



2016 GE Global Innovation Barometer

Detailed Findings Germany



Overview



Now in its **fifth edition** and spanning across **23 countries**, the GE Global Innovation Barometer is an international opinion survey of **senior innovation executives** all actively engaged in the management of their firm's innovation strategy. In addition, this year, the GE GIB also surveyed the views of **informed publics** in **13 countries**.

With both audiences, the Barometer explores how the perception of innovation is changing in a complex, globalized environment, and how they appreciate the **framework for innovation** their country has developed.

In addition, it explores the perceptions of informed publics on the **impact and value of innovation, the associated responsibilities** with driving and supporting innovation and their opinions on the **future of work**.

Innovation Business Executives

All respondents' line of work involves taking part in their company's innovation process/policies

Responsible for making decisions related to innovation, product development or research and development (R&D) activities in their company



2,748 Business Executives,
of which **1,915** are C-suite

Informed Publics/ Informed Citizens

University education or above

In the upper quartile income of their country

Regularly consume top tier business news publications

Regularly follow public policy matters in the news



1,346 Informed Publics

This year, we talked to...

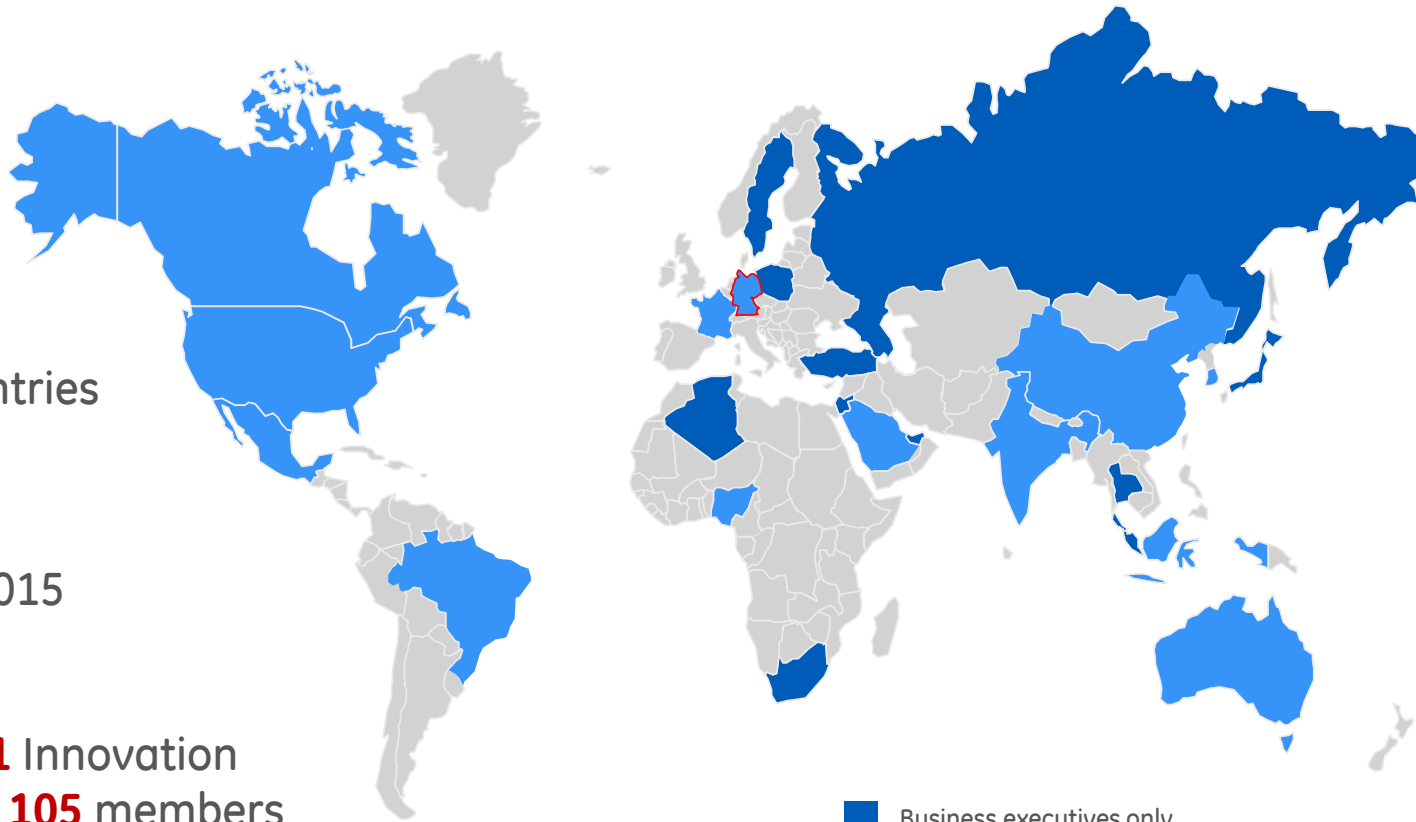
2,748 Innovation Business Executives, of which **1,915** are C-suite, in **23** markets across 10 sectors

1,346 Informed Publics in **13** countries

All answered a **30 minutes** interview

Fieldwork dates:

13th of October – 7th of December 2015



In **2015**, we talked to **101** Innovation Business Executives and **105** members of the Informed Public

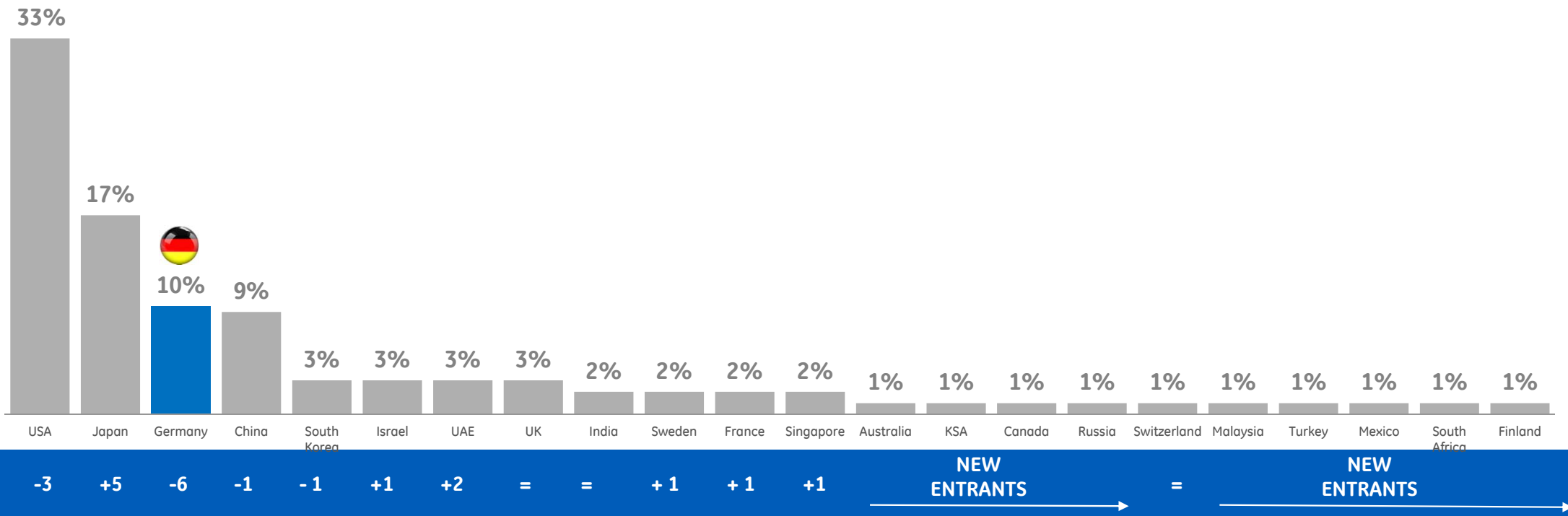


■ Business executives only
■ Business executives and informed publics

INNOVATION CHAMPIONS

Innovation champion – Japan is back, Germany down

What is the country that you consider to be the leading innovation champion?



Points difference with 2014 ranking



Q1. What is THE country that you consider to be the leading innovation champion? Base business executives: 2,748. Germany Base business executives: 101.



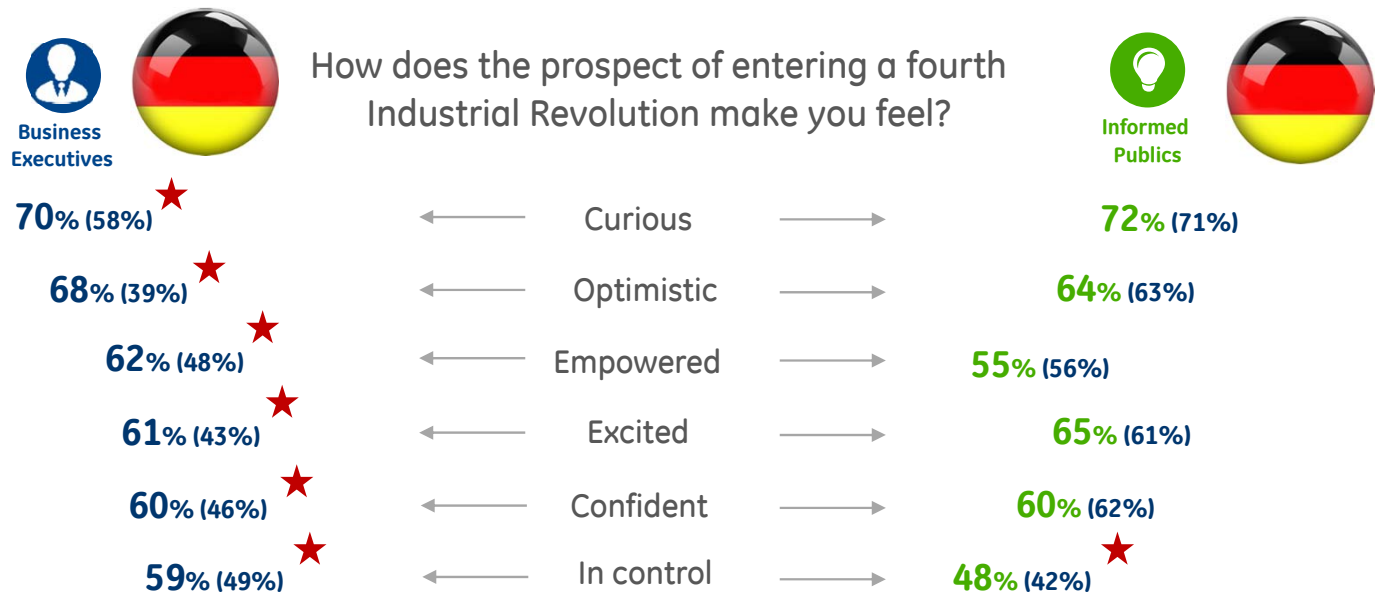
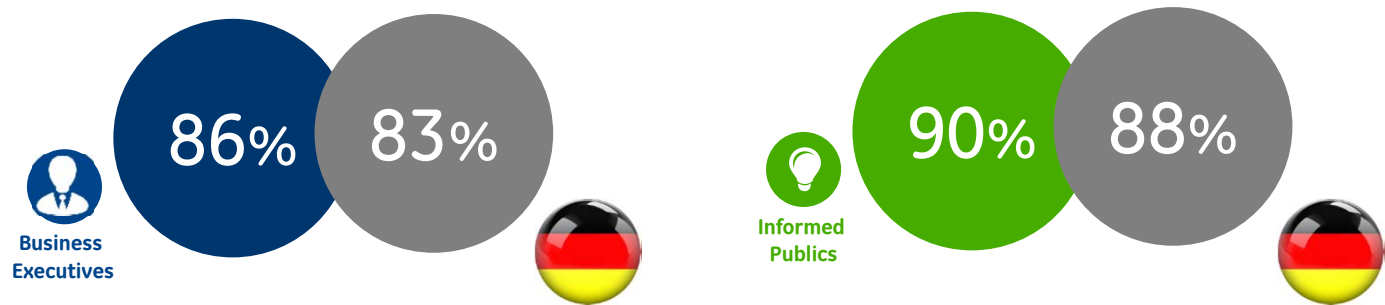
2016 GE GLOBAL INNOVATION BAROMETER GLOBAL FINDINGS IN THE LIGHT OF THE GERMANY RESULTS

A Welcome Revolution:

Both business executives and citizens are optimistic about the digital transformation of the world. 68% of execs and 64% of citizens cite a positive anticipation of the 4th Industrial Revolution, while all anticipate a radical transformation of the industrial sector by Advanced Manufacturing. Emerging markets feel especially empowered.



In the next 10 years, Advanced Manufacturing will radically transform the industrial sector



★ Over-index
★ Under-index

Question text in notes

Embracing New Models and Technologies:

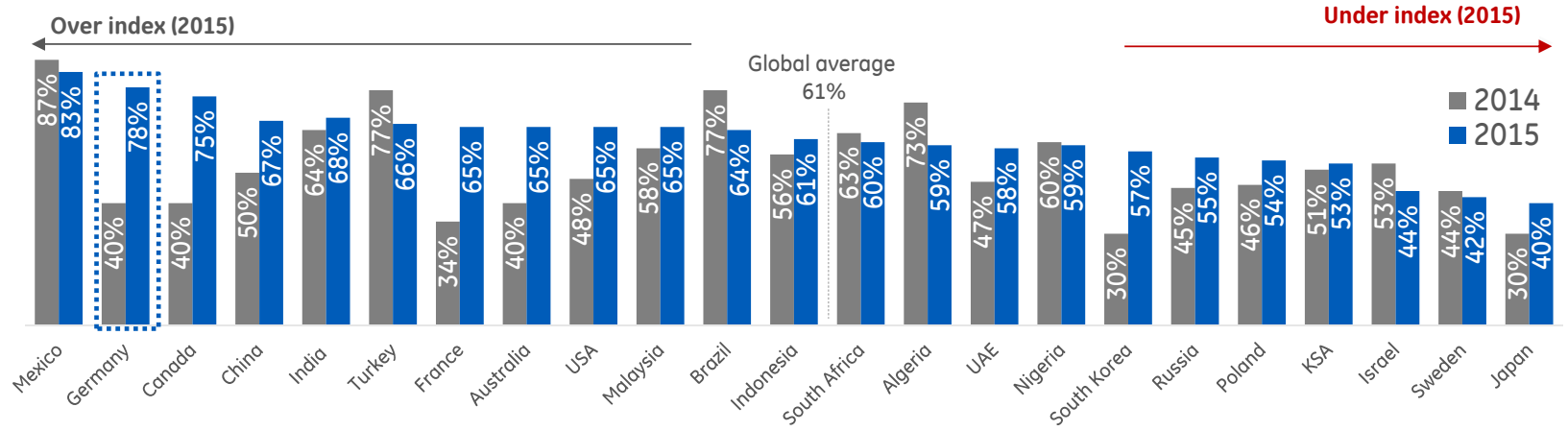
Business executives are adapting through new investments and partnerships. 61% are using big data to inform decision-making (up from 53% in 2014), and 77% are seeing financial results from collaboration (up from 64% in 2014).



Executives are increasingly recognizing the strategic value of data and analytics

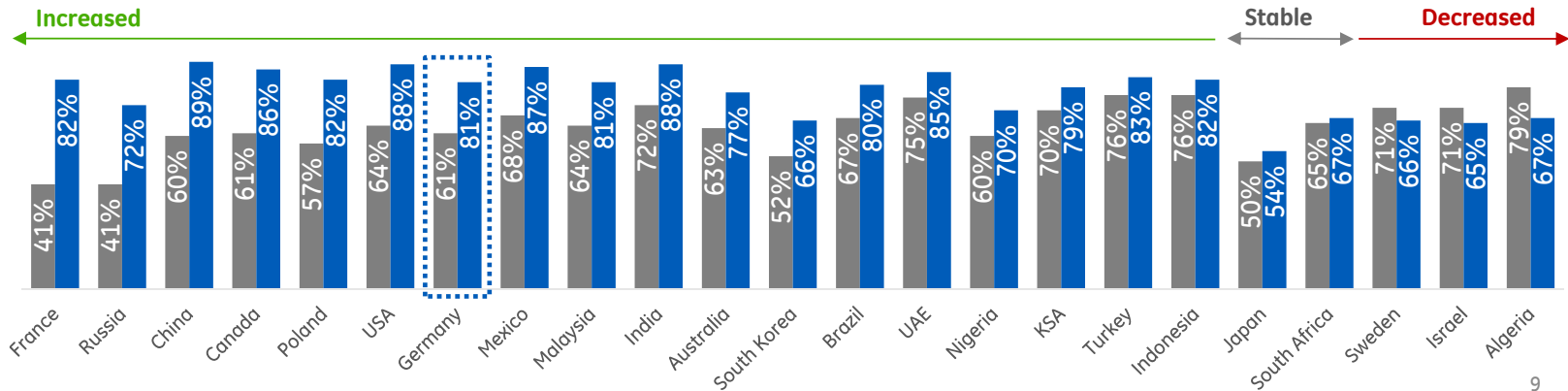


Importance to be able to innovate successfully: To use big data and analytics to improve strategic knowledge and inform decision-making (2015)



Collaboration has increased in most markets

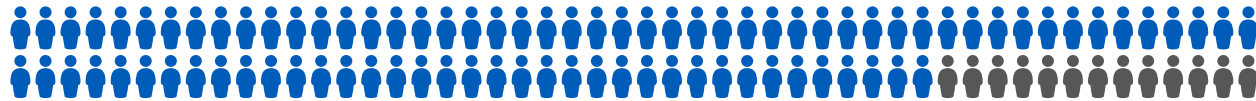
The revenue and profit generated by collaborative innovation activities has been growing over the last year



Leaders are more willing to share both the gains and risks of collaborating, and they are seeing growing results

More than

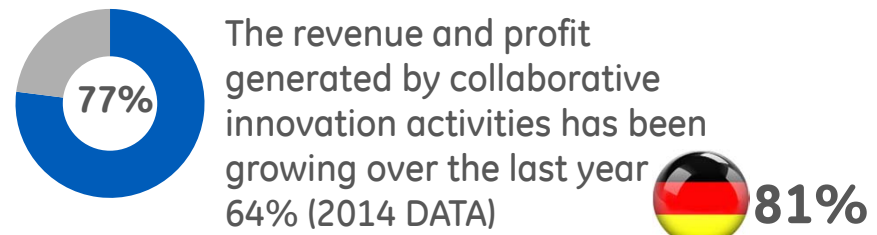
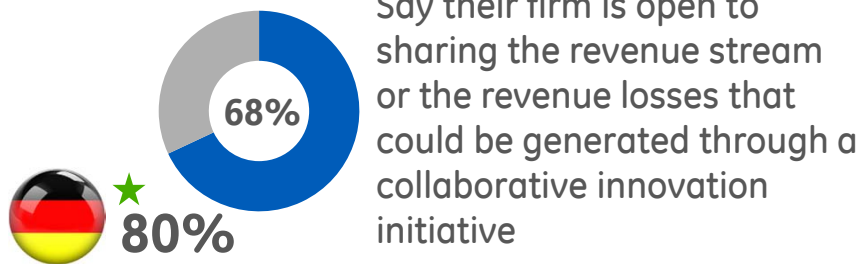
77%



have increased revenue and profit by collaborative innovation in the last year – up from **64%** in 2014. This is even more the case for...

85% Those whose innovation strategies are steered towards breakthrough innovations

81% Those who find that to come up with radical and disruptive ideas is a challenge preventing their business' ability to innovate



★ Over-index
★ Under-index



Q18A. Has the revenue and profit generated by collaborative innovation activities been growing over the last year? % Yes. Base business executives: 2,748
Q18B. Is your firm open to sharing the revenue stream or the revenue losses that could be generated through a collaborative innovation initiative? % Yes. Base business executives: 2,748. Germany Base business executives: 101



Disruptive Innovation: The Solution and the Challenge:

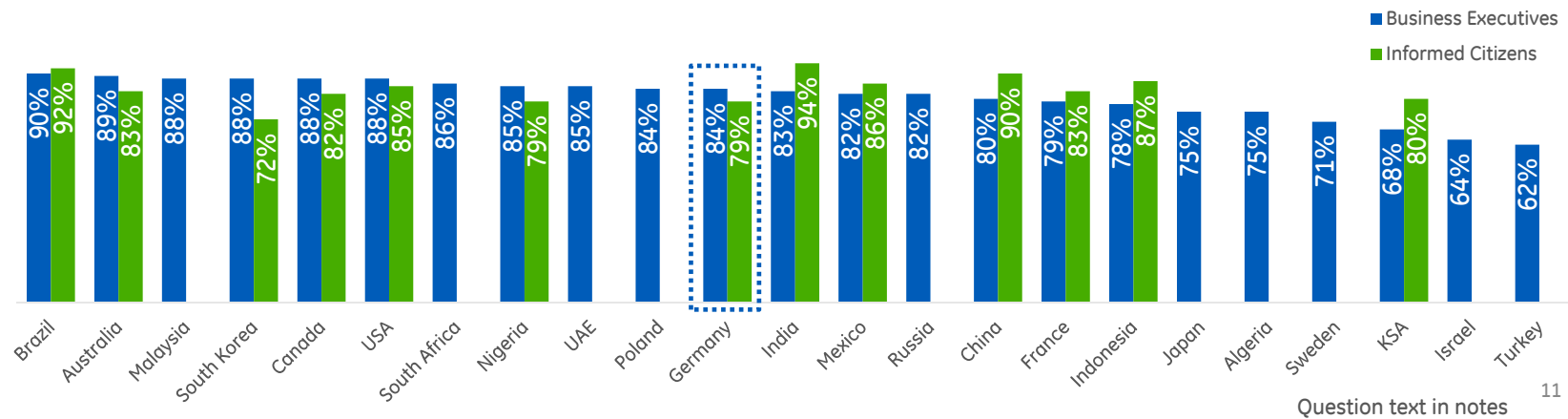
Although business executives recognize they need to innovate radically to keep up—90% think that the most innovative companies create new markets that didn't previously exist—most are also mindful of the risk of "Digital Darwinism". 81% worry about being left behind as technology evolves faster than they can adapt, creating a fear of becoming obsolete (FOBO).



The **MOST INNOVATIVE COMPANIES** not only launch new products and services but also **CREATE A NEW MARKET** that didn't previously exist

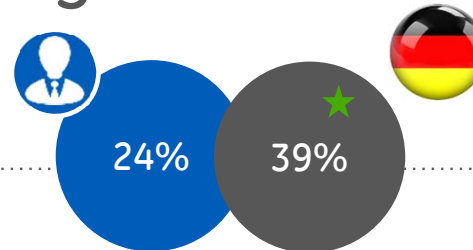


Fear of Becoming Obsolete (FOBO) is a view shared across the majority of markets





Business Executives and Informed Publics are mindful that more and more businesses face **“DIGITAL DARWINISM”** - becoming obsolete as technology is evolving faster than they can adapt



Only few feel their company is performing very well at quickly adapting and implementing emerging technologies

★ Over-index
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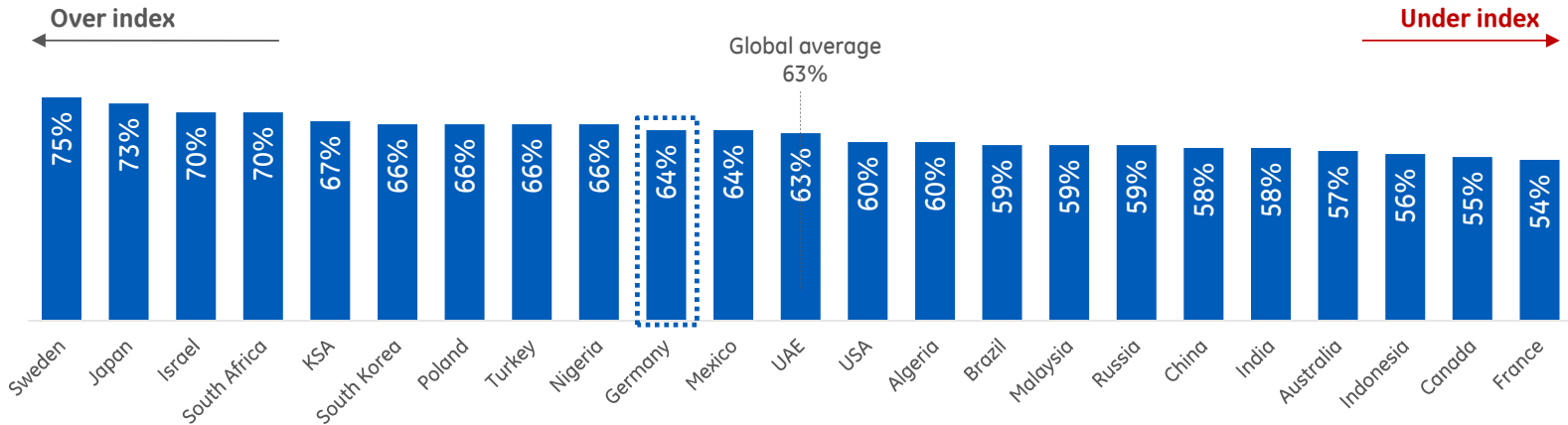
Everybody's Starting Up?:

Still, 57% favor a "safer" approach, pursuing incremental innovation and protecting their core business. Inertia and risk aversion are growing. Meanwhile 81% of business executives recognize the "start-up" ethos is increasingly becoming the example norm for creating an innovation culture within companies of all sizes.



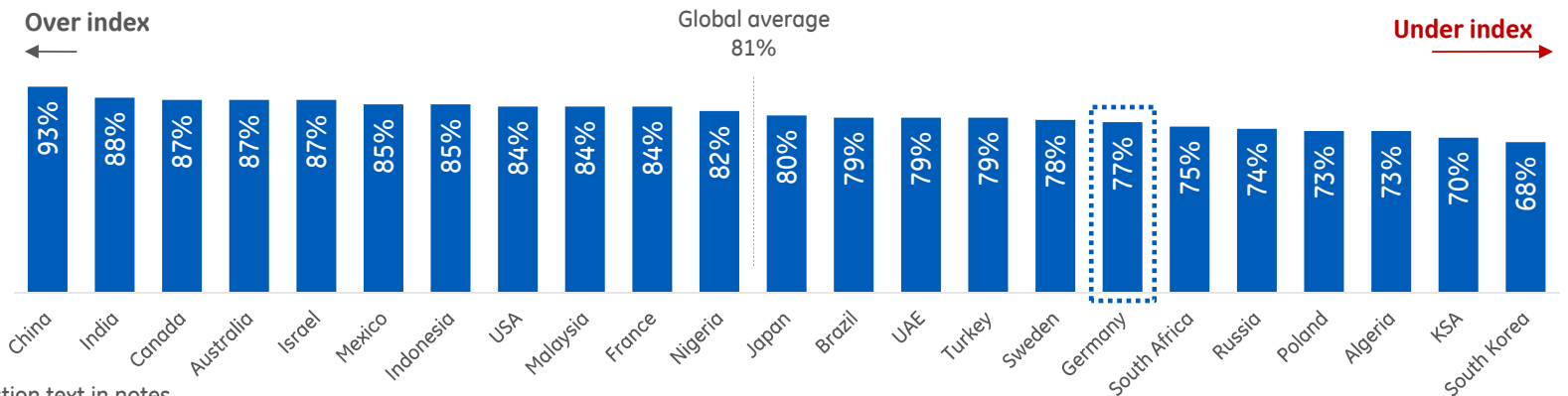
All markets show a preference for incremental innovation

Incremental innovation, improving existing products and solutions vs. breakthrough innovation, launching products that are completely new and have the ability to disrupt their market



The "start-up" ethos is increasingly becoming the example norm

The "start-up" ethos is increasingly becoming the example norm for creating an innovation culture within companies of all sizes

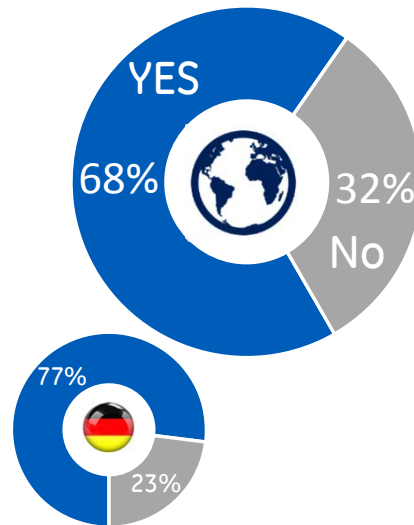


Question text in notes

Having an innovation strategy and a performance KPIs framework no longer guarantee success

Does your company have a clear innovation strategy?

62% of those with a clear innovation strategy still struggle to come up with radical and disruptive ideas



57% of those without a clear innovation strategy struggle to come up with radical and disruptive ideas, too

73% Do measure the contribution of innovation to their business performance

★ Over-index
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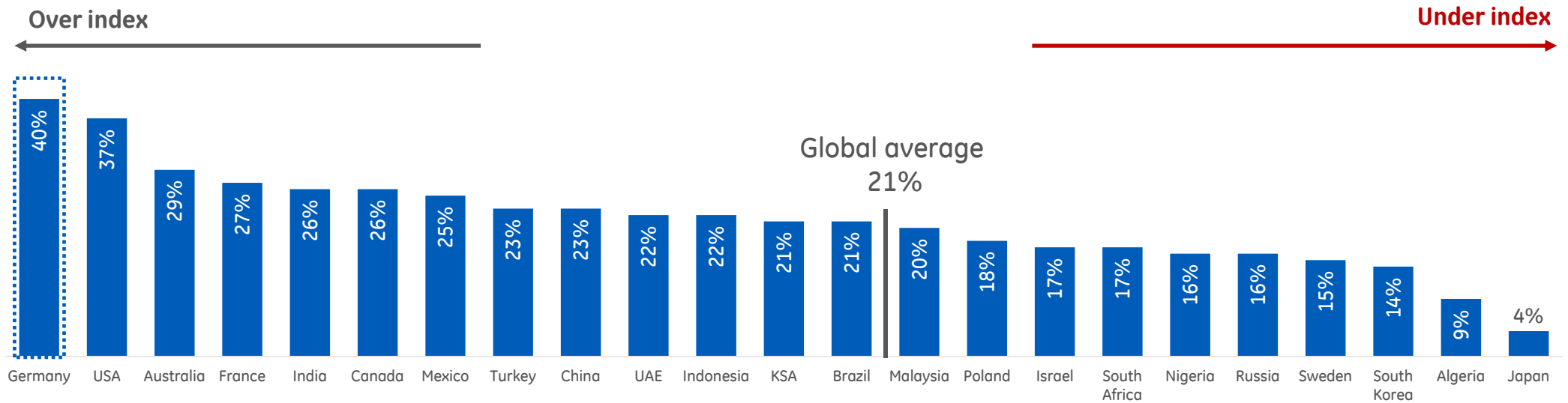


Q12. Does your company have a clear innovation strategy? / Q13. Do you measure the contribution of innovation to your business performance? / Q16. For each of the following challenges preventing businesses' ability to innovate efficiently, please say how far each of them applies to your company? Base business executives: 2,748. Germany Base business executives: 101.



Willingness to accept a longer-term payoff for innovation is a general challenge, with the exception of the U.S. and Germany

To be ready to accept long-term ROI to allow for breakthrough innovation (performs extremely well)



Q8.K How does your company currently perform against these success criteria: To be ready to accept a long term ROI to allow for breakthrough innovation. % performs extremely well. Base business executives: 2,748. Base business executives: 101.

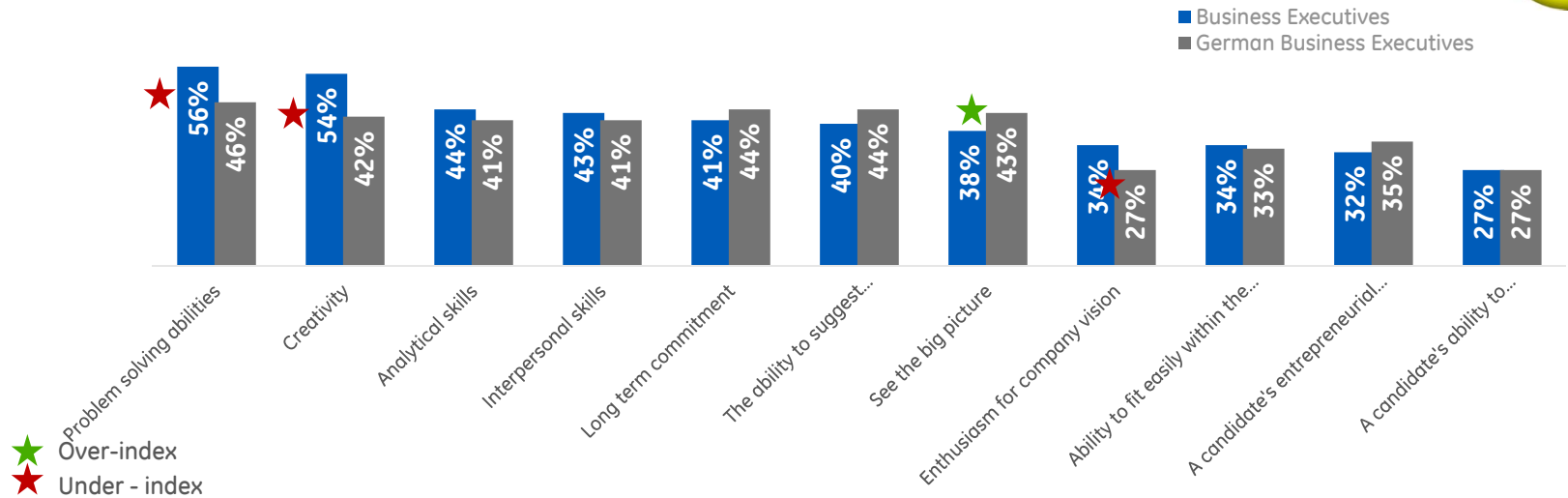


Creativity & Problem-Solving Key for Future Workforce:

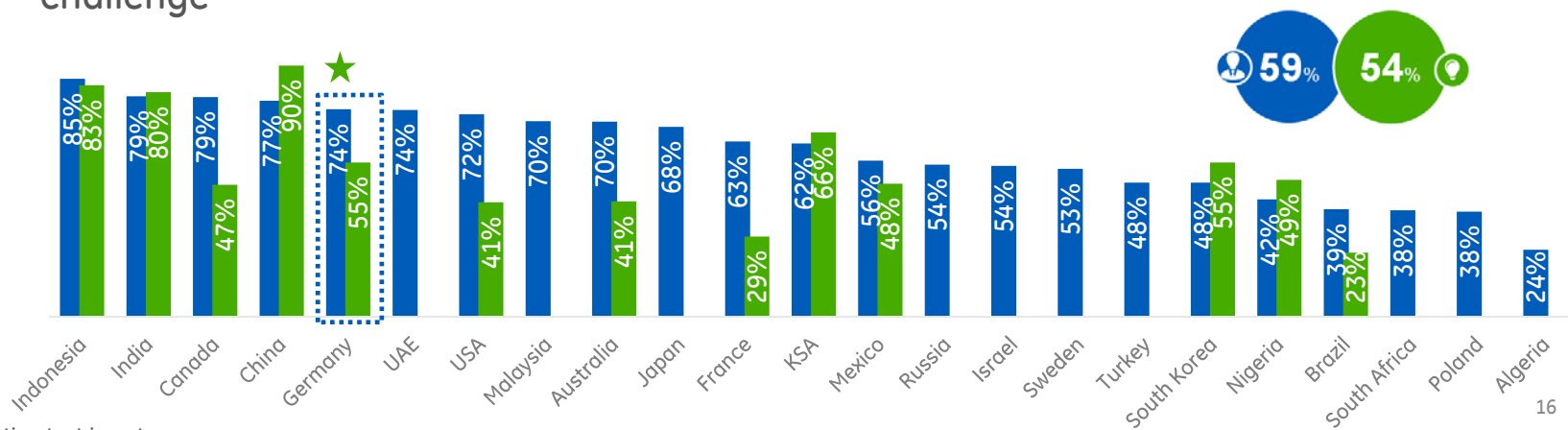
Future worker is changing. Executives are seeking problem solvers (56%) and creativity (54%), and an expected impact of the 4th industrial revolution is that some categories of skilled workers will be in high demand. Citizens are embracing the start-up ethos and value flexible (89%) and remote (79%) work. Only a few countries feel their education system is ready to address future skills, with informed citizens in countries like India (81%), China (78%) and Indonesia (76%) most confident.



The ideal talent are creative problem solvers, but entrepreneurs are not fully embraced



Only a few countries feel their education system is ready to answer the future skills challenge



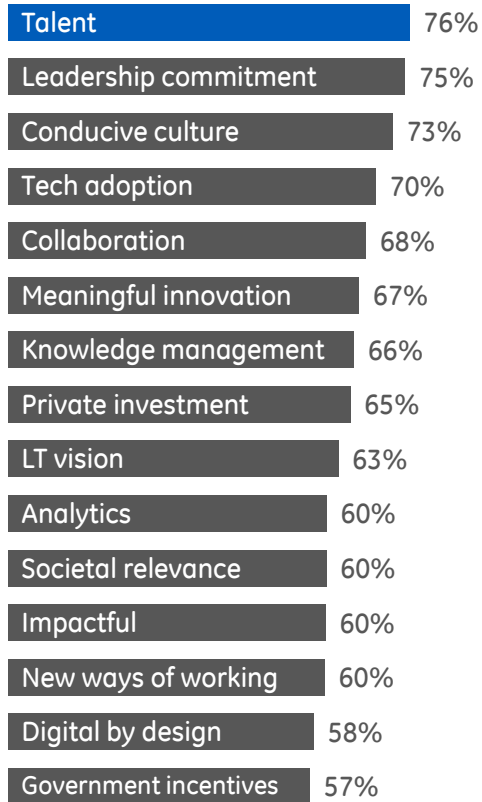
Question text in notes

The future worker is changing

Talent acquisition remains the first innovation success factor...



And **81% / 77%** of Business Executives believe the **"start-up" ethos** is increasingly becoming the example norm for creating an **innovation culture** within companies of all sizes



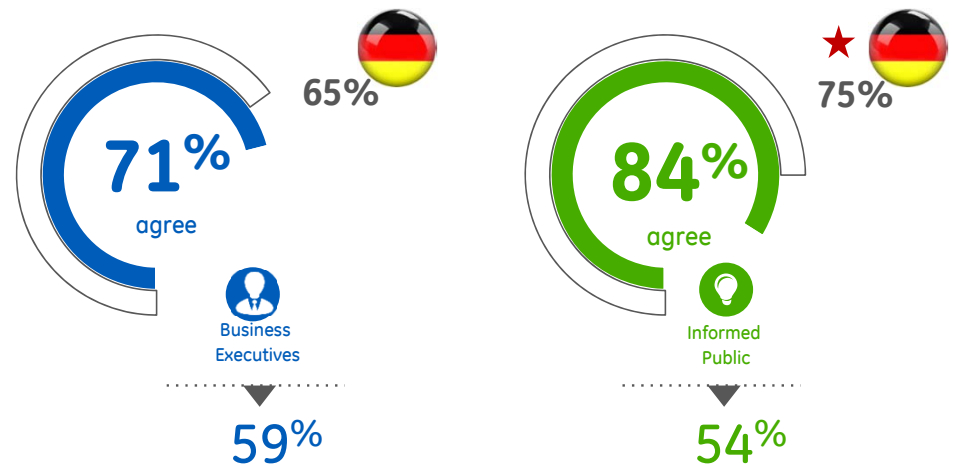
★ Over-index
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Please see notes for question details

With digital transformation we are observing the rise of 'NOMAD EMPLOYEES'

e.g., individuals that do not necessarily seek full-time employment but favor freelancing or contracting modes



But just over half believe that the current education system is adapted to fulfill the private sector's demand for new talent and skills

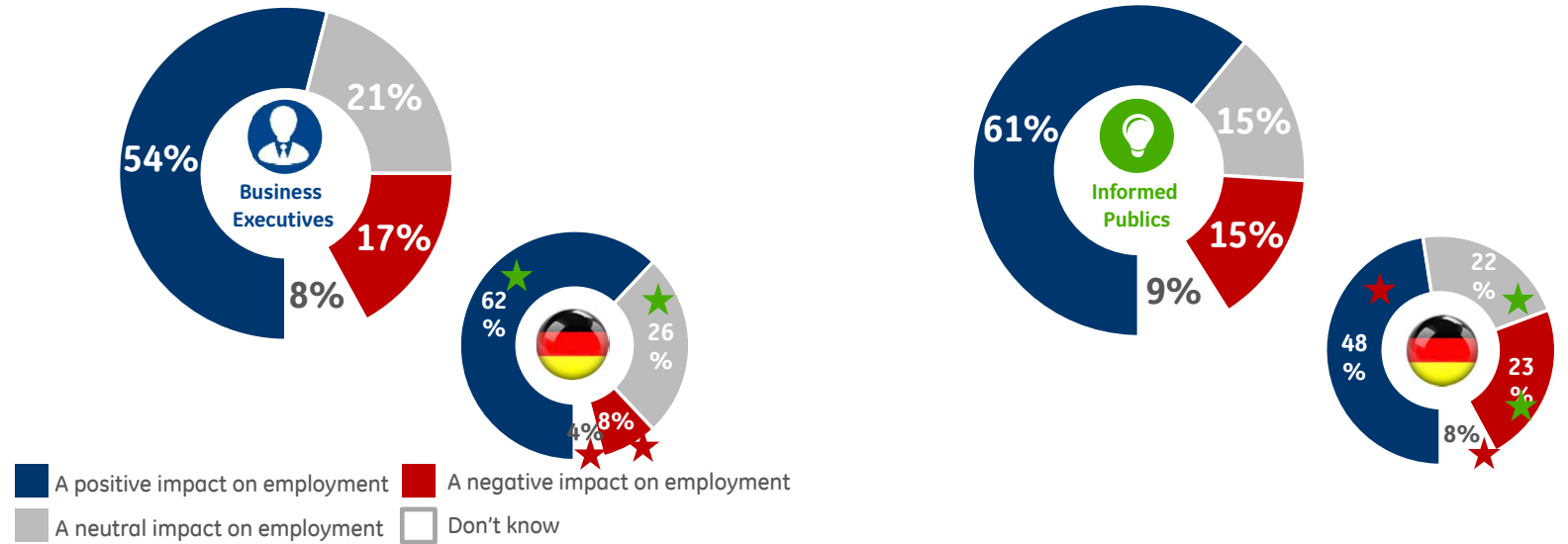


Minds and Machines Working Together:

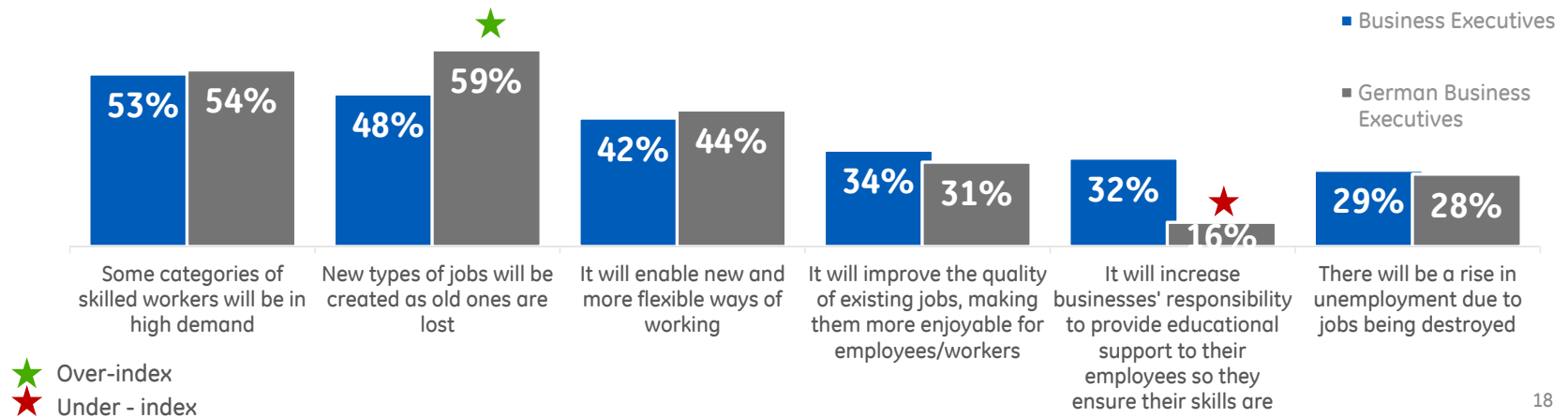
Business executives expect the digital revolution will make the workplace safer (43%) and create higher-value roles for workers (48%). Few fear any negative impact on employment as a result of the digital revolution; only 17% of business executives and 15% of citizens fear potential negative impact. Executives in the US, India, China or Germany anticipate a positive outcome in their country, while Japanese, French or Swedish execs are more skeptical



Executives and citizens anticipate a positive or neutral net impact on employment as a result of the digital revolution



The digital revolution is expected to change the nature of work



The Energy Sector is Ripe for Disruption:

Globally, 61% of citizens believe that the energy sector can benefit greatly from new innovation approaches and answer the many challenges it faces. However, energy companies are less confident about the prospect of the 4th industrial revolution compared to other industries (50% confidence vs. 60%).

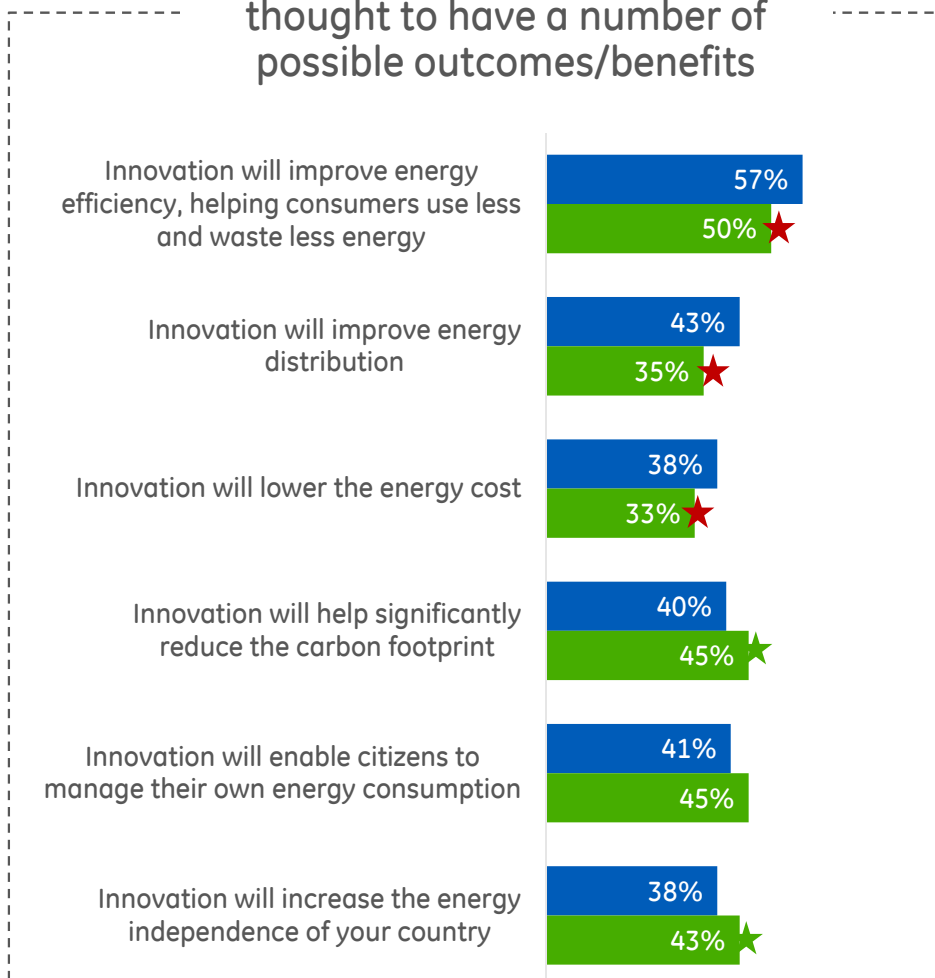


61% / 63%

of citizens believe the energy industry would benefit the most from investment in new innovation approaches

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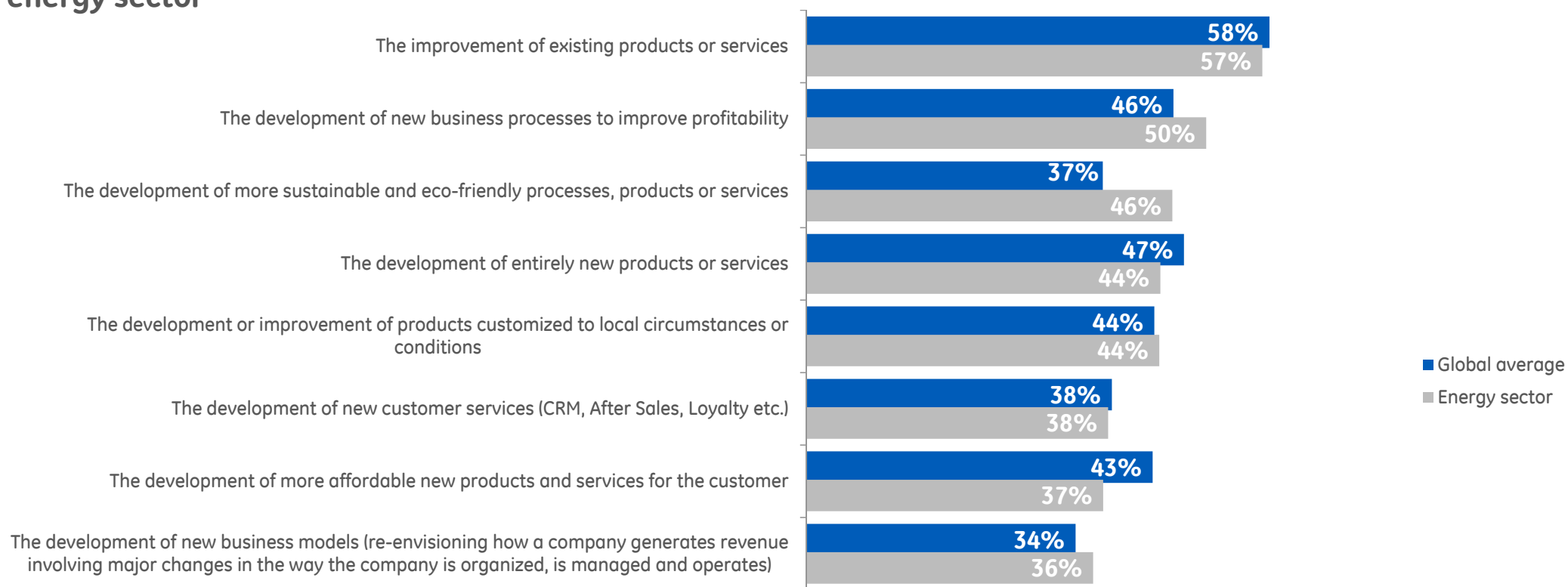
Innovation in the energy sector is thought to have a number of possible outcomes/benefits



■ Global informed public
■ German informed public

Energy companies have seen the biggest contribution from existing products/services over the past few years

Types of innovations that have contributed the most to your company's performance in the past few years – energy sector



Q9. In the past few years, what kind of innovations has contributed the most to your company's performance? Base business executives: 2,748

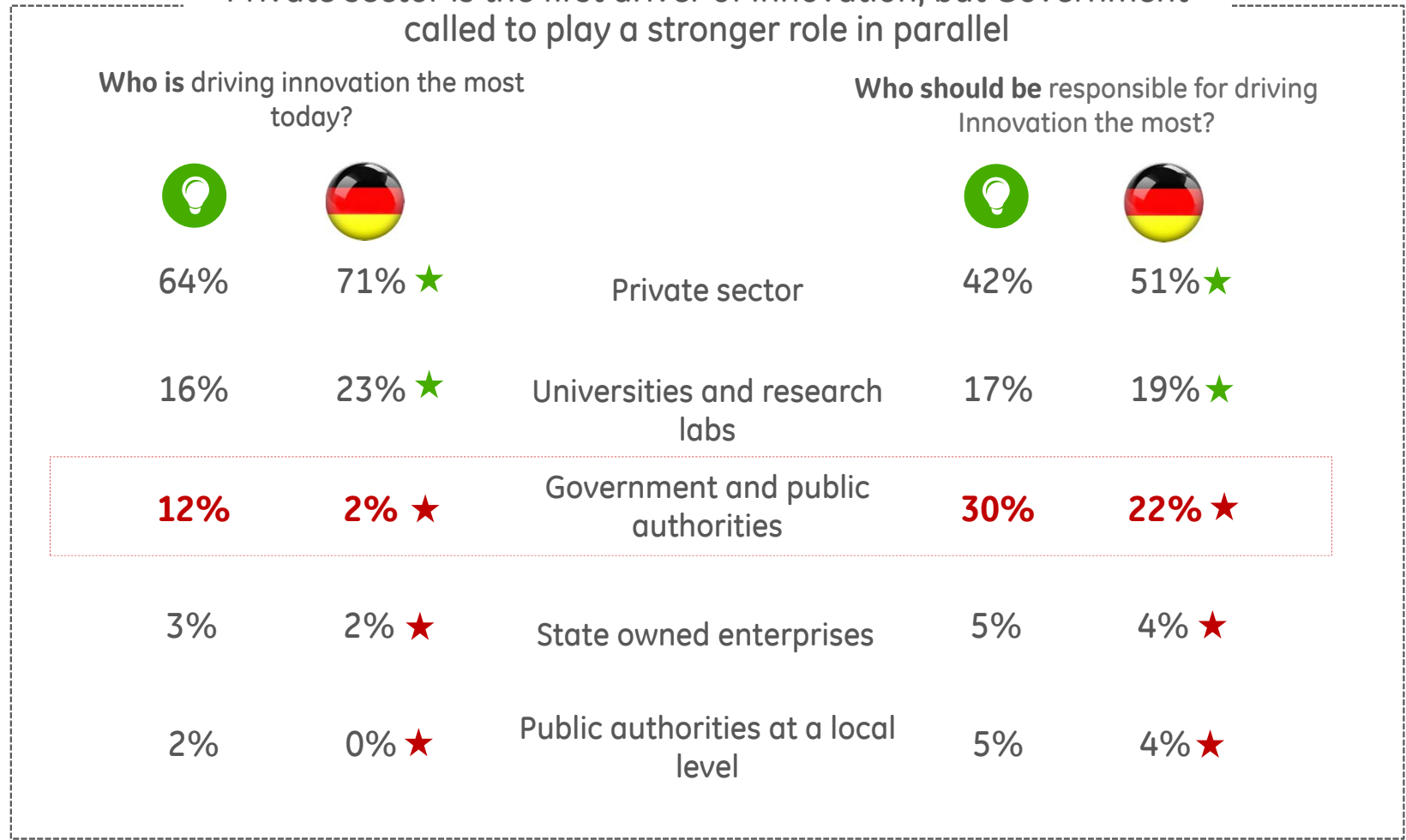


A Call for Greater Government Support:

Executives and citizens alike are calling for public authorities to play a more supportive role in innovation. While few citizens (12%) believe their government is the top driver of innovation in their country, more (30%) think it should be. 57% say their country's regulations are not supportive of innovative companies, although emerging markets are more positive in their assessment



Private sector is the first driver of Innovation, but Government called to play a stronger role in parallel



★ Over-index
★ Under-index

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