

Strategic Innovation Research Project

04

Innovation capacity of Spanish companies

- Objectives of the survey
- Profile of the companies
- Structure of the questionnaire
- Main conclusions
- Detail of the results of the questionnaire

Objectives of the survey

A central axis of our research project was the empirical contrast between the Model defined to support the companies in their innovation progress. To that end, in May 2006, a questionnaire on strategic innovation was designed and administered to more than 1000 Spanish companies in order to **empirically study how Spanish companies innovate and what the main difficulties they face are**, trying to corroborate the starting hypotheses formulated by the team at B+I Strategy.

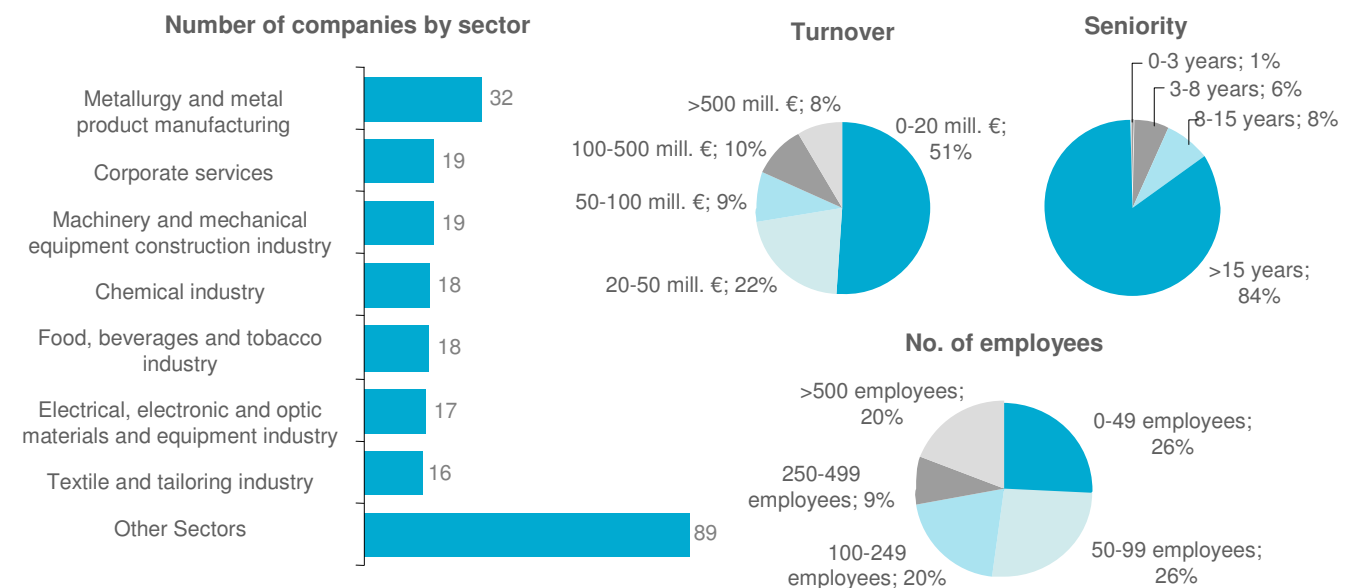
The questionnaire included 12 areas of analysis on:

- The importance of innovation at each company.
- The efforts made and the results obtained in exchange.
- The degree of strength or weakness in a series of capacities for innovation.
- The main barriers, and the reference companies in innovation.

Finally, **229 replies were obtained from companies** with different characteristics, origins and sectors of activity, which were sent an individual report comparing their replies with those of other companies in their sector of activity and all the companies in the sample. Processing the survey allowed us to ascertain how important innovation is to Spanish companies, what types of innovation they have carried out most frequently, what resources they dedicate to innovation and what resources they consider they should assign, what their main strengths and weaknesses are when innovating, what partners they work with to innovate and what are the main barriers they face to innovate, among other aspects.

The following pages show the **results obtained**, taking the questionnaires received as the basis for statistical exploitation.

Profile of the companies that answered the questionnaire



- Note: When analysing the report, one must consider the bias that might arise from the special willingness the more innovative companies have to participate in this process, to the detriment of the least innovative ones.

Structure of the survey of Spanish companies

- The survey administered to Spanish companies is structured in five sections:

Section

1

Importance of innovation in the company

- How innovative do you consider your company? And compared with your competitors?
- What are your strategic priorities?
- How would you evaluate the importance of the following types of innovation in your company?
- How do you organise your company for innovation?

Section

2

What efforts does your company make in innovation and what results do you obtain

- What resources does your company assign to innovation? How many do you think it should assign?
- What results does your company obtain from its efforts in innovation? What ones should it obtain?
- What types of innovations have you performed in the last 5 years?

Section

3

What is your innovation capacity like

- How strong is your company in the following innovation skills?
- Who does your company relate with when innovating?
- How does your company measure its results with innovation?

Section

4

Barriers to innovation at your company

- What are the main barriers or obstacles your company finds when innovating?

Section

5

Companies that stand out due to their innovative nature

- What companies do you admire for their innovative nature?

Note: The survey form sent to the companies is included in the addenda section.

4. Results of the survey administered to Spanish companies

Structure of the questionnaire and main results

Main conclusions of the survey on Innovation administered to Spanish companies

In general, the companies surveyed consider themselves innovative ...

... and consider innovation to be one of the priorities for the future ...

... but they do not show a sole pattern or means of organisation when innovating.

The majority of companies considers they should increase the volume of resources spent on

... and that they should increase the weight of radical innovations, to the detriment of incremental ones.

The most innovative companies feel stronger in a series of critical skills for innovation ...

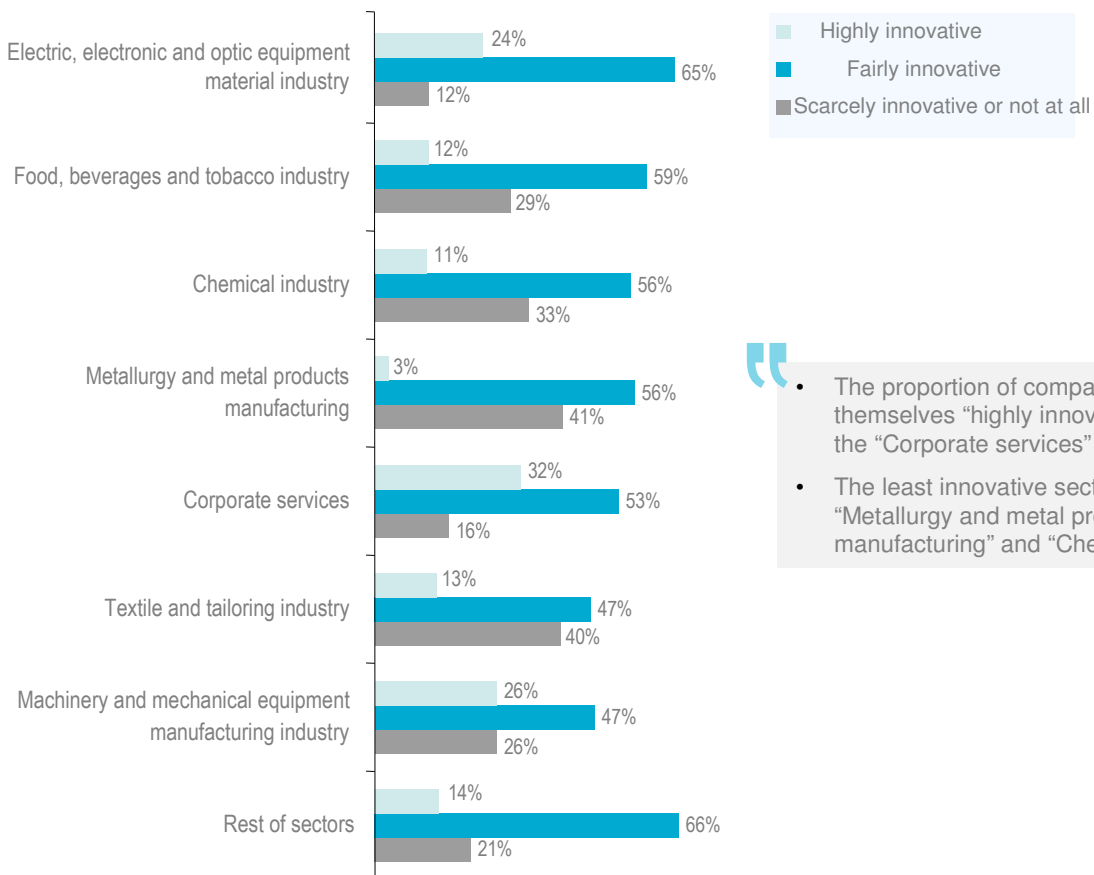
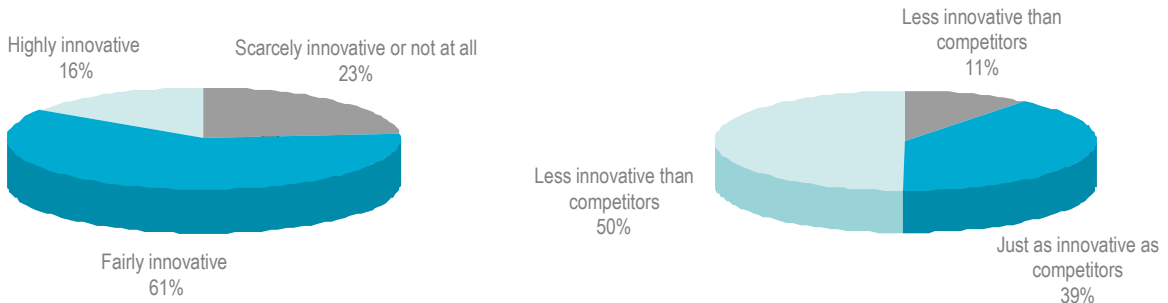
... although they all face quite similar barriers, such as day to day pressure or pressure over short term results

- Three out of every four companies that answered the questionnaire considered themselves innovative, and half of them considered themselves more innovative than their competitors.
- If we analyse the strategic priorities, the companies surveyed consider that “increasing the profitability of the company” and “reducing costs” are their main, fundamental, traditional concerns. However, “increasing innovation capacity” is beginning to take first place in strategic priority for companies.
- Companies that develop many different ways of organising themselves when innovating. Thus, at the majority of companies innovation takes place “Inward-out”, that is, the ideas are sought inside the company and there are mechanisms that concentrate on “exporting” or leveraging capacities and technologies. On the other hand, at a third of the companies, innovation takes place “Outward-in”, (the ideas are mainly sought outside). Moreover, although the majority of companies have a fairly structured organisation, in a third, the organisational structure is more informal, the innovation teams are decentralised and the external links are more numerous and informal.
- Where there is widespread agreement is concerning the need to increase the resources assigned to innovation, and the will to obtain greater results from innovation, in spite of the fact that 71% of companies is satisfied with the returns they now obtain.
- When appraising the importance of the different types of innovation (product, market, etc.) at companies, innovations on present markets are considered highly important by more than half the companies, while one out of every four does not consider new customer acquisition relevant. Moreover, over the last five years, the most frequent innovations by companies have been assigned to creating new products, technologies, processes or other solutions for customers. One must also emphasise that the majority of the innovations were incremental, and only an average of 11% were radical.
- With regard to innovation capacity, the companies feel stronger when defining a clear, differential innovation strategy, in their culture and development of innovation, and in attending to innovation opportunities. On the contrary, companies showed greater weaknesses in providing resources to innovate (including personnel, customers, etc.), in positive or negative solution of innovative projects and in management methodology for innovation (times, spaces, indicators, etc.). In general, in practically all the innovation skills recorded in the survey, the most innovative companies are significantly stronger than the least innovative ones.
- In this sense, with regard to the relations established when innovating, companies, regardless of their degree of innovation, relate above all to “customers” and “providers” as main external partners when innovating. On the other hand, “customer satisfaction” is the most frequently used indicator to measure the results of innovation (62.7%), while “higher prices” (8,6%), the “success ratio of new products” and the ROI (24%) are the least used.
- Lastly, the main barriers faced by companies when innovating are “day to day pressure”, “pressure over short term results”, “lack of internal resources dedicated to innovation” and “high costs of innovation”.

Section 1 Importance of innovation in the company

1. How innovative do you consider your company? And compared with your competitors?

- Three out of every four companies consider themselves innovative.
- Half the companies consider themselves more innovative than their competitors.



- The proportion of companies that consider themselves “highly innovative” is larger in the “Corporate services” sector.
- The least innovative sectors are “Metallurgy and metal products manufacturing” and “Chemical industry”.

* The percentages do not add up to 100% due to rounding up

4. Results of the survey of Spanish companies

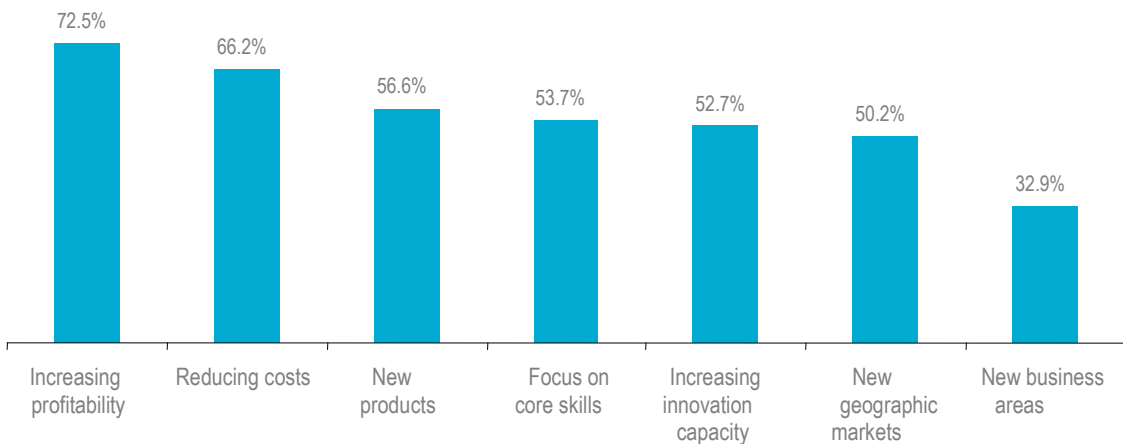
Section 1. Importance of innovation in the company

2. What are your strategic priorities?



- “To increase the profitability of the company” and “Reduce costs” are the main strategic priorities of the companies surveyed.
- More than half the companies consider it highly important to “Increase innovation capacity”.

% of companies that consider the following strategic priorities highly important*

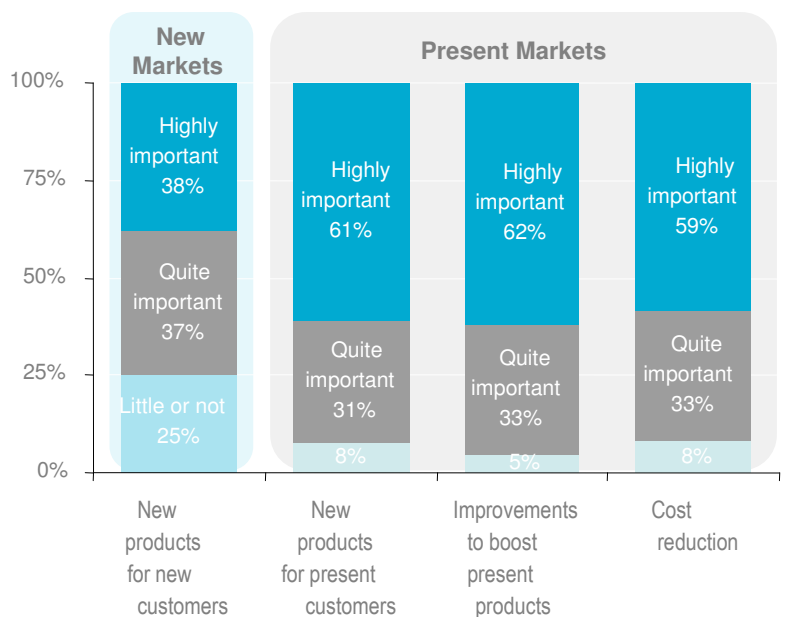


* The percentages do not add up to 100, as the questionnaire does not allow choice of multiple attributes

3. How would you appraise the importance of the following types of innovation?



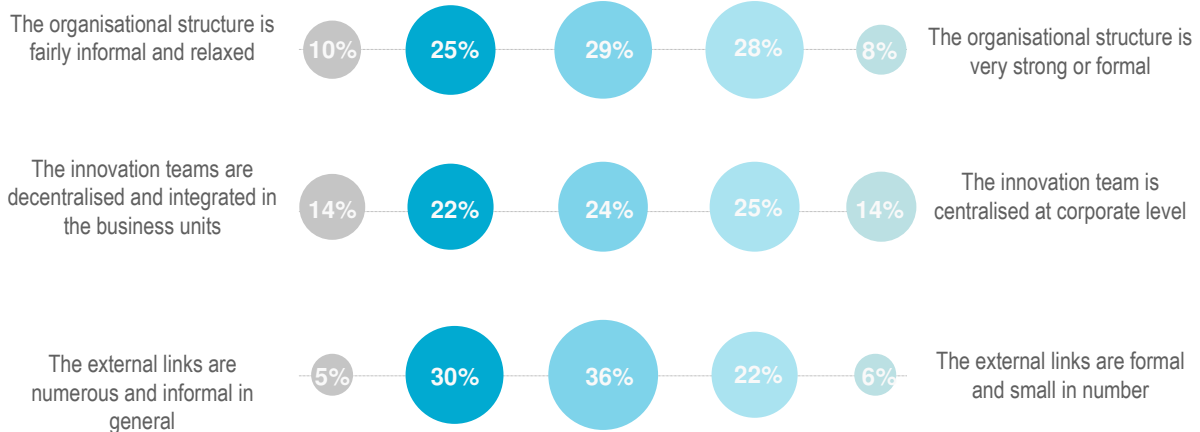
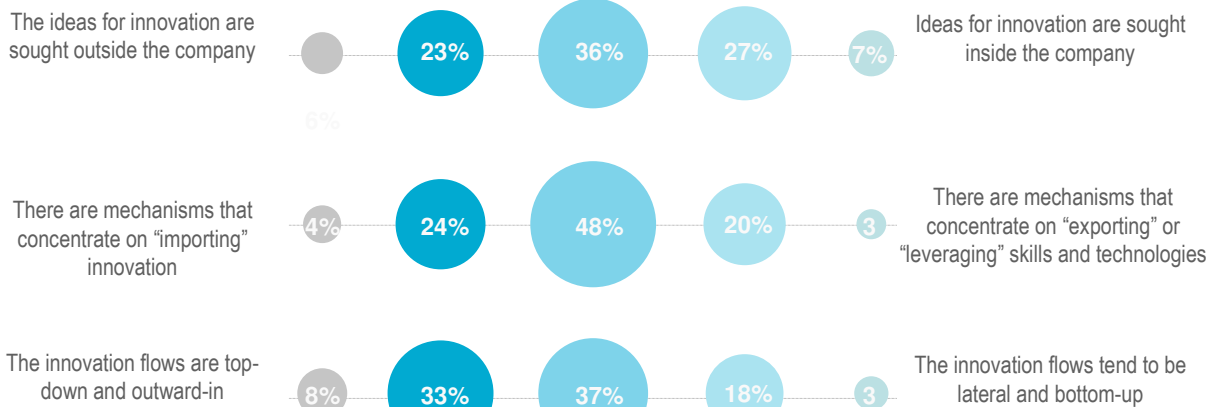
- Innovations in present markets are considered highly important by more than the companies.
- One of every for companies does not consider it important to acquire new customers



4. How do you organise your company for innovation?



- Companies develop many different ways of organisation when innovating:
 - At most companies, innovation is performed “Inward-out”, that is, the ideas are sought within the company and there are mechanisms that concentrate on “exporting” or leveraging capacities and technologies. On the other hand, at a third of the companies, innovation takes place “Outward-in” and the ideas are mainly sought outside.
 - On the other hand, although the majority of the companies have a fairly structured organisation, at a third of the companies, the organisational structure is more informal, the innovation teams are decentralised and the external links are more numerous and informal.

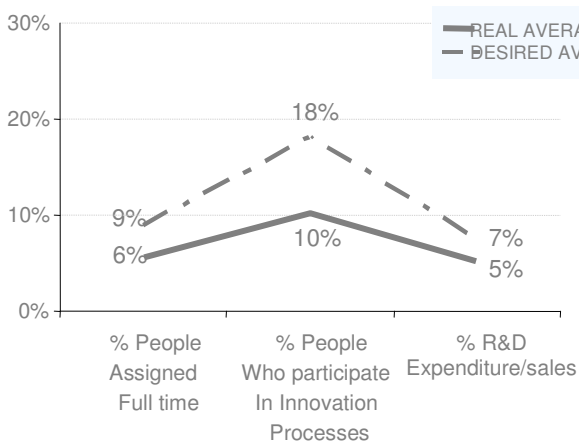


Section 2. What efforts does your company make in innovation and what results do you obtain

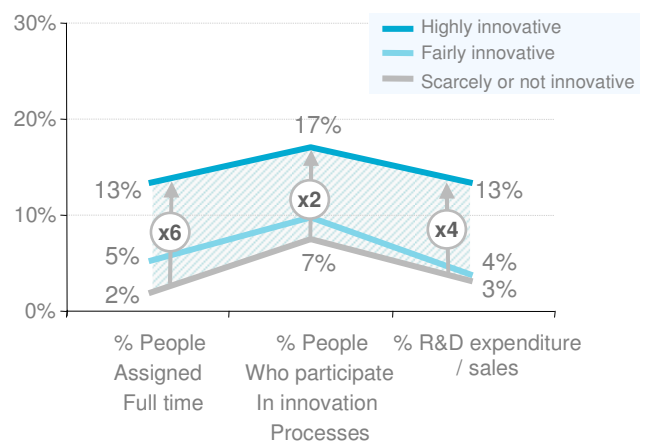
5. What resources does your company assign to innovation? How many do you think it should assign?

- In general, the executives consider they should increase resources assigned to innovation, going from an average of 6% to 9% of people working full time on innovation, and going from an average of 5% to 7% R&D expenditure to sales.
- The most innovative companies assign many more resources to innovation than the scarcely innovative ones

% resources dedicated to innovation out of the total company resources



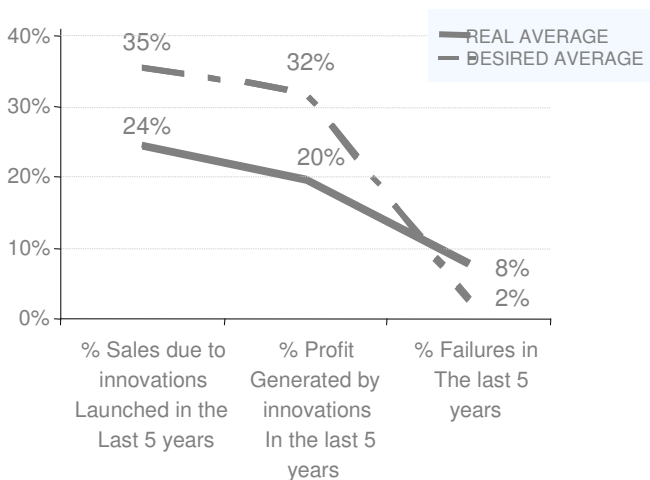
% resources dedicated to innovation out of the total company resources (at present)



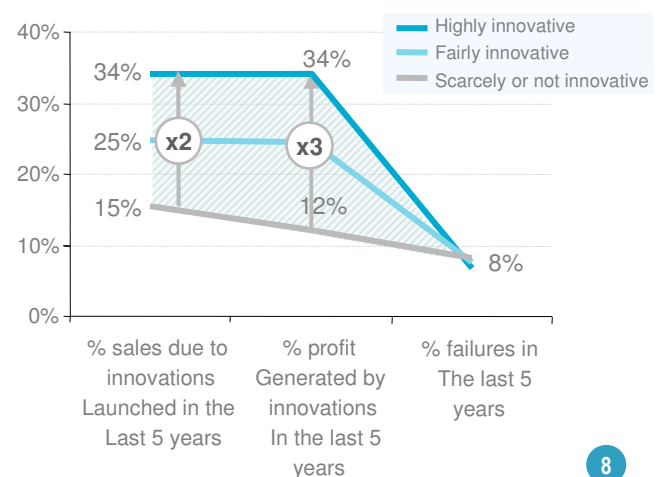
6. What results does your company obtain from its efforts in innovation? What ones should it obtain?

- Parallel to this, the companies wish to increase the results obtained from innovation, both in sales as well as in profits, and again, the results obtained by the most innovative companies are considerably superior.

% results obtained from innovation



% results obtained by degree of innovation



4. Results of the survey of Spanish companies

Section 2. Efforts made on innovation and results obtained

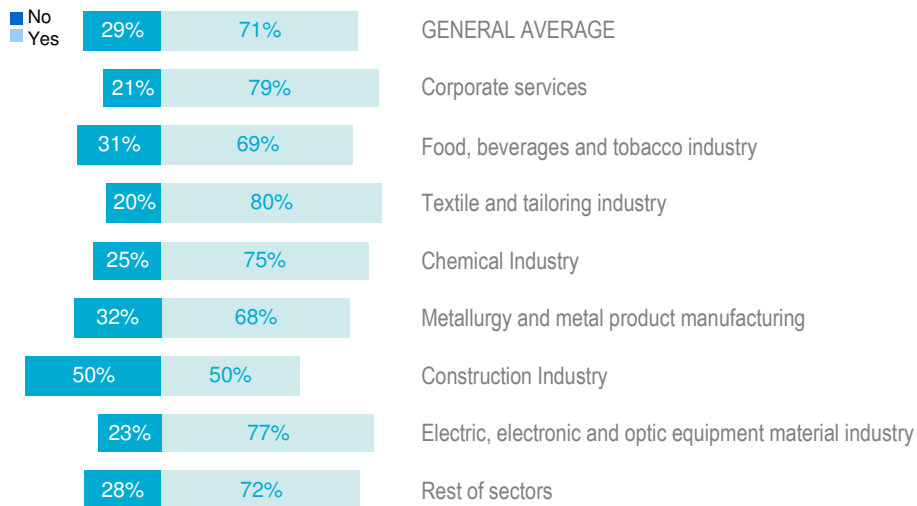
6. Are you satisfied with the financial return on your investments in innovation?



71% of the companies surveyed is entirely satisfied with the financial return on your investments in innovation. That satisfaction increases in sectors such as “Textile industry” (80%) or “Corporate Services” (79%)



Are you satisfied with the financial returns from investments in innovation?



4. Results of the survey of Spanish companies

Section 2. Efforts made on innovation and results obtained

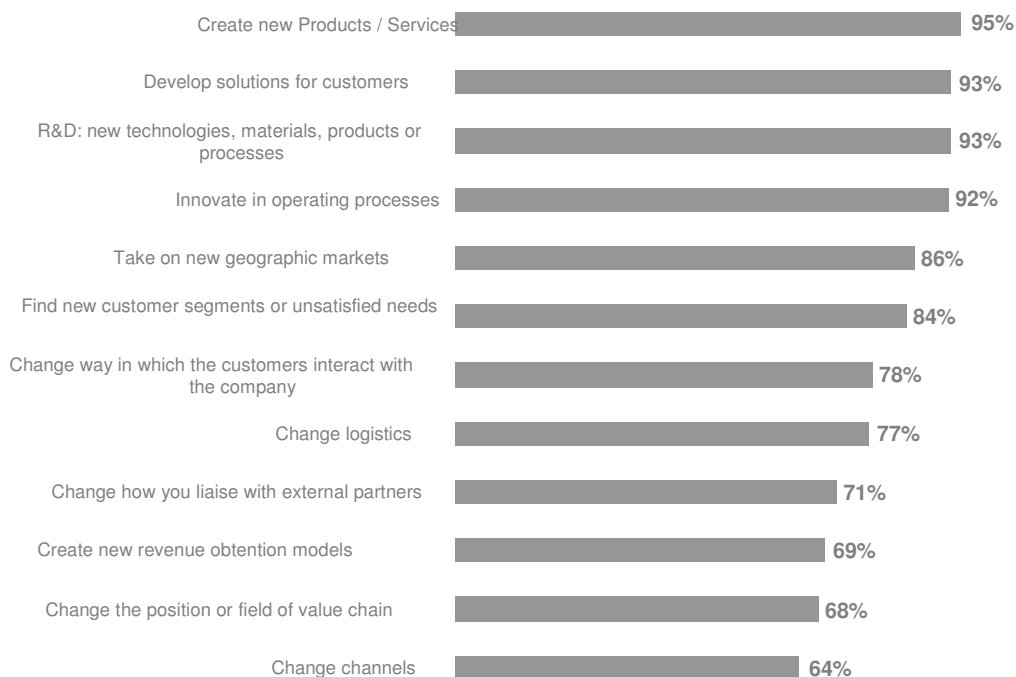
7. What types of innovations have you performed in the last 5 years?



The most frequent innovations performed by companies are those intended to create new products, technologies, processes and other solutions for customers, while the least frequent are those assigned to change the channels, create new models to obtain revenue or change position in the value chain. The majority of the innovations are incremental or substantial. The most frequent breakthrough innovations in the last 5 years are those intended to create new products or services (18% of the companies) or to take on new geographic markets (17%).

	No innovation	Incremental innovations	Substantial innovations	Radical innovations
Create new products or services	6%	25%	51%	18%
R&D: Create new technologies, materials, products or processes	8%	38%	43%	12%
Develop solutions for customers	7%	37%	46%	9%
Innovate in operating processes	8%	43%	38%	12%
Take on new geographic markets	14%	32%	37%	17%
Find new customer segments or unsatisfied needs	16%	42%	34%	8%
Change how you liaise with external partners	29%	45%	24%	2%
Change logistics	23%	47%	24%	6%
Change channels	36%	42%	18%	5%
Create new revenue obtention models	31%	33%	28%	8%
Change position or field of participation in the value chain	32%	44%	19%	5%
Change the way the customers interact with the company	22%	54%	20%	4%

% of companies that have performed SOME innovation of the following kinds



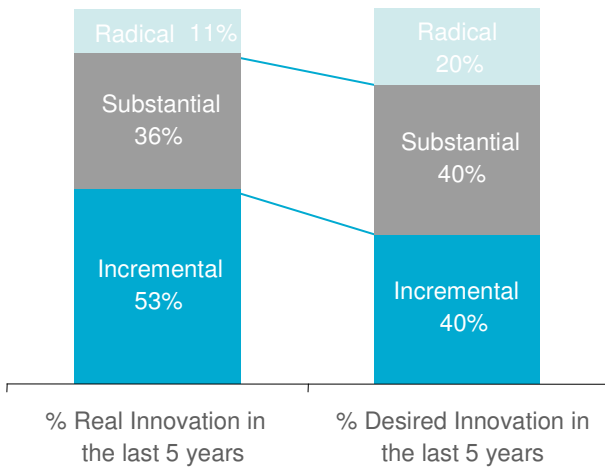
4. Results of the survey of Spanish companies

Section 2. Efforts made on innovation and results obtained



On average, more than 50% of the innovations by the companies in the last five years have been “incremental”. However, what most executives want is to reduce the weight of “incremental” innovations in favour of “substantial” and, above all “radical innovations”.

Degree of novelty in innovations introduced in the last 5 years

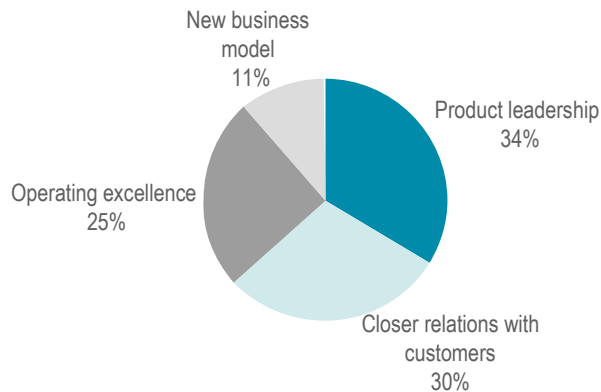


	HIGHLY INNOVATIVE		SCARCELY OR NOT INNOVATIVE			
	Real	Desired	Real	Desired	Real	Desired
Incremental Innovations	33%	29%	53%	41%	66%	41%
Substantial Innovations	47%	45%	36%	39%	29%	39%
Radical Innovations	20%	26%	11%	20%	5%	20%
TOTAL	100%	100%	100%	100%	100%	100%

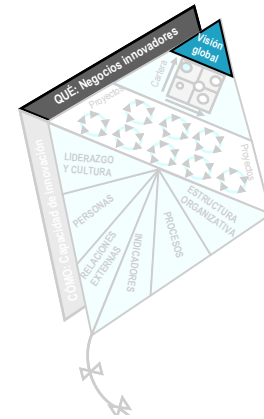
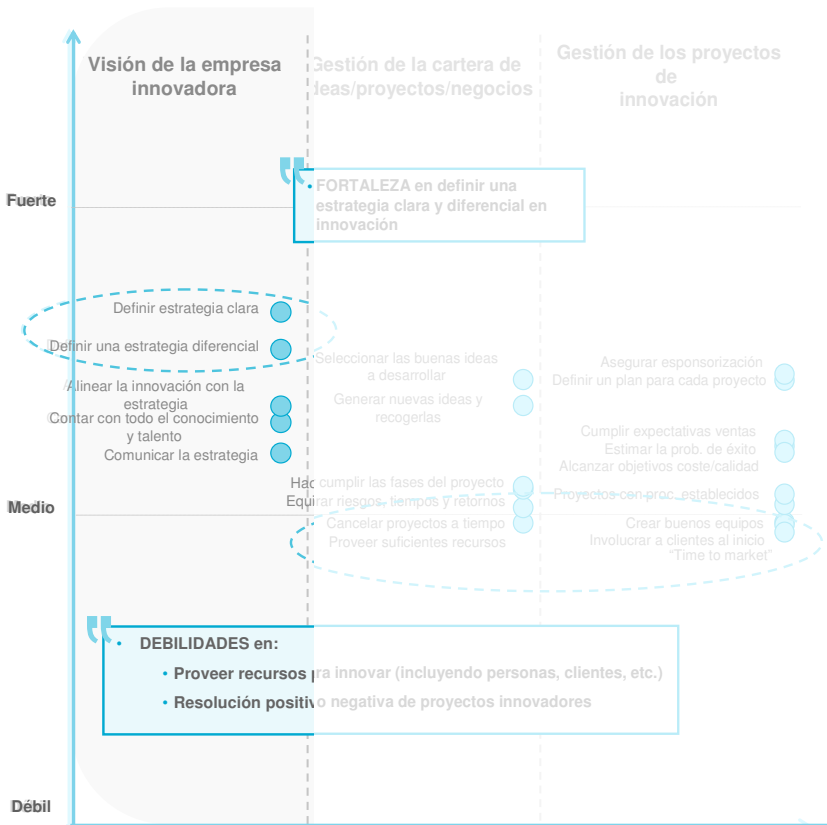


64% of the innovations by companies aim to obtain leadership in their products and closer relations with their customers

Distribution according to the type of value the innovations are intended to create in the company



8.1 Innovative view of the company



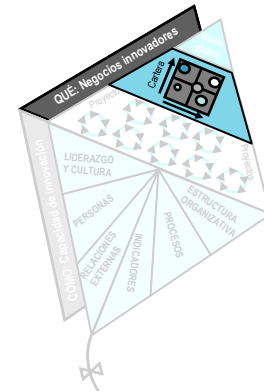
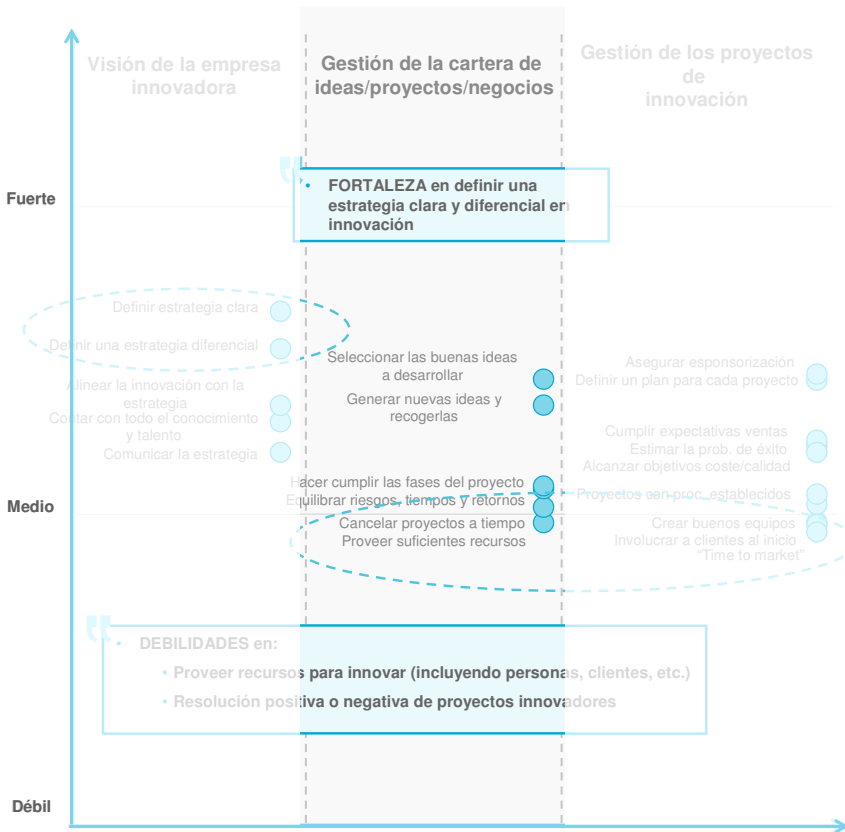
- More than half the companies surveyed considers itself to be strong or very strong in defining a clear, distinct strategy from that of its competitors.
- Highly innovative companies value themselves better in all aspects related to vision.
- Less innovative companies consider themselves weaker when trying to define a differential strategy and communicate the strategy so everybody knows what their work involves.

How strong is your company in the following innovation skills?

VIEW OF THE INNOVATIVE COMPANY	% companies		Average *			
	Weak or Very Weak	Strong or very strong	General Average	Highly innovative	Fairly innovative	Scarcely or not innovative
1. Define a clear strategy with objectives of products/services/ markets, key skills, investments	9%	53%	3.57	4.09	3.58	3.24
2. Define a distinct strategy compared with competitors, ambitious, flexible and motivating	11%	52%	3.50	3.91	3.59	3.05
3. Having all the knowledge and talent of the organisation to Define the strategy	16%	49%	3.38	3.85	3.32	3.25
4. Communicating the strategy so everybody knows what its work is about	17%	39%	3.26	3.67	3.30	2.93
5. Align the innovation efforts and projects with the company strategy	11%	47%	3.45	3.97	3.51	3.02

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.2 Managing the portfolio of ideas/projects /business



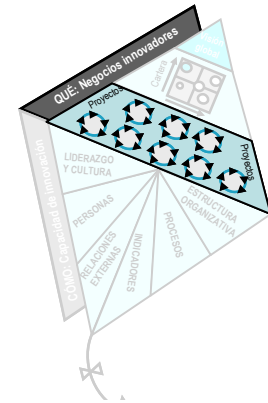
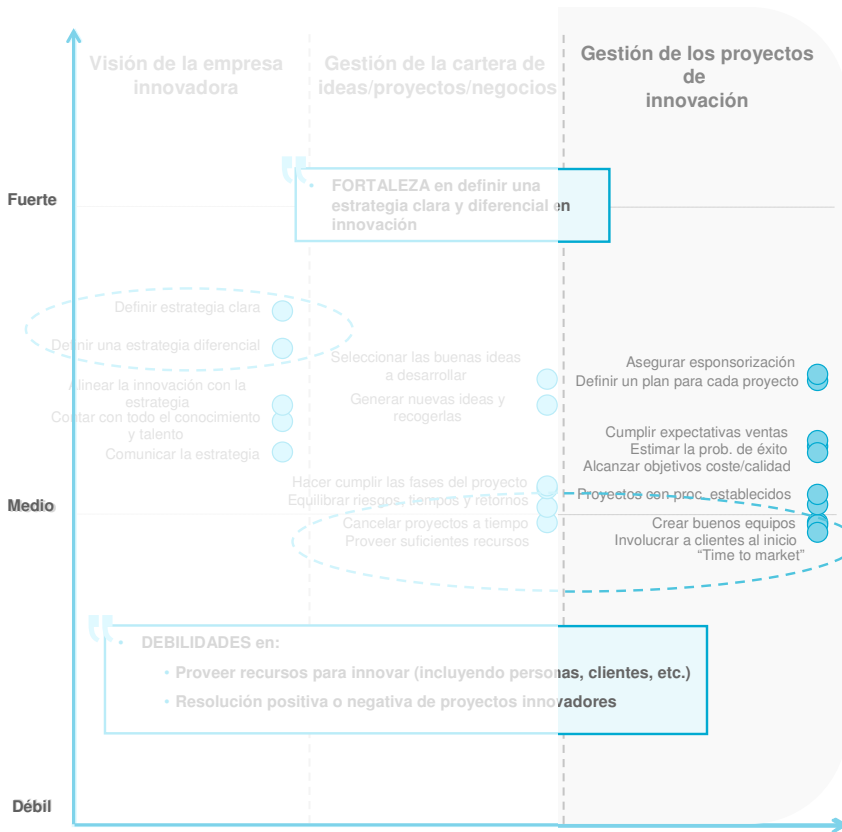
- In relation to managing the portfolio of ideas/projects/business, the areas in which companies appear strongest are: generation of new ideas and selection of the best ones for subsequent development.
- On the contrary, the more operational part of portfolio management is that with the greatest opportunities of improvement: lack of resources dedicated to new projects, management of terms, returns and risks and cancellation of projects are the main assignments pending for companies

How strong is your company in the following innovation skills?

MANAGING PORTFOLIO OF IDEAS/PROJECTS/BUSINESSES	% companies		Average *			
	Weak or very weak	Strong or very strong	General average	Highly innovative	Fairly innovative	Scarcely or not innovative
6.Generate new ideas and gather them	15%	48%	3.38	3.85	3.47	2.91
7.Selecting good ideas that must be developed according to strategic criteria	11%	47%	3.40	3.73	3.47	3.04
8. Balancing the risks, times and return throughout the new projects portfolio	22%	32%	3.13	3.41	3.18	2.84
9.Providing sufficient resources (people and money) for innovation projects	30%	32%	3.00	3.41	3.14	2.43
10. Implementing the project phases and monitoring objectives and possible deviations	24%	41%	3.16	3.53	3.25	2.74
11.Cancelling projects in time	24%	30%	3.07	3.39	3.01	3.04

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.3 Management of innovation projects



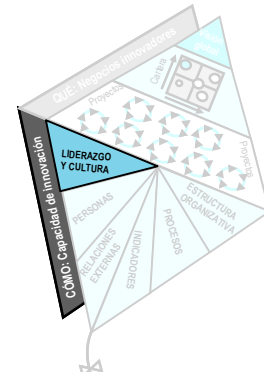
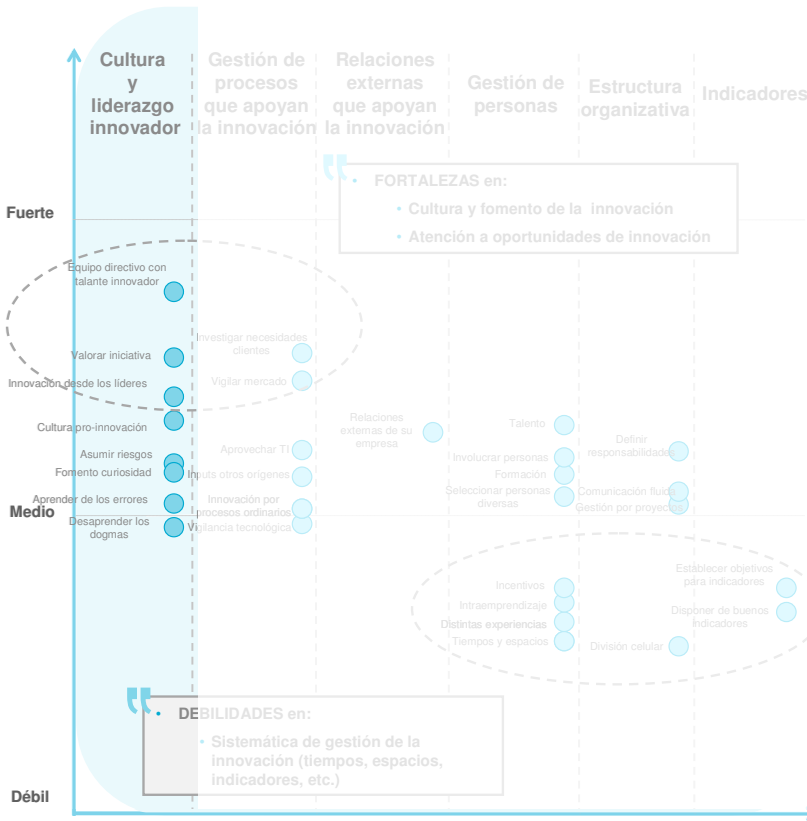
- On evaluating their capacities in relation to innovation project management, the companies consider themselves stronger when assuring sponsorship at executive level for the projects and defining a plan for each project.
- The areas with greatest potential for improvement, in which the one third of the companies consider themselves weak or very weak, are: involving companies as co-designers, working with external partners and advancing swiftly in taking the ideas to market.

How strong is your company in the following innovation skills?

MANAGING THE INNOVATION PROJECTS	% companies		Average *			
	Weak or very Weak	Strong or very Strong	Media General	Highly innovative	Fairly innovative	Scarcely or not innovative
12. Create good teams for each project with multi-functional teams to ensure early involvement of different functions (manufacturing, marketing ...)	26%	37%	3.30	3.69	3.43	2.77
13. Estimate the probabilities of success of the projects	16%	37%	3.22	3.58	3.28	2.88
14. Ensure the projects are sponsored at executive level	17%	46%	3.36	3.75	3.37	3.13
15. Define a plan for each project, with clear objectives, phases, deadlines and responsibilities	19%	48%	3.38	3.88	3.43	3.00
16. Involve customers in the early phases of the projects (customers as co-designers)	36%	28%	2.90	3.48	2.86	2.65
17. Working with external partners (technological centres, other companies, etc.) on innovation projects	34%	32%	2.96	3.45	2.94	2.74
18. Quick progress from generating ideas to initial sales ("time to market")	29%	27%	2.95	3.41	2.98	2.64
19. Achieve the cost and quality objectives on the projects	19%	42%	3.28	3.66	3.28	3.07
20. Fulfil the commercialisation expectations foreseen	18%	36%	3.21	3.61	3.23	2.93
21. Support the projects with established procedures and adequate information systems	21%	35%	3.17	3.66	3.18	2.88

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.4 Innovative culture and leadership



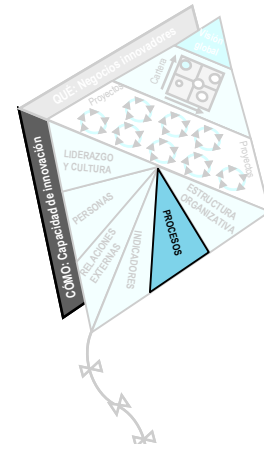
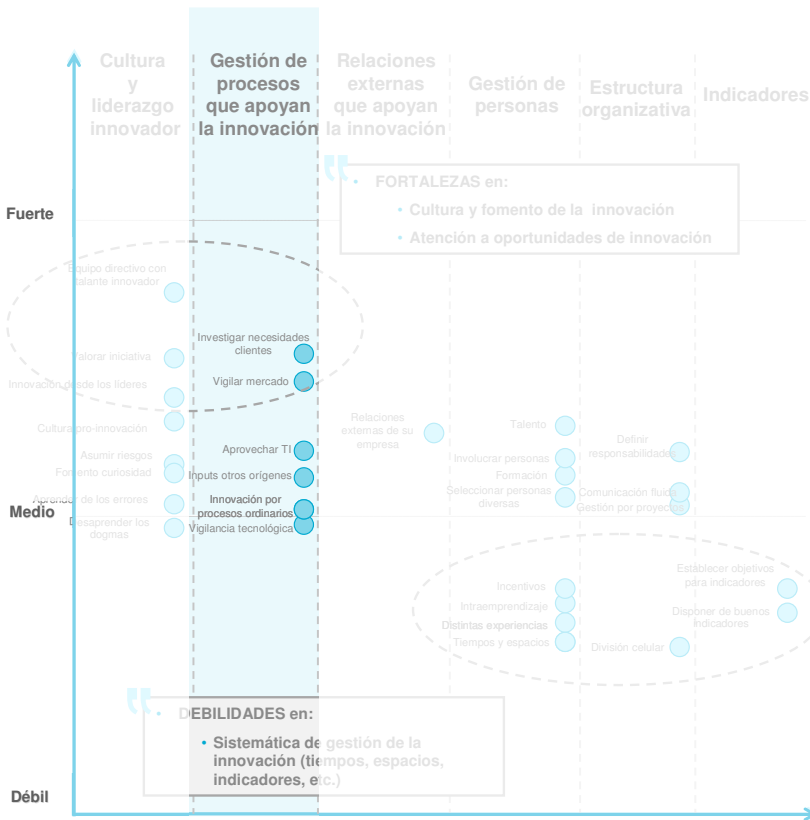
- Within the area of innovative culture and leadership, we again note major differences between the most innovative companies and the least innovative ones.
- In general, more than half the companies considers itself strong or very strong in innovative talent of its executive team and in appraising personal initiative.
- On the contrary, more than 20% of the companies considered themselves weak or very weak in time assigned to innovation by the leaders, in existence of an innovative corporate culture, in encouraging creativity, errors or undertaking risks, and in casting off mental schemes from the past.

How strong is your company in the following innovation skills?

INNOVATIVE CULTURE AND LEADERSHIP	% companies		Average*			
	Weak or very Weak	Strong or very Strong	Media General	Highly innovative	Fairly innovative	Scarcely or not innovative
22. Directing innovation from the leaders, who spend time and preach innovation	20%	46%	3.35	3.88	3.34	3.09
23. Executive team with innovative talent	8%	61%	3.70	4.30	3.80	3.16
24. Corporate culture that promotes innovation, that wakes employees to the need to innovate ("hunger", sense of urgency) and to include enthusiasm, illusion, ambition, etc.	21%	42%	3.33	4.15	3.36	2.79
25. Encourage curiosity and creativity, interest in "imagining the future and creating it", to identify contradictions and develop new visions	21%	41%	3.23	3.94	3.27	2.76
26. Unlearning the actual mental dogmas of executives and all the employees in general	27%	22%	3.00	3.52	3.02	2.65
27. Encouraging errors when accepting mistakes is part of the learning curve	23%	34%	3.13	3.38	3.08	3.10
28. Encouraging risk taking, and insisting on the "risk of not innovating"	20%	39%	3.25	3.53	3.27	3.03
29. Valuing people's initiative, not killing their ideas, valuing the time spent and explaining why not.	9%	55%	3.56	3.97	3.55	3.36

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.5 Management of the processes that support innovation



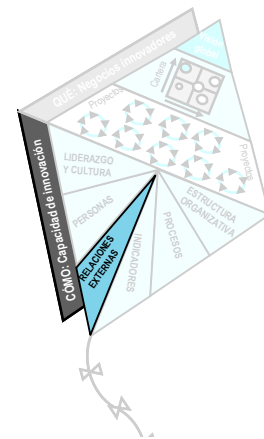
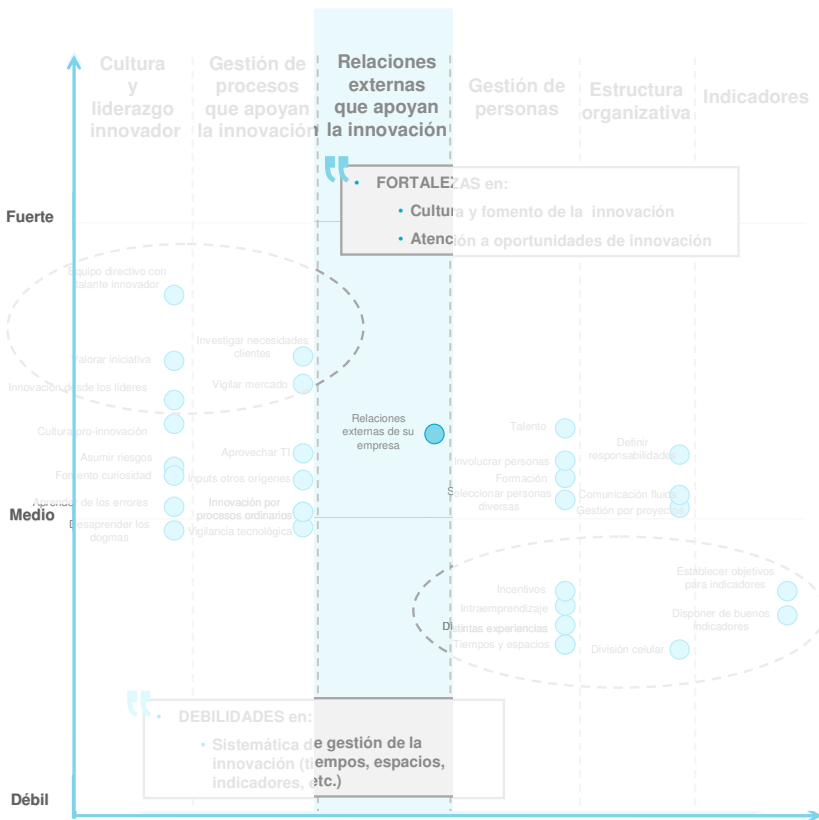
- More than half the companies consider themselves strong or very strong to investigate the needs and priorities of the customers and to systematically monitor the market in general (new offers that arise, emerging markets, changes in the population, etc.)
- On the contrary, more than 20% of the companies consider themselves weak or very weak at technological monitoring, supporting innovation through ordinary management processes and in obtaining inputs from diverse divisions.

How strong is your company in the following innovation skills?

MANAGEMENT OF PROCESSES THAN SUPPORT INNOVATION	% companies		Average *			
	Weak or very Weak	Strong or very Strong	Media General	Highly innovative	Fairly innovative	Scarcely or not innovative
43. Supporting innovation through ordinary management processes of the company (selection, provisioning, marketing, etc.)	22%	29%	3.10	3.41	3.15	2.79
44. Performing technological monitoring (of new knowledge, applications, patents ...).	30%	34%	3.05	3.71	3.02	2.76
45. Researching the customers needs and priorities, managing customer knowledge.	14%	54%	3.50	4.03	3.49	3.21
46. Systematic monitoring of the market: new offers, emerging markets, changes in the population, etc.	16%	51%	3.41	3.88	3.51	2.93
47. Taking advantage of the potential of information technologies for innovation	20%	41%	3.26	3.91	3.31	2.79
48. Obtaining inputs from diverse divisions and geographies.	22%	36%	3.17	3.56	3.22	2.84

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.6 External relations that support innovation



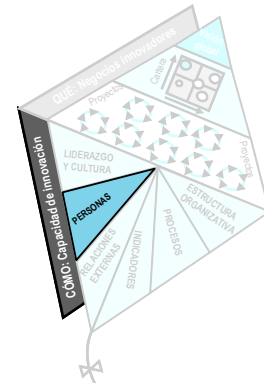
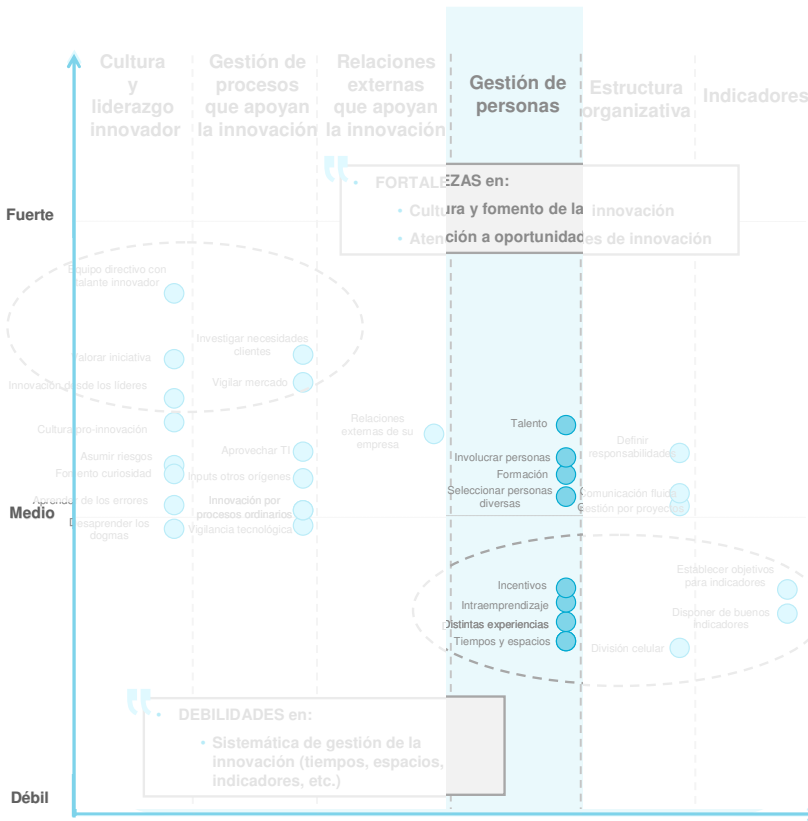
- The majority of companies that answered the questionnaire valued their capacity to encourage and leverage external relations at a middle level, without considering they are strong or weak in this aspect.
- Thus, only 36% considered themselves strong or very strong in this aspect, and 17% valued themselves as weak or very weak.
- Again, major differences are noted between highly innovative companies and scarcely innovative ones, the former being much stronger in using external relations for innovation.

How strong is your company in the following innovation skills?

EXTERNAL RELATIONS THAT SUPPORT INNOVATION	% companies		Average *			
	Weak or very Weak	Strong or very Strong	General Average	Highly innovative	Fairly innovative	Scarcely or not innovative
38. Encourage and leverage external relations (with customers, providers, other related companies, competitors, laboratories, Universities, etc.) to support corporate innovation	17%	36%	3.21	3.69	3.21	2.95

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.7 Managing people



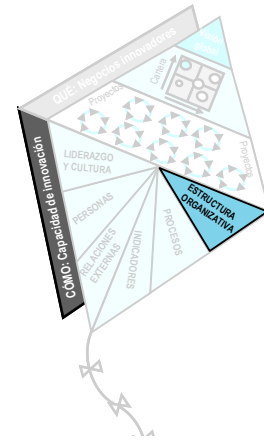
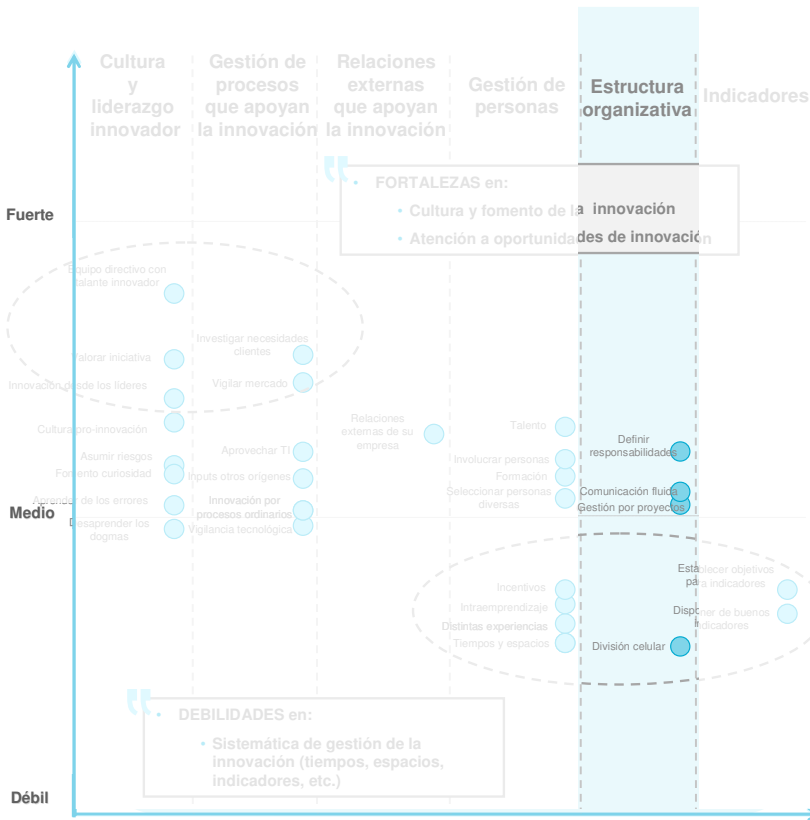
- Managing people for innovation is one of the elements of the model in which the companies seem weakest.
- Thus, more than a third of companies consider themselves weak or very weak in the following aspects: providing time and creating spaces for people to think of the future, promoting different experiences, establishing incentives for innovation or promoting inter-learning.
- However, the majority of the companies consider they have excellent people at their company, with a great deal of talent, although there is a major difference in this aspect between the most innovative companies and the less innovative ones.

How strong is your company in the following innovation skills?

MANAGING PEOPLE	% companies		Average *			
	Weak or very Weak	Strong or very Strong	Media General	Highly innovative	Fairly innovative	Scarcely or not innovative
30. Involving sufficient people in innovation	20%	36%	3.18	3.70	3.28	2.67
31. Selection and involvement of diverse people (in different sectors, Different origins, different ages ...)	28%	41%	3.13	3.42	3.27	2.62
32. Training people so they may contribute the most to innovation	23%	33%	3.14	3.73	3.18	2.68
33. Having excellent people, with a great deal of talent, to generate good ideas and to attract good people	15%	47%	3.39	4.19	3.44	2.84
34. Establishing incentives to reward innovation efforts and share the results	37%	26%	2.84	3.33	2.95	2.33
35. Promoting different experiences, rotation, new responsibilities, "taking people beyond their comfort zone"	40%	22%	2.78	3.28	2.83	2.41
36. Promoting inter-learning to develop ideas (leadership of new corporate projects by people within the company)	36%	22%	2.84	3.19	2.88	2.56
37. Providing time and creating spaces for people to think about the future.	46%	16%	2.64	3.09	2.73	2.17

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.8 Organisational structure



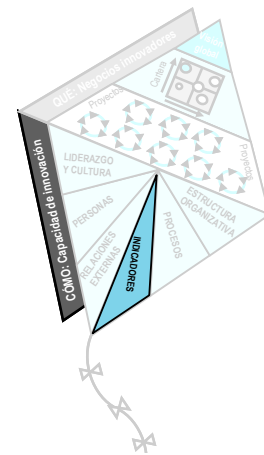
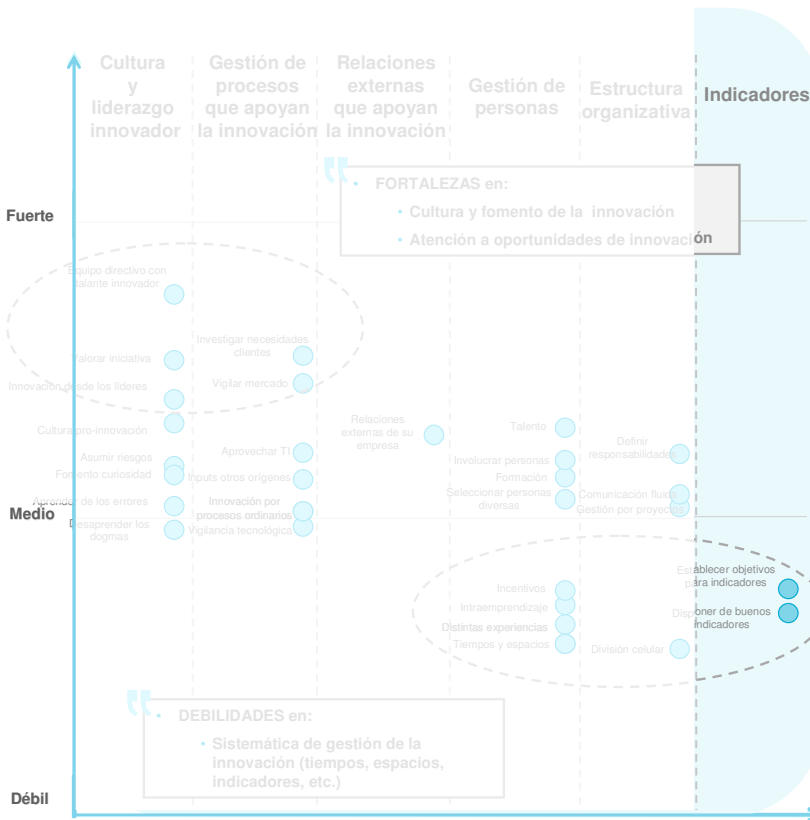
- On analysing how company organisational structure favours innovation, the best valued areas, where about 40% of the companies considered themselves strong are: defining responsibilities for innovation management and managing organisation by innovation projects / groups.
- On the contrary, 46% of the companies surveyed considered themselves weak or very weak when creating new business units for innovations to be successful, providing them sufficient autonomy for their development.

How strong is your company in the following innovation skills?

ORGANISATIONAL STRUCTURE	% companies		Average *			
	Weak or very Weak	Strong or very Strong	Media General	Highly innovative	Fairly innovative	Scarcely or not innovative
39. Defining responsibilities for innovation management	22%	42%	3,22	3.73	3.21	2.95
40. Managing organisation by projects – innovation groups	25%	39%	3.16	3.70	3.20	2.77
41. Facilitating fluent communication between areas, internal and external networks	16%	33%	3.19	3.66	3.17	2.96
42. Performing cellular division (creation of new business units or new companies for innovations to be successful, providing sufficient autonomy for their development)	46%	22%	2.66	3.50	2.63	2.26

* Scale from 1 to 5 where 1 is very weak and 5 very strong

8.9 Indicators



- Another of the areas of The Kite Model in which companies seem weaker is that of indicators.
- Thus, nearly 40% of the companies consider themselves weak or very weak over having good indicators of innovation (that are of use to make decisions), to establish objectives for those indicators and to communicate the goals and achievements obtained.

How strong is your company in the following innovation skills?

INDICATORS	% companies		Average *			
	Weak or very Weak	Strong or very Strong	Media General	Highly innovative	Fairly innovative	Scarcely or not innovative
49. Having good indicators for innovation, useful for decision making.	39%	19%	2.72	3.22	2.77	2.34
50. Establishing objectives for the innovation indicators and communicating both the goals as well as the achievements obtained	38%	24%	2.79	3.42	2.83	2.33

* Scale from 1 to 5 where 1 is very weak and 5 very strong

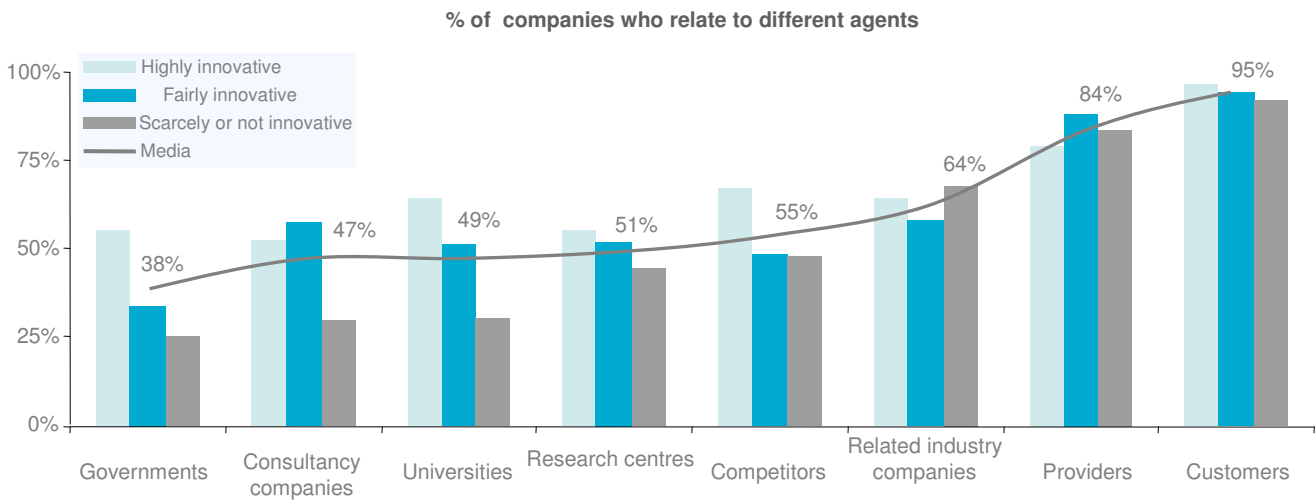
4. Results of the survey of Spanish companies

Section 3. What is your innovation capacity like

9. Who does your company relate with when innovating?



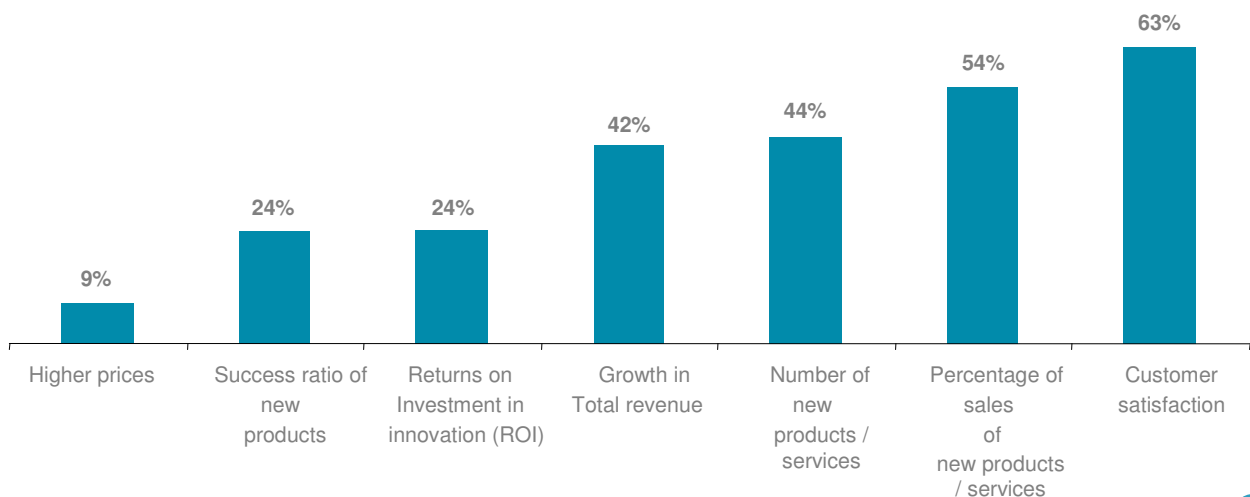
- Companies, regardless of their degree of innovation, relate above all with “customers” and “providers” as main external agents when innovating.



10. How does your company measure its innovation results?



- “Customer satisfaction” is the factor must used when measuring the results of innovation (62.7%)
- “Higher prices” (8.6%), the “success ratio of new products” and ROI (24%) are those that are least used.



Section

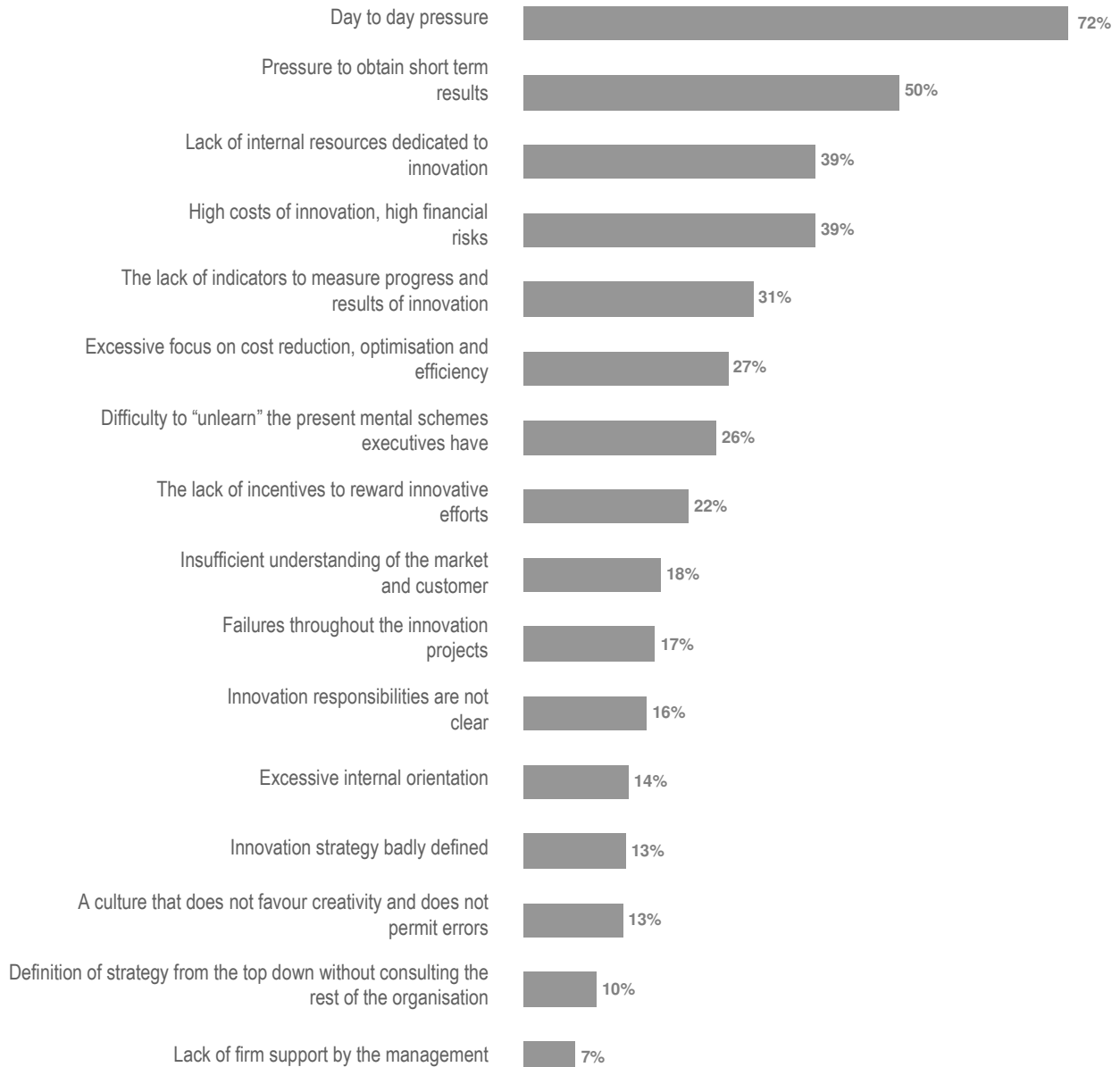
4. Barriers to innovation at your company

11. What are the main barriers or obstacles your company finds when innovating?



- “Day to day pressure”, “pressure to obtain short term results”, “lack of internal resources dedicated to innovation” and “high costs of innovation” are the main barriers faced by companies when innovating.

% of companies that have pointed out the following barriers






Section



5. Companies that stand out due to their innovative nature

This section records the companies that are most admired due to their innovative nature and the reasons why they are recognised, according to the replies obtained from the survey.

Textile and tailoring industry

- Inditex 
 - Highly advanced supply chain model
 - Very short "time to market"
 - Ongoing innovation in Marketing and Merchandising
- Custo Barcelona 
 - Capacity to create fashion and maintain it well positioned on the market
- Mango 
 - Great capacity for growth and adaptation to changes in its environment in a highly competitive sector
- Others: Nike, Camper, Ángel Textil SA

Food, beverages and tobacco industry

- Danone 
 - Continuous creation and launching new products
 - Creation of products with an attractive image
- Pascual 
 - Ongoing innovation along with a high quality image.
 - Continuous search for high added value products.
 - Search for major diversification.
- Tarradellas
 - Great capacity to identify consumer needs.
 - Effective marketing.



Metallurgy and metal object manufacturing

- Irizar 
 - Implementation of an innovative organisational model that aims to involve workers at the company.
- Cap 
 - In spite of difficulties inherent to the sector, leadership in innovation
- Arcelor 
 - Development of an innovative strategy throughout the whole value chain.
 - Constant search for new applications for its products.
 - Good interaction with customers
 - Technological leadership: search for more competitive production means that are competitive with the environment.

Transport material

- Ficosa 
 - Continuous bid for innovative products, with the latest technologies.
 - World leadership, while being a family company
- CAF 
 - Strong growth in a sector dominated by much larger multinationals.
 - Capacity of response sought by customers
- Ausa 
 - Innovation culture deeply rooted in the company.
 - Great innovative culture with a major influence by the partners who participate in the process.
- Toyota 
 - Strong bid for new concepts in its products and a major bid to be the first in carrying these out.
 - Major skills in commercialising high range products and in extending their consumption radically.

Chemical Industry

- **Almirall** 
 - Constant dedication to innovation and investment in R&D&i
- **Metalquímica**
 - Organisation in constant evolution
- **Zelta** 
 - Major strategic vision when making medium to long term investments

Corporate services

- **Telefónica** 
 - Leader continuously alert over innovation
 - Innovation highly profit oriented
 - Innovation in new services that in practice amount to new business models
- **Google** 
 - Creation of a new business model and design of products that are highly adapted to the market needs
 - Combination of creativity, success and management of people
- **Microsoft** 
 - Innovation focussed on the business
 - Continuous innovation and modernisation of its products
- **Panda Software** 
 - Capacity to specialise on a market it is difficult to access
 - Good internationalisation capacity
 - Skill to adapt to technological change

Electrical, electronic and optic materials and equipment industry

- **Apple** 
 - Driver of the latest technological revolutions in the sector on different markets, segments and products
 - Continuous redefinition of products that previously existed on the market (e.g.: iPOD)
- **Nokia** 
 - Useful life of a product, need for constant innovation.
- **Dell** 
 - Main exponent of "time to market"
 - Innovative way of serving customers

Rest of sectors

- **Grupo Barceló** 
 - Innovation in "resort" hotels
 - International expansion (Caribbean, USA)
- **General Electric** 
 - Large number of successful products
 - Continuously reconsidering its position in the environment
- **3M** 
 - Strong orientation to new idea creation
 - Extremely good management of creativity management in diverse sectors
 - Business model highly adapted to the market
- **Iberdrola** 
 - Innovation capacity on a market with very homogeneous products
 - Has known how to compete very well in excellence in the energy sector
 - Strong investment in R&D&i
 - Quality policy and efficiency highly implemented in the organisation.
- **Bankinter** 
 - Very good use of ICTs
 - Customer oriented organisation
 - In spite of its low budget and infrastructure, it is a leading firm in new mobility technologies, "broker on line" etc.

Strategic Innovation Research Project

Addenda

- Questionnaire sent to the companies
- List of companies that answered the questionnaire
- Bibliography

I. Importance of innovation at your company

1. How innovative do you consider your company? And compared with your competitors?

- | | |
|--|---|
| <input type="checkbox"/> Highly innovative | <input type="checkbox"/> More innovative than their main competitors |
| <input type="checkbox"/> Fairly innovative | <input type="checkbox"/> Equally innovative to their main competitors |
| <input type="checkbox"/> Scarcely innovative | <input type="checkbox"/> Less innovative than their main competitors |
| <input type="checkbox"/> Not innovative | |

2. What are your strategic priorities? Evaluate the relative importance of the following priorities

Strategic priorities	Importance of each strategic priority			
	Highly important	Quite important	Scarcely important	Not important
Cost reduction				
Focussing on own main skills or capacities				
Increasing innovation capacity				
Launching new products				
Increasing the profitability of the company				
Generating new business ideas				
Developing new geographic markets				
Others (specify) _____				

3. How to evaluate the importance of the following types of innovation for your company?

Importance of different types of innovation	Importance of each type of innovation			
	Highly important	Quite important	Scarcely important	Not important
Developing products/ services that are totally new for new customers				
Developing products/services that are totally new for present customers				
Including improvements to boost / change present products / services				
Reducing the costs of products/ services (modifying design, cheaper materials, etc.)				

4. How do you organise your company for innovation? Tick each row, according to which of the statements, nearer the left or right match your company more.

		1	2	3	4	5		
INNOVATION OUTWARD-IN	Ideas for innovation are sought outside the company. Sources of ideas are from the customers, other companies, etc.						Ideas for innovation are sought inside the company. The sources are technology, knowledge and skills.	INNOVATION INWARD-OUT
	There are mechanisms that concentrate on "importing" innovation (mergers and acquisitions, alliances ...)						There are mechanisms that concentrate on "exporting" or "leveraging" skills and technologies (licences, etc.)	
	Innovation flows are top-down and outward-in						Innovation flows tend to be lateral and bottom-up	
ORGANIC ORGANISATION	Organisational structure is fairly informal and relaxed						Organisational structure is very strong or formal	STRUCTURED ORGANISATION
	The innovation teams are decentralised and integrated in the business units						Innovative equipment is centralised at corporate level	
	External links are numerous and informal in general						External links are formal and small in number	

Addendum 1.

Questionnaire to evaluate company innovation capacity

II. What efforts does your company make in innovation and what results do you obtain

5. What resources does your company assign to innovation? How many do you think it should assign?

Resources assigned to innovation	Real	Desired
% people assigned to innovation full time		
% people who participate in the innovation processes		
% expense of R&D&i / sales		

6. What results does your company obtain from its efforts in innovation? What ones should it obtain?

Results obtained from innovation	Real	Desired
% sales generated by innovations launched in the last 5 years		
% profit generated by innovations launched in the last 5 years		
% failures (launches withdrawn from the market)		

Are you satisfied with the financial return on your investments in innovation?

- Yes
 No

7. What types of innovations have you performed in the last 5 years? Select the applicable ones

Types of innovations performed in the last 5 years	No innovation	Incremental innovations	Substantial innovations	Radical innovations
1. Create new products or services				
2. R&D: Create new technologies, materials, products or processes				
3. Develop solutions for customers ("end-to-end" problem solving)				
4. Find new customer segments or unsatisfied needs				
5. Change the way the customers interact with the company				
6. Create new revenue obtention models				
7. Innovate in operating processes				
8. Change position or field of participation in the value chain				
9. Change logistics (the way the company produces, supplies and transports the products)				
10. Change channels (how the company takes its products to the market)				
11. Change how you liaise with external partners (networks with customers or providers, other companies, centres, etc.)				
12. Take on new geographic markets				

Degree of novelty in the innovations introduced	Real	Desired
a. Incremental innovations		
b. Substantial innovations (major change)		
c. Radical innovations (breakaway from rules of the game)		
TOTAL	100%	100%

Type of value the innovations intend to create	Weight %
i. Leadership in products (better features, novelty)	
ii. Closer relations with customers (customisation, tailoring)	
iii. Operating excellence (better total cost, low price)	
iv. New business model (breaking the rules of the game in the sector)	
TOTAL	100%

III. What is your innovation capacity like at your company

8. How strong is your company in the following innovation skills?

Innovation capacity at your company		How strong is your company ?				
		Very strong	Strong	Intermediate level	Weak	Very weak
VISION	1. Defining a clear strategy with objectives for products / services / markets, key skills, investments					
	2. Defining a strategy to distinguish the company from competitors: ambitious, flexible and motivating					
	3. Taking advantage of all the knowledge and talent of the organisation to define the strategy					
	4. Communicating the strategy, so everyone knows what their work involves					
	5. Aligning the innovation efforts and projects with company strategy					
PORTFOLIO	6. Generating new ideas and recording them					
	7. Selecting the good ideas that must be developed according to strategic criteria					
	8. Balancing out the risks, times and returns among the whole portfolio of new projects					
	9. Providing sufficient resources (people and money) for innovation projects					
	10. Ensuring fulfilment of the project phases and monitoring the objectives and possible deviations					
	11. Cancelling projects in time					
INNOVATION PROJECTS	12. Creating good teams for each project, with multifunctional teams to ensure early involvement of the different functions (manufacturing, marketing...)					
	13. Estimating the probabilities of success of projects					
	14. Ensuring project sponsorship by the executive level					
	15. Defining a plan for each project, with clear objectives, phases, deadlines and responsibilities					
	16. Involving customers in the early phases of the projects (customers as co-designers)					
	17. Working with external partners (technological centres, other companies, etc.) on innovation projects					
	18. Swift progress in generating ideas for initial sales ("time to market")					
	19. Achieving the cost and quality objectives of the projects					
	20. Fulfilling the foreseen commercialisation expectations					
	21. Supporting the projects with the established procedures and adequate information systems					
LEADERSHIP & CULTURE	22. Directing innovation from the leaders, who spend time and act as preachers of innovation					
	23. Management team with innovative talent					
	24. Corporate culture that promotes innovation, that wakens employees to the need to innovate ("hunger", sense of urgency) and that includes enthusiasm, illusion, ambition, etc.					
	25. Encouraging curiosity and creativity, interest in "imagining the future and creating it", in identifying contradictions and developing new visions.					
	26. Breaking away from executives' own mental dogmas and those of all the employees in general					
	27. Encouraging errors, accepting mistakes if these allow learning					
	28. Encouraging risk taking and insisting on the "risk of not innovating".					
	29. Valuing people's initiative, not killing their ideas, valuing the time dedicated and explaining why not.					

Addendum 1.

Questionnaire to evaluate company innovation capacity

innovation capacities of your company (continued)		How strong is your company?				
		Very strong	Strong	Intermediate level	Weak	Very weak
PEOPLE	30. Involving enough people in innovation					
	31. Selecting and involving diverse people (from different sectors, different origins, different ages ...)					
	32. Training people so they may contribute the maximum amount to innovation					
	33. Having excellent people, with a great deal of talent, who generate good ideas and attract good people					
	34. Establishing incentives to reward innovation efforts and share the results					
	35. Promoting different experiences, rotation, new responsibilities, "leading people out of their comfort zone"					
	36. Promoting inter-learning to develop ideas (leadership of new corporate projects by people within the company)					
	37. Providing time and space for people to think about the future					
EXT. REL.	38. Encouraging and leveraging external relations (with customers, providers, other related companies, competitors, laboratories, universities etc.) to support innovation within the company					
	39. Defining responsibilities for innovation management					
ORGANIS. STRUCT.	40. Managing organisation by projects – innovation groups					
	41. Facilitating flowing communication between internal and external areas and networks.					
	42. Practising cellular division (creation of new business units or new companies for the successful innovations, providing sufficient autonomy for their development)					
PROCESSES	43. Supporting innovation by the ordinary management processes of the company (selection, provisions, marketing, etc.)					
	44. Performing technological surveillance (of new knowledge, applications, patents ...)					
	45. Investigating the needs and priorities of the customers, managing knowledge of the customers					
	46. Systematic monitoring of the market: new offers, emerging markets, changes in the population, etc.					
	47. Taking advantage of the potential of information technologies for innovation					
	48. Obtain inputs from diverse divisions and geographic areas					
INDIC.	49. Having good indicators of innovation, useful for decision making					
	50. Establishing objectives for innovation indicators and communicating both goals as well as achievements obtained					

9. External relations by your company for innovation. With whom? For what? Select all the applicable ones

External relations	Yes /no	For what?				
		Gathering information	Identifying opportunities, ideas	Joint projects	Commercialising, sharing risks	Other reasons (specify)
Customers						
Providers						
Competitors						
Companies with related industries						
Consultancy firms						
Research centres						
Universities						
Governments						
Others (specify)						

10. How does your company measure its results with innovation? Select all the applicable ones

- Number of new products/ services
- Percentage of sales from new products/ services
- Customer satisfaction
- Higher prices
- Growth of total revenue
- Returns on investment in innovation (ROI)
- Success ratio of new products
- Others (specify) _____

IV. Barriers to innovation at your company

11. What are the main barriers or obstacles your company finds when innovating? Select all those you consider important.

- Day to day pressure, that takes up all the executives' time.
- Pressure over short term results, that prevents investment in innovation projects whose results will be more medium to long term.
- Excessive focus on cost reduction, optimisation and efficiency, perfect execution.
- Lack of firm support by the management, that does not insist on the need to innovate, that does not provide sufficient support for people and teams who make an effort to innovate in the company.
- Excessive internal orientation (the "not invented here" syndrome), without establishing or managing relations with external partners on innovation projects (with customers, providers, technological centres, etc.).
- The difficulty to "unlearn" the executives' own mental schemes.
- A culture that does not favour creativity and does not allow errors.
- Definition of strategies from the top, without considering the ideas and talent of the rest of the organisation and without creating the prior conditions under which wealth creation strategies may arise.
- Failures during the innovation projects, such as not involving the appropriate partners in the early phases of developing the idea, not experimenting until perfect definition of the project, development times too long, not providing sufficient support in the market entry phases, etc.
- Lack of indicators to measure progress and the results of the innovation.
- Lack of incentives to reward innovative efforts.
- Insufficient understanding of the market and customer.
- High innovation costs, high financial risks.
- Lack of internal resources dedicated to innovation (people, economic resources ...).
- Badly defined innovation strategy.
- Unclear innovation responsibilities.
- Others (specify) _____

V. Companies that stand out due to their innovative nature

12. What companies do you admire for their innovative nature? Please try to identify innovative companies in the competitive area geographically nearest to you.

Within your sector: Name of the company _____

Why?

Outside your sector:

Name of the company _____ Why?

Name of the company _____ Why?

Data on the company

On the company:

- Sector of activity:

- Agriculture, husbandry
- Fishery
- Mining industries
- Production and distribution of energy, gas and water
- Construction
- Commerce
- Hospitality
- Transport, storage and communications
- Financial intermediation
- Real estate activities
- Corporate Services
- Education
- Health and veterinary activities, social services
- Other social and services activities

Manufacturing activity:

- Food, beverages and tobacco industry
- Textile and tailoring industry
- Leather and footwear industry
- Wood and cork industry
- Paper, publishing and graphic arts industry
- Petroleum refining and processing nuclear fuels
- Chemical industry
- Rubber and plastics materials transformation industry
- Metallurgy and metal product manufacturing
- Machinery and mechanical equipment manufacturing industry
- Electrical, electronic and optic materials and equipment industry
- Manufacturing transport materials
- Diverse manufacturing industries

- Turnover:

- 0-3 mill. €
- 3-10 mill. €
- 10-20 mill. €
- 20-50 mill. €
- 50-100 mill. €
- 100-500 mill. €
- > 500 mill. €

- Number of employees:

- 0-19
- 20-49
- 50-99
- 100-249
- 250-499
- >= 500

- Company ownership:

- Listed company
- Co-operative company
- S.A.
- S.L.
- Subsidiary of a multinational

- Age of the company:

- 0-3 years
- 3-8 years
- 8-15 years
- > 15 years

- People forming the management team :

- Average age:

- < 35 years
- 35-45 years
- > 45 years

- Average seniority at the company :

- < 5 years
- 5-10 years
- > 10 years

- Distribution by sexes

- Men : _____ %
- Women : _____ %

- Degree of internationalisation of the company:

- Sales abroad :

- 0-25%
- 25-50%
- 50-75%
- 75-100%

- Purchases abroad :

- 0-25%
- 25-50%
- 50-75%
- 75-100%

- Implementation abroad (production or provision of services)

- Yes
- No

- Innovation abroad (collaboration agreements)

- Yes
- No

Concerning the person who filled in the questionnaire:

- Post held : _____
- E-mail address (to ensure he or she receives the results of the project): _____