

Innovation and Emerging Technology Benchmark: How Do I Shape Up?

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Gartner[®]

Agenda

- Which emerging technologies are being adopted, and by whom?
- What's bringing the most value?
- What are emerging best practices in emerging technology and innovation management?
- How are companies organizing for emerging technologies and innovation?
- What's your action plan?

Survey Statistics

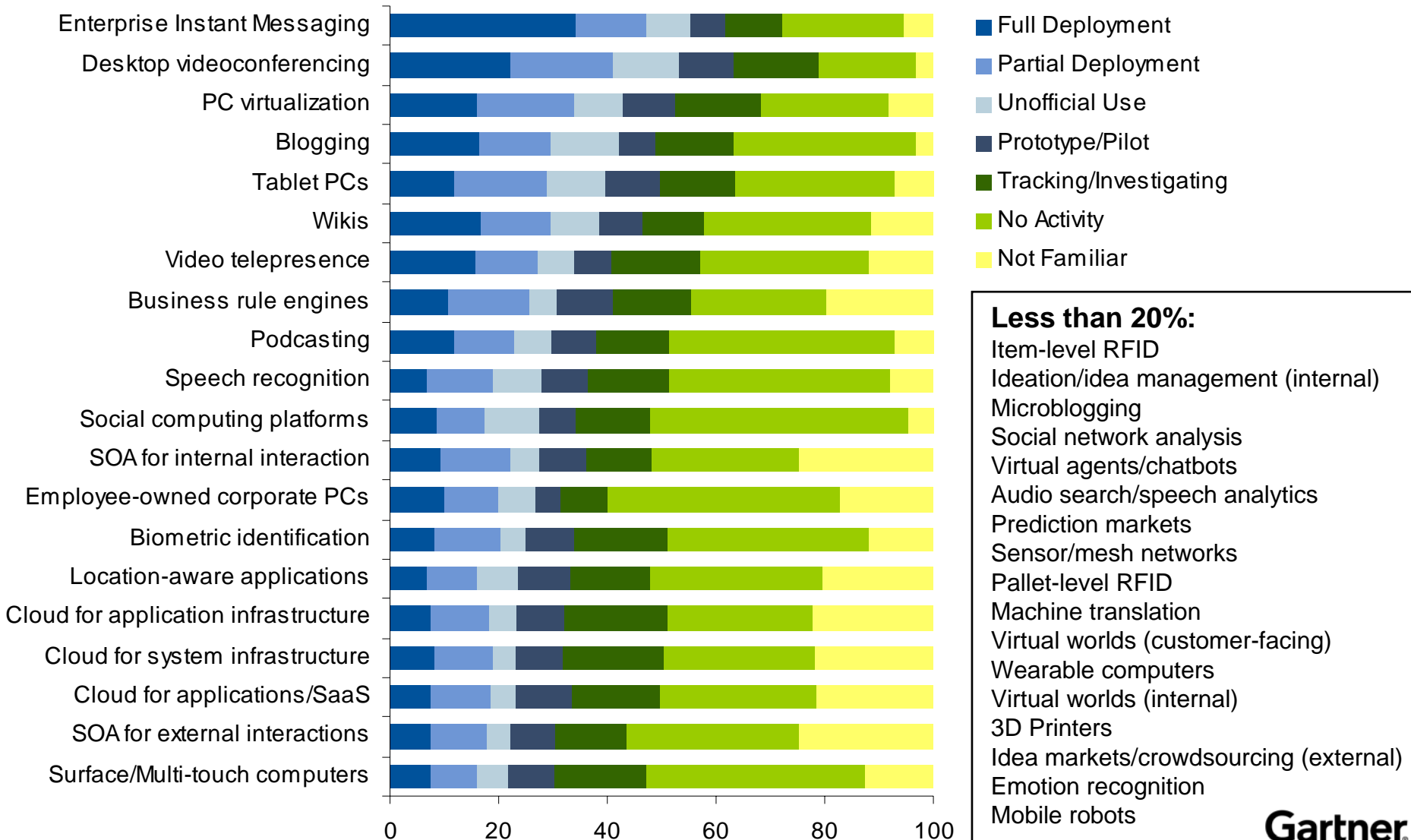
- Web survey of 444 organizations in 15 industries, conducted in Q408
- Balanced across company size to favor larger companies (35% over \$5 billion revenues)
- Respondents were “were personally responsible for or very knowledgeable about planning, evaluation or selection of emerging technologies within their organization”
- Range of enterprise personalities:
 - Type A: Aggressive (willing to adopt technologies while relatively new and risky) — 20 percent of respondents
 - Type B: Mainstream (adopt maturing technologies with manageable risk) — 54 percent of respondents
 - Type C: Conservative (adopt only proven technologies) — 26 percent of respondents

Technology Adoption Question

For each of the following emerging technologies, please indicate at what phase of technology adoption your organization is currently in.

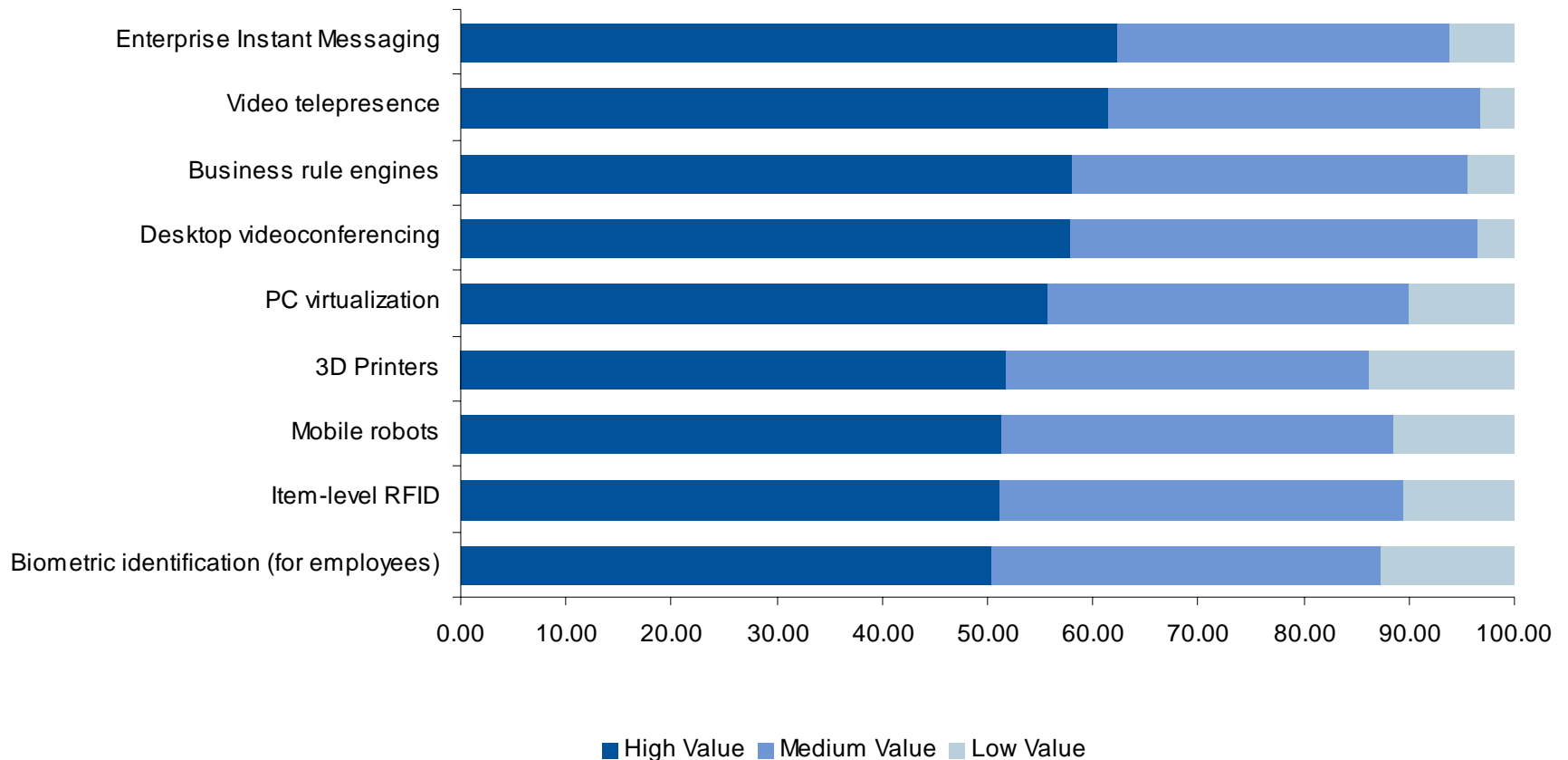
- Full scale deployment
- Partial deployment
- In use, but not officially sanctioned or managed
- In prototyping or piloting
- Tracking or actively investigating
- Familiar but not doing anything currently
- Not familiar with this technology

Adopted by more than 20% of respondents

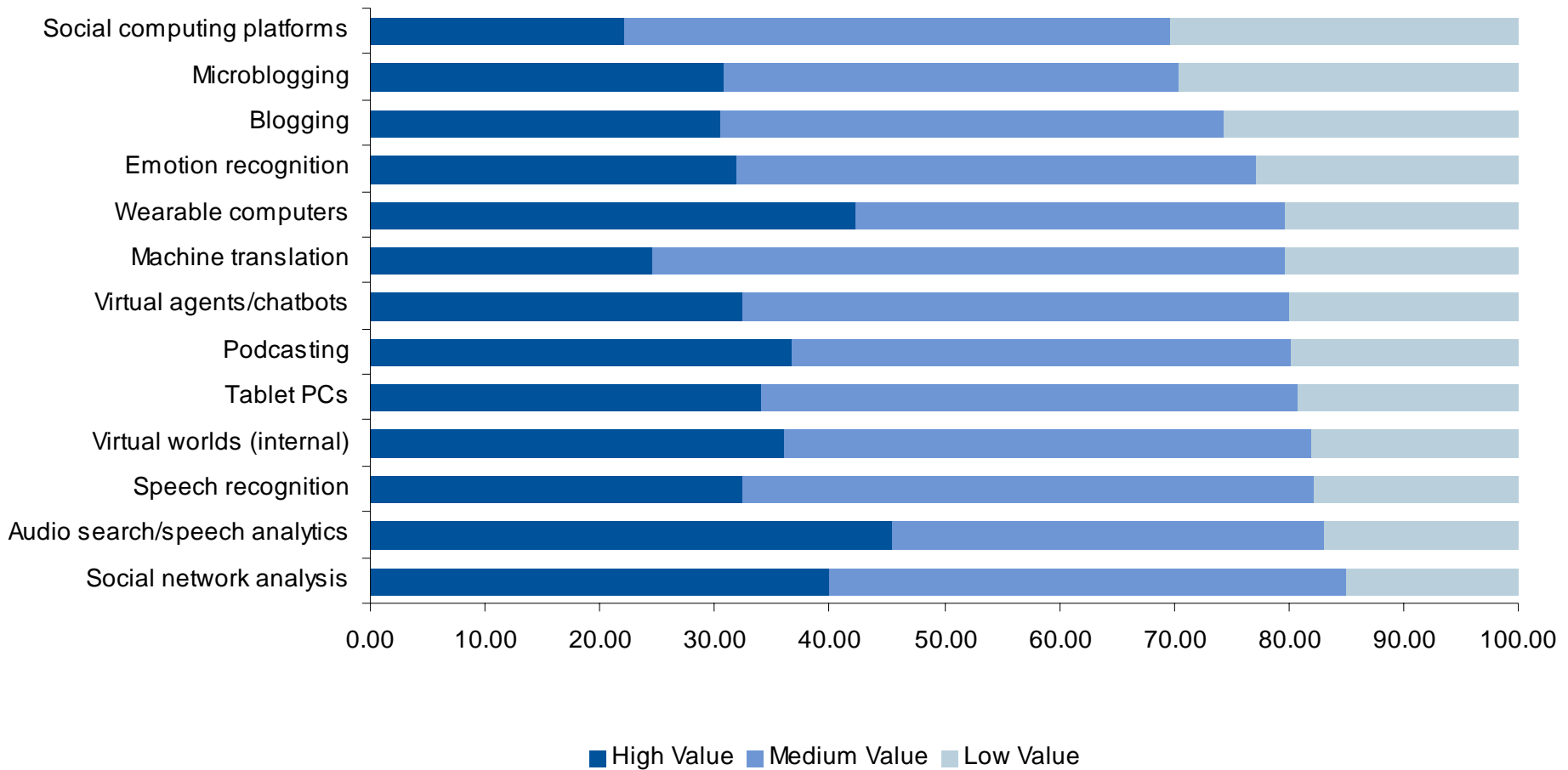


High Value Adoption (>50% “High Value”)

For each of the emerging technologies your organizations has already deployed, how much value, if any, do you think your organization has gained through its use?



Lower Value Adoption (>15% “Low Value”)



Most Active Evaluation (Tracking, Prototyping, Piloting or Actively Investigating)

Technology	Percentage of Respondents Evaluating
Cloud for application infrastructure	27.70
Cloud for system infrastructure	27.25
Cloud for applications/SaaS	26.58
Biometric identification	26.13
Surface/Multi-touch computers	25.45
PC virtualization	25.45
Desktop videoconferencing	25.45
Business rule engines	24.77
Location-aware applications	24.10
Tablet PCs	23.87
Speech recognition	23.65
Video telepresence	23.20
Ideation/idea management (internal)	22.52
Social network analysis	22.52
Podcasting	21.85
SOA for external interactions	21.17
Blogging	21.17
SOA for internal interaction	20.72
Social computing platforms	20.50
Item-level RFID	20.05

Innovation Trends

- Organizing for Innovation
- Scope and Role of Innovation Teams
 - Front End vs. Back End
 - Extend IT Innovation to Business Innovation
- Outside-In Innovation
- Consumerization and the Web
 - Consumer behaviors driving innovation
 - Consumer technology enables innovation
 - Consumers/Tech outpace business changes

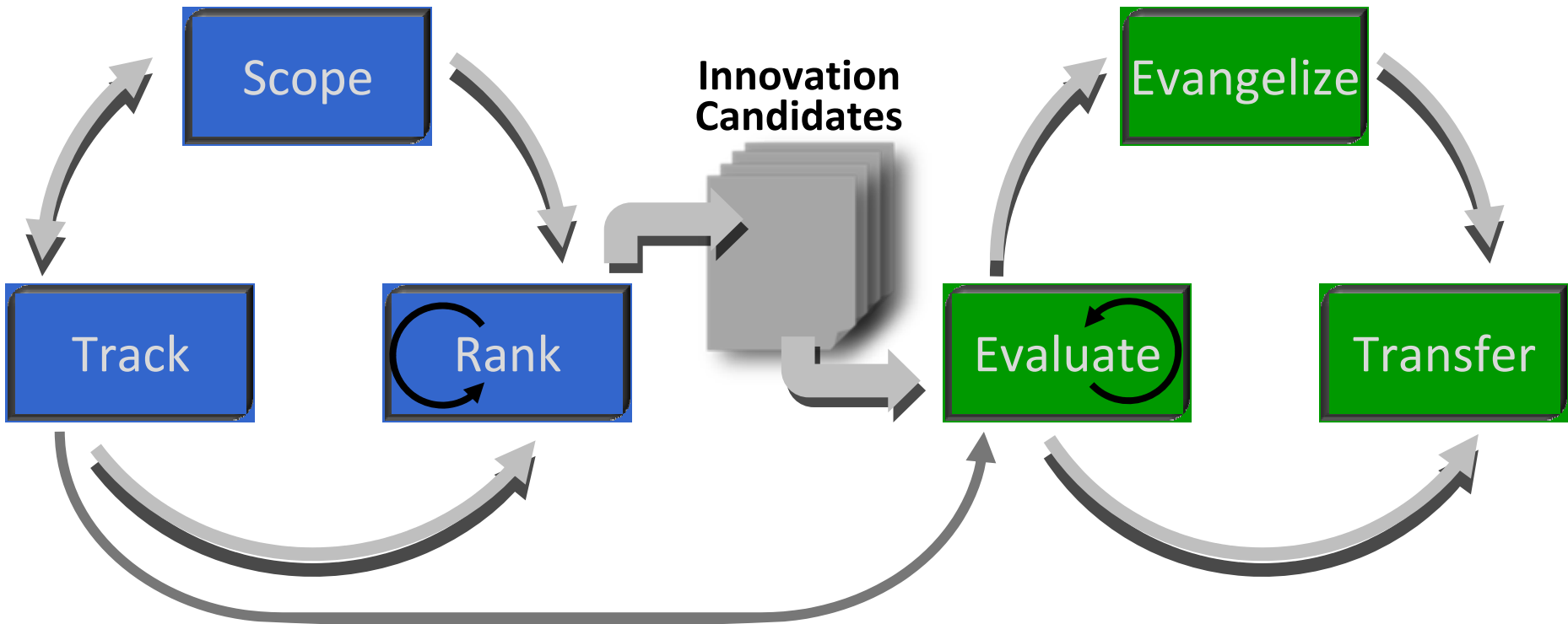
Organizing for Innovation: Catalyst Teams

- **Goal:**
 - Decentralize innovation.
 - Engage and involve people (experts) at the edges.
 - Provide centralized support and some implementation services.
- **Catalyst Teams:**
 - Staff with experts on innovation processes, practices.
 - Catalyst teams advise and support remote teams.
 - Track and correlate efforts at the edge.
 - Business and technology experts compose a catalyst team.

Organizing Case Study: Large, Global Cosmetics Company

- Multiple business divisions (> 30 product lines); Central IT
- Catalyst team established through IT leadership:
 - Focus is stimulating, supporting, enabling innovation.
 - Catalyst team composed of business and IT people.
 - Local teams ideate, innovate in brand business units.
 - Catalyst team ensures common solutions leveraged across brands.
- Challenges:
 - Leverage innovation expertise across the business.
 - Minimize overhead of catalyst team.
 - Speed innovation for each brand unit.
 - Support all brands (single central team slows throughput).
 - Leverage great ideas and solutions.

Scope and Role of Innovation Teams



Front-End: Hands Off

Back-End: Hands On

Scope Case Study: City of Tampa

“Changing the Business of Government”

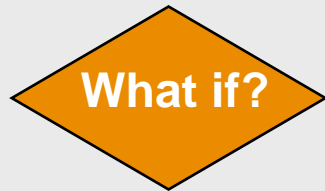
- **Innovation – Efficiency/Effectiveness Task Force (EETF):**
 - 3 year program initiated by CIO in November 2007
 - Business unit leaders compose EETF
 - CIO leads the program – James Buckner
 - Highly collaborative effort across the business
- **Program:** <http://www.tampagov.net/>
 - Focused on revenue increase/cost reduction
 - Projects to date: Projected \$5.7M; Actual \$3.7M
 - All forms, process models, tracking, documents available online
- **EETF Manages the Front End:**
 - Initiates and approves projects
 - hands off to project management and implementation team

Outside In Innovation

Example and Cases: Crowdsourcing

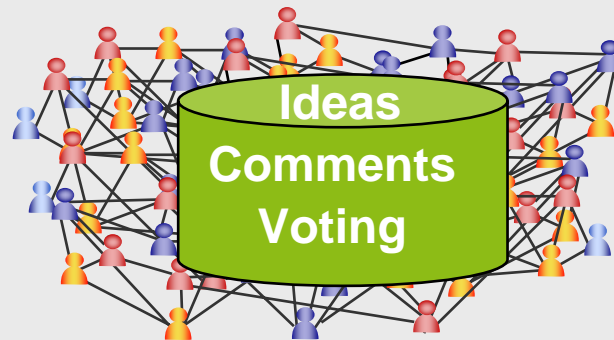
Design your challenge:

- Process & Rules
- Risks
- Communication
- Marketing



Source the challenge:

- Support
- Improve
- Facilitate



Leverage the results:

- Review
- Decide
- Act (& Reward)



Case Study: Cisco I-Prize Initiative:

- 1,170 ideas; 14,263 comments
- 2,500 participants, 104 countries
- Viral marketing to 500 blogs

Value: More ideas than internal

Cost: Low – leverage web

Some Offenses: Block voting

Other Crowdsourcing Programs:

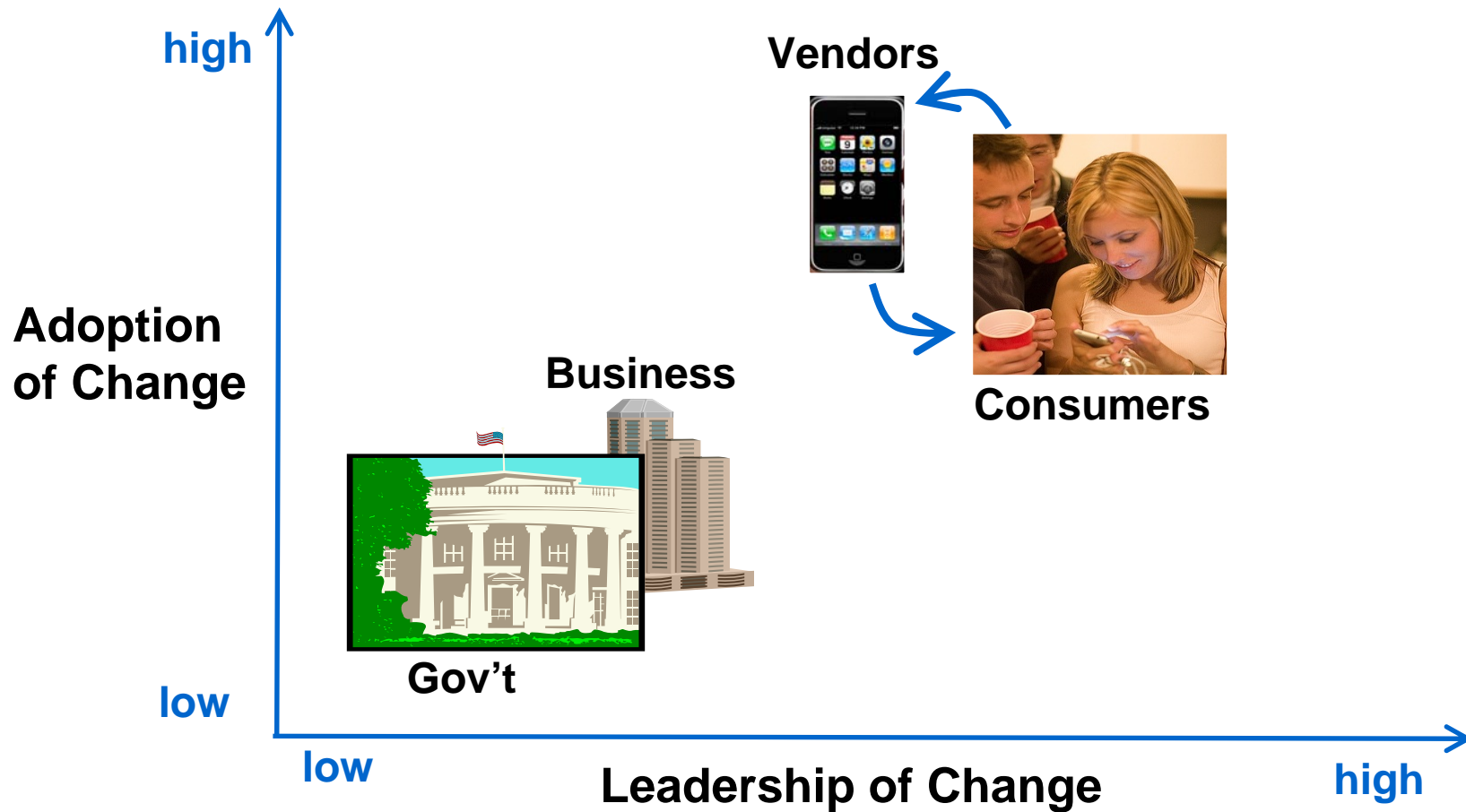
<http://mystarbucksidea.force.com/>
“Help shape the future of Starbucks....”

<http://www.ryzwear.com/community>
“Design, Share, Vote, Browse, Shop...”

<http://www.ideastorm.com/>

“Where your ideas reign”

Consumerization and the Web: Who's Leading Change?



Look for Ideas in Web Trends & Behaviors Become Proactive, Not Reactive

Global Reach

Products for many regions, languages & attitudes

Communication (1-to-1;1-to-many)

Individuals & Communities wield their power. Social interaction explodes

Work Practices and Attitudes

Blurring of work and leisure, conflict between new and old attitudes

Attitudes to Time and Money

Money but no time. 45 seconds is too long to wait.
Time, but no money.



Aging Populations

Home healthcare, longer working career, align product physiology

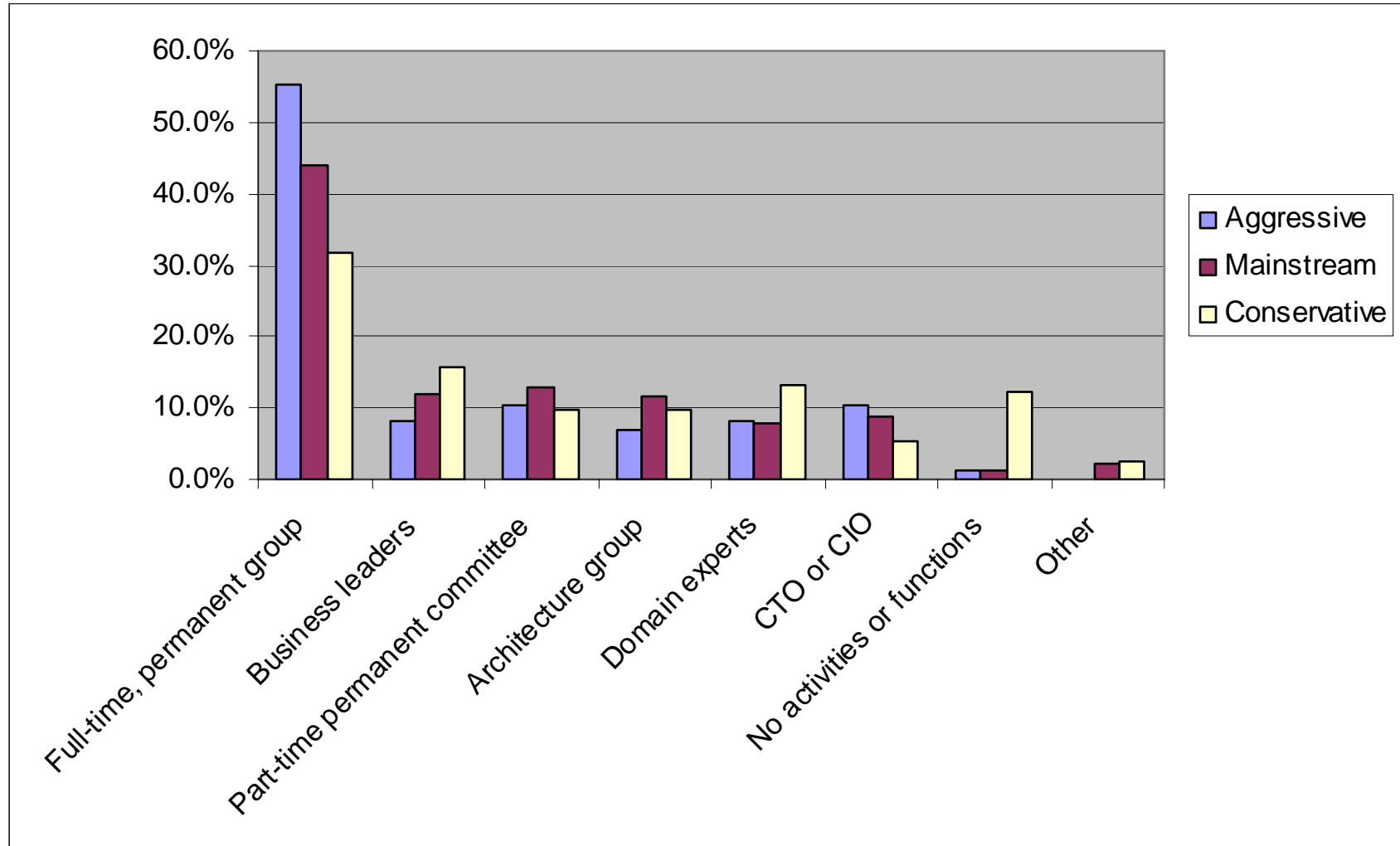
Opinions Matter

Peoples' opinions matter more than in the past

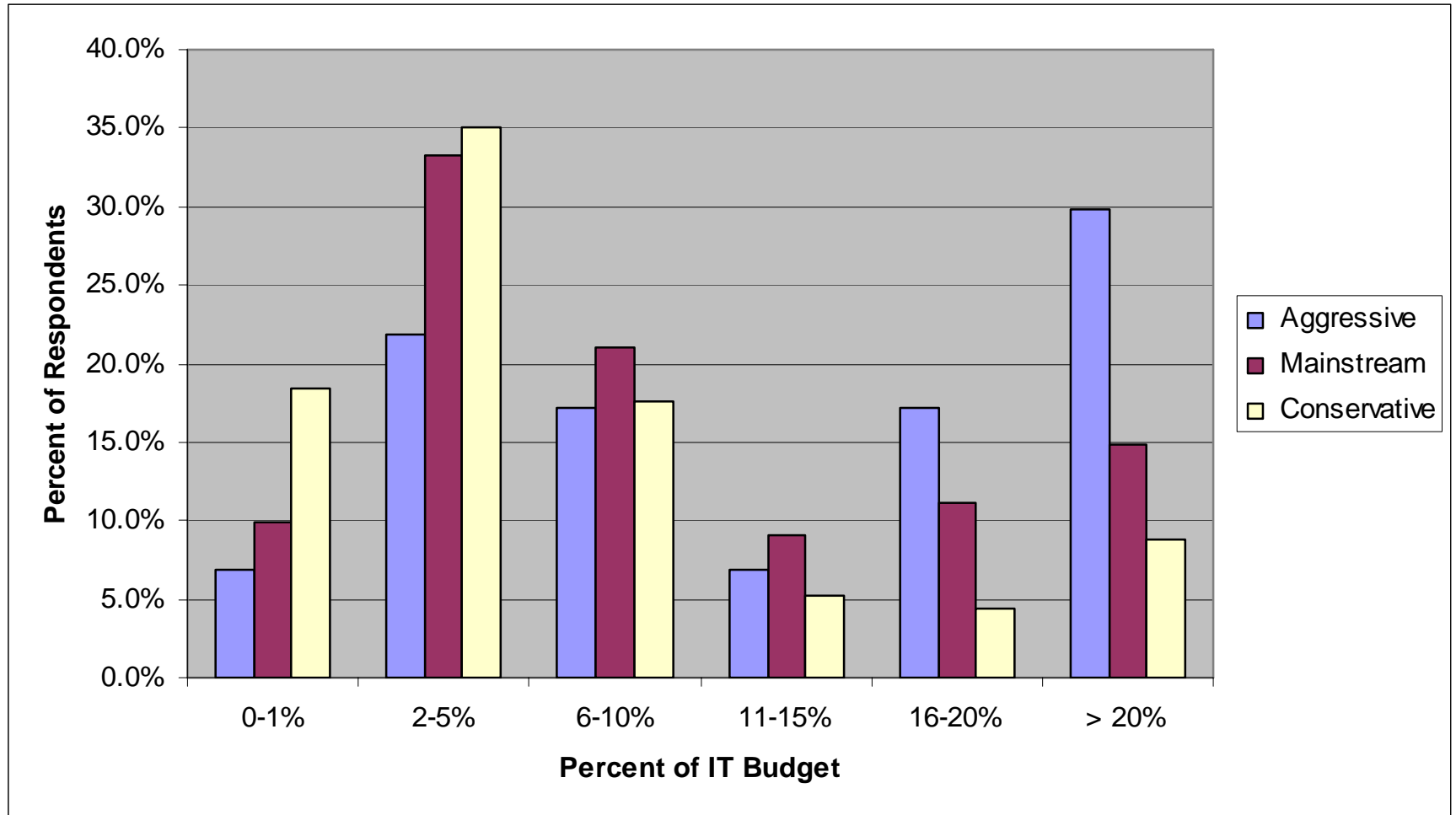
Personalization

Attitudes to privacy, ownership, look & language

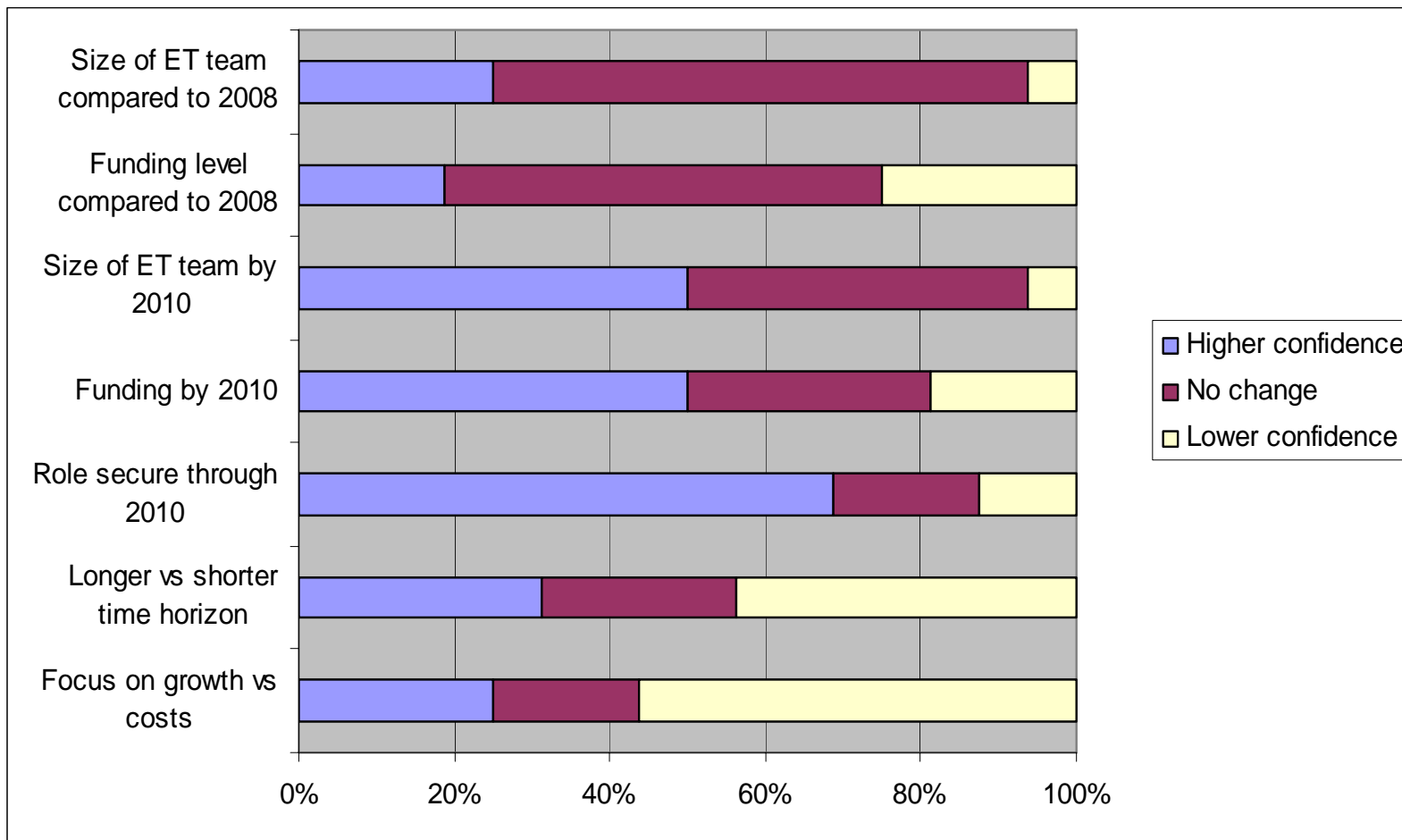
Who is primarily responsible for identifying and assessing emerging technologies?



Percent of IT Budget Spent on ET

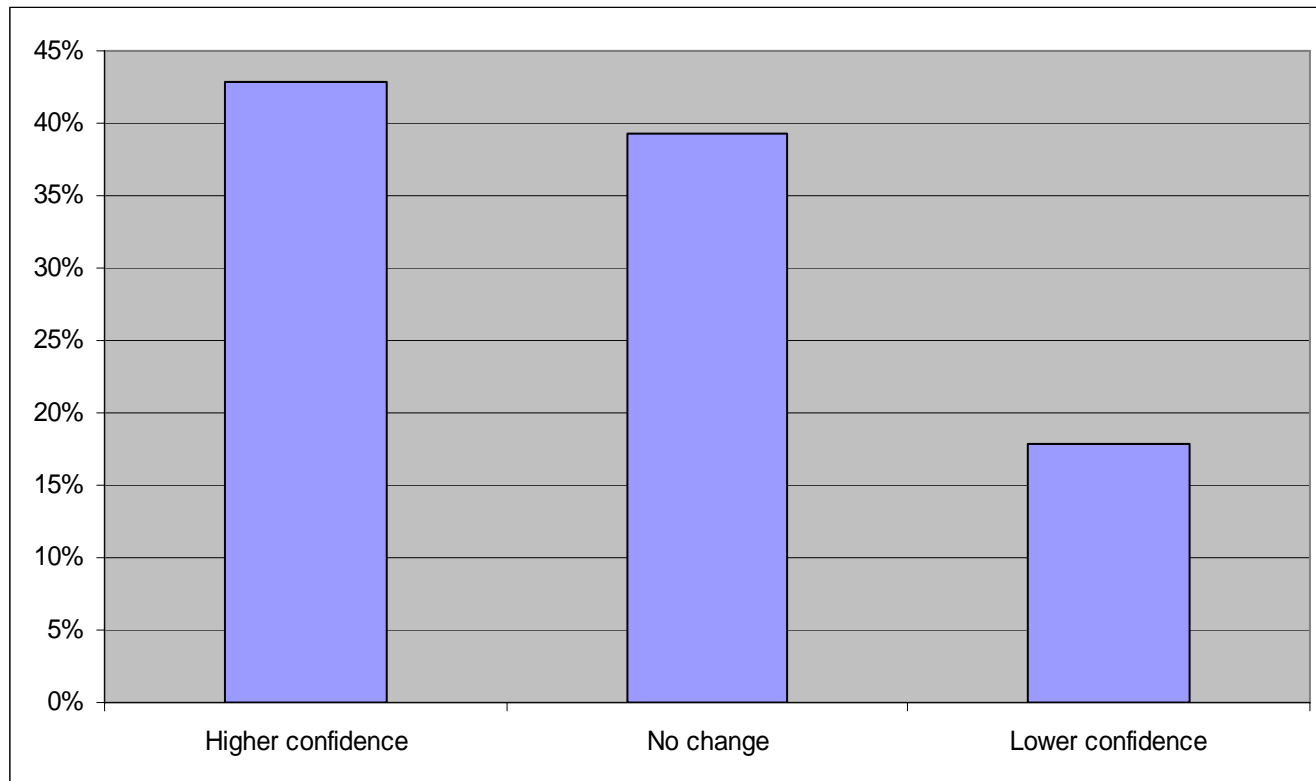


2009 Emerging Technology Confidence Poll Results



March 2009, 16 Emerging Technology Executives

ET Confidence Index



Action Plan

- Use these surveys and Gartner's Hype Cycle Special Report as input to technology planning – what are you missing?
- Be *selectively aggressive* with emerging technologies – where's the value for YOUR organization?
- Consider a catalyst team if your company has a diverse business portfolio and needs to speed innovation. Include best practices and infrastructure provision in your role.
- Experiment with outside-in approaches to idea generation to augment your internal team. Learn the basics by prototyping internally before extending to external parties.
- Your competitors' focus on innovation and emerging technology is growing – make sure you have an innovation strategy, and act on it.