

## CIO innovation management best practices

### Adani's innovation and research. There is none.

*The Adani troubles and what it tells us about innovation in India.*

Read through the 505-page annual report (a proxy for the Indian economy) of the Adani Group and there is not one word about innovation nor any report on investment in research and development: not the only driver of innovation for sure but certainly a major contributor to creativity and organic growth.



Why is this important? The Adani Group represents a sizeable cross section of the Indian economy and is setting itself up to try to achieve Prime Minister Modi's goal of making India a manufacturing giant globally.

Modi's challenge is to have the economy engage in productive enterprises in order to provide employment in the private sector. Productivity growth for India is well behind that for China and therein lies the challenge. Innovation leads to productivity growth but only if it can be realized at the micro level.

CIO's earlier report – November 2018 – pointed out some concerns regarding manufacturing in India. Comments were based on CIO's research into innovation in India and the results available from CIO's on-line survey from participants employed in the sector in India. Not all was well in the manufacturing sector especially at the SME level. Innovation management policies and practices had to 'change dramatically for the country to become innovative in the manufacturing sector'.

World rankings, available at the time of the report of 2018, placed India at 53<sup>rd</sup> in R&D spending and 31<sup>st</sup> in terms of 'innovation capability'. Central to the process of innovation was the concept of delegation within organizations; ranked at 38<sup>th</sup> in the world. The quality of research institutions was 8<sup>th</sup> globally.

What was most concerning was the finding from respondents to the survey that the target of India's 'Ideal' practices was set too low when compared to other respondents. Take for example Factor #2; the extent to which management explicitly looks for innovation, the 'Ideal', falls below other inputs to the survey results.

In terms of global competitiveness, according to the World Economic Forum report of 2019, India ranks 68<sup>th</sup>, down 10 places from earlier. China ranks 28<sup>th</sup> and it is China that India hopes to be able to overtake in the coming decades through creating a vibrant manufacturing sector.

**As Adani pivots more toward manufacturing it needs to better its innovation management practices.<sup>i</sup>**

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<sup>i</sup> CIO was prompted to examine Adani's innovation by recent reports in The Economist and Bloomberg.