

Innovation Management Maturity Assessment

Prepared for

INCM

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Executive Summary

- INCM Innovation Management team assessed its capabilities in 2017, by leveraging the Gartner [Innovation Management Maturity Model](#).
- All the maturity dimension show a score solidly within the **Level 3 (Defined)**, with the only exception of the **Partnership and Open Innovation** dimension, that showed characteristics aligned to the **Level 4 (Performing)**.
- The team discussed the results with a top Gartner Analyst and received recommendations about how to further improve its Innovation Management practice, receiving the following key pieces of advice:
 - ✓ Increase the level of formalization for the organization-wide **Innovation Process**, in order to facilitate the alignment of all the business units to the common practices.
 - ✓ Initiate a program to communicate, inspire and promote Innovation across the company, with the ultimate goal of changing the **culture and risk appetite** of the company at all levels.
 - ✓ Limit the focus of the Innovation team to the **most impactful and visible initiatives**, due to the current limited team size.

Gartner Maturity Model for Innovation Management

This Innovation Management Maturity Model and assessment educates enterprises on the dimensions of innovation management and the capabilities they need to succeed.

The assessment enables enterprises to determine the status of their innovation initiatives, their performance in each dimension, and the specific actions needed to move to higher levels of capability.

Level 1: Reactive	Level 2: Active	Level 3: Defined	Level 4: Performing	Level 5: Pervasive
<p>Decisions driven by personality or seniority.</p> <p>Localized, ad hoc response to business demands.</p>	<p>Teams and business units share best practices and approaches.</p> <p>Locally funded innovation initiatives with strategic focus.</p>	<p>Innovation watch involves external sources.</p> <p>Teams funded and sustainable.</p> <p>Processes, tools and methods are formalized and shared.</p> <p>Active executive support.</p>	<p>Strategic partnerships contribute ideas and resources.</p> <p>Expert innovation and catalyst teams.</p> <p>Best-in-class processes, tools and methods.</p> <p>Planned, funded and championed at enterprise level.</p>	<p>World-class leader in new methods and practices.</p> <p>Expansive open innovation and codevelopment programs.</p> <p>Multiple high-functioning enterprise and distributed teams</p> <p>Pervasive culture of innovation.</p> <p>Core competency integral to all business activities.</p>

Maturity Levels

The Innovation Management Maturity Model is composed of five levels of maturity, ranging from reactive to pervasive capabilities.

Enterprise innovation management at Level 3 is defined and sustainable.

At Level 1 or 2, innovation is generally localized and relatively low in value.

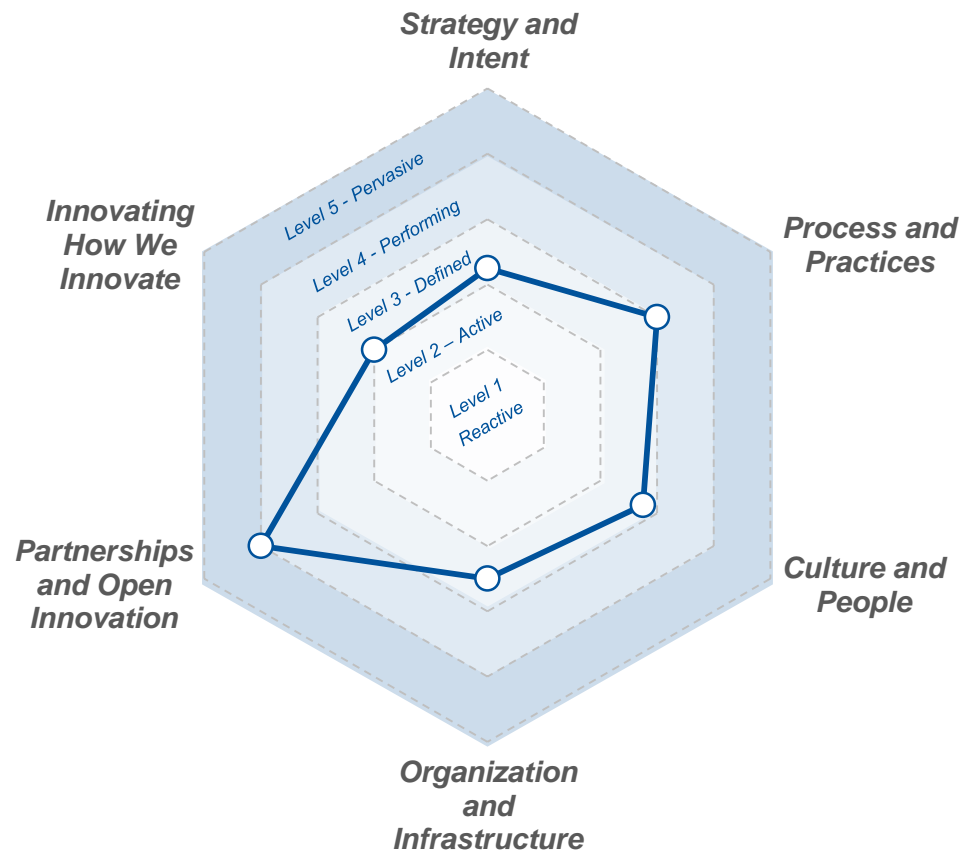
At Levels 4 and 5, innovation is strategic, reliable and a core competency.

Maturity Model Dimensions

- ✓ Strategy and Intent
- ✓ Processes and Practices
- ✓ Culture and People
- ✓ Organization and Infrastructure
- ✓ Partnerships and Open Innovation
- ✓ Innovating How We Innovate

Maturity Assessment Details and Benchmark

Innovation Management Maturity Scores



Level 3 - Defined

- ✓ At this level, a defined enterprise has formalized its approach to innovation with the intent of developing an enduring innovation capability focused on strategic objectives.
- ✓ The opportunities and potential for innovation are understood, appreciated and supported broadly within the enterprise.
- ✓ Permanent teams act as catalysts by providing proven advice and guidance to local and distributed innovators (federated groups, incubators, individual innovators or centralized entrepreneurial efforts), and there are technology and infrastructure for managing innovation.
- ✓ There is growing use of consistent processes, as well as creative tools and techniques for stimulating innovative ideas and solutions.
- ✓ There is good alignment of the activities of various innovation teams to enterprise strategy and focus areas for innovation.
- ✓ Customer and partner innovation are beginning to be formalized and focused. Sponsorship and leadership are in place.
- ✓ At this level, even assuming strong executive and cultural commitment to advanced levels, the effort to increase maturity is often more time consuming than achieving Levels 2 or 3.

Recommendations

- ✓ To move to **Level 4**, enterprises must **optimize governance** and infrastructure to the appropriate mix of local and central control.
- ✓ Support any local control with **best-practice forums and expert guidance** from the central team until the locals are self-sufficient.
- ✓ Finally, develop, submit and acquire a **standing annual budget** for ongoing funding of innovation advisors and infrastructure.

Comments and Recommendations from Gartner Analyst



Erik Van Ommeren

1 year at Gartner

20 years industry experience

Erik van Ommeren is a Research Director in Gartner's "Office of the CIO" Research team. His broad international background in innovation and technology makes him a valuable conversation partner for anyone faced with the challenges of keeping up with technology or looking to radically accelerate business innovation.

He helps clients understand trends, innovation and transformation. Mr. van Ommeren has a 20-year fascination for the user and marketing side of technology.

He has written several business-IT and strategy books, and can also speak from hands-on experience as a manager, programmer and architect. Over the years, he has covered the many strands that make up the technology landscape of today: open innovation, cloud, service-oriented architecture, mobile, big data, cybersecurity, collaboration, DevOps and lean-startup, blockchain and machine intelligence.

A true technology optimist, Mr. van Ommeren brings new insights, new ideas and a human-centric view on technology that anyone can relate to. Before his current position, Mr. Mieritz was part of the IT Asset Management Research team, which he joined after working on Gartner's tools for total cost of ownership (TCO) management and benchmarking and business case development and justification.

Leverage High-Level Sponsorship

- ✓ The maturity assessment shows that INCM can boast an enviable advantage in the strong sponsorship of Innovation that comes straight from the board.
- ✓ As a matter of fact, Gartner sees the lack of true commitment from the Senior Management as the **number one issue** that organizations encounter when trying to develop a mature innovation management capability.
- ✓ Although lack of resources and cultural barriers represent equally important obstacles to reaching a better innovative environment, lacking the primary support from C-Levels makes every effort in such sense futile: therefore INCM should bank as much as possible on its advantageous position.

Create a Story

- ✓ The ultimate vision of what INCM wants to become as an **Innovative Digital Company** needs to be clearly articulated and formalized through a **Digital Ambition** document. Such document should serve as a source of inspiration for all the people contributing to Innovation in the company, and set the bar high enough for to pervade the organization with innovative mind-set.

Set the organizational foundations

- ✓ INCM should **formalize** the way the **Innovation Process** works in the organization. The formalization will provide clarity around processes, roles and responsibilities and can be communicated in a much faster and incisive way throughout the organization.
- ✓ The formalized process should be **rigorous** and clearly specify how to (1) prioritize and select the ideas, (2) how to gradually implement them into projects and (3) how to commercialize them.
- ✓ INCM should also include a step in the process to **re-iterate or eventually kill** projects and ideas that are not being as successful as planned, keeping in mind that "*if nothing ever fails, something is wrong*" and therefore readjusting the risk appetite of the organization (see below).

Hack the culture

- ✓ After completing the previous steps, INCM should then start addressing the most challenging step, which requires the gradual change of the general attitude towards innovation at all levels. This initiative will have to address and **shake the current risk taking culture** and appetite of the company, a difficult task indeed.
- ✓ INCM should hire some Innovation Consultancy in order to provide guidance and inspire business lines on how to do things in a different way, especially in terms of examples and suggestions on how to **increase efficiency** and improve current **business KPIs**.
- ✓ Additionally, INCM should constitute a **Innovation Communication Programme**, giving company-wide visibility to case studies, achievements, projects and ideas. This will lure more and more people into the new innovation oriented mind-set.

Focus on High Impact Initiatives

- ✓ Given the size of the current Innovation Management team, INCM should focus on the most impactful initiatives and those that have more visibility across the organization.

Recommended Research

- [A Maturity Model for Innovation Management](#)
6 April 2011 | ID: G00211879 Jackie Fenn | Kathy Harris
- [What a World-Class IT Innovation Charter Should Contain and Why You Need One](#)
4 June 2010 | ID: G00200468 Mary Mesaglio
- [Market Guide for Innovation Management Tools](#)
27 June 2017 | ID: G00304058 Achint Aggarwal | Nikos Drakos
- [Seven Best Practices to Create an Innovation Center](#)
18 January 2016 | ID: G00278948 Jackie Fenn | Mary Mesaglio | Mark Raskino | Hans Van Grieken
- [Accelerate Your Journey to Innovation Excellence With a Customizable Innovation Framework](#)
11 August 2017 | ID: G00338668 Jackie Fenn | David W. Cearley | Erik Van Ommeren
- [Driving the STREET Process for Emerging Technology and Innovation Adoption](#)
30 March 2010 | ID: G00174060 Jackie Fenn

Appendix

✓ (Plan) → (6)

Renewal by Order Num -
UPd Renewal feed to establish product/contact relationship (some)

ELM → AlexE / Abhishek

SOL INTEGRATION FOR THE PLAN GROUP
Integration of external APIs in Client Connect

Dimensions and Relative Importance to Maturity

The degree of emphasis on the six dimensions varies in the lower levels of maturity.

Specifically, the first three dimensions — strategy and intent, processes and practices, culture and people — require consistently higher attention through all the maturity levels, while the three remaining dimensions — organization and infrastructure, partnerships and open innovation, and innovating how we innovate — will require less focus in the lower levels of maturity but significantly more attention by **Level 3**

	Reactive	Active	Defined	Performing	Pervasive
<i>Strategy and Intent</i>	High	High	High	High	High
<i>Processes and Practices</i>	Medium	High	High	High	High
<i>Culture and People</i>	Medium	High	High	High	High
<i>Organization and Infrastructure</i>	Low	Medium	High	High	High
<i>Partnerships and Open Innovation</i>	Low	Low	Medium	High	High
<i>Innovating How We Innovate</i>	Low	Low	Medium	High	High

Strategy and Intent

Enterprises demonstrate their intent to become innovative through key actions by executive and innovation leaders.

These actions include identifying innovation as an element of enterprise strategy, clarifying the high-level business focus and objectives for innovation, naming executive sponsors and enterprise leaders for innovation management, designing incentives for innovating, and committing to fund other fundamental resources required to undertake innovation as a strategic initiative.

	Reactive				Active				Defined				Performing				Pervasive			
Maturity Level Description	<ul style="list-style-type: none"> Innovation happens in response to immediate business needs or market pressure, often driven by personality or role. 				<ul style="list-style-type: none"> Innovation leaders discuss and combine efforts locally with intent to address strategic issues. Intent is narrowly communicated. 				<ul style="list-style-type: none"> Executives verbalize the importance of innovation, name leaders, and discuss strategic need, objectives and intent. 				<ul style="list-style-type: none"> Innovation is a competency aimed at growth, transformation and cost optimization. There is enterprise-level commitment with well-defined strategy and focus. 				<ul style="list-style-type: none"> Innovation is a core competency and is inherent in strategic planning. The enterprise is known as an innovator and has a defined and well-managed innovation network. 			
INCM Score	0.25	0.5	0.75	1	1.25	1.5	1.75	2	2.25	2.5	2.75	3	3.25	3.5	3.75	4	4.25	4.5	4.75	5
Explanation	<ul style="list-style-type: none"> The Board is well aware of the importance of innovation within the wider business strategy and is committed to support innovation projects. No policy for innovation management nor a formalized innovation strategy is in place. Some strategic objectives for innovation are however defined at a high level. 																			

Processes and Practices

Innovation management is a business process in that it includes **identification, selection, development and implementation of changes** — typically performed in this logical sequence.

Formalizing a process model for managing innovation enables enterprises to reliably generate ideas and manage them through to resolution (implementation, commercialization, termination, licensing or other actions).

Innovation practices supplement this process model by addressing three facets of the act of innovating: **driving creativity, acting with agility and thinking outside current boundaries**.

	Reactive				Active				Defined				Performing				Pervasive			
Maturity Level Description	<ul style="list-style-type: none"> Ad hoc processes are used in teams or business units. The overall approach is inconsistent and focused on narrow issues. 				<ul style="list-style-type: none"> Teams or business units share good practices, but no enterprise standards or processes are in place. Metrics focus on activity levels. 				<ul style="list-style-type: none"> Methods and tools are formalized and available across the enterprise. Best practices are actively shared. Performance is focused on business results. 				<ul style="list-style-type: none"> Efficient practices and processes ensure innovation results: high participation and performance throughput, rapid decision-making and reliable funding. 				<ul style="list-style-type: none"> Innovation is a business process with well-defined processes, roles, policies and guidelines. Metrics focus on business objectives, improved pace and success rates. 			
INCM Score	0.25	0.5	0.75	1	1.25	1.5	1.75	2	2.25	2.5	2.75	3	3.25	3.5	3.75	4	4.25	4.5	4.75	5
Explanation	<ul style="list-style-type: none"> The majority of the R&D projects are managed by the Innovation Office, aligned with the wider R&D department, however pockets of “ungoverned” innovation exist within business lines. A methodology and processes are in place, however are not ubiquitously followed across all the innovation projects. 																			

Culture and People

Enterprises must actively identify, anticipate and overcome cultural barriers to innovation. Innovation leaders must understand the social behaviour of groups and communities (whether customers, employees or others) and manage the impact (positive or negative) of these behaviours across the innovation process.

They must value the contributions of participants and communicate honestly and frequently about the strategy and direction of the enterprise, the barriers to innovation management and the actions required to leverage participant contributions.

This disciplined approach embraces the crucial aspects and collective attitudes and behaviours of all the people involved in innovation, both inside and outside the enterprise.

	Reactive				Active				Defined				Performing				Pervasive			
Maturity Level Description	<ul style="list-style-type: none"> The banner for innovation is carried by a few individuals or a single business unit. Overall culture does not celebrate innovation. 				<ul style="list-style-type: none"> Sponsors exist in key business units. Innovation is valued but hampered by cultural and leadership gaps and barriers. 				<ul style="list-style-type: none"> Employees and business units are encouraged to participate, and formal innovation roles exist. There is high awareness and focus on strategic objectives. 				<ul style="list-style-type: none"> There are opportunities for everyone to participate in innovation, with support from experienced innovators. Innovation is a top-of-mind issue for executive leaders. 				<ul style="list-style-type: none"> Enterprise priorities include hiring creative people, fostering an innovation culture and driving a pervasive innovation mind-set through "train the trainer" programs. 			
INCM Score	0.25	0.5	0.75	1	1.25	1.5	1.75	2	2.25	2.5	2.75	3	3.25	3.5	3.75	4	4.25	4.5	4.75	5
Explanation	<ul style="list-style-type: none"> Good levels of awareness about innovation importance across the organization Formal structures and roles are in place (i.e. Innovation Office), with the main responsibility of running projects and "pulling" ideas from business lines. A general lack of proactivity in proposing innovative solutions pervades the organization, however some areas (e.g. marketing) are more advanced with this aspect. 																			

Organization and Infrastructure

A variety of supporting organizational structures, resources and tools are needed to establish and sustain innovation management from ideas through implementation.

Organizational support structures may include full- or part-time innovation **groups**, **committees** or **catalyst teams**, with defined **governance** and **authority**.

These structures typically support a large number of innovators and programs and also enable enterprises to tap into ideas and opinions of internal and external people and content.

Good infrastructure also enables scalability such as more throughput, broad access, and collaboration around ideas and rapid execution.

	Reactive				Active				Defined				Performing				Pervasive			
Maturity Level Description	<ul style="list-style-type: none"> There is little enterprise support for innovation. Most effort is made by volunteers only. There is no real infrastructure such as idea management or governance. 				<ul style="list-style-type: none"> A few people have innovation expertise, and some innovation initiatives have formed. The need for infrastructure is recognized but not formalized. 				<ul style="list-style-type: none"> Innovation teams provide expert advice to innovators and develop common technology and processes. Funding enables reliable support and infrastructure. 				<ul style="list-style-type: none"> Innovation is well-led by innovation and catalyst teams. Permanent funding enables managed support and infrastructure for distributed innovators and teams. 				<ul style="list-style-type: none"> Innovation has an enterprise owner with methods and practices that are state of the art. Diverse metrics track business, process and cultural success. 			
INCM Score	0.25	0.5	0.75	1	1.25	1.5	1.75	2	2.25	2.5	2.75	3	3.25	3.5	3.75	4	4.25	4.5	4.75	5
Explanation	<ul style="list-style-type: none"> The established Innovation Team can access permanent funding for innovation, however this has not been enough to provide reliable support and a well developed infrastructure. Some key stakeholder are fearing that delegating the responsibility for innovation will reduce power and visibility, therefore there's still some resistance to change. 																			

Partnerships and Open Innovation

Enterprises have access to potential innovators and innovations through direct and indirect relationships.

Such access and relationships are built through physical and virtual contacts or through the provision of products and services.

These relationships are also acquired through customers, suppliers, partners, hosting services or non-affiliated businesses and groups.

As enterprises mature in their innovation management practices, they take more and better advantage of these external relationships to support innovation programs and initiatives.

	Reactive				Active				Defined				Performing				Pervasive			
Maturity Level Description	<ul style="list-style-type: none"> Innovation verbiage exists in sourcing or provider contracts, but little active innovation exists with these partners. Customer innovation is nascent. 				<ul style="list-style-type: none"> Specific expectations are defined for partners to contribute to innovation. Most innovation focuses on enhancements and process changes. 				<ul style="list-style-type: none"> Key partners are engaged and held accountable for contributing innovation as part of services. Customer ideation is active. 				<ul style="list-style-type: none"> Innovation includes active academic, vendor and investment partnerships. Expert and crowd initiatives are used. The design of challenges and participants assures good results. 				<ul style="list-style-type: none"> Multiple open innovation programs are in place. Diverse challenges are crowdsourced with good success. Partners seek out the enterprise for co-development. 			
INCM Score	0.25	0.5	0.75	1	1.25	1.5	1.75	2	2.25	2.5	2.75	3	3.25	3.5	3.75	4	4.25	4.5	4.75	5
Explanation	<ul style="list-style-type: none"> There is a well developed network of Innovations Partners, including mostly academia and research centres. Crowdsourcing is not in place, however some other forms of stimulating cooperation are regularly adopted, like an annual award for innovation funded by the organization. 																			

Innovating How We Innovate

New practices and techniques appear and gain traction quickly in business and social environments — the rapid change and movement can occur quickly and penetrate deeply into industries, enterprises and communities.

Enterprises must continually adapt and adopt relevant new ideas and practices in innovation management; recent examples of practices that experienced rapid development and adoption include **ideation**, **open innovation**, **innovation networks**, **idea marketplaces** and **crowdsourcing**.

This evolution will continue, and successful innovators will monitor and adopt modern methods and practices that enhance and extend their innovation management and programs.

	Reactive				Active				Defined				Performing				Pervasive			
Maturity Level Description	<ul style="list-style-type: none"> Innovators may latch on to new ideas, but there is little stickiness or commitment to repeatable innovation practices. 				<ul style="list-style-type: none"> Teams and business units monitor developments and evaluate new approaches for relevance to local needs. 				<ul style="list-style-type: none"> The core team formalizes the innovation watch and also monitors and communicates case references and best practices. 				<ul style="list-style-type: none"> Incubation, co-development, open innovation, experimentation, social practices, and so on are adopted to drive and enhance innovation. 				<ul style="list-style-type: none"> Enterprise is a leader in new methods and practices, including experimentation, entrepreneurship, incubation and R&D. 			
INCM Score	0.25	0.5	0.75	1	1.25	1.5	1.75	2	2.25	2.5	2.75	3	3.25	3.5	3.75	4	4.25	4.5	4.75	5
Explanation	<ul style="list-style-type: none"> Innovation processes are still in a developing phase and despite a governance committee being in place, no metrics and feedback loops are in place in order to quantify and improve innovation management capabilities. Some sporadic monitoring of best practices and new trends is done, however in an unstructured and extemporal manner. 																			