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Organizations must ensure that new accelerated approaches to scaling innovation don't lose steam

Capgemini report finds that some organizations have made significant strides to streamline processes to supercharge scaling innovation efforts by nearly two years but others still fail to scale

Paris, September 24, 2020 – In a disrupted, fast-changing world, businesses are betting big on innovation and many are locked in a race to harness new technologies. Yet struggling to achieve scale is hampering the ability of organizations to fully leverage the huge potential of emerging technologies and to respond effectively to business disruptions and opportunities. This is according to a new report from the Capgemini Research Institute, "Scaling Innovation – What's the Big Idea?" which explores why most innovations fail to scale.

Almost $300 billion was invested in nearly 32,000 venture capital deals worldwide in 2019.[1] Innovators across the globe filed 3.3 million patent applications in 2018, up 5% from the previous year and a continuation of nine straight years of increases.[2] And within the COVID-19 context, the pandemic has catalyzed the need for innovation and renewal, with 68% of executives saying that they have accelerated existing transformation initiatives.[3] Yet the ability to scale innovation remains in its infancy, with many organizations failing to reap the rewards of big innovation bets. The impact and value of innovation is only fully realized through scaling and adoption not from ideation or experimentation. Companies that scale and adopt innovation create the desired business impact, achieve accelerated business performance, and gain sustained competitive advantage.

Capgemini's report is developed from the insights of 40 senior executives from global organizations with combined revenues of over $1.7 trillion, as well as academics, and draws on key learnings, best practices, and experiences to deliver actionable recommendations.

Large organizations must treat generating and scaling innovation as separate entities
Innovating, and successfully scaling innovation, are two distinct functions, often requiring a different mindset and set of skills. However, few companies differentiate between the front-end of generating innovation and the back end of scaling innovation. They do not think of scaling in its own right – a discipline that is quite distinct in its purpose, requirements, and challenges. Although scaling occurs downstream in the innovation journey, it's often a case of too little, too late.

According to the report, often, innovation generation focuses on what is desirable - high-impact, "blue sky" concepts and projects designed to solve an unmet or unstated customer need. It rarely focuses on the two aspects that are more relevant for a large-scale business – viability and feasibility.

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[1] Crunchbase, "The Q4/EOY 2019 global VC report: A strong end to a good, but not fantastic year," January 2020.
[2] World Intellectual Property Organization (WIPO), "World intellectual property indicators," October 2019.
[3] Capgemini Research Institute, "Fast-Forward to the Future: Defining and winning the Post-COVID New Normal," July 2020.

By treating scaling innovation as a separate discipline, organizations can ensure that they bring in teams or individuals that are more focused on the viability and feasibility of innovation right from the start of the ideation phase.

Build momentum exacted by the COVID-19 catalyst
COVID-19 has expedited innovation across a range of sectors. It has forced companies to take a fresh look at how they approach innovation at scale. Organizations need to ensure that new accelerated approaches don't lose steam. By continuing to model operations to a sense of urgency, organizations can apply the learnings from the pandemic period for the long term. In these times of crisis, Capgemini has found that organizations have made significant strides to tackle bureaucracy, streamline processes, restructure workforces, and empower front-line leaders. As a result, some companies have been able to supercharge efforts by nearly two years when it comes to scaling innovations.

Companies should now build on this momentum to understand how they can overcome some of the traditional governance challenges that stand in the way of scale, such as bringing your best talent to focus on the issue or overcoming bureaucratic hurdles or organizational silos.

Not every idea can be scaled long-term
An innovation culture is important not only for ideating and testing new ideas but also for successfully scaling them within existing or new markets. Capgemini found some of the key components of an innovation culture that supports scale include the promotion of a "learning" culture that accepts failure and the willingness to stop initiatives, even if they initially enjoyed success at scale. Not every idea can be scaled long-term and it's critical that businesses understand when to accept failure at different stages of the innovation journey.

Organizational culture is the toughest hurdle to scale innovation; the ability to remove barriers and address problems needs to cascade down from the C-suite across the whole organization. The report found that, among those organizations who have demonstrated true success with achieving scale, there is a willingness to end the experimentations and innovations that they may love, to make room to scale and try new things.

Lanny Cohen, Chief Innovation Officer at Capgemini, summarizes the findings, saying, *"Scaling needs to be treated as its own discipline within the innovation journey because it is fundamentally different. It has its own set of challenges and sits within a division of a business typically separate from ideation; scaling also requires a different mindset and set of skills. By treating the achievement of scale as a specific and unique discipline, putting in place the right innovation governance, and building a culture that is willing to take tough decisions on scaled innovations, companies can achieve it with a speed and certainty that other competitors will struggle to match."*

To read a full copy of the report and its recommendations, click here.

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