

Digital and innovation reimagined with Sulina Connal and Mats Eklund - Part 1

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Bradley Howard (BH): Hello, you are listening to *Tech Reimagined* and I'm Bradley Howard. It might be a bold statement, but I believe that today there are essentially no businesses that can survive without some kind of digital or technological solution. From finding a plumber, to fixing a tap, to ordering products online or ordering food, to the sophisticated automation used to streamline complex processes, digital is driving businesses. And swiftly following on from that, digital businesses continue to drive innovation. Thomas Edison said, "There's a way to do it better, just find it." Or as J.K. Rowling put it, "Anything's possible if you've got enough nerve." Gartner's very difficult definition of digital innovation is, "the practice of combining different digital technologies and trends to uncover new or better value." Their research shows the three key components are technologies for business benefits, clustering them for new value, and finding complimenting opportunities. To explore this topic, I've invited Sulina Connal and Mats Eklund to join me today. Mats, would you like to introduce yourself?

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Mats Eklund (ME): Yes, thank you, Bradley. My name is Mats Eklund, I'm a 53 year old Swede. I have worked across Europe in different businesses with digital transformation and IT services facing customers for almost 20 years. I have mainly worked in the travel industry, so have been focusing on creating good digital customer experiences across a long value chain. And that's mainly me.

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BH: Thank you, Mats and welcome to the show. Sulina?

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Sulina Connal (SC): Hi, there. Thanks very much for this invitation. So lovely to be here. Sulina Connal. I am currently at Google, responsible for the news, web and publishing partnerships for EMIR and also an independent director on the board of Endava. I've had a varied and changing career through law and through M&A currently working on partnerships in a series of companies, including telecoms and some big tech as they're called.

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BH: Thank you, and welcome to the show. There's often a notion that startup culture is more innovative than established businesses. How can you apply the same thinking and ways of working that a nimble startup has when you are a large enterprise?

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SC: Well, Bradley I'm wondering if there is that much of a choice anymore. What we saw in – as a result of COVID and the confinement is that often the sort of last barriers of resistance were sort of obliged to fall for large companies, as well as for the smaller startups who jumped on the opportunity and grew. But what I thought was really amazing is that so many of the established larger companies started to think about how they served their customers and managed to pivot rather rapidly, whether it's a large organisations like public health services with their tender services were able to very rapidly adapt to the fact that it needed that professionals to be able to see patients and consult them remotely. And I think reading my friend Benedict Evans' blog post, he said that the NHS did in a few weeks, but it would have usually taken them a couple of years to put together in terms of tenders. So, I think it's also the circumstances and the mindset that helps

large organisations feel the pressure to move. I suppose, the pressures that are built up in startups around the need to prove yourselves rapidly, the ability to take risks, the value in this sort of risk taking environment and what was very interesting about the confinement and the circumstances and the pressure it put large enterprises under is that suddenly large enterprises were obliged to act in the same way.

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BH: Thanks Sulina. And Mats, you've worked for some very large corporates as well. So, how do you encourage and act on this quick digital innovation mindset?

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ME: I think there's a number of different parts that really creates an agile business and agile, I would say, enterprise. It's – I think one very important thing, I mean – is get the whole focus and the power of the people going in the right direction is that you really are clear on what you want to achieve. I mean, the clear effective direction, I would say, with the digital customer experience, which everybody can understand. I think that's often overlooked. I think that it's something that people will understand in order (inaudible) especially if you want to create that fast acting agile team that can deliver fast and also take a, as Sulina said, to manage the risk of actually delivering fast and put things out there. So, the clear and effective, I would say, direction which people understand is very important. And then of course you need to have the right people on board. For me, it's that from my experience is really, I mean, to get the right people and get them, I mean, very much from an attitude point of view, that they want to do this. And then I think the hard parts of getting this notion and speed going, it's really get the technology base and the processes. I mean, the empowerment and we want to have in the organisations today, the distributed empowered teams, I mean, going, that requires really I mean, clear process and also an agile architecture. So, for me, it's a kind of a holistic view why you need as a leader to motivate and engage people to go like that? Yeah.

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SC: The other thing about the mindset of large enterprises is what we've really seen is those who seem to be the survivors of these very changed circumstances and acting within confinement, are those enterprises who've been able to sort of tear aside their preconceptions about what the essential DNA is to solve problems. How do you solve problems in a new way? And they're able to, those who, for example, back to the health service, where you don't have to see a patient face to face, there are other ways of serving.

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BH: Along those lines, Sulina, do you believe in centralised innovation or if you have decentralised innovation, how do you get all the ideas, like you said, for a health service and then collate them together and then prioritise them?

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SC: Ooh, that's a difficult question. Do you want to give Mats a go and I'll come back to it?

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ME: For me, it's if you want to create a distributed, empowered, I mean, delivery mechanism and by where you actually have a big organisation. I mean, that, as I said, the prioritisation of development and empowerment of the people, I think that's the two kind of things that you need to get in place. But to be able to really address that, I think you need also to nourish and establish a culture of honesty. And I think also sometimes in big organisations, we are telling ourselves that we are kind of better than we are. We are underestimating actually the challenges. And if we can

create the culture around honesty, where do we want to go, where are we and how are we really doing, and try to foster that across the organisation, then you can see that the power will be unleashed in the teams and they will start to be able to move in the right direction without a lot of management. So, that's my take on it.

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BH: And Sulina?

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SC: What I've also noticed in the large tech companies and that I absolutely loved about my team is that the sort of hierarchy and the sense of hierarchies is much less, you know, is much less embedded in the mindsets of sort of the millennial 30-year-olds working and working in big tech. So, there's a strong sense that ideas can come from anywhere and that everybody is able to and legitimate to bubble up ideas and to challenge things and to question, and I'm deeply convinced that we are very much stronger if we let go of the idea of, you know – of course there's leadership at the top and leadership creates a vision and, and hopefully a lot of dynamism – but also creates a space for others to bubble up their ideas and their challenges and that the managers are there to sort of help this force come forward. So, I think the idea of courageous management that allows itself to be challenged and that allows itself to learn from different parts of the organisation is for me a very large part of success of the most innovative companies I've seen.

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BH: Thank you. As businesses focus more on digital services, innovation plays a big role in this. When you think of digital innovation, is there a specific company or project that comes to mind? Sulina?

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SC: What I love is seeing the way that companies respond to the opportunities that the digital world presents. So, if I look at newspapers and the way that we used to be able, and we used to be prepared to consume news and the way that it's developed in the formats that are presented on apps in the way that you are able to see and choose and decide your areas of interest within your app, in the podcasts and the videos that newspapers also embed in their app. So, in pivoting from the hard newspaper model to a subscription model, I think these sorts of, the sort of looking for the opportunities and looking for different ways of reaching your customer, your user, and taking all the options that are available to you in the digital world to keep evolving your business, I think this is little steps that take place along the way that we take entirely for granted, which have completely changed the way that we, for example, we consume news.

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BH: And Mats, from your perspective, are there any companies or like Sulina just described, any particular industries that you think have responded well?

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ME: Yes, thank you Bradley. I would like to kind compliment Sulina being a Google employee today. I think Google, I mean, from the start of starting the business to now is, I mean, one of the, of course, big innovators and dominating a lot around them in all what is named data, if you say so of course. So, that's a giant, but I think it's of course, very interesting to see, I mean, how different businesses have been affected by the mediators coming in and changing the business models. And as Sulina said, I mean, how or who is owning the customer and how will assets reach customers? I mean, that has changed so much over the last say 10, 15 years. And I think we saw it. I mean, I've worked in travel, as I said in the beginning for 20 years, more or less, and we were

really hit hard from the beginning, both from a product point of view with the low cost carriers, but also with all the mediators coming in with the bookings, and Skyscanners, et cetera, et cetera. So that was the early days, but I think we have seen it now across transportation with the Uber products and the Airbnbs, et cetera, I mean changing the whole dynamics of how assets will come to customers. And today, I think it's most interesting to see when my kids who are in the 20, 25 year age, I mean they don't talk about which restaurant they are buying food from. They're talking about, they will Foodora some food tonight. So, they will actually buy from the transporter and then kind of pick the product. So, it's a lot of interesting change and impressing change that has happened really.

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BH: And Mats, along those lines – you mentioned about Skyscanner and also the low cost airlines – so those are near-term and long-term strategies. So, how do you as a business get the balance right between focusing on changes needed right now that we call digital necessity while also coming up with a long-term vision?

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ME: For me, it's one thing. And it's really, I was taught a little bit from a philosophic point of view, and I talked about the honesty and I call it keeping it real. I mean, you really address the important things every day because strategic leadership and strategy is not implemented at five years. I mean, it's implemented every day since it's been defined. And I think the implementation of strategic change in business transformation or digital innovation, digital transformation, I mean, it's happening every day. And you, I mean, as a leader, you need to engage at the organisation across the units, of course, but also in the specific development teams and try to create them in minimum handovers and empowerment all the time. And I think it's really about the empowered organisation doing the right things every day and that, the long stuff, clear vision, where do we want to go, how do we want to win the customer for our specific business and then work on it? So, and I think also when it comes to the technical platform, I mean, it's really about working on the agility and the adaptability of the platform. So, you can, I mean, with the cloud services, with I mean, all different kinds of development methodologies that you can actually use today, I mean, you need to get the fundamentals right, get the uptime there and get the digital services working. And then you will also have more time for developing the strategic capabilities. But of course, break it down, deliver small and deliver fast. I mean, that's what we want to do. So, it's really about the innovation. It's about the tweaking, as you say, but it's also about building the strategic capabilities, but you do it at the same time, from my point of view. So, it's not, I mean so much bimodal. Of course, sometimes if it's a really big infrastructure project you need to deliver, but trying to keep the focus and deliver small and fast every day.

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BH: So, that's on the delivery size, and I agree with what you were saying there, Mats. So Sulina, how do businesses ensure that innovation is linked to what consumers want and it doesn't become innovation for innovation's sake?

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SC: Yeah, good question. I had a, especially a few years ago when companies, I'd say about five, six years ago, when everybody started talking about digital innovation and the need, I mean, in large traditional companies, there was a real sense that this had to be done. And I remember sitting across a few business dinners from time to time and saying, "What do you think you want to innovate?" And that's the heart of every question for me is like, "What are we trying to solve? Or what are we trying to achieve? And what are we trying to do as part of this process?" Where I'm still flabbergasted is when I see from the large tech companies, the pure focus of product teams

and the product teams are the absolute king, and, you know, the rest of us business people are just kind of following behind, but in the world of the product team and therefore in the world of big tech companies, it's how the product serves the needs, the ends of the user. And I think it's that single minded focus that stops you making a scrappy sideshows, if I can put it that way, and stops you being distracted down different alleys. It keeps you on track. So, innovation for innovation's sake, it's difficult. I think it's difficult to envisage how that could come to pass now. I don't know if you've got any examples in your head, Bradley.

[00:17:57]

BH: Where a company goes completely off their core strategy and starts coming up with a new concept, but doesn't have any real business value behind it and isn't aligned to the strategy.

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SC: Well, I think you said it yourself. It sounds like exactly the sort of thing we should all avoid.

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BH: And Mats, you talked before about delivering small and delivering quickly with a real agile manifesto. How do you start small and change the mindset so that innovation doesn't need to be always big and transformative in order to have value?

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ME: If you can build the digital value and the customer experience vision into a very, I would say incremental part of your business steering, and not handle that as this kind of separate steer, because I think still in not in the tech companies, I definitely assume in the traditional businesses and consumer businesses, I think there's still strategy and digital strategy in many places. I think really build it together and focus on the customer value. I think that's so important as a starting point because then you can start to build, I mean, the empowered teams. And I believe there is so much more power in many organisations today, but due to, I think Sulina said earlier that the top matters and need for top management to define too much of how we actually will deliver value to our customers, they are hampering the organisation, and the power and innovation skills will not come out from the people, I mean, actually set to do it. So, I think it's very important that you start to deliver small. And also then of course, you need to have the storytelling to tell the organisation we are actually delivering. Because sometimes if you talk about the other earlier question about the innovation for innovation's sake, I think it's when you're starting to be stressed in an organisation. You start to feel that you need to deliver something to say, "Yeah, we are actually digital," then there can start to become really, I mean, a situation where you have the wrong priorities driving the ship. So, customer value and digital customer value built into the strategic steering, get the right, on the product team level, get the empowerment going, and the people deciding with minimum handovers, and then you can get the agility and innovating power of the organisation going. So, it's really about good leadership from the top, something to see and for the organisation.

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BH: And do you have any examples of that, Mats?

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ME: Yeah. One very concrete example is from one of the bigger airlines I worked for and there we created a digital innovation community, I mean, which were totally interactive with our organisation, where we started to talk about what we are actually delivering and asking for the feedback. And we had the tendency to be, I mean, a two part organisation, with operational side, flying airplanes, et cetera, were a little bit distant to the commercial and more product side of the

organisation. So, we tried to, as a digital development team, to bring those together by us being transparent and inviting everybody to be a part of the digital delivery, getting the input, and also getting the feedback. So, I think there's very many ways to do it, but it's all about, I mean, transparency and inclusiveness from my point of view.

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BH: Thank you. Sulina, when you look back over the last 10 years, what do you think has been the biggest changes in the digital businesses and what do you think it will be like in another 10 years' time?

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SC: The biggest change for me is the idea 10 years ago, there seemed to be the view that the digital world and option was something, was an option or was something extra or was something outside the core of the business. And there was the strategy and then there was the digital strategy. And increasingly we understand now that they have to be very deeply entwined because the way that your customer will approach you is very likely to be digitally at one point or another, the way that you will, he or she may pay or the way the delivery services work or the way that the customer, the CRM works to support them. I think the profound change has been the integration of the digital mindset and in the development of new ideas. I think mainly we don't even see it as such anymore. It's just the way that you need to think about how you advertise, how you pay, how you deliver, how you sell.

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BH: And in the next 10 years?

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SC: I think the next 10 years, I mean, I haven't 10 years ago, I would not have been able to envisage the world that we have today, and I love the fact that I've got no idea what's going to be, how we're going to work, and how we're going to live, and how are we going to consume in 10 years. I do know that the artificial intelligence in the way that our services work is something that we I think have, are just scratching the surface on.

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BH: Yeah. And how would you answer that, Mats?

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ME: I would, I mean, complement to what Sulina said when it comes to actually going from that kind of optional mindset to the mandatory, I mean, realisation that this is nothing that is, I mean, optional. You need to be digital enabled, if you say so, as a business. Both, I mean, for your employees and your organisation as well, and for your customers. Today, I think, actually I think still there is a very big lag. I'm very seldom surprised today by a very good digital customer experience., and a very well-integrated offline online, if you say so, experience between different channels that companies provide. So, I think there's still a lot of work to be done. Of course just implementing that kind of robustness, if you say so. When it comes to the coming 10 years, I totally agree with Sulina as well. I mean, it's very hard to look into say, I mean, what will happen in 10 years because I mean, things are moving very fast. But I think, I mean, the infrastructure that is put into place now, I mean, I have here in my home community in Northwest Stockholm, I mean, all the 5G towers are coming up now. And I mean, the vision I know Erickson has is the Internet of Senses, where we are not the only, I mean, looking through, I mean, reading on the screen and listening to sounds, et cetera, and watching movies. I mean, it's really about experience. I mean, digital services, more senses. So, I think if that's the framework, I think there's a good, big playing

field for the focused businesses to really get into competitive advantage if focusing right. But the infrastructure will be there probably. So yeah, everything within that framework. I think it's possible. Yeah.

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BH: Well, let's have a follow up session in 10 years' time and see how they came true and whether 5G, 6G, or 7G was really the ultimate answer. We're now going to move on to a quick fire section. I'm going to ask some short, closed questions, and I'm looking for some fast responses. We'll try to keep this brief. I'm going to start with Sulina each time. And then Mats if you want to answer after Sulina. Sulina, what did you want to be when you grew up?

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SC: So, I wanted to be early on, my earliest memory of, of any sort of job was a slightly sort of guerrilla warrior saving indigenous tribes, whether it was the Incas or Mayans in central or South America, or over in Australia. I had large posters of indigenous people all over my room. So, I think that was my great passion and not quite worked out that way.

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BH: And Mats?

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ME: Yeah. I'm a little bit more, I would say, close to my roots. I would say, I come from a family of athletes and teachers, where my primary really big hope was to become a more professional athlete. Later on when I realised that maybe I didn't have that capacity, it was more teacher teaching athletics. So it didn't work out that either. But it was more a little bit close to home, I would say, than Sulina's vision. Yeah.

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BH: And in which particular sport did you want to be the professional athlete?

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ME: I actually practiced a number of different team sports really in my youth. Up to when I was 25 years old, I was still playing a very local sport, I would say in the Nordic, Russia area, which is called Bandy, which is actually like football on ice, but with skates and a hooked stick. Very, very specific thing. That was my passion growing up, and also becoming into adult life. Yeah.

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BH: I'll look up Bandy on the Internet afterwards. Sulina, what's the most innovative company?

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SC: Ooh. I'm going to pass on that. I'm on the board of one and I work for another. So, I could ask you pass on that one.

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BH: Slightly loaded question. And Mats?

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ME: I don't have the same stakes, so I think I can answer. Obviously, I think, I mean, if you look who is dominating digital and tech today, so I think it's quite easy to look for a couple of very innovative companies in different ways without naming any names. So, I think that it's quite clear that there's, I mean, some very, very big players being very good at delivering digital services.

Then I think it's very interesting to see, I mean, there is also very good that we say appliance of innovation, or I would say good user experience on a very more specific level. And actually, I would say some, yeah, some good user experience, I can actually, as a Swede it's hard to say, but it's from the Norwegian Weather Service. They're really strong. And they're the best of everything. They're really accurate in their prognosis. I'm a keen golf player, so I really like to know the weather. So, I would say they are really good at delivering good apps.

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BH: And on the subject of apps, Sulina, what's your favourite mobile app?

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SC: Without a shadow of a doubt, it's Google Maps. I'd never had that part of my brain part, the gets you around from A to B. It just has always been somewhere else. I've never found it. And now fortunately I have Google maps to help me navigate. So, it's my most used and my favourite. And I think an astonishing work of passion.

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BH: Agreed. It is absolutely fantastic. Mats, you've already answered the question on the best mobile app of which you said was the Swedish weather app, which I'll try and check out at some point next time I'm in Stockholm.

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ME: It was Norwegian, actually. It was a hard thing to say for a Swede. It was actually a Norwegian weather app, just me correcting that. I would like to add if possible. I mean, just to say, I mean, compliment on the Google Maps because I think that is, I mean if I also took the one I use the most, I think Google Maps is just extremely, extremely good. So, yeah, that's for me.

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BH: It's also made family outings a lot less stressful and less arguments in the car. So, moving on, if you could invite one person to dinner, dead or alive, who would it be and why? Sulina first.

[00:31:02]

SC: I would invite David Attenborough and I would invite him because he was the first person – the primordial soup that I read about when I was 17, was the basis of an essay that got me into Oxford. So, I'm grateful to him for that. And he's been continually inspiring. And he's ahead of his time in his concern for the natural world and the environment and what we were doing with it. And he's absolutely ancient, but always sounds so young and enthusiastic and I would adore to have dinner with him.

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BH: And Mats?

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ME: I would also go for a David, but with the surname Bowie. And that's my house god. He is, I mean, a fantastic musician. He's actually an innovator, I think, when it comes to style and also actually to user experience, and he was a really early digital adopter. So, I think from my point of view, I mean, it started out as a big fan of the music man, if you say so. I actually bought my first record when I was 12 years old in 1979, saw the first concert when I was 16, and last one when I was 36, and I have just been obsessed with the versatility of his mind. And I think also the things he did digitally very, very early on around the millennium, he was really an early adopter of things, so that would be extremely interesting.

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BH: Well, they both sound like fantastic guests. Well, thank you both for your time today. In part two, I'll be asking Mats and Sulina about their careers and any advice they have to share. Please remember to like this podcast and hit the subscribe button.