E02: Innovation Wanted: Fusing of the Worlds

O: Setting up home studios, thinking about how to help all of us grasp the crisis that we are in and find some suitable answers is pretty much what occupied our attention recently. I can tell you one thing setting up a home studio is very interesting. My grandparents were fascinated with the microphone that I brought home and I think that for a brief moment in time, they thought I have an ambition to become a professional singer.

So improvising with the studio in making this episode has all helped us ease the minds a little bit and ease the concerns about the coronavirus pandemic. The outbreak of the coronavirus and help threats are definitely unprecedented, something that we haven't witnessed in our time. And of course we need to in the language of the internet - improvise, adapt and overcome.

Many people, especially business owners already have tons of questions, tons of problems and they're already looking forward to finding new solutions, how to keep their businesses up and running and how to recover after this.

This is second episode of this season of the Fusing Futures podcast - *Innovation Wanted: Fusing of the Worlds.* I'm delighted to welcome my fellow BOS alumnus, Predrag Topić, in this show. Predrag is business development manager and Biz designer in the ICT Hub. He is the owner of a Bridges and Creations Boutique Consulting and one of the initiators of the Bryce startup.

P: If I have not tested entrepreneurial waters, I would have never been as resilient to new challenges as I am now, including the latest caused by COVID-19. Back in the mid 2000s, when a startup was not even a word in Serbia, one bottle at my desk continuously reminded me of what my ultimate goal was. That bottle was produced by Innocent drinks, a company that from the very beginning resonated entrepreneurship with me - it was led by founders' passion, consumers' feedback and lots of fun in between. On the other side, corporations in Serbia at the time were like well-oiled machines running on strict processes, procedures, rules – very different from Innocent drinks and similar companies. This is the way lots of corporations are functioning now, as well. Don't get me wrong, corporations have their good sides, but for me – they slowly started wearing down my enthusiasm, motivation and space for innovation. For my dream to survive, I made one of the best decisions in my life – to dive into entrepreneurship. Together with a group of four people, two of whom are BOŠ alumni, one a current student and one will definitely be a BOŠ student, I founded a startup called Bryce; I joined three very talented persons in a company called DX Lab; and from beginning of 2020 I joined ICT Hub to promote and work on corporate innovation. Now, either you believe that COVID-19 is a black or white swan, it showed how important this decision was. Empowered by the professional shift, I feel not that I am just resilient, but that I have something to share with others to make them adapt, innovate, and overcome outliers in life and in business.

O: The images of swans reclaiming various water surfaces in cities, during the curfew, is something that made people think about how nature is going back to some more optimal state, while humans are at home. There is one scientist who is very much into swans, but not the real ones. rather metaphorical ones, the surprising swans, the black and white swans, his name is Nassim Nicholas Taleb. He's famous for his theory of black swans as unprecedented events, that we could not have foreseen and that have profound impact on the way we function. Talib himself claims that the outbreak of the coronavirus pandemic was not in fact that black swan, the surprising one, but rather something that we could have predicted and prepared for it. So my first question is - how can businesses adapt and be ready to face these challenges that we can see coming in the future? In other words, what are these so-called predictable events, white swans for businesses? And how can they prepare to be resilient to the upcoming risks?

P: With enormous amounts of data processed each day globally, and advanced analytics technologies available to mankind, I can hardly accept that there can be almost any black swans, so I take Talebs side here. For example, Johns Hopkins University together with Bill Gates foundation made a tabletop simulation in October 2019 of a pandemic caused by a coronavirus – not exactly COVID 19, but very similar and thus predictable in a sense. In a narrower sense, and a one closer to things that I do – I see the behaviours and habits of consumers change drastically as we speak and will shift significantly even after the virus storm passes. The best preparation for this is to start talking and learning from your customers already yesterday. The ones who do it late will have a really hard time adapting and surviving the new realities.

O: For businesses, the times of crisis are not the times to sit home and stay safe. But rather a time when they need to find new ways to function, basically, it's a time for innovation, as we could see. Who innovates faster? Is it startups who are smaller and we can maybe assume more agile, or is it the big systems, the big companies? And since you know that this podcast is all about fusing, my next question is – do you think that this crisis can maybe accelerate a potential fusion between the world of corporations and startups? So maybe we can see the world of so-called corpo-startups coming out of this crisis.

P: It may surprise you but COVID-19 situation is more or less an everyday reality for the majority of startups, as they are used to running businesses in uncertain environments just like this one. Corporations, on the other hand, are prone to predictability. Economic and market development in the past 15-20 years is forcing them to adapt and innovate, and that is the reason why they should look up to startups. Unlike current corporation-practices which are heavily focused on product innovation, they should invest more resources in innovating their entire business models.

O: Of course, among many questions that came together with the situation that we are in, one of the question,s that concerns most of the people, is actually the treatment of the labor force. So I wanted to ask, so far what are the lessons learned? How to provide decent work and encourage human centered approach in this crisis?

P: It is still too early to speak of some definitive lessons learnt. A huge positive for me is that a significant majority of the companies realized that people are their most important resource. The health and survival risks made a human-centered approach a necessity in order to endure the first wave of crisis. However, the risk which is next in line is the economic one. The downturn projections differ, but the figures discussed at the moment are significant, and even go to -20% or -25% which will reflect in higher unemployment rates. In order to overcome these effects, there

is a need to establish a new "social settlement". It is a very broad term, but it should address and resolve issues such as economic inequality, strength and accessibility of our healthcare systems, how much profit is enough profit, how much are our frontline workers paid etc. I don't have a magic wand for this, but a definite first action step would be to create efficient structures for an open social dialogue on these topics. If this can happen, it will make a great start.

"Nostalgia": There are many states of emergency in a life, especially into these longer ones. We have created some personal states of emergencies, others were created beyond our control. We fight against such states in various ways, in order to remain human. Back in 1999, when the bombing started, the whole BOS team was into this situation. The first thing we did was stop the lectures. However, not a few days have passed since the chaos began, students suggested restoring the lectures as means to stay alive. We all realized the fullness of our capabilities to adapt and overcome uncertainty of that period. We were proud of the whole team and efforts they invested to grow resilient - no amount of money or business models could do it better than our ideas. When it ended, we thought, never again. As far as the people of the BOS are concerned, no state of emergency exists, while there is the strength and will to overcome it.

P: At the beginning of the crisis, ICT hub wanted to explore what companies in Serbia already did to respond to new reality. As we believe in constant dialogue with companies and the power of data, we designed a research and disseminated it across all sectors. In just a few days, we were able to draw conclusions as we got all the responses which helped us to grasp their strategies. While the feedback gave us glimpses of the future business practices, it also showed us that companies should be sensitive to multiple complexities, but mainly to consumers' behaviors and aware that they can only thrive if they adjust to changing consumers' needs, regardless of a broader environment.

O: We know that business always has been and always is result-oriented, and although we are in this crisis for a couple weeks, I assume that businesses already think about the results, when it comes to facing the coronavirus pandemic. So how do we measure the success rate in adapting in mitigating risks that emerge from the coronavirus pandemic? How do we know and what are the indicators whether a company or startup has adjusted to the coronavirus pandemic risks?

P: In our research, we asked the companies how much they had to adapt their business on a scale of 1-5 - 52% of the companies responded with 5, i.e. their adaptation had a full extent. Average answer was 4,2. On the other hand, the satisfaction with the changes they made had an average mark of 2,6. One of the reasons for dissatisfaction could be the relatively low results achieved since the crisis outbreak.

Speaking about adaptation, the overall strategies ranged from switching to remote work up to online communication with consumers and online sales. Some decided to decrease prices, however that's a very short-term tactic which should be very limited because it undermines profits and as such is unsustainable.

My conclusion is that adaptation is an ongoing process and will be everyday activity of companies for a longer period of time.

O: If there is a one of the outcomes of what's going on right now, it's simply this whole situation reminded us of how connected the world is and that we cannot be, at this age, an isolated island in the global economy and in global society. So I wanted to ask you what are some best case practices from the region in facing this situation that could be maybe multiplied elsewhere?

P: The reaction of the entire innovation ecosystem in Serbia was extremely quick and valuable. The Serbian Innovation fund called on projects to help in fighting threats caused by COVID-19. 12 great projects were selected, among which are the first Serbian-produced ventilator, disinfection cabins and multi-use protective suits. On the other side, as someone who is very much into using data for the public good, I am more than eager to find out what great solutions with come out of the initiative led by UNDP Serbia in exploring how data can be used to fight COVID-19.

O: Well then. I think that if anything we dedicated the second episode of our podcast to adapting to this situation with new knowledge, information and ideas. So for our listeners, there is nothing else to do after this, than to take concrete action and concrete steps. So, how can we light up our listeners and maybe give them some inspiration to go on on their quest to create maybe some new solutions and make everybody ready to face these white swans that are coming in our way?

P: About a month ago my son Kosta turned 6. And as a present, my friend, former mentee and current co-founder in Bryce, Vanja Knežević, gave him Sabina Radeva's "On the origin of species". It is basically Charles Darwin for kids. And it should serve as a perfect teaching tool for kids, and a constant reminder for us adults as well, that "it is not the strongest that survive, but the most adaptable". How to do that? One of the ways is to dive into entrepreneurship, for sure. There is one famous concept, lean startup, which preaches very simple three steps to make your startup succeed – build, measure, learn. For any of us to become more adaptable, I would tweak these steps a bit into – do, measure, overcome. I tried it, and I am still alive and kicking.

O: All right everyone. So this was the second episode of the Fusing Futures: Light them up podcast. Till our next time stay safe, stay resilient and of course stay tuned. This episode was presented by me, Ognjan Pantić and by a fellow member of BOS alumni network, Predrag Topić. The topic was researched by my colleagues, Gordana Bojanić and Jelena Šapić. Music and sound design by Marko Mitrović and Aleksa Račić. Belgrade Open School and its Alumni network are producers. If you enjoyed this episode make sure to click subscribe at Apple podcast or any other application you use for listening to podcasts for more updates follow us on Instagram and Twitter.