

# Reinventing innovation

## Five findings to guide strategy through execution

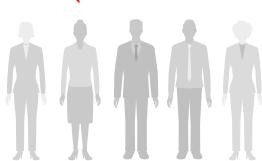
Key insights from PwC's Innovation Benchmark

### *Innovation leaders are growth leaders too*

More than one-quarter of companies see themselves as innovation leaders

**20%** of these innovation leaders expect >15% growth in the next 5 years

...whereas just 13% of all other innovating companies expect the same level of growth



Q: How innovative is your organization compared to competitors in its ability to develop new products, services, and user experiences effectively and efficiently? Q: How much total revenue growth does your organization forecast in the next five years?

Source: PwC's Innovation Benchmark  
Base: 1,222

### *Human factors seen as key to innovation success*



**65%**

Innovative behaviors and culture



**63%**

Fresh thinking



**52%**

Strong C-suite leadership



**47%**

Clear business model



**32%**

Increasing innovation budget

Q: What are the most important factors that impact successful innovation at your organization?  
Source: PwC's Innovation Benchmark  
Base: 1,222

**54%**

of innovating companies struggle to bridge the gap between **innovation strategy** and **business strategy**

Q: What is your organization's greatest strategic challenge to successful innovation?  
Source: PwC's Innovation Benchmark  
Base: 1,222

### *More collaborative operating models outpace traditional R&D*

Open innovation

**61%**

Design thinking

**59%**

Co-creating with customers, partners, suppliers

**55%**

Traditional R&D

**34%**

Innovating in emerging markets, exporting to developed markets

**34%**

Taking risks, failing fast, trying again

**31%**

Internal incubators

**27%**

Investing in start-ups via corporate venture capital

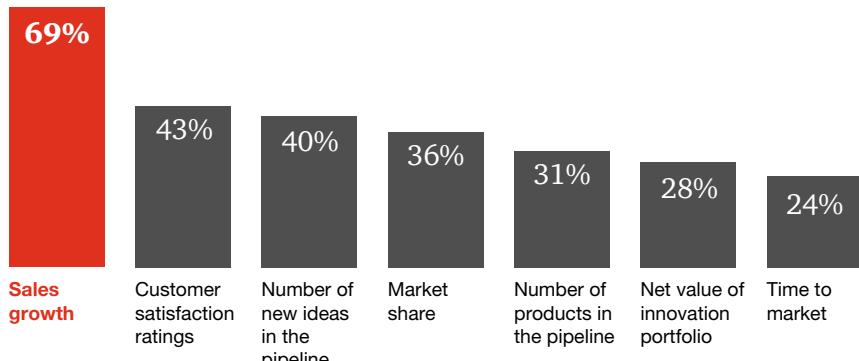
**21%**

Q: What operating models does your organization currently use to drive innovation?  
Percentages denote the number of companies using these innovation models.  
Source: PwC's Innovation Benchmark  
Base: 1,222

“I'll take amazing talent and a mediocre idea any day over an amazing idea and mediocre talent, because innovation is more about the *who* than the *what*.”

Bonny Simi, President, JetBlue Technology Ventures

## *Innovation's impact: Sales growth is the top metric*

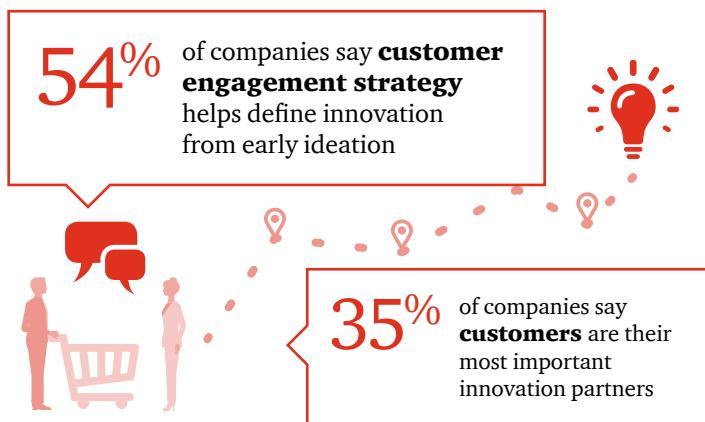


Q: What are the most important metrics for measuring innovation at your organization?  
Percentages denote the number of companies citing each metric as among their most important ones.  
Source: PwC's Innovation Benchmark  
Base: 1,222

“Regardless of what anybody tells you, it's in your best interest to do financially driven investments, because if they succeed, then there will be financial and strategic returns back to the parent corporation. If that doesn't happen, it's just a waste of everybody's time.”

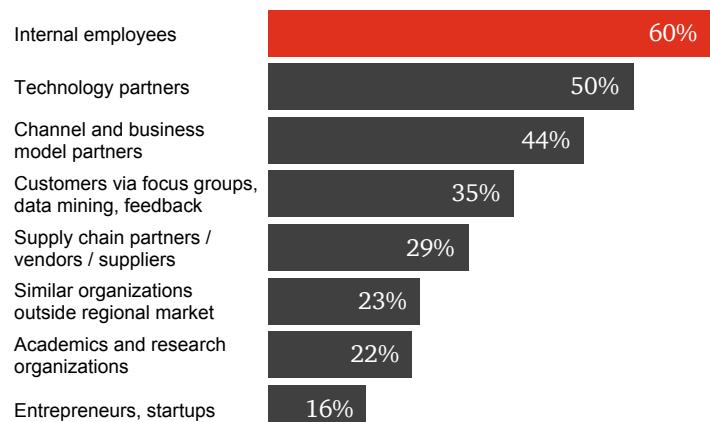
Nagraj Kashyap, Corporate Vice President,  
Microsoft Ventures

## *Customers define and drive innovation*



Q: Who are the most important external and internal partners for innovation at your organization?  
Q: To what extent do you engage customers during innovation?  
Source: PwC's Innovation Benchmark  
Base: 1,222

## *People-powered innovation starts with employees*



Q: Who are the most important external and internal partners for innovation at your organization?  
Percentages denote the number of companies citing each innovation partner as among their most important ones.  
Source: PwC's Innovation Benchmark  
Base: 1,222

## *Tech companies set the pace in breakthrough innovation*

Q: Is your organization more focused on "incremental change" where innovations are generally moderate, or "breakthrough innovation" where innovations are significant and introduce major technological or market applications?  
Percentages denote the number of companies saying they focus mostly or entirely on breakthrough innovation.  
Source: PwC's Innovation Benchmark  
Base: 1,222

