Creating a living innovation portfolio

- With change being the only constant, enterprises must think differently and re-examine their longstanding ways of doing business to remain competitive.

- Strategic foresight, coupled with thought-provoking insights, sets the stage for new perspectives and innovation.

- A sense-and-respond paradigm enables real-time adjustments, addressing the dynamic nature of organizations, the world, and the emerging future.

Three types of innovation

Innovation is now a top C-suite priority. In our latest Global Leadership Study, covering more than 1200 global leaders across 17 industry sectors, we found that enterprises are expecting more than 44% of their revenues to come from new offerings.

Innovation provides unprecedented opportunities, delivering differentiated value for a broader array of stakeholders in the ecosystem. Innovation can be of various kinds:

- Inside-out innovation: Spark and evolve ideas within your enterprise to quickly launch and scale new products, services, offerings, and business models.

- Outside-in innovation: Connect your customers to promising ideas, opportunities, and go-to-market channels to broaden horizons and enable growth.

- Innovation engine: Partner with your customers to continually refine a strong innovation foundation, including vision, governance, operating framework, and culture.

Let's talk about the components of the innovation journey.

Reimagining the future

A broad and multi-dimensional spectrum of strategic foresight and insight provides enterprises with new perspectives on strategies, risks, and emerging forms of value.

This spectrum of information helps enterprises understand driving forces, emerging scenarios, and trends to set context, make choices, and fuel innovation.

Take it from a major European insurer who wanted a better understanding of products and services that would be ideal for an emerging post-retirement future. They collaborated with TCS to explore approaches to accelerate the foresight—innovation—opportunity journey. By enhancing their existing foresight function, the insurer gained fresh, informed perspectives, enhanced established foresight methods and strategies, and simultaneously broadened and deepened insights. They effectively reimagined the building blocks for an emerging post-retirement future, while considering its impact on current business and strategy.

44%

revenue expected from new offerings

▲ **1200 +**

global leaders surveyed
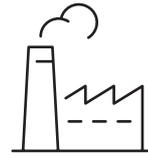
▲ **Top 17**

industry sectors covered

Connecting to the future

Foresight and insight are the two pillars for innovation at scale.

By infusing strategic foresight with thought-provoking insight and an ability to continually 'sense and respond,' enterprises can sort through complexities to set a course forward, connecting a broader view of the future to key focus areas. They can better understand the potential impact of plausible futures and critical uncertainties on key organizational dimensions.

Exploring plausibility

Reimagining business calls for the play of Business 4.0™ elements (the need for agility, automation, intelligence, and adaptability through cloud), ecosystem engagement, and personalization at scale.

This, in turn, demands a deeply informed and reimagined view of the enterprise, with a tangible set of initiatives to drive the vision, enhance performance, and enable growth.

A large Scottish government agency leveraged our strategic foresight and assets to provide a view of combined factors shaping the future of elder care, education, the environment, and the economy. The point of view on critical driving forces were beneficial to ideation sessions, where new value propositions for enhanced community service were identified. The agency then created a framework prioritizing high-value and high-impact opportunities, such as creating new service delivery models for local government services, emulating digital twins of cities, and establishing a data ecosystem for the local government. The initiative for data sharing and access was subsequently rolled out to 32 local councils in Scotland, leading to better outcomes and services for citizens.
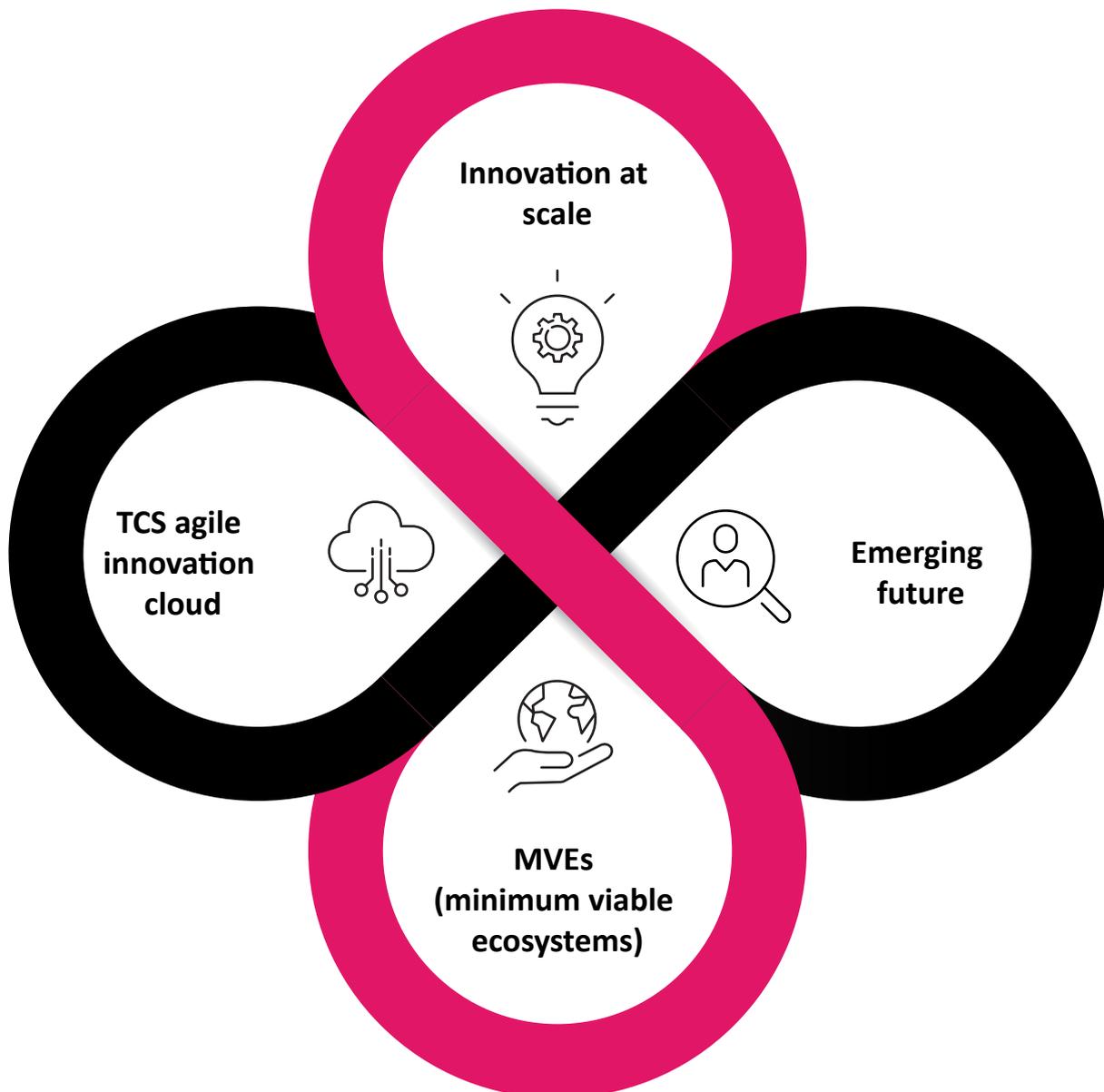
> # Every innovation and transformational journey begins with the belief that it will make the world better.
>
> **Rajesh Gopinathan**
> CEO and Managing Director, TCS

The innovation portfolio

A portfolio of ideas across time horizons provides organizations with exponential value, creating a 'living' innovation portfolio.

A sense-and-respond paradigm enables real-time adjustments, addressing the dynamic nature of organizations, the world, and the emerging future. Adjustments address changing priorities, emerging resilience needs, investment decisions, and feedback from real-time experimentation and minimal viable solutions. The innovation portfolio connects the journey between future-back thinking to experimentation and execution.

The experimental mindset

Enterprises must adopt an experimentation mindset to reduce uncertainty.

By experimenting with minimum viable products (MVPs) or minimum viable ecosystems (MVEs) in short-duration time frames, enterprise leaders can validate outcomes, market viability, and stakeholder reactions.

For example, a large Scandinavian financial services group, looking to enhance customer experience and capture a younger audience, developed a suite of personal financial tools in partnership with TCS, leveraging TCS Agile Innovation Cloud and our co-innovation network (COIN™). The frictionless suite of solutions included location-based offers, digital onboarding, a personal finance manager, invoice scan-and-pay, and a GDPR-compliant consent management system. The MVP was delivered in less than 100 days, and upon scaling, went on to quickly become the region's leading payment solution, capturing a majority of payments made in the Norwegian geography.

Time to execute

This leg of the journey focuses on scaling solutions quickly to enhance time-to-value, in preparation of plausible futures.

In the field of pharmacy, for example, it has become increasingly necessary for pharmacists and technicians to expand their operational skillsets to continue serving patients safely and quickly[1]. Due to the pandemic, many retail pharmacies adopted digital health systems to provide virtual support for patients. In partnership with a large pharmacy and healthcare service company, TCS helped transform their Rx fulfillment system, exceeding the inventory-reduction target. Following a focused strategy for future growth, the new cloud-based pharmacy system enables increased automation, improved labor productivity, greater speed-to-market, improved patient safety, and overall increase in customer experience.

Therefore, meaningful foresight, thought-provoking insights, a robust approach, a strong ecosystem, and forward-thinking technology capabilities can drive an enterprise to bring life to ideas at scale.

Awards and accolades

- TCS ranked number one for ninth consecutive year in Customer Satisfactionby Whitelane Research Survey

- Ranked number one amongst top 10 companies, India by LinkedIn

- TCS recognized as the #1 Top Employer in the United States, Europe and Asia Pacific;#2 in Latin America

- Ranked amongst top 3 employers across 18 countries

- Recognized as a global top employer for sixth consecutive year by Top Employers Institute

- Named India's overall most outstanding company in Asiamoney's 2019 Poll

- Won 2021 CIO 100 award for workplace resilience solution developed during pandemic

- Won Four Stevie® awards at the 2020 International Business Awards

- Ranked overall best managed technology company in Asia by FinanceAsia Poll

- Won 2021 Data Breakthrough award for AI-Powered Software Suite

- HR Excellence Award 2020

- Recognized as sustainability leader in the Dow Jones Sustainability World Index

- Recognized as a most valuable global brand 2021 by Kantar Brandz

- Recognized as a U.S. Superbrand for strength of business reputation and community impact

- Recognized as a UK Superbrand for exceptional customer reputation and community contribution

- Recognized as one of the top 2 most valuable IT services by Brand Finance

About the authors

Ashley Becker
Managing Partner, Innovation Strategy and Transformation, TCS

Ashley, based out of New York, has launched over 1,000 innovation experiences for clients globally working closely with leadership at Fortune 500 companies in evaluating their business potential and developing strategies across all business sectors to achieve short-term and long-term goals. Her focus is to confront business challenges and motivate key stakeholders and leadership to collaborate in implementing initiatives to benefit the organizations.

Frank Diana
Managing Partner, Futurist, TCS

Frank is a futurist, thought leader and frequent speaker. He has served in various C-Level roles throughout his career and has over 35 years of leadership experience. Currently at TCS, he is focused on a future shaped by changes in the societal, geopolitical, and economic landscape, and the associated implications for business. He blends a futurist perspective with a pragmatic, actionable approach gained through years of dealing with the practical realities of business. He scans multiple horizons with a strong ability to connect dots and identify future scenarios quickly and broadly.

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has 592,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $25.7 billion in the fiscal year ended March 31, 2022 and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index.

Visit **www.tcs.com** and follow TCS news **@TCS**.