About the GE Global Innovation Barometer

Now in its **fourth edition** and spanning across **26 countries**, the GE Global Innovation Barometer is an international opinion survey of **senior business executives**, all actively engaged in the management of their firm's innovation strategy.

The survey is conducted by **Edelman Berland** a consulting and research company on behalf of GE. The Barometer explores how the perception of innovation is changing in a complex, globalized environment.

It examines the way business executives around the world appreciate the **framework for innovation** their country has developed, it also details the perspective from business on the most efficient **policies** to support Innovation.

Finally it adopts a **firm centric approach** to better understand the way international businesses adapt their innovation practices and strategies in a challenging economic environment.
Sample and fieldwork details

3,209 phone interviews (in local languages)

Interview average duration: 35-40 minutes

Period: April 2nd to May 30th 2014

All respondents directly involved in the innovation strategy or process within their company. (31% C-Level).

28% of companies operate globally, average company size is 650 employees

Average age of respondent is 44 years old

26 markets
Australia executive summary
Macro findings

Executives in Australia perceive innovation as a positive force with 86% agreeing that people in their country live better today than 10 years ago because of the impact of innovation – this is 6 points higher than the global average (80%).

82% of executives in Australia agree that innovation is increasingly becoming a global game, merging and combining talents, ideas, insights and resources across the world is the only way to be successfully innovative – in line with the global average.

Regarding collaboration, Australian executives are slightly below the global average in saying that despite the risks associated with collaboration and IP infringements, collaboration is a risk worth taking if you want to successfully innovate nowadays (72% compared to 77% global average) displaying a high agreement rate nonetheless.

Australian executives are increasingly recognising the value of collaboration with 63% of executives reporting that the revenue generated by collaborative innovation activities has been growing over the last year, moreover this percentage has increased by 8 points from 2013 (55%).

Two fifths of Australian executives (42%) perceive smaller businesses such as SMEs and start-ups as driving innovation in Australia – in line with the global average (41%). They are followed by multinationals which are favoured by a quarter of Australian executives (25%), well above the global average (15%).
Macro findings

Australian executives highlight several priorities that their companies need to master to innovate successfully. The necessity of understanding customers and anticipate market evolutions comes in as a clear priority being mentioned by 84% of Australian executives. The second crucial ability is to attract and retain the most talented and skilled individuals (74%) – slightly below the global average (79%). To quickly adapt and implement emerging technologies comes in third at 64%.

When asked about their company performance against these necessary abilities, only 18% of executives thought their company performed extremely well at understanding the needs of customers and 12% said that their company performed extremely well at retaining new talent.

The critical challenges faced by companies in Australia limiting their ability to innovate is the difficulty to come up with radical and disruptive ideas on par with the incapacity to scale up successful innovations to a wider or international market (19%) – both in line with the global average (21% and 24% respectively). The difficulty to define an effective business model to support new ideas and make them profitable follows closely and is mentioned by 18% of Australian executives as a key innovation killer – in line with the global average.
Macro findings

Internal organisation – how Australian businesses go about innovating

56% of Australian executives recognise the need for companies to encourage creative behaviours and disruptive processes in the business in order to be able to innovate successfully – below the global average (64%).

79% of Australian executives believe that when innovating, it is best to protect the core business' profitability as much as possible, so as to support research and innovation efforts compared to 21% that say it is best not to worry about the potential short term negative impact on the core business' revenue – slightly over the global average 72% which prefers the protection of the core business’ profitability.

On the other hand, 53% believe the most successful innovations are planned, emerging through a structured innovation process compared to 47% who say they are spontaneous, emerging through the interactions of creative individuals, displaying a more balanced and less clear cut preference than the global average (62% and 38% respectively).

In terms of organizational design, 62% say it is best to position innovative teams and activities inside the existing lines of businesses and structured teams – slightly below the global average of 68%.

The speed at which to get innovation to market divides Australian business executives with half of them (50%) saying it is best to get to market as quickly as possible to keep an edge on competition (in line with the global average), and 50% also saying they preferred not to rush and take all the time needed to perfect the innovation (in line with the global average).
Macro findings

The appreciation of predictive analytics is lower in Australia than globally with 40% saying that to use analytics and predictive knowledge is a crucial ability compared with 53% globally. Australian businesses report lower ‘adoption rates’ regarding big trends such as big data and the industrial internet.

Nearly half of Australian executives (48%) say they have never heard of big data before and 8% say that big data is more of a buzz word than a reality – in line with the global average (6%). Furthermore, only 16% of executives report that their company is either totally or quite prepared to make the most out of big data compared to 25% global average. A significant 36% say they have not increased their ability to analyze large and complex amounts of data over the last year and won’t (compared to 29% global average).

Concerning the industrial internet, 56% of Australian executives say they have never heard of the industrial internet compared to a global average of 44%. 33% believe the industrial internet will have a positive or neutral impact on the job market, this is 16 points below the 49% global average. Only 1% of Australian executives believe their business is already totally prepared with a strategy or process to make the most of industrial internet – below the global average (6%).
Macro findings

Australia’s framework for innovation is evaluated relatively positively by executives from other markets with 45% saying that Australia has developed a framework conducive to innovation. However, Australian executives’ self-evaluation of their overall framework for innovation has gone down this year, with 58% reporting Australia has developed an innovation-conducive environment this year compared to 66% 18 months ago – an 8-point decrease.

There has been an increase regarding the efficiency of government support for innovation, with 30% of Australian executives agreeing that government support for innovation is efficiently organised (+7 points compared to 2013), although it is still below the global average (40%).

When it comes to the priorities for government to tackle, Australian executives are aligned with the global average. 90% would like students’ curricula to be better aligned with the needs of business; 89% call for government to fight bureaucracy and red tape for companies willing to access funds and incentives allocated to innovation and 86% would like to see a better protection of business confidentiality and trade secrets.

Public authorities’ financial support towards innovative companies is slightly below the global average (47%), with 41% agreeing that government and public authorities allocate an adequate share of their budget to support innovative companies. 67% of executives highlight an insufficient support to SMEs – above the global average (61%).

39% of Australian executives are more in favour of giving subsidies/preferences to local business only to favour the development of local solutions whilst 38% think the best policy would be to give subsidies/preferences to both local and international businesses willing to bring innovative solutions to their market – this is lower than the global average of 51%.
## At a glance

### The game has changed

<table>
<thead>
<tr>
<th>Statement</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE ARE CURRENTLY IN A <strong>NEW INDUSTRIAL REVOLUTION</strong> AT THE MEETING OF HARDWARE AND SOFTWARE, A HISTORICAL SHIFT INTO THE AGE OF ADVANCED MANUFACTURING AND INDUSTRIAL INTERNET – <strong>Agree</strong></td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>INNOVATION IS INCREASINGLY BECOMING A <strong>GLOBAL GAME</strong>, MERGING AND COMBINING TALENTS, IDEAS, INSIGHTS AND RESOURCES ACROSS THE WORLD IS THE ONLY WAY TO BE SUCCESSFULLY INNOVATIVE – <strong>net agree</strong></td>
<td></td>
<td>82%</td>
</tr>
<tr>
<td>MORE THAN EVER BEFORE, INNOVATION NEEDS TO BE <strong>LOCALIZED</strong> TO SERVE SPECIFIC MARKET NEEDS</td>
<td>75%</td>
<td>66%</td>
</tr>
<tr>
<td>THE CONSTRAINTS EXPERIENCED BY SOME EMERGING COUNTRIES CREATE <strong>INNOVATION OPPORTUNITIES</strong> FOR COMPANIES, WILLING TO INVEST IN OVERCOMING THEM</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

### Driving innovation the most today in your country

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMALLER BUSINESSES (NET:SMES+ START-UPS &amp; INDIVIDUALS)</td>
<td>42%</td>
</tr>
<tr>
<td>MULTINATIONALS</td>
<td>25%</td>
</tr>
<tr>
<td>LARGE ENTERPRISES HEADQUARTERED IN YOUR COUNTRY</td>
<td>14%</td>
</tr>
<tr>
<td>PUBLIC ORGANISATIONS</td>
<td>7%</td>
</tr>
</tbody>
</table>

- Over-indexes compared to global average
- Under-indexes compared to global average
### Changing business model

<table>
<thead>
<tr>
<th>Statement</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHEN INNOVATING, COMPANIES MUST ENCOURAGE <strong>CREATIVE BEHAVIOURS</strong> AND <strong>DISRUPTIVE PROCESSES</strong> IN THE BUSINESS, ESPECIALLY</td>
<td>56%</td>
</tr>
<tr>
<td>THE DIFFICULTY TO COME UP WITH <strong>RADICAL AND DISRUPTIVE IDEAS</strong> AS A KEY CHALLENGE KILLING YOUR BUSINESS’S ABILITY TO INNOVATE EFFICIENTLY, INDEPENDENTLY FROM THE PROFILE OF THEIR COMPANY</td>
<td>19%</td>
</tr>
<tr>
<td>WHEN INNOVATING, IT IS BEST TO <strong>PROTECT THE CORE BUSINESS’ PROFITABILITY</strong> AS MUCH AS POSSIBLE, SO TO SUPPORT RESEARCH &amp; INNOVATION EFFORTS</td>
<td>79%</td>
</tr>
<tr>
<td>THE MOST SUCCESSFUL INNOVATIONS ARE <strong>PLANNED</strong>, EMERGING THROUGH A STRUCTURED INNOVATION PROCESS</td>
<td>53%</td>
</tr>
<tr>
<td>IN TERMS OF ORGANIZATIONAL DESIGN, IT IS BEST TO POSITION <strong>INNOVATIVE TEAMS</strong> AND ACTIVITIES <strong>INSIDE</strong> THE EXISTING LINES OF BUSINESSES AND STRUCTURED TEAMS</td>
<td>62%</td>
</tr>
<tr>
<td>WHEN INNOVATING, IT IS BEST TO <strong>GET TO MARKET AS QUICKLY</strong> AS POSSIBLE TO KEEP AN EDGE ON COMPETITION</td>
<td>50%</td>
</tr>
</tbody>
</table>
**At a glance**

### Embracing new innovation abilities

<table>
<thead>
<tr>
<th><strong>COLLABORATING</strong> WITH EXTERNAL BUSINESS PARTNERS CAN PUT MY BUSINESS AT RISK AS REGARD INTELLECTUAL PROPERTY AND TRADE SECRETS BUT THIS IS A <strong>RISK WORTH TAKING</strong> IF YOU WANT TO SUCCESSFULLY INNOVATE NOWADAYS</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>72%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THE REVENUE AND PROFIT GENERATED BY <strong>COLLABORATIVE INNOVATION ACTIVITIES</strong> HAS BEEN GROWING OVER THE LAST YEAR</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55%</td>
<td>63%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>HAVE NEVER HEARD OF BIG DATA</strong></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>HAVE NOT INCREASED</strong> THEIR ABILITY TO ANALYZE LARGE AND COMPLEX AMOUNTS OF DATA OVER THE LAST YEAR <strong>AND WON’T</strong></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>BUSINESS ALREADY FULLY / QUITE PREPARED</strong> WITH A STRATEGY OR PROCESS TO MAKE THE MOST OF <strong>BIG DATA</strong></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>HAVE NEVER HEARD OF THE INDUSTRIAL INTERNET</strong></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>56%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INDUSTRIAL INTERNET</strong>: POSITIVE IMPACT ON THE JOB MARKET, FUELLING COMPANIES PERFORMANCE AND GROWTH AND CREATING NEW DEMAND FOR EMPLOYMENT</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>BUSINESS ALREADY FULLY / QUITE PREPARED</strong> WITH A STRATEGY OR PROCESS TO MAKE THE MOST OF <strong>INDUSTRIAL INTERNET</strong></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

*Over-indexes compared to global average*  
*Under-indexes compared to global average*
At a glance

2014: Innovation framework ranking 16th*

<table>
<thead>
<tr>
<th>Question</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>INNOVATION FRAMEWORK EVALUATION: COUNTRY HAS “INNOVATION-CONDUCIVE ENVIRONMENT?”</td>
<td>52%</td>
<td>45%</td>
</tr>
<tr>
<td>GOVERNMENT SUPPORT FOR INNOVATION IS EFFICIENTLY ORGANIZED</td>
<td>23%</td>
<td>30%</td>
</tr>
<tr>
<td>GOVERNMENT AND PUBLIC AUTHORITIES ALLOCATE AN ADEQUATE SHARE OF THEIR BUDGET TO SUPPORT INNOVATIVE COMPANIES</td>
<td>26%</td>
<td>41%</td>
</tr>
</tbody>
</table>

WHAT DO YOU THINK IS THE BEST PUBLIC POLICY?

<table>
<thead>
<tr>
<th>Public Policy</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIVE SUBSIDIES/PREFERENCES TO BOTH LOCAL AND INTERNATIONAL BUSINESSES WILLING TO BRING INNOVATIVE SOLUTIONS TO THE MARKET</td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>GIVE SUBSIDIES/PREFERENCES TO LOCAL BUSINESS ONLY TO FAVOR THE DEVELOPMENT OF LOCAL SOLUTIONS</td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>SUBSIDIES AND PREFERENCES ARE NOT AN EFFECTIVE WAY TO SUPPORT INNOVATION AS THEY INTRODUCE STRONG BIAS AND HAVE ONLY SHORT TERM EFFECTS</td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>PUBLIC AUTHORITIES DO NOT SUPPORT SME’S IN THEIR INNOVATION EFFORTS ENOUGH</td>
<td></td>
<td>67%</td>
</tr>
<tr>
<td>PRIVATE INVESTORS ARE SUPPORTIVE OF COMPANIES THAT NEED FUNDS TO INNOVATE</td>
<td></td>
<td>37%</td>
</tr>
</tbody>
</table>

*Based on the 32 markets covered in Q9
### Innovation success priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>To understand customers and anticipate market evolutions</td>
<td>82%</td>
<td>84%</td>
</tr>
<tr>
<td>To attract and retain the most talented and skilled individuals</td>
<td>82%</td>
<td>74%</td>
</tr>
<tr>
<td>To quickly adapt and implement emerging technologies</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>To encourage creative behaviours and disruptive processes in the business</td>
<td></td>
<td>56%</td>
</tr>
<tr>
<td>To identify and work collaboratively with the best external business partners</td>
<td>68%</td>
<td>53%</td>
</tr>
<tr>
<td>To allocate and secure a specific budget for innovation activities</td>
<td>43%</td>
<td>60%</td>
</tr>
<tr>
<td>To prioritize longer term innovation goals over shorter term financial objectives</td>
<td></td>
<td>57%</td>
</tr>
<tr>
<td>To adopt a test fast, fail fast, adjust fast approach</td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>To use analytics and predictive knowledge</td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>To make the most of public authorities' incentives, subsidies, tax credits</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>To attract investors to fund innovative programs</td>
<td>17%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**Legend:**
- **Over-indexes compared to global average**
- **Under-indexes compared to global average**
<table>
<thead>
<tr>
<th>Innovation killers</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>The incapacity to scale up successful innovations, to a wider or international market</td>
<td>19%</td>
</tr>
<tr>
<td>The difficulty to come up with radical and disruptive ideas</td>
<td>19%</td>
</tr>
<tr>
<td>The difficulty to define an effective business model to support new ideas and make them profitable</td>
<td>18%</td>
</tr>
<tr>
<td>To lack sufficient investment and financial support</td>
<td>17%</td>
</tr>
<tr>
<td>A lack of talent / Inadequate skillset</td>
<td>13%</td>
</tr>
<tr>
<td>To lack internal support from leadership team/top management</td>
<td>19%</td>
</tr>
<tr>
<td>The internal inertia and the incapacity to be nimble, failing at rapidly converting ideas into actions</td>
<td>17%</td>
</tr>
<tr>
<td>The incapacity of the business to take risks</td>
<td>16%</td>
</tr>
</tbody>
</table>
### At a glance

**Main Priorities Country Should Focus On To Efficiently Support Innovation**

<table>
<thead>
<tr>
<th>Priority</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fight bureaucracy and red tape for companies willing to access funds and incentives allocated to innovation</td>
<td>92%</td>
<td>89%</td>
</tr>
<tr>
<td>Ensure that business confidentiality and trade secrets are adequately protected</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Better align students curricula with the needs of business</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Facilitate research cooperation with other countries</td>
<td></td>
<td>79%</td>
</tr>
<tr>
<td>Actively promote partnerships between the public and private sectors</td>
<td></td>
<td>87%</td>
</tr>
<tr>
<td>Reinforce IP to encourage stronger collaboration between companies</td>
<td></td>
<td>73%</td>
</tr>
<tr>
<td>Encourage the collaboration of private companies with SOEs</td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>Ensure public procurement leads to the early adoption of major innovations</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Evaluate the impact some of its local content requirement and regulatory policies</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>Ensure public procurement always favors the most innovative solutions even if they come from foreign countries</td>
<td>57%</td>
<td></td>
</tr>
<tr>
<td>Encourage and ease the hiring of talented foreign citizens</td>
<td>58%</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- Over-indexes compared to global average
- Under-indexes compared to global average
Global findings
Innovation executives are acutely aware that powerful trends are at work that will change the business environment.

Collaboration, convergence, Industrial Internet, Data-analytics changed the way business are innovating.

Collaboration is already embraced and delivering positive results, the risk is worth taking

Convergence of technology and big data are more than buzz words, they become a reality but create implementation challenges

Firms broadly boosted their analytics capabilities but a small majority have leveraged the predictive dimension of Big data. Those who did recognized the value it added to their innovation process and the influence it conferred data scientists in their organization

Awareness of the Industrial Internet is significant, but the concept still needs to demonstrate its true revolutionary nature. High tech, Telecom and Energy industries have already prepared to embrace the revolution, Manufacturing and Healthcare slower to adopt

The debate around the impact of Industrial internet on the job market is not settled, but a majority reject the hypothesis of a net negative impact on employment.
Increasingly Innovation is about finding the right talent, partners, resources, ideas and insight on a global scale.

Constraints in emerging markets can be converted into opportunities, even if some interesting differences emerge on this notion.

The focus on local needs and specificities is being recognized.

In most emerging economies, multinational companies drive Innovation much more prominently than local governments or academia, and more so than local businesses.

The GloCal nature of Innovation is becoming table-stake, the innovation playground knows no borders.

Infrastructure challenges of emerging economies don’t stop innovative businesses, even if scaling up is a clear issue for them.
The need for disruption in processes and behaviors is established as a criterion for success. But business leaders are still very much focused on short term profitability and struggle to adopt more spontaneous, creative, and interactive innovation models. More traditional organizational design attached to innovation activities remain the norm.

To maximize the potential of this new environment, business leaders need to make some « tough calls ».

Innovation is disrupting the business status-quo, business leaders face uneasy trade-offs.
Internal agility and speed clearly identified as pre-requisites to Innovation success

“Fast works” related concepts are getting traction, but old reflexes are hard to shake-off

Internal inertia is identified as a strong « innovation killer »

How to foster an environment fully ready for disruptive and radical innovation is a key challenge

The ability to adopt and implement emerging technologies fast is clearly identified as a business driver and competitive advantage, but only a few excel at it

The acceleration of the go-to market process (test fast, fail fast, pivot fast) is embraced by half of Innovation executives, but still generate considerable nervousness
Designing effective and sustainable business models lays at the very core of innovation executives’ concerns and priorities.

Managing collaboration, articulating revenue streams, funding innovation activities and finding them a « home » in the company are identified as focus areas.

The difficulty to scale up Innovative business is the number one “Innovation killer.”

How to articulate revenue streams coming from innovative activities and more core business operations is challenging. Only a minority of respondents are ready to risk disrupting current profit streams to enable innovative business to grow.

How to fund innovation aggressively both from public and private sources is a challenge, due to internal and external factors.

Deciding where best to embed and integrate the new functions and external partners can have important consequences on the operations and on the culture of the firm.
Governments have to provide the right framework for Innovation (IP protection, minimal red tape and bureaucracy, public private partnership)

They should also harness the power of public procurement to support innovation and manage subsidies carefully

They should make sure they prepare and give access to the talent pool needed to innovate better

They should focus innovation incentives on the value created beyond geographic or national considerations

They should amplify the support to Innovative SMEs and at the same time capitalize on the drive Multinationals can bring to their Innovation landscape

What are business leaders’ expectations regarding the role of government and public authorities?

Provide a conducive Innovation framework, set the right incentives for Innovation, invest in talent, support SMEs and harness the power of multinationals
Country specifics, there is no one size fits all model for Innovation

Innovation champions like USA and Germany, display contrasted perceptions and priorities. Emerging economies are not a consistent block, Asia emerging markets doing more positively than African markets.

The efficacy of government support to Innovation is increasingly contrasted (Singapore, UAE, China and KSA still and even more leading on this indicator than before, USA is stable at a low level of satisfaction)

USA confirms and amplifies its status as a leader for Innovation (Innovation champion, and most innovation conducive environment) at least from a reputation standpoint (macro economic indicators providing a more contrasted picture)

South Korea, Singapore, India are less perceived as innovation-friendly environments by the Global community
The Energy industry is facing multiple challenges, but driving economic growth through new and more sustainable sources of energy is identified as the absolute priority. The contribution from energy to broader economic growth is identified as the number one challenge. The reduction of the environmental impact of energy and the diversification of the energy mix comes second. The rising role of analytics in helping the industry become more efficient is recognized but less prominent in energy respondents’ opinion.

Technical and medical innovation such as imaging devices and diagnosis tools are expected to drive the most progress in quality of healthcare. This is the first driver identified by Healthcare industry respondents. Scientific innovation and especially applied genetic science to diagnostic are also very high in the ranking. Policy innovation (awareness campaigns, early detection of diseases) is also expected to play a leading role.
Detailed findings
Innovation executives are acutely aware that powerful trends are at work that will change the business environment.

Collaboration, convergence, Industrial Internet, Data-analytics change(d) the way business are innovating.

Collaboration is already embraced and delivering positive results, the risk is worth taking.

Convergence of technology and big data are more than buzz words, they become a reality but create implementation challenges.

Firms broadly boosted their analytics capabilities but a small majority have leveraged the predictive dimension of Big data. Those who did recognize the value it added to their innovation process and the influence it conferred data scientists in their organization.

Awareness of the Industrial Internet is significant, but the concept still needs to demonstrate its true revolutionary nature. High tech, Telecom and Energy industries have already prepared to embrace the revolution, Manufacturing and Healthcare slower to adopt.

The debate around the impact of Industrial internet on the job market is not settled, but a majority reject the hypothesis of a net negative impact on employment.
Innovation is acknowledged as driver of general improvement in countries. But some executives sense a scepticism amongst their national public opinion about the impact of technological innovation on inequalities.

“PEOPLE IN MY COUNTRY LIVE BETTER TODAY THAN 10 YEARS AGO BECAUSE OF THE IMPACT OF INNOVATION ON THEIR LIFE AND ON OUR COUNTRY”

“THERE IS A STRONG FEAR THAT TECHNOLOGICAL INNOVATION WILL INCREASE INEQUALITIES”

Q6-3. Would you say that you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following opinions? Q10-4. Thinking about your country in particular, how far do you agree with the following statements? There is a strong fear that technological innovation will increase inequalities. Base: Global results N= 3,209, Australia N= 100.
The apprehension of the impact of technological innovation on inequalities varies across countries

"THERE IS A STRONG FEAR THAT TECHNOLOGICAL INNOVATION WILL INCREASE INEQUALITIES"

Q10-4. Thinking about your country in particular, how far do you agree with the following statements? There is a strong fear that technological innovation will increase inequalities. Base: Country results N= 100–300 per market, Australia N= 100.
A new Industrial Revolution? Split perceptions

“We are currently in a new Industrial Revolution at the meeting of hardware and software, a historical shift into the age of advanced manufacturing and industrial internet”

Q18-2. Now we are going to present different views on these emerging trends, we would like you to pick the one you feel is the truest or the most relevant. Base: Global results N= 3,209
Continuity for developed markets, a radical change for the emerging ones

“We are currently in a **new Industrial Revolution** at the meeting of hardware and software, a historical shift into the age of advanced manufacturing and industrial internet”

A revolution

An evolution

Q18-2. Now we are going to present different views on these emerging trends, we would like you to pick the one you feel is the truest or the most relevant. Base: Country results N= 100– 300 per market, Australia N= 100.
A more confidential trend but some are already actively looking into it

**Collaboration with start-up and entrepreneurs**
- Collaboration is an established trend and a (upcoming) reality for most
- % Totally /quite prepared:
  - 47% Totally prepared
  - 34% Quite prepared
  - 21% Not quite prepared but planning to
  - 25% Not at all prepared and not planning to
  - 10% Don’t know
  - 8% Never heard of it

**Convergence of technology**
- Not all have heard of it, but many are getting ready for it
- % Totally /quite prepared:
  - 32% Totally prepared
  - 40% Quite prepared
  - 25% Not quite prepared but planning to
  - 25% Not at all prepared and not planning to
  - 8% Don’t know
  - 8% Never heard of it

**Big Data**
- Not all have heard of Big data, but half companies are getting ready for it
- % Totally /quite prepared:
  - 25% Totally prepared
  - 40% Quite prepared
  - 25% Not quite prepared but planning to
  - 25% Not at all prepared and not planning to
  - 8% Don’t know
  - 8% Never heard of it

**“Industrial Internet”**
- A more confidential trend but some are already actively looking into it
- % Totally /quite prepared:
  - 25% Totally prepared
  - 44% Quite prepared
  - 25% Not quite prepared but planning to
  - 25% Not at all prepared and not planning to
  - 8% Don’t know
  - 8% Never heard of it

---

Q17. Is your business already equipped with a strategy or process to make the most of...
Base: Global results N= 3,209
External collaboration is now a reality, and demonstrates to be a profitable risk worth taking.

But this is a risk worth taking if you want to successfully innovate nowadays.

COLLABORATING WITH EXTERNAL BUSINESS PARTNERS CAN PUT MY BUSINESS AT RISK AS REGARD INTELLECTUAL PROPERTY AND TRADE SECRETS...

The facts:

- The revenue and profit generated by collaborative innovation activities has been growing over the last year. (64%)
- My company embraces open source innovation – involving external stakeholders such as entrepreneurs in the internal development of new ideas. (59%)
- My company has already resorted to crowdsourcing soliciting contributions (ideas, content, investment, etc.) from a large and varied group of stakeholders for its innovation activities. (34%)

Q13. Which of the following apply in your company? Base: Global results N= 3,209, Australia N= 100.

- The country is over-indexing compared to the global average (72%)
- The country is under-indexing compared to the global average (28%)

Q14. Which of these two statements is closer to your opinion?

- The revenue and profit generated by collaborative innovation activities has been growing over the last year. (63%)
- My company embraces open source innovation – involving external stakeholders such as entrepreneurs in the internal development of new ideas. (56%)

- The country is over-indexing compared to the global average (72%)
- The country is under-indexing compared to the global average (28%)
Collaboration, a reality in most markets

AND THE REVENUE AND PROFIT GENERATED BY COLLABORATIVE INNOVATION ACTIVITIES HAS BEEN GROWING OVER THE LAST YEAR

Q13. Which of the following apply in your company? YES Base: Country results N= 100–300 per market, Australia N= 100.

Global average 64%

More collaborative (over-index)

Less collaborative (under-index)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Algeria 79%
Turkey 76%
Indonesia 76%
UAE 75%
India 72%
Sweden 71%
Israel 71%
KSA 70%
Singapore 69%
Mexico 68%
Brazil 67%
UK 66%
Kenya 66%
South Africa 65%
USA 64%
Malaysia 64%
Australia 63%
Canada 61%
Germany 61%
China 60%
Nigeria 60%
Poland 57%
South Korea 52%
Japan 50%
Italy 46%
Russia 41%
Some countries have increased their collaboration effort even further than last year

AND THE REVENUE AND PROFIT GENERATED BY COLLABORATIVE INNOVATION ACTIVITIES HAS BEEN GROWING OVER THE LAST YEAR

Q13. Which of the following apply in your company? YES Base: Country results N= 100–300 per market, Australia N= 100.
The ability or willingness to embrace change varies size of company

The revenue and profit generated by **collaborative innovation activities** has been growing over the last year.

![Graph showing percentage growth in revenue and profit by number of employees.]

And similarly, **reinforcing IP** to encourage stronger collaboration between companies is critical especially for companies with 501 to 1,000 employees.

![Graph showing percentage of companies focusing on IP by number of employees.]

Q13-1. Which of the following apply in your company? (% Yes) & Q12-1. What are the main priorities your country should focus on to efficiently support innovation? (% critical priority)

Base: <100 employees N= 907; 101-500 employees N= 1045; 501-1,000 employees N=588; >1,000 employees N= 669
And it also varies by sector

- My company has already resorted to crowdsourcing
- My company embraces open source innovation

Q13-2&3. Which of the following apply in your company? Base: Sectors – Min n=140 – Max n=469
Big data is not longer a buzz word

Do you believe in the importance of data sciences and analytics in enabling innovation?

- **Critical for all**: 31%
- **Critical for some**: 39%
- **Useful tool**: 23%
- **Buzz Word**: 6%

Q19. Do you believe in the importance of data sciences and analytics in enabling innovation? By “Data sciences and analytics”, also often referred to as “Big data”, we mean the ability for a company to use analytics to create strategic knowledge from large and complex datasets. Base: Global results N= 3,209, Australia N = 100.

The country is over-indexing compared to the global average. The country is under-indexing compared to the global average.
But not all markets are familiar with Big data

Q15-3. Are you familiar with the following notions? Big data Base: Country results N= 100–300 per market, Australia N= 100.
Big Data, the reality:

THE BUSINESS NEED

Most identify the need for predictive data

84%
Believe it is critical to understand customers and anticipate market evolutions to innovate successfully

53%
Believe it is critical to use analytics and predictive knowledge to innovate successfully

THE SOLUTION

But only half identify Big Data as being the solution

THE FACTS

HAS YOUR COMPANY INCREASED ITS ABILITY TO ANALYZE LARGE AND COMPLEX AMOUNTS OF DATA OVER THE LAST YEAR?

Yes 47%
No, but we are planning to 29%
No and we won’t 24%

Q1-3 Q2-9 – innovation priorities, Base all n=3,209. Q21. Big data is / will be a real challenge for my company as it forces to allocate resources and budget at the expense of more traditional activities (e.g. marketing, insight, research, etc). Base Those which increased/planning to increase ability N= 1,851 //Q22/Has your company managed to make the most out of the data collected and convert this into added value for the innovation process? Base: Big Data users global N= 1,135 //20 bis/ Do data scientists, i.e. those who able to make sense of large amounts of data, have strong influence and authority in your company . Base Big data enabled companies N=721
The planning of increased analytical capabilities is polarising across countries

HAVE NOT INCREASED THEIR ABILITY TO ANALYZE LARGE AND COMPLEX AMOUNTS OF DATA OVER THE LAST YEAR AND WON’T

Q20. Has your company increased its ability to analyze large and complex amounts of data over the last year? (% Yes)
Base: Country results N= 100–300 per market, Australia N= 100.
Sectors with more advanced technical expertise or more structured sets of data lead the change, but better be a larger company.

NUMBER OF COMPANIES WHICH HAVE **INCREASED ABILITY** TO ANALYZE LARGE AND COMPLEX AMOUNTS OF DATA OVER THE LAST YEAR?

<table>
<thead>
<tr>
<th>Sector</th>
<th>Yes (%)</th>
<th>Global average</th>
<th>Min n=140</th>
<th>Max n=469</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-tech / IT</td>
<td>53%</td>
<td>44%</td>
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<tr>
<td>Telecoms</td>
<td>53%</td>
<td>44%</td>
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<tr>
<td>Energy</td>
<td>48%</td>
<td>44%</td>
<td></td>
<td></td>
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<tr>
<td>Professional services</td>
<td>47%</td>
<td>44%</td>
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<tr>
<td>Healthcare</td>
<td>46%</td>
<td>44%</td>
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<tr>
<td>Other</td>
<td>45%</td>
<td>44%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td>42%</td>
<td>44%</td>
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<tr>
<td>FMCG</td>
<td>41%</td>
<td>44%</td>
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<tr>
<td>Manufacturing</td>
<td>40%</td>
<td>44%</td>
<td></td>
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</tr>
<tr>
<td>Industrial products</td>
<td>38%</td>
<td>44%</td>
<td></td>
<td></td>
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<tr>
<td>Electronics</td>
<td>35%</td>
<td>44%</td>
<td></td>
<td></td>
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<tr>
<td>1,000+</td>
<td>52%</td>
<td>44%</td>
<td></td>
<td></td>
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<tr>
<td>501-1,000</td>
<td>47%</td>
<td>44%</td>
<td></td>
<td></td>
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<tr>
<td>101-500</td>
<td>43%</td>
<td>44%</td>
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<tr>
<td>&lt;100</td>
<td>37%</td>
<td>44%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q20. Has your company increased its ability to analyze large and complex amounts of data over the last year? (% Yes) Base: Sectors – Min n=140 – Max n=469 / company size: <100 employees N= 907; 101-500 employees N= 1045; 501-1,000 employees N=588; >1,000 employees N= 669
Big Data, the reality:

And many dread the challenge/ impact of its implementation on the business model

61% of those who have made the move or are planning so, Declare Big data is / will be a real challenge as it forces to allocate resources and budget at the expense of more traditional activities

Those experiencing increased data analytics capabilities see the added value Big Data brings into their innovation process

69% declare they made the most out of the data collected and converted it into added value for the innovation process

Q1-3 Q2-9 – innovation priorities, Base all n=3,209. Q21. Big data is / will be a real challenge for my company as it forces to allocate resources and budget at the expense of more traditional activities (e.g. marketing, insight, research, etc). Base Those which increased/planning to increase ability N= 1,851 //Q22/Has your company managed to make the most out of the data collected and convert this into added value for the innovation process? Base: Big Data users global N= 1,135 /20 bis/ Do data scientists, i.e. those who able to make sense of large amounts of data, have strong influence and authority in your company . Base Big data enabled companies N=721
Q15. Are you familiar with the following notions? Base: Global results N=3,209 // Q18-1. Now we are going to present different views on these emerging trends, we would like you to pick the one you feel is the truest or the most relevant. Base: Global results N=3,209

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**FAMILIARITY WITH THE NOTION**

- Fully familiar with this notion: 26%
- Heard of it but were not completely sure of its meaning: 30%
- Never heard of it: 44%

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**THE 'INDUSTRIAL INTERNET' OR 'INTERNET OF THINGS' WILL HAVE A RATHER...**

- **Positive impact** on the job market, fuelling companies performance and growth and creating new demand for employment: 31%
- **Neutral impact** on the job market, transforming the overall job market: 18%
- **Negative impact** on the job market, making it easier to replace unskilled workers by machines and automated processes: 7%

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*“Industrial internet” or “Internet of things” = “The next generation of internet integrating complex physical machinery with networked sensors and software”*
High tech / IT and Telecoms are paving the way

50% of innovation executives agree the “industrial internet” will drive innovation success in the future.

50% of businesses already equipped with a strategy or process to make the most of...

<table>
<thead>
<tr>
<th>Sector</th>
<th>Never heard of it</th>
<th>Not planning to</th>
<th>Planning to</th>
<th>Prepared</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-tech / IT</td>
<td>28%</td>
<td>20%</td>
<td>42%</td>
<td>30%</td>
</tr>
<tr>
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<td>35%</td>
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<td>45%</td>
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<td>Professional services</td>
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<td>Electronics</td>
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<td>26%</td>
</tr>
<tr>
<td>FMCG</td>
<td>25%</td>
<td>18%</td>
<td>48%</td>
<td>25%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>21%</td>
<td>18%</td>
<td>47%</td>
<td>21%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>21%</td>
<td>19%</td>
<td>47%</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
<td>16%</td>
<td>45%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Q17. Is your business already equipped with a strategy or process to make the most of… Base: Global results N= 3,209 / Sectors – Min n=140 – Max n=469
Increasingly Innovation is about finding the right talent, partners, resources, ideas and insight on a global scale.

Constraints in emerging markets can be converted into opportunities, even if some interesting differences emerge on this notion.

The focus on local needs and specificities is being recognized.

In most emerging economies, multinational companies drive innovation much more prominently than local governments or academia, and more so than local businesses.

The GloCal nature of Innovation is becoming a table-stake, the innovation playground knows no borders.

Infrastructure challenges of emerging economies don’t stop innovative businesses, even if scaling up is a clear issue for them.
Think “glocal”!

INNOVATION IS INCREASINGLY BECOMING A GLOBAL GAME, MERGING AND COMBINING TALENTS, IDEAS, INSIGHTS AND RESOURCES ACROSS THE WORLD IS THE ONLY WAY TO BE SUCCESSFULLY INNOVATIVE.

More than ever before, innovation needs to be localized to serve specific market needs.

Q6-2&1. Would you say that you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following opinions? Base: Global results N= 3,209.

Global 82%: 48% strongly agree, 14% somewhat agree, 34% somewhat disagree, 4% strongly disagree.

Local 73%: 37% strongly agree, 18% somewhat agree, 36% somewhat disagree, 9% strongly disagree.

“Glocalization”

<table>
<thead>
<tr>
<th>Year</th>
<th>Global</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>76%</td>
<td>84%</td>
</tr>
<tr>
<td>2013</td>
<td>84%</td>
<td>73%</td>
</tr>
<tr>
<td>2014</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree

Think “glocal”!
Localized innovation is more polarizing

More than ever before, innovation needs to be **localized** to serve specific market needs

Innovation is increasingly becoming a **global game**, merging and combining talents, ideas, insights and resources across the world is the only way to be successfully innovative

Q6-2&1. Would you say that you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following opinions?

Base: Global results N= 3,209. Base: Country results N= 100–300 per market, Australia N= 100.

Q6-2&1. Would you say that you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following opinions? Base: Global results N= 3,209. Base: Country results N= 100–300 per market, Australia N= 100.
Constraints in emerging markets mostly seen as an innovation opportunity

THE CONSTRAINTS EXPERIENCED BY SOME EMERGING COUNTRIES (E.G. LOWER PURCHASING POWER, ENERGY CHALLENGES, LACK OF INFRASTRUCTURES, ETC.)

Create innovation opportunities for companies, willing to invest in overcoming them

74%

Make it almost impossible to innovate there

26%

CREATE INNOVATION OPPORTUNITIES

Professional
Telecoms
FMCG
Healthcare
Energy
Other
High-tech / IT
Automotive
Manufacturing
Industrial products
Electronics

1,000+
501-1,000
101-500
<100

77% 77% 76% 76% 76% 75% 73% 73% 71% 71% 70% 70% 79% 71% 73% 74%

Q4-5. Now we are going to present different views on the ideal innovation process. We would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Global results N= 3,209 / Base: Country results N= 100–300 per market, Australia N= 100.
No consensus amongst emerging countries

THE CONSTRAINTS EXPERIENCED BY SOME EMERGING COUNTRIES CREATE INNOVATION OPPORTUNITIES FOR COMPANIES, WILLING TO INVEST IN OVERCOMING THEM

Q4-5. Now we are going to present different views on the ideal innovation process. We would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Country results N= 100–300 per market, Australia N= 100.
WHO IS DRIVING INNOVATION THE MOST TODAY IN YOUR COUNTRY?

- Multinationals
- Large enterprises headquartered in your country

Q7. Who do you think is driving innovation the most today in your country? Base: Country results N= 100–300 per market, Australia N= 100.
Q7. Who do you think is driving innovation the most today in your country? Based on businesses for which a country over-indexes compared to global average Base: Country results N= 100–300 per market

The business fabric of innovation varies across countries, each picking a combination of business types to lead it.
To maximize the potential of this new environment, business leaders need to make some « tough calls ».

Innovation is disrupting the business status-quo, business leaders face uneasy trade-offs.

The need for disruption in processes and behaviors is established as a criterion for success.

But business leaders are still very much focused on short term profitability…

…And struggle to adopt more spontaneous, creative and interactive innovation models.

More traditional organizational design attached to Innovation activities remain the norm.
Being truly innovative is a challenge, requiring to change mind-sets, behaviours and processes. Disrupt!

64% agree that to be successful when innovating, companies must encourage creative behaviours and disruptive processes in the business, especially:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>Healthcare sector</td>
</tr>
<tr>
<td>67%</td>
<td>Amongst those that already collaborate</td>
</tr>
<tr>
<td>68%</td>
<td>Amongst those already use open sources</td>
</tr>
<tr>
<td>69%</td>
<td>Amongst those already use big data</td>
</tr>
</tbody>
</table>

Very consistently across audience, 59% consider the difficulty to come up with **radical and disruptive ideas** as a key challenge killing your business’s ability to innovate efficiently, independently from the profile of their company.

Q5-1. Do you consider any of the following as key challenges killing your business's ability to innovate efficiently? Q1_5. Thinking about how companies **manage innovation**, how important are the following for a company to be able to innovate successfully? (Grades from 8 to 10) Base: Global results N= 3,209
Emerging countries are the most opened to disrupt their internal business model

- WHEN INNOVATING, COMPANIES MUST ENCOURAGE CREATIVE BEHAVIOURS AND DISRUPTIVE PROCESSES IN THE BUSINESS, ESPECIALLY
- THE DIFFICULTY TO COME UP WITH RADICAL AND DISRUPTIVE IDEAS AS A KEY CHALLENGE KILLING YOUR BUSINESS'S ABILITY TO INNOVATE EFFICIENTLY, INDEPENDENTLY FROM THE PROFILE OF THEIR COMPANY

Q5-1. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently? (Grades from 8 to 10) Base: Country results N=100–300 per market, Australia N=100.

WHEN INNOVATING, COMPANIES MUST ENCOURAGE CREATIVE BEHAVIOURS AND DISRUPTIVE PROCESSES IN THE BUSINESS, ESPECIALLY

THE DIFFICULTY TO COME UP WITH RADICAL AND DISRUPTIVE IDEAS AS A KEY CHALLENGE KILLING YOUR BUSINESS’S ABILITY TO INNOVATE EFFICIENTLY, INDEPENDENTLY FROM THE PROFILE OF THEIR COMPANY
But behind good “disruptive” intentions, most prefer to stick to well-established and more conservative practices and processes.

### WHEN INNOVATING, IT IS BEST..
- **To protect the core business’ profitability** as much as possible, so to support research & innovation efforts: 72%
- **Not to worry about the potential short term negative impact on the core business’ revenue**: 28%

### THE MOST SUCCESSFUL INNOVATIONS ARE
- **Planned**, emerging through a structured innovation process: 62%
- **Spontaneous**, emerging through the interactions of creative individuals: 38%

Q4-1&2. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Global results N= 3,209, Australia N= 100.
Some markets are more disruptive than others as regard the ideal innovation process, but the large majority agrees on the importance to protect the core business' profitability.

Q4-1&2. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Country results N= 100–300 per market, Australia N= 100.

<table>
<thead>
<tr>
<th>Country</th>
<th>Protection of Core Business' Profitability</th>
<th>Planned, Structured Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>79%</td>
<td>78%</td>
</tr>
<tr>
<td>China</td>
<td>68%</td>
<td>75%</td>
</tr>
<tr>
<td>Mexico</td>
<td>66%</td>
<td>74%</td>
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<tr>
<td>Algeria</td>
<td>66%</td>
<td>72%</td>
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<tr>
<td>Nigeria</td>
<td>58%</td>
<td>62%</td>
</tr>
<tr>
<td>Brazil</td>
<td>50%</td>
<td>60%</td>
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<tr>
<td>Malaysia</td>
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<td>60%</td>
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<tr>
<td>Turkey</td>
<td>42%</td>
<td>70%</td>
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<tr>
<td>India</td>
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<tr>
<td>Poland</td>
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<td>Italy</td>
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<td>Israel</td>
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<td>KSA</td>
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<td>Russia</td>
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<td>UAE</td>
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<td>South Korea</td>
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</tbody>
</table>

When innovating, it is best to protect the core business' profitability as much as possible, so to support research & innovation efforts.
Internal agility and speed clearly identified as prerequisites to Innovation success

“Fast works” related concepts are getting traction, but old reflexes are hard to shake-off

Internal inertia is identified as a strong “innovation killer”

How to foster an environment fully ready for disruptive and radical innovation is a key challenge

The ability to adopt and implement emerging technologies fast is clearly identified as a business driver and competitive advantage, but only a few excel at it

The acceleration of the go-to market process (test fast, fail fast, pivot fast) is embraced by half of Innovation executives, but still generate considerable nervousness
There is a strong consensus on the need for internal agility, and the difficulty of achieving it.

67% agree that to be successful when innovating, companies must quickly adapt and implement emerging technologies.

57% consider the internal inertia and the incapacity to be nimble, failing at rapidly converting ideas into actions is a challenge limiting their business’s ability to innovate efficiently.

Internal inertia is a key critical challenge killing their business’s ability to innovate efficiently.

- Healthcare: 62%
- Manufacturing: 61%
- Professional services: 60%
- FMCG: 58%
- Industrial products: 57%
- Automotive: 57%
- Energy: 57%
- Other: 55%
- High-tech / IT: 54%
- Electronics: 53%
- Telecoms: 52%

Q1/Q2. Thinking about how companies manage innovation, how important are the following for a company to be able to innovate successfully? (Grades 8-10)

Q5-7. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently (A critical challenge/ A bit of a challenge)?

Base: Global results N= 3,209
Emerging technologies are a priority for most

Q1/Q2. Thinking about how companies **manage innovation**, how important are the following for a company to be able to innovate successfully? (Grades 8-10)

Base: Country results N= 100–300 per market, Australia N= 100.

TO BE SUCCESSFUL WHEN INNOVATING, COMPANIES MUST **QUICKLY ADAPT AND IMPLEMENT EMERGING TECHNOLOGIES**

**Global average 67%**

Mexico 88%  Turkey 84%  Brazil 80%  India 77%  Algeria 76%  Russia 75%  Kenya 75%  South Africa 75%  Italy 73%  Nigeria 73%  Poland 73%  Israel 72%  Canada 71%  UAE 66%  USA 65%  Australia 64%  South Korea 64%  Germany 63%  Malaysia 61%  China 57%  Indonesia 57%  Japan 57%  UK 55%  Singapore 53%  KSA 53%  Sweden 40%

**Over-indexing**

**Under-indexing**
Internal inertia is an innovation challenge in most countries

**INTERNAL INERTIA IS A KEY CRITICAL CHALLENGE KILLING THEIR BUSINESS’S ABILITY TO INNOVATE EFFICIENTLY**

Q5-7. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently (A critical challenge/ A bit of a challenge)?

Base: Country results N= 100–300 per market, Australia N= 100.

Global average 57%
Speed to market remains a tougher decision dividing innovation executives into 2 camps

WHEN INNOVATING, IT IS BEST..

To get to market as quickly as possible to keep an edge on competition

Not to rush and take all the time needed to perfect the innovation

50%

50%

50% think it is crucial for companies to adopt a test fast, fail fast, adjust fast approach in order to innovate successfully

Q4.4. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Q1/Q2. Thinking about how companies manage innovation, how important are the following for a company to be able to innovate successfully? (Grades 8 to 10) Base: Global results N= 3,209 & Base: Global – sectors N= min n=40 (Telecomms) max n=469 (Manufacturers), Australia N= 100.

IT IS CRUCIAL FOR COMPANIES TO ADOPT A TEST FAST, FAIL FAST, ADJUST FAST APPROACH IN ORDER TO INNOVATE SUCCESSFULLY...

- Energy: 54%
- Healthcare: 53%
- Professional services: 52%
- Manufacturing: 51%
- FMCG: 51%
- Electronics: 50%
- Other: 49%
- Industrial products: 48%
- High-tech / IT: 47%
- Telecoms: 45%
- Automotive: 45%

The country is over-indexing compared to the global average

The country is under-indexing compared to the global average
Speed to market, Japan leads the race

When innovating, it is best to get to market as quickly as possible to keep an edge on competition.

Q4-4. Now we are going to present different views on the ideal innovation process. We would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Country results N= 100–300 per market, Australia N= 100.
The speed at which business adopt emerging technologies is critical

TO INNOVATE EFFICIENTLY AND SUCCESSFULLY, IT IS **CRITICAL** FOR COMPANIES…

- To understand customers and anticipate market evolutions: 84% (+3 pts)
- To attract and retain the most talented and skilled individuals: 79% (+6 pts)
- To quickly adapt and implement emerging technologies: 67% (+1 pt)
- To encourage creative behaviours and disruptive processes in the business: 64% (=)
- To identify and work collaboratively with the best external business partners: 62% (-4 pts)
- To allocate and secure a specific budget for innovation activities: 59% (+5 pts)
- To prioritize longer term innovation goals over shorter term financial objectives: 58% (-1 pt)
- To adopt a test fast, fail fast, adjust fast approach: 53% (-4 pts)
- To use analytics and predictive knowledge: 50% (-4 pts)
- To make the most of public authorities’ incentives, subsidies, tax credit: 48%
- To attract investors to fund innovative programs: 41% (+7 pts)

Q1/Q2.. How important do you think the following elements are for a company to be able to **innovate successfully**? (Grades from 8 to 10)

Base: Global results N= 3,209
Identifying future opportunity is a core priority for all.

TO UNDERSTAND CUSTOMERS AND ANTICIPATE MARKET EVOLUTIONS

Q1/Q2.. How important do you think the following elements are for a company to be able to innovate successfully? (Grades from 8 to 10)

Base: Country results N= 100–300 per market, Australia N= 100.
In many countries, the need for talent is becoming even more strategic

**TO ATTRACT AND RETAIN THE MOST TALENED AND SKILLED INDIVIDUALS**

Q1/Q2. How important do you think the following elements are for a company to be able to **innovate successfully**? (Grades from 8 to 10)

Base: Country results N= 100–300 per market, Australia N= 100.
Less of a consensus on how best to council longer and shorter terms requirements

TO PRIORITIZE LONGER TERM INNOVATION GOALS OVER SHORTER TERM FINANCIAL OBJECTIVES

Q1/Q2. How important do you think the following elements are for a company to be able to innovate successfully? (Grades from 8 to 10)
Base: Country results N= 100–300 per market, Australia N= 100.

Increased
Stable
Decreased

NEW markets 2014

PEOPLE IN MY COUNTRY LIVE BETTER

South Korea 41% 54% 61% 70% 79% Increased
Russia 48% 53% 57% 62% 65% Increased
Nigeria 48% 53% 57% 62% 65% Increased
India 39% 43% 47% 51% 55% Increased
Singapore 39% 43% 47% 51% 55% Increased
Australia 39% 43% 47% 51% 55% Increased
South Africa 39% 43% 47% 51% 55% Increased
Malaysia 39% 43% 47% 51% 55% Increased
China 39% 43% 47% 51% 55% Increased
Brazil 39% 43% 47% 51% 55% Increased
Japan 39% 43% 47% 51% 55% Increased
Poland 39% 43% 47% 51% 55% Increased
Canada 39% 43% 47% 51% 55% Increased
Turkey 39% 43% 47% 51% 55% Increased
USA 39% 43% 47% 51% 55% Increased
Germany 39% 43% 47% 51% 55% Increased
Mexico 39% 43% 47% 51% 55% Increased
Sweden 39% 43% 47% 51% 55% Increased
Israel 39% 43% 47% 51% 55% Increased
UAE 39% 43% 47% 51% 55% Increased
UK 39% 43% 47% 51% 55% Increased
Kenya 39% 43% 47% 51% 55% Increased
Indonesia 39% 43% 47% 51% 55% Increased
Algeria 39% 43% 47% 51% 55% Increased
Italy 39% 43% 47% 51% 55% Increased
More businesses rely on internal funds in emerging markets

Q1/Q2.. How important do you think the following elements are for a company to be able to innovate successfully? (Grades from 8 to 10)

Base: Country results N = 100–300 per market; Kenya results N = 102
Attracting investors, still key in emerging markets

Q1/Q2: How important do you think the following elements are for a company to be able to innovate successfully? (Grades from 8 to 10)

Base: Country results N= 100–300 per market, Australia N= 100.

<table>
<thead>
<tr>
<th>Element</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>60%</td>
<td>78%</td>
</tr>
<tr>
<td>South Africa</td>
<td>38%</td>
<td>52%</td>
</tr>
<tr>
<td>Australia</td>
<td>17%</td>
<td>31%</td>
</tr>
<tr>
<td>Turkey</td>
<td>34%</td>
<td>47%</td>
</tr>
<tr>
<td>Brazil</td>
<td>28%</td>
<td>37%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>Japan</td>
<td>25%</td>
<td>32%</td>
</tr>
<tr>
<td>Canada</td>
<td>20%</td>
<td>31%</td>
</tr>
<tr>
<td>South Korea</td>
<td>23%</td>
<td>34%</td>
</tr>
<tr>
<td>Germany</td>
<td>34%</td>
<td>41%</td>
</tr>
<tr>
<td>UK</td>
<td>30%</td>
<td>41%</td>
</tr>
<tr>
<td>Singapore</td>
<td>27%</td>
<td>42%</td>
</tr>
<tr>
<td>Israel</td>
<td>41%</td>
<td>48%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>USA</td>
<td>34%</td>
<td>45%</td>
</tr>
<tr>
<td>China</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>Russia</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Poland</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Sweden</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>UAE</td>
<td>20%</td>
<td>34%</td>
</tr>
<tr>
<td>India</td>
<td>68%</td>
<td>59%</td>
</tr>
<tr>
<td>Italy</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>Kenya</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>55%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Stable

<table>
<thead>
<tr>
<th>Element</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
</table>

Decreased

<table>
<thead>
<tr>
<th>Element</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
</table>

NEW markets 2014
Designing effective and sustainable business models lays at the very core of innovation executives’ concerns and priorities.

Managing collaboration, articulating revenue streams, funding innovation activities and finding them a «home» in the company are identified as focus areas.

The difficulty to scale up innovative business is the number one “Innovation killer”

How to articulate revenue streams coming from innovative activities and more core business operations is challenging. Only a minority of respondents are ready to risk disrupting current profit streams to enable innovative business to grow.

How to fund innovation aggressively both from public and private sources is a challenge, both because of internal and external factors.

Deciding where best to embed and integrate the new functions and external partners can have important consequences on the operations and on the culture of the firm.
The difficulty to define an effective business model to support new ideas and make them profitable is a challenge killing the ability to innovate for 60%

Q5-2. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently? Base: Global results N= 3,209
Some markets express a stronger need to define a new business model to support successful innovation

THE DIFFICULTY TO DEFINE AN EFFECTIVE BUSINESS MODEL TO SUPPORT NEW IDEAS AND MAKE THEM PROFITABLE IS A CHALLENGE KILLING THE ABILITY TO INNOVATE

Q5-2. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently? Base: Country results N=100–300 per market, Australia N=100.
Businesses face many challenges limiting their ability to lead more radical and larger scale innovation

Q5. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently?  
Base: Global results N= 3,209

<table>
<thead>
<tr>
<th>Implications</th>
<th>Internal challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scaling up</strong></td>
<td><strong>Lack of investment</strong></td>
</tr>
<tr>
<td>61%</td>
<td>56%</td>
</tr>
<tr>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>37%</td>
<td>18%</td>
</tr>
<tr>
<td>The incapacity to scale up successful innovations, to a wider or international market</td>
<td>To lack sufficient investment A lack of talent / inadequate skillset</td>
</tr>
</tbody>
</table>

| **Disruptive ideas**                                   | **Lack of talent**                               |
| 59%                                                    | 57%                                              |
| 21%                                                    | 22%                                              |
| 38%                                                    | 33%                                              |
| The difficulty to come up with radical and disruptive ideas | A lack of talent / inadequate skillset |

| **Effective business model**                           | **Lack of top-down support**                     |
| 60%                                                    | 44%                                              |
| 18%                                                    | 19%                                              |
| 42%                                                    | 25%                                              |
| The difficulty to define an effective business model to support new ideas and make them profitable | To lack internal support from leadership team/top management |

| **Lack of investment**                                  | **Internal inertia**                             |
| 56%                                                    | 57%                                              |
| 23%                                                    | 17%                                              |
| 33%                                                    | 40%                                              |
| To lack sufficient investment | The internal inertia and the incapacity to be nimble, failing at rapidly converting ideas into actions |

| **Lack of talent**                                     | **Risk averse**                                  |
| 57%                                                    | 50%                                              |
| 22%                                                    | 16%                                              |
| 35%                                                    | 34%                                              |
| A lack of talent / inadequate skillset                  | The incapacity of the business to take risks     |
### Q5. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently? % Critical challenge

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Global average</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>The incapacity to scale up successful innovations, to a wider or international market</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>To lack sufficient investment and financial support</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>The difficulty to come up with radical and disruptive ideas</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>A lack of talent / inadequate skillset</td>
<td>22%</td>
<td>13%</td>
</tr>
<tr>
<td>The difficulty to define an effective business model to support new ideas and make them profitable</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>To lack internal support from leadership team/top management</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>The internal inertia and the incapacity to be nimble, failing at rapidly converting ideas into actions</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>The incapacity of the business to take risks</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Australian respondents feel less impaired by innovation killers than the Global average.

- **Over-indexing:** More of an innovation killer than other countries
- **Under-indexing:** Less of an innovation killer than other countries
Unsurprisingly, smaller and younger businesses suffer the most from this challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Global average</th>
<th>Number of employees</th>
<th>Age of company</th>
</tr>
</thead>
<tbody>
<tr>
<td>The incapacity to scale up successful innovations, to a wider or international market</td>
<td>24%</td>
<td>&lt;100 26% 101-500 26% 501-1000 23% 1000+ 17%</td>
<td>&lt; 5 yrs 30% 5 yrs 23% C-level 23%</td>
</tr>
<tr>
<td>To lack sufficient investment and financial support</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The difficulty to come up with radical and disruptive ideas</td>
<td>21%</td>
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<tr>
<td>A lack of talent / inadequate skillset</td>
<td>22%</td>
<td></td>
<td></td>
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<tr>
<td>The difficulty to define an effective business model to support new ideas and make them profitable</td>
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<td>To lack internal support from leadership team/ top management</td>
<td>19%</td>
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</tr>
<tr>
<td>The incapacity of the business to take risks</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q5. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently?

Base: Global results N= 3,209
Electronics and FMCG are most protected from these challenges

Q5. Do you consider any of the following as key challenges killing your business’s ability to innovate efficiently?

Base: Global results N= 3,209

The incapacity to scale up successful innovations, to a wider or international market

- Global average: 24%
- Energy: 20%
- Healthcare: 26%
- Automotive: 24%
- FMCG: 23%
- Electronics: 16%
- High-tech / IT: 19%
- Manufacturing: 27%
- Telecoms: 25%
- Professional services: 22%
- Industrial products: 31%
- Other: 21%

To lack sufficient investment and financial support

- Global average: 23%
- Energy: 23%
- Healthcare: 25%
- Automotive: 21%
- FMCG: 22%
- Electronics: 21%
- High-tech / IT: 27%
- Manufacturing: 24%
- Telecoms: 24%
- Professional services: 23%
- Industrial products: 23%
- Other: 20%

The difficulty to come up with radical and disruptive ideas

- Global average: 21%
- Energy: 18%
- Healthcare: 21%
- Automotive: 24%
- FMCG: 21%
- Electronics: 22%
- High-tech / IT: 17%
- Manufacturing: 23%
- Telecoms: 18%
- Professional services: 18%
- Industrial products: 25%
- Other: 18%

A lack of talent / inadequate skillset

- Global average: 22%
- Energy: 19%
- Healthcare: 24%
- Automotive: 19%
- FMCG: 20%
- Electronics: 17%
- High-tech / IT: 24%
- Manufacturing: 21%
- Telecoms: 25%
- Professional services: 25%
- Industrial products: 24%
- Other: 17%

The difficulty to define an effective business model to support new ideas and make them profitable

- Global average: 18%
- Energy: 19%
- Healthcare: 20%
- Automotive: 20%
- FMCG: 19%
- Electronics: 15%
- High-tech / IT: 23%
- Manufacturing: 18%
- Telecoms: 14%
- Professional services: 17%
- Industrial products: 15%
- Other: 11%

To lack internal support from leadership team/top management

- Global average: 19%
- Energy: 18%
- Healthcare: 20%
- Automotive: 17%
- FMCG: 18%
- Electronics: 15%
- High-tech / IT: 23%
- Manufacturing: 18%
- Telecoms: 19%
- Professional services: 22%
- Industrial products: 18%
- Other: 15%

The internal inertia and the incapacity to be nimble, failing at rapidly converting ideas into actions

- Global average: 17%
- Energy: 17%
- Healthcare: 18%
- Automotive: 20%
- FMCG: 16%
- Electronics: 13%
- High-tech / IT: 15%
- Manufacturing: 18%
- Telecoms: 15%
- Professional services: 23%
- Industrial products: 18%
- Other: 15%

The incapacity of the business to take risks

- Global average: 16%
- Energy: 17%
- Healthcare: 18%
- Automotive: 14%
- FMCG: 12%
- Electronics: 17%
- High-tech / IT: 18%
- Manufacturing: 19%
- Telecoms: 10%
- Professional services: 18%
- Industrial products: 18%
- Other: 11%

The chart illustrates the percentage of businesses in different industries that consider each challenge as a key obstacle to innovation. The color coding indicates the degree to which certain industries either over-index or under-index each challenge as a primary issue.
Despite seeing a factor as a critical innovation driver, only some excel in delivering it in their company.

<table>
<thead>
<tr>
<th>Innovation Driver</th>
<th>Critical for companies</th>
<th>Performs extremely well</th>
<th>Conversion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>To understand customers and anticipate market evolutions</td>
<td>33%</td>
<td>84%</td>
<td>39%</td>
</tr>
<tr>
<td>To attract and retain the most talented and skilled individuals</td>
<td>25%</td>
<td>79%</td>
<td>32%</td>
</tr>
<tr>
<td>To quickly adapt and implement emerging technologies</td>
<td>28%</td>
<td>67%</td>
<td>42%</td>
</tr>
<tr>
<td>To encourage creative behaviours and disruptive processes in the business</td>
<td>26%</td>
<td>64%</td>
<td>41%</td>
</tr>
<tr>
<td>To identify and work collaboratively with the best external business partners</td>
<td>27%</td>
<td>62%</td>
<td>44%</td>
</tr>
<tr>
<td>To allocate and secure a specific budget for innovation activities</td>
<td>23%</td>
<td>59%</td>
<td>39%</td>
</tr>
<tr>
<td>To prioritize longer term innovation goals over shorter term financial objectives</td>
<td>25%</td>
<td>58%</td>
<td>43%</td>
</tr>
<tr>
<td>To use analytics and predictive knowledge</td>
<td>25%</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>To adopt a test fast, fail fast, adjust fast approach</td>
<td>24%</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td>To make the most of public authorities' incentives, subsidies, tax credit</td>
<td>27%</td>
<td>48%</td>
<td>56%</td>
</tr>
<tr>
<td>To attract investors to fund innovative programs</td>
<td>21%</td>
<td>41%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Q1/Q2. How important do you think the following elements are for a company to be able to innovate successfully? Base: Global results N= 3,209.
Q3. To what extent does your company currently perform against these success criteria? Based on those who said it was a critical factor (8-10)

Only 39% of those who said it was an important driver think their company is excelling at delivering it.
Despite seeing a factor as a critical innovation driver, only some excel in delivering it in their company.

THE PERFORMANCE OF THEIR COMPANY AGAINST INNOVATION DRIVERS

<table>
<thead>
<tr>
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<tbody>
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<td>84%</td>
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<tr>
<td>To attract and retain the most talented and skilled individuals</td>
<td>74%</td>
<td>12%</td>
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<td>To quickly adapt and implement emerging technologies</td>
<td>64%</td>
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<td>To encourage creative behaviours and disruptive processes in the business</td>
<td>56%</td>
<td>11%</td>
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<td>53%</td>
<td>21%</td>
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<tr>
<td>To allocate and secure a specific budget for innovation activities</td>
<td>60%</td>
<td>15%</td>
</tr>
<tr>
<td>To prioritize longer term innovation goals over shorter term financial objectives</td>
<td>57%</td>
<td>14%</td>
</tr>
<tr>
<td>To use analytics and predictive knowledge</td>
<td>40%</td>
<td>15%</td>
</tr>
<tr>
<td>To adopt a test fast, fail fast, adjust fast approach</td>
<td>38%</td>
<td>15%</td>
</tr>
<tr>
<td>To make the most of public authorities' incentives, subsidies, tax credit</td>
<td>60%</td>
<td>13%</td>
</tr>
<tr>
<td>To attract investors to fund innovative programs</td>
<td>31%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Q1/Q2. How important do you think the following elements are for a company to be able to innovate successfully? Base: Australia N= 100.

Q3. To what extent does your company currently perform against these success criteria? Based on those who said it was a critical factor (6-10)

Only 21% of those who said it was an important driver think their company is excelling at delivering it.

CONVERSION RATE

Despite seeing a factor as a critical innovation driver, only some excel in delivering it in their company.
### Funding Innovation remains highly complex

<table>
<thead>
<tr>
<th>External environment</th>
<th>Crucial internal Innovation drivers</th>
<th>Company performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private investors are supportive of companies that need funds to innovate 65%</td>
<td>The lack of sufficient investment and financial support is a key challenge for 56%</td>
<td>To attract investors to fund innovative programs 41%</td>
</tr>
<tr>
<td>Government and public authorities allocate an adequate share of their budget to support innovative companies 47%</td>
<td>The first priority is to fight bureaucracy and red tape for companies willing to access funds and incentives allocated to innovation 86%</td>
<td>To make the most of public authorities' incentives, subsidies, tax credit 48%</td>
</tr>
</tbody>
</table>

- **Private equity**
  - **Company performance**
    - 21% of whom perform extremely well at attracting investors to fund innovative programs

- **Public funds**
  - **Company performance**
    - 27% of whom perform extremely well at making the most of public authorities' incentives, subsidies, tax credit

- **Business budget**
  - **Company performance**
    - 23%* of whom perform extremely well at it
    - 25%* of whom perform extremely well at it

---

Q1/Q2. How important do you think the following elements are for a company to be able to **innovate successfully**? Base: Global results N= 3,209

Q3. To what extent does your company currently perform against these success criteria? Based on those who said it was a critical factor (8-10)
Overall, a consolidated support from private investors

PRIVATE INVESTORS ARE SUPPORTIVE OF COMPANIES THAT NEED FUNDS TO INNOVATE

Q10-1. Thinking about your country in particular, how far do you agree with the following statements? Private investors are supportive of companies that need funds to innovate. Results for top 2 boxes (somewhat agree + totally agree). Base: Country results N= 100–300 per market, Australia N= 100.
Even if disruption is accepted in theory, most prefer to stick to well-established and more conservative practices and processes.

**When innovating, it is best:**

- To protect the core business' profitability as much as possible, so to support research & innovation efforts: 72%
- Not to worry about the potential short term negative impact on the core business' revenue: 28%

**The most successful innovations are:**

- Planned, emerging through a structured innovation process: 62%
- Spontaneous, emerging through the interactions of creative individuals: 38%

Q4. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Global results N= 3,209, Australia N= 100.
Positioning innovative teams and activities inside the business is the dominant model, only High-tech and IT companies tend to be more open to an outside model.

In terms of organizational design, it is best to position innovative teams and activities:

- **Inside** the existing lines of businesses and structured teams: 68%
- **Outside** in a specialized and dedicated innovation/research centres: 32%

Q4-3. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Global results N= 3,209 / Base: Global – sectors N= min 140 (Telecomms) max 469 (Manufacturers). Australia: N= 100
Apart from Japan, the majority of innovative executives prefer to keep innovative teams and activities inside the existing lines of business. However, some are less closed than other to externalization.

IN TERMS OF ORGANIZATIONAL DESIGN, IT IS BEST TO POSITION INNOVATIVE TEAMS AND ACTIVITIES OUTSIDE IN A SPECIALIZED AND DEDICATED INNOVATION /RESEARCH CENTRES.

Q4-3. Now we are going to present different views on the ideal innovation process. We would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Country results N= 100–300 per market, Australia N= 100.
What are business leaders’ expectations regarding the role of government and public authorities?

Provide a conducive Innovation framework, set the right incentives for Innovation, invest in talent, support SMEs and harness the power of multinationals

Governments have to provide the right framework for Innovation (IP protection, minimal red tape and bureaucracy, public private partnership)

They should also harness the power of public procurement to support innovation and manage subsidies carefully

They should make sure they prepare and give access to the talent pool needed to innovate better

They should focus innovation incentives on the value created beyond geographic or national considerations

They should amplify the support to Innovative SMEs and at the same time capitalize on the drive Multinationals can bring to their Innovation landscape
Innovation executives expect Public Authorities to improve the overall innovation framework of their country.

Q12. What are the main priorities your country should focus on to efficiently support innovation? Global average. Results for top 2 boxes (critical priority & important but not critical priority). Base: N= 3,209, Australia N= 100.

- Fight bureaucracy and red tape for companies willing to access funds and incentives allocated to innovation: Critical priority 87% (−1 pt), Important but not critical priority 86% (−3)
- Ensure that business confidentiality and trade secrets are adequately protected: Critical priority 85% (−4), Important but not critical priority 86%
- Better align students curricula with the needs of business: Critical priority 85%, Important but not critical priority 86%
- Facilitate research cooperation with other countries: Critical priority 85%, Important but not critical priority 84%
- Actively promote partnerships between the public and private sectors: Critical priority 83%, Important but not critical priority 84%
- Reinforce IP to encourage stronger collaboration between companies: Critical priority 80%, Important but not critical priority 81%
- Encourage the collaboration of private companies with SoEs: Critical priority 72%, Important but not critical priority 74%
- Ensure public procurement leads the early adoption of major innovations: Critical priority 76%, Important but not critical priority 77%
- Evaluate the impact some of its local content requirement and regulatory policies: Critical priority 71%, Important but not critical priority 72%
- Ensure public procurement always favor the most innovative solutions even if they come from foreign countries: Critical priority 70%, Important but not critical priority 71%
- Encourage and ease the hiring of talented foreign citizens: Critical priority 67%, Important but not critical priority 68%
Emerging markets put more pressure on policymakers to provide them with the framework they need to innovate successfully.

Innovation executives identify 4.1 priorities out of 12 as being critical to be addressed on average.

### Average Number of Critical Priorities Per Country Out of 12 Priorities

<table>
<thead>
<tr>
<th>Country</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>6.0</td>
</tr>
<tr>
<td>Kenya</td>
<td>5.5</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>5.3</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.2</td>
</tr>
<tr>
<td>Poland</td>
<td>5.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.1</td>
</tr>
<tr>
<td>Russia</td>
<td>5.0</td>
</tr>
<tr>
<td>Nigeria</td>
<td>4.9</td>
</tr>
<tr>
<td>China</td>
<td>4.8</td>
</tr>
<tr>
<td>KSA</td>
<td>4.6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.5</td>
</tr>
<tr>
<td>Italy</td>
<td>4.2</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.1</td>
</tr>
<tr>
<td>India</td>
<td>4.0</td>
</tr>
<tr>
<td>Singapore</td>
<td>3.8</td>
</tr>
<tr>
<td>Germany</td>
<td>3.5</td>
</tr>
<tr>
<td>USA</td>
<td>3.4</td>
</tr>
<tr>
<td>UK</td>
<td>3.3</td>
</tr>
<tr>
<td>Australia</td>
<td>3.3</td>
</tr>
<tr>
<td>UAE</td>
<td>3.2</td>
</tr>
<tr>
<td>Canada</td>
<td>3.1</td>
</tr>
<tr>
<td>Israel</td>
<td>2.7</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.6</td>
</tr>
<tr>
<td>Japan</td>
<td>2.5</td>
</tr>
<tr>
<td>South Korea</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Q12. What are the main priorities your country should focus on to efficiently support innovation? Average number of critical priorities per country out of 12. Base: Country results N= 100–300 per market, Australia N= 100.
The efficiency of government support for innovation is variable

Q11-2. Thinking about the policies and actions undertaken in your country by the government and public authorities, how far do you agree with the following statements. Government support for innovation is efficiently organized. Results for top 2 boxes (somewhat agree + totally agree).

Base: Country results N= 100–300 per market, Australia N= 100.
A strong priority: ensure that business confidentiality and trade secrets are adequately protected

ENSURE THAT BUSINESS CONFIDENTIALITY AND TRADE SECRETS ARE ADEQUATELY PROTECTED

Q12-8. What are the main priorities your country should focus on to efficiently support innovation? Ensure that business confidentiality and trade secrets are adequately protected. Results for top 2 boxes (critical priority & important but not critical priority).

Base: Country results N= 100–300 per market, Australia N= 100.
Talent management remains an essential priority

BETTER ALIGN **STUDENTS CURRICULA** WITH THE NEEDS OF BUSINESS

Q12. What are the main priorities your country should focus on to efficiently support innovation? Average number of critical priorities per country out of 12. Base: Country results N= 100–300 per market, Australia N= 100.
The financial support from governments and public authorities varies significantly across countries.

GOVERNMENT AND PUBLIC AUTHORITIES ALLOCATE AN ADEQUATE SHARE OF THEIR BUDGET TO SUPPORT INNOVATIVE COMPANIES

Q12. What are the main priorities your country should focus on to efficiently support innovation? Average number of critical priorities per country out of 12. Base: Country results N=100–300 per market, Australia N=100.
Public Procurement is expected to adopt a first in class practices

Q12. What are the main priorities your country should focus on to efficiently support innovation? Global average. Results for top 2 boxes (critical priority & important but not critical priority). Base: N=3,209

MAIN PRIORITIES COUNTRY SHOULD FOCUS ON TO EFFICIENTLY SUPPORT INNOVATION

**Lead**
- To ensure public procurement leads the *early adoption* of major innovations is a critical priority for 76%

**Better regulate**
- Evaluate the impact some of its *local content requirement* and regulatory policies 71%

**Be open**
- To ensure public procurement always favor the most innovative solutions even if they come from *foreign countries* 70%
MAIN PRIORITIES COUNTRIES SHOULD FOCUS ON TO EFFICIENTLY SUPPORT INNOVATION

To ensure public procurement...
- always favor the most innovative solutions even if they come from foreign countries
- leads the early adoption of major innovations is a critical priority for

Q12-10&11. What are the main priorities your country should focus on to efficiently support innovation? Global average. Results for top 2 boxes (critical priority & important but not critical priority). Base: Country results N= 100–300 per market, Australia N= 100.
Public subsidies / preferences are broadly accepted, but nationality bias are favoured by a minority

**WHAT DO YOU THINK IS THE BEST PUBLIC POLICY?**

Give subsidies/preferences to **local business only** to favor the development of local solutions

<table>
<thead>
<tr>
<th>51%</th>
<th>[VALUE]</th>
<th>[VALUE]</th>
</tr>
</thead>
</table>

Give subsidies/preferences to **both local and international** businesses willing to bring innovative solutions to the market

Subsidies and preferences are **not an effective way** to support innovation as they introduce strong bias and have only short term effects.

Q4-6. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Global results N= 3,209

<table>
<thead>
<tr>
<th>Sectors</th>
<th>More open to both</th>
<th>More local focus only</th>
<th>More rejectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>54%</td>
<td>38%</td>
<td>22%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>55%</td>
<td>34%</td>
<td>22%</td>
</tr>
<tr>
<td>Energy</td>
<td>53%</td>
<td>32%</td>
<td>21%</td>
</tr>
<tr>
<td>High-tech / IT</td>
<td>53%</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

- Industrial products 22%
- FMCG 22%
- Manufacturing 21%
No consensus on the use of Public subsidies / preferences

- Give subsidies/preferences to both local and international businesses willing to bring innovative solutions to the market
- Subsidies and preferences are not an effective way to support innovation as they introduce strong bias and have only short term effects
- Give subsidies/preferences to local business only to favor the development of local solutions

In Germany, Indonesia and the US, the role for Public Subsidies is rejected by more than 1 in 3 Innovation executives

Q4-6. Now we are going to present different views on the ideal innovation process, we would like you to pick the one you feel is the truest or the most relevant in driving successful innovation. Base: Country results N= 100–300 per market, Australia N= 100.
Governments’ support to SMEs is largely seen as currently insufficient

PUBLIC AUTHORITIES DO NOT SUPPORT SME’S IN THEIR INNOVATION EFFORTS ENOUGH

Q11-3. Thinking about the policies and actions undertaken in your country by the government and public authorities, how far do you agree with the following statements. Public authorities do not support SME’s in their innovation efforts enough. Results for top 2 boxes (somewhat agree + totally agree). Base: N= 3,209, Australia N= 100.
Small is beautiful! SMEs, start-ups and individuals are seen as the innovation champions and the most promising collaboration partners.

WHO IS DRIVING INNOVATION THE MOST TODAY IN YOUR COUNTRY?

- **SMEs**: 21%
- **Start-ups & Individuals**: 20%
- **Multinationals**: 19%
- **Large Enterprises headquartered in your country**: 13%
- **Governments and public authorities**: 11%
- **Universities and research labs**: 11%
- **Public authorities at local level**: 3%
- **SoEs**: 1%

Q7. Who do you think are driving innovation the most today in your country? Base: Global results N= 3,209

85% of innovation executives agree collaboration with start-up and entrepreneurs will drive innovation success in the future.
SME’s and start-ups are battling for the innovation champions title across countries

Who is driving innovation the most today in your country?

- More SMEs
- More start-ups / individuals
- Both equally

Q7. Who do you think are driving innovation the most today in your country? Base: Country results N= 100–300 per market, Australia N= 100.
Country specifics, there is no one size fits all model for Innovation

Innovation champions, like USA and Germany, display contrasted perceptions and priorities. Emerging economies are not a consistent block, Asian emerging markets are more positive than African markets.

The efficacy of government support to Innovation is increasingly contrasted (Singapore, UAE, China and KSA even more leading on this indicator than before, USA is stable at a low level of satisfaction).

USA confirms and amplifies its status as a leader for Innovation (Innovation champion, and most innovation conducive environment) at least from a reputation standpoint (macro economic indicators providing a more contrasted picture).

South Korea, Singapore, and India are less perceived as innovation-friendly environments by the Global community.
Understanding customers/markets and attracting / retaining talents are increasingly the top priority drivers of successful innovation

**TO INNOVATE EFFICIENTLY AND SUCCESSFULLY, IT IS CRITICAL FOR COMPANIES…**

<table>
<thead>
<tr>
<th>Elements</th>
<th>Percentage</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>To understand customers and anticipate market evolutions</td>
<td>84%</td>
<td>+3 pts</td>
</tr>
<tr>
<td>To attract and retain the most talented and skilled individuals</td>
<td>79%</td>
<td>+6 pts</td>
</tr>
<tr>
<td>To quickly adapt and implement emerging technologies</td>
<td>67%</td>
<td>+1 pt</td>
</tr>
<tr>
<td>To encourage creative behaviours and disruptive processes in the business</td>
<td>64%</td>
<td>=</td>
</tr>
<tr>
<td>To identify and work collaboratively with the best external business partners</td>
<td>62%</td>
<td>- 4 pts</td>
</tr>
<tr>
<td>To allocate and secure a specific budget for innovation activities</td>
<td>59%</td>
<td>+ 5 pts</td>
</tr>
<tr>
<td>To prioritize longer term innovation goals over shorter term financial objectives</td>
<td>58%</td>
<td>- 1 pt</td>
</tr>
<tr>
<td>To use analytics and predictive knowledge</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>To adopt a test fast, fail fast, adjust fast approach</td>
<td>50%</td>
<td>- 1 pt</td>
</tr>
<tr>
<td>To make the most of public authorities' incentives, subsidies, tax credit</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>To attract investors to fund innovative programs</td>
<td>41%</td>
<td>+ 7 pts</td>
</tr>
</tbody>
</table>

On average executive describe 6.7 out of 12 as being critical priorities
Innovation executives expect Public Authorities to improve the overall innovation framework of their country

Fight bureaucracy and red tape for companies willing to access funds and incentives allocated to innovation
Ensure that business confidentiality and trade secrets are adequately protected
Better align students curricula with the needs of business
Facilitate research cooperation with other countries
Actively promote partnerships between the public and private sectors
Reinforce IP to encourage stronger collaboration between companies
Encourage the collaboration of private companies with SoEs
Ensure public procurement leads the early adoption of major innovations
Evaluate the impact some of its local content requirement and regulatory policies
Ensure public procurement always favor the most innovative solutions even if they come from foreign countries
Encourage and ease the hiring of talented foreign citizens

Q12. What are the main priorities your country should focus on to efficiently support innovation? Global average. Results for top 2 boxes (critical priority & important but not critical priority). Base: N= 3,209
Overall, a consolidated support from private investors

PRIVATE INVESTORS ARE SUPPORTIVE OF COMPANIES THAT NEED FUNDS TO INNOVATE

Q10-1. Thinking about your country in particular, how far do you agree with the following statements? Private investors are supportive of companies that need funds to innovate. Results for top 2 boxes (somewhat agree + totally agree). Base: N= 3,209, Australia N= 100.

Q10-1. Thinking about your country in particular, how far do you agree with the following statements? Private investors are supportive of companies that need funds to innovate. Results for top 2 boxes (somewhat agree + totally agree). Base: N= 3,209, Australia N= 100.
A strong priority: ensure that business confidentiality and trade secrets are adequately protected

ENSURE THAT BUSINESS CONFIDENTIALITY AND TRADE SECRETS ARE ADEQUATELY PROTECTED

Q12-8. What are the main priorities your country should focus on to efficiently support innovation? Ensure that business confidentiality and trade secrets are adequately protected. Results for top 2 boxes (critical priority & important but not critical priority). Base: N= 3,209, Australia N= 100.
The efficiency of government support for innovation is variable

Q11-2. Thinking about the policies and actions undertaken in your country by the government and public authorities, how far do you agree with the following statements. Government support for innovation is efficiently organized. Results for top 2 boxes (somewhat agree + totally agree).

Base: N= 3,209, Australia N= 100.

GOVERNMENT SUPPORT FOR INNOVATION IS EFFICIENTLY ORGANIZED

Has improved

Has worsened

Unchanged

NEW markets 2014

2013  2014
Innovation champion

WHAT IS THE COUNTRY THAT YOU CONSIDER TO BE THE LEADING INNOVATION CHAMPION?

Q8. What is THE country that you consider to be the leading innovation champion? Base: N= 3,209 / Open- ended question

Exit: Netherlands, Canada
### Assessment of the innovation environment in each market

<table>
<thead>
<tr>
<th>Country</th>
<th>USA</th>
<th>Germany</th>
<th>Japan</th>
<th>UK</th>
<th>China</th>
<th>Canada</th>
<th>South Korea</th>
<th>Switzerland</th>
<th>France</th>
<th>Singapore</th>
<th>Finland</th>
<th>India</th>
<th>Israel</th>
<th>Australia</th>
<th>Italy</th>
<th>Russia</th>
<th>UAE</th>
<th>Brazil</th>
<th>Ireland</th>
<th>South Africa</th>
<th>Turkey</th>
<th>Malaysia</th>
<th>Indonesia</th>
<th>Saudi Arabia</th>
<th>Poland</th>
<th>Mexico</th>
<th>Vietnam</th>
<th>Nigeria</th>
<th>Kenya</th>
<th>Algeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>88%</td>
<td>84%</td>
<td>82%</td>
<td>70%</td>
<td>66%</td>
<td>61%</td>
<td>61%</td>
<td>58%</td>
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<td>25%</td>
<td>25%</td>
<td>23%</td>
<td>18%</td>
<td>18%</td>
<td>17%</td>
<td>14%</td>
<td>12%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Q9. For each of the following markets, how far would you say that they have developed an Innovation-conducive environment?

Base: N= 3,171. Australia: N= 45/ Note: % of respondents that have given a grade superior or equal to 7/10.
A consistency between reputation and performance

<table>
<thead>
<tr>
<th>Country</th>
<th>Perception</th>
<th>« Reality »*</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Germany</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Japan</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>UK</td>
<td>4</td>
<td>2</td>
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<tr>
<td>China</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Canada</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>South Korea</td>
<td>6</td>
<td>8</td>
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<tr>
<td>Sweden</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Singapore</td>
<td>9</td>
<td>4</td>
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<tr>
<td>India</td>
<td>10</td>
<td>21</td>
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<td>Israel</td>
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</tr>
<tr>
<td>Australia</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Italy</td>
<td>13</td>
<td>11</td>
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<td>Russia</td>
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<tr>
<td>UAE</td>
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<td>14</td>
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<tr>
<td>Brazil</td>
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<tr>
<td>South Africa</td>
<td>17</td>
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</tr>
<tr>
<td>Turkey</td>
<td>17</td>
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</tr>
<tr>
<td>Malaysia</td>
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<td>Indonesia</td>
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<tr>
<td>Saudi Arabia</td>
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<td>Kenya</td>
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<td>24</td>
</tr>
<tr>
<td>Algeria</td>
<td>26</td>
<td>26</td>
</tr>
</tbody>
</table>

*INSEAD Global Innovation Index - 2013

The innovation frameworks of Sweden, Malaysia, Singapore are underappreciated.

The innovation frameworks of China, India and Japan are over evaluated.
The self-evaluation of the innovation framework in own country varies

Q9. For each of the following markets, how far would you say that they have developed an Innovation-conducive environment?

Note: % of respondents that have given a grade superior or equal to 7/10 to their own country Base: Country results N= 100–300 per market, Australia N=100.
The Energy industry is facing multiple challenges, but driving economic growth through new and more sustainable sources of energy is identified as the absolute priority. The contribution from energy to the broader economic growth is identified as the number one challenge. The reduction of the environmental impact of energy and the diversification of the energy mix comes second. The rising role of analytics in helping the industry become more efficient is recognized but less prominent in energy respondents’ opinion.

Technical and medical innovation such as imaging devices and diagnosis tools are expected to drive progress the most in quality of healthcare. This is the first driver identified by Healthcare industry respondents. Scientific innovation and especially applied genetic science to diagnostic are also very high in the ranking. Policy innovation (awareness campaigns, early detection of diseases) is also expected to play a leading role.
Energy – priorities to tackle within 5 years

WHAT ARE THE MAIN CHALLENGES THE ENERGY INDUSTRY WILL HAVE TO FACE IN THE NEXT FIVE YEARS?

- To drive economic growth by developing new sources of energy
- Identify and develop more sustainable sources of energy
- Reduce the environmental impact of conventional energy sources such as oil and gas
- Develop solutions to make conventional energy sources such as oil and gas more efficient and sustainable
- Make energy prices lower and more competitive
- Develop IT and analytic solutions to improve the control and maintenance of energy production, responding more efficiently to potential breakdown/technical issues
- Reduce the geostrategic tensions linked to energy, answering the challenges of energy security
- Improve the access to energy for individuals
- To be able to operate remotely in inaccessible areas such as deep seas, South pole, etc.
- Better answer the increasing need to share revenue and risk between companies involved in a collaborative innovation process

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Absolute priority %</th>
<th>Absolute/somewhat a priority %</th>
</tr>
</thead>
<tbody>
<tr>
<td>To drive economic growth by developing new sources of energy</td>
<td>50%</td>
<td>86%</td>
</tr>
<tr>
<td>Identify and develop more sustainable sources of energy</td>
<td>50%</td>
<td>86%</td>
</tr>
<tr>
<td>Reduce the environmental impact of conventional energy sources such as oil and gas</td>
<td>49%</td>
<td>84%</td>
</tr>
<tr>
<td>Develop solutions to make conventional energy sources more efficient and sustainable</td>
<td>46%</td>
<td>85%</td>
</tr>
<tr>
<td>Make energy prices lower and more competitive</td>
<td>43%</td>
<td>74%</td>
</tr>
<tr>
<td>Develop IT and analytic solutions to improve the control and maintenance of energy production, responding more efficiently to potential breakdown/technical issues</td>
<td>36%</td>
<td>73%</td>
</tr>
<tr>
<td>Reduce the geostrategic tensions linked to energy, answering the challenges of energy security</td>
<td>34%</td>
<td>77%</td>
</tr>
<tr>
<td>Improve the access to energy for individuals</td>
<td>30%</td>
<td>71%</td>
</tr>
<tr>
<td>To be able to operate remotely in inaccessible areas such as deep seas, South pole, etc.</td>
<td>23%</td>
<td>59%</td>
</tr>
<tr>
<td>Better answer the increasing need to share revenue and risk between companies involved in a collaborative innovation process</td>
<td>20%</td>
<td>65%</td>
</tr>
</tbody>
</table>

E1. What are the main challenges the energy industry will have to face in the next five years?
Base: Global results N= 340* *Question asked only to executives from the energy sector
Healthcare – what will drive progress in quality of healthcare in next five years

IN THE NEXT FIVE YEARS, WHAT WILL DRIVE THE MOST PROGRESS IN THE QUALITY OF HEALTHCARE DELIVERED TO CITIZENS IN YOUR COUNTRY?

1. Innovations in genomics and molecular medicine that can more precisely diagnose disease at the individual level
2. New imaging devices, medical techniques or diagnosis tools
3. Consumer awareness campaigns, screening and early detection of disease
4. Making sure we train enough healthcare professionals and technicians with the right skills to meet local needs
5. Home health solutions, the consumerization of healthcare and the rise of wearable health monitoring devices
6. Re-thinking how healthcare systems are organized and managed to build more financially sustainable operating models
7. A cultural shift away from a disease based model to the value of healthy life
8. Redefining how the private healthcare sector and public authorities collaborate
9. The digitization of healthcare; improving healthcare delivery via use of information technology / data
10. Reverse innovation
11. The adoption by developed markets of solutions initially created to answer the resource constraints in emerging markets
12. New financial / reimbursement / incentive models
13. None of these

First most important driver

Scientific innovation - 17%
Technical / Medical innovation - 17%
Policy innovation - 10%
Pharma innovation - 8%
Talent innovation - 8%
Mobile innovation - 8%
System innovation - 7%
Cultural innovation - 5%
Partnership innovation - 5%
Digital Innovation - 2%
Payment innovation - 2%
Reverse innovation - 3%
None of these - 10%

Summary 3 drivers

IN THE NEXT FIVE YEARS, WHAT WILL DRIVE THE MOST PROGRESS IN THE QUALITY OF HEALTHCARE DELIVERED TO CITIZENS IN YOUR COUNTRY?

Innovations in genomics and molecular medicine that can more precisely diagnose disease at the individual level
New imaging devices, medical techniques or diagnosis tools
Consumer awareness campaigns, screening and early detection of disease
Making sure we train enough healthcare professionals and technicians with the right skills to meet local needs
Home health solutions, the consumerization of healthcare and the rise of wearable health monitoring devices
Re-thinking how healthcare systems are organized and managed to build more financially sustainable operating models
A cultural shift away from a disease based model to the value of healthy life
Redefining how the private healthcare sector and public authorities collaborate
The digitization of healthcare; improving healthcare delivery via use of information technology / data
New financial / reimbursement / incentive models
The adoption by developed markets of solutions initially created to answer the resource constraints in emerging markets

H1. In the next five years, what do you think will drive the most progress in the quality of healthcare delivered to citizens in your country? Please select 3 options from the most important to the second most important to the third most important driver.
Base: Global results N= 417* *Question asked only to executives from the healthcare sector