

Transcript of 'Sustainability and Innovation'

Season 3, Episode 21, Transforming Tomorrow

[Theme music]

Paul: Hello and welcome to Transforming Tomorrow from the Pentland Centre for Sustainability in Business.

I'm Paul Turner.

Jan: And I'm Professor Jan Bebbington.

Paul: We can't all be Steve Jobs, but we can all innovate. But the questions are how do we pair sustainability and innovation? And if not everything that's new is innovative, then what is? It's time to find the connections between innovation and sustainability.

[Theme music]

Paul: Have you ever been innovative, Jan?

Jan: Hard to know, isn't it? Because I like to think so, but it's one of those funny words, isn't it, as to what it quite means? Well, very wide people, very wide field. So I hope I'm innovative, but I don't know if you can say that for yourself, can you?

Paul: [mock indignantly] Excuse me?

Jan: [laughing] No, I mean, I don't...

Paul: [laughing] ...that, that, that sounded very insulting...

Jan: ...no, it means that you can't say it about yourself. I'm not saying that *you're* not innovative because I think you probably are.

Paul: Your choice of words was not particularly good then, is all I will say...

Jan: [laughing] ...it wasn't exact enough...

Paul: ...can't say it about you. No, no. I'm innovative, you're not. That's, thank you, right...

Jan: ...we've headed off on the wrong tangent already. [laughs]

Paul: No, I, I think exactly what you say though. It varies from person to person, from industry to industry, probably from country to country about what actually innovative is. And obviously from year to year, because what's innovative now in five years time will be passé.

Jan: Although there's also, I think, um, I suppose when you're thinking about innovation as, as a word. It has almost a universal sort of exciting, positive feel to it. But also some people fear innovation because, you know, there's, there's some innovations that you think, oh, I don't like, look at that.

So, so it's a, it's a really amazing concept and idea. But most likely as well, really important if we want to do things differently.

Paul: Yes. You go back in history and there's the famous Luddites, of course, who were very much against any kind of technology for the fear of what it would happen. And some might at the moment, given certain technological advancements and what certain technology means, agree with Luddites, to a certain extent, and say maybe they had it right.

Jan: Yeah, and I think I remember reading somewhere, and I'm gonna look it up and put it on the show notes, dear listeners, that the Luddites had have had a bit of a bad press. I think they were not so much anti the technology as that they wanted to preserve the best of what their lives were like...

Paul: ...mm-hmm...

Jan: ...so I'll go and do a bit more hunting on that 'cause I'm pretty sure that I realised at some stage just calling somebody a Luddite is maybe, doesn't do the movement justice, but we'll find out.

Paul: Yes. Yeah, yeah. 'Luddite' is generally used, or has been generally used as an insult, although I think some people would take it on and say, yes, I'm happily a Luddite when it comes to, let's say AI or certain things like that.

Jan: Yeah. Well, given our recent, um, episode on aging, um, you know [laughs] maybe it comes more naturally at various times of your life.

Paul: Yes. Yeah. You're an innovative elderly person, is that what you're saying...?

Jan: [laughs] ...yeah...

Paul: ...oh no. We decided you weren't elderly...

Jan: ...I was just old...

Paul: ...yes, you were just old, that's right, yes...

Jan: [sarcastically] ...thank you. Well, we're in good form then.

Anyway, where is this taking us? I feel like this is, uh, becoming a therapy session in my old age. [Paul laughs] So Paul, why are you asking me about innovation?

Paul: Um, because I think it's about time we considered, um, how innovation and sustainability go together, how innovation and business strategy go together, and whether there is a natural link between them, whether you can have one without the other.

Jan: I think that's a great thing to have a wee dig into. Who have we got to come and chat to about that with us?

Paul: Today we're joined by Barbara Salopek, who is an innovation strategist. She's the founder and CEO of a company called Vinco Innovation in Bergen in Norway, and she's also a lecturer at the BI Norwegian Business School.

So she knows an awful lot about innovation.

Jan: And she's in the right place for it as well, 'cause Bergen has been innovative its whole life. I love Bergen. We'll come back to that anyway. [laughs]

Paul: I've never been to Bergen, so you know much more about Bergen than I do. Welcome to the podcast, Barbara.

Barbara: Thank you very much. Uh, thank you for inviting me. It's a pleasure to be here, and I loved your introduction and discussion about innovation.

Jan: Um, we're uninformed, but you are much more informed. So maybe we could start the podcast. Could you tell us about your background and why you've written the book 'Future-Fit Innovation: Empowering individuals, teams and organisations for sustainable growth'?

Barbara: Okay, I can tell you a little bit about myself. I have a double master degree in international management, international business, I have more than 20 years experience of working, and most of my working lifetime was working with innovation in one way or the other.

And through this experience, I saw many things in the companies' lives and how leaders, um, think about innovation. And one of the things was, especially here in Bergen some years ago, everyone was crazy about design thinking. And that was completely, you know, trend, and everyone was just doing that and, and everyone thought, okay, now we have this one tool and now everyone is going to be, um, innovative.

Or before that it was business model canvas. Crazy about that, let's do that. And, but then all those expectations, they weren't fulfilled to the degree they were expected, because innovation is not one tool or one process. It's, much more, and it's much more complex. And you cannot have one tool saving everything, then every, every company will be doing it.

So, um, so that's why I wanted to write a book and explain in the book why that it's not simple, that it's a long term, it's a marathon. And how, and also everyone talks about what you should do, this framework or this one, but no one mentions barriers or obstacles on this path. And I think that these are equally important to mention, so that's why I wanted to address some of those and how maybe you can overcome those.

Paul: So while there are the various different types of innovation, is there an essence to innovation, generally, in your experience?

Barbara: Yes. Um, uh, innovation is everything that is new, either is it a product or service or business process, anything that is new and useful. Uh, if it's new or you have many ideas, that's creativity. That's not innovation, but it has to be used somehow by somewhere.

So, um, so it's not about brilliant ideas or sudden breakthroughs. Um, and equally we need important breakthroughs, and incremental small improvements are equally important. But it's about consistently creating the value, through with those ideas and recombining the existing knowledge in a new and meaningful way.

So, like in the beginning you discussed how you are not, uh, innovative. I think, like, you are very innovative. You, you have a podcast and all those is conveying many new ideas and innovation and new knowledge. You're combining and creating new insights.

So even like, that's more maybe creativity. Even when you are making lunch, you take things from the fridge, you maybe they don't fit to the perfect, um, recipe, but you make up something.

So, so we all are kind of doing things every day and we have it, and we wouldn't be on this technological or evolutionary development if human race hasn't been innovating whole life, whole history.

So, we all have it in ourselves, I would say.

Jan: And I really like the, uh, your distinction you made between being new and being useful.

Is it always the same people that then, uh, the creativity and the innovation piece, or is it the same person, or is it different people, or can it be a mix of everything?

Barbara: I think that there is a general, how to say it, um, social or societal acceptance that there are certain people who are creative and innovative, like Steve Jobs. So he's the, the, you know, the, the God of creativity and innovation. But we all are that. There is no certain people. There are certain personality traits, they help you to discover, to combine things in a new ways a little bit easier.

But I think we all have it. We, we shouldn't kind of glorify that it's only certain people. I think we should all try and look into [inaudible] because all of us have scientific knowledge about something. And when you combine this knowledge in new ways and you use it, then you are innovative.

So I, I don't think, we should stop glorifying certain individuals, but kinda, and that's also the point with the book as well, is like to kinda bring it down to everyone and for the leader, team leader, to understand that it's not reserved for certain leaders, certain archetypes. It's within everyone.

Jan: Oh, that's really encouraging. I like that.

Paul: Innovation, then. We've talked in the past about the word sustainability on this podcast and how sometimes it can be maybe a buzzword or even an obstacle, something that's not necessarily very easily understood.

And from what you've said there, there's so many different aspects of innovation. Therefore, do you find that the word innovation itself can

sometimes create difficulties with people trying to understand what it means and how it can apply to them?

Barbara: Um, so yes, sustainability, innovation, you were right. Innovation was also a buzzword and I think it's still today. And sustainability was a huge hit, and now, uh, as the good geopolitical things have changed, and it's also becoming more as a buzzword and not so important.

And, uh, and I think both are important, and both can integrate and enhance each other out, if we are doing them, smartly and strategically. It shouldn't be one without another.

Jan: So given that we don't want one with the, uh, without the other, what I liked about your book is that you describe sustainability as a strategic driver of innovation, resilience, which is something that we've talked about quite a bit on the podcast as well, and long-term growth.

Can you tell our listeners a little bit more about how the innovation and sustainability elements tie together in your mind?

Barbara: Yes. Well first of all, now we can look at the market trends, they have changed. Suddenly you have a certain amount of customers that are demanding certain type of products.

For example, you don't, uh, you want customers that don't want to drink alcohol. You want customers that don't want to eat meat. So they are the market trends and not eating meat is a sustainable action. So then it's, they do go together creating solutions for this customer demands. That's how innovation, sustainability goes together well.

And we also have new business models, like for a sharing economy. Suddenly the new generations, they're not, um, they, they don't care about owning a car or owning a house. Suddenly they care about that they can rent it when they need it. So then we have a completely new business model.

So that it's a very, it's the best is and sustainability should work so it integrates innovation, because at the end sustainability's looking for solutions for the problems we have. Either they are climate or societal, social. So when we have new solutions then and they are implemented and so we have innovation.

Paul: What's really good about the way you've talked about sustainability as well in the book is the fact that you're not just talking environmental, and you're not just talking economic, which are the two ones that we find seem to

be covered most, but within this podcast we've talked a lot about going beyond that to social and cultural sustainability as well.

And you've included the umbrella term there, not just narrowing it down to one. And do you feel that all areas of sustainability are key when it comes to innovation?

Barbara: Of course, I think that all three are essential. Uh, climate in one way, but climate, climate, um, challenges are creating a, uh, poverty they're creating a social, social problems as well. So we have to embrace them.

Um, uh, and also, um, having social sustainability is also serving all customers, all different customers that are out there. So, for example, we don't have a shoe that is average size and we all don't wear it, right? Like if average shoe size would be 39 and a half, it would fit only certain type of customers, not everyone. But we have different, so we should think like that in also other terms.

People who don't fit the average customers, because when we average the whole population, it becomes very oversimplified, and we have to include, and this also creates new customer segments for businesses. So it is also economically viable at the end.

And uh, what should I say as well? Um, and these customers can be very important for business development. When you have a companies that are inclusive, then also the talents want to work for them because they feel heard and seen. And then not having this, it also then erodes also your knowledge, your uh, your base, your, your trust and talent that you have within your company.

So it, one, if it's done well, it one reinforces the other. So...

Jan: ...yeah. So we often sort of hear about, you know, products having a life cycle in terms that they, you know, somebody invents them, they've been made useful, and then they, they go into a market and then something else comes along.

So I wonder whether or not sustainability is like that as well. Is that what was innovative sustainability becomes business as usual? And then there's another curve of, of sustainability again.

So could you have, um, a business working in the area of sustainability and doing good things, but maybe without innovation? Or does the innovation always has to be there in terms of tweaking and changing what's going on?

Because kind of as well, and this comes back to at the beginning of our chat, sorry, I'm gonna, I'm gonna try not to digress too far, is that if, if everything I do is innovative, [Paul laughs] then, then it means nothing. So it's back to that buzzword a bit again. So, yeah...

Paul: ...but it goes back to the useful aspect...

Jan: ...yeah...

Paul: ...yeah, yeah. I, I don't like to say it. I dare say not everything you do is useful, [Jan laughs] so therefore not everything you do can be innovative.

Jan: Yeah.

Paul: Some, some things, you know...

Barbara: ...but we can also ask useful for who?

Jan: Yeah, maybe that's, maybe that's the bit I'm missing. So could you have sustainability in a business without innovation? I suppose that if I boil it down to that.

Paul: Mm-hmm.

Barbara: I guess you could have, because having sustainability in business without innovation, is that, uh, what does this mean? Let's define that.

That means that you have ongoing business without anything new. And this like, like that's production of milk...

Jan: ...yeah, yeah...

Barbara: ...like normal milk. You produce it because there is always a need. If there is a strong enough demand that does, it's not picky and they're satisfied, then it's always there.

And this is what some companies do. You know, they have it good enough and then they don't, they, they are sustainable in a way, you know, it's ongoing business. It, they will not go bankrupt because there is a market.

But unless someone shows up like Nokia. They, they didn't do it, and then suddenly something happened. Like, we can be sustainable as long as someone

suddenly doesn't change the circumstances and context. And then if we are not prepared, then we end up like Nokia...

Jan: ...yeah...

Barbara: ...or Kodak.

Jan: And I like that, because it does mean you don't have to be innovative every day.

[Everyone laughs]

Barbara: ...no...?

Jan: ...I'm always there, trying to be more innovative. [laughs] Sorry, I don't know. Maybe, maybe I'm just feeling tired, I don't know.

Paul: You need to space in life for a bit of hedonism.

Jan: Ah, yeah...

Paul: ...so...

Jan: ...also, you know, a balance of some creativity, you know, some innovation, some just doing the thing.

Paul: Yeah. Some reinforcement of what you've done in the past. Yeah, you need, you need to have a mixture of everything...

Jan: ...yeah...

Paul: ...yeah. I think if you don't have innovation at all though...

Jan: ...yeah, yeah...

Paul: ...we're all still living in caves and lighting fires with, you know, stones and throwing spears at wild animals.

Jan: [laughing] There's a long distance between not having innovation and living in caves. But I see what you're saying...

Paul: ...if there was never any innovation, people would've just...

Jan: ...yeah...

Paul: ...been happy enough...

Barbara: ...we wouldn't evolve, yes...

Paul: ...yes, there would be no evolution. Yes...

Jan: ...indeed...

Paul: ...yes, I get innovation is almost like a sharp tick of evolution.

Jan: Yeah. So what I like about the way that, that both yourself, Barbara and Paul, you've been talking about it, is they're almost in an innovation ecosystem? That there's different elements and pieces coming together.

So one of the things I really enjoyed about your book is that you looked at your individual groups and organisations and the different ways in which innovation may play through those different layers, but also the different capabilities they have.

So I wonder if, for our listeners, if you could take us through that, about what supports innovation at individual, at group and then at organisation level as well.

Barbara: Yes. Um, I can, I would like to go a little bit back for something you have commented actually, now in this...

Jan: ...absolutely...

Barbara: ...you said like you are tired, like, and that's exactly the point. [Jan laughs] Innovation shouldn't be tiresome. It shouldn't be something, oh, now we are doing this and we are all excited. It should be just a normal part.

Like, for example, we, we have a process and then suddenly, but we could do this better. And then the company and the context and the organisation is ready to take your input and say, yes, actually that makes sense, let's implement it. Instead of, if you are not innovative, then you say, oh no, that's, no, no, you are just working down there. You don't know the things. You are not the innovation manager.

So those are like, so, so the whole point about the book and innovation should be that it comes natural and it's not exhausting. It's not something that, because if you cheer up something very much, it's also is exhausting after a while.

Uh, and then we are going to your question now on those three levels. Um, and, uh, you asked what, how we innovate on those three levels, right? Yes, it's not how we innovate on three level because those all three levels have to work together. It's, there are different obstacles in each levels that you have to

overcome in order to have the successful innovation environment in your company.

And then as a, as at the beginning you say, uh, you have been discussing whether you're innovative, but, uh, people discuss whether I'm creative and I thought, I'm not creative because I cannot paint nice. And somebody thinks that it's not creative because they cannot, um, draw or, uh, play piano. Or I saw on LinkedIn a person said, uh, I'm quitting my corporate job, and finally I will be creative by doing interior design.

Like, like, because that person we are all think that creativity equals being artistic, doing something artistic. But you can be creative how you write emails, how you negotiate, you know, how, how you come up with ideas for a new product or tweak on the products.

So, so it's important then. So that's the barrier on individual level, that people think that they're not creative. And if you are a leader that you want your company or team to be more innovative, you have to know that, and you have to kind of help them to, um, overcome this barrier and tell them, okay, you are maybe not artistic, but you probably have solved some, uh, some everyday problems at home or, or like, or point out, oh, you solved this problem so good at work, you negotiated this. We wouldn't get a deal without your valuable input at that time.

And then also what, um, what another things on individual level is functional fixedness. Through schooling and education we learn what item is for what, and then we just look at TV screen as a TV screen. Uh, a table is a table. We, in order to be efficient, we assign those functionalities and we don't question them. And that creates barriers. And then we have to go outside of those.

So that's on the individual level. And then on the, on the team level, it's uh, it's diversity, that we don't have diverse set of the people. And then it's also kind of, if you have equal people around us, that means that we, again, fall into this, um, functional fixedness, certain archetypes.

But then also having the, uh, diversity at the table doesn't mean that you will still get innovation output that you want, because people might be afraid to speak up. And then we have psychological safety, and psychological safety is a property of a team leader of a group. Because a team leader sets the, sets the tone. It's not the property of organisation. So you can have different packets of

psychological safety in an organisation. So one might be very high, and another one it can be very low.

Uh, and then we have organisational, how organisation sees on, uh, does the top management understands its role. And then we have then contextual, uh, challenges like sustainability that comes into the picture and technological advancements.

So all those three are shaped, and then again influence both individuals, and individuals make groups, and groups make organisations. I hope I answered somehow.

Paul: I really like what the point you've made there about functional fixedness, and it reminds me of something I saw towards the start of the year about Vaseline. And, uh, the creators of Vaseline have discovered that people are using it in ways that are totally unexpected.

It's not just for rubbing on your lips and for dry skin. People will put it on their fingers in order to be able to eat, uh, certain brands of crisps that normally leave traces on your fingers. There's no trace on your fingers if you use Vaseline.

And there's many, many other...

Barbara: ...interesting...

Paul: ...there's many, many other functions of Vaseline, but the company that created it saw this and used it as a way of, sort of, publicising the, the product and saying, look, you don't just have to use Vaseline for dry skin. You can use it for hundreds of other things as well.

And yeah, that functional fixedness, if people were just stuck with that, that would never have happened. And the innovation of using Vaseline for Doritos would never have come across...

Jan: ...are you, are you allowed to say Doritos on the podcast?

Paul: You're allowed to say just about anything you want [Jan laughs] on the podcast without, you know, grossly offending people and swearing...

Jan: ...yeah, we're not endorsing Doritos...

Paul: ...no, we're not endorsing, we're just describing them. If anything we're saying they leave a sticky residue on your fingers, and you know the, the orangeness. Have you ever had that with Doritos...?

Jan: ...yeah, yeah...

Paul: ...the, the orangeness there? I haven't tried it with Vaseline yet, but I am going to, to see...

Jan: ...aaah. But that's a really great example and, and illustrates exactly what you've been talking about, Barbara, because Vaseline is like, it's an old product. I mean, we've had it like forever. It's quite a simple product in some ways, but even now, creativity...

Paul: ...yeah...

Jan: ...innovation...

Paul: ...exactly. So, these are all how we can help innovation to happen and what can be put in place and things. Are there, obstacles that can stop innovation and cause innovation not to happen?

Barbara: Well, first of all the top leadership has to understand what innovation is and that it's not the one, one, uh, framework or one, um, one thing because there is no magical stick that will, you will use, and then everyone is going to be innovative.

So that's, I think that's the first obstacle that the, the top leadership has to understand, that it's much more complex and much more time consuming. It's a marathon, not a sprint.

And then they have to understand those obstacles on these, uh, three levels that I have been manage, uh, managing functional fixedness, creativity, thinking that I am not creative. Do we have diversity? Does this, diversity is theirs to speak? Um, how the management thinks about technical advancements? How do people think about them? Are they afraid or are they not afraid? Uh, sustainability, do we take this into account because sustainability is now seen as a burden? As something, uh, that, uh, that it's not desirable. While it can be, and open new markets and new customer segments.

So, so all those things can be in the culture, at the end of the day. It's the organisational culture. Because you can have innovation process perfect, but if you don't have this culture in the company, then it will not work at the end.

Jan: And it might, we've mentioned it a couple of times, and it's come up in so many of our prior podcasts this year for maybe quite obvious reasons. This whole geopolitical change with regard to how, do we think sustainability is good or bad, or, um, and which we think diversity is good and bad, and yet you've made a really, you know, clear and good case for diversity being an element of that innovation.

Does this sort of current political climate then really affect innovation as a very particular, um, obstacle?

Barbara: Yes. That's excellent question. It's very like, um, contemporary concerning the geopolitical situation.

Even when I was finishing the book, uh, I already, uh, put in the, as the, the government changed in US, the sustainability dropped sharply in importance. Uh, and that's already a big sign.

And, um, the, the cost burden from political side, it, it's making it more troublesome than it is. And now we have this escalation of conflicts of the global. Which is again, not putting uh, sustainability in the, in the, but is putting it aside.

That's, that's, and also we have certain type of innovation that is desired, but maybe not morally or ethical correct. That's a war innovation. We have a lot, everyone says, oh, there is lots of innovation. Yes, there is, but they're are only targeted on one thing.

Jan: Yeah, innovation on...

Barbara: ...and that...

Jan: ...how to hurt and kill people is not, [laughs] is not innovation I'm, I'm wholly keen on.

Barbara: And not to mention all the climate aspects of the war and destruction, uh, and also societal, uh, sustainability of the wars and the poverty and, and the regions.

So, um, now, it's, now I think it's, it's very big burden, uh, on the world and the companies and they are lose the focus on this geopolitical and kind of forgetting this positive innovation, ethical, market-driven innovation.

Paul: And another aspect that's very much modern day, right at the moment, is AI, artificial intelligence...

Barbara: ...mmm...

Paul: ...we've talked previously on this podcast about the relationships, the connections between AI and sustainability, and it's also something that you do cover in the book a little bit.

So what's your view when it comes to the links between AI, sustainability and innovation?

Barbara: I think AI can be a great tool for innovation for many good solutions. But it can also be an obstacle, because as I teach as well, I see student using it. And when you use it, maybe you don't have the knowledge, then it can give you the wrong answers and you can, uh, feel, uh, falsely, uh, confident in it. [laughs]

And then, uh, but, um, uh, there are certain, there are several things about AI. First, uh, sustainability. It can help us to, uh, come up with solutions more efficiently, in a way. And, uh, it, it takes less time that we humans for certain activities, but on the other hand is very sustainable, not friendly, because it uses lots of energy. So we have to kinda balance those two.

Also when it comes societal, uh, sustainability, it enhances biases. It's built on, on data that is heavily biased. Uh, and then it can hurt some fragile groups or customers or, um, employees or candidates. So, so we also have to, that's also part of sustainability that AI, social sustainability, it should consider, or those making it should consider.

So, um, it has to be monitored, it has to be researched, and the more complex AI becomes the, the less capable we are, humans are to do those things, to monitor it, whether what we are getting is actually what we want to get or is it ethically, morally correct?

But as I said, it can be, uh, excellent, uh, powerful enabler of sustainability for optimising resources, for decision making. It, it can be quickly in a couple of minutes bringing the, the results instead of what we should maybe use hours, days, months. So.

Jan: And what I find interesting about the whole AI and innovation sort of conversation is the things that are in the headlines and the things that we maybe encounter in our job is, um, you know, AI being used to write, you know, poor student essays or, or for us to hunt and be outraged by things on social media.

But actually the deeper roles that AI might have in terms of maybe if you employ it in, um, you know, job selection and you, um, amplify those biases or whatever. Some of the real big uses of it are the things that we don't chat about much...

Barbara: ...no...

Jan: ...because it's somehow, it's behind the scenes. So there's an innovation, which if you like, we're talking about the, the froth on the innovation, not the absolutely, you know, big elements to what it, what it could bring in, in positive ways as well in terms of maybe medical diagnostics, et cetera, et cetera.

Paul: Accounting.

Jan: Yeah...

Paul: ...let's not leave out your own, [Jan laughs] uh, profession there, because there's lots of ways in which, uh, accounting could be affected by AI and artificial intelligence can do jobs that accountants were previously doing, and maybe felt themselves wasting time because they had to spend lots of time doing it.

It's not exciting, it's not thrilling. It's not producing some kind of imagery or text that's gonna go around the world and therefore is not being really well publicized, but it's happening.

Jan: And what I, one of the innovations in around the use of AI, large language models, techniques of that sort, is that they should be quite helpful at detecting fraud that otherwise would be too time consuming and too expensive to be able to detect...

Barbara: ...yes...

Jan: ...so I think that's one of the things that's sort of coming to me is, um, because I'm trying to read up on AI, I'm listening to a really nice, um, podcast series on it as well, and, and you suddenly realise, yeah, yeah, the things that are people getting frothy about are not, not the deeper questions and the

more interesting innovations that might come from that, that change in technology as well.

Paul: It maybe ties back with what we said in the discussion we had back at the start of the series about AI though, about things such as, um, generative AI and the fact that the amount of energy and resources it uses for doing things that are either frivolous, um, could be done by a person with just as much effort, or are gonna end up being offensive and catch the eye of people, and that's where the big energy use and sustainability...

Jan: ...yeah...

Barbara: ...mmm...

Paul: ...maybe topic comes in rather than the stuff that's actually going on that isn't being seen and may be useful and innovative.

Barbara: Mmm...

Jan: ...yeah. But I think that's enough on, um, 'cause on [laughs] that. Let's go to something, you know, positive. Let's head towards positivity at the end of this, this podcast. [Paul laughs]

So could you tell us some, you know, because you've looked at lots of examples through your business, but then also through your teaching activities and brought them together in this book.

What are the most powerful examples of sustainability-linked innovation that you have had the pleasure of observing?

Barbara: Uh, I think one of that was most, um, intriguing for me was the medical AI. Uh, going, for example, going through all research papers on certain disease and providing the medical doctor, the person, with exact precise, specific information for that patient. Uh, something that will take months or maybe years to find out to dig, so I can do it very effectively. So, um, so I really love that one. Uh, how it can, uh, medical AI could scan and synthesise the vast amount of medical data and, and combine exactly with information that you need for that patient.

Uh, but also one other ones that I liked a lot, uh, was, um, the producer of the furniture, Flokk. Uh, they have been, uh, they decided to produce chairs without the glue. Uh, and that's quite power mind, uh, shift because, you know, we are used to glue things, but when you are going to recycle and reuse,

uh, then, um, then the glue is not good because it's a chemical and it can be dangerous chemical. So they decided to take out the glue and make the chairs. And this is also example of breaking functional fixedness in order to be more, uh, environmentally friendly.

So, um, uh, so that's another example that I think. And I think companies should think more in this way. So what can we do that can be more climate or more social sustainable? And it doesn't take so much, but we are just, we have been focusing on profit. That's [inaudible] and it's been driven by US, uh, thinking because of shares and the value of the companies on the stock exchange.

And, but I think, and the Europe has been a little bit better on this thinking of step back, and thinking, what actually does this mean? And I think we should. and help further organisations to not forget this part, even though now we are in this situation where it's very easy, again, to neglect the sustainability and, uh, and positive impacts. The organisation should be also creating not only profit-wise.

Paul: So, we'll wrap this up then just by looking ahead. And are there any particular innovations that you can see or areas where you can see innovation might happen with regards to business and sustainability in the coming years?

Barbara: I think, um, hopefully after all this geo geopolitical situation, we will go back to, um, CO2, um, storage and capture and production. Um, and I think it'll be, AI we'll love, I don't think it will kill any jobs. We will just have to repurpose ourselves differently. And, and then, and we saw it when the Facebook came and the Google came, we all thought marketing and the newspapers were gone, but they're still here.

Like we will find ways to be relevant and I think the human factory will be important. Uh, and AI will make some jobs disappear into new jobs. Creation of something that, that will be different. Um, so, and I think that it'll be integration of both innovation, sustainability, and technology together. It'll be much better and much more synergic, uh, creating new innovations.

Paul: Well, that's been wonderful. Barbara, thank you so much for bringing so much innovation to our podcast. You've been a great guest. Thank you.

Barbara: Thank you very much and um, thank you everyone for listening.

[Theme music]

Paul: Jan, have you left the episode with a greater understanding of whether or not you are innovative...?

Jan: ...yes...! [laughs]

Paul: ...I know you all don't think I am, but you know, are you...?

Jan: ...you still misunderstand me. Yes. And, and what I really liked about, um, the way Barbara talked about this was that, you know, that innovation is like a, a, it can be, you know, it can be the flash of genius and then you take it forward. But also it can be, you know, one step in front of the other. It can be really thoughtful, it can be really focused on things.

And of the various, um, elements that she spoke about, um, were all interesting, the functional fixedness is, is...

Paul: ...yes...

Jan: ...a new term that I'm going to use in every conversation this week.

Paul: Yeah. It, it sums up a term, or a concept that we probably understand, uh, from our lives of, there's a chair, you sit on it. Is the chair made with glue or not? Let's leave that, uh, to the side. But you sit on a chair, you don't use a chair for, you know, a swimming buoyancy aid. [Jan laughs]

Uh, there, there's a, a computer. You use the keyboard to type on. There's a camera. I'm saying things that I can see in the studio at the minute. [Jan laughs] This is like a very small game of our I Spy...

Jan: ...I Spy...

Paul: ...yes. Uh, but yet you see things. You know what they're used for. You use them for those things. And innovation comes sometimes by using those things differently. Whether it's like the Vaseline I explained, or whether it's like totally different aspects of it.

Jan: And the other thing I liked about it is, is her attention to how you organise yourself being the key to creating innovation ecosystems or, or a place where innovation is, is likely to come forward.

Um, and of that, given that we've spoken about it before, and there's a lot of that pushback on diversity, that actually that is a key element to innovation, if there's safety for people who can speak in that context.

So I felt like her, her descriptions, they weren't like, well do A, B, and C and you're there, which is exactly where she started, with no one tool, no one process...

Paul: ...mm-hmm...

Jan: ...but it's a much more of a network and a much more nuanced and complicated way of looking at things.

Paul: And that diversity aspect's come up in many of the conversations we've had on this podcast before. Recently with Susan Murray when it came to the David Hume Institute and economics and how diverse minds there from different geographies, genders, ethnicities, et cetera, give different perceptions on the economics of people in certain communities.

And then going back to a conversation we had with Yuka Fujimoto when we were in Malaysia a year ago, and the whole issue of diversity within companies. Even then we were talking about the political pushback against diversity and sustainability, and that comes to the fore in this discussion again, and I dare say will continue to do so for at least another couple of years.

Jan: Yes, indeed. And, and that whole changing geopolitical context, although I think it was, uh, I mean, when we, when we talk to our colleagues, um, who are, you know, living and working in Ukraine, that becomes a very, you know, clear sort of geopolitical change.

But it's also quite interesting how she was talking about the geopolitical change actually distracting from other things...

Paul: ...mm-hmm...

Jan: ...um, so not all innovations are, are good and not all change is good.

Paul: No. What I did like as well from what Barbara was saying, was when we looked at how people's behaviour can influence innovation and the talk of the sharing economy. How people aren't necessarily buying cars anymore individually, but they might share cars and other such things like this, and therefore that forces companies to rethink how they operate and what they offer as their products or services.

It's no longer a case of people are just there being shaped by what they're being offered, they're shaping what is going to be offered to them...

Jan: ...yeah. No, that was a brilliant chat. I, I feel much more confident to say, yes, I am innovative. As are you, Paul.

Paul: Mm-hmm. Too late, Jan. [Jan laughs] Too late. The, the notes have been made. Yes. The HR complaint is in the post.

Jan: Well, but anyway, speaking of innovation, how are we gonna innovate next week?

Paul: Yes. Whether or not the HR complaint has been processed by then will very much, uh, determine it. We're gonna talk about taxonomy next week. I know it's a word that even you don't fully understand the meaning of.

Jan: Yeah. But I understand enough to know why it's gonna be absolutely enormous fun. So let me do a short pitch for our, our listeners.

At the heart of a lot of the, uh, finance and sustainability innovation is the idea that you, you defined at the core of it what is sustainable and what isn't. And those definitions are tied up in something called a taxonomy. And there's taxonomies all around the world.

The EU is a big innovator when it came to taxonomies, but there are taxonomies globally, and we are going to talk to somebody who is at the heart of putting together, um, a taxonomy for Thailand.

Paul: And who's that?

Jan: Uh, Charika. A good friend of mine from University of Birmingham days.

Paul: Wow. We're bringing in more of your friends...

Jan: ...well, it's who you know...

Paul: ...it's...

Jan: ...remember Kevin...

Paul: ...it's not what you know, it's who you know...

Jan: ...it's Kevin Bacon, all over again...

Paul: ...it's Kevin Bacon, yes...

[Jan and Paul laugh]

Paul: Have you researched or watched any of his films since we discovered your links with Kevin Bacon?

Jan: I have. I have...

Paul: ...yes...

Jan: ...that was a very enjoyable thing to do.

Paul: [laughing] I'm glad to hear it. Well, until next time, thank you very much for listening. It's goodbye from me, Paul Turner.

Jan: ...and it's goodbye from me, Jan Bebbington.

[Theme music]