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.

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