

Fortis Yacht Services

# A case of innovation



Strategic innovation within a large, established organisation? Yes, it's possible. But how do you go about it? Vlerick professors Marion Debruyne and Kurt Verweire came across an interesting business case at Fortis Venturing, the platform for Fortis employees with innovative ideas. They picked out one idea and worked it up into a teaching case study that MBA students and executives could use as a practice tool.

“Banking is the only place outside Jurassic Park where you can watch dinosaurs mate [...] Getting bigger is not a strategy. Getting better is not a strategy. Today, a company has to be willing to get different – profoundly different!”

(Gary Hamel in Business Strategy Review (1998): The Challenge Today: Changing the Rules of the Game)

## The idea

A client applies to a Fortis branch for a loan to buy a yacht. The client comes face to face with bank manager Pascal Dewert, who has a passion for boats. Unfortunately, Dewert can only offer a private loan over 10 years, under terms that the client does not find very attractive. What if he could offer the client a personalised proposal to finance the purchase of a yacht? Nothing like that exists in Belgium and it might perhaps attract new clients...

Dewert happens to come into contact with Kris Vander Velpen, head of Fortis Venturing. Vander Velpen's enthusiasm prompts Dewert to submit the idea of Fortis Yacht Services to the innovation

committee. Although the new service would not present any problems from a technical or legal point of view, Dewert immediately feels that enthusiasm is not enough to convince the committee. As one of the managers put it: “We can track down a house, but a boat...?”

## The assessment

“We want to use this case study to spark off a discussion about innovation within large, established companies,” explains Prof. Marion Debruyne. “The assignment is split into two parts. In the first part, the students and executive participants put themselves in the shoes of a manager on the innovation committee to decide whether the idea is viable. Do you vote for or against it? What criteria do you consider? Do you evaluate the idea in purely financial terms or do you also want to encourage a particular culture within the organisation? The second part of the case study is set three years later. Fortis Yacht Services has been a success, but needs to expand. How do you tackle this? Should you incorporate it into the existing business or leave it as an independent entity? How do you organise this process?”

## Lessons to be learnt

The teaching case study is more than just a game. It challenges participants to test their ideas and mindsets against those of others. Marion Debruyne: “It is also a useful exercise in working out how to make innovation a strategic part of an organisation. As a company, do you take the initiative to innovate or do you need some encouragement? If you set up a platform for innovative ideas, how do you ensure that it is able to use and develop them to their full potential? Another subject for discussion is how to recognise innovation. Fortis Yacht Services is not a radical innovation – it just hadn't been thought of before. Marketing, in particular, was handled in a highly original way. In other words, innovation is what you make it.” ■

The Fortis Yacht Service case study is included in the “MBA in Financial Services and Insurance” and “Launching of Innovations” programmes.

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