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**Innovation Impact Report — Overview**

Measuring the effectiveness of corporate innovation systems is a challenging endeavor. While *Innovation*or *R&D* may be the name of a department, strategically it is much more: it is an organizational competency. As such, it is a competency that often is expected to span the entire organization (and sometimes even beyond the organization’s boundaries.) Work that started as a seed of an idea in one department may eventually generate measurable results in another area, making "innovation accounting" tricky business. Further, for companies that typically measure simple, dashboard-type metrics, the shift to measuring the effectiveness of an innovation strategy is an uncomfortable one. While it may be straightforward to measure innovation *costs*, evaluation of the *benefits*of innovation is far from trivial. Innovation has a long time-horizon, ambiguous ownership, and organizations face the thorny issue of trying to measure *incremental*gains, or changes in how the company is *perceived* by customers or prospective employees.

A solution to this problem is to task an innovation leader with producing a regular report on the work that must be done throughout the company to deliver on the organization's strategy or vision. The goal of this reporting is to continually justify the investment in innovation as a core competency.  After all, innovation as a competency is a means to strategic execution, not the end. Rather than a dashboard-type report which measures the work done to date, it should be a discussion document that highlights the work going on as well as work still to be done. The key question that should be answered by reporting is not "how much value has *innovation* created?" but it should be more forward-looking: "What does the company require from *innovation* in order to achieve its goals?"

As a discussion document, the report is designed to generate the dialog required to make necessary tweaks in response to new marketplace signals. By providing holistic, near-continuous feedback to stakeholders, the organization can ensure that the best innovation investment decisions are being made to execute the strategy. With a flexible framework, organizations can use this template to fit various types of work, from experiments to bigger projects to cultural work to business unit-specific launches that require innovative thinking. Further, it shows not only what work is happening, but is clear about what work is NOT happening. As with any innovation, take this template as a starting point and iterate it to fit your needs and the evolving needs of your organization.

**Company X Monthly Innovation Impact Report – March 2024**

*“Vision Statement Here”*

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| **Innovation Landscape Updates** | |
| Disruptors/New Entrants | |
| BusinessA.com | Press release announcing new capabilities on their core product |
| StartupB.inc | Innovation team met with founders to discuss their new mobile platform |
| Amazon | Announced expansion into convenience/grocery store format, which may threaten Division X sales |
| Emerging Technologies/Startups of interest | |
| StartupC | Former Google execs launch business to build secure cloud service |
| StartupD.co | Advanced analytics startup in Boulder, CO that may help us with call routing |
| Generative AI | McKinsey report suggests 70 percent of customer support will involve generative AI/chatbots by 2026 |
| Competitors | |
| Competitor A | Opened new data analytics lab in San Jose, CA |
| Competitor B | Released three new product variations to appeal to middle market |
| Competitor C | Sold aging business line to invest in new delivery model |
| Competitor D | Announced they are increasing R&D investment 10% in latest quarterly report |
| Customer Trends | |
| Increased Mobile Adoption | Forrester Research report suggests mobile adoption nearing saturation |
| Millennials Coming of Age | Our latest consumer insights report shows higher-than-ever interest in Product Y for Millennials |
| Connected Maintenance | Decreasing tolerance for equipment downtime; customers increasingly want us to know what’s wrong before the technician shows up |
| Regulations | |
| New Administration | New tax code proposal has positives and negatives |
| FDA Ruling | Product Z must meet new plain-language disclosure standards |
| UK | New UK regulation pushes consumerism too far |

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| Strategic Objectives | | | | | | |
| **Innovation Culture: *Develop an Engaged, Responsive Organization*** | | | | | | |
| *Initiative* | *Long-Term Goal* | *Current Phase Goal* | *Accountable Resource* | *Current Status* | *Status Commentary* | *Next Phase* |
| Employee Training | Train 1,000 employees in 4 new methodologies by end of year (EOY) | Program 2: Design Thinking training launch by Mar 1 | Innovation Manager | At Risk | Stuck in vendor procurement due to info security issues. Plan to transition training to HR after initial launch. Program 1: Consumer Immersion Training complete. 340 employees certified. | Program 3: Customer Insights & Interviews Training Development by Jun 1 |
| Innovation Governance | Governance process overhauled by EOQ2 | Recruit Cross-Functional Leadership Team | Innovation Director | On Track | Innovation Team, Legal, Finance, Marketing, and Sales leaders identified. Awaiting IT, Engineering, HR, Communications resources. Off-sites planned in April, May, and June. | Design and Launch Shark-Tank Contest by EOY |
| Innovation Agent Team | Recruit and train 200 employee innovation champions by EOY | Information Sessions at All Major Offices by EOQ1 | Innovation Manager | Ahead | 4 sites complete, 1 remaining. 420 employee applications submitted to join team. | Innovation Agent Welcome Session by April 15 |
| Annual Culture Survey | Annual Q4 survey to measure culture’s openness/support for innovation | Identify survey vendor by Jun 1 | HR Manager | On Hold | Innovation Team supporting effort; not yet kicked off. | Draft survey by July 15 |
| Innovation Communications | 5 innovation communications impressions per month | Redesigning communications strategy for review Mar 15 | Communications Manager | On Track | Ideation session completed last month Currently identifying responsible resources | Launch first channel by May 1 |
| **Innovation Lab Projects: *Next-Generation Mobile Strategy*** | | | | | | |
| *Initiative* | *Long-Term Goal* | *Current Phase Goal* | *Accountable Resource* | *Current Status* | *Status Commentary* | *Next Phase* |
| New Product Development: Quick Wins | 18 mobile tests over 18 months by EOY | Beta-testing final 9 efforts by July 15 | Innovation Manager | On Track | 9 mobile tests complete 4 ready for beta test 3 Passed along to business unit for additional development  $1.25M in incremental revenue to date | Further iteration of next 9 tests for implementation by Sep 1 |
| Product Y Gen AI Platform | Revamp Product Y to leverage Gen AI by EOY | Architectural review by Apr 1 | Innovation Manager | On Track | Start-up Company E platform license procured Design sessions complete  Working with compliance and risk to get their green light | Build and beta test by Jun 1 |
| Next-Generation Mobile Version of Product Z | Make prior version of Product Z obsolete before competitors do | Monitoring customer satisfaction, monthly revenue, and cannibalization rates | Innovation Manager | Transitioning | Customer NPS improved by +10  Revenue down 4%, but expansion opportunity not yet realized  42% Conversion from prior product version to date (goal: 100% by 2019)  Business Unit X taking accountability going forward | Turn attention to new initiative |
| **Business Unit Launches: *Sustainable Core Business Growth*** | | | | | | |
| *Initiative* | *Long-Term Goal* | *Current Phase Goal* | *Accountable Resource* | *Current Status* | *Status Commentary* | *Next Phase* |
| Product X Line Extensions | Improve renewal rates of Product X | Form cross-functional team by April 1 | Marketing VP | Complete | Marketing VP pushing to finish by Mar 15. Resources identified. | Innovation- facilitated strategy session Apr 3 |
| Sales Strategy Overhaul | Modernize sales tactics | Off-site ideation session by May 15 | Marketing Manager | On Track | Conducting assessment of current efforts: 4,100 variations of sales collateral found to date | Co-creation sessions with customers by June 15 |
| Brand Refresh | Refresh and launch new brand strategy by Q3 | Insights immersion session next Week | Brand Manager | On Track | Consumer research conducted; 350 Insights Statements developed and ranked | Ideation Session with Agency by Apr 30 |
| Operational Expense Reduction | Identify $3M in operational savings by EOY | Evaluate employee idea contest submissions by next week | Operations Manager | On Track | 1,100 ideas submitted, currently being consolidated, categorized, and scored | Approval of top ideas in Mar 1 Operations meeting |

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| Strategic Gaps and Risks | | |
| *Initiative* | *Risk or Opportunity* | *Proposed Action Plan* |
| Products Per Customer Improvement | Products per customer has fallen from 2.4 to 2.1 in last 24 months. Need to identify and address causal factors. | Innovation Team will consider turning attention to this business problem after transition of Next Gen Product Z to business unit. |
| Improve Innovation Reputation/Halo | We are falling short of our stated goal of being perceived as an innovator. No awards won in 2016, only one press mention, and we rank 8 out of 10 companies in our industry on new product launches. | Need to identify cross-functional team to develop action plan. No resources currently available. |
| Build Off-Site Innovation Labs | Competitors are taking advantage of co-creation best practices by building external labs in hot start-up markets. We must evaluate options and pursue what makes sense. | Executive team has put initiative on hold pending budget review and hire of new corporate real estate leader. |
| Horizon 3 Planning Session | Current project pipeline is light on further-out innovations. External innovation lab would allow for more collaboration with expert networks to develop better Horizon 3 plan. | In the absence of external lab, executive team would like to take a trip to Silicon Valley to tour start-up landscape. Just an idea at this point. |

**This resource was developed by Aaron Proietti for InnoLead, to help corporate innovation and R&D executives build their own impact reports. For more resources like this, visit innolead.com/data-and-templates.**