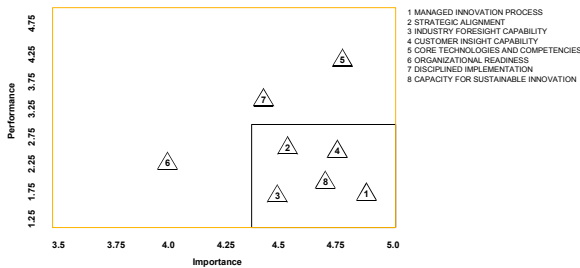


Innovation Diagnostic

The *Innovation Diagnostic* is the first step in building a culture that embraces, applies and supports innovation as a key driver of competitive advantage. Sapience’s proprietary diagnostic makes a quantitative and qualitative assessment of an organization’s innovation effectiveness along eight key dimensions, identifying the ways in which current organizational structures, practices and cultural norms enable or inhibit successful innovation.



The diagnostic identifies current strengths and methodologies that can be leveraged more broadly across the organization

Organization-wide Innovation Best Practices

| | BU 1 | BU 2 | BU 3 | BU 4 | BU 5 | BU 6 | BU 7 | BU 8 |
|---------------------------------------|------|------|------|------|------|------|------|------|
| 1 MANAGED INNOVATION PROCESS | √ | | | √ | | √ | | |
| 2 STRATEGIC ALIGNMENT | | | | | | | | |
| 3 INDUSTRY FORESIGHT CAPABILITY | | | | X | | | | |
| 4 CUSTOMER INSIGHT CAPABILITY | | √ | | √ | | √ | | |
| 5 CORE TECHNOLOGIES AND COMPETENCIES | | √ | | | | | | |
| 6 ORGANIZATIONAL READINESS | X | X | | √ | | | | |
| 7 DISCIPLINED IMPLEMENTATION | | X | | | | | | |
| 8 CAPACITY FOR SUSTAINABLE INNOVATION | X | X | X | | X | | | X |

√ = Area of strength/Competency to share
X = Area of weakness

It identifies specific barriers to innovation and captures respondents’ ideas for overcoming them. The final deliverable includes analysis and interpretation of findings and a preliminary road map for developing sustainable innovation practices

Process

After a brief planning phase, the diagnostic tool is customized depending on the organization’s

situation. It can be administered either by email or as a web based tool.

The process seeks input from key stakeholders from different levels, functions, business units and geographies across the organization, gathering not only their opinions and insights but also building enthusiasm, momentum and commitment to their role in driving change.

If appropriate the assessment may be supplemented with qualitative interviews with selected stakeholders. After synthesizing and analyzing the results, a planning session engages a decision making/ implementation team to review the results and implications and develop a plan of action

Next Steps

The diagnostic leads to a variety of next steps that enable the organization to begin building a culture of innovation, for example:

- ▶ Refining current best practices and planning how to leverage them across the organization
- ▶ Benchmarking the innovation best practices of other companies, so they can be adopted and modified
- ▶ Redefining organizational structures/ functions in ways that foster cross functional collaboration
- ▶ Building an “Innovation Community of Practice” that enables an organization to maintain a central repository of innovation knowledge, research, insights, market drivers, opportunity areas and “seed ideas”, share and leverage best practices, and collaborate across business units and geographies

About Sapience

Sapience LLC works with CEOs, line executives, and HR business partners in building the strategy, organization, and leadership capabilities that create and sustain competitive advantage. We believe that long term growth, competitive strategic differentiation and profitability can only be achieved through the building and maintaining of unique organizational capabilities. The company is centered on the practice of Strategic Innovation, a future focused business development framework that identifies breakthrough growth opportunities with measurable impact, both in the near term and longer term, and defines the supporting decisions and actions to achieve a compelling business vision.

Sapience's clients include Hewlett Packard, Cisco, Philips, 3M, Frito Lay and Nestlé.