



THE INNOVATION METRICS JOURNEY

Showing Value Without a Doubt

Owens Corning



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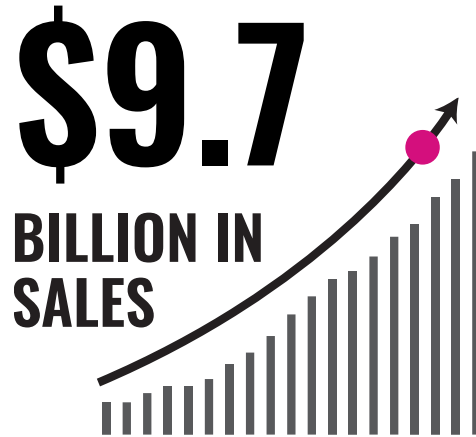


Pete Weddington
Director, Global
Information Services

OWENS CORNING AT A GLANCE



CONSECUTIVE YEARS
AS A FORTUNE® 500
COMPANY



\$9.7
BILLION IN
SALES

*2023 REVENUE



18,000

EMPLOYEES PLUS 1
PINK PANTHER



30

COUNTRIES WHERE
WE OPERATE

A GLOBAL BUILDING AND CONSTRUCTION MATERIALS LEADER

ROOFING | INSULATION | COMPOSITES

OUR MISSION, PURPOSE AND VALUES

OUR MISSION

To build
a sustainable
future through
material
innovation

OUR PURPOSE

Our people
and products
make the world
a better place

OUR VALUES

Global in scope,
human in scale

Caring
Curious
Collaborative
Committed



KEYWORDS: CHRISTOPHER MIMS

Is Big Tech's R&D Spending Actually Hurting Innovation in the U.S.?

Big companies are hiring an ever-larger proportion of America's inventors, who are less productive once they join

One CEO's Radical Fix for Corporate Troubles: Purge the Bosses

Bayer Chief Executive Bill Anderson is throwing out the corporate playbook for a management plan that shifts more decisions to workers

icipating in a training session at the company office in Whippany, N.J. ZACK DEZON FOR THE WALL STREET JOURNAL

Has R&D investment become riskier for CEOs after the Sarbanes Oxley Act?

SeungWon Lee ✉

First published: 06 February 2024 | <https://doi.org/10.1002/jcaf.22698>

CFO JOURNAL

██████████ Looks to Pare R&D Spending Even as It Pivots From Covid Vaccines

The biotech company advances new offerings in part to offset revenue declines while also trying to bring costs down

By *Mark Maurer* [Follow](#)

March 6, 2024 6:30 am ET

CFO JOURNAL

A Research Tax Deduction Change May Go Away. Some Business Pain Won't.

Small and medium-size businesses have struggled with tax rules on R&D expenses. Lawmakers may soon

Financial Stress Can Squeeze the 'R' Out of R&D

10/01/2023 Summary of [Working Paper 31521](#) Featured in print Digest

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CEO power and R&D investment

Christine Naaman, Li Sun ▾

Accounting Research Journal
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INNOVATORS NEED TO BE VALUABLE WITHOUT A DOUBT



QUESTIONS TO ANSWER

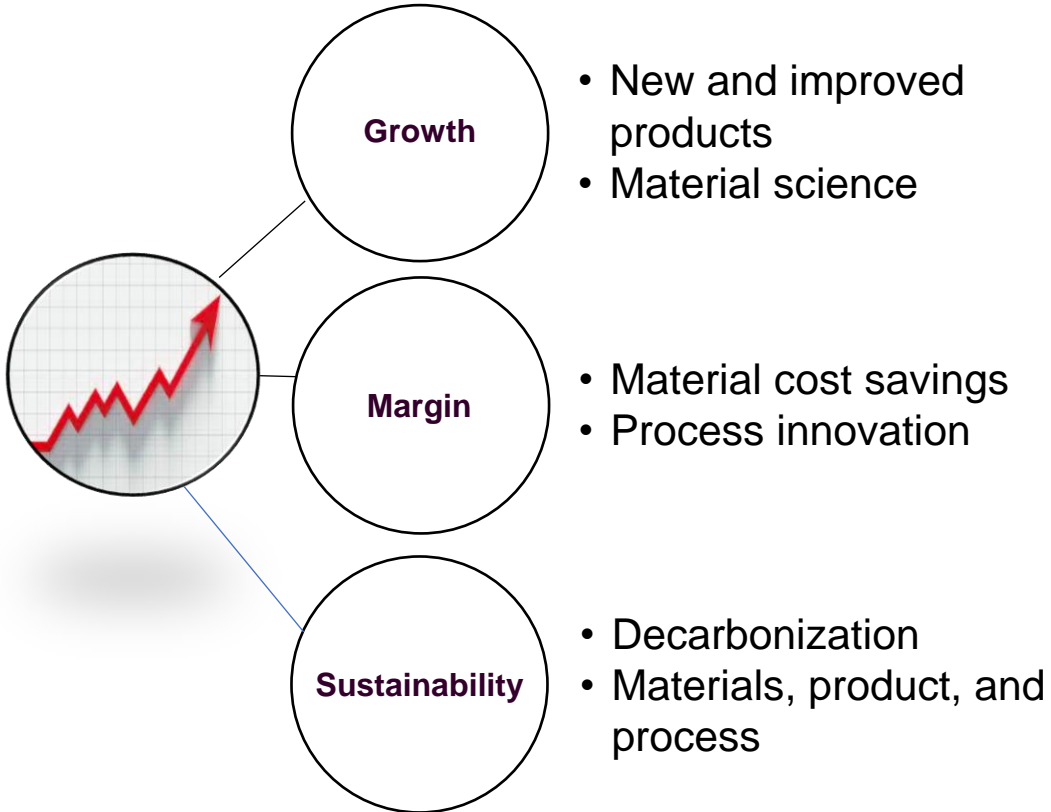
- I. What frameworks drive metrics development and implementation?
- II. How do metrics impact behaviors for today and tomorrow?
- III. How does your approach to technology and people enable growth?

OUR JOURNEY FRAMEWORK

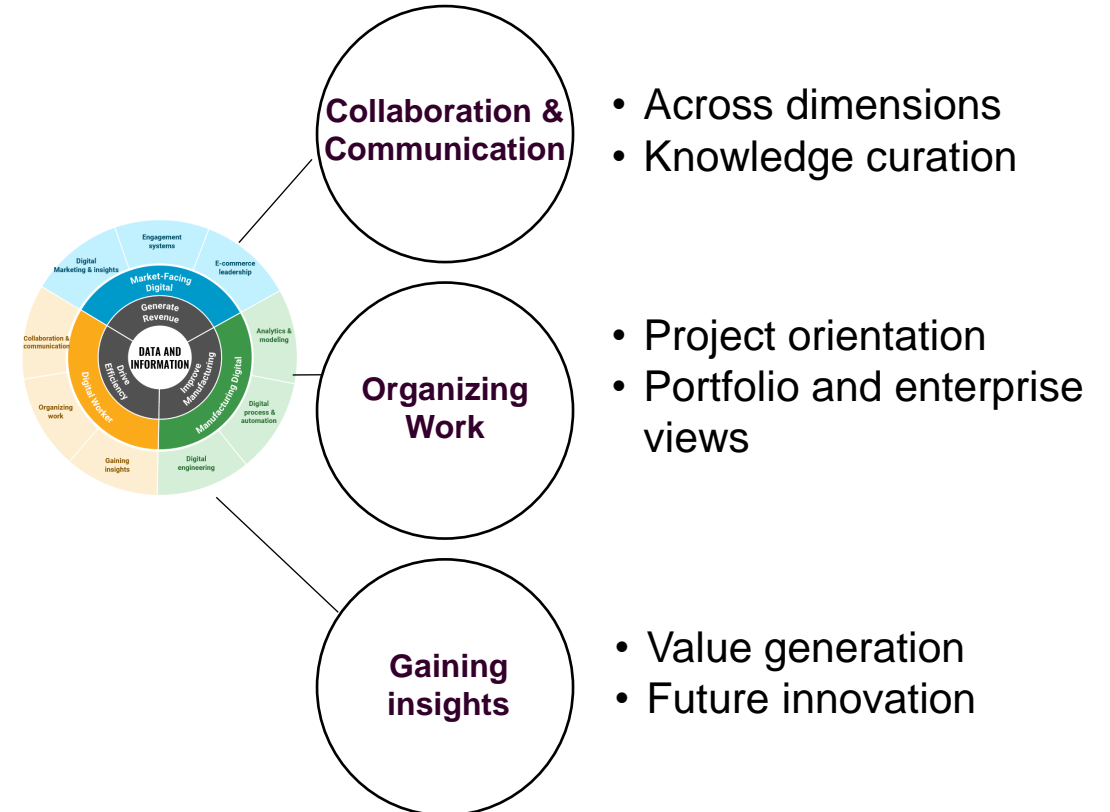
SIMULTANEOUS FOCUS ON METRICS, CAPABILITIES, PROCESSES AND SYSTEMS



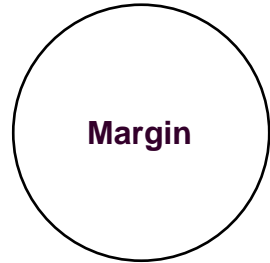
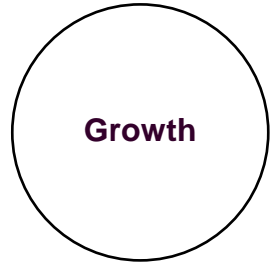
Focus on Innovation Metrics and Behaviors



Enhancing Innovation Processes and Systems



METRICS THAT MATTER DRIVE THE RIGHT BEHAVIOR TODAY... AND TOMORROW



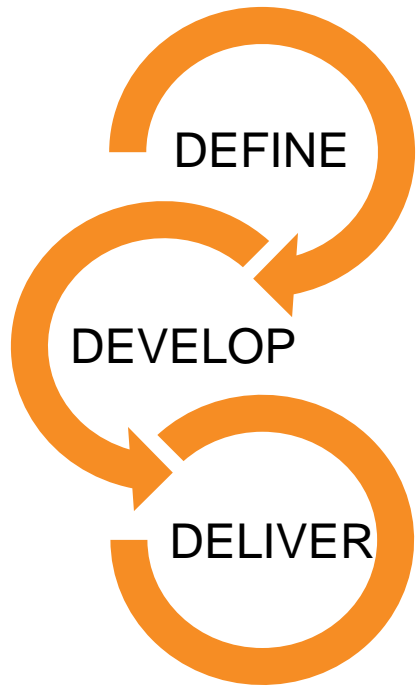
IMPACT METRIC	NEW BEHAVIOR FOR TODAY	NEW BEHAVIOR FOR TOMORROW
Revenue / PVI	R&D and Marketing apply consistent decision criteria, forecast methods, and connect SKU data in innovation management system for launch reporting	Focus shift: Required to sustain performance e.g. cross-business sequencing. Product-line level portfolio optimization and continuous improvement
Productivity / EBIT	R&D and Manufacturing forecast, risk adjust business cases across R&D, plants, and capital delivery for new solutions	Mindset shift: Strengthen business case with quick “GOOD” forecasts over slow, precise assessment, incorporate robust risk adjustment plans, traceability
Decarbonization Tied to product & process	Bi-lingual fluency: Leaders need to be fluent in financials AND environmental impact, such as emissions reduction, water savings, energy savings	

ITERATIVE METRIC DEVELOPMENT PROCESS



GROWTH REVENUE EXAMPLE | TENSIONS TO MANAGE

Co-lead: Dedicated Innovation Strategy leader/ Digital Innovation leader. Key influencers: Portfolio managers, marketing representative



PEOPLE INVOLVED	TENSION AND DELIVERABLES
CEO Sponsor/ CRDO or CMO	2-4 metrics for impact on investors, customers Drive auditable, simple, digitally trackable
C-suite	2-4 metrics for business management
R&D, Marketing Heads	Forecast vs. actual learnings
Portfolio managers, process experts	Tribal knowledge, experiences. Shape, test, learn, practice definitions, expectations, instructions
Pilot R&D and Marketing project leaders	Drive clarity and manageability
R&D and Marketing leaders (by business)	Clear definitions, training, expectations, tool instructions → clear Impact
Every project lead	

CREATING DIFFERENTIATED VALUE THROUGH INNOVATION



Duration® SureNail®
Technology



FOAMULAR®
Project Panels



OCT™ Lumber
Structural Framing



Titanium® FR
Underlayment



Ultra-Pure®
Spray Foam



Glas-Powered™
Veils

>140

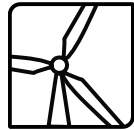
**New or refreshed products
launched over the past 3 years**

- Track record of material innovation and conversion
- Increasing investments in R&D
- Accelerating innovation to help customers win in the market

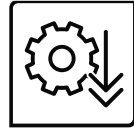
SUSTAINABILITY AND INNOVATION METRICS DRIVE PROGRESS



2030 GUIDING ASPIRATIONS



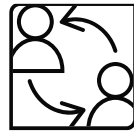
Increase the positive impact of our products



Halve the negative impact of our operations



Eliminate injuries and improve the quality of life for our employees and their families



Advance our inclusion and diversity



Have a positive impact on our communities



SUSTAINABILITY AND INNOVATION METRICS DRIVE PROGRESS



2030 GUIDING ASPIRATIONS



Increase the positive impact of our products

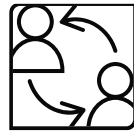


Halve the negative impact of our operations

INVENTION REQUIRED



Eliminate injuries and improve the quality of life for our employees and their families

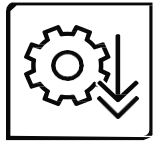


Advance our inclusion and diversity



Have a positive impact on our communities

SUSTAINABILITY AND INNOVATION METRICS DRIVE PROGRESS



Halve the negative impact of our **OPERATIONS**

IMPACT METRIC

2030 GOAL: -50%

Reduction in absolute scope 1 and 2 market-based ghg emissions vs 2018

BEHAVIORS & IMPACT BOOSTING INSIGHTS

- Frame roadmaps together (Sustainability/Innovation) around the innovations and capabilities required to achieve goals
- Drive focus and clarity on people, pilots, partnerships
- Rally around enterprise management systems across functions to demonstrate & deliver.
 1. Prove the science
 2. Deliver technology readiness and investment-grade solutions
 3. Validate in operation at scale



Water resistance

VRAs can store stormwater for later use or capture and slowly release it to reduce runoff, contributing to sustainable design and helping to meet local regulations. FOAMULAR® XPS is moisture resistant and helps protect the membrane below from thermal expansion, contraction and exposure to damage.



Compressive strength

With a variety of compressive strengths available up to 100 PSI, FOAMULAR® XPS stands up to the weight of growing media, pavers, water, plants, trees and even car and truck traffic on plaza decks.



Energy efficiency

FOAMULAR® XPS has high thermal performance – R-5 per inch – adding to your building's insulation performance and energy savings.



Sustainability

Made from recycled content and contributing to building certifications, FOAMULAR® XPS complements the sustainable profile of VRAs. FOAMULAR® NGX™ XPS is an even more sustainable option, made with a blowing agent formulation that delivers a 90% reduction in global warming potential.¹



WHAT IF OC KNEW WHAT OC KNOWS?



WHAT WAS HOLDING US BACK?

PROCESSES AND DATA

- Inconsistent forums and processes within and across divisions
- Data volume and quality, structured and unstructured, was insufficient or not ready-to-use
- Data was degraded into silos and suffering from dispersal

TECHNOLOGY

- Core systems lacking effective lifecycle management
- Limited strategic investments in core systems to support employee or process efficiency
- Technology too expensive and not a fit for OC's current state

STARTING THE JOURNEY

- **Strategic Level (1) – Portfolio Leader**
 - Create the visual pipeline of projects
 - Enable transparency and accountability
 - Facilitate easy navigation for online collaboration
- **Operational Level (2) – Project Manager**
 - Streamline data entry to the Project Dashboard
 - Make the system work for the Project Manager
 - Create transparent path to the project headlines
- **Operational Level (3) – Project Team**
 - Enable the team with a digital collaboration toolset
 - Integrate teams for a cohesive, frictionless process
 - Deploy online execution to create more time to innovate

1 Portfolio Views

Rows: Roofing Product Line Category
Dates: May 06, 2023 - May 05, 2027

Milestone: Roofing Market Launch Date

Projects shown: Cool Roofs, Polymer Backed Shingle, Shingle Color of the Year 2023 (SCOTV), Midnight Plum

2 Project Dashboard

Objective - Theory of the Deal
Today in central portion of the US, OC has a much lower market share in the IR segment than other portions of the country. Additionally, Class 3 impact resistant shingles are a growing trend that is stealing share, and represents a growth segment in the roofing market.

Economy IR will be a key element in achieving OC's growth strategy. Deliver a class 3 shingle in the nationally that provides discount on home owners insurance policy, but is only a small premium over standard laminate price.

Active Resources
Project Resources
Resource not yet assigned

Key Updates and Learnings

Risk Description
Changing market actions and shift in project scope
Severity: 2 Normal

Milestones
Get buy in on the next steps of the process
Planned: Apr 30, 2022
Status: Complete
Owner: Nicole Howe

Next 30 Days
Apr 08, 2022: UL Testing data comes in from P93
Aug 02, 2022: Complete Class 3 Strategy

3 Project Collaboration

Start Date: Jan 27, 2023
End Date: Jan 22, 2028

Deliverables are defined for each stage. Each deliverable is designed to help in completing the project outcomes, maintaining records for retention compliance, and documenting information for project team collaboration. For each deliverable: 1) Use the template, if provided, to help in completing the deliverable requirements; 2) Set an owner for the deliverable; 3) Set a deadline for it to be completed; 4) Update the status; 5) Update status notes for additional information. If a deliverable is not listed, then check the "Project Settings" page (left-hand menu, bottom icon). Using Project Settings, you can enable or disable a deliverable for the project.

Stage 3 - Development (6 of 12 Required Deliverables completed)

Deliverable	Owner	Deadline	Status	Function	Status Notes
*Project on a Page	[None]	[None]	Not Started	[None]	[None]
*Key Invention Learning Plan	[None]	[None]	Not Started	[None]	[None]
*Success Criteria Matrix	[None]	[None]	Not Started	[None]	[None]
*Project Plan - Stage 3	[None]	[None]	In Progress	[None]	[None]
*Project Base Plan - Stage 3	[None]	[None]	In Progress	[None]	[None]
*Product Stewardship - Stage 3	[None]	[None]	In Progress	[None]	[None]
*Financials - Stage 3	[None]	Jun 12, 2024	Completed	[None]	[None]
*Intellectual Property - Stage 3	[None]	Jun 18, 2024	Completed	[None]	[None]
*CFRRI to Critical Product Characteristics	[None]	[None]	In Progress	[None]	[None]

HOW TO TRANSFORM

Collaboration Hubs – Thinking Big

- **Collaboration and Communication**

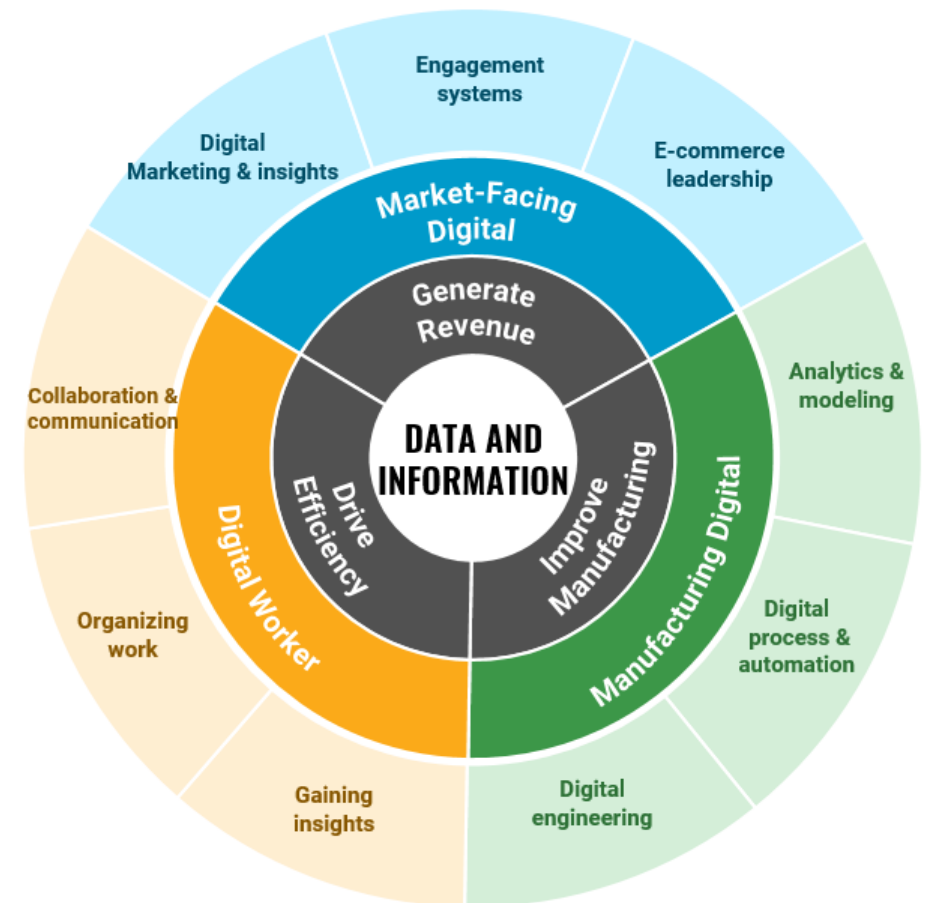
- Enterprise tools to enable the flow of thoughts, ideas and interactions between our employees and stakeholders

- **Organizing Work**

- Facilitate the unique flow and composition of work for teams and individuals to drive productivity

- **Gaining Insights**

- Enabling and accelerating insights using technology to analyze large and diverse datasets



“The spreadsheet is duct tape to the digital world.”

- John Carrier, MIT Sloan School of Management

HOW TO EXPAND

- **Focus on “hubs” and knowledge sharing while expanding to gain insights**
 - Portfolio & Project Management (PPM) – Weekly cadence to align and adapt the people, process & technology
 - Digital Laboratories (LABS) – Align OC laboratories and software OEMs to drive productivity and science insights
 - Knowledge Resources (KRS) – Use internal capabilities and external services to the max extent
 - Generative AI for R&D – Explore use cases smartly to deliver on knowledge sharing, productivity, and new insights

LOOKING AHEAD

DIGITAL WORKER

- Continue the strategy to create immersive **employee hubs** / tools to create an efficient, frictionless, and cohesive work experience for **knowledge** and frontline **workers**
- Harness the **data and insights** that will be generated from the digital hubs and digitized processes
- Maximize the use of **generative AI** built-in by OEM software providers to offload low value tasks
- Understand the potential of **“What if OC knew what OC knows”** and accelerate custom generative AI use cases to harness and leverage OC’s extensive knowledge as a competitive advantage



FINAL THOUGHTS

Innovation metrics combined with the right tools and culture offer a wealth of opportunities to **demonstrate the value of R&D**, improve decision making, and measure impact **without a doubt**.

Success requires a simultaneous focus on technology and people to make it a reality.



Q&A



Carmen LaTorre
Innovation Director,
Roofing



Sylvia Little
Innovation Leader,
Strategy and Metrics



Pete Weddington
Director, Global
Information Services