



The innovation disconnect

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Few buzzwords have invaded the C-suite like 'innovation'. And while the word has been said often, and across many industries, it is arguable the definition has been lost in translation.

One thing remains constant, the appetite for innovation is healthy. Seventy-five percent of Canadian CEOs want their employees to innovate without fear of failure (Global 84 percent), and over two-thirds (69 percent) want to be the ones disrupting rather than disrupted. The fact these numbers are down from previous years, and below global averages, shows it is possible the meaning of innovation is being interpreted differently by different players.

Innovation from within

Make no mistake, Canadians are an innovative breed. Our leadership in the fields of artificial intelligence, blockchain, automation, and data analytics are globally recognized; and the worldwide success of homegrown companies like Shopify demonstrate we are more than capable of producing tech giants. Moreover, this year's

survey shows Canadian CEOs are waking up to the value of data in the decision-making process. Granted, 60 percent of domestic CEOs admit they have overlooked data analysis because it ran contrary to their experience (Global 63 percent), but this is a 16 percent improvement over 2018 and an indicator of changing perceptions.

In truth, innovation is very much alive and well in Canada. It may just be that the definition itself requires examination. Innovation can be less about the shiny new consumer good or breakthrough that gets a cover spot in Harvard Business Review. It can also be about the micro-innovations that make organizations better at what they do and fosters a workplace culture wherein staff at all levels have the encouragement and resources to bring new ideas to the boardroom table. After all, it is better being the CEO of an organization where innovation is the domain of many (with proper oversight), rather than a select few.

With this perspective, the alleged 'innovation disconnect' between Canadian organizations and global

may simply be explained by the fact Canadian CEOs are less overt about it in the marketplace, or more prone to innovating internally. Undoubtedly our clients have shown a strong desire to embed machine learning, automation tools, and more advanced data analytics within their operations. And while this may not directly translate into 'innovative new products' at the onset, it has innovated how they structure their operations, empower their teams, gauge their success, and stay current with their customers.

Even still, there are signs that Canadians can be doing more with the innovative tools at their disposal. The fact a majority of Canadian CEOs have overlooked data analysis is somewhat alarming, but here again, we can benefit from another perspective. Granted, 'big data' is a gateway to customer and market insights, but there is also real value in the small, moment-to-moment transactional data. As value-driven leaders, Canadian CEOs may prefer these byte-sized transactional insights over larger data as they can be used to make more immediate impacts and inform day-to-day micro-decisions.



The numbers do not lie, but they can be open to interpretation. In the case of Canadian CEOs, there are very real gaps to overcome when it comes to innovation. Even still, if we consider the more subtle transformations occurring within our organizations, we are closer than we appear on paper.

Another perspective on innovation

Disconnects or not, Canadians themselves feel as though they are moving in the right direction. Seventy-three percent tell us they are confident in their ability to stay competitive in the face of disruption, compared to 69 percent of their global peers.

This confidence notwithstanding, we must remember the bigger picture. Canadian organizations have a habit of comparing themselves to other Canadian companies, whereas a broader view of other countries (or even industries) may reveal gaps they have not considered. Similarly, there is equal value in looking to completely different sectors and markets for ideas that can be adapted to one's own.

As well, Canadian CEOs must be careful to set the parameters for innovation based on what is feasible and sustainable within their operations. After all, granting employees the freedom to innovate without fear of failure sounds like a good sales line, but it can also lead to chaos or unnecessary risks without the right attention to market conditions, economic realities, and organizational restraints.

Disruptive times call for disruptive measures. And while we share our Canadian clients' confidence for the days ahead, that does not mean their success is guaranteed. To match (and lead) their global peers, Canadian CEOs must determine what innovation means to their specific organization and promote an innovative mindset from the top. Moreover, they must drive incremental innovations that will lead to long-term growth, and look beyond their borders for new ideas and technologies that are making the biggest global impact.

69% 

are actively disrupting rather than waiting to be disrupted

63% 

76% 

agree they need to improve their innovation processes and execution

63% 

75% 

want their employees to innovate without fear of failure

84% 

Expected ROI on innovation investment over the next 3 years:

DIGITAL TRANSFORMATION

84%  92% 

ARTIFICIAL INTELLIGENCE

61%  48% 

ROBOTIC PROCESS AUTOMATION

29%  59% 

* 12% of Canadian CEOs have already achieved returns on RPA, no Global CEOs report the same

