

REPORT – CEC Webinar on Smart Change, 18 October 2022

In the framework of its work program, the CEC Working Group on Smart Change (chaired by CEC Deputy Secretary General **Marco Vezzani**) has organized on October 18 a webinar, dedicated to discussing how open innovation and organizational evolution can contribute to create better and more effective business structures that are better tailored to meet the challenges of a fast-evolving work context.

During the two-hour debate, speakers have been invited to express their views on how companies and economic actors are modifying their operational structure to cope with the complexity in which they operate, and how the traditional tools for fostering innovation (including from the perspective of building resilient eco-systems) need to evolve to embrace the challenge of open innovation and ensure effectiveness and sustainability in company proceedings.

The first section of the webinar was dedicated to exploring the most recent trends in innovation, shedding light on how companies are remodeling the way they deal with research and development, investing more in creating synergies and R&D networks. Introduced by **Silvia Pugi**, member of the CEC WG and Head of Corporate Social Responsibility at Manageritalia (one of the federations of CIDA, CEC European Managers' Italian member organization), the first speaker was **Marouane Abdellaoui**, Managing Director for Europe of Mind the Bridge, a start-up company supporting businesses and governments create innovation ecosystems that bring together all sorts of actors in the field, providing startup education and establishing matching platforms. Focusing on the concept that innovation is a precondition for the success and the survival of every organization and corporate example, his contribution could well be resumed in the catchphrase "Evolve or Be Extinct" that marked his intervention. After explaining how open innovation differs from "traditional" sources of innovation in the corporate domain in its continuous interaction with the external business and stakeholders' environment, Mr. Marouane provided an overview of the tools that allow for a successful open innovation mechanism and the different steps of the process to be put in place. Finally, participants were explained what the most recent trends in the field of open innovation are: while the end tool – merger and acquisition of startups – remains still a minority option for businesses, there is a growing tendency worldwide to adhere to venture client or corporate venture capital solutions to foster the acquisition of new competences.

The following speaker could present the very successful example of Enel, one of the main energy companies operating worldwide, delivering on the transition to renewables and sustainable production amidst the worst crisis on the energy markets of the contemporary history. **Ernesto Ciorra**, Chief Innovability Officer at Enel, followed from the message of Mr. Abdellaoui reminding how

innovation is an essential feature of all beings – including humans – that operates as the only antidote to disappearing. For this reason innovation – or innovability, as the specificity of innovation necessary to guarantee sustainability and the ultimate survival of the company – must be transversal to all business units, departments and industrial sections of any economic actor. In this respect, innovation must not be considered as simply technology driven, but instead looked at as a process of continuous adaptation to the changing reality influencing the environment in which company operations take place. The contribution of the “human factor”, and the capacity to set aside preconceptions and “historic” assumptions is paramount to streamline innovability in the DNA of any company – including via a more open approach to contributions and influences from outside the formal corporate borders. He then introduced several examples of initiatives put in place by Enel to systematically open to the contribution of external start-ups, explaining the importance of scaling-up innovation to transform it into a profitable company tool, investing on creating a network of operational stakeholders and relying on a corporate culture that – starting from the CEO – believes in the role of innovation and can measure its actual value added. Finally, in the words of Mr. Ciorra, innovation can become a lever to gain competitive advantage on other countries and other businesses, making up for the delay in developing technologies, products or expanding into new markets by putting into practice processes that can make a difference.

Finally, **Francesca Perrone**, Head of UnionStart Lab at Unicredit, could bring the case of UnicreditBank, one of the leading banking groups in Europe, that has created a structured business platform to support start-ups and SMEs, offering new services and conquering new markets in innovation-related fields. As innovation operates internally – helping deliver on the transformation process of the company – or externally, the company interacts with a wide range of actors and recurs to several tools, considering start-ups not only as providers of services, but also as clients to support by contributing to creating investing opportunities and industrial cooperation mechanisms. In this respect, operating as “mediators” and facilitating connection between “core” corporate clients, start-ups and institutional investors, the bank is capable of “positioning” itself at the center of a potentially very rewarding web of business connections. Also, they provide specific technical support services, but also act as mentors which, as the start-up proves effective and grows, provides the bank a specific return in terms of solidity of the customer profile (in respect to the core activity of the bank, i.e. banking services).

The second block of the panel discussion focused on the organizational dimension of companies, and their evolution towards a smart adaptation approach that – among other objectives – is necessary if companies want to open up to open innovation. **Nina Langerholc Cebokli**, organizational design consultant and vice-President of the youth section of MAS, the Slovenian Member organization of CEC European Managers, introduces the first speaker, Ms. **Violeta Bulc**. As a former Member of the Slovenian government and European Commissioner, Ms. Bulc could relate her long experience in public administrations, from the perspective of policymakers who – besides being in the first place

subject to transformation – have to set the boundaries of such transformation, identifying the underlying societal objective they need to contribute to. Ms. Bulc proposed a comprehensive approach to innovation, adopting a broader perspective that starts from the concept of civilization and how the history of mankind should be seen as a succession of civilizations having failed one after the other one. To avoid such collapse to happen to our civilization too, and transition instead towards a better global framework, we need to focus on the power of collective intelligence to grasp the sense of the challenges and identify innovative solutions to face them. Instead of resorting to oversimplistic tools that do not acknowledge the complexity of the world, through innovative thinking and thanks to the active involvement of all societal actors (and their “intelligences”), our civilization can elaborate the most effective answers to tackle the consequences of the VUCA (Volatile, Uncertain, Complex and Ambiguous) and RUPT (Rapid, Unpredictable, Paradoxical, and Tangled) state in which we live and create ecosystems that react and adapt. Transposing this message into the reflection on how companies need to evolve to adapt and flourish, Ms. Bulc illustrates the functioning of a model that connects the different evolutionary steps through which companies need to pass – from the traditional hierarchy-based structure to the current innovation-based model, empowered by focusing on human capital and creativity. The next dimension will be one built around the importance of people, via their personal contribution through wisdom and intuition.

As a conclusion to the webinar **Nick Richmond**, Director of Tricordant, a consultancy working in organizational design, introduced the concept of designing in fog, to stress the difficulty of imagining new paths for organizational development in a context where fundamentals change every day and adaptation must become the rule. In this complexity, each company is a unique case for development and evolution requiring tailor-made solutions: as best practices and one-size-fits-all solutions are no longer able to capture the specificity of the reality of companies, focusing on creating the best working conditions for people to thrive becomes a major responsibility of business leaders. To illustrate this, several examples of business cases dealt with by Tricordant have been mentioned, all of them pointing at the importance of driving the digitization process and “industrializing” the innovation process (in order to transform it into a sustainable and lasting feature of evolving companies) while investing on the human capital and attracting the most skilled ones. In this context, the structural dimension of how the elements that compose business organize themselves becomes less relevant.

A final webinar will be organized in the first half of 2023 to discuss the main developments and trends in the field of manufacturing and industrial production, before a final event takes place in Italy in the course of 2023 to present to a wider public the views and policy proposals of European Managers on ensuring a successful transformation of our economies, companies and societies.

To download the presentations screened during the webinar:

[Marouane Abdellaoui](#), Mind the Bridge

[Francesca Perrone](#), Unicredit Bank

[Violeta Bulc](#), EcoCivilization

[Nick Richmond](#), Tricordant