

For Immediate Release:
Dec. 21, 2007

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Study finds corporate buying process stalls 90 percent of innovation management initiatives

Clear vision for role of systems seen as key to harnessing “collective genius”

BOSTON, MA (PRWEB) Dec. 21, 2007 – (www.Imaginatik.com) It is difficult today to open a management journal or attend a business conference without hearing about the need of companies to better manage and drive innovation. A study last year by Bain & Co. found that over 85 percent of executives rate innovation as a top three priority.

Yet according to a three-year study of leading firms in a range of industries, few innovation initiatives ever emerge from the planning stage. Among those companies that conducted a formal Request for Proposal (RFP) or Request for Information (RFI) for an innovation management effort only about one in ten see it through to successful implementation.

“There was more than a little irony in what we uncovered,” said Mark Turrell, CEO of Imaginatik, the firm that conducted the study. “Most notably, the very systems, processes and mindsets that inhibited innovation in the first place, also stood in the way of implementing a remedy. Specifically, decision making was often relegated to project teams that placed consensus over results or which in effect outsourced the innovation management process to their IT departments.

“Unfortunately, the standard method for corporate procurement, the RFP process, has proved unsuccessful in helping companies implement innovation initiatives,” said Turrell. “We observed that while the traditional RFP process might be great for buying IT or business consulting services, it is not well suited for procuring innovation management solutions,” Turrell said.

Ultimately, Turrell says, the failure can most often be traced to a lack of leadership and understanding of innovation management. “Overall, our research clearly indicates that the primary reason for the high failure rate is the lack of an individual with a clear vision and a commitment to making innovation work. Without a singular vision, it is almost impossible to be successful with innovation,” Turrell says.

Successful Innovation Management Traits

“The companies that were successful in implementing programs that effectively harnessed what Imaginatik refers to as an organization’s ‘collective genius’ were those that:

- Had a solid understanding of the innovation process, from selection of a service provider to implementation, and how it differs from procuring other services
- Had a primary leader who drove the process and effectively conveyed their vision for how the innovation management system would work for their company and its stakeholders

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- Began with a vision of a more innovative company, and the belief that any member of staff might have insight into a new product or service or process improvement
- Engaged in a collaborative and iterative process with their preferred innovation management service vendor to craft a program that melded best practices in innovation management with the company's unique culture and business objectives.

About the study

Imaginatik's innovation management study was conducted over three years and covered 50 large companies spanning a range of industries who requested formal responses to an innovation management RFP or RFI. The companies wished to implement a broad-based innovation or idea management program to systematically capture and develop business ideas for product development, marketing, process improvement or new business models. The programs generally required a combination of technology and consulting services.

Three quarters (76%) of the initiatives did not proceed to implementation, despite several months of planning activity. Of the few projects that were successful, most have not been widely adopted by their organizations and are limited to a single division or product line.

About Imaginatik

Imaginatik is the leading provider of Innovation and Collaborative Problem-Solving software and processes to the world's top companies. More than 100 clients rely on Imaginatik's software, consulting and research to enable their best-of-breed innovation activities. In December 2007, the World Economic Forum named Imaginatik a Technology Pioneer 2008; the only innovation management provider selected for this prestigious award.

Imaginatik's software and consulting services have helped clients discover significant sources of additional revenue, as well as tangible cost savings, process improvements and increased product pipeline. Imaginatik is also committed to developing strategic solutions in the field of innovation, working with academic institutions such as the London Business School and the Cass School of Business, London, as well as leading practitioners of corporate innovation. For further information please visit www.imaginatik.com.

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