

Innovation Benchmarking Tool

Decide how far you agree with the following statements and circle the corresponding score:

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
Radical Product Innovation					
1. Our firm frequently introduces products that are radically different from existing products in the industry.					
2. Our firm leads others in introducing products based on radically new technologies.					
3. We have no difficulty in introducing products that are radically different from existing products in the industry.					
Willingness to Cannibalize					
4. We are very willing to sacrifice sales of our existing products to improve sales of our new products.					
5. We tend to support new projects that could take away from sales of our existing products.					
6. We will aggressively pursue a new technology even if it causes existing investments to lose value.					
Future Market Focus					
7. Our firm gives more emphasis to customers of the future relative to current customers.					
8. Market research efforts in our firm are aimed at obtaining information about customers' needs in the future, relative to their current needs.					
9. We are quick to detect fundamental shifts in our industry (e.g., competition, technology, regulation).					
10. Our firm is oriented more toward the future than the present.					
Risk Tolerance					
11. Managers in our firm often take risky decisions.					
12. Relative to other firms, we tend to favour higher-risk, higher-return investments.					

13. We are keen to engage in untested business ventures.					
14. We believe it is often necessary to take calculated risks.					
Product Champions					
15. Employees with new product ideas receive a lot of support in our firm.					
16. Top managers in our firm strongly support champions of ideas for new products.					
Incentives for Enterprise					
17. We provide generous monetary rewards to innovative employees.					
18. We provide many non-monetary rewards (e.g., recognition, autonomy) to innovative employees.					
Autonomy					
19. New product and process decisions in our firm do not require the approval of the corporate office.					
20. Most strategic actions can be taken in divisions in our firm before the corporate office approves these actions.					
Internal Competition					
21. Divisions in our firm frequently enter markets served by other divisions.					
22. Divisions in our firm actively compete with each other to gain new markets					

For every response assign yourself a score from '1-5', where 1 = 'strongly disagree' and '5 = 'strongly agree'. Then just add up your responses for your final score:

Scores between 22 and 44 indicate an extremely low level of innovation, with a need for drastic change across the board

Scores between 45 and 66 indicate that attempts towards innovation have been made but major change is still required

Scores between 67 and 88 indicate a moderate level of innovation, but with some areas for improvement

Scores between 89 and 110 indicate a firm willing and able to innovate

This diagnostic tool is based on research carried out by Gerard J. Tellis (University of Southern California), Jaideep C. Prabhu (University of Cambridge) and Rajesh K. Chandy (London Business School). Jaideep Prabhu was supported by an AIM Innovation Fellowship during part of this research.