5 Key Trends in Innovation and How Leaders Can Capitalize On Them in 2021

In order to create something new and lasting, you need to have a handle on what's changing in business right now.

July 30, 2020 5 min read

Opinions expressed by *Entrepreneur* contributors are their own.

Innovation is a given in today's market, but not all types of innovation are created equally. Over the past couples of decades, to innovate has been to adopt new forms of tech, become more productive and expand your reach further than it's ever been before. While these are all still key parts of business, forward-thinking entrepreneurs are starting to look in new directions as well.

According to estimates from McKinsey & Company, the minimum economic value that has been vaporized by the pandemic is somewhere in the range of $9 trillion. With a figure like that, it's no wonder that business leaders the world over are looking to change the ways they think about innovation for good.

If you're hoping to ride the next transformational bandwagon, you'll need to know what the current discourse around innovation looks like. Here are a few good places to start.

1. Consumer Interaction

The customer may always be right, but companies sure haven't

been treating her like she is. COVID-19 has exposed just how flimsy some businesses' customer experiences truly are, and consumers are ready to fight back. Research from American Express has shown that one-third of customers will switch brands after just a single bad experience, meaning that it's high time businesses get their act together.

The first place to start is by simply devoting more attention and resources to the demands of your client. Jeff Wong, one of the most innovative people I follow and EY's Global chief innovation officer, encourages leaders to go from "'eyes down' (when they just focus on what's in front of them) to 'eyes up' and look ahead to assess what needs to be done to meet changing demands." An "eyes up" attitude can be all it takes to bring your company one step closer to the people it services and boost business in the process.

Related: Why You Should Speed Up Digital Transformation During the Crisis

Now more than ever, people want the opportunity to make a difference with their purchases. Nearly 90 percent of customers want businesses to be more environmentally and ethically friendly, and those customers are more than willing to turn that desire into cash.

Embracing sustainability will look markedly different for every company, but it always generates consumer hype when done correctly. Consider Burger King's adoption of the Impossible Whopper or feeding their cattle lemongrass in order to reduce methane emissions. Neither of these are huge steps for a business to take, but they're tangible and expand the company's pool of customers to include those concerned about their carbon footprint.

3. A Focus on EQ

When we think of business innovation, it can be easy to get caught up in the notion of a driven, monomaniacal entrepreneur with something to prove. While that may be true in some instances, it’s an outdated picture of an increasingly diverse field that is starting to value EQ as much as it does IQ.

Innovation doesn’t just mean creating a slick new product; it can just as easily mean novel corporate restructuring, implementation of new workplace policies or refining recruitment tactics. Startup consultant Andrew Deen said it best when he wrote that high-EQ entrepreneurs are “good at putting themselves in someone else’s shoes and seeing challenges from different perspectives … these qualities typically make them excellent, respected communicators.”

Consumers are tired of companies proclaiming social responsibility but failing to put their money where their mouth is. After hundreds of companies posted black squares on June 2 in solidarity with nationwide Black Lives Matter protests, backlash soon followed, claiming that this amounted to little more than performative activism. Businesses willing to go the extra mile soon separated from the rest of the pack, with firms like Apple pledging $100 million to racial equity initiviates. Whatever is coming next in business, it’s going to have to make a real change if it wants to survive.

Related: Collaboration Is the New Innovation

5. Virtual Living

Even before the pandemic struck, the average internet user spent just shy of 7 hours a day online — an already-high number that has surely ballooned since the start of the pandemic. The digital world may be full of ways to keep yourself entertained, but as the internet starts to become a

prosthetic for other aspects of life, people are starting to look for new ways to replicate in-person experiences online.

Wave, a digital concert-streaming platform, recently nabbed $30 million during a round of fundraising and later partnered with Jay-Z’s Roc Nation label, paving the way for a new era of concerts that don’t have to be attended to be seen. Rock-star manager Scooter Braun perhaps summed it up best when he said that “the future of the industry depends on” companies like Wave, and the same is true for nearly all other industries as well.

The business world is changing before your very eyes; you just need to latch on to the right changes at the right time. Innovation is a story that’s never finished, but getting involved now can ensure happy endings for your later on.

https://www.entrepreneur.com/article/353889