

VCI Innovation State of Play Survey 2014

– Theme #2 –

There is a disconnect between innovation and strategy

Respondents to this year's survey indicated that the single biggest improvement possible to improve their innovation programs is to improve their link to corporate strategy. This echoes our findings from last year. The industry overwhelmingly sees innovation as highly important to the success of their corporate strategies, so why the difficulty in aligning the two? We'd like your views...

Key points

- **95%** - of companies rate innovation as important to their long term strategy
- **23%** - of executives say their company does not have a dedicated innovation strategy
- **2x** – Miners are twice as likely as suppliers to say their leaders should be more involved in innovation strategy
- **56%** – Say their innovation approach is either not very structured or completely ad hoc

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<http://tinyurl.com/px7mzt1>

Are the cultures of strategy and innovation too different? 30% of respondents suggested the creation of a supportive culture for innovation would be one of the best ways to improve innovation. Different teams put together for different purposes with different jargon – it may be difficult to maintain the high levels of communication required to closely align their strategies.

Is there a capability gap? Almost one quarter of respondents said they have no dedicated innovation strategy and 14% said their corporate strategy doesn't clearly articulate competitive advantage. Both of which are really important to achieving long term business goals – does this imply that innovation teams are under resourced? And that corporate strategy is more focused on planning than strategy?

Can strategy processes be more open? Over a quarter of respondents said that mining and supplier relationships are more transactional than value based. Could improving the quality of these relationships, including through aligning corporate and innovation strategy development, result in closing the gap between innovation and strategy internally as well?

Responses from last year's survey indicated that there is a disconnect between innovation and corporate strategy. Why do you think this is?

