Capgemini

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Nearly six in ten CXOs are excited by the opportunity of radical innovation as a growth strategy, but say structural barriers hinder progress

Cambridge, UK, September 14, 2026 - Radical innovation[1] is becoming a clear strategic necessity for ambitious global business leaders to address toughening customer demands, geopolitical instability and shareholder desire for continued double-digit growth. However, there is a significant disconnect between deep tech intent and execution, with organizational, cultural, and external factors proving to be greater barriers to innovation than technology itself. This is according to a new global Deep Tech Index by Cambridge Consultants (CC), the deep tech powerhouse of Capgemini, which explores what it takes to achieve radical innovation, and some of the most critical barriers faced by C-suite executives today.

Based on a survey of 750 global CXOs and 25 in-depth executive interviews, the report reveals that nearly six in ten (59%) CXOs consider radical innovation the most exciting type of innovation[2]. Most (81%) said that defensible technological IP is important in capturing long-term value for their businesses. Interviewees stated that business leaders are increasingly turning to radical innovation as both a primary defensive and offensive strategy to survive intensifying market demands, volatile competitive landscapes, and accelerating technological shifts. Despite this, the report finds a challenging disconnect between intent and execution that needs to be addressed urgently.

Decisive shift of focus from activity to outcomes

Based on insight from the in-depth executive interviews, CXOs are struggling to deliver impact from innovation and are actively looking to establish specific organizational conditions that move unproven, early-stage ideas cleanly from concept to a defined, real-world commercial outcome. Four clear indicators of the shift towards radical innovation emerged:.

1. **Innovation is a core survival strategy:** CXOs recognize radical innovation as an effective vehicle to achieve the double or triple revenue growth targets often demanded by shareholders.
2. **There is a shift from "activity" to P&L-based outcomes:** Funding exploratory innovation without clear outcomes is coming to an end. Today, business cases must clearly demonstrate near-term profitability and market readiness.
3. **Shared-risk partnership models:** Fee-for-service models are giving way to co-investment partnerships where external technology providers and enterprises are both accountable for outcomes but also share in success.
4. **Deep customer validation:** Radical technology programs are strictly gated, requiring early, rigorous proof of end-user demand before capital commitment.

"It's exciting to see that business leaders increasingly recognize the value of a deep tech strategy and what is really compelling is the acknowledgement that radical innovation can address real commercial need," said Richard Traherne, CEO, Cambridge Consultants, part of Capgemini. *"Crucially, though, organizations are not losing the global innovation race because competitors possess better ideas, but because competitors are superior at funding, protecting, and commercializing them. The gap isn't technical, it's structural."*

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[1] Radical innovation refers to breakthrough products, services or business models that create significant new value. Deep tech is a business strategy to achieve radical innovation through the application of advanced science, engineering and technology.

[2] Respondents were asked what type of innovation personally excites them.

Bridging the intent-to-execution gap

The survey found that close to one in six business leaders are committing significant budgets to radical innovation, with a cross-industry average of 16%* reporting that their organizations allocate 70% or more of their innovation budgets to radical innovation. However, this allocation varies widely by industry. For instance, just 3% of leaders from consumer companies claimed to allocate more than 70% of their innovation to radical bets, whereas 36% of semiconductor leaders claimed to do so. Respondents from industrials (22%) and healthcare (18%) were more likely to invest in radical innovation, while those from materials (14%), communication services (13%) and energy (12%) were behind. No-one from utilities companies reported allocating more than 70%.

In interviews, CXOs stated that corporate boardrooms, restrictive funding structures, and risk-averse cultures can actively smother radical breakthroughs well before they reach the market. Short-termism, approval bottlenecks, consensus culture and talent scarcity can all impact radical innovation initiatives.

Download the Deep Tech Index 2026 here.

Additional Resources/Note to Editors

About the Deep Tech Index

The survey was conducted by The Editorial Institute on behalf of Cambridge Consultants and contains quantitative and qualitative insight from 750 C-level business leaders. The survey is supported and supplemented by 25 in-depth interviews with CXOs, as well as analysis by The Editorial Institute.

The proprietary data from the survey covers information on leadership, organization, culture, finance and operations, as well as external factors as it pertains to innovation. It identifies key trends and blockers, as well as the particular technologies that are top of mind to industry leaders. The result is a repeatable index on the state of readiness across geographies and market sectors in adopting deep tech strategies.

* Percentages have been rounded to the nearest whole number, exact data can be found in the report here.

About Cambridge Consultants

Cambridge Consultants (CC) is the deep-tech powerhouse of Capgemini. Deep tech is a mindset, a bold strategy that harnesses radical science and engineering to achieve things no-one else can. It delivers transformative business value and growth for our clients, who gain defendable commercial and operational advantage from new-to-the-world products, services and processes that they own. We overcome the ultimate business challenge: turning something that doesn't yet exist into a reality. Our advice is built on practice, with over 750 scientists, engineers, designers and consultants working globally across more than 20,000 sq. m of state-of-the-art R&D facilities. As part of Capgemini, CC is backed by 410,000+ Capgemini team members in more than 50 countries.

About Capgemini

Capgemini is the business transformation partner for enterprises in the age of AI. We help organizations imagine and build an intelligent, sustainable future, combining AI, technology and human ingenuity to transform how they operate, innovate and grow. With unique end-to-end capabilities spanning strategy, technology, engineering and intelligent operations, we bring together deep industry expertise and market-leading capabilities in AI, cloud and data to turn ambition into measurable business outcomes at scale. Supported by a robust ecosystem of partners and nearly 60 years of expertise, Capgemini is a responsible and diverse global organization of over 410,000 team members in more than 50 countries. The Group reported 2025 revenues of €22.5 billion.

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