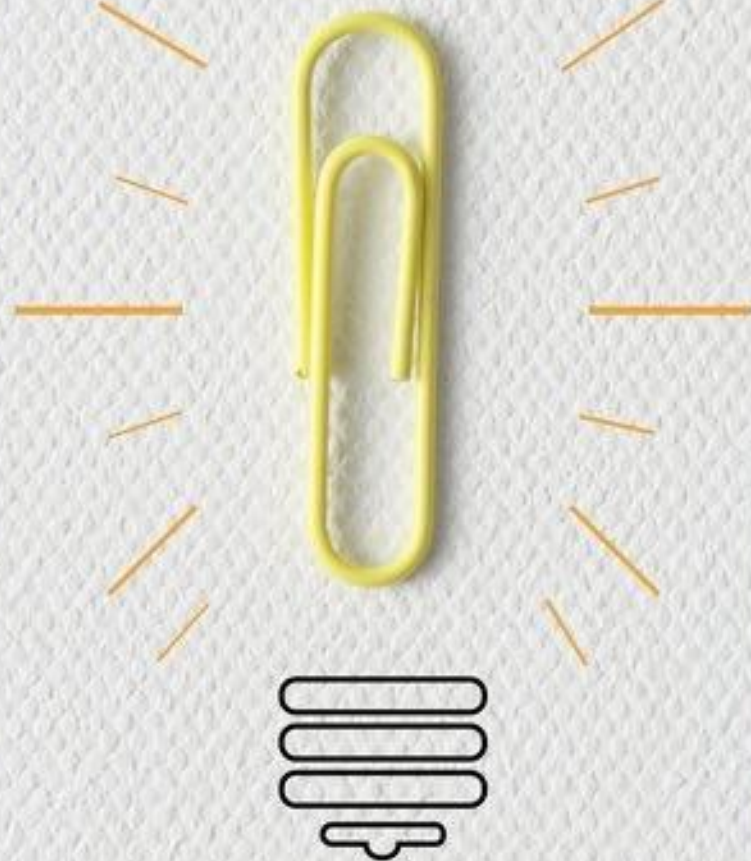




Innovation

India Innovation Forum | ABG - Shiv

**Innovation – One of the most
used and misused word
today in business.**



**Every
company says
they are
Innovative.
Talking about
Innovation
does not make
one
innovative.**



Innovation has had many markers – R & D spend is one of them!



R&D as % Revenue



Global R&D intensity hit an all-time high of 4.5% in 2017⁽¹⁾

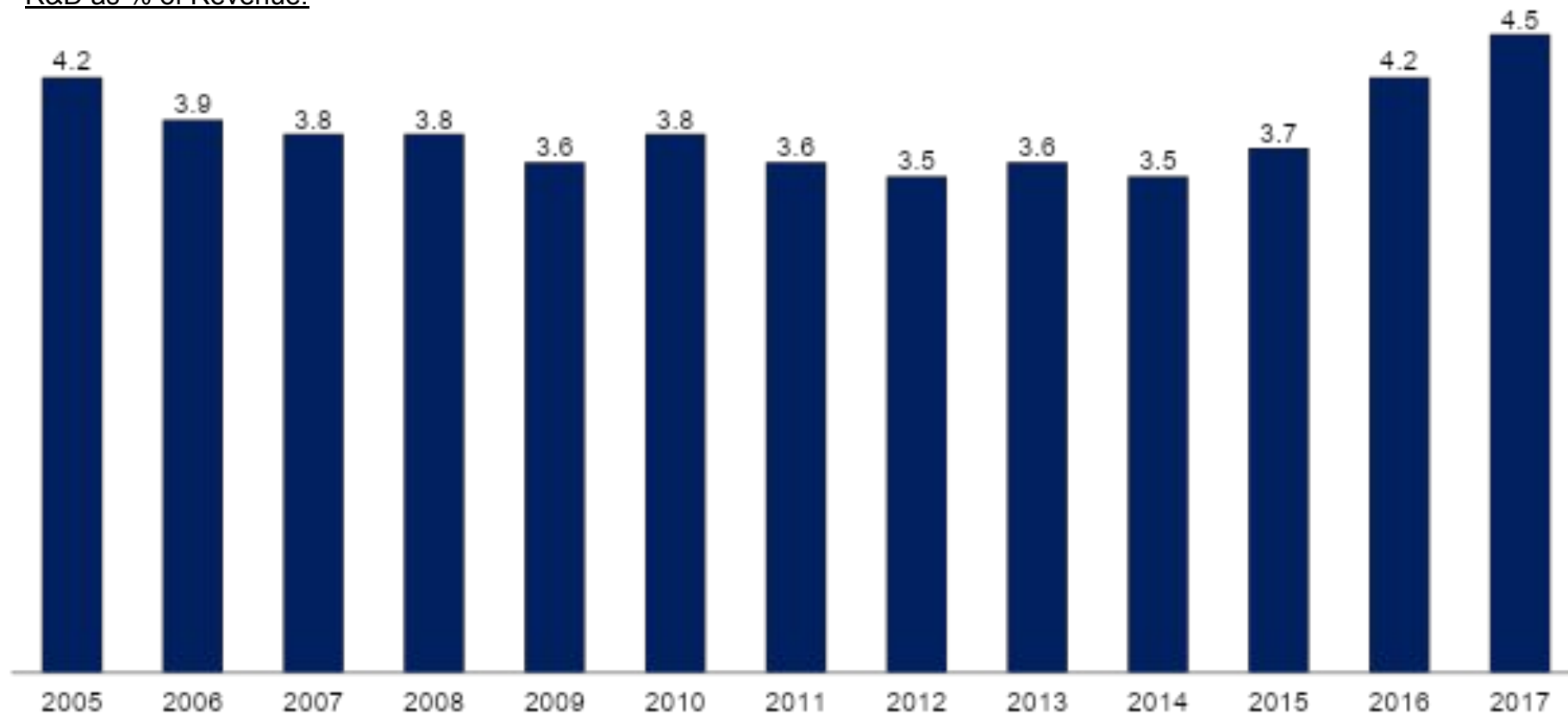
Global R&D spending⁽¹⁾
(USD Bn)

400

12-Yr CAGR of 4.8%

700

R&D as % of Revenue:



Source: PwC Global Innovation 1000 study
(1) For Top 1,000 companies by R&D spend

R&D intensity of the Top 20 R&D Spenders globally is ~9%

Rank in 2017	Company	Geography	Industry	R&D Spending (USD Bn)	Revenue (USD Bn)	R&D Intensity (%)
1	Amazon	N. America	Software & Internet	16.1	136.0	11.8
2	Alphabet	N. America	Software & Internet	13.9	90.3	15.5
3	Intel	N. America	Computing & Electronics	12.7	59.4	21.5
4	Samsung	S. Korea	Computing & Electronics	12.7	167.7	7.6
5	Volkswagen	Europe	Auto	12.1	229.4	5.3
6	Microsoft	N. America	Software & Internet	12.0	85.3	14.1
7	Roche	Europe	Healthcare	11.4	51.8	21.9
8	Merck	N. America	Healthcare	10.1	39.8	25.4
9	Apple	N. America	Computing & Electronics	10.0	215.6	4.7
10	Novartis	Europe	Healthcare	9.6	49.4	19.4
11	Toyota	Japan	Auto	9.3	247.5	3.8
12	Johnson & Johnson	N. America	Healthcare	9.1	71.9	12.7
13	General Motors	N. America	Auto	8.1	166.4	4.9
14	Pfizer	N. America	Healthcare	7.9	52.8	14.9
15	Ford	N. America	Auto	7.3	151.8	4.8
16	Daimler	Europe	Auto	6.9	161.8	4.2
17	Oracle	N. America	Software & Internet	6.8	37.7	18.1
18	Cisco	N. America	Computing & Electronics	6.3	49.2	12.8
19	Honda	Japan	Auto	6.2	125.6	4.9
20	Facebook	N. America	Software & Internet	5.9	27.6	21.4
	Total			194.5	2,217	8.8

Source: PwC Global Innovation 1000 study

**Innovation is an
unpredictable process
with parameters that
seem predictable**



**India ranks 29 out of
137 in a Global
competitiveness Index
done by the World
Economic Forum.**



What is the need for the product or the service?

Who or what will this new product replace?



The Competitor Space

- Netflix's competitor is sleep
- Low Cost Airlines competitor is the train and car
- In shorts is the competitor to 200 news papers
- The Air taxi competes with traffic jams

Indulgent categories compete with each other



Successful innovations have a lot of insight, determination, luck, timing, and ecosystem support.



**Unsuccessful
innovations have**

....



**1. Why do
successful
companies
produce
terrible
innovation?**





IRIDIUM

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NEW

OFFICE. IT MEASURES

197,000,000

SQUARE MILES.

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AND RINGING NETWORK. NOW YOUR WIRELESS SERVICE CAN COVER THE EARTH.

Colgate[®]

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Lasagna**



KEEP FROZEN

NET WT. 14 OZ



 **Lively**
by Google BETA





Martin Bryant

Vibe? ★ 0

● available

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my updates

profile

scraps

photos

videos

testimonials

birthdays

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Smart Insights

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friends (0)

search friends

other ideas:



Manchester, Greater Manchester



A school, e.g.: Harvard



A person, e.g.: Sean Connery

Cookies





100044
BIC

BIC
CHISEL
for Her

Sleek design
M Medium
16
1.8cm

I WROTE
THIS
ALL BY MYSELF

IT'S A
MIRACLE



COSMOPOLITAN

Hilary Duff
Is Back
and
Kicking Ass

THE
5-MINUTE
Flat-Abs
WORKOUT



63
Secrets to
Love
That
Lasts

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BEAUTY BUYS
UNDER \$10

COSMO CARES
THE #1 THING MEN
ARE GOOD FOR
Besides You Know

DENIM
SPECIAL!
Get the
Jeans of
Your Dreams

cosmopolitan.com





I'M BACK AND YOU'RE FIRED!

TRUMP

THE GAME





- 1. Arrogance- “The I am here syndrome’**
- 2. Not understanding the core of what your brand stands for**
- 3. Poor product from a great brand**
- 4. Blindly applying success lessons from one category to another**



**LESSONS
LEARNED**

**Why do successful
companies fail with good
innovation?**

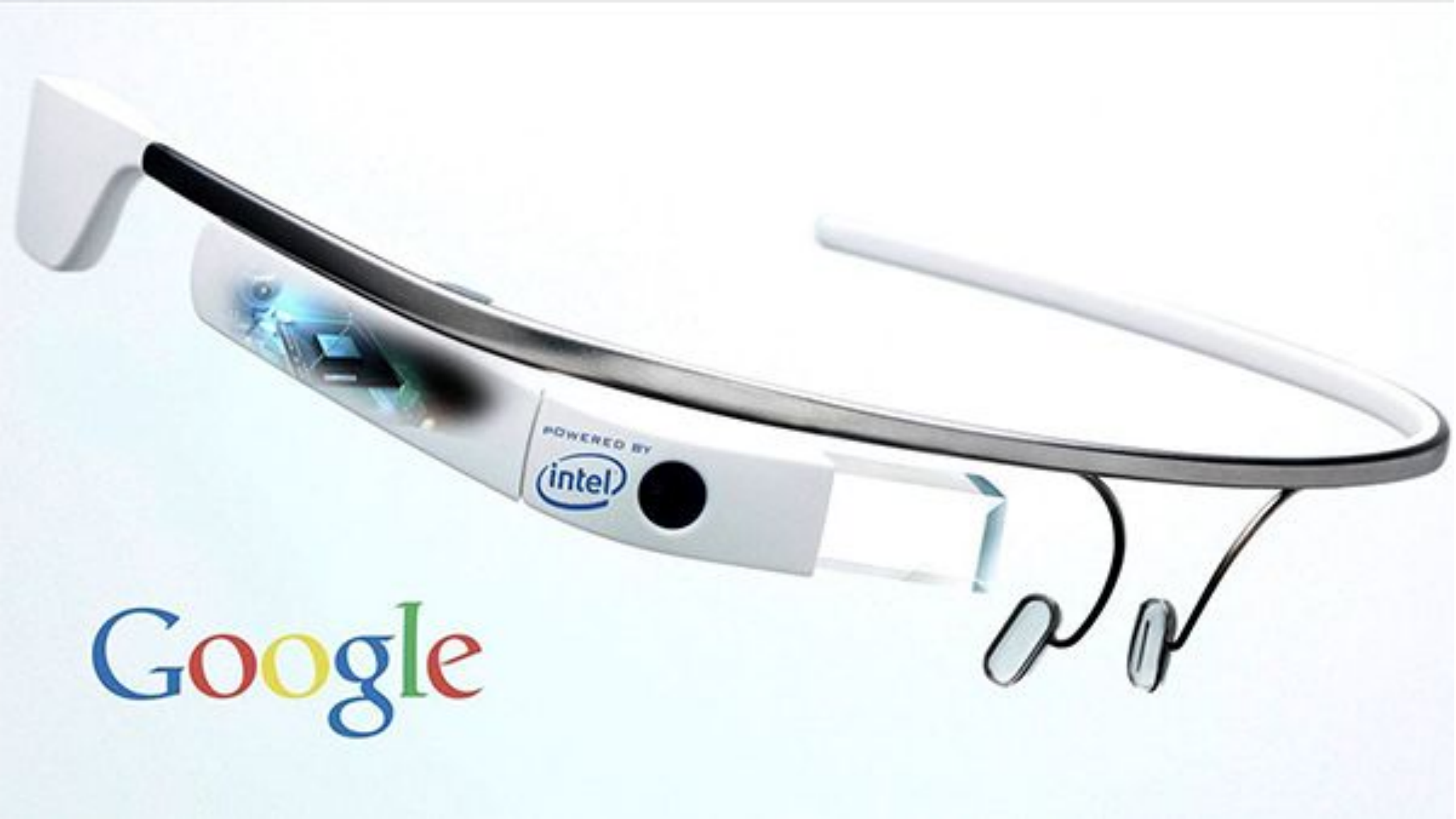




Newton

LEAD





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An aerial photograph of a beach with turquoise water and a search bar overlay. The search bar is white with a blue magnifying glass icon on the right. The Bing logo is on the left. Navigation links for Images, Videos, Maps, News, MSN, Office Online, and Outlook.com are at the top.

 Bing

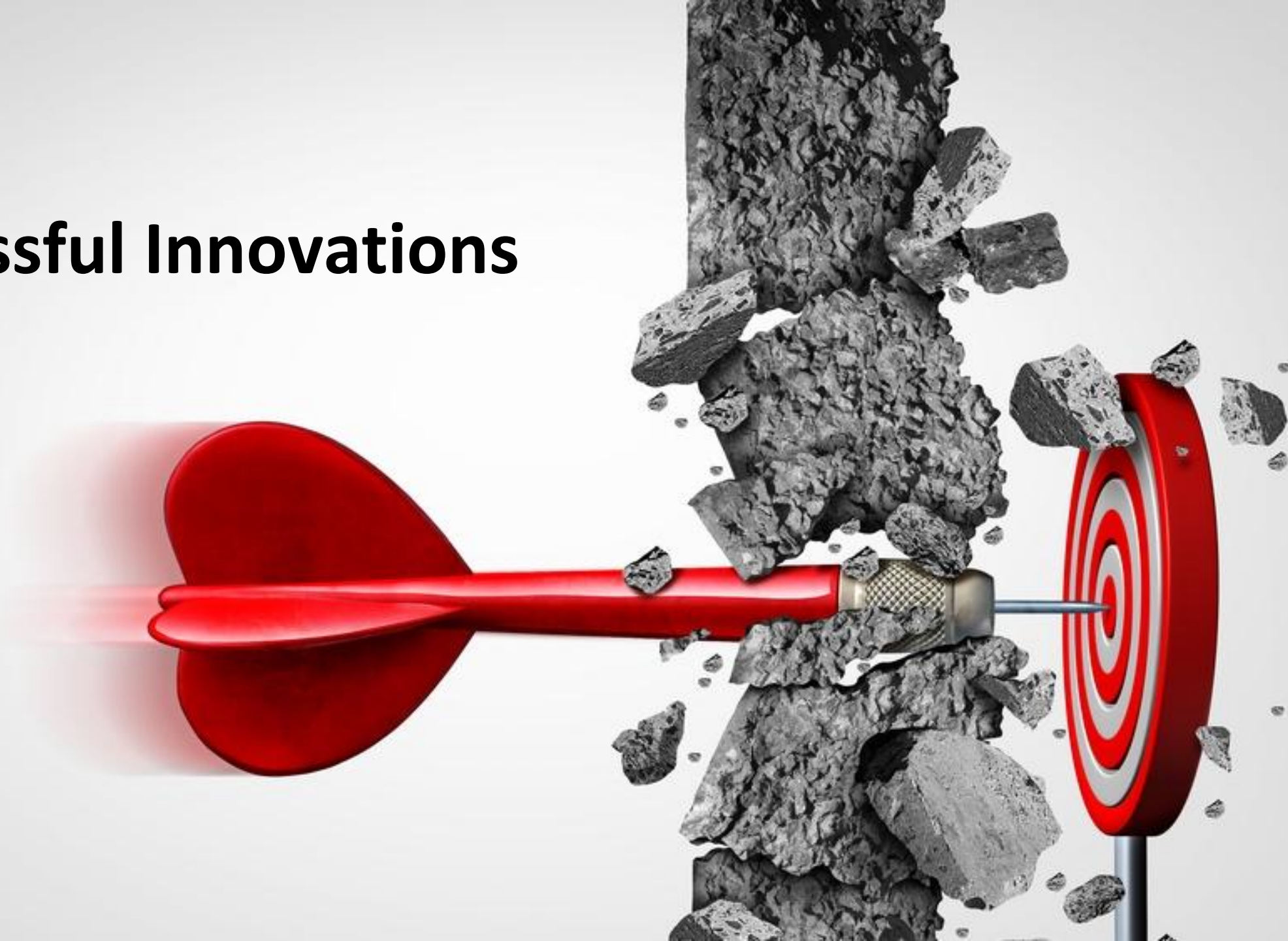


- 1. Some technical flaw in the product**
- 2. Underestimating Regulatory issues**
- 3. Underestimating the challenge of resources**



**LESSONS
LEARNED**

Successful Innovations



SONY

AUTO REVERSE

CASSETTE PLAYER WM-B53

WALKMAN
SPORTS



MENU

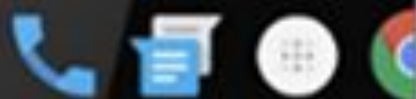




Google



Google



SAMSUNG

12:45

Wed, 25 November



10:10

Thursday, April 30



SONY

Google

10
35

FRI 03 OCT



Google



Phone



Messaging



Apps



Contacts

9:41

Monday, March 21



Wrinkle Free











VS







Types Of Innovation

- 1. Incremental Innovation**
- 2. Variants**
- 3. Cheaper than current offering**
- 4. Riding a trend /fad**
- 5. Business Model innovation**
- 6. Copy a successful innovation**
- 7. New to world Innovation**



4 closing thoughts

1. Celebrating Innovation failure



**2. Is innovation
a separate
department?**



3. Innovative companies encourage:

Cross Functional working
Higher Diversity
Better Inclusiveness



A hand in a white shirt sleeve holds a glowing lightbulb. The background is a dark blue gradient with a white network graph of interconnected nodes and lines. The text is overlaid on the left side of the image.

4. Innovation needs 2 Is and 2 Cs:

- a. Institutions and their eco system
- b. Infrastructure
- c. Capital – Human plus Funds
- d. Curiosity

Summary

