

Need to innovate keeps bosses awake

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How to innovate and be ready to catch the next wave of an economic boom is one of the issues keeping chief executives of listed companies awake, says Deloitte.

In addition, the shortage of talent, the wave of financial and non-financial regulations as well as some planned government policies were the other issues listed in Deloitte's latest Insomnia Index released in Sandton this week.

The index tracks the topical issues uppermost in executives' minds that could influence their response to existing and emerging challenges and opportunities.

Deloitte drew its sample from 30 CEOs of companies in sectors such as information technology, financial and professional services, mining and health care.

"Having moved up the Insomnia Index ranking from fourth to fill the top opportunity spot in this edition, innovation takes precedence over the other categories largely because businesses can gain something from nothing, by just thinking differently," Deloitte said in its report.

"The candid reality is that as fortunes change and liquidity begins to thaw, business leaders will be categorised according to those that merely manage to grow at the speed the markets do, and those that lead the way to create dynamic and profitable new businesses," the company said.

In an interview on Tuesday, Thomas Jankovich, the director for innovation at Deloitte, said innovation was top on the agenda because companies had realised existing defensive strategies were inadequate to grow their businesses.

Management had also accepted that "life has to go on" rather than continue fretting about economic challenges which had seen some adopting such strategies as hoarding cash.

Current estimates show corporate deposits exceed R530-billion and could exceed R560-billion by the end of the year as companies continue to hoard cash amid domestic and global economic uncertainty.