

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** plus ideas and other information gathered from researching over thirty highly-respected organizations. A list of ‘companies researched’ is provided on the web site. Reports are updated when major changes in senior management occur.

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.

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.

Building, sustaining and articulating innovation management best practices

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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	Culp	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?	Keeping the NPVI percentage high.	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 CIO's best fit of the five companies researched in depth.	Major changes now underway but focus on R&D remain	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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