quality ?
- Mitigating newer forms of Cyber Risk ?



Key Question: *Can we afford to stay still
when the nature of doing business is evolving ?*

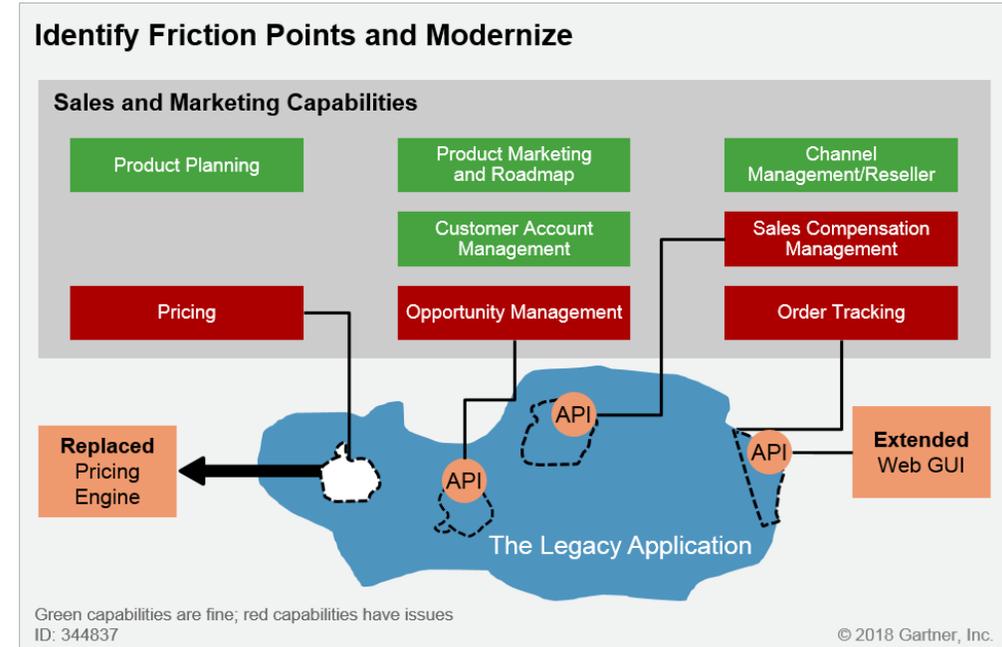
AGILE AS A BUSINESS MINDSET FOR INNOVATION

- Start small before going big bang.
- Empower Cross Functional Learning.
- Transparency in Decision Making
- Appreciate the Iterative Process.
- Don't treat Agile as a panacea for all organization ills.

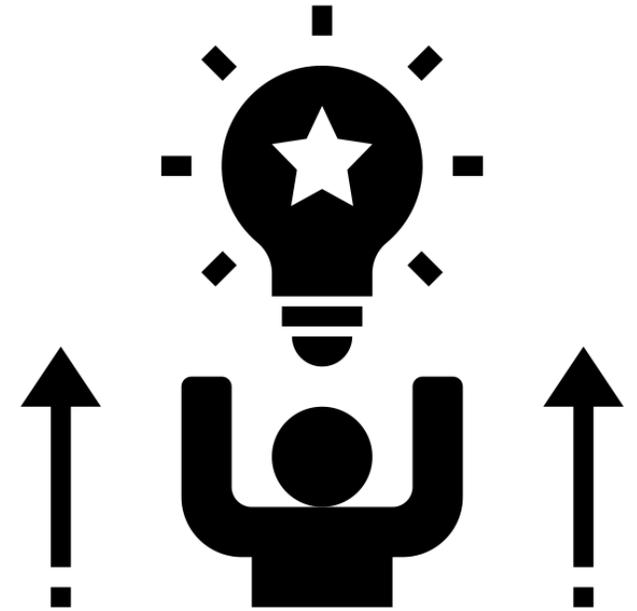


INNOVATION TEMPLATE

1. Assess the current state of systems.
2. Select the approach that would be the fastest to deliver value.
3. Prioritize for simplicity and API Development.
4. Balance Performance and User Experience.
5. Ensure Proper Documentation.
6. Prioritize Continuous Innovation Efforts

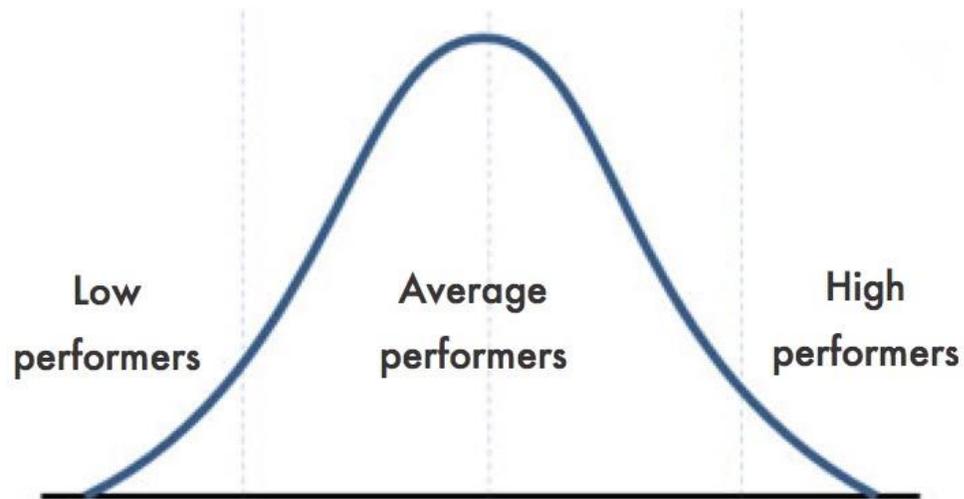


**DIGITAL MANAGES TALENT
AND VICE VERSA**

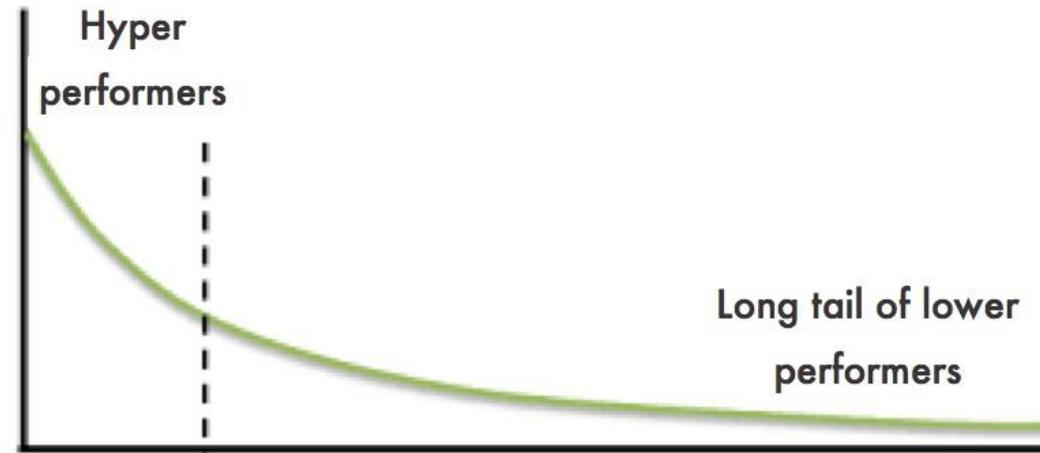


THE 10X EMPLOYEE PARADIGM

The Bell Curve
Normal Distribution



The Long Tail
Power-Law Distribution



Key Question: *How can we nurture and motivate hyper performers within our organization ?*

TALENT-READY FOR TRANSFORMATION?

Friend: What do you like most about your job?

Me: Lunch breaks and leaving.



Nurturing Intrapreneurs

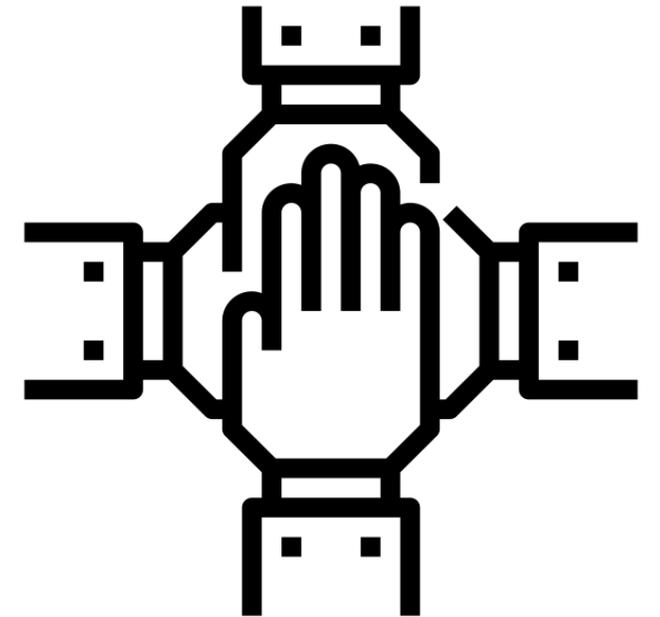


UNDERSTANDING THE MILLENNIAL MINDSET

- Striving for Impact
- Greater Need for Flexibility
- Maintaining Transparency
- Millennials are Digitally Native
- Building a Culture of Recognition
- Focus on the Individual



INNOVATION AS AN
'ACTIVITY' & AS A 'CULTURE'



EVOLVE THE CULTURE FOR DIFFERENT DIGITAL NEEDS



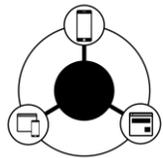
• Digital Experiences

- Foster customer empathy.
- Value understanding of both emotional and functional aspects.



• Digital Operations

- Embed both customer and internal metrics for employees.
- Recognize and reward digital experimentation and collaboration.



• Digital Ecosystems

- Build platforms and encourage API led systems
- Promote both internal and external collaboration



• Digital Innovations

- Promoting Innovation at all levels of the organization
- Appropriate balance between risk tolerance, development agility and perfection.

FRESH THINKING AS THE NEW HYGIENE

- Idea Contests
- Tinker Time
- External Consultants
- Social Media Mining
- Communication- Camaraderie- Cheer
Leading



© marketoonist.com

FRUGAL INNOVATION IS GOOD BUT COULD BE A TRAP TOO



- Desire for Agility shouldn't result in non-scalable solutions.
- Mind the costs of “cheap” solutions.
- Prefer vendor solutions that scale as per evolving needs.
- Plan for both the immediate and future needs before committing to innovation.

PARTING THOUGHTS..

- The Power Laws of Innovation
- Planning Innovation for Productivity
- Demystify the hype and be careful of buzz words.
- Embrace the power of small meaningful changes.
- Focus on Culture. Culture eats Strategy for Breakfast.



"I'll be happy to give you innovative thinking. What are the guidelines?"

THANK YOU !



@mmahapatra
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Youtube and
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