

BUSINESS COMPANIES COMMERCIAL REAL ESTATE

Technology is transforming developments

By Joshua Soo

20 October 2018 – 12:00am

To date, Australia's construction industry has hardly been synonymous with innovation, importing ideas and materials from other countries and industries.

Technology is transforming the sector, with robotics, prefabrication, 3D printing and smart materials, and a range of multinationals have built their own incubators and are creating new roles such as "Head of Innovation Culture".

We have been working with a mid-sized development and construction company in Sydney with its leaders passionate about championing new ways of working.



It's time to learn to compete with the likes of Pepper the humanoid robot. BLOOMBERG

The leadership team pulled a diverse, eight-person team out of their day-to-day jobs at the company to spend nine weeks in a very different world, working in an internal venture program led by the Strategy Group.

Members of the program team came out of their offices and into a co-working space to form three start-ups – each tasked with solving a different business challenge.

The start-ups explored all topics that face home-buyers - from the affordability struggles with surging property prices, lifestyle challenges and needs around medium-density housing, to different models of owning, investing, renting and lending, and even exploring new construction methodologies. No topic was out of bounds.

The goal was to find a solution that was desirable for a customer segment, and feasible and viable for the business.

Located in an immersive start-up environment, the "innovators" were trained to use lean start-up principles to test their ideas and given a framework to build disruptive new models.

In just nine weeks the program delivered three new and validated business models in the property sector ready to be funded and operate, while creating an innovation capability within the company.

They are the seeds from which this mid-sized company intends to grow an innovative and entrepreneurial culture from its very simple start through selecting a team to inspire others across the organisation.

With regular innovation sessions and design forums, the company plans to keep on changing perspectives, creating new converts and transferring the program's energy across the business.

Meanwhile, larger building companies are opening up their own innovation labs, often inside head offices, while other organisations are acquiring innovation by investing in joint ventures or building alliances with smaller companies that have built technology expertise.

But we believe new business avenues are best uncovered in this sector through innovation projects undertaken in-house with existing staff, who just need some direction and commitment from management.

Joshua Soo is a director at the Strategy Group.