

Making innovation happen

By  Danette Breitenbach

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Airbnb had 68 rejections. A lot of people laughed at them. Their success, while seemingly so obvious today, was not obvious in the beginning.

Kevin Lourens, NATIVE VML's chief growth officer, recently went to Silicon Valley, visiting companies such as Google, Facebook and Intuit as well as incubator, Plug n Play. He came back with a few valley insights around making innovation happen.

Before the trip he says he was interested in the exit of start-ups, but he found the more interesting story is at the idea and start-up phase. "There is nothing gentle about the start-up process. It is like a jet engine starting up... I do not want to go there, but I am inspired to think about doing things differently that are appropriate to our environment."

While this is not a gentle and nourishing environment, it expects and tolerates failure. "You learn from failure and not success, if you fail with integrity and honesty."



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Failure, he says, is a mathematical certainty because of the volume of start-ups. "Think that 6000 start-ups a year are reviewed, 400 invested in of which 10% have a US\$1000m exit and only one percent a billion dollar exit."

He found that it is not enough for a start-up to do something that is an increment, it has to be something huge that reinvents the category. “Everything in the valley is technology related and it is all software. Ideas is one aspect of this. Whether it will succeed or not is not sure... but it’s a big idea.”

Investors do not know if the idea will gain traction, he says but they still place their bets. “They invest smaller portions over many start-ups, which not only spreads their risk, but it also reinforces that attitude of not knowing if something will succeed.”

This does not mean investors invest without thinking. One aspect they are very interested in is the track record of the company/start-up and its leader/CEO. This is not the notion of one job or career. “The track record of the CEO of the company is a large factor in the evaluation of the company and the decision to fund it. Who are the leaders or founders? They look for a group of people with boundless ambition. Qualifications also count.”

This said, there is also an element of luck in the traction section. “An innovation can be the correct innovation but the time is not right. Google was not the first. Even if all the right resources are in place this does not mean it will be successful. For example, Google Glass was the first and it failed.”

It is a mistake to think that we can do this in South Africa, given the numbers, but he believes there are things we can learn from, for example, the important role of the team founder and leader and allowing people to fail. It is that role that makes it all work. “Apart from being passionate, that person has to be resilient and able to tolerate failure. While not many environments tolerate this, it is also not that easy to achieve this in the context of a comfortable day job. South Africa is also not a place where failure is tolerated.”

While we do not have the research facilities that they have, to be able to focus on scientific advancements, what we do have is empathy as a way to help us to identify problems, often complex ones, worth solving he says. “Exponential technologies such as the Internet of Things, Big Data, Fintech, health sciences and Artificial Intelligence (AI) are all technologies that can be applied to empathetic problems.”

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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