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MEDIA RELEASE

Business innovation levels rebound; leadership pivotal to growth

Strong leadership is cited as the number one driver for creative license in the workplace, driving a bounce in the level of innovation across the nation.

The latest NAB Labs Business Innovation Index – which measures the way businesses do things differently – reports an almost five point increase, jumping from 59.8 in 2017 to 64.3 this year. This was largely driven by Australia’s micro (1-19 employees) and medium (100-199) businesses.

NAB Chief Economist Alan Oster said: “It’s heartening to report not only do Australian businesses believe the “culture of innovation” in Australia improved significantly, when measured against actual behaviours, innovation is significantly higher than it was 12 months ago.

“The rise in innovation aligns with robust levels of business conditions that we’re seeing in our Monthly Business Survey. However, there remains a strong emphasis on incremental innovation, like small improvements, rather than more radical innovations.”

Just over one in two businesses believe strong leadership is the most important factor in building a strong company culture of innovation.

NAB’s Executive General Manager Digital & Innovation Jonathan Davey said: “Innovation can seem like a pretty abstract concept and many business owners we speak with don’t always perceive themselves as innovators.

“But when we talk about changes or improvements they’ve made, new products they’ve launched or things to simplify their business, we get lots of insights, so we know innovation is common practice and that is being reinforced in our research.”

NAB customer, Carl Marchese of [Matchbox Exchange](#), said his business saw an opportunity to use digitisation to improve processes in the shipping logistics sector.

“We saw an opportunity to innovate in shipping logistics using technology to reduce transportation costs and improve efficiency in the processes of moving containers.

“We’ve started out with small operation based in Melbourne, building a prototype and developing our ideas.

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“We now have more than 200 trucking customers across Australia and New Zealand and we certainly see further possibilities to continue to expand our business as we grow,” Mr Marchese said.

Leading business innovation author and Professor of Management at the University of Melbourne, Professor Danny Samson, said: “The report shows a continued emphasis on incremental innovations over radical innovations, and on cost driving innovations relative to speed or differentiation, which reflects our economic and business structure,” Professor Samson said.

“In these times of accelerating digitisation and change, developing and executing an innovation strategy is imperative to avoid disruption by new players; existing businesses must become ‘self-disruptors’.”

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About the NAB Labs Business Innovation Index

Many businesses innovate continuously to survive and prosper. But few call this “innovation”. Instead they talk about “improvements”, “changes” and “adjustments” to their everyday processes, products or services. The NAB Labs Business Innovation Index is based on what a business does “differently”, “more quickly” and “more efficiently”. Around 1,500 Australian businesses across all industry sector and business sizes participated in the survey. You can find the 2017 survey [here](#) and the 2016 version [here](#).

About NAB Labs

Established in early 2015, NAB Labs is the bank’s innovation hub, focused on developing new solutions for customers and driving a culture of innovation across the workforce. NAB Labs has been central to launching new customer initiatives, including unsecured business loan [QuickBiz](#), integration with [Xero’s](#) cloud accounting, enabling voice-activated virtual assistants for [Google Assistant](#) and [Amazon Alexa](#), as well as partnering with start-up Medipass to deliver an Uber-like experience for healthcare, [HICAPS Go](#).

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