

South Africa needs to wake up, work together and innovate in order to address socio-economic challenges

By [William Mzimba](#)

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We are living in an era of abundance - we have all the resources required to solve humanity's biggest challenges. The activating ingredient is the ability to innovate. However, in South Africa, the results of the *Accenture 2017 Innovation Index* show that we have not yet as a nation embraced innovation. If we don't turn that around rapidly, the consequences will be dire.



William Mzimba, chief executive of Accenture South Africa and chairman of Accenture Africa.

South Africa faces key challenges such as poverty, low levels of education and employment, as well as an urgent need for economic growth. We still have more than seven-million people in this country that go to bed without food. We have kids today that are not in the education system. We have adults and youth with no opportunity for employment. The status quo cannot prevail. We know that.

We also know that the rest of the world is not going to solve it for us, nor is the government going to do it for us. We have the resources, power, ability and capability to solve this together. But it is going to require new thinking.

Crowdsourcing solutions to global problems

I recently had the privilege of attending Peter Diamandis' XPRIZE Visioneers Summit 2017 in Los Angeles – it represents some of the greatest crowdsourcing of innovation the world has ever seen – and a few things struck me:

- We actually don't have to think about our problems only within the confines of resources we have;
- We have all the technology we need today to even mine comets; and
- Through crowdsourcing we have access to the collective resources on this continent, including financial resources – it's all we need to begin to solve the greatest challenges that we have.

However, we are collectively challenged: we haven't yet as a nation understood that the Fourth Industrial Revolution has ushered in technologies that enable us to change the course of direction of humanity on this continent. If we don't embrace these technologies and move at a speed, we are once again going to become the forgotten continent.

I believe that if we can collectively unleash the power of our collective genius – apply our resources and mind power, and leverage the available technologies – we can solve many of the challenges we face. This is the reason why year on year, since 2015, Accenture has run the Innovation Conference to ignite the ingenuity that we have within us and see how we can unleash innovation to solve the challenges we have on this continent.

Where are we falling short?

In a world of exponential potential and ability to grow and take giant leap steps, the *Accenture Innovation Index* shows that South Africa has moved ahead only a miniscule two points in its ability to innovate. We all talk about it, we all believe it's important, we read the literature, we see what's happening elsewhere in the world ... but we fail to execute.

Our research shows that businesses agree that strategy is important, that there is a need for us to collectively and collaboratively go into an ideation process, that it is important for us to use data-driven innovation and open innovation for us to bring together a lot of ideas. But when it comes to prioritising those ideas and putting a budget behind them to get them to the execution space, we fail.

The biggest unicorns today – Airbnb, Alibaba, Google – are showing the way. These digitally driven platform businesses have grown substantially in a very short time. Yet, as a nation, we still haven't embraced the platform economy. We haven't yet seen the need to disrupt our own businesses and to start operating on the basis of the value that can be derived from platform economics. Using open innovation in a collaborative way seeking to build businesses of scale requires us to adopt the key principles of platform dynamics.

Advantage of the platform

Platform businesses reflect a few fundamental characteristics. Key among them is that they adopt a differentiated value proposition, led by personalisation, analytics, big data, and market responsive pricing. I believe that this is the area of innovation for us.

When we think about the things that we need to innovate around, we should have at the centre of our thinking how we could begin to create platforms, because platforms, through their ability to scale, are going to allow us the opportunity to get to the growth trajectory that we need so desperately. They will also provide the ability to embrace ecosystems.

A great proposition, mass personalisation, responsive pricing, effective cyber protection, scaling their ecosystem and allowing the network effect to come together can, from today, help South African enterprises to start to migrate to a platform world. However, we are far from ready.

Ideas are worth nothing unless you are able to execute

Compared to G20 countries, South Africa ranks low in terms of platform readiness on the *Innovation Index*. This ranking was determined by the country's digital user size and saviness, the entrepreneurship in our environment, our preparedness in terms of the technologies that will allow us to innovate, how open innovation is embraced in our environment and how the policymakers and regulators are enabling platform dynamics.

We need to take note. Innovation is fundamental within a platform economy but, to this world, ideas are worth nothing unless you are able to execute. We need to build that capability. How?

Accenture's Innovation Architecture is built to take ideas to execution rapidly. It combines research; a venture component where we co-operate and coordinate a lot of initiatives with fintechs, insuretechs and startups; and our Accenture Labs where we prototype – we get ideas out of the starting block into something that people can see, feel and touch so that they can begin to understand how they can incorporate that into their processes. Once we have that, we can help our clients build it at speed, embed it and scale it.

However, we need to think about innovation in more than the conventional way.

Innovation is not just about invention

Steve Jobs did not invent the concept of a phone; he built a large platform for a something that already existed and perfected it. He also got into the music business late, but today his \$12bn iTunes platform is the largest of its kind today. What did he see? He wanted to connect music producers with music consumers. He got into the middle.

This is the opportunity for us – to start to think about what exists out there and how we can repurpose it using our collective genius to come up with a market-defining innovation. Our challenges as a country and as a continent are large; incremental innovation is simply not going to get us there.

Alibaba offers another brilliant example. It is not just an ecommerce platform, it's an infrastructure and a data company. This is its strength and future. It focuses on its big data capability, matching buyers and sellers on its platform and so offering ever more services on its platform. From the foundation of an ecommerce capability, it saw a great opportunity to connect people in the most rural of rural places in China with a huge market. It has the power to move goods from one place to the other – through Ali-pay it reduces friction in the value chain, and through its insurance offering that insures goods in transit it creates a trust equation between the goods producer and the buyer.

The insight? Alibaba has leveraged 'exponentialising' technologies in a combinatorial way to become – in just a few years – one of the largest enterprises today. We have the power to unleash the potential in this country in a similar way.

ABOUT THE AUTHOR

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