

2013
State of
Global Innovation

New Industry Report

Table of Contents

03 INTRODUCTION: THE AGE OF INNOVATION

04 SECTION 1: STRATEGY & READINESS

06 **MANAGEMENT**

07 **DRIVERS**

08 **ORGANIZATION**

09 **LEADERSHIP**

10 SECTION 2: PROCESS & EXECUTION

12 **OBJECTIVES**

13 **OBSTACLES**

14 **RESULTS**

15 **PROCESS**

16 SUMMARY OF FINDINGS

19 METHODOLOGY & FIRMOGRAPHICS

22 CONTACT INFORMATION

The Age of Innovation

Consider how different our world was just 10 years ago: Facebook didn't exist, and "social networking" meant cocktail parties, not websites. Suffice to say, an accelerating speed of change is redefining 21st-century business. For some companies like Blockbuster, Kodak, and Borders, these changes have been a death knell. For others like Apple, Google, and Amazon, they have been a blessing.

Innovation has been the difference. We now live in what might be called an **Age of Innovation** in which the ability to innovate consistently has become a pivotal determinant of corporate success or failure. We conducted the 2013 State of Global Innovation survey to understand how companies are responding to this need for constant innovation in a changing world.

The State of Global Innovation: 2013

In May 2013 we fielded an online survey to 204 business decision-makers across a wide range of industries. We asked respondents a variety of questions about their companies' approach to innovation strategy, governance, leadership, process, and results (**see Methodology**). The major findings of this study are divided into two sections: Strategy & Readiness and Process & Execution.

Section 1: Strategy & Readiness explores the relevance of innovation as a management priority and dedicated enterprise strategy. We asked questions exploring topics such as:

- In the eyes of senior leadership, how pivotal is innovation for the company's success?
- To the degree that innovation matters to senior executives, what is driving it as a priority?
- Who, if anyone, has taken leadership of innovation programs at today's companies?
- To what extent have companies created governance structures for innovation management?

Section 2: Process & Execution investigates the relative level of follow-through in the actual practice of innovation within today's organizations. We investigated themes including:

- How well have companies translated high-level innovation strategy into clear objectives for success?
- To what degree have organizations succeeded in creating workable innovation process?
- What results from innovation have companies achieved to date, and what obstacles to success still remain?

The results of our survey are enlightening, and in some cases surprising (**see Summary of Findings**). As we shall see, the overall picture is that despite the emergence of innovation as a dedicated business competence, most companies are still early in the maturity curve. Much work remains before innovation truly has a permanent home within the modern enterprise.

Section 1

Strategy & Readiness

Innovation matters at a strategic level, but formulation of strategy is still middling.

Innovation has often been derided as the next great buzzword – as hollow as any of the many “management trends” that have come before it. Therefore, the first and arguably most central question in our 2013 State of Global Innovation survey was the extent to which today’s enterprises are actually placing innovation as an executive priority and organizational mandate. The questions asked whether companies were choosing to innovate, why they had chosen to innovate, and then how they were setting themselves up to make innovation a driving competence across the organization.

In terms of whether companies have chosen to make innovation a dedicated priority, the answer was a resounding yes (**see Page 6**). In fact, the management emphasis on innovation was the most unanimous result in the entire survey, with 92% of companies professing a dedicated focus on innovation as a management-level priority within their organization. Just as impressive, nearly two-thirds of organizations indicated that innovation had been a dedicated priority for two or more years. Already, innovation has begun to show some longevity as a serious business trend.

²This optimism is definitely real among our survey respondents, but we urge caution when generalizing the implications of these findings for all business leaders. Non-random sample bias has almost certainly contributed to a higher degree of “innovation optimism” in the survey sample than would be found in the general business population. For more information, see the Methodology section on Page 19.

The next question, given that innovation does seem to be a priority, is why is innovation so important? The answers about innovation drivers were both interesting and illuminating (**see Page 7**). The highest-scoring drivers dealt with major, potentially disruptive, external change: the changing business environment, changes in customer needs or preferences, and the need for markets or segments to enter. By contrast, all of the lowest-scoring factors dealt with the incremental ability to compete better in existing marketplaces: responding to price pressures, responding to the moves of competitors, the need to scale concepts better and faster. The majority of respondents seemingly felt incremental change was far less important than re-inventing the playing field or finding brand new ways of adding value.

It has become fashionable for executives to tout the innovative capabilities of their organizations without necessarily doing much to actually spearhead innovation on the ground. Therefore we asked respondents to what extent their companies had created the internal organization to enable innovation success (**see Page 8**). More than half of respondents said their companies were already coordinating innovation efforts through a centralized corporate group, and fully one-third of respondents indicated that this centralized had operational connections to business units and functions across the enterprise. Thus, to a greater degree than we had expected, organizations have indeed begun to create dedicated governance structures for innovation.

Section 1

Strategy & Readiness

The true best practice is to have innovation do **BOTH** – exist as its own function while also playing a supporting role to various operating groups.

Continued ...

When done well, innovation is a very different rhythm from business-as-usual – necessitating the productive coexistence of creativity and digestion, unstructured chaos and rigorous order. Without someone carrying the torch, organizations often struggle to truly create this rhythm. Therefore we had a keen interest to investigate the leadership of innovation efforts (**see Page 9**). One-third of respondents said the Chief Innovation Officer (or similar) was the primary leader of innovation within the organization. Even more respondents indicated the CEO or a cross-functional executive committee as their key source of innovation leadership.

Overall, the findings in Section 1 indicate that although a vast majority of firms expressed innovation as a clear management-level priority, fewer appear to have created the requisite governance and leadership structures to ensure effective follow-through. This may be because many companies are still new in their efforts to treat innovation as a top priority, and therefore they are still experimenting with corresponding organizational schemes for executing.

Regardless, whether the strategic follow-through eventually catches up with the generalized executive desire for innovation still remains to be seen. The answer likely depends on whether innovation continues its run as a top-level executive priority rather than a management fad whose short-lived star happened to burn brightest in 2013. Only time will tell.

Management: Innovation is a long-term corporate priority

For some companies like Whirlpool and P&G, innovation has been a purposeful corporate priority for nearly 15 years. Many other organizations have had less success in making innovation a dedicated priority, despite repeated attempts.

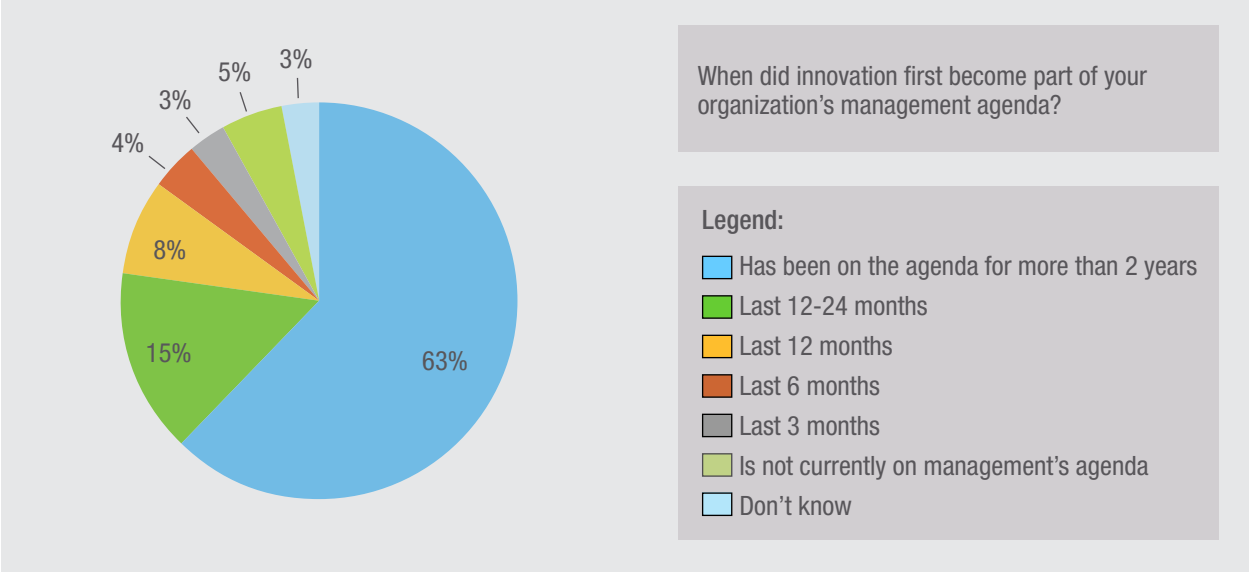
Our survey results show quite clearly that innovation has become a sustaining, long-term, strategic-level priority at many companies across industries, despite stops and starts. Nearly all respondents (92%) report that innovation has been on their management agenda for at least three months, and nearly two-thirds of respondents (63%) indicated that innovation has been on the management agenda for two or more years.

Despite the strategic, long-term focus, respondents' comments indicated a general belief that more than two years' time is needed for innovation to mature into a well-functioning discipline. One respondent summed up the mood succinctly: *"It requires a sustained effort to implement an effective innovation system."*

Like Whirlpool and P&G, we expect most companies will discover that building a sustainable innovation competence takes the better part of a decade, and perhaps even longer.

Furthermore, placing innovation on the management agenda does not necessarily translate into coordinated action. For this reason, the other questions in the Strategy & Process section focused on the relative presence of absence of actual mechanisms for implementing management priorities – including leadership, governance, and strategy.

63% of respondents indicated that innovation was part of the management agenda ... (and) 92% of companies had it on their management agenda ...



Drivers: External change drives the need to innovate

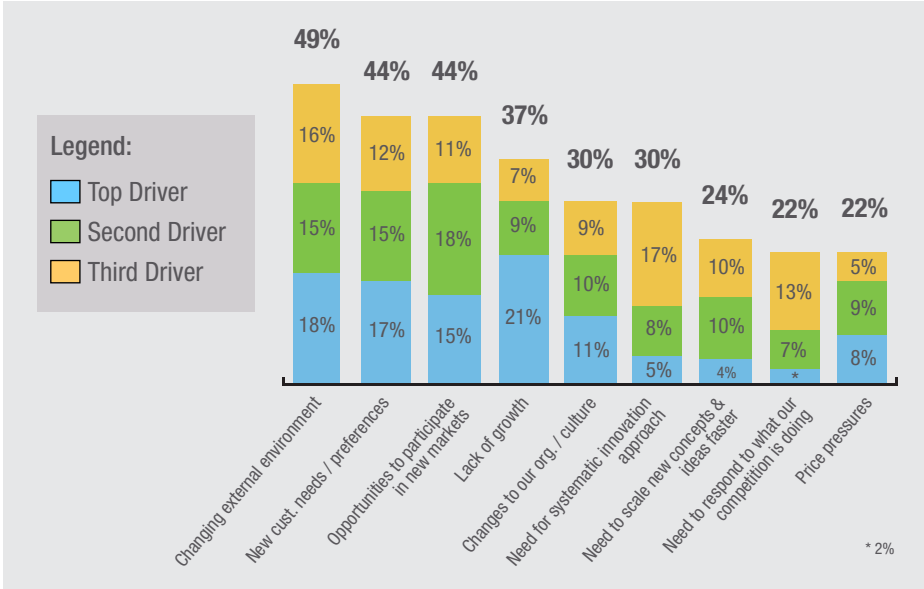
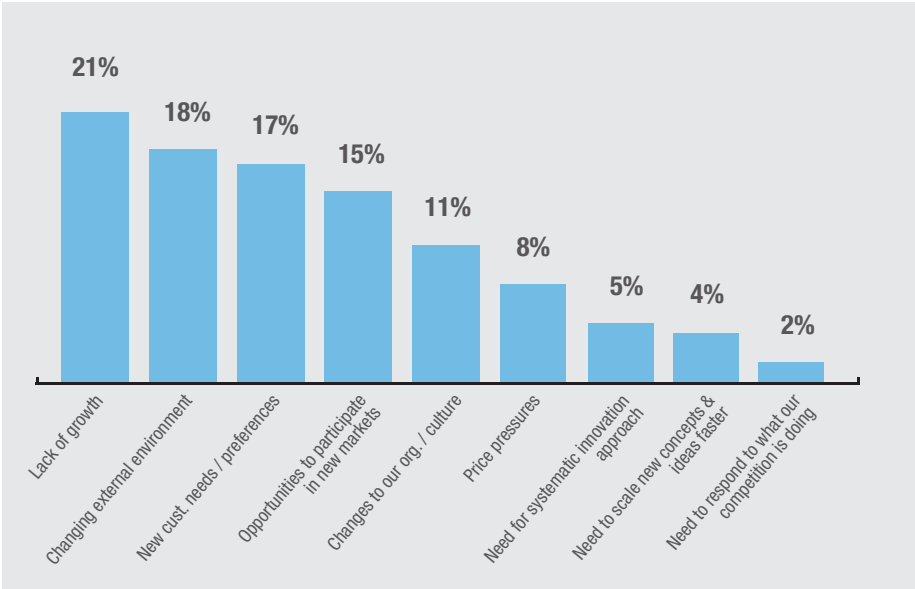
There is clearly a strong imperative to innovate among companies that have chosen to create dedicated innovation leadership and corporate governance plans. However, the substrate of “innovation” can vary widely from one organization to another, and between industries.

When asked about the main drivers for their innovation efforts, the keyword for our respondents was “change.” Each of the four highest-scoring responses equate to the ability to either adapt to, or profit from, change in the outside world – including the changing external environment (48%), changes in customer needs or preferences (44%), and new markets or segments to enter (43%). More generally, lack of growth (37%) also scored high, presumably due to a changing world and the need to find new sources of growth.

The urgency of the need to change was driven home by one respondent who commented, “My company is in a very transitional point where if we don’t make changes to how we do things, we will die within 2-5 years.”

Just as interesting, the two factors most associated with competing better in the same markets were dead last among innovation drivers: The need to respond to competitors was mentioned by only 22% of respondents as a top-three driver, and price pressures was mentioned by 21%. It appears that finding fundamentally new paths to differentiation and growth is driving innovation much more than trying to compete better in existing / established markets.

What are the main drivers for your organization to seek innovation?



Organization: Innovation has become a dedicated corporate unit

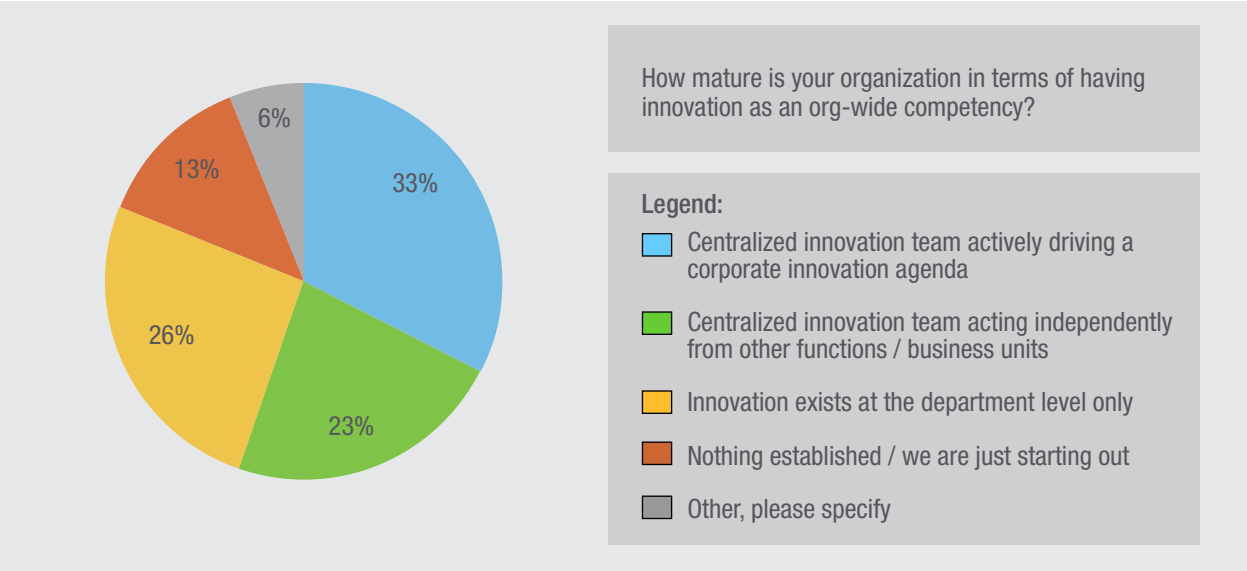
Many organizations in our survey acknowledged a mismatch between the upper and lower levels of innovation leadership within their organizations. As one respondent pointed out, *“Though the idea of innovation was initiated at the highest levels of management, at lower levels it is perceived as another thing to do, in other words, just a project.”*

The survey data suggest that today’s corporate leaders are creating innovation governance structures to address this disconnect: More than three-quarters (81%) of responding companies had some form of innovation governance. Even more impressive, a surprising number (33%) of organizations reported having a central innovation group that was both a) driving a corporate innovation agenda, and b) working together with other functions and business units.

Of the remaining 48% of respondents with some form of innovation governance, roughly half (23% of all respondents) had a central innovation group acting only autonomously, while the other half (26%) coordinated innovation efforts only within particular functions and/or business units.

Although these numbers are relatively high, they underscore only the presence of innovation governance structures and do not address their relative effectiveness. As we will see later in the survey results (see Page 13), respondents report significant strategic and cultural roadblocks to innovation success – suggesting that the effectiveness of these innovation governance structures still needs improvement.

...33% of respondents indicated they possessed a central innovation group that was both driving a corporate innovation agenda and working together with other business units.



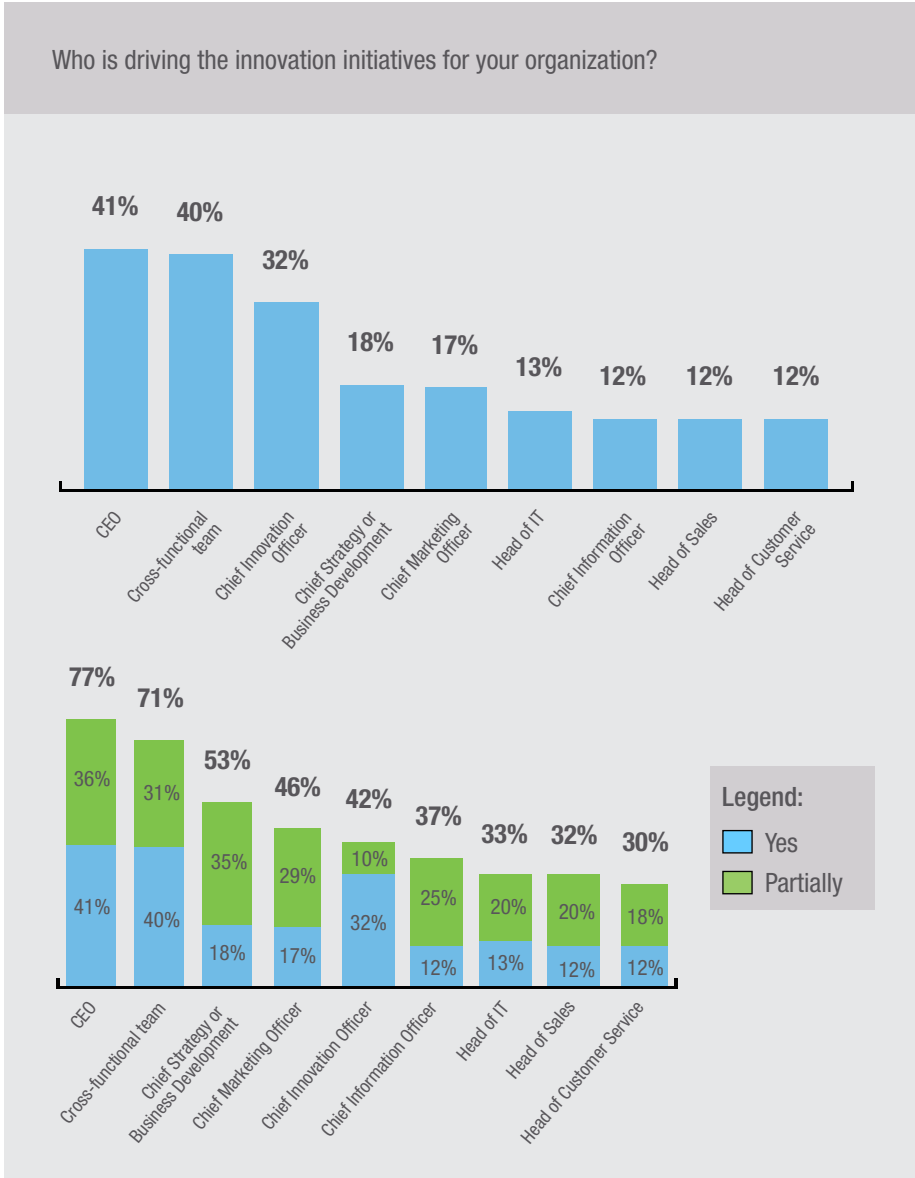
Leadership: Innovation is increasingly led from the top

Until recently, innovation was typically managed within the R&D function of most companies, and corresponded primarily to the development of advanced new technologies and (occasionally) new products and/or services. There is now a strong trend for innovation to be led by a top-level corporate leader with responsibility over all types of innovation, not just technologies and products.

Most notably, 32% of respondents named the Chief Innovation Officer (CINO) as their company’s primary innovation leader. Yet the CINO’s influence is still dwarfed by the CEO, who tops all executives both as the leader centrally responsible for innovation (41%) and for having (at least) partial leadership of innovation (77%). This is further evidence of innovation’s rise onto the executive agenda, the rationale for which was explained well by one respondent: *“Without the leadership team pushing the agenda, [innovation is] an uphill battle.”*

Other than the CEO and CINO, other C-level roles are rarely implicated as the primary innovation leader – including Strategy (18%), Marketing (17%), IT (13%), Sales (12%), and Customer Service (12%). This may be caused by the prevalence of cross-functional executive committees – which was only barely behind the CEO as a primary pillar of innovation leadership (40%).

In the coming years, it will be interesting to see where the balance comes to rest between the CINO, the CEO, and the executive steering committee. To a large degree, all three are central stakeholders – and should have strong leadership roles – in the innovation program. How these three actors build a sustainable rhythm will be a key to tomorrow’s best practices of innovation leadership.



Section 2

Process & Execution

Today's organizations still struggling to rise up the innovation food chain.

Developing an organization's operational capacity for innovation is challenging – even for organizations for which the leadership support and strategic direction for innovation are reasonably clear. Our goal in Section 2 was to understand how organizations have attempted to make innovation happen – and to what degree they have succeeded in those efforts.

First we focused on objectives: how today's organizations have chosen to translate innovation strategy into operational areas of focus (**see Page 12**). The results here are not particularly revealing. Effectively, when we asked "Where do you most intend to innovate," the most common response was "Everywhere" – with relatively little separation in innovation objectives across priorities as varied as new products, better customer experience, new technologies, improved processes and new business models. One respondent summed up the collective sentiment well: *"We do not often ask WHY we need to innovate past the 'make more money' answer. As a result we do not really know 'what type' of innovation best suits a particular group ..."*

Until organizations are able to set clear innovation objectives, the list of obstacles to success will continue to center on strategy and leadership issues, as was the case in this year's survey (**see Page 13**). Particularly telling were two of the three most common innovation obstacles: *"How to think about innovation strategically"* and *"Defining the purpose and desired outcome of innovation*

initiatives," compared to rank-and-file cultural issues such as *"Tough to create a sense of urgency"* and *"Innovation viewed as a fad."* According to the survey respondents innovation fails less because people aren't willing or able to innovate, and more because their leaders are not clear with what type of innovation the organization needs.

Perhaps it is inevitable that innovation strategy and directives are not yet clear within many companies. Many organizations are only just beginning to get early results from dedicated innovation initiatives (**see Page 14**). To be sure, some companies are deriving powerful benefits from innovation, with several respondents mentioning innovation-generated results in the billions or hundreds of millions of dollars. When asked what benefits their respective organizations have received from innovation, nearly one-third of respondents said benefits were either non-descript and intangible, or were self-referential nods to improvements in the innovation process itself. Thus, the single most common answer avoided mention of any tangible, proof-positive business results from innovation efforts whatsoever.

There is good news, however: At least one part of the innovation process appears to be working very well (**see Page 15**). Only 9% of respondents mentioned "idea quantity" as a top roadblock to innovation success. By contrast, the overwhelming challenge seems to be the execution and implementation of

Section 2

Process & Execution

As one respondent explained, “Alignment of various functions with their own priorities causes conflicts. Stronger leadership from general management in line with their words would begin to resolve these issues.”

Continued ...

ideas, mentioned by 38% of respondents – far more than any other category. This lack of follow-through may be exacerbated by the relatively weak strategic innovation direction noted above. As one respondent explained, *“Alignment of various functions with their own priorities causes conflicts. Stronger leadership from general management in line with their words would begin to resolve these issues.”*

The aggregate picture seems clear enough: Most companies have not yet built a solid operational rhythm for innovation within their organizations. And because they still fumble with various aspects of innovation strategy, leadership and implementation, the outcomes of their efforts are spotty. Yet the cause may not be lost: innovation benefits have been very impressive from at least some of the companies in our survey. Whether these success stories remain outliers may depend on the institutional resolve of their counterparts. Will the balance of enterprises successfully assemble the requisite institutional skills for innovation to thrive?

This remains to be seen in the coming years.

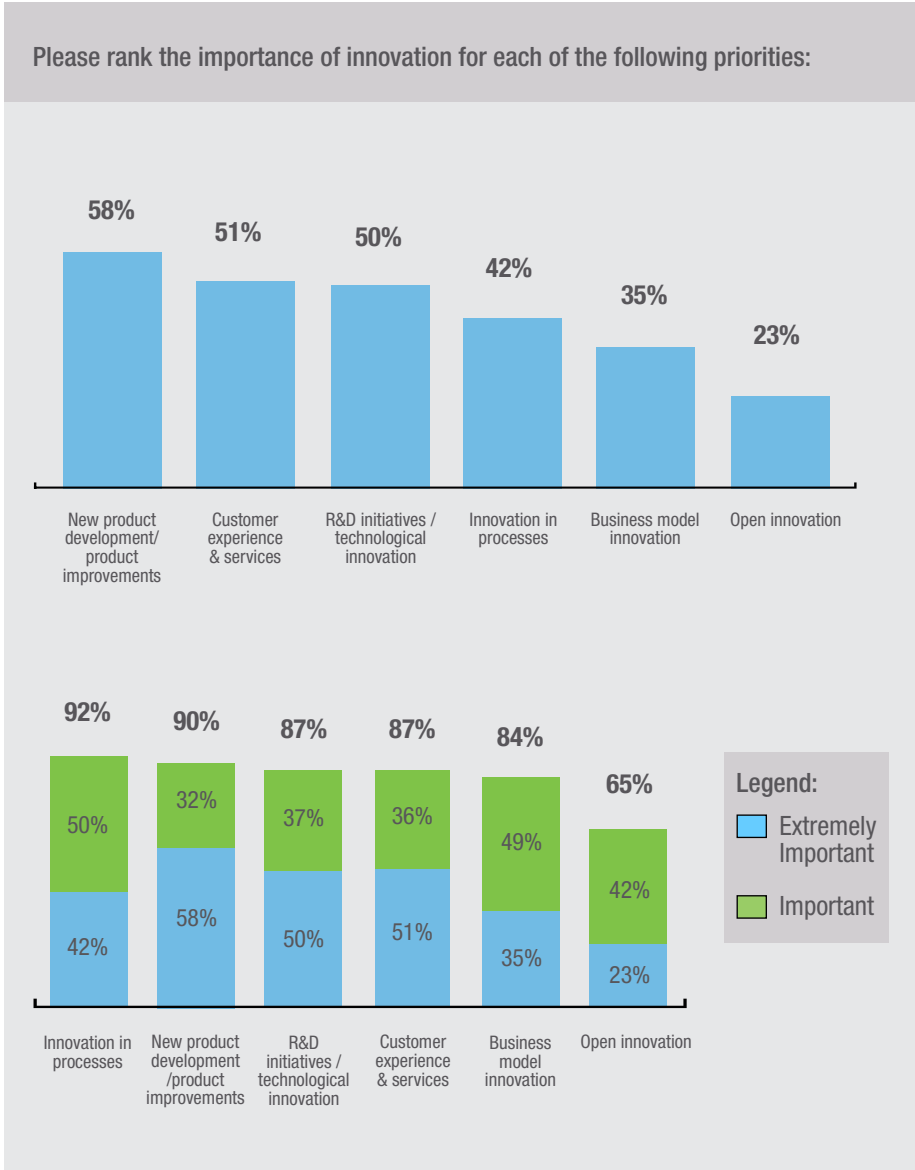
Objectives: Innovation is important across the board

An early step in creating an enterprise innovation rhythm is to outline business objectives toward which innovation efforts may be directed. This helps shape and structure specific approaches to making innovation happen on the ground.

That said, innovation seems to be either important or extremely important across all major aspects of a company’s business – with relatively little separation across priorities as disparate as better internal processes (92%), new products (91%), new technologies (88%), better customer service / customer experience (87%), and new markets / business models (84%).

In open-ended comments, respondents were occasionally able to explain why they chose certain priorities. For example: *“We want to position our organization as a market leader of quality products, rather than a market reader and fast follower of lower-cost products.”* Even more prevalent, however, was a sense of tentativeness and uncertainty in setting clear strategic objectives, as in these comments from another respondent: *“We do not often ask WHY we need to innovate past the ‘make more money’ answer. As a result we do not really know ‘what type’ of innovation best suits a particular group ...”*

Overall, the survey data, combined with respondents’ comments, suggests that most companies are still in the early stages of developing a well-articulated innovation strategy, despite solid strides in building first-generation innovation leadership and governance models (see Page 9 and Page 8 respectively).



Obstacles: Strategy and leadership trump other innovation obstacles

Although many companies have taken clear strides toward establishing a sustainable innovation capability (see Page 8), innovation's future within most companies is perennially at risk. As one respondent said, "Resources and money are often diverted away from innovation initiatives because of the consistent focus on delivering financial results to meet Wall Street expectations."

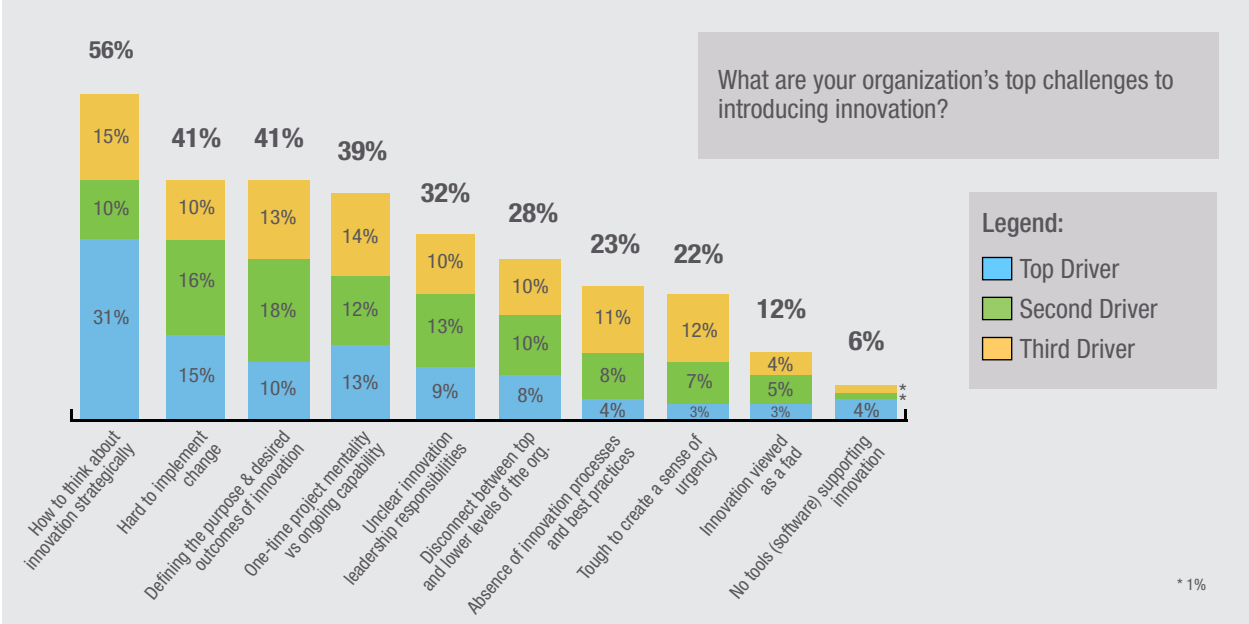
The truth is this: Although strategically important, innovation is still viewed as expendable in many organizations. Furthermore, even the strategic import of innovation is often left unclear in the details. When we asked respondents about the top challenges to innovation, "How to think about innovation strategically" was the clear winner (56%). Other strategy and leadership issues also scored high, including "Defining the desired outcomes of innovation" (41%) and "Unclear innovation leadership responsibilities" (33%).

Many respondents noted specific leadership and strategy in their comments. According to one respondent, "Alignment of various functions with their own priorities causes conflicts. Stronger leadership from general management in line with their words would begin to resolve these issues."

Some cultural issues also featured prominently on the list of innovation obstacles, including the difficulty of implementing change (41%) and the persistence of a one-time project mentality rather than viewing innovation as an ongoing capability (39%).

Yet other cultural issues did not seem to be a factor. Relatively few respondents said it's tough to create a sense of urgency around innovation (22%) and even fewer said that innovation was perceived as just another fad (12%).

56% of respondents named "How to think about innovation strategically" as one of the top three challenges to innovation.



Results: Innovation successes don't yet reflect strategic drivers

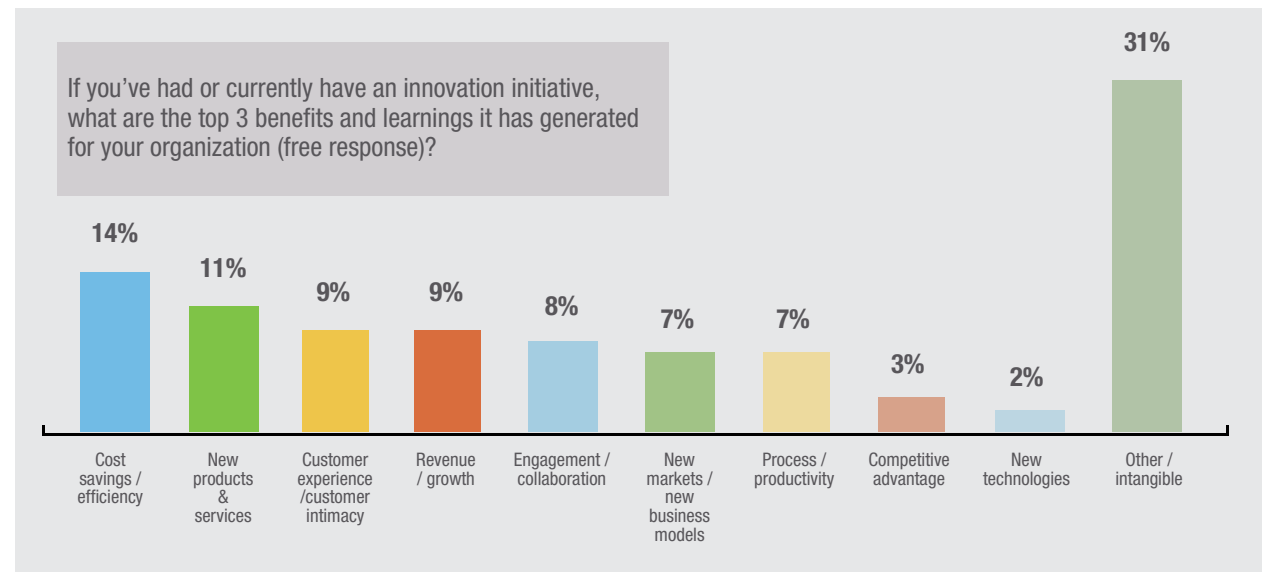
In many companies, innovation is driving real benefits to both the top and bottom line. In terms of incremental revenue and cost savings, one company in the survey claims that innovation efforts have produced “\$600M in 7 years of [innovation] events.” Some organizations have also created major strategic opportunities from their innovation programs. The same respondent noted that innovation has already generated “... three new businesses that are well on their way to becoming \$1B businesses for us.”

These are merely the most tangible examples of a variety of free-form answers from the survey respondents when asked about innovation benefits. Grouping these answers into categories, the most commonly mentioned innovation benefits were around cost savings and efficiency gains (14%). Strategically important outcomes were also mentioned with some frequency, including new products and services (11%) and new markets and business models (7%).

Nonetheless, the vast majority of innovation benefits were intangible. Some benefits included in the “other” category were cultural in nature, such as “*common understanding of the importance [of innovation].*” Others focused on improving innovation structure and process. For example: “*[We] created some structure to support innovation as part of the organization.*”

Three main conclusions can be drawn from these findings. First, innovation can generate real, and sometimes very substantial, value for the enterprise – capable of adding hundreds of millions, sometimes billions, to the bottom line. However, many organizations have failed to unlock any tangible value from innovation – and therefore instead cite advancements in innovation’s cultural relevance, or process sophistication, as “benefits” in lieu of anything more substantive.

The most commonly mentioned innovation benefits were around **cost savings** and **efficiency gains**.



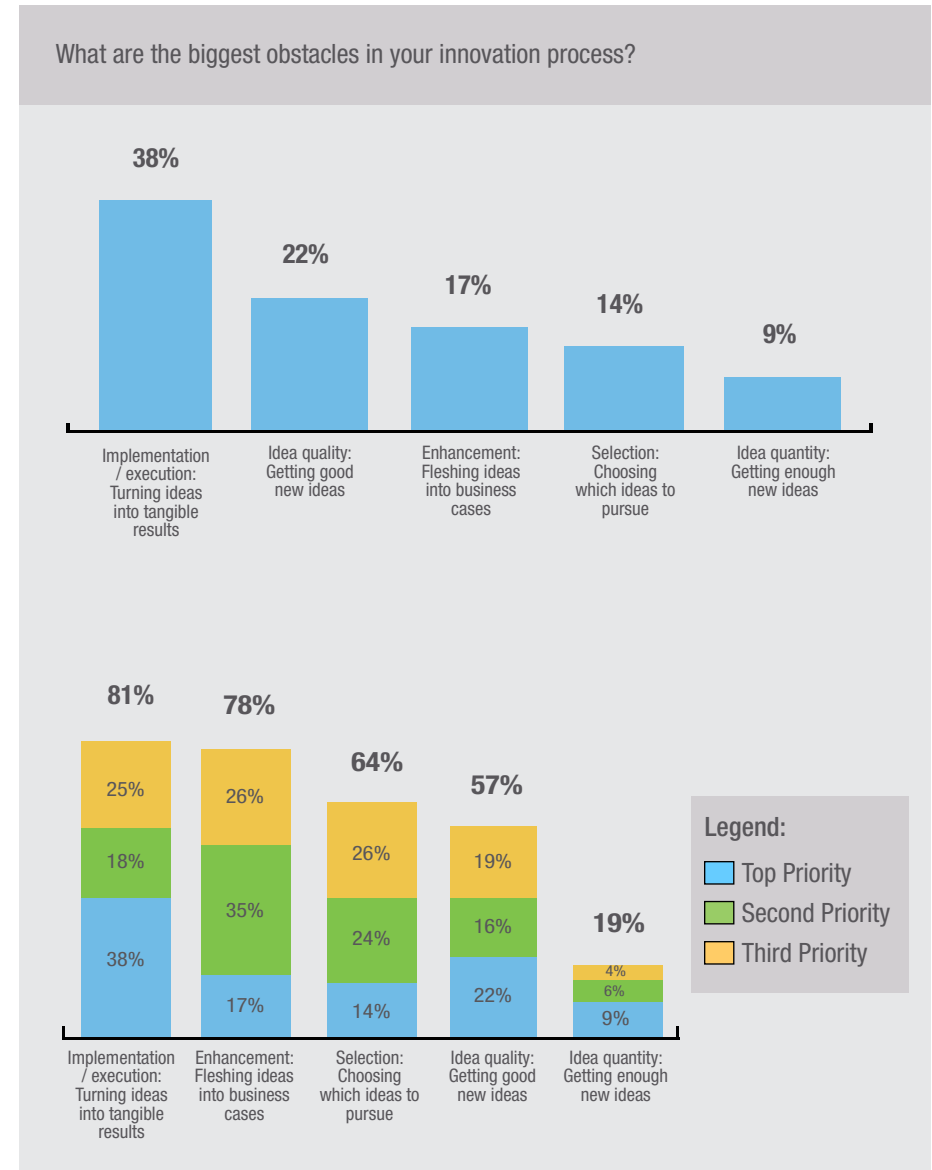
Process: Innovation struggles with execution, not ideation

Although improving creativity and ideation in the workplace is often mentioned in the blogosphere as a key to innovation success, the survey data tell a strikingly different story. Very few respondents (19%) mentioned “Idea quantity: getting enough new ideas” anywhere among the top three process obstacles to innovation success. Far more crucial were the challenges surrounding building business cases (78%), and actually executing on, and/or implementing, good ideas once chosen for development (81%).

In particular, the importance of operational follow-through can hardly be overstated. When asked to identify the single largest process obstacle to innovation, respondents overwhelmingly chose “Execution / implementation” (38%) – well above the second-highest response, “Idea quality / getting good new ideas” (22%). As one respondent explained, *“All are important. Getting resources to implement good ideas is still our largest challenge.”*

It’s relatively easy to generate ideas, yet much harder to act on them profitably. Often, both tricky leadership judgments and complex operational challenges must be overcome to breathe life into innovations.

The challenges involved in executing on ideas in the innovation pipeline were summed up nicely by one respondent: *“Sometimes, innovations are too fuzzy in nature or too new a technology for an accurate assessment and those ideas often get shelved until it is too late.”*



Summary of Findings

The vast majority of companies surveyed now have a **dedicated innovation practice** within the enterprise.

Innovation has become a dedicated corporate function

Perhaps the most important discovery of this study is that, to the degree that the results are representative of general business trends, innovation is indeed an imperative at the majority of today's enterprises.¹ The vast majority of companies surveyed now have a dedicated innovation practice within the enterprise, and nearly two-thirds have been this way for two years or more **(see Page 6)**.

This level of purposeful focus is matched by a corresponding focus on high-level leadership/stewardship of innovation, as well as a corresponding level of corporate structure and governance of innovation. A large percentage of CEOs and senior executive leaders are now directly implicated in leading innovation initiatives **(see Page 9)**. Furthermore, the majority of companies now have a dedicated corporate unit for innovation, with various levels of interaction and connectedness with other functions and business units across the corporation **(see Page 8)**.

These high-level innovation responsibilities are strong indicators of better innovation results. They illustrate the increasing development of new practices in leadership, management, process and execution corresponding to the unique challenges of breathing innovation to life within the auspices of large, siloed, traditionally bureaucratic institutions.

¹Respondents for this study were selected from a database of business leaders with a self-identified interest in innovation topics. Therefore, the survey data contains systematic sample bias, likely skewing results toward higher "innovation optimism" than would be expected from a random sampling of corporate business leaders. See "Methodology" section on Page 19 for further details.

Summary of Findings

Innovation still struggles to justify its existence

For those companies that have been on a dedicated innovation path for several years, the results are impressive. Respondents mentioned explicitly the creation of potential billion-dollar business lines, as well as operational cost savings and efficiency gains worth hundreds of millions of dollars (**see Page 14**). Generally the survey respondents listed tangible benefits from innovation ranging from cost savings to new products and services, to increased customer intimacy and much more.

Yet for all the benefits, the demonstrable outcomes of innovation are not yet fully aligned with corporate objectives (**see Page 12**). At a strategic level, respondents believed that the most important goals for the innovation program were new products and new processes. Yet the single biggest outcome of innovation efforts was cost savings, with process improvements near the bottom of the list of benefits.

As the innovation discipline evolves, we believe that both the objectives and results of innovation will become more sophisticated, and thus increasingly well aligned with one another. For the time being, the relative mismatch of corporate innovation priorities and documented innovation results suggests that organizations still have a lot to learn with respect to both what are the

most reasonable priorities and expectations for their innovation programs, and what are the corresponding best practices for following through successfully.

Follow-through is the main innovation process roadblock

The innovation lifecycle can be conceptualized as an integrated value chain, extending from early-stage discovery of trends and inspiration, through well-formed creation of ideas, to business case formation and prototyping, into the eventual culmination of real-world innovations.

When coordinated purposefully by today's enterprises, by far the strongest link in this value chain today is the ability to generate new ideas. When asked which stage of the innovation process created the largest obstacles to success, respondents were nearly unanimous in their belief that idea quantity / idea generation was not the problem (**see Page 15**).

By contrast, the primary obstacle to innovation success was the ability to implement and/or execute on those ideas already in the pipeline. So striking was the gap between the need for more ideas (5% of respondents) and the need for better execution and/or implementation (38%) that it could easily be viewed as the single most important finding of this study.

Summary of Findings

Most organizations are still relatively new at **developing** and **scaling** their innovation programs.

There are two explanations for this contrast. The first is that most organizations are still relatively new at developing and scaling their innovation programs. Without fresh ideas, nothing else is possible. As innovation grows into a more mature corporate competence and professional discipline, the upstream skills will mature first, followed quickly by downstream capabilities.

The other explanation builds on the first, and entails the handoff from “innovation” to operations. In most organizations, innovation – especially the process of gathering good ideas – has been built as rhythm parallel to and separate from the core operational machinery of the corporation (quarterly revenue and profits). Without large operational budgets and resources attached directly to “innovation” it is necessary to pass early-stage concepts and prototypes from “creative” teams down to the larger levers of scale and scope.

This handoff seems to create the most problems in achieving expected results from innovation. We believe that as innovation matures as a discipline, people on both the “innovation” and “operations” side of the handoff will better learn how to connect the two rhythms. Eventually innovation will become more deeply embedded in the enterprise and it will be increasingly indistinguishable from operations, and thus increasingly well suited to helping the corporation side stay ahead of the furious pace of external change.

Appendix

Methodology & Firmographics

Survey Conducted:

May 20 - May 31, 2013

Audience:

Mid-Senior level managers
with a stake in innovation

Survey Size:

204 participants

The 2013 State of Global Innovation survey was conducted in the form of an online survey, and was fielded during the last two weeks of May 2013. Respondents were asked a wide variety of questions about the nature of innovation at their firms, including many open-ended questions which allowed for richer commentary and explanations than more traditional questions. We have pulled some quotes from these responses and placed them throughout the findings of this report.

Our goal was to survey as wide and diverse an audience as possible, among business leaders who are mid- to senior-level managers with a stake in innovation. In total, 204 qualified respondents answered the survey and are included in the data presented in this report.

Invitations to participate were sent to potential respondents who were screened from an opt-in database of business leaders who self-identified as being interested in innovation. The survey sample therefore suffers from a certain degree of non-random sample bias, which we believe skews the findings toward “innovation optimism” – i.e., a belief that innovation is, and/or ought to be, actively managed within the enterprise.

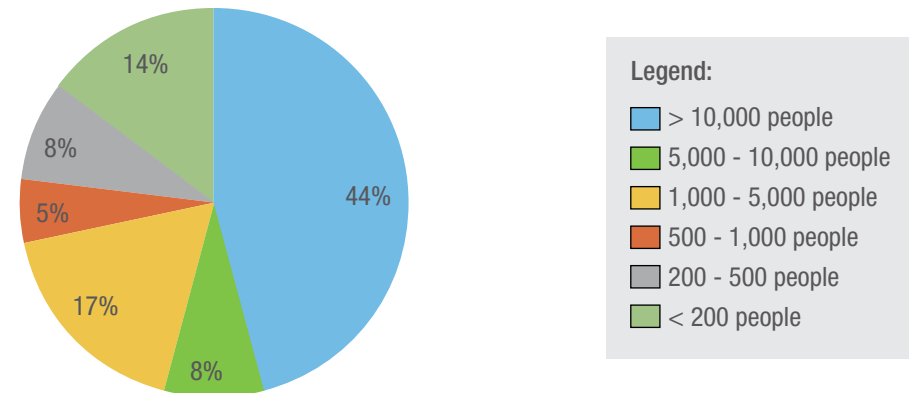
Because the presence of broad “innovation optimism” is the only known source of sample bias, we believe that the findings are broadly representative of contemporary state-of-the-art innovation management practices. However, the level of adoption of innovation leadership and governance structures, and more generally the actual level of innovation focus maturity, is likely to be somewhat lower in the overall business world today than the findings presented in this study suggest.

Firmographics

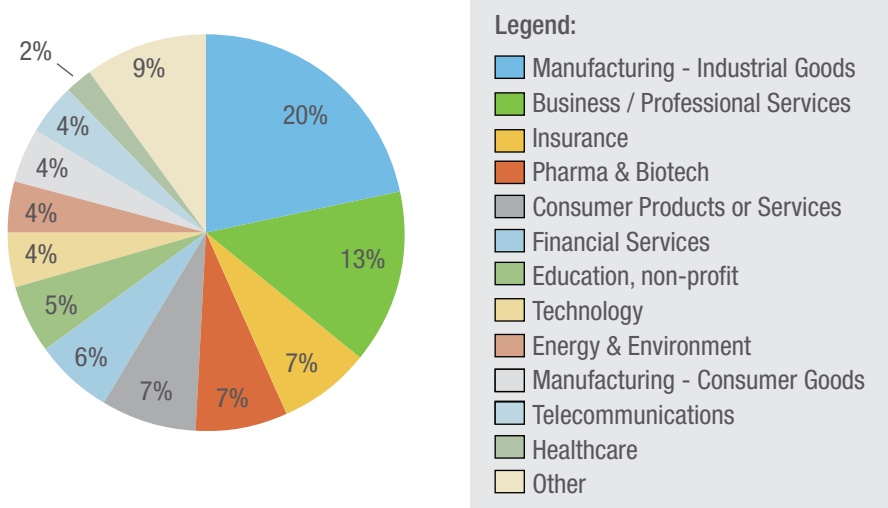
Responding companies represent a wide range of industries, particularly weighted toward industrial manufacturing and professional services. This may be due both to the relative prevalence of these industries among the volume of companies throughout the world, and also due to the relative importance of innovation to these particular industries.

Organizational size was skewed towards larger companies in particular (\$5B+ annual revenues were 27% of all responding companies), and to a lesser extent toward small companies as well (19% were less than \$50M). We believe this makes sense given the self-selected nature of the sample – large companies have the most need to innovate, yet have the hardest time doing so because of their sheer size and bureaucratic inertia against change. Small companies, on the other hand, tend to view innovation as the lifeblood of their competitive advantage, and therefore as vital to success. It remains to be seen whether mid-size firms eventually also gain keener interest in innovation management, or continue to show relatively less interest than smaller and larger firms.

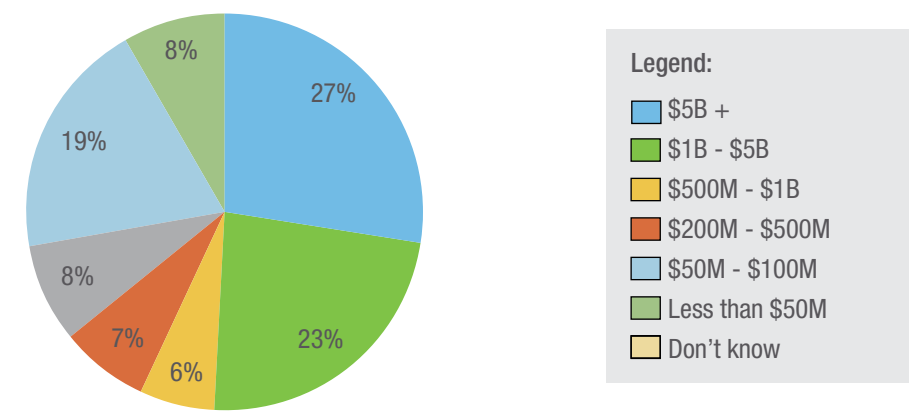
What is the size of your organization in terms of human resources?



What industry is your company / main business in?



What is the size of your organization in terms of revenue?



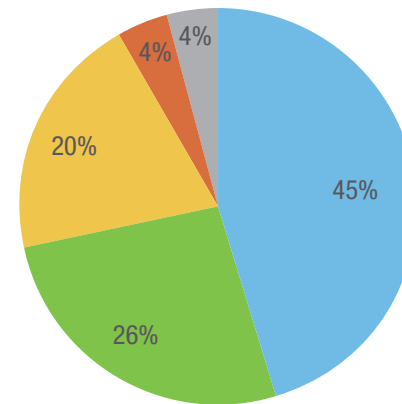
Respondent Profile

The base of respondents reflects our desire to attract mid- to senior-level managers involved with, or implicated in, innovation processes and decisions within their enterprises.

Therefore, it is no surprise that 92% of respondents indicated that they were directly involved in innovation initiatives, either as an individual contributor or leader. Furthermore, nearly half (45%) of respondents were primarily responsible for directing innovation initiatives and budgets, making the respondent base particularly well qualified to comment on the true state of innovation best practices in today's companies.

Also to be expected is a respondent base skewed toward job functions in R&D / engineering (18%), corporate strategy / business development (18%), innovation (13%), and executive management (10%) – as these represent either the historical "owners" of innovation, its primary contemporary stakeholders and owners, or both. Nonetheless, the relative breadth of job titles and functions is striking, and representative of the fact that innovation in the 21st century increasingly permeates the entire organization, rather than existing as a silo primarily contained within either R&D or corporate strategy.

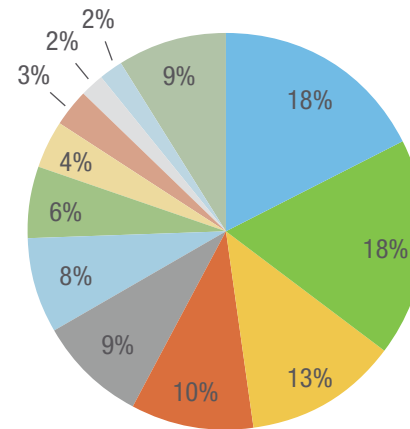
What are your responsibilities around innovation initiatives?



Legend:

- Primary responsibility to direct initiatives & budget
- Some responsibilities to direct initiatives & budget
- Team player on an innovation initiative but no responsibility to direct projects or budgets
- No responsibilities or involvement with innovation initiatives
- Other

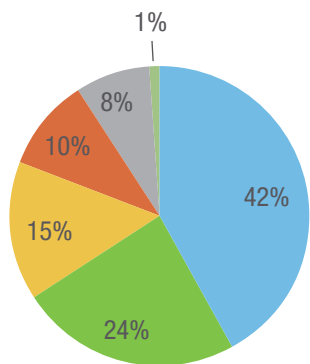
What is your function within the organization?



Legend:

- R&D / Engineering
- Corporate strategy / business development
- Innovation
- Executive management
- Line of business management / operations
- Marketing
- IT
- Product / brand management
- Finance
- Sales
- Special projects leader
- Other

What is your role within the organization?



Legend:

- Board Member / Chairman / Advisor
- Executive / Senior Management (+ CXO)
- Middle Management - Functional
- Middle Management - Line of Business
- Staff
- Other

Contact Information

If you would like to learn more about the findings and implications of this study, or to inquire about follow-up research, please contact:

Chris Townsend

Chief Marketing Officer
Imaginatik plc
chris.townsend@imaginatik.com
+1 (617) 960-4735

Lora Kratchounova

Principal
Scratch Marketing + Media
lora@scratchmm.com
+1 (617) 945-9296

Imaginatik

Website | www.imaginatik.com

Twitter | [@imaginatik](https://twitter.com/imaginatik)

Facebook | facebook.com/imaginatik

YouTube | youtube.com/user/imaginatik

RSS | imaginatik.com/rss.xml