

Report on the Panel Discussion

Innovation Spurred by the COVID-19 Crisis

On the occasion of the Africa Shared Value Leadership eSummit 2020

02 – 05 June 2020

HOST: Hlubi Mboya–Arnold; Executive Director, Future CEOs

Panelists

David Damberger, Chief Strategy & Data Officer and Head of International Expansion, M-Kopa

Maria Cristina Papetti, Head of Global Sustainability Infrastructure and Networks

Abey Mokgwatsane, Managing Executive, Brand & Communications, Vodacom

Pritesh Sewraj, CEO, Loeries

Shobna Persadh, Corporate Affairs & Sustainable Business Director, Unilever

Ryan Noach, CEO, Discovery Limited

Khensani Nobanda, Head of Marketing & Corporate Affairs, Nedbank

Tieke Barnard, CEO, Shared Value Africa Initiative

Gaëlle Loiseau, CEO, Shared Value Project, Hong Kong

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Introduction and Context

The COVID -19 crisis will be remembered as a key moment in modern history, not only for how it has changed social behavior but largely for exposing the innovative capability of humankind. In just three months, specifically between March and May of 2020, when most governments declared national lockdown in their countries, 22,000 innovations were launched globally with 35% being refined variety, 38% completely new products, 7% relaunches, 19% re-packing and 1% re-formulation. (Unilever reports, 2020). Coming from times when there would be one big innovation in a number of years that would change societal behavior (such as the invention of the telephone, airplanes or the first computer), we are now seeing numerous innovations happening within a very short period of time. Innovations in Africa have increased tremendously in the areas of technology, social impact, governance, business models and systems. The COVID-19 pandemic has exposed the great innovative capability in Africa in each of these areas and has spurred a new wave of hope for the economic and social development of the continent.

Discussions were held on the role of innovation in a COVID-19 response at the Africa Shared Value Leadership Summit held on 5th June 2020. The objectives of the discussion were:

1. To uncover how to safeguard the future potential in this new wave of innovation coming from Africa.
2. To set out ways in which business leaders can ensure sufficient support networks are available to maximize the social impact inherent in the innovations brought about by the COVID-19 pandemic.

This report aims to highlight the key points from these discussions and provides recommendations on how to ensure the sustainable implementation of the innovations that come from Africa.

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Why is innovation Important?

Innovation is vital for economic growth and competitiveness in any country. By increasing productivity, improving lives of the underserved groups and providing better and more affordable products and services, innovation opens doors to job creation and generates higher levels of income and returns for the country which in turn attracts investments and expansion in infrastructure. It also expands inclusivity across various economic areas. Nowhere is innovation more needed and relevant than in Africa today. According to the United Nations, Africa has the highest rate of population growth among major areas in the world. With a population of over 1.3 billion people, innovation is urgent in Africa to fix the current problems that Africa faces across areas of healthcare, climate change, infrastructure development, gender equality, conservation, job creation, education and governance.

The Shared Value Africa Initiative looks at reconnecting business success with social progress and building business networks and partnerships that create inclusive growth. With Africa still behind when it comes to social progress, it is vital for the business environment to adopt a shared value mindset which aims at doing business that will achieve great social impact on the continent. To do this, businesses need to innovate around their business models to allow for meaningful change in society. The COVID-19 pandemic has seen businesses and governments across Africa innovate in order to save lives and jobs. New technological and governance solutions have been developed within a very short period of time. This new wave of innovation across the continent has given rise to new hope of prosperity in Africa across all sectors.

DISCUSSIONS AND PROCEEDINGS

The shared value concept is not entirely new to African businesses. Over the past decade, companies have sprung up across Africa that have greatly increased job creation and productivity on the continent. Innovations like M-Pesa from Kenya and Discovery from South Africa have revolutionized the financial and health industries respectively. The Africa Shared Value Leadership eSummit 2020 brought together a few companies that have adopted the shared value concept successfully.

To start off the conversation was David Damberger, the chief strategist and head of international expansion at M-KOPA solar. David highlighted the key ways in which M-KOPA (a solar energy company) has adopted a shared value mindset over the years and how this mindset has led to its success. Among the recommendations that David made on how businesses can succeed with a shared value mindset is to keep their innovation strategy centred around the customers' local context as well as to leverage on customer-friendly technology to drive that innovation. The COVID-19 pandemic has required that businesses innovate to meet the specific needs of their various target groups and to do so using technological means.

StartupBlink in collaboration with the Health Innovation Exchange launched the Coronavirus Innovation Map in 2020 to provide a platform where potential innovations could be listed, and the platform used as a directory of innovations aimed at supporting the response to COVID-19. By the end of March 2020, 500 projects had been listed followed by an account of more than 1000 projects by June 2020. (Startupblink, 2020 report). It was agreed in the discussions that this accelerated rate of technological innovation across the globe has provided hope for the continent to deal with the pandemic.

To add on to the sustainable energy discussion was Maria Cristina Papetti of Enel Green Power who highlighted the importance of including the United Nations Sustainable Development Goals into a company's business model so as to ensure intentional

achievement of sustainable business and innovation.. The Enel Group's 2020 - 2022 strategy focuses on the achievement of the sustainable development goals. This serves as a great example of how sustainable innovation can be approached across the continent.

The coronavirus pandemic has affected the business and economic landscape of the continent immensely, threatening to undo the growth and development that has been achieved in recent years. In the wake of the pandemic, however, business and government have acted quickly and innovatively to save lives and jobs and ensure continuity of business. Below are comments from four panelists discussing how their companies here in Africa have responded to the COVID-19 crisis.

Loeries, a non - profit offering Brand Communication and Advertising services, rewards and fosters creative excellence in Africa and the Middle East. While they have had a focus on yearly festivals, the COVID -19 pandemic saw them shift their focus to educating people about the pandemic and pushing for creative solutions to solve the problems caused by the pandemic. **(Sewraj)**

Unilever, a global consumer goods company went from producing 700,000 hand sanitizer items per month to around 100 million items and increased production capacity worldwide by more than 600 times in tonnage due to the necessity of hand hygiene in fighting the coronavirus. **(Persadh)**

Discovery, a company that combines financial and health services with the goal of enabling a healthier society, began to provide free access to virtual consultations and telemedicine. The vitality programme was also greatly enhanced by encouraging people to exercise at home and achieve rewards for it. **(Noach)**

Nedbank, a South African bank, launched the Avo app, which brings customers and businesses together. During the lockdown period, the app was useful in connecting

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people to essential services such as shops, plumbing, electricians among others.
(Nobanda)

The panelists in this discussion noted that in order for the African society to be fully ready for the new wave of innovation that has begun across the continent, a few things will need to happen:

1. **Collaboration between manufacturers:** While the business environment has always been one of competition, the coronavirus pandemic proved that innovation and productivity is at its best when different companies collaborate towards a common goal. Sharing of intellectual property is extremely important in not just coming up with vaccines for the world but in allowing for increased production and value creation across the globe.
2. **Ups – Skilling the older generation:** Many of the innovations that have been developed in response to the COVID -19 crisis have required the use of digital technology. It is now evident that digital platforms are now the go to marketplace for goods and services. Oftentimes the older generation has been left out of being able to engage with these platforms. It is vital that digital education is offered to as many people as possible across age groups.
3. **Adopting a mindset of innovation:** Now more than ever, African businesses must choose to adopt a mindset of innovation to ensure consistent improvement of services, production processes, supply chain systems, and sustainable impact.

RECOMMENDATIONS

Recommendations from the discussions included the following:

1. Adopting a mindset of innovation and shared value is critical for African businesses to achieve sustainable growth. This mindset should permeate through the entire organization from its business strategy to the way it runs its operations and manages its staff.

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2. African manufacturers should collaborate more frequently to accelerate the rate of innovation and growth on the continent.
3. Upskilling the older generation is of vital importance to ensure inclusivity and shared prosperity. Leaving a part of the population behind when it comes to innovation will also slow the rate of economic growth on the continent.
4. Businesses should keep their innovation strategy centred around the customers' local context as well as to leverage on customer-friendly technology to drive that innovation.

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