



Innovation management – Tools and methods for innovation operation measurements

ISO 56008



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**Total
training
hours: 32
= 1 ECVET**

**16 hours
physical
training**

**16 hours
individual
learning**

Activities:

1. Individual exercises
2. Self assessment
3. Group activities
4. Study cases



LEARNING OUTCOMES

KNOWLEDGE	SKILLS	ATTITUDES
<p>K1.1: Knowledge of what are the definitions related to MEASURE innovation management, including concepts and principles.</p> <p>K1.2: Knowledge of the potential long-term consequences to implementation of measurements in managing their own innovation inside the organizations.</p> <p>K1.3: Knowledge of the importance of setting and establish incentives, and assess the results, outcome, and impacts of their innovation operations. Innovation management system principles in the workplace.</p>	<ul style="list-style-type: none">• S1.1: Communicate effectively with colleagues and managers about concepts and principles related to measure innovation management.• S2.2: Practice effective implement measurements innovation management activities.• S2.3: Identify in the workplace assessment of the results regarding innovation management system principles.	<p>A1.1: A sense of responsibility for one's own measure innovation management , including a concepts and principles and take action when is needed inside of the organization.</p> <p>A1.2: A sense of collaboration and support colleagues, including a willingness to take proactive steps to address assessmentet innovation activities inside the organizations.</p> <p>A1.3: A sense of personal responsibility and awareness, including the impact as a key component of workplace innovation management culture.</p>

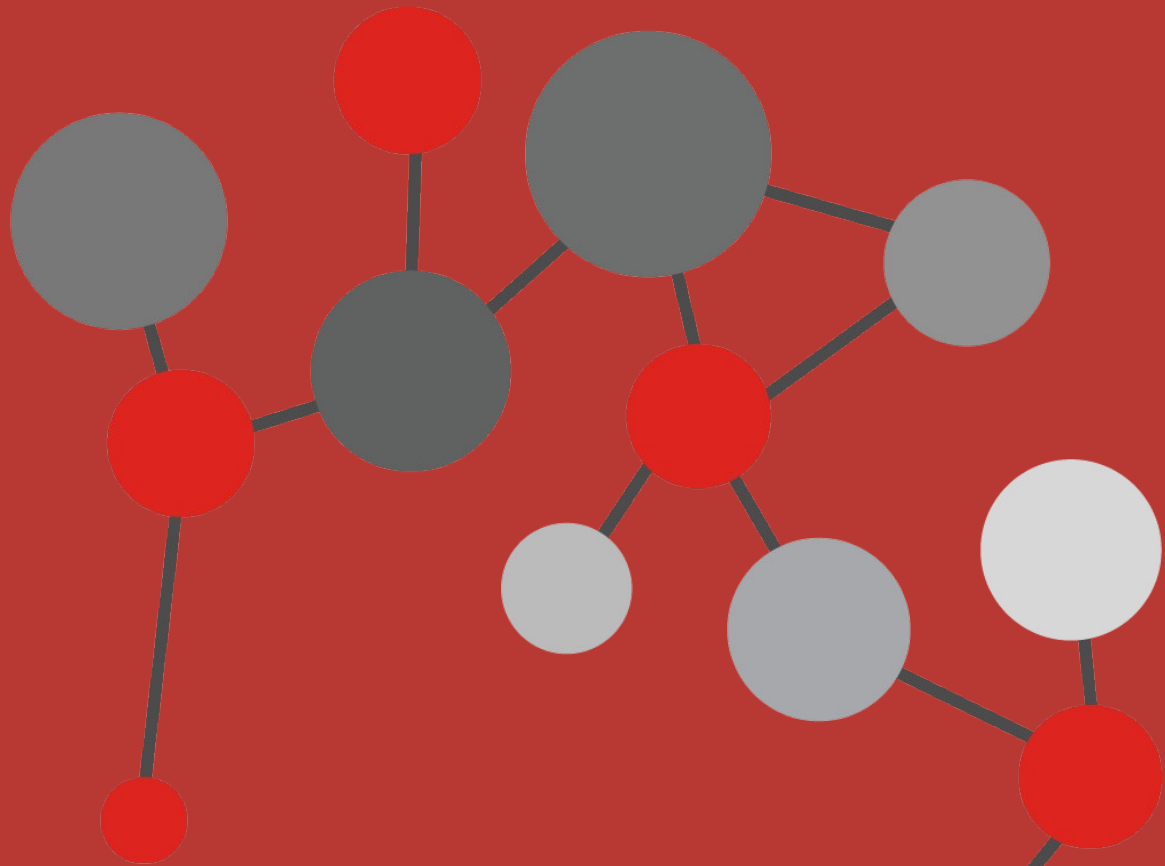


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1. Measurements for establishing and **launching innovation activities**
2. Measurements for innovation **processes.**
3. Measurements for innovation **initiatives**
4. Measurements of innovation **portfolios.**

4. Measurements for innovation portfolio

TIMS



INNOVATION PORTFOLIO

- Organizations can undertake more than one innovation initiative at the same time.
- Some are short-term, while others are medium-term or even long-term over several years.
- No organization can afford an unlimited budget for innovations



Why we need an INNOVATION PORTFOLIO?

The other side of the coin is that untracked activities are easily forgotten, which can lead to a couple of different problems: there are organizations that try to measure too many things at once, as well as those who aren't measuring anything at all.



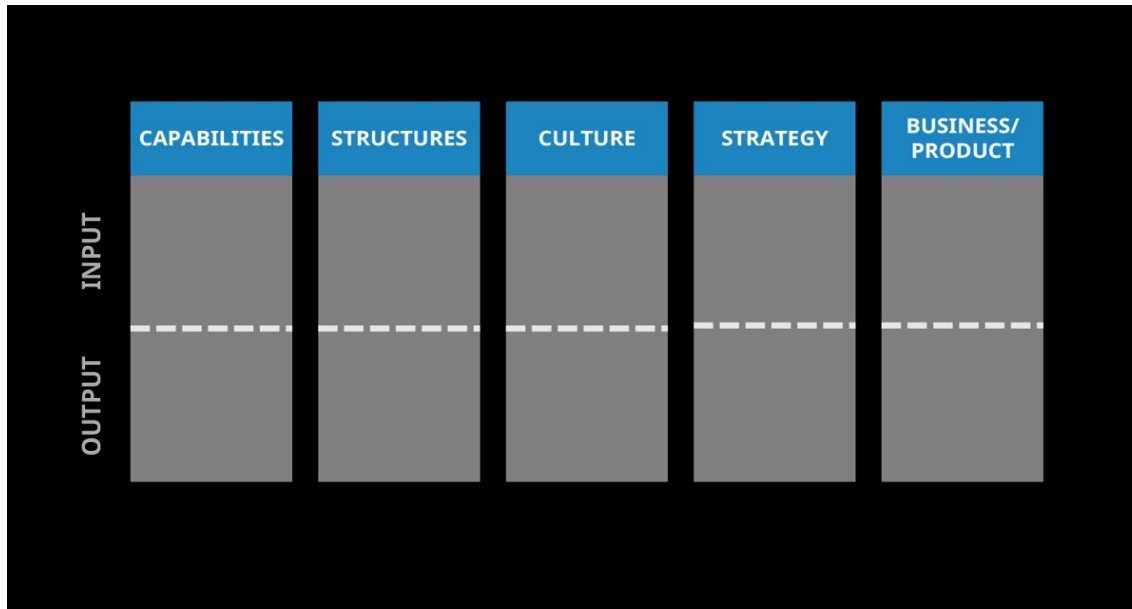
Why we need an INNOVATION PORTFOLIO?

Innovation portfolio management enables not only commercial actors but also public sector organisations to systematically manage and **prioritise innovation activities according to concurrent and diverse purposes and priorities**



An INNOVATION PORTFOLIO: 5 categories

The first four of the **five categories** represent each of the different aspects of **innovation management**, whereas the remaining one focuses on business and product related metrics.



Keep in mind that while it's valuable to acknowledge how each of the five aspects affect your innovation management process, **it's not necessary to have concrete metrics to measure all of the following aspects.**



An INNOVATION PORTFOLIO: 5 categories

1

CAPABILITIES

Abilities, practical skills, unique insights and know-how of the people, tacit knowledge, and other information capital, as well as financial capital needed to create innovation.



2

STRUCTURES

Organizational structure, processes, resources and other tools that support innovation management (such as innovation management software).



3

CULTURE

Capabilities related to people that support the process, innovativeness of an organization and the need for always getting better.



4

LEADERSHIP & STRATEGY

Metrics related to strategic aspects that are linked to concrete operations.



5

BUSINESS & PRODUCT METRICS

So called "ROI" metrics, that focus on measuring the results your innovation investments have yielded.



EXAMPLES

1- **Employee Engagement Scores:**

Example: A technology company conducts annual employee engagement surveys. In the latest survey, 85% of employees reported feeling engaged and motivated at work. This positive engagement is a result of transparent communication, professional development opportunities, and a supportive work environment.

2- **Failure Rates:**

Example: A food and beverage company launched a new product line, but after a year, analysis revealed a high failure rate, with 30% of products discontinued due to low sales. The company learned from this experience, identifying the need for better market research and product testing before launch.

3- **Market Penetration Percentages:**

Example: A software company introduced a new solution targeting small businesses. Within six months of launch, the product achieved a 15% market penetration among the identified target audience. This success was driven by strategic marketing campaigns, competitive pricing, and user-friendly features.





Case Study

IN ASSESSING AND IMPROVING INNOVATION OPERATION MEASUREMENTS

Case study: Mobileye

Mobileye was founded in 1999 with the aim of developing advanced innovative technology to reduce car accidents and avoid collisions. **Two indicators** (R&D expenditures and sales growth) can be used as examples to determine the company's ability to innovate.

In 2004, the first product went into series production, the EyeQ®1, a warning system for collisions and lane departure. The aftermarket was tapped as early as 2006, with sales to fleets and dealers, respectively. In 2007, Goldman Sachs invested \$130 million, and volume production with original equipment manufacturers, and OEMs, (General Motors, BMW, and Volvo) followed. In 2011, more than 80 percent of sales were invested in R&D. In 2012, the one-millionth chip was sold and in 2013, sales quadrupled since 2011. In 2014, the company went public on the New York Stock Exchange (NYSE), and in 2015, it sold its ten-millionth chip and had collaborations with more than 25 automakers. In 2016, sales were 18 times since 2011.

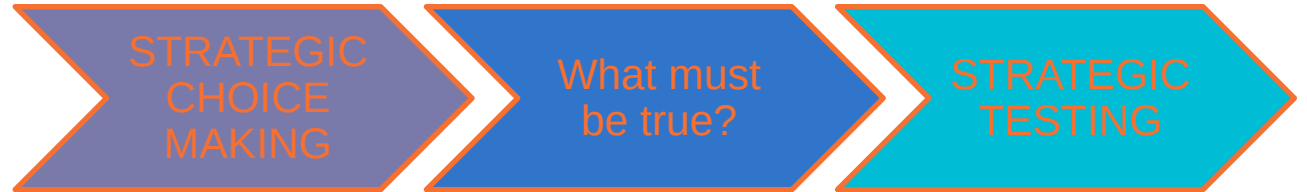
This paper has shown that innovation, and especially business model innovation, continues to play an important role in the success of companies. In this context, the innovation capability of companies is also of particular relevance, as it can provide a statement about future success. **Innovative capability can be measured on the basis of various indicators that can be determined from the business model and the annual financial statements.** In particular, **the correlation of different indicators in comparison with competitors allows a statement to be made about the innovative capability of companies.**



SELF DIRECT LEARNING

If you want to learn how to measure your strategic aspects, we recommend you have a look at **The Playing-to-Win Strategy Canvas**, which can help you to test your assumptions and find metrics to measure whether these assumptions support your strategy.

The point is to link your strategic choices to concrete actions by assessing what needs to be true for the choices to be good ones in order for you to test them.



CONCLUSION



*Keep in mind that **measuring innovation is a continuous learning process**, and you most definitely need to reassess and change your metrics as your business and innovation management processes evolve.*

In the meanwhile, start simple and focus on finding a few metrics that actually benefit your business now and in the long run.



CONCLUSION

How to get the most out of your innovation KPIs?



Focus on a few metrics at a time and prioritize

Find opportunities for learning and improvement



Assess the lifecycle of the innovation

Don't force the same metrics for everyone



References

TIMS



References

1.- *ISO 56008 Innovation management — Tools and methods for innovation operation measurements — Guidance*

2.- <https://www.viima.com/blog/how-to-measure-innovation-kpis#infographic>

3.- <https://www.youtube.com/watch?v=k2iyMNBSabc> *Strategy management measurement.*

4.- **Measuring Creativity for Innovation Management** article **David H. Cropley¹, James C. Kaufman², Arthur J. Cropley** Associate Professor, Defense and Systems Institute, University of South Australia, Mawson Lakes Campus, Mawson Lakes, SA 5095 AUSTRALIA.





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