

# INNOVATION: FROM PROMISE TO PRACTICE

STUNG BY NEGATIVE COMMENTS,  
A COMPANY BUILDS INNOVATION  
INTO ITS DNA.

By Caroline New

**R**ecent advancements in technology have levelled the playing field for business, creating new opportunities for Australian companies wanting to tap into a global market.

For professional services firm Deloitte Australia, a commitment to leverage the latest developments to drive innovation is enabling it to punch well above its weight.

Even though Deloitte Australia accounts for just two per cent of the global workforce of Deloitte Touche Tohmatsu (DTT), it currently contributes between 15 and 20 per cent of the company's total innovation output.

Not bad for a business that just 10 years ago was labelled the "sick puppy" of the Big Four accounting firms in Australia.

According to Frank Farrall, the national leader of Deloitte's online practice, that comment in *Business Review Weekly* was something of a wake-up call for a company that had temporarily lost its way.



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## “Innovation is about taking risks.”

“We used that label to motivate ourselves,” Farrall recalls, saying the firm really got serious about innovation to drive growth, embracing social media tools to encourage collaboration and the sharing of new ideas across the organisation.

Today, innovation is embedded deep in Deloitte Australia’s culture with a business model which mandates that at least 30 per cent of its solution offerings each year must be new or substantially different.

“This is one of our key metrics and is publicly reported along with other KPIs like business revenue, sales and profitability,” Farrall says. “In addition, all performance reviews are tied to it, which has created a philosophy where we must innovate as a natural part of what we do.”

It’s a policy that comes from the very top of the organisation. Deloitte Australia’s CEO, Giam Swiegers, became passionate about driving innovation after attending an innovation workshop in 2003. He immediately began encouraging employees to experiment with new ideas and to explore different areas in which to conduct business.

He established the Australian Innovation Council, which comprises both senior and junior employees from a range of positions across the organisation, to champion the role of innovation within Deloitte and to capture and assess the best

promote collaboration, exploit collective wisdom, gather feedback quickly and disseminate information.

“We have an online collaboration site called the Innovation Zone where people share ideas and vote for the ones you think are the best,” Farrall says. “They are reviewed on a monthly basis by our Innovation Council, which allocates funding to the best ideas to help develop business cases and assess their potential. A number of really successful new products and services have started out this way.”

Deloitte tests ideas that have promise internally and then rolls out the proven solutions to help address client challenges. It’s a formula that works well both for the company and its clients.

“Based on the success of our own experiences, we developed an innovation zone for the Carlton Football Club and then helped them run a social media campaign to get all their fans and members to contribute ideas, which we are now helping them to implement.

“As a result, they have radically enhanced their online marketplace, built up their presence on Facebook and Twitter, and significantly increased their level of engagement with members to create a much richer experience for all concerned.”

Another well-received innovation was the way Deloitte’s economic team used Twitter to send live updates to clients during the release of this year’s federal budget.

“During the federal budget announcement, our team tweeted real-time analysis of the different elements of the budget document to an audience of more than 18,000 people, creating over 40,000 impressions and attracting really positive feedback from our clients.

“Out of that successful initiative and on the back of our recent acquisition of Access Economics, I predict we’ll be looking for more ways to couple our social media and digital knowledge with their macroeconomic capability to really shape the digital market in Australia.”

Farrall says the innovation push has reaped enormous benefits for the company both in enhancing the employee experience and in driving growth and profitability.

“We’ve taken any elements of our business that have historically been rote or mundane and applied technology to automate them in some way, which gives us a range of proven offerings for clients.

“We’ve also created a culture where innovation is a mandatory priority. The world is changing so fast that we have to be increasingly proactive about disrupting ourselves rather than waiting for a competitor to do it. That way, we are always ahead

of the curve, which prevents us from being caught out. We offer our clients that same advantage.”

An American who has lived in Australia for 11 years, Farrall believes Australians have become dramatically more innovative over the past decade.

“The reforms undertaken in the ‘90s really caused the country to open up and see that there’s a better way than trying to protect our markets. Innovation has really become part of the Australian psyche and as we develop local expertise in particular areas, we can tap into that global network and really make an impact.

“After 20 years of uninterrupted growth, Australians are dramatically more confident that people in America right now, so it’s a great time to build on our strengths and keep moving forward.”

### Taking risks

Farrall says Deloitte’s ability to balance innovation and quality are what sets it apart.

“We do take risks in pursuit of innovation and we’re not afraid of failure, but we are committed to quality,” he says. “I don’t believe the drive to get to market should be an excuse for sloppy thinking or

a lack of technical rigour. You need to ensure the planning, strategy and architecture are right at the outset and that the user experience and technical quality are good, rather than trying to bolt things on or correct bad thinking afterwards.”

Nor does Deloitte fall into the trap of waiting for a product to be ‘perfect’ before you can do something with it.

“Mark Zuckerberg is often quoted as saying that ‘done is better than perfect’. At Deloitte, we test new applications as well as we can in a closed, internal environment and take feedback from a small number of users before we put them out into the market,” says Farrall, who believes honest communication is key to the company’s success.

“We’re very open and authentic with our customers and are always looking for feedback so we can adapt our solutions and make sure they’re delivering the right results.”

The approach is working. Deloitte has enjoyed substantial growth in recent years battling it out with professional services firm PricewaterhouseCoopers as leader in terms of global revenues. In Australia, the company continued to grow right

through the recent global financial crisis, buoyed by its national presence and diverse business.

“We chose to retain our corporate recovery services business when other firms were divesting theirs and it has had a very strong couple of years,” Farrall says. “Having that breadth of services and disciplines is also very advantageous to our product and service delivery, giving us a wealth of knowledge to draw on when we need to. We’ve also been very successful in markets like Adelaide, Perth and Tasmania, which helped to balance the temporary decline in Sydney and Melbourne.”

Farrall is proud of the fact that Deloitte didn’t sack a single person in Australia during the GFC. Now the company is looking to the impending roll out of the NBN to create a wealth of new opportunities for it and its clients to leverage technology to operate more efficiently and profitably.

“The Internet and mobile technologies are really taking off and the possibilities are endless. Collaboration and communication are the killer apps and we’re always looking for new and innovative ways to enhance or enrich the customer experience.” ■