JUGAAD: A Frugal Innovation Model To Drive Sustainable Growth

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We spent $2 billion on R&D and all we got was this lousy T-shirt.
Western firms are stuck in “structured” processes (e.g., Six Sigma)

“Our traditional teams are too slow. We're not innovating fast enough. We need to systematize change.”

Beth Comstock, CMO, GE
The West needs a new innovation model
Scarcity is mother of invention
Adversity is father of invention
Frugal ingenuity

African ingenuity

Filipino ingenuity
Frugal ingenuity

Peruvian ingenuity
Frugal ingenuity at large scale: TATA

Ratan Tata, Chairman, Tata Group
Frugal ingenuity at large scale: M-PESA

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Frugal ingenuity at large scale: Neusoft
The gutsy ability to improvise an effective solution with limited resources…
…using ingenuity & resilience

Also known as:
Jeitinho or Gambiarra in Brazil
Zizhu Chuangxin in China
Système D in France
Do It Yourself (DIY) in USA
Jugaad:
frugal, flexible, inclusive

Structured innovation:
costly, rigid, elitist
The rise of jugaad innovation in the West
Jugaad innovation pioneer: Siemens

Source: Siemens
Jugaad innovation pioneer: Siemens

Simple
Maintenance-friendly
Affordable
Reliable
Timely-to-market

$200 billion market
+
Dozens of patents
Western universities teach youth to think frugally and flexibly
Connecting India’s emerging communities to MIT

The Tata Center for Technology and Design focuses on the needs of resource-constrained communities in India, taking into account environmental, social, and political factors. A core principle is to be relevant to global societal challenges and needs. We link MIT to India and other parts of the developing world. Our goal is to train future generations of engineers and business leaders to build and implement sustainable solutions.
Western governments are embracing “bottom up” grassroots innovation
Adopting the jugaad mindset: Renault-Nissan

“(These partnerships) allowed us to learn a lot more on... FRUGAL ENGINEERING”
“In the West, when we face huge problems and we lack resources, we tend to give up (too) easily...

**Jugaad is about never giving up!**

Carlos Ghosn
CEO, Renault-Nissan
Adopting the jugaad mindset: Renault-Nissan

Gérard Detourtbet
Renault’s head of entry-level vehicles

Common Module Family (CMF-A) architecture
We want to integrate and synergize the jugaad mindset of our Indian engineers with the project management skills of our French teams and the deep technical expertise of our Japanese R&D group.