

CIO – Corporate innovation online Innovation management best practices

Background to CIO's innovation management – IM - reports

Management practices and policies are a priority for highly-innovative, idea-intensive companies

The scope of CIO's research includes **Starbucks (SBUX), Deere & Co. (DE), 3M (MMM), GE, and P&G** (currently being redone) plus ideas and other information which has been gathered from researching over thirty other highly-respected organizations. A list of 'companies researched' is provided on the web site. Reports are updated when there are major changes in senior management.

3M has, in the opinion of CIO, the best set of management practices and policies which encourage innovation. When compared to P&G and particularly to GE, 3M's record for return on equity coupled with its management practices, rank it as the best in terms of the management of innovation. Students of management could learn much from knowing more about 3M's approach to innovation management.

CIO provides insight into the management of innovation in five highly-innovative, idea-intensive, companies. By researching these companies, CIO;

- derives their approach to the management of innovation though delving into publicly-available and sometimes private sources including interviews with knowledgeable people,
- identifies the most important management policies and practices which favor or discourage innovation in each company,
- articulates the practices,
- seeks out management traits which are common to highly-innovative, idea-intensive companies,
- constructs a generic model of the best management practices and policies,
- provides a framework so that organizations may compare their organizations with best practices,
- provides an on-line laboratory where individuals and groups may render their opinion and compare results to other respondents.

CIO's seven major components of a framework for the successful management of innovation.

1. Performance management
2. Communication
3. Delivering reliability
4. Technology development and market shifts
5. Culture
6. Strategy
7. Organization

Each IM research report is a comprehensive document and available on the web site. CIO's generic framework for the management of innovation has been built through undertaking extensive research into the policies and management practices of our 'group of five companies' as well as noting the best practices of other organizations.

Building, sustaining and articulating innovation management best practices



JOHN DEERE



CIO – Corporate innovation online

Innovation management best practices

The following table is a summary of the highlights from our latest reports.

| Company | Deere & Co. | Starbucks | 3M | GE | P&G |
|--|---|--|--|--|--|
| Summary comment | A well-managed company with solid management practices in place. | Controlled, careful innovation management is their hallmark. | The company with the best policies and management practices for encouraging and sustaining innovation. | After extensive restructuring challenge is to improve financial performance, generate cash and maintain GE's innovativeness. | Strategic restructuring is underway but the bigger challenge is changing management practices and the ecosystem. |
| CEO | Allan | Johnson | Thulin | Flannery | Taylor |
| Age | 64 | 56 | 63 | 55 | 59 |
| Operating margin* | 8.77% | 18.03% | 23.99% | 8.30 | 22.55% |
| Return on equity* | 21.72% | 50.075 | 46.38% | 9.52% | 16.86% |
| Employees | 57767 | 254000 | 91584 | Over 300,000 | Over |
| Key emerging issue respecting innovation | | | | | |
| | Management of international roll-out | Success of initiatives in China and India. Tea? Actual 'succession' to take place! | Keeping the NPVI percentage high. | Building on recent acquisitions and improving GE's financial performance. Strategic divestitures. | Changing 'how' it manages itself. Simplicity and entrepreneurship is needed. |
| Fit with CIO's framework for the management of innovation | | | | | |
| | Deere's management practices contributed much to the generic model. | Rated high on most characteristics. | Rated our best fit of the five companies researched in depth. | Compatible on most fronts but may need to adopt a more aggressive approach to decentralization and 'simplicity'. | Fit is generally good except that lack of clarity of roles and responsibilities act to slow decision making. |

- Financial information as of October 2017

Each company has its own management challenges and while their approach to achieving innovation differs, there are common elements which can be applied to many corporations companies.

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