



**INNOVATION
BENCHMARKING
REPORT
2015**

INNOVATIONLEADER



INNOSIGHT
STRATEGY AND INNOVATION AT **MURON**

Overview: The state of corporate innovation, June 2015

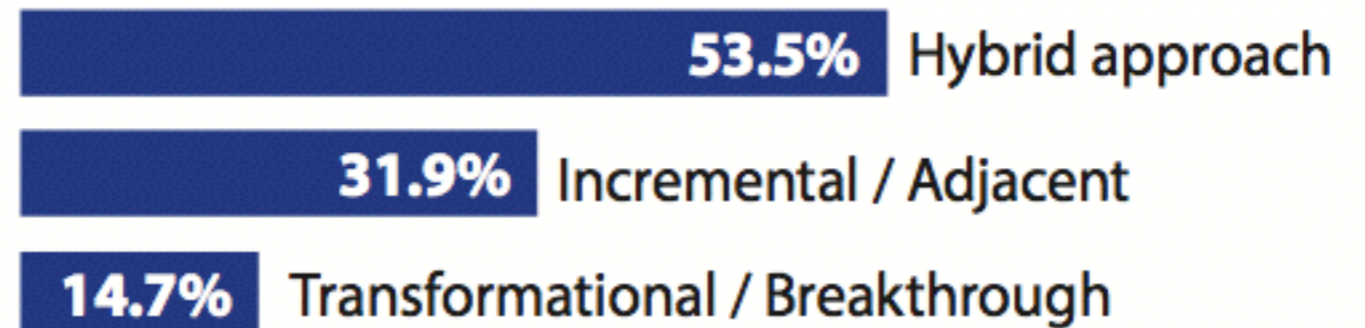
Survey approach

- 25 questions, crafted with input from innovation executives, Innovation Leader, and Innosight
- 197 qualified responses in Q4 2014, all from corporate innovation executives (including R&D, strategy, new product development, IT, Chief Digital Officers)
- Largest respondent clusters: Consumer products, technology, healthcare, insurance
- 43.8% large companies (>\$10B rev), 34.6% medium, 21.6% small (<\$1b revenue)

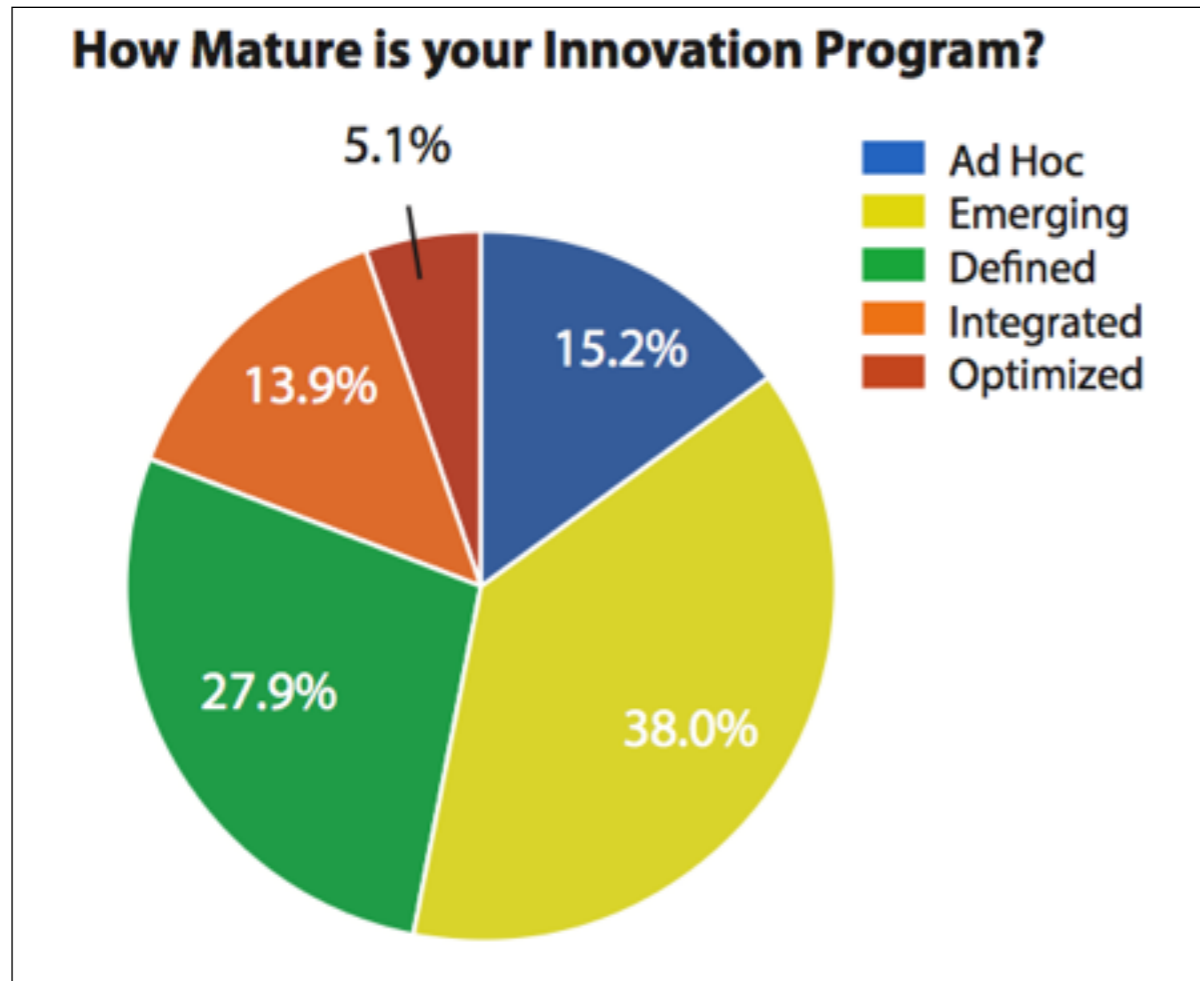
Focus

The majority of innovation initiatives are trying to spur both incremental innovation & transformational innovation.

Innovation Program Focus

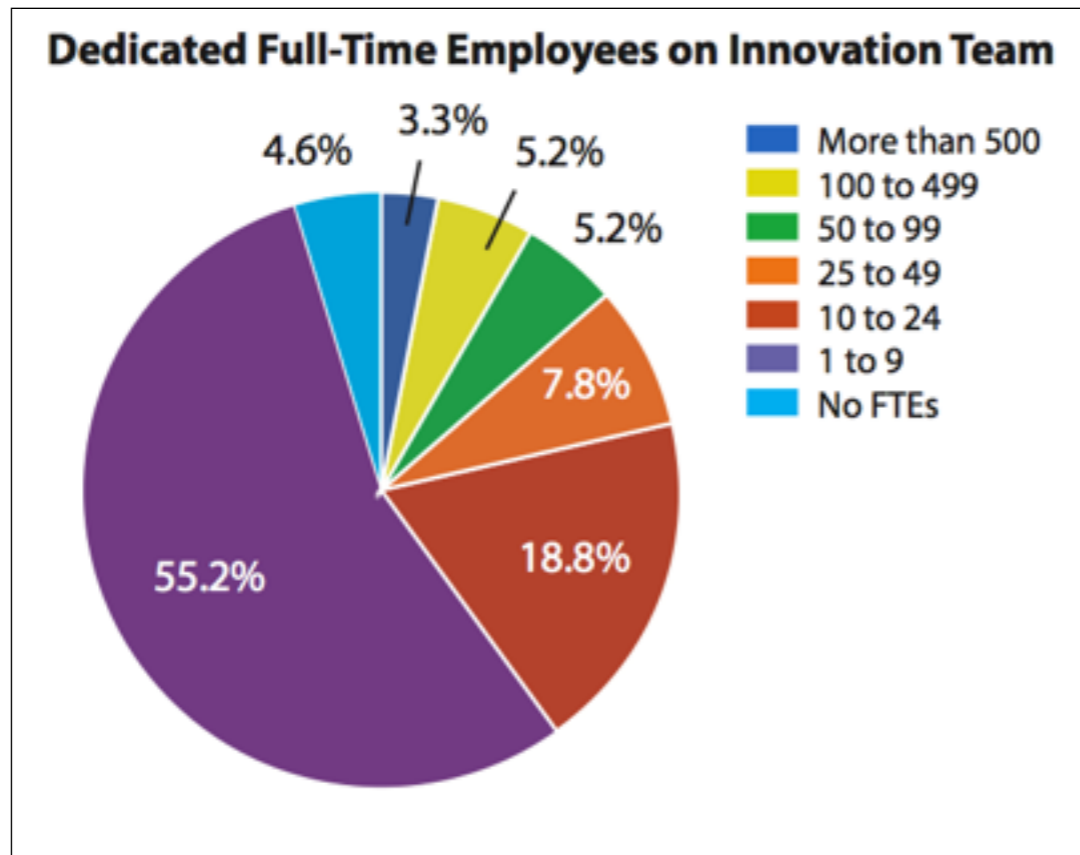


Programs are still young



We defined five stages of program maturity, from ad hoc (earliest) to optimized (most advanced.)

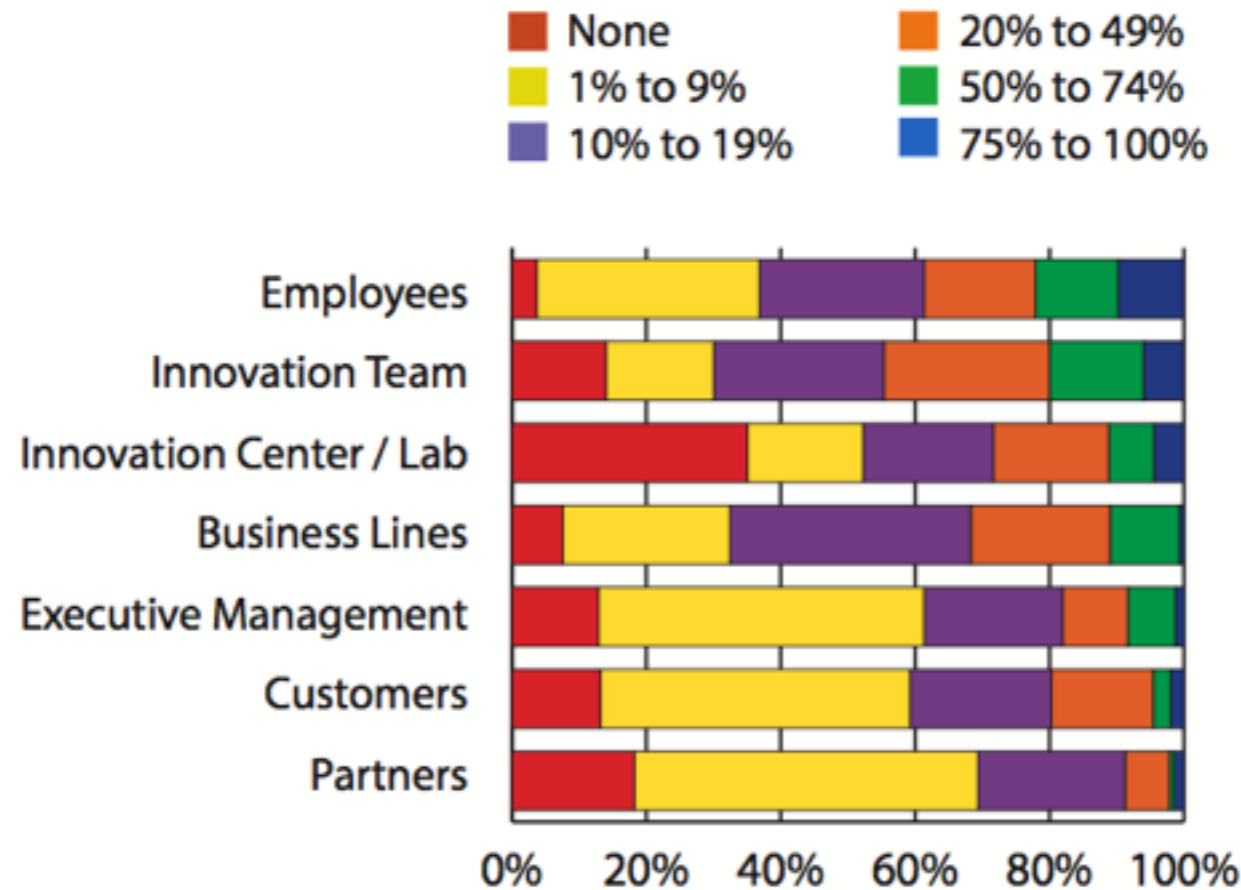
Most teams are small



Largest team sizes represent companies with established R&D/research organizations.

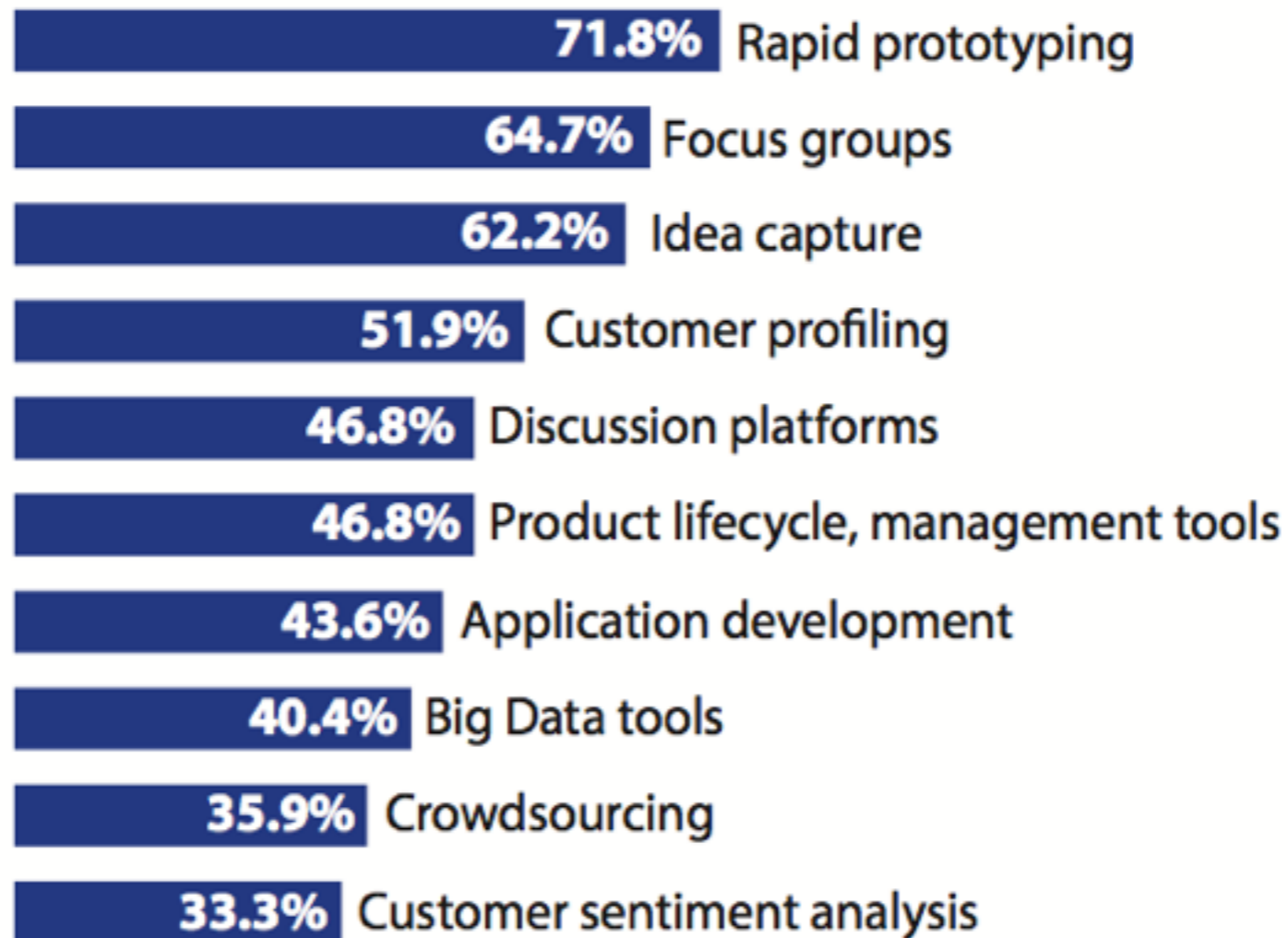
Where do ideas come from?

How many of the company's innovation ideas are generated by each group, below?



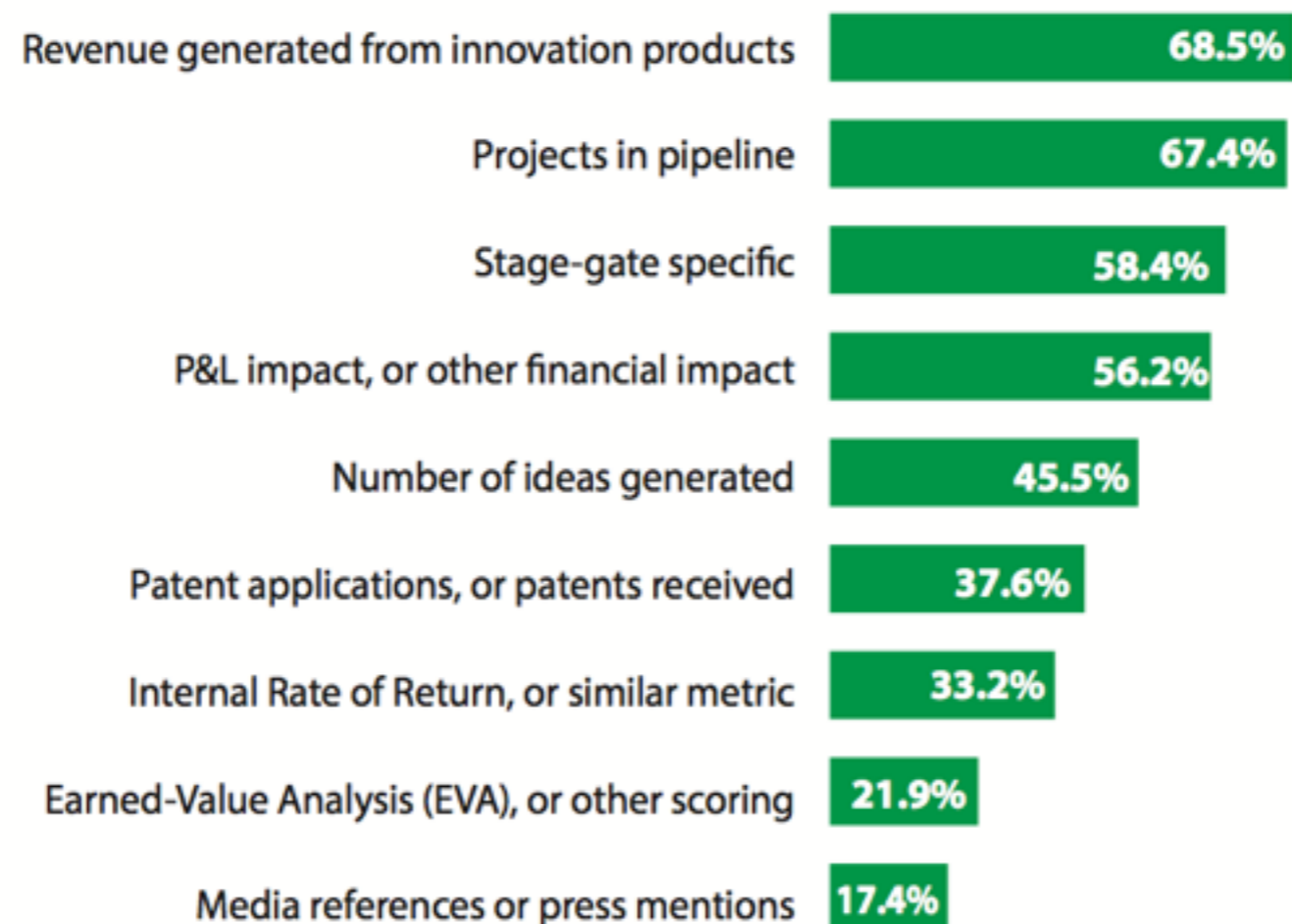
Top 10 tools being used

Tools Used as Part of Innovation Program



What are people measuring?

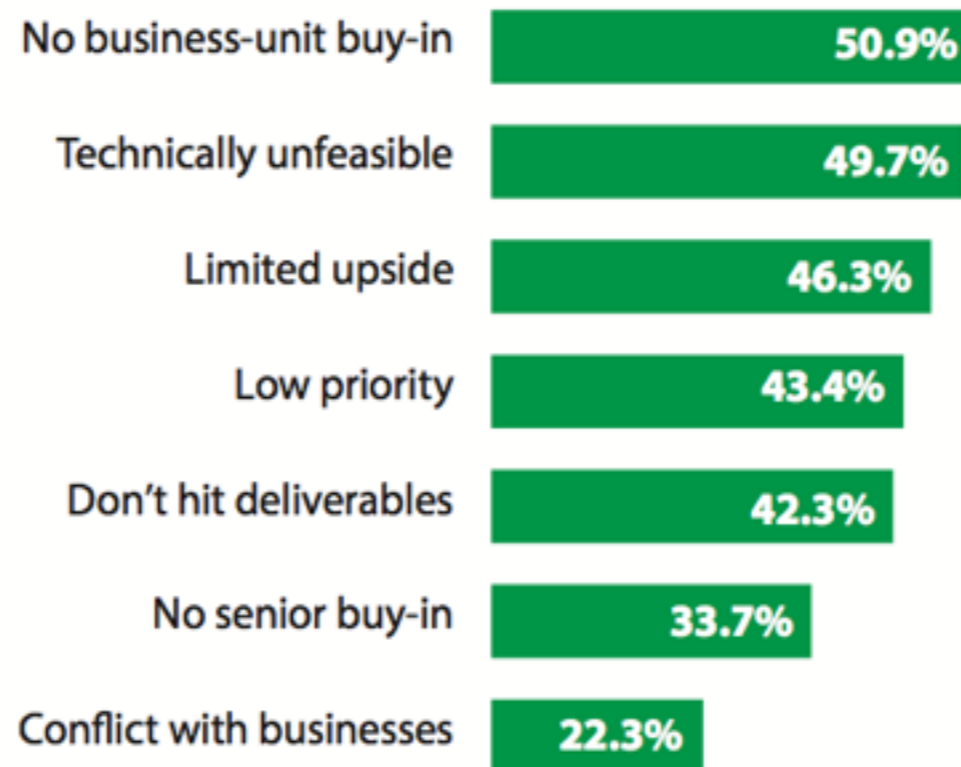
Metrics Used



Total exceeds 100% as many respondents cited more than one metric.

Why do projects get killed?

Why Projects Get Killed



Total exceeds 100% as many respondents cited more than one reason.

What else we asked

- Who is responsible for killing projects?
- Who does the program report to?
- Budget size; amount spent at various stages of development; “cost to kill”
- Structure: Distributed vs. centralized
- # of ideas you’re collecting per year
- # of projects in various stages of development
- Speed of development
- Team size at various stages of development
- Percent of staff trained on innovation techniques

(Innosight clients and Innovation Leader members have access to the full 40-page report.)

Key challenges for innovation leaders

1. Defining mission/role. The “all-you-can-eat-buffet” approach to innovation, trying to do a bit of everything, is not viable long-term.

2. Avoiding the “idea avalanche.” Too many resources dedicated to sorting/sifting ideas, not enough to developing a few high-potential ones.

3. Speed + buy-in. Finding ways to engage business unit executives and others — without getting bogged down by process and approvals.

Key challenges (continued)

4. Fly or die. Companies need to get better at accelerating or killing projects quickly, cheaply, and for the right reasons. Most need to gather more external perspectives/market data as part of that process.

5. Aligned metrics. Identify metrics that senior management truly cares about, and avoid a measurement regime that squashes real innovation.

Insights from the front lines

“One of the key roles of the innovation leader is you have to be able to manage upwards and talk strategy. At the same time, you have to be working with the teams executing the project, trying to get them inspired, and [get them to] understand how the innovation process works on a step-by-step basis. It’s almost like a dual life that we have to create to be successful at innovation.”

— **Moisés Noreña**
Director of Strategic Innovation, Allstate

Insights from the front lines

“You need clarity-of-mind with your management team, of what they want you to deliver. It can be hard to measure what I do, especially when it’s about relationship-building or capability-building. Not everyone is Google or Amazon, where you can tweak a search box and instantly see the results.”

— **Mona Vernon,**
VP/Data Innovation Lab, Thomson Reuters

Insights from the front lines

“There are always some ad hoc and unpredictable elements [to innovation]....Our biggest successes all make people squirm across the organization, make them feel challenged. The message there is, if people are in their comfort zones and you’ve got all this process that seems logical and repeatable, you’re just not innovating.”

— **Jason Berns,**
Director of Open Innovation, Under Armour

About the authors

Innosight is a global strategy and innovation consulting firm.

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Innovation Leader is an information resource for corporate innovation executives.

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