

STRATEGIC
CHALLENGES IN

R&D Talent Management



Liquid Talent: Tools to Embrace a More Fluid Workforce



Recruiting and Retaining Early Career Tech Talent



Career Paths for Innovation

Developing & Monetizing Long-term Vision for R&D RoR

Co-chairs:

Terry Rosenstiel, USG

Kent Young, Sherwin-Williams

John Gavenonis DuPont / Agilent

Ken Perry BASF

SME: Pam Henderson, NewEdge

2017 MEMBER SUMMIT OCTOBER 2-5 OMNI HOTEL FORT WORTH, TX

October 2017

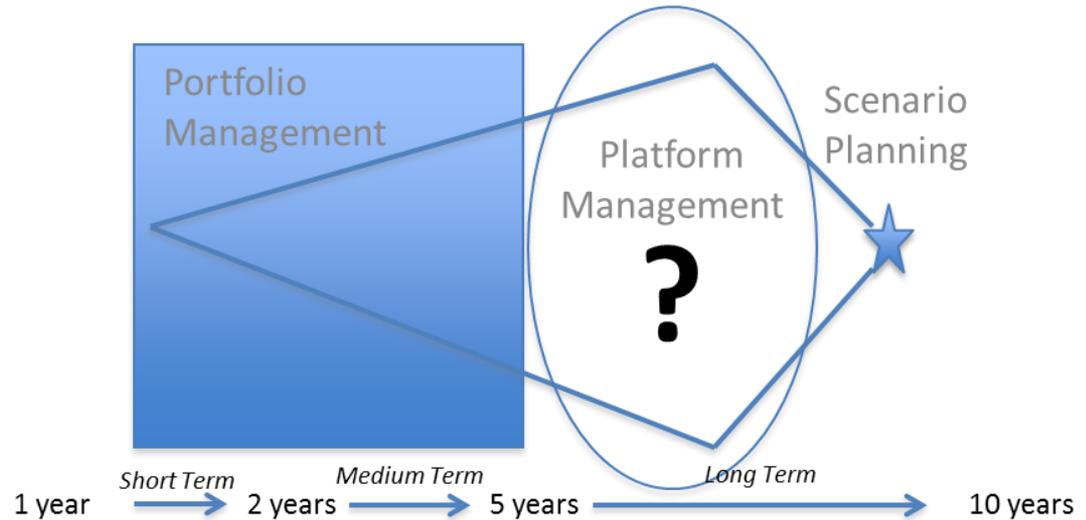


Creating Innovation Leadership Solutions
WWW.IRIWEB.ORG

Developing & Monetizing Long-Term Vision for R&D

Goal:

To discover best practices for forming a long-term vision for R&D, as well as how to use that vision to influence the strategic direction of the firm.



Project Overview, Phase 1

Outputs:

- Assess the state of the art for long-term vision and planning
- Explore drivers of success / satisfaction
- Define “better” practices

Insight Gathering:

- 5 working sessions
- 20 interviews
- 71 completed surveys

We have a problem.... Most companies are not satisfied with their processes

Current Behaviors / Practices

Best Practices

Not / Minimally
Satisfied

50%

Moderately
Satisfied

36%

Very Satisfied

11%

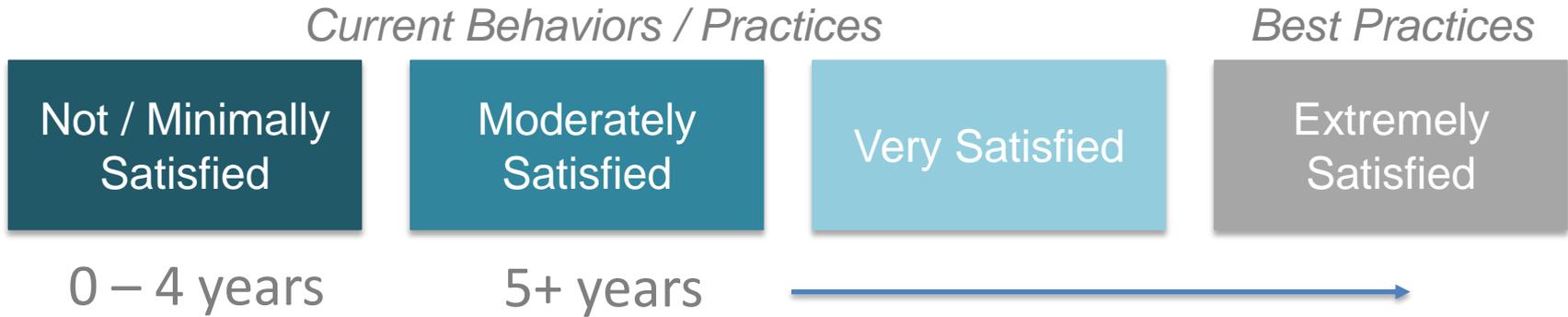
Extremely
Satisfied

2%

How do organizations with different levels of satisfaction behave?

ORGANIZATIONS THAT ARE MORE SATISFIED WITH THEIR PROCESSES...

... look at more extended timeframes (5+ years) when defining long-term.



...engage in long-term planning annually (or even more frequently).

Current Behaviors / Practices

Best Practices

Not / Minimally
Satisfied

Moderately
Satisfied

Very Satisfied

Extremely
Satisfied

Ad Hoc

Annually

Annually, with
“revisits” as
needed



...believe the PURPOSE OF R+D to be more future focused than their less satisfied counterparts.

Current Behaviors / Practices

Best Practices

Not / Minimally Satisfied

Moderately Satisfied

Very Satisfied

Extremely Satisfied

- Driving growth in core markets
- Supporting the businesses
- Exploring mid-term growth



+...

- New / adjacent market expansion
- Exploring long-term growth

·

**SATISFACTION WITH ABILITY TO GET
FUNDING FOR LONG-TERM IS A
SLIGHTLY DIFFERENT STORY ...**

More people are satisfied with their funding than their processes... (23% vs. 13%)

Current Behaviors / Practices

Best Practices



Organizations that are more satisfied with funding believe the PURPOSE OF LONG TERM PLANNING PROCESSES to be “Driving breakthrough + industry leading innovation” – *a more aspirational view point than the larger sample.*

Current Behaviors / Practices

Best Practices

Not / Minimally
Satisfied

Moderately
Satisfied

Very Satisfied

Extremely
Satisfied

- Achieving top line growth

+...

- Driving breakthrough
- Industry leading innovation

Organizations that are more satisfied with their funding, fund a wider range of projects.

Current Behaviors / Practices

Best Practices

Not / Minimally Satisfied

- Ext. partnership

Moderately Satisfied

- +...
- Work in adjacent areas

Very Satisfied

- +...
- New tech platforms

Extremely Satisfied

- +...
- Long-term initiatives
- New bus. models

Satisfaction with funding doesn't imply satisfaction with processes...

- 23% Satisfied with funding vs 13% satisfied with process - Why?
- Some companies are more inclined to fund long-term R+D and others are less likely to fund it due to...
 - Industry, Market Conditions, Competitive Position
- These leaders may have money but are still not sure where to allocate it because they don't have a good process

Leaders are struggling to define the right opportunities and tie into strategy

	Not / Minimally Satisfied	Moderately Satisfied	Very Satisfied	Extremely Satisfied
Defining Opportunity	26%	55%	15%	4%
Sizing Opportunity	62%	26%	13%	0%
Long-Term Metrics	66%	30%	0%	4%
Tying Bus. Strategy to R+D Strategy	34%	49%	15%	2%
Integrating Risk + Decision Making	56%	32%	11%	2%

Leaders with better processes communicate their strategy with more of the organization

Current Behaviors / Practices

Best Practices

Not / Minimally Satisfied

- Leadership (Org. and / or BU) only

Moderately Satisfied

- +...
- R+D and Mktg.

Very Satisfied

- +...
- Sometimes into greater org.

Extremely Satisfied

- +...
- Throughout the org. always

... but most leaders are not satisfied with their ability to interact with the organization



Across the board, leaders are not using the broader inputs needed to drive longer term strategy

- Less traditional “focus areas” (i.e. trends, business model, cross BU application, etc.) are utilized at much lower rates.”
 - 79% use Technology focus
 - 77% use Market focus
 - 56% use Trend focus
 - 27% use a Cross-BU focus
 - 24% use a Business Model focus

R+D organizations have a significant, unaddressed need to....

- Develop robust longer-term planning processes (87%)
- Improve their ability to secure funding (75%)
- Define opportunities (85%)
- Quantify the value of their work (87%)
- Communicate their strategy to the greater organization (87%)

Phase 2

NEXT STEPS

Next Steps / Phase 2

Outputs:

- Build a prescriptive maturity model to define and help companies mature in their use of better practices
- Identify and define next generation practices
- Understand and address gaps regarding satisfaction with outcomes

Come to Tomorrow's Session at 10am in Texas Ballroom AB

- Demo a Scenario approach that may help companies in long range planning
- Learn how to participate to improve your company's practices
- Join the group to lead best practice exploration