Innovation Excellence

Benchmark your Innovation Capabilities against the World

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Dear Innovator,

To be able to provide the opportunity to comprehensively evaluate and benchmark your innovation management capabilities excites us almost much as your participation in this Global Innovation Excellence Benchmark. The evaluation and benchmark both builds upon decades of Arthur D. Little's accumulated innovation management knowledge and aims to provide a holistic understanding of your capabilities and where you might focus your attention to improve innovation results.

Your benefits from participating

You will receive a full evaluation and analysis of the innovation excellence of your company (or unit within your company) compared to top industry peers and industry peers on average, covering:

- Overview of Innovation Performance
- Capability strength and their strategic importance
- Innovation management approach
- Innovation effort and focus

Results will be presented in a comprehensive report which will be presented by Arthur D. Little with follow-up discussion (if desired[1]). Filling out this questionnaire will take approximately 30 minutes of your time.

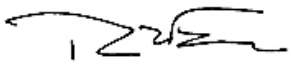
Confidentiality note

This inquiry is conducted by the management consultancy Arthur D. Little. All data will be kept strictly confidential and in conformance with legal requirements on data security. Data will be made anonymous and analyzed without reference to the name of the individual enterprise. No quotations or individual responses will be published without prior consent.

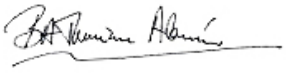
Should you have any questions, please feel free to contact any one of us directly, or via innovex@adlittle.com.

We are very much looking forward to discuss this fascinating subject with you!

Petter Kilefors
Managing Partner



Rick Eagar
Chief Innovation Officer & Global Practice Leader Technology & Innovation Management



Ben Thuriaux-Alemán
Principal
Global Innovation Excellence Survey co-ordinator

[1] See Confidentiality note

Participant Information

Please provide your name and contact details below so that we can provide you with detailed feedback[2]

Company	
Your name	
Job title	
Postal address *(street, city, state, zip code, country)*	
E-mail address	
Main business your company is in	

How to Submit Your Results

You are welcome to submit this questionnaire in one of three ways. The questionnaire can be filled in entirely online, via the link below. You may also use this interactive PDF questionnaire. You may then return the completed questionnaire to Arthur D. Little either via e-mail or by post. Alternatively, we also welcome printed copies to be faxed or mailed to us (please see return information below).

Complete online	www.adlittle.com/innovex
Return pdf by email	innovex@adlittle.com
Return by fax	+44 207 7660 201
Return by post	Arthur D. Little Limited New Fetter Place West, 2nd Floor 55 Fetter Lane, London EC4A 1AA United Kingdom

[2] The demographic data provided will only be used to provide companies with a summary of results and benchmarking information against other anonymized participants. Any positive mention of a company in press coverage will be subject to pre-approval by that company. If you do not wish ADL to hold your contact details, please tick the box provided, however please note that it will not then be possible to provide feedback to your company.

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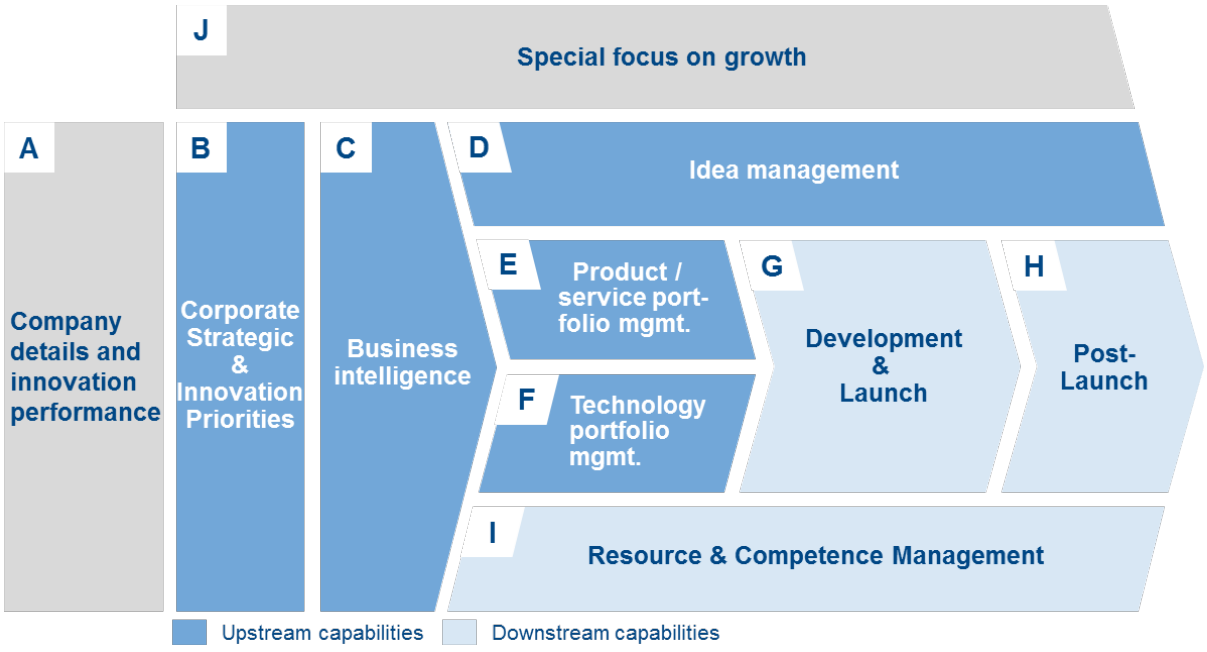
Innovation Excellence Model and the Structure of this Questionnaire

In order to structure all innovation activities within a company, Arthur D. Little has developed a holistic innovation management model. This proven, cross industry framework captures all relevant activities and has been used consistently in all our surveys since 2004.

- The model comprises a number of essential generic building blocks for effective innovation management.
- By using this model, comparable approaches to innovation across different industries can be analyzed and compared, revealing different areas of focus and opportunities for improvements
- The global innovation excellence benchmark covers all of the building blocks for innovation excellence to allow you to understand your performance against best practice leaders across different industries (sections B to I below)
- In addition, this benchmark also includes a section on the importance of innovation to create new growth (section J)



A: Company Details and Innovation Performance

A.1 Please tick the main focus/core industry of the business for which you are filling out this questionnaire			
Aerospace and Defense	☐	Logistics and Services	☐
Automotive Manufacturing and Automotive Suppliers	☐	Manufacturing Engineering and Machinery (incl. High-Tech)	☐
Chemicals (including Specialty & Petrochemicals)	☐	Pharmaceuticals and Bio-pharmaceutical	☐
Consumer Electronics	☐	Public Services	☐
Electrical Engineering and Electronics incl. Industrial Electronics	☐	Retail (excluding food and drink)	☐
Energy and Resources (Upstream)	☐	Telecommunications, IT/Software and Media (TIME industries)	☐
Energy and Resources (Downstream)	☐	Transport and Travel	☐
Financial Institutions and Insurance	☐	Utilities (electricity, gas, water etc.)	☐
Food and Beverage	☐	White Goods (Household appliances: refrigerator, stove, washing machine etc.)	☐
Healthcare and Healthcare providers	☐	Other	☐
Medical Technology and medical devices	☐		

A.2 Please provide details of your sales/turnover and number of employees						
Latest available data						
Currency used in questionnaire (please tick relevant currency or add currency if required)	€	£	$	¥	RMB	Other
	☐	☐	☐	☐	☐	
Corporate sales/turnover	In million currency					
Data provided in this questionnaire relates to	The whole group Your unit				*Select only one*	☐ ☐
Sales/turnover of the **unit** your answers are related to	In million currency (leave blank if responding for corporate)					
Number of employees of the unit your answers are related to	In full-time equivalent staff (FTE)					

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A.3 Own R&D/innovation personnel (excluding outsourced share)		
Latest available data		
Total R&D & Innovation spending planned **in your unit**	In million currency	
	In % of total sales	
Own R&D/Innovation personnel (excluding outsourced share)	In full-time equivalents staff (FTE)	

A.4 How would you evaluate the current strategic importance for your industry and your current capabilities for each element of the Arthur D. Little Innovation excellence model in your organization?

Current innovation management capabilities	Strategic importance in your industry					Your relative capabilities compared to industry peers				
	Not applicable	Not important	Average	Important	Very important	Not applicable	Bottom 25%	Below average	Above average	Top 25%
Innovation strategy implementation – Innovation vision, goals, roadmaps and integration with corporate strategy	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Business intelligence – Tools and techniques used for identifying, extracting and analyzing business data e.g. customer needs, emerging technologies, competitor moves, revenue by products, etc.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Idea management – Process followed to generate ideas for new products/services, including responsibilities definition, usage of external/internal sources and prioritization of tools for idea generation	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Product/service portfolio management – Prioritizing creation, enhancement or termination of an offering, process or product feature, choosing between many different potential initiatives	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Technology portfolio management – Prioritizing research and technology investments to be able to access required technologies	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

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Current innovation management capabilities	Strategic importance in your industry					Your relative capabilities compared to industry peers				
	Not applicable	Not important	Average	Important	Very important	Not applicable	Bottom 25%	Below average	Above average	Top 25%
Development & launch – All steps required to transform the original idea to a launched product/service/process	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Post-launch – Product upgrading and continuous improvement	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Resource & competence management – Managing your internal and external capabilities through training, development activities and network building	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Innovation metrics – Use of metrics and KPI's to assess the success of the innovation strategy and its implementation	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

A.5 How satisfied are you with the impact of your current innovation performance?

Please rate the following in terms of impact of innovation performance	Not applicable	Very dissatisfied	Quite dissatisfied	Neither satisfied or dissatisfied	Quite satisfied	Very satisfied
What is your **overall** satisfaction with your innovation performance?	☐	☐	☐	☐	☐	☐
What is your satisfaction with your **product innovation performance**?	☐	☐	☐	☐	☐	☐
What is your satisfaction with your **service innovation performance**?	☐	☐	☐	☐	☐	☐
What is your satisfaction with your **process innovation performance**?	☐	☐	☐	☐	☐	☐
What is your satisfaction with your **new business model innovation**?	☐	☐	☐	☐	☐	☐

A.6 How would your rate your current innovation capabilities?

Please assess your capabilities for different types of innovation	Not applicable	Very poor	Poor	Average	Good	Very good
Product Innovation	☐	☐	☐	☐	☐	☐
Service Innovation	☐	☐	☐	☐	☐	☐
Process Innovation	☐	☐	☐	☐	☐	☐
Business Model Innovation	☐	☐	☐	☐	☐	☐

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A.7 Please provide estimates of the extent to which your overall proportion of sales can be attributed to NEW products and services offerings in the following time periods

Consider only new product or platform launch, not product upgrades	Company does not track this data	Latest available data					
		In % of total sales(corporate or Business unit)					
Sales with new products/services ≤ 1 year on the market	☐	☐ 0-2.5%	☐ 2.5-5%	☐ 5-10%	☐ 10-20%	☐ 20-40%	☐ 40+%
Sales with new products/services ≤ 3 years on the market	☐	☐ 0-5%	☐ 5-10%	☐ 10-20%	☐ 20-30%	☐ 30-55%	☐ 55+%

A.8 Please provide estimates of new product EBIT contribution in the following time period

Consider only new product or platform launch, not product upgrades	Company does not track this data	Latest available data					
		In % of total EBIT(corporate or Business unit)					
Sales with new products/services ≤ 1 year on the market	☐	☐ 0-2.5%	☐ 2.5-5%	☐ 5-10%	☐ 10-30%	☐ 30-50%	☐ 50+%
Sales with new products/services ≤ 3 years on the market	☐	☐ 0-5%	☐ 5-10%	☐ 10-20%	☐ 20-40%	☐ 40-60%	☐ 60+%

A.9 What is your average time for your new product/service to break-even?

Consider only new product or platform launch, not product upgrades	Company does not track this data	Average time in months					
Average time for new products/services to break-even	☐	☐ 1-2	☐ 3-4	☐ 5-6	☐ 7-9	☐ 10-12	☐ 13-15
		☐ 16-18	☐ 19-24	☐ 25-30	☐ 31-36	☐ 37-48	☐ 48+

A.10 What is your typical impact for process innovation?

Consider both new processes and innovative process upgrades	Company does not track this data	In % improvement in cost reduction, yield, or capacity					
		0-1%	2-4%	5-9%	10-24%	25-49%	50+%
Typical accumulated cost reductions achieved over past 3 years (assuming same input costs)	☐	☐	☐	☐	☐	☐	☐
Typical accumulated yield improvements over past 3 years	☐	☐	☐	☐	☐	☐	☐
Accumulated output/capacity improvement/ debottlenecking as a result of process innovations	☐	☐	☐	☐	☐	☐	☐

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B Corporate Strategic & Innovation Priorities

B.1 In terms of your innovation efforts, can you estimate the relative percentage effort you make for different types of innovation

Estimate the relative percentage effort (people, budget etc.) for different types of innovation

	% of relative effort
Product/Service Innovation	%
Process Innovation	%
Business Model Innovation	%
Total	**100%**

B.2 Please indicate your approach to meeting your growth priorities

Please read through the attached pairs of statements and mark the box which best describes your company's approach to meeting growth priorities through innovation

Strongly agree with statement on left hand side	A balance between both statements					Strongly agree with statement on right hand side
Improve on existing products	☐	☐	☐	☐	☐	Develop new products
Improve on existing service	☐	☐	☐	☐	☐	Develop new services
Improve on current processes	☐	☐	☐	☐	☐	Develop new processes
Improve on current business model	☐	☐	☐	☐	☐	Develop radically different business models

B.3 How well is innovation integrated into corporate/business unit strategy

Statements concerning innovation integration	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Innovation goals and objectives are set within the Corporate/Business Unit strategy	☐	☐	☐	☐	☐
There is a cross functional innovation steering group at corporate level	☐	☐	☐	☐	☐
Innovation targets are set across all company functions (manufacturing, marketing, R&D etc.)	☐	☐	☐	☐	☐
Innovation strategy is cascaded and communicated across all parts of the company	☐	☐	☐	☐	☐

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C Business Intelligence

C.1 To what extent do the following statements apply to your business intelligence?					
Statements concerning business intelligence	**Extent**				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Process and responsibilities					
Responsibilities for collecting and evaluating market, technology, competitor and business data are clearly allocated	☐	☐	☐	☐	☐
We have a good understanding of our relative strengths and weaknesses in different technology areas (compared to competitors and suppliers)	☐	☐	☐	☐	☐
We operate a systematic process for collecting, organizing and sharing of all data and information	☐	☐	☐	☐	☐
We operate a systematic process for interpretation and dissemination of actionable business intelligence	☐	☐	☐	☐	☐
Participants and sources					
Internal sources (e.g. sales force, customer service, data bases etc.) are used in a structured way	☐	☐	☐	☐	☐
External sources (e.g. clients, suppliers, experts, academia etc.) are used in a structured way	☐	☐	☐	☐	☐
Customer segmentation					
Customers are segmented and analyzed according to their needs and willingness to pay for different attributes of our products/services	☐	☐	☐	☐	☐
Tools					
Systematic use of tools for business intelligence (e.g. scenario development, trend analysis, benchmarking etc.)	☐	☐	☐	☐	☐

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D Idea Management

D.1 To what extent do the following statements apply to your idea management?

Statements concerning idea management	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Process and responsibilities					
We have a systematic process to generate and prioritize ideas for new products/services/processes	☐	☐	☐	☐	☐
There is a process for cross-fertilizing and enriching ideas into a project proposal	☐	☐	☐	☐	☐
Different processes and resources are used to assess different types of ideas (e.g. different process for incremental vs. breakthrough ideas)	☐	☐	☐	☐	☐
Project proposals are systematically assessed for inclusion into the development pipeline	☐	☐	☐	☐	☐
Usage of guidelines and insights					
Corporate priorities are used to provide focus and structure to idea management	☐	☐	☐	☐	☐
Customer needs are understood and feed into product/service development	☐	☐	☐	☐	☐
Participants and sources					
The whole organization is mobilized to develop new ideas	☐	☐	☐	☐	☐
Outsiders(customers, suppliers, inventors, academics) contribute to idea generation	☐	☐	☐	☐	☐
Regular workshops between R&D and sales/marketing to utilize gained market insights	☐	☐	☐	☐	☐
Time is set aside for employees to generate new ideas	☐	☐	☐	☐	☐
We use lead-users/lead customers to identify new customer needs or ways of using product/service	☐	☐	☐	☐	☐
Tools					
We use “Idea Jam” sessions	☐	☐	☐	☐	☐
We use “Idea bootcamps” sessions	☐	☐	☐	☐	☐
We use crowd sourcing to generate new ideas and opportunities	☐	☐	☐	☐	☐
We have social media tools in place to identify and enrich potential opportunities for innovation.	☐	☐	☐	☐	☐
Tools for idea generation, prioritization and selection are deployed across the company - not just in R&D or marketing	☐	☐	☐	☐	☐

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E Product/Service Portfolio Management

E.1 To what extent do the following statements apply to your product and service portfolio management process?					
Statements concerning product/service portfolio management	**Extent**				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Product and service portfolio and evaluation					
There is a process to match the product/ service portfolio with corporate strategic priorities	☐	☐	☐	☐	☐
The product/service portfolio is reviewed frequently, and in a structured manner, to meet potential changes in targeted segments	☐	☐	☐	☐	☐
We have an executive forum, (e.g. product board) with the mandate to make strategic priorities and approve product plans	☐	☐	☐	☐	☐
The Portfolio Management process is part of the annual strategic and budget processes	☐	☐	☐	☐	☐
The Portfolio Management process is supported by IT tools that allow adequate visualization, valuation and optimization of the product/service portfolio	☐	☐	☐	☐	☐
Stringent measurements (strategic and financial) are applied on portfolio level	☐	☐	☐	☐	☐

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F Technology Portfolio Management

F.1 To what extent do the following statements apply to your technology portfolio management?

Statements concerning management of technology Strategy and technology portfolio	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Technology strategy					
The technology strategy is updated annually to align with the corporate and product strategy	☐	☐	☐	☐	☐
There is a clear alignment between the product strategy and the technology strategy where the components of the technology plan are clearly linked to the product plan	☐	☐	☐	☐	☐
The technology strategy clearly outlines the prioritized research areas	☐	☐	☐	☐	☐
Technology portfolio					
Each technology is understood in terms of its quantified contribution to corporate goals	☐	☐	☐	☐	☐
We have an excellent understanding of the impact of different technologies within our industry	☐	☐	☐	☐	☐
We systematically consider make-buy-collaborate options for all needed technologies	☐	☐	☐	☐	☐

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G Development & Launch

G.1 To what extent do the following statements apply to the management of development and launch?

Statements concerning development and launch activities	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Product/service/process development					
The development process is adapted to market conditions and project requirements	☐	☐	☐	☐	☐
There is a formal milestone-based process for product/service/process development	☐	☐	☐	☐	☐
Stringent market acceptance/field tests are made early on in the development process	☐	☐	☐	☐	☐
There is a stringent assessment of clearly defined standard set of criteria (incl. time, cost and quality targets) at each milestone/gate	☐	☐	☐	☐	☐
Specifications are described as acceptable ranges and not absolute values in order to facilitate trade-offs	☐	☐	☐	☐	☐
There is systematic use of IT tools (not simple Excel) for product/service/process development	☐	☐	☐	☐	☐
We use an agile approach to development (e.g. customer driven time-boxed increments by group empowered staff as in SCRUM)	☐	☐	☐	☐	☐
We use Lean R&D principles to drive continuous improvement, cut lead times and increase efficiency	☐	☐	☐	☐	☐
We have an approach that encourages project teams to “fail early” whilst costs are still low	☐	☐	☐	☐	☐
We constantly identify our knowledge gaps in development. Project management and reviews are to a large extent focused on understanding and closing remaining knowledge gaps	☐	☐	☐	☐	☐
We use set-based concurrent engineering to manage uncertainty and avoid time and resource consuming loop-backs	☐	☐	☐	☐	☐
We use visual planning/representation of development activities in dedicated project rooms (Oobeya rooms)	☐	☐	☐	☐	☐
Process and responsibilities					
The development process managed by cross-functional teams/Boards	☐	☐	☐	☐	☐
We have co-location of development teams during critical phases of new product development	☐	☐	☐	☐	☐
Market launches are managed by cross-functional teams	☐	☐	☐	☐	☐
We have an effective knowledge management to capture and disseminate best practice knowledge around modules/systems/components or features/attributes	☐	☐	☐	☐	☐

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H Post-Launch

H.1 To what extent do the following statements apply to post launch management?						
Statements concerning post launch activities	**Extent**					
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
We have a collaborative environment with clear roles and responsibilities in post-launch between R&D and product management	☐	☐	☐	☐	☐
We separate continuous product/service improvement from new product/service development	☐	☐	☐	☐	☐
Our post-launch 'engine' is more and more engaged in tailoring our products to local market needs	☐	☐	☐	☐	☐
Our post-launch engine is more of a 'reactive' repair capability fixing design problems	☐	☐	☐	☐	☐
Our major post-launch challenges lies within selecting which change requests to execute	☐	☐	☐	☐	☐
The R&D budget for post-launch is split from the R&D budget for New Product Development	☐	☐	☐	☐	☐
Geographically local product update and maintenance teams are in place to meet local customer needs	☐	☐	☐	☐	☐

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I Resource & Competence Management

I.1 To what extent do the following statements apply to resource and competence management?

Statements concerning resource and competence management	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
There is a *company competency strategy* that identifies key capabilities needed to sustain competitive advantage through innovation	☐	☐	☐	☐	☐
We understand the relative strength of our competencies compared to competitors	☐	☐	☐	☐	☐
We have programs to access and develop competencies from *within* the company	☐	☐	☐	☐	☐
We have programs to access and develop needed competencies from *outside* the company (e.g. links with academia etc.)	☐	☐	☐	☐	☐
Organization competency needs are used to define individual staff capability development via training and/or recruitment	☐	☐	☐	☐	☐
Workload and task allocation is managed to allow Individuals and groups to focus on as few tasks and projects as possible	☐	☐	☐	☐	☐

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J Special Topic: Growth

ADL conducted a survey of leading CTOs/CIOs in Europe, Asia and the Americas to gauge their views on the future of innovation management over the next 10 years. The key findings were that:

- The revenue share of new products and services is expected to increase from 30% today to 40% by 2020 with increased pressure on product and service development.
- Revenue growth will be increasingly focused on new and adjacent business with the proportion of new products and services targeting adjacent markets expected to double between 2010 and 2020.
- There will be greater focus on managing more diverse portfolios with greater risk profiles.

For more information see: www.adl.com/FutureInnovation

J.1 How do you find and deliver growth?

Statements concerning Growth Strategy and Implementation	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Strategy					
Top management has a clear, shared vision and strategy for growth in new business areas	☐	☐	☐	☐	☐
Finding growth					
We have a process to identify hidden or unmet needs of current and potential customers (e.g. segmentation, competitor analysis, trend scouting, etc.)	☐	☐	☐	☐	☐
Impacts of megatrends (e.g. ageing population) are used to structure and assess opportunities for products/services	☐	☐	☐	☐	☐
We use a systematic process to identify how our key competencies and technologies could be used in new ways and in new/adjacent markets	☐	☐	☐	☐	☐
We have a framework at hand which allows us to visualize the opportunity space and identify the most promising opportunities	☐	☐	☐	☐	☐
Our process allows us to quickly translate the identified opportunities into a growth strategy roadmap and get sign-off from top management	☐	☐	☐	☐	☐
Delivering growth					
We develop and market a compelling value proposition for our innovations	☐	☐	☐	☐	☐
We can quickly translate the identified opportunities into pilots and fast-to-market roll-out programs	☐	☐	☐	☐	☐
A dedicated function (e.g. center of excellence) is in place to drive new business growth opportunities	☐	☐	☐	☐	☐

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Statements concerning Growth Strategy and Implementation	Extent				
	Does not apply	Applies in minority of cases	Applies to an average extent	Applies to a large extent	Applies completely
Delivering growth					
We have sufficient open innovation platforms and a partner network to bridge any missing internal skills, competencies and resources	☐	☐	☐	☐	☐
Our culture & organization supports entrepreneurship and a “can-do” team spirit with rewards/recognition	☐	☐	☐	☐	☐

J.2 What are the greatest challenges you face in identifying and capturing growth through innovation?

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Thank You

Thank you for your time and commitment in filling out this questionnaire. We look forward to receiving your completed questionnaire and the opportunity in sharing these results with you and your team. If you have any queries, please do not hesitate to contact us for assistance.

All participants will receive, on request, a personalized summary of the study's results designed to help you understand your performance versus your peers, and to identify innovation performance levers. Please note that all data will be reported anonymously, and we will strictly maintain confidentiality with respect to your company's specific survey data.

Thank you for your participation!

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