

The Operating System Gap:

Why Nigeria's Innovation Challenge Is Human, Not Technical



As 2025 comes to a close, a quiet shift has taken place across Nigeria’s corporate landscape.

Two years ago, innovation meant speed to digitisation, launch the app, automate the process, or deploy the tool. For many organisations, success was measured by how fast technology could be acquired and implemented.

Today, that phase is over.

Across boardrooms and operational centres, a harder truth continue to emerge: technology is no longer the constraint. Execution is. And execution is failing not because of weak tools, but because the systems and cultures meant to wield those tools were never redesigned

At BROOT Consulting, we spent 2025 working inside the operating core of some of Nigeria’s largest energy, banking, and insurance institutions; from gas liquefaction environments in Port Harcourt to executive leadership rooms in Lagos. What we observed was remarkably consistent across sectors.

Organisations with world-class technology and talent were still struggling to move with speed, coherence, and confidence. The differentiator heading into 2026 will not be who adopts the next platform fastest, but who redesigns their human and organisational operating system to match the complexity of the moment.

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This is what we saw on the frontlines of innovation in Nigeria this year.

1 The Energy Sector: Solving for "System Friction"

Insight from engagements with a global energy company.



For decades, innovation in the energy sector has been defined by hard assets; pipelines, plants, extraction technologies, and engineering excellence. That logic made sense in a capital-intensive industry.

In 2025, we saw its limit. While working with a leading oil and gas organisation, we encountered a paradox that is becoming increasingly common. The organisation possessed world-class technical talent and advanced digital tools, yet agility remained elusive.

The issue was not capability. It was system friction

- Fragmented data ecosystems leading to duplicated work and slow decision cycles
- Manual, opaque workflows that reduce operational agility
- Siloed communication channels that create misalignment and rework

What became clear was this: innovation was not failing inside departments; it was dying in the white space between them. Technology had been optimised. The organisational architecture had not.

As the sector confronts transition pressures, regulatory uncertainty, and rising expectations for speed and collaboration, the organisations that will win in 2026 are those that redesign how work flows across engineering, operations, and people systems. This shift requires more than new tools.

It calls for empathy-driven decision-making, creative confidence, and leadership models that reward experimentation and rapid learning.

The change underway is subtle but decisive. The winners in 2026 will move beyond optimising machines to empowering the people who run them within adaptive systems.

Practical Takeaway: If your processes are rigid, your best talent will suffocate. Innovation must be systemic, not just departmental.



2 Banking: The "Outside-In" Revolution:

Insights from engagements with Tier-1 Banking Groups.

For more than a decade, Nigerian banks competed aggressively on digital channels. Apps improved. Platforms scaled. Access expanded.

However, by 2025, that race reached saturation.

Customers were no longer impressed by functionality alone. What they demanded instead was relevance, trust, and human understanding.

During a major culture transformation engagement with a top-tier bank, we helped leadership reframe innovation from an outside-in perspective. Rather than building products and searching for users, teams learned to identify human struggles first, then design solutions around lived experience.

Design Thinking became less of a workshop exercise and more of a daily discipline. Leaders began to recognise that empathy is not a soft skill; it is a performance multiplier that precedes innovation, automation, and AI.

Another engagement with a financial holding group highlighted a broader leadership challenge. Operating conditions had shifted from episodic volatility to a constant BANI reality; brittle, anxious

non-linear, and incomprehensible. In this environment, control-driven leadership models break down.

High-performing teams in 2025 were not defined solely by their KPIs, but by leaders with the emotional intelligence to navigate complexity, build trust, and manage generational dynamics without friction.

Across engagements, effective leaders consistently demonstrated:

- Self-awareness of blind spots and emotional triggers
- The ability to delegate as a strategic choice, not a loss of authority

Communication that focused on meaning-making, not message-passing

Practical Takeaway: Technology wins customers' time. Empathy wins their trust. 2026 will belong to banks that humanise their digital footprint.

3 Insurance: Governance as the New Innovation

Insights from engagements with leading Insurance Institutions.

Nigeria's insurance sector is undergoing a structural reset. Recapitalisation pressures and new regulatory frameworks have forced long-delayed decisions to the surface.

In our engagements this year, the visible challenge appeared to be capital. The deeper constraint was operational.

Legacy technology stacks, fragmented data, and slow claims processes continued to erode trust and efficiency. New capital alone could not resolve these issues.

What distinguished the most forward-looking insurers was how they interpreted the moment. Rather than treating governance as a compliance obligation, they used it as a catalyst for total system redesign.

These organisations are investing aggressively in AI and automation across three critical fronts:

- Risk assessment that predicts rather than reacts
- Claims processes that prioritise speed and transparency
- Fraud detection that protects margins in a tightening economy

In doing so, they are shifting from selling policies to assuring continuity and confidence.

Governance, in this context, becomes an innovation engine. A mechanism to clean house, modernise the core, and rebuild customer trust at scale.

Practical Takeaway: Don't waste a crisis. Use regulatory pressure as a mandate to clean house and modernize your core.

Conclusion

If there is one thread connecting our work across energy, banking, and insurance in 2025, it is this:



You cannot code your way out of a structural problem.

- The energy sector is learning to design adaptive systems.
- Banking is learning to lead with empathy at scale.
- Insurance is learning to turn governance into strategic advantage.

As organisations prepare for 2026, the critical question is no longer about tools.

It is this: **Have you built the human and organisational operating system required to make those tools matter?**

At BROOT Consulting, we don't just develop strategies. We help organisations redesign the systems, behaviours, and leadership models required to execute them.

Applying these insights

BROOT Consulting partners with organisations to translate strategic insight into execution by redesigning systems, leadership behaviours, and decision architectures.

Explore a strategy calibration session.

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About BROOT Consulting

BROOT Consulting is a strategy, innovation, and transformation advisory firm helping organizations unlock clarity, agility, and enduring value. We specialize in future-focused growth through human-centered change, customer experience innovation, and leadership enablement.

Our proprietary frameworks and diagnostics empower ambitious institutions to rethink how they lead, scale, and adapt in an increasingly dynamic world.

At BROOT, we don't just solve for what's next—we build capabilities that last

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