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DUBAI
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CORPORATE INNOVATIONS
ROUNDTABLE

Exploring the role of startups, large corporations and business in building newer products, creating innovation.

StrategyConnect served as a knowledge partner for the roundtable.

Interactions with **Mr. P.K. Gulati**, corporates & startup founders.

Executive Summary

The following report covers the insights and discussions that took place during the Innovations Roundtable at this year's GITEX/Expand North Star event in Dubai. An exclusive invite-only, closed door conference, The roundtable brought together key stakeholders from startups and businesses in contact with proven and successful startup founders, to bring forward new capabilities or enter new markets that the parent corporation is looking to venture into.

With the rapid advancement of entrepreneurship and harnessing of younger talent, there are more and more areas of work that are getting disrupted by innovative thinking and testing of boundaries. Most of this work is being done by agile companies. If large corporations can collaborate with the smaller companies or inculcate the culture of innovation by adopting agile processes within their business units, it will open up doors for better innovations and technological development.

The roundtable brought together key stakeholders from large corporations and service providers in contact with some proven and successful startup founders, to discuss the opportunities and the challenges in such innovation thinking- starting with discovery, engagement and brainstorming of life changing solutions.

The session was moderated by PK Gulati, Trustee, Global Board of Trustees, TiE President Emeritus, TiE Dubai and Founder, The Assembly & SmartStart Fund. He is an entrepreneur, idea accelerator, angel investor, mentor and writer with interests in exponential technologies, innovation, start-ups, entrepreneurship, future of work, mobility, knowledge sharing and more.

Key Takeaways

- Innovation is a continuous discipline, not a one-time event. It involves exploration, iteration, and execution, often leading to groundbreaking discoveries during the process.
- Embracing external innovation should expand portfolios, not replace internal methods. A hybrid model, combining internal and external approaches, can effectively drive innovation.
- Leadership plays a pivotal role in fostering an innovative culture. Top-down leadership, a flat structure, and a culture of failure contribute to creating an environment that values and encourages creativity.
- Encouraging business unit autonomy fosters innovation by decentralizing decision-making. It empowers units to tailor processes, respond swiftly to market changes, and cultivate a culture valuing experimentation.
- Dedicated innovation units closely integrated with core business operations, allow imbibing the culture of innovation in daily operations and resource availability.

About The Participants

The session saw participation from leading Corporates of the region, and startup founders. The participants included - **Dharmin Ved, CEO, 6thStreet, Maria Paula Oliveria, Senior VP, MasterCard, Arnold Wirnsberger, Strategic Initiatives Manager, CEO Office - WIO Bank, Saeed AlNofeli, Director, In5 Tech, Sameer Sortur, Founder and CEO, SquareCircle Tech, Sathish Jeykumar, Founder and CEO, Veehive, Hamza Khan and Omar AlMehiri, Founders Letswork**

Organizer and Moderator - Prashant K. Gulati (PK), Entrepreneur | Technology Evangelist, Founder, The Assembly; Founder, SmartStart Fund

Prashant K. Gulati (popularly known as PK) is an entrepreneur, idea accelerator, angel investor, mentor and writer with interests in innovation, startups, entrepreneurship, technology, mobility, wireless, intelligent buildings, online media and more.In addition to serving on boards of several startups and community initiatives, PK is an active Angel and early stage investor with a nose for fresh ideas. He is a mentor, providing guidance and advice to founders at various levels. He has been associated with a large number of successful startups and has an active portfolio in the US, Middle East and India.

PK has also been an influencer in the technology community in the Middle East, Silicon Valley as well as the Indian subcontinent. He is well connected with technology leaders and influencers of the region and is a respected voice and a trendspotter for leading edge technological innovation.

A postgraduate with Honors in Computer Science and Management, PK has been residing in Dubai for more than 20 years now.

Dharmin Ved, CEO, 6thStreet

Dharmin Ved has made his mark in the fashion retail industry as the CEO of 6TH STREET, one of the top eCommerce destinations in the region. He previously worked at Ernst & Young, (London) and as CEO of LM Exchange, one of the largest money exchange businesses in the UAE and Oman. Dharmin took on the role of Managing Director of Apparel Group in Russia, and during this time, he had successfully operated 3 brands and opened 30 stores, over the span of 4 years.

Maria Paula Oliveria, Senior VP, MasterCard

Maria Paula Oliveira is the Senior Vice President, Business Excellence at Mastercard. She leads the Eastern Europe, Middle East and Africa (EEMEA) Business Excellence team, which plays a critical role in powering our business with a multi-disciplinary function that oversees Strategy and M&A, Pricing and Interchange, Analytics and Business Insights, and Sales Excellence.

Arnold Wirnsberger, Strategic Initiatives Manager, CEO Office - WIO Bank

Arnold Wirnsberger is Manager Strategic Initiatives, CEO office of WIO bank. He has been a part of the Finance and Banking sector for close to a decade. Prior to WIO Bank, he has worked for BCG, Allianz Global Investors, Horváth & Partners Management Consultants, Accenture, he also is an investor in an undisclosed Start-up in Sustainability Finance and Blockchain space.

Saeed AlNofeli, Director, In5 Tech

Saeed Alnofeli is the Director of in5 and joined the business incubator with a mandate to drive innovation across Dubai's entrepreneurial ecosystem in 2020. He is responsible for supporting startups and members of the enabling platform by turning early-stage startups into commercially viable ventures. Prior to joining in5, he worked with the Sharjah Entrepreneurship Center as a Programs Manager where he trained, mentored and graduated over 100 startups at pre-seed and seed stage.

Sameer Sortur, Founder and CEO, SquareCircle Tech

Sameer Sortur is the Founder and CEO of SquareCircle Tech. SquareCircle Global through its new venture arm SquareCircle Ventures offers revenue growth consulting services to startups, scaleups and corporations considering venturing into the MEA region through Business

Model Redesign, Strategic Partnerships, Joint Ventures, Investments and Market Intervention. Prior to founding SquareCircle Global, Sameer has been an investor, and advisor.

Sathish Jeykumar, Founder and CEO, Veehive

Sathish Jeyakumar has a diverse work experience spanning over two decades. Sathish founded Veehive in 2020 and is currently serving as the Founder. In 2021, they co-founded Mind and Mom, where they hold the position of Co-Founder & CTO. From 2018 to 2021, Sathish was a Co-Founder & CTO at Hubun. Sathish also worked as a CTO as Service at Mpliphi from 2020 to 2021.Prior to these roles, Sathish held various positions at Emirates starting in 2005. Sathish served as the Head of Technology Innovation - Manager IT Innovation from 2019 to 2020

Hamza Khan and Omar AlMehiri, Founders, LetsWork

Hamza Khan, is the co-founder of Letswork. He is a qualified lawyer, having received his law degree from the London School of Economics and having trained at Clifford Chance LLP. In October 2017, Hamza was selected for the E25 entrepreneurship program at EMAAR. Three months later, Hamza launched Letswork with his co-founder, Omar Al Mheiri.

Letswork is the Middle East's largest flexible workspace solution provider.

Omar Al Mheiri graduated in 2017 from Northeastern University, Boston with a degree in electrical engineering. Right after graduation he was selected for the E25 entrepreneurship program at EMAAR, where he launched Letswork with his co-founder, Hamza Khan.

Aina Garg, MD Lenskart Middle East

Aina Garg is the Managing Director of Lenskart for its Middle East arm. She is an MBA from Indian School of Business and a graduate from IIT Delhi. Aina has worked in several roles throughout her career such as Credit Suisse and Careem before working as the MD at Lenskart.

Rahul Garg, CEO and Founder, Moglix

Rahul Garg is the CEO and Founder of Moglix which he founded in 2015. Rahul has worked earlier with Google as their Head of AdX in Asia Pacific. Rahul is an MBA from the Indian School of Business and an alumnus of IIT Kanpur.

About Optimistix Ventures

Optimistix, founded in 2003, has been a part of the growth of Dubai and the region into a hub of innovation and world-class events. From the earliest days of development of Dubai, the founding team worked to build the technology behind the iconic milestones like Burj Al Arab, Emirates Towers, Emirates Palace, Dubai Internet City, Burj Khalifa, Emaar developments and the like, and to the latest institutions like Dubai Future Foundation, In5, Hub71 and the UAE PMO.

The team expertise has centered around creating, ideating and execution of innovative ideas and activations, especially around events and displays, of global impact and substance. Our expertise extends into content, talent, technology, innovative activations, production and complete execution of specialty events like World Government Summit, GITEX, and Expand North Star to name a few.

About Strategy Connect

StrategyConnect participated as the knowledge partner for the round table. StrategyConnect deploys specialized talent on-demand. As one of the largest networks of independent consultants and industry experts, it is driving the adoption of a flexible workforce across the Middle East.

It aims to rapidly connect organizations with the precise expertise they need. The company boasts of being a provider of meticulously vetted consultants to well-known projects such as the NEOM, Abu Dhabi Early Childhood Authority and other well-known institutions.

Corporate Sustainability Through Innovation Excellence

Failure to innovate can cost serious businesses losses which can even result in permanent business failure. Some examples include Kodak, Nokia, Xerox Corp., and Yahoo. Even though these businesses were leaders in their respective fields at some point, the failure to capture modern trends led them to serious failure.

Interestingly, the same market trends, which caused the failure of some businesses, led to the success of several others. The failure of Nokia and the rise of Apple both were at the same time. However, this does not necessarily mean that older businesses are destined to fail. Many older businesses have survived well and several of them are still market leaders. A few such examples are Wells Fargo, IBM, General Electric, and Hewlett-Packard.

A common aspect which connects all of these companies together is their dedication to innovations. Most of these companies have engraved innovation as a part of their business strategy. This helps them realign themselves with the market trends which then helps extend their business life cycle.

Navigating Disruption: Trends Driving the Need for Corporate Innovation

Markets can only be disruptive for businesses when they continually tend to ignore critical trends in innovation. Even the fastest-growing trends last for a decade before pushing older businesses aside.

One example can be the introduction of blockchain technology, which took the world by a storm in 2022, and was pioneered more than 13 years ago with Bitcoin.

Another example could be the introduction of data to drive insights that eventually led to the birth of Artificial Intelligence. According to research by McKinsey 50 to 60% of businesses around the world have deployed some kind of AI tool for their business.[1]

Other technologies which led to market disruptions were 5G, Automation, Robotics, Cyber Security, Virtual and Augmented Reality, Voice Recognition, Software as a Service, and a lot of others.

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1. *The state of AI in 2022—and a half decade in review*. (2022, December 6). McKinsey & Company. https://www.mckinsey.com/capabilities/quantumblack/our -insights/the-state-of-ai-in-2022-and-a-half-decade-in-review

Busting Corporate Innovation Myths:

Seeing the failure of large corporates in the innovation domain, it seems that the concept is very elite and only a few companies get lucky with it. However, innovation is not as difficult as it seems. It is just surrounded by a lot of myths.

The participants engaged in the roundtable conference concentrated on dispelling these myths, aiming to assist companies in embracing and fostering a culture of innovation. A couple of commonly encountered misconceptions surrounding innovations are:

#Myth 1: Innovation is a one-time event

Innovation is never a single event and the "eureka moment" is largely a myth. It is an **ongoing discipline**. It is the essential for corporate management to continuously integrate it into their organization's culture. It is a process of **exploration, iteration, and execution.** Groundbreaking innovations often arise without any explicit intention to create something. Instead, they emerge during the process of exploration, which is unexpectedly discovered, proving instrumental in solving a significant problem.

#Myth 2: Innovation is only an external process for corporates.

There is a growing trend among businesses to knock on the doors of external partners. This is to quickly acquire digital capabilities as they are bombarded with new technologies.

Open Innovation is where a large corporation outsources innovation to an external entity such as an R&D Lab, purchase of intellectual property or through specialized startups. It is also the most popular innovation model in the case of tech business. At least 75% of organizations are in favour of open-source innovation and at least 71% of organizations plan to increase their efforts for open-source innovation as per a report by Capgemini.

However, it is believed that companies should rethink their innovation systems in balance. Embracing external innovation should serve as a means to expand portfolios, rather than diminish internal methods.

Some practitioners also believe deploying a **hybrid model** is the most effective. It combines both internal and external approaches for working with innovation. Corporations can independently **develop innovative technological solutions internally, and then use outside resources to test and optimize.**[2]

Corporates need to steer multiple innovation vehicles mapped to smart, investable themes[3]. Companies desiring closeness to the core business while emphasizing ideation may opt for

[2]*The Role of Internal and External Innovation — Opinions From 11 Experts* (2023 February 1) Netguru. https://www.netguru.com/blog/internal-and-external-innovation

[3] *Venturing to Innovate: Five Strategic Insights for the C-Suite* (2023 January 13) https://www.bain.com/insights/venturing-to-innovate-five-strategic-insights-for-the-c-suite/
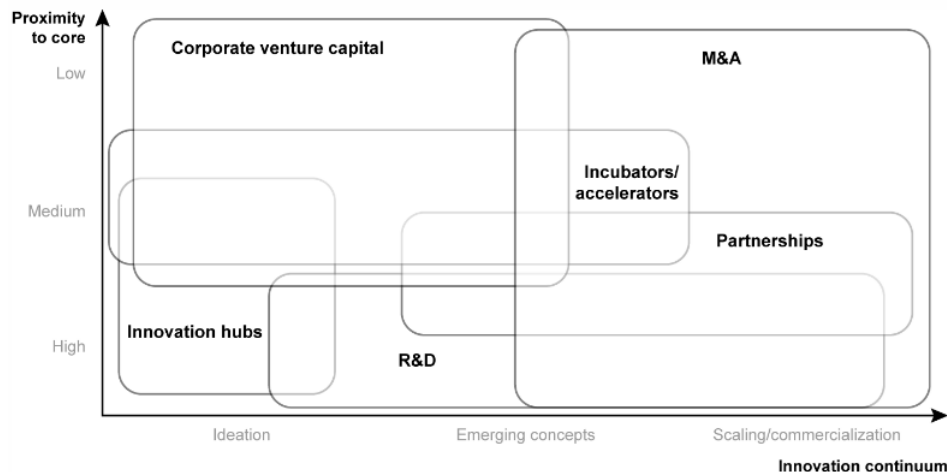
innovation hubs, incubators, or accelerators. Those concentrating on emerging concepts, scale, or commercialization are more likely to prioritize in-house research and development or partnerships. Companies with the goal of establishing entirely new growth engines over an extended timeframe may invest in a CVC arm to tap into emerging technologies and markets. Alternatively, for those on a quicker timeline, a brief business-building activity (such as building and validating a proof of concept, followed by piloting and testing as an MVP for rapid feedback) could be a more suitable choice.

Source: Venturing to Innovate: Five Strategic Insights for the C-Suite, Bain & Company

Mastering Innovation: Strategies for Corporate Success

As per McKinsey, 84% of CEOs recognize the necessity of innovation for growth, yet fewer than 10% express satisfaction with their innovation performance. This discrepancy arises from the challenges companies face in successfully formulating and executing their innovation strategies.

The roundtable conference focused on the effective ways of development of a successful innovation strategy. Crafting an innovation strategy involves delineating an organization's mission, vision, and value proposition for specific customer markets. This strategy establishes parameters for expectations in innovation performance by streamlining and organizing innovation efforts to achieve optimal outcomes.

To foster an innovative company, it must ensure **a well-balanced innovation portfolio**, encompassing core, adjacent, and transformative initiatives. Traditionally, 70% of innovation investments focus on **core innovations**, 20% on **adjacent innovations,** and merely 10% on **disruptive innovations**. However, in terms of value creation potential, these proportions are inverted: core innovation efforts typically contribute 10% of the long-term cumulative return on

innovation investment, adjacent initiatives contribute 20%, and transformational projects yield a substantial 70%.[4]

Strategies to drive innovation for corporate success discussed at the roundtable are as follows:

- **Top-down leadership push**

> Leadership is instrumental in advancing the innovation agenda by establishing innovation objectives, allocating resources, and cultivating a culture that recognizes innovative thinking and embraces failure.

Innovation is not an accident; it's the outcome of a culture that values and encourages creativity. Leadership is the catalyst for creating this culture. To cultivate an environment conducive to innovation, leaders need to **lead by example**, fostering trust and collaboration. For e.g., Elon Musk is renowned for his innovative leadership in both Tesla and SpaceX. He has a clear vision of the future, actively seeks out diverse talent, takes calculated risks, and invests heavily in research and development. His leadership has resulted in groundbreaking innovations in electric vehicles and space exploration.

A **flat leadership structure** empowers teams to take ownership of their projects and freely explore ideas, devoid of concerns about potential repercussions or criticism from higher levels.

Leaders can optimize innovation team performance by providing clear structure and fostering a low-pressure environment. At the same time low standards for work ethic and tolerance for incompetence hurts innovation culture.

They should imbibe **a culture of failure for a culture of innovation.** Innovation necessitates a process of trial and error, and embracing failure allows teams to approach breakthroughs. This culture not only motivates teams to take risks and explore new ideas but also offers a valuable opportunity for reflection on the experimentation process.

For e.g., Google has embraced the 20% project system since 2004, permitting employees to dedicate 20% of their time (equivalent to one day per week) to personal projects. This initiative aims to foster a more creative environment, providing employees with the resources they require to enhance productivity. Consequently, Google has witnessed the development of some of its most successful products and services, including Gmail and AdSense.[5]

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[4]*Creating an innovative culture*
https://ecampusontario.pressbooks.pub/leadershipandmanagement/chapter/11-2-creating-an-innovative-culture/

[5] *Fostering an Innovation Culture that Thrives in Your Organization* (2023, June 30) https://www.plugandplaytechcenter.com/resources/innovation-culture-in-organization/

lenskart

Lenskart, a multinational Indian eyewear brand, has showcased success by garnering top-down leadership support for innovation. In the dynamic retail landscape, Lenskart has positioned itself as a trailblazer, transforming the eyewear industry in India through its innovative technology-driven solutions.

Specific Use Case: Revolutionizing Selection with AI

In pursuit of ongoing innovation, Lenskart has embraced the power of artificial intelligence (AI). Lenskart's AI algorithms can accurately determine glasses that would complement an individual's facial features. This AI-driven approach has significantly reduced the time customers need to spend in finding the perfect pair of glasses.

- **Segregation from corporate**

Encourage business unit autonomy to facilitate the decentralization of the innovation function, promote agile workflows, and foster a greater willingness to take risks.

This involves empowering a business unit with the freedom to make independent decisions related to innovation. By doing so, these units can establish their innovation processes, respond swiftly to market changes, and cultivate a culture that values

experimentation and risk tolerance. This approach allows the separated entity to adapt more efficiently to emerging opportunities and challenges, unleashing its full innovative potential in a nimble and responsive manner.

This system will help to foster an environment for entrepreneurial behaviors within a larger organization. Intrapreneurship usually influences people to be more self-motivated and action oriented.

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6thStreet, a GCC-based fashion e-commerce segregated itself from its conglomerate, Apparel Group to foster a conducive team culture to drive cutting-edge innovation.

Specific Use Case: Tech-Forward Initiatives & Recognition

6thStreet was awarded the Emerging Tech Adopter of the Year 2022. It garnered recognition for its tech-forward initiatives in the GCC e-commerce arena. With innovative moves such as opening the first phygital store in Dubai Hills Mall and venturing into the metaverse, 6thStreet became a trailblazer. This virtual venture provided visitors with an immersive shopping experience in shoppable rooms, a cinema hall, and a treasure hunt.
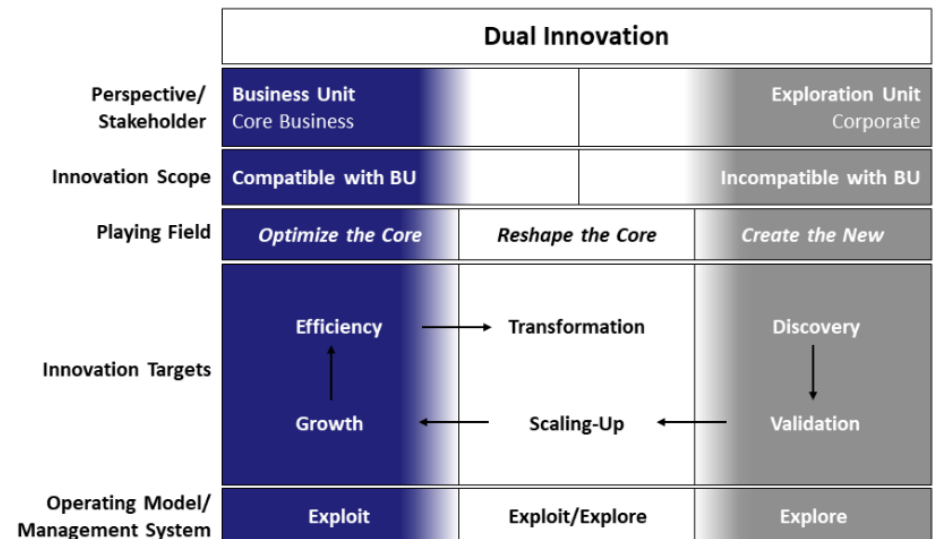
- **Dedicated innovation units**

> Innovation units closely integrated with core business operations, allow imbibing the culture of innovation in daily operations and resource availability.

This involves creating a specialized unit with a distinct focus on innovation. By closely aligning this unit with core business functions, there is a seamless integration of innovative thinking into the organization's day-to-day operations. This dedicated innovation team has its resources, expertise, and autonomy, allowing it to explore new ideas, technologies, and approaches without disrupting the routine activities of the core business. **The two systems aren't in competition, simply complementary.**

> ❝ *"In essence, exploration and exploitation need two disparate operating models or management systems. They are not compatible. They have to be separated. At least at the outset, when you start new ventures, you have to protect them from the core business."*
>
> *- Dr. Ralph-Christian Ohr, Corporate Innovation Expert*

Dual Innovation			
Perspective/ Stakeholder	**Business Unit** Core Business		**Exploration Unit** Corporate
Innovation Scope	**Compatible with BU**		**Incompatible with BU**
Playing Field	*Optimize the Core*	*Reshape the Core*	*Create the New*
Innovation Targets	Efficiency → Transformation		Discovery
	Growth ← Scaling-Up ←		Validation
Operating Model/ Management System	**Exploit**	**Exploit/Explore**	**Explore**

Source: Book on "Scaling up Corporate Startups" by Dr Ohr

Case in point

Emirates إنـطـلاق INTELAK

Emirates partnered with Intelak, a startup incubator to drive innovation in the aviation and travel industry

While adopting this ambidextrous relationship companies should keep in mind that splitting responsibilities should not equate to splitting the team, at least in spirit thereby nurturing the creation of "One mindset".

In conclusion, the roundtable discussions shed light on the imperative role of innovation in navigating the challenges posed by disruptive market trends. Addressing corporate innovation myths, promoting top-down leadership support, and fostering a culture that embraces experimentation and

learning from failure. The strategic insights shared provide a comprehensive guide for corporates seeking to master innovation & ensure long-term corporate success. By encouraging autonomy, embracing dedicated innovation units

companies can position themselves as agile and responsive entities, ready to thrive in the dynamic landscape of modern business.

Snapshot of Key Takeaways:

CORPORATES SHOULD VISIT INNOVATION FROM A FRESH PERSPECTIVE AS AN ONGOING DISCIPLINE AND A CULTURE THAT EMBRACES EXPERIMENTATION, BREAKING THE STIGMA AROUND FAILURE

MYTHS ABOUT INNOVATION IN CORPORATES

Myth 1: Innovation is a one-time event: Innovation is an ongoing discipline. It is the function of management to continuously integrate it into the corporate culture

Myth 2: Innovation is an external process: Corporates prefer quick external solutions over building their own due to fear of failure. It is essential to break this taboo around failure to encourage an experimental approach, hence making innovation an internally driven process.

APPROACHES TO INCULCATE INNOVATION EFFECTIVELY

Top-down Leadership push

- Leadership to drive the innovation agenda via setting innovation goals, allocating resources, & **fostering a culture that rewards innovative thinking & tolerates failure.**

- **Case in point:** A multinational Indian eyewear brand demonstrated success through top-down leadership support for innovation.

Segregation from corporate

- Facilitate **autonomy of business units** to allow decentralization of innovation function, agile workflows, and greater appetite to take risk.

- **Case in point:** A GCC-based fashion e-commerce segregated itself from its conglomerate to foster a conducive team culture to drive cutting-edge innovation

Dedicated innovation units

- **Innovation units closely integrated with core business operations,** allow imbibing the culture of innovation in daily operations and resource availability.

- **Case in point:** A national carrier partnered with a startup incubator to drive innovation in the aviation and travel industry

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✉️ info@strategyconnect.com   [in] linkedin.com/company/strategyconnect/