INTERVIEW REPORT

The Innovation Mindset Of Leaders

THE EXPERT INTERVIEW SERIES

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PREPARED BY:

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What do innovative leaders have in common?

INTRODUCTION

As part of our research on "The Innovation Mindset of Leaders", we conducted a series of interviews with high profile experts in the field to better understand what kind of leadership is needed for an organisation to stay ahead of the curve in today's rapidly changing economy.

What do innovative leaders have in common? What are the organisational barriers to innovation? How do you future-proof an organisation? More importantly, why is it so hard? These are just some of the questions that sprung to mind when interviewing these thought leaders.

This week's expert is Muhammad Chbib, CEO of Tradeling.com. There are many reasons why we selected Muhammad as a member of our expert panel. For one, he is a well seasoned entrepreneur for whom personal growth, development, and the desire to innovate are second nature. He went from being a consultant at McKinsey & Company to becoming the co-founder of Tajawal.com, a leading regional online travel agency and today, he is at the head of a technology startup with a vision to become the preferred business-to-business eMarketplace in MENA.

But there is more to it: Muhammad is also refreshingly bold. honest and pragmatic when it comes to the topic of innovation, for which he has a deep understanding. We found him enlightening, we hope you will too.

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EXPERT INTERVIEWS

An interview with Muhammed Chbib

Muhammed Chbib
CEO Tradeling.com
Co-founder Tajawal.com

> "You can't transform companies from the inside by just changing a few people at the top – you need to get people on every level to push for innovation...and you need the ones who don't care about the last 20 years.

How do you define innovation in an organisational setting?
One of the misconceptions we often have is that innovation is a quantum leap. It's not, it comes in all the tiny steps of each process at every level. I believe you need to embed innovative thinking in the mind of each individual that works in a company. In a nutshell, organisational innovation requires an overall culture of critical thinking with a structured idea filtering process that gets the best ones out. Innovation also needs decisive leadership - this is where someone like a Chief Executive Innovation Officer can get involved – who owns the critical thinking process, a facilitator for others to innovate and who gets the most promising topics on the CEO's agenda.

In your experience, what do innovative organisations and their leaders have in common?
When I look at the most innovative organisations I know – whether it is a football team or high tech company - the most common trait at a leadership level is what I would call restlessness: they always try to change que status quo for something better, even if they are already seen as the best. At an organizational level, everyone can play a different role in the innovation process. If I relate it to myself, I am not that creative or innovative when it comes to product but I am always looking for a way to optimise talent and process, that's my strong suit.

What are the top things a senior management team can do to create an innovative culture?
Injecting innovation into an existing culture is extremely challenging. If I take the example of a traditional company that wants to revamp itself and become innovative, or who wants to go through a "digital transformation", I think it's impossible without making drastic changes in everything it does. In my opinion, the first factor to consider is the leadership – you need to change it and put one in place that is totally convinced it needs to re-invent itself. You also probably need to replace at least 30% of the staff and inject new blood – it's important to get rid of an organisation's old way of thinking. If the old style influences or manages the new one too much it cannot work.   Another thing is to change the consequence management process: remove the culture of warning letters for doing something wrong – instead, encourage failures and bold thinking. Many leaders tend to be risk averse for various reasons, especially during tough economic times. Ultimately, organisations who really want to innovate and transform should build a parallel universe, scale it, enable it and put money behind it, using the "old" business to finance the new one. Because if you don't, the business will slowly die and vanish in 10 years anyway. You can't transform companies from the inside by just changing a few people at the top – you need to get people on every level to push for innovation...and you need the ones who don't care about the last 20 years.

> **An existing CEO of an existing business is primarily concerned with P&L and their second role is to set a vision to ensure the company is still around in 10-20 years. Often this latter part of their role is neglected.**

What, in your opinion, are the biggest barriers to innovation? How can they be overcome?

In general – fear, lack of budget and talent. Depending on the region, the order of these is different. Here talent is the big one, number two is fear and three is budget.

How can you overcome the talent issue?

If I take a look at the MENA region and its massive talent issue, I think this is the primary area where governments should invest in. We need to ensure that we start building a new, modern, future-proof educational system that overcomes the failed one in the past. My vision for our region is that we manage to produce 3-5 universities – or whatever the institutions will be called in the future – in the next 10 years that are top-ranked worldwide on FT or Business Week rankings. However, I do not think that working on university education alone is sufficient. There needs to be massive work done on the early learning side. Families need to instill critical thinking and a hunger for growth and leadership in every young individual. This in my humble opinion is the biggest lack we have especially in the GCC compared to Europe or China. In Europe after World War 2 for instance, people were forced to build and re-build, they were hungry, they were restless to work hard for their future. They subsequently became leaders on so many fronts... This role has in the meantime transitioned to China who is emerging as the leader on the digital and mobility front for the next decades to come.

How can organisations ensure they are "innovation-ready"?

If you have a concrete project, create a parallel universe with a 100% innovative strategy and culture that you can eventually transition to. If you don't have a project, create an encapsulated unit that can work separately on various potential projects that can benefit the company. What organisations often miss is an innovative vision. An existing CEO of an existing business is primarily concerned with P&L and their second role is to set a vision to ensure the company is still around in 10-20 years. Often this latter part of their role is neglected – so giving a mandate to a specific group to look after that can help if leadership gives it its full support. This group should be 100% detached from the existing organizational structure and reporting lines, with direct access to the CEO/Board in order to push the innovation agenda in a disruptive way.

What can be done in a company's recruitment and employee development process to ensure an organisation has the people it needs to become/stay innovative?

When it comes to recruitment, stop hiring with CVs – resumes shouldn't decide whether or not you interview someone or not. A more suitable way nowadays seems to be sophisticated AI tools or talk to potential hires. I feel that's what recruitment teams should do: spend their time talking to people. To enable

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current employees. I don't believe in classic training programmes – especially in a start-up environment. Training shouldn't be something employers give to be consumed by employees who don't necessarily want to learn. I am a self-taught man and believe the desire to learn about something enough to research it by yourself is key. If you really care about growing, you do everything you can to achieve that. As an employer, I want people to take initiative and tell what learning resources they need – I don't have an issue when it comes to the budget if we all benefit. If one of my team members asks for time to personally benefit from learning, we try everything in our power to enable this time because in the long run it will benefit our company as well.

What do you the impact of the current covid-19 pandemic has been on organisational innovation and how will it affect it in coming months?
I think it has forced us to think outside the box. It has pushed slow businesses to adopt remote working styles faster. It has also certainly forced the entire economy to adopt e-commerce faster.

However, with rampant uncertainty and an enforced remote working environment, the innovation power of organisations will slow down. Innovation and brilliant ideas very often stem from working in a collaborative environment, where personal interactions inspire people to come up with new ideas. In my opinion, the current crisis mode we are in will alter this for the next months to come and organisations will have to cope with new methods of collaboration and apply other types of innovations going forward. But in the end, time will tell.

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