Innovation Officer Responsibility #3: Formulate Strategy

by Bill Poston

The Chief Innovation Officer has a multifaceted set of responsibilities that require an array of skills. Improved business results is the goal, and being able to measure those results is important to gauge effectiveness, but the innovation officer must also define the company’s destination by formulating and communicating an innovation strategy.

Many organizations can articulate a business strategy – or at least define a set of financial goals. However, there are very few that can explicitly tie their organic growth goals to a well-articulated innovation strategy. This strategy should tell the organization how those organic growth goals are going to be met.

Good innovation strategies answer simple, but rarely asked, questions.

I work with a large pharmaceutical company that develops products in five primary therapeutic areas. When we asked the company’s leadership how R&D investment should be allocated across the five areas, we got a different answer each time. Another one of our medical device clients is struggling with the geographic allocation of innovation investment. In a number of earlier posts, we have discussed the appropriate allocation of investment in breakthrough concepts. I have a current industrial client who is trying to balance central technology development with business unit-driven new product development. There is also the identification of threats and potential disruptions that require specific competitive strategies.

These are just examples of the types of questions and issues that should be addressed by a well-crafted innovation strategy. The ultimate test of these strategies is whether they deliver on the organic growth goals of the business. It is the Chief Innovation Officer’s responsibility to give the CEO and the rest of the executive team a reason to believe those goals can be met.

More in this series:

The Chief Innovation Officer: Is It CIO, CNO, or CINO?
Innovation Officer Responsibility #1: Business Results
Innovation Officer Responsibility #2: Measure
Innovation Officer Responsibility #3: Formulate Strategy
Innovation Officer Responsibility #4: Identify Threats and Opportunities
Innovation Officer Responsibility #5: Shape the Portfolio
Innovation Officer Responsibility #6: Cultivate Breakthroughs
Innovation Officer Responsibility #7: Evolve Competencies
Innovation Officer Responsibility #8: Nurture Culture

Originally published on www.thechiefinnovationofficer.com

Originally published on April 22nd, 2014

What's your view? Add your question or comment
About the Author

Bill Poston
bill.poston@kalypso.com

For the past 30 years, Bill has helped executives in technology-driven industries transform their competencies to deliver results. He is a highly regarded consultant, speaker, and writer on the topics of innovation strategy, product development, portfolio management, technology commercialization, and the software systems that enable innovation. Keep up with Bill's latest research and thoughts on innovation and the rising role of the Chief Innovation Officer at www.TheChiefInnovationOfficer.com.