

GE Innovation Barometer

A preview of the 2012 results

UAE Analysis



GE imagination at work



Methodology Reminder

- ❑ Telephone survey of 2800 Senior Business Executives, carried out by StrategyOne an independent research and consulting company
- ❑ Average interview length is 16 minutes
- ❑ Carried out between Oct 15 and Nov 15 2011 in 22 Markets
- ❑ Results presented here are 100% Final
- ❑ Sample is high level (all SVPs & above, 30% C-Level)
- ❑ All respondents directly involved in the Innovation strategy or process within their company
- ❑ Average company size is 1 500 employees, 20% of respondents belong to companies of more than 5 000 employees
- ❑ Year on Year tracking can be done in 12 markets

Sample details

- ❑ 100 resp. / market min.
- ❑ Boosted samples in US & BIC countries
- ❑ Each market has the same weight in Global results independently of sample size
- ❑ Tracking possibilities in 12 markets (indicated below with a *)

AMERICAS: 700

USA*/300
[Regional Split]
Brazil*/ 200
Canada/ 100
Mexico/ 100

APAC= 800

China*/ 200
India*/ 200
Singapore/ 100
Australia*/ 100
S. Korea*/ 100
Japan */ 100

EUROPE= 700

Germany*/ 100
Sweden */ 100
UK/ 100
France/ 100
Poland/ 100
Russia 200

MENA = 600

Israel* / 100
Turkey / 100
KSA* / 100
UAE* / 100
Algeria / 100
Sth Africa / 100



Results Overview



UAE Executive Summary

Allocation of resources and budget:

- ➔ Respondents from the UAE are more satisfied than the global average regarding the way their country is allocating resources and budget. They are actually one of the most positive country to that regard. Education is one area where respondents are the most enthusiast about the efforts made by the country

Innovation « new model »:

- ➔ Respondents from the UAE fully embrace the changing nature of innovation, they recognize the importance of partnership and feel creativity and collaboration will drive innovation in the next decade. They are quite in line with global perceptions that innovation needs to be localized to address market specific needs but are not putting as much emphasis on SMEs as other countries. They share the view that the value of innovation lies as much in helping address human needs as generating profit

Environment for innovation:

- ➔ Respondent display very positive appreciations of their overall environment for innovation. On the 13 dimensions measured they are largely above average on most items. Efficiency of government incentives to innovate and the ability to bring ideas to the market speedily are particularly praised by respondents. The only item that lags behind these incredibly positive results are the possibilities to partner with universities for R&D needs
- ➔ On the longer term, 95% of UAE respondents feel the environment for innovation has improved over the last 5 years. This is above global average and one of the top results



UAE Executive Summary

Optimism that innovation will drive improvement in citizens' lives

- ➔ UAE respondents are the most optimistic of the 22 markets surveyed. More than 9 respondents out of 10 are convinced that innovation will drive improvement in citizens lives in all the dimensions tested
- ➔ The sectors UAE respondents identify as having the most immediate potential for innovation driven growth are energy and healthcare (in line with global perceptions) but they particularly stress the potential of the hospitality industry, retail and fast moving consumer goods

Economic crisis impact:

- ➔ The economic crisis has had a very important impact on UAE businesses. This impact is reported to have affected both possibilities to access funding and capital but as well have created a risk adverse environment within business. The impact measured through respondents' perceptions is higher than the global average

Priority needs to innovate more on a day to day basis:

- ➔ Talent is very high on the priority list of UAE respondents, most of all technical experts. They also report, more than the average, a need for long term investors



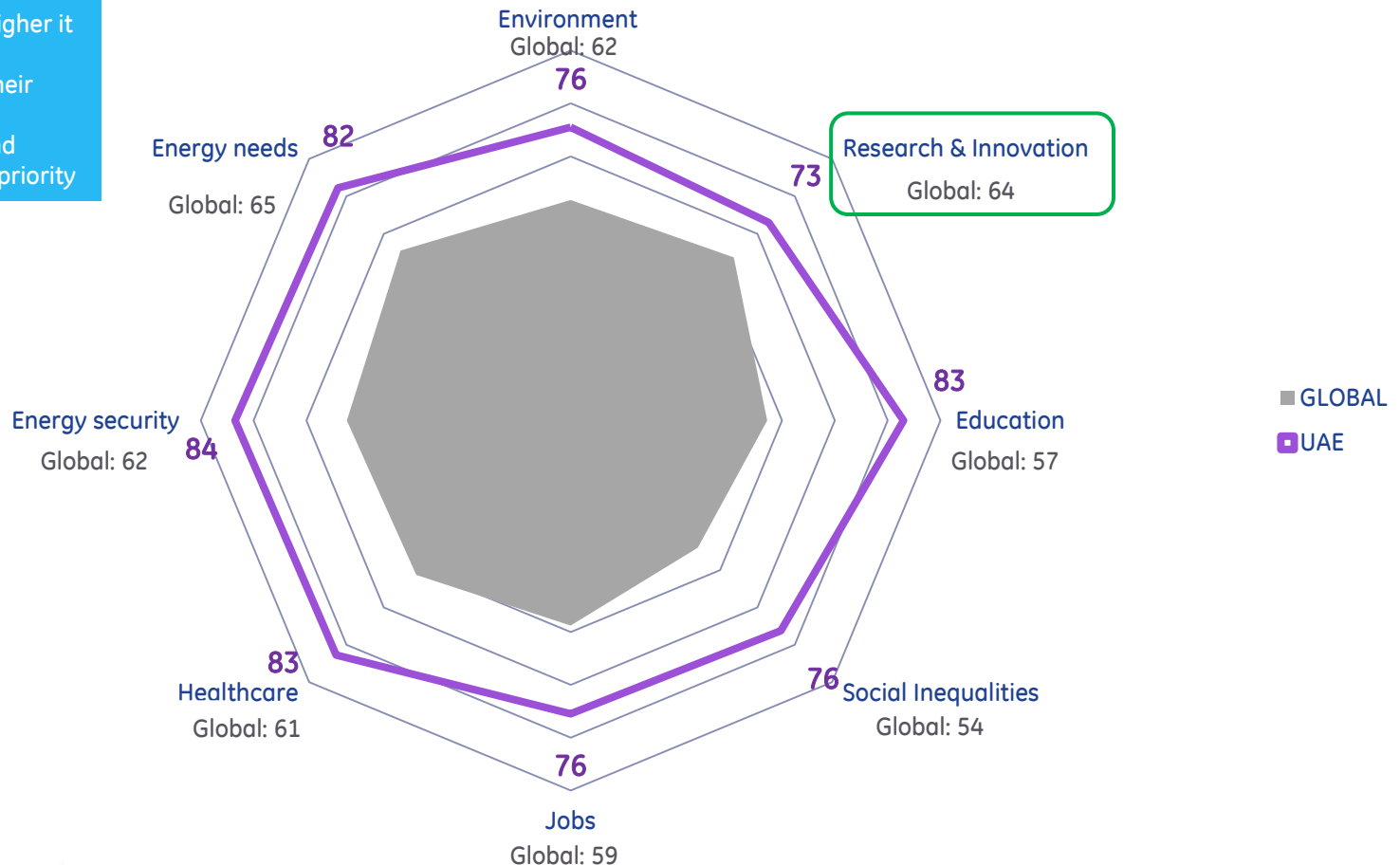
Context: Evaluation of the way the government allocates resources and budget to tackle global challenges

Innovation as a National Priority?

Budget & Resource Allocation Index

How successful is your country in allocating resources to tackle national priorities?

Index on 100 pts. The higher it is the more confident respondents are that their country is successfully allocating resources and budget to address this priority



Defining Innovation



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Defining Innovation: what are the two most important dimensions?

Which two aspects below most closely correspond to your personal definition of innovation?

Suggested dimensions	Global average	UAE
The implementation of new processes, products, organizational changes or marketing changes	47%	43%
An environment/culture that embraces positive change, creativity and continuous improvement	42%	50%
Research and development, new intellectual property (IP), and inventions	41%	32%
Staying ahead in the market and being a market leader	32%	32%
Solutions that benefit society and societal outcomes (including environmental outcomes)	29%	29%
None of the aspects above is close to my personal definition of innovation	10%	14%



The “New Model” for Innovation identified last year is confirmed, This model can be articulated around 5 Cs:

C ompetitiveness
C reativity
C ollaboration
C ommunities
C hange



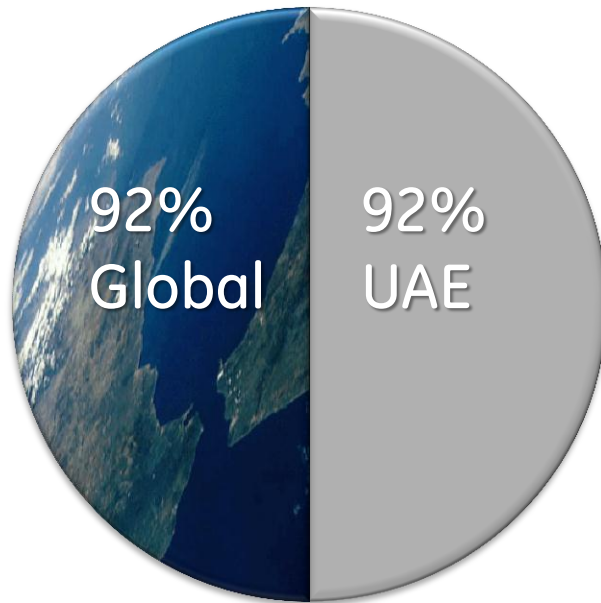
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Innovation is a transformation driver for national economies

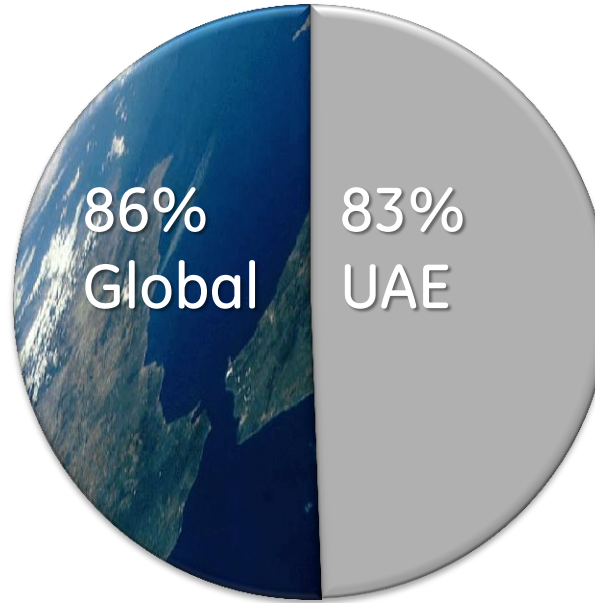
To what extent do you agree or disagree with each of the following statements?



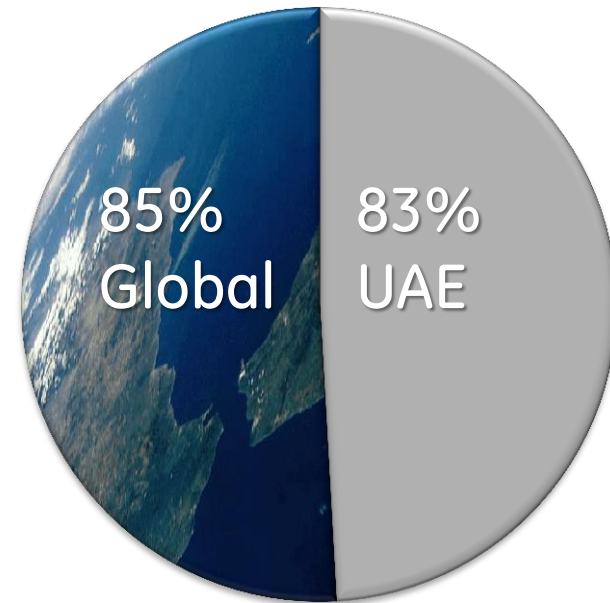
Innovation and competitiveness



Innovation is the main lever for a more competitive economy
(% agree)



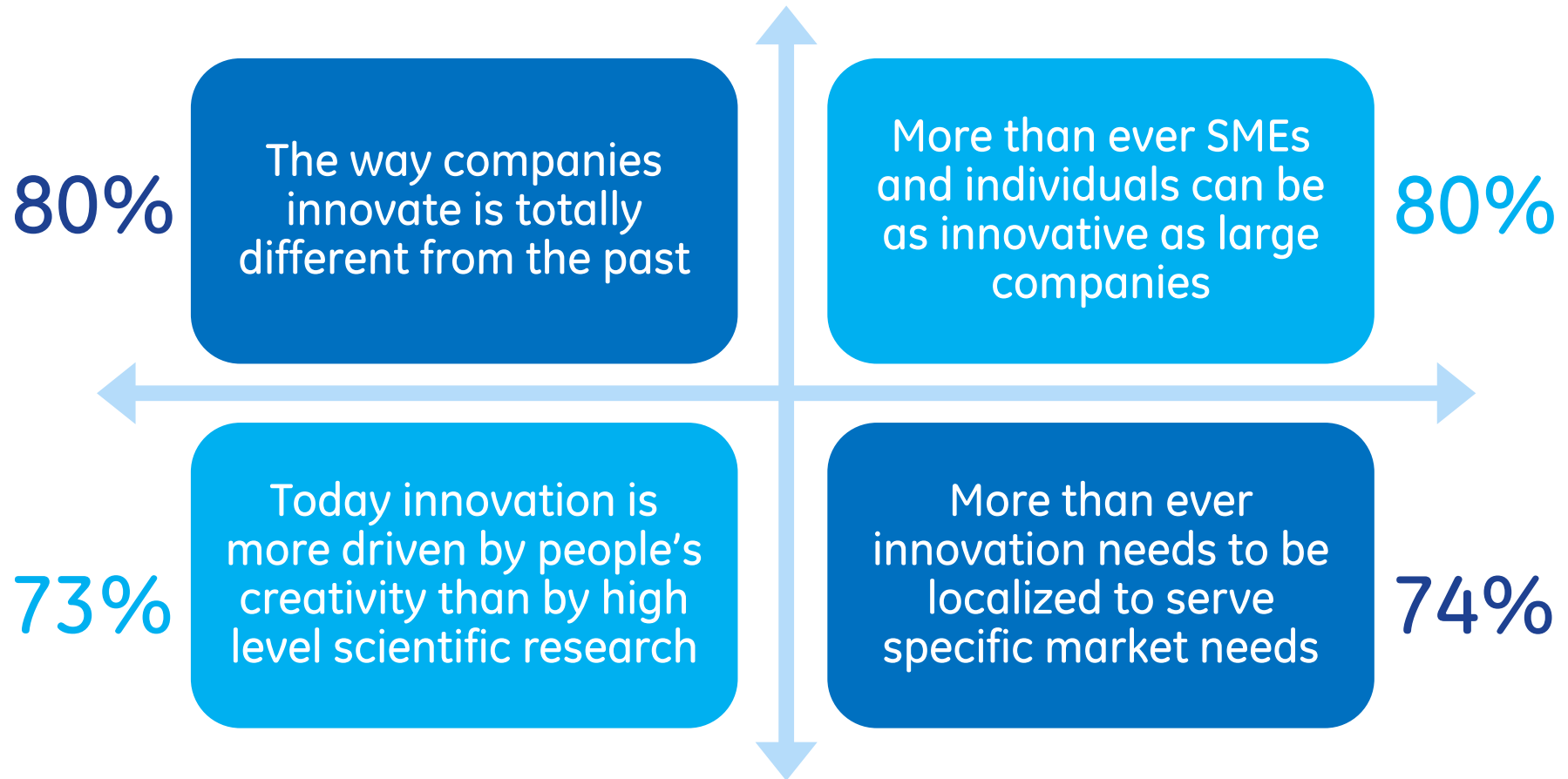
Innovation is probably the best way to create jobs
(% agree)



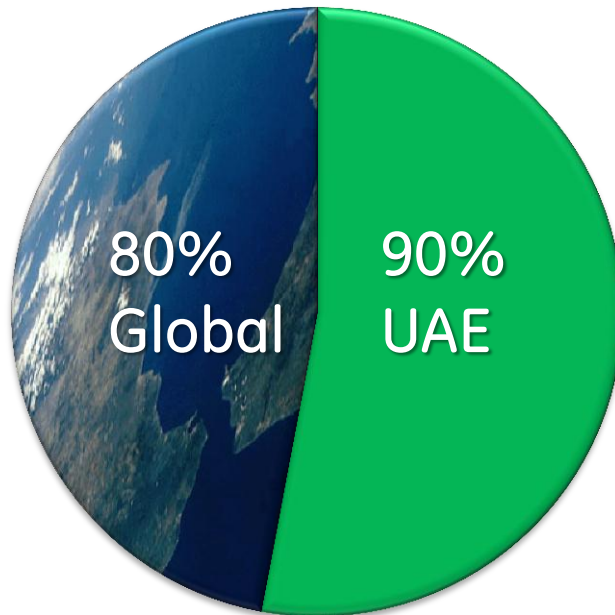
Innovation is the main lever to create a greener economy
(% agree)

Change: Cards are being re-shuffled in the 21st century innovation game

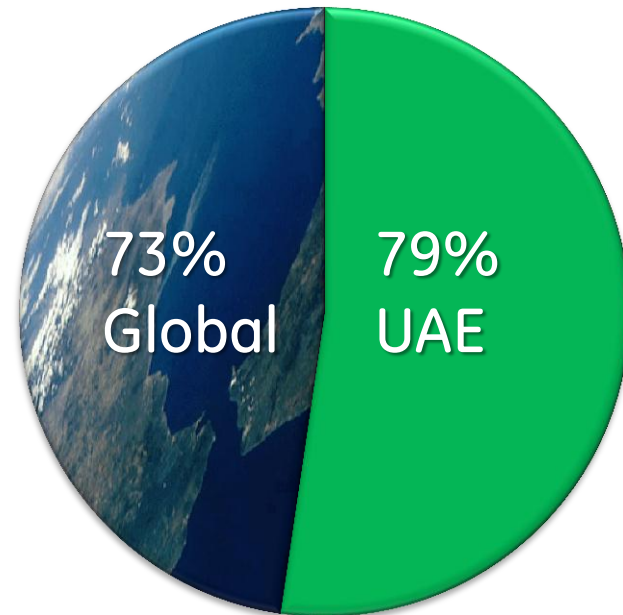
To what extent do you agree or disagree with each of the following statements? (% agree)



Innovation in the 21st Century



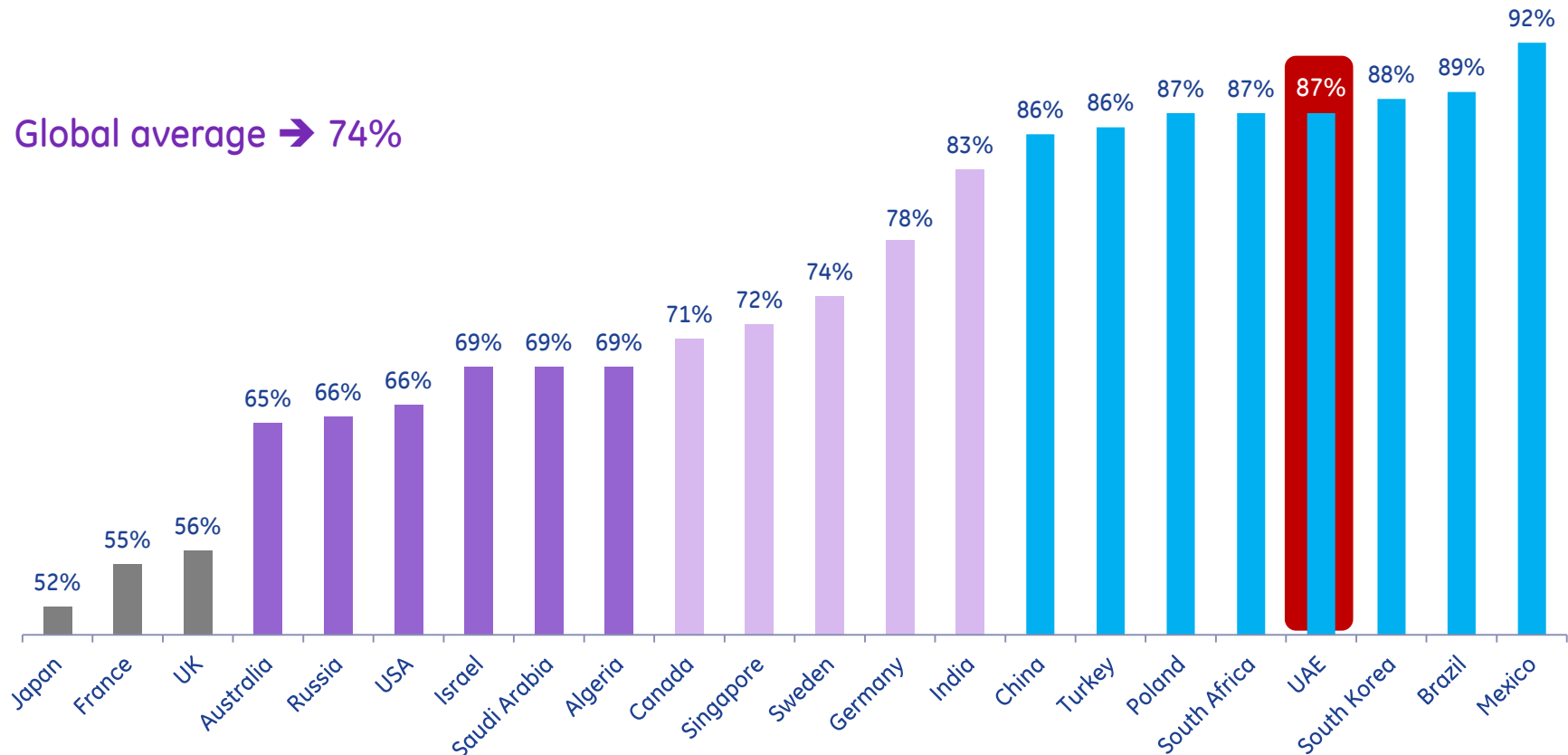
The way companies will
innovate in the 21st century is
totally different from the past
(% agree)



Today innovation is more driven
by **people's creativity** than by
high level scientific research
(% agree)

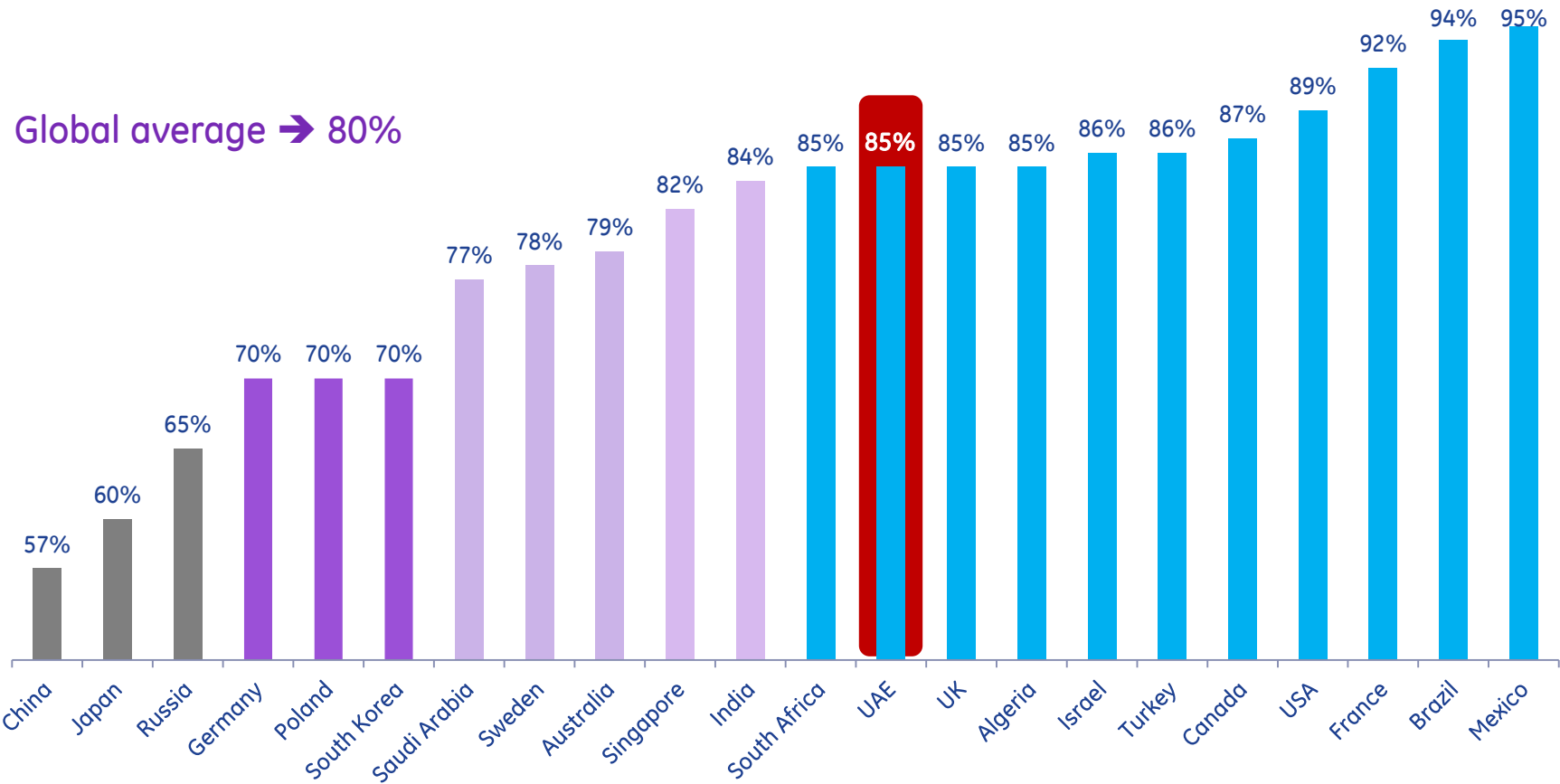
More than ever before, innovation needs to be localized to serve specific market needs

Market detail (based on % of respondents in agreement with the statement)



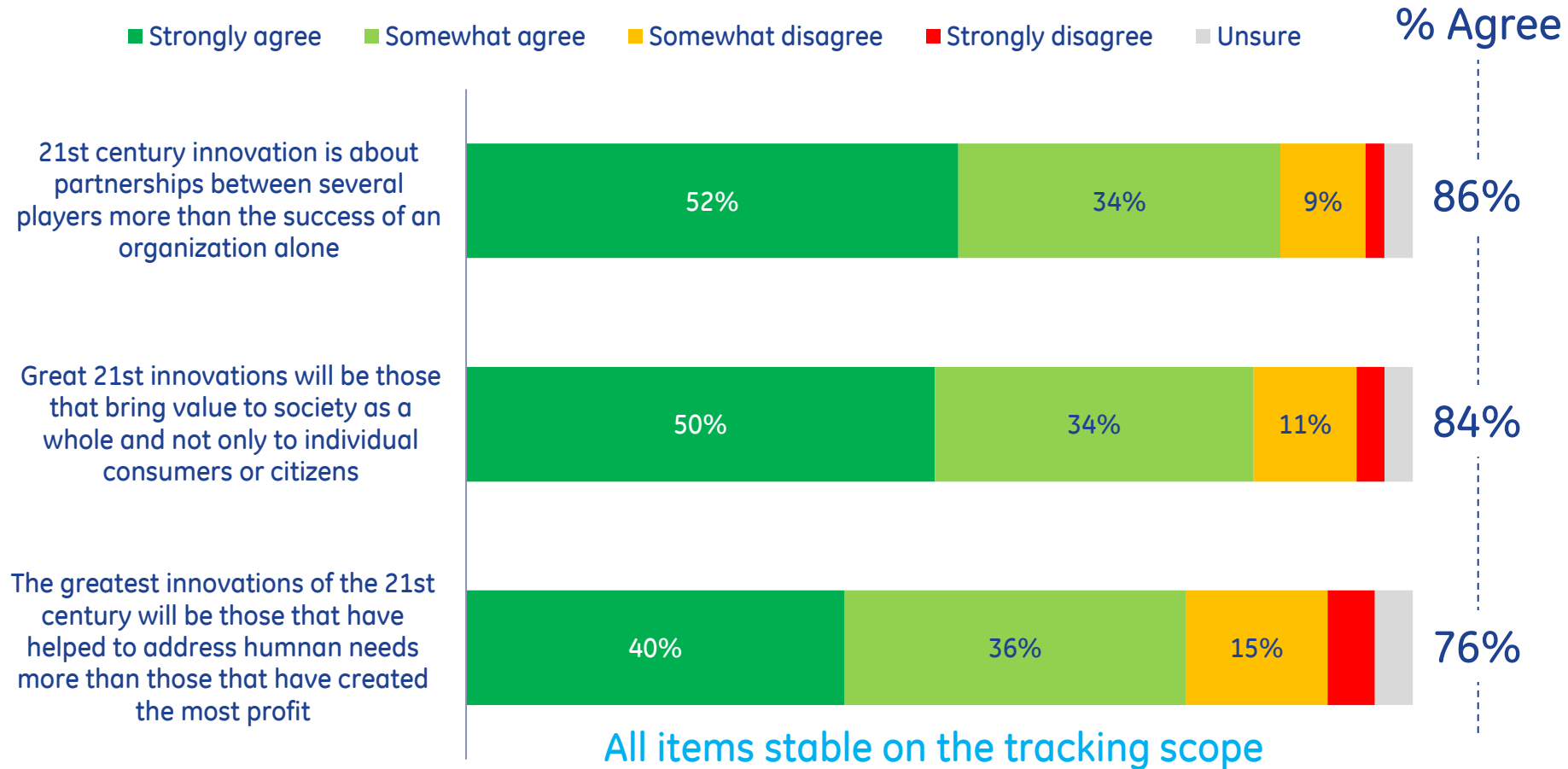
More than ever before, SMEs and individuals can be as innovative as large companies

Market detail (based on % of respondents in agreement with the statement)

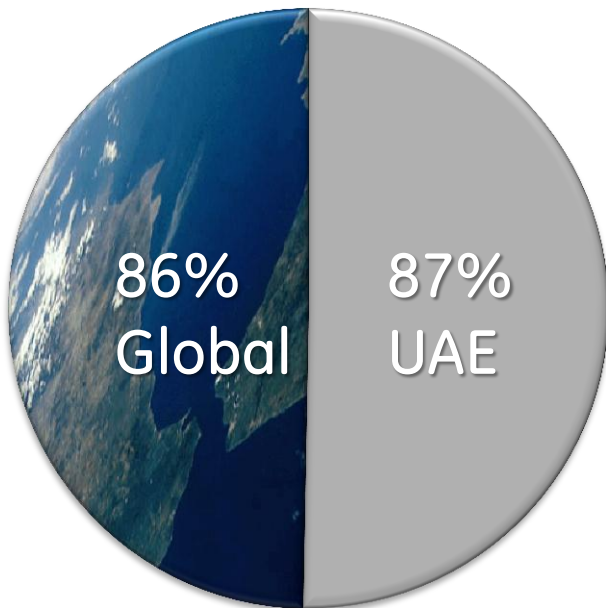


Confirming a new innovation model: fueled by partnerships and purpose

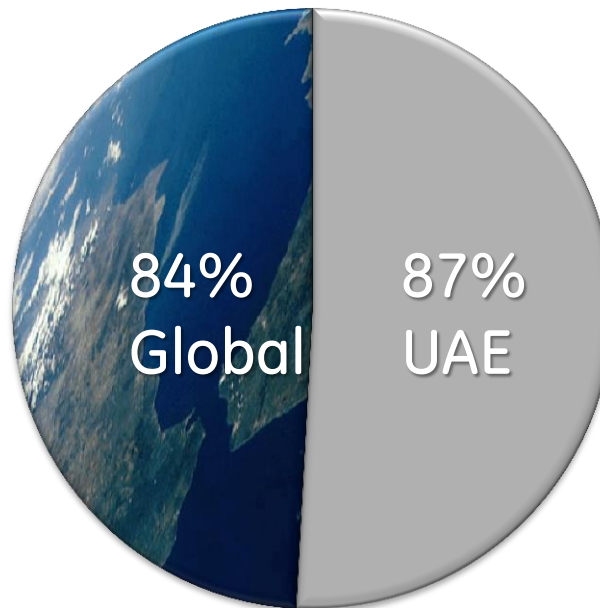
To what extent do you agree or disagree with each of the following statements?



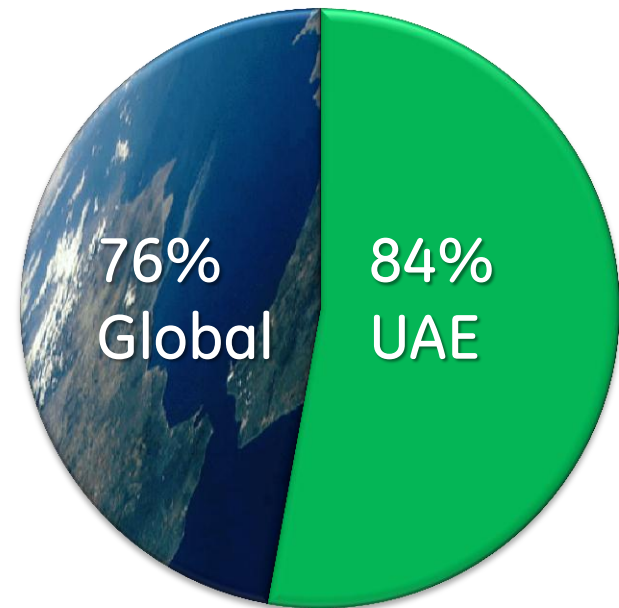
Confirming a new innovation model: fueled by partnerships and purpose



Innovation is about partnership between several different players more than stand alone success
(% agree)



Great Innovations bring value to society not only to individual consumers or citizens
(% agree)

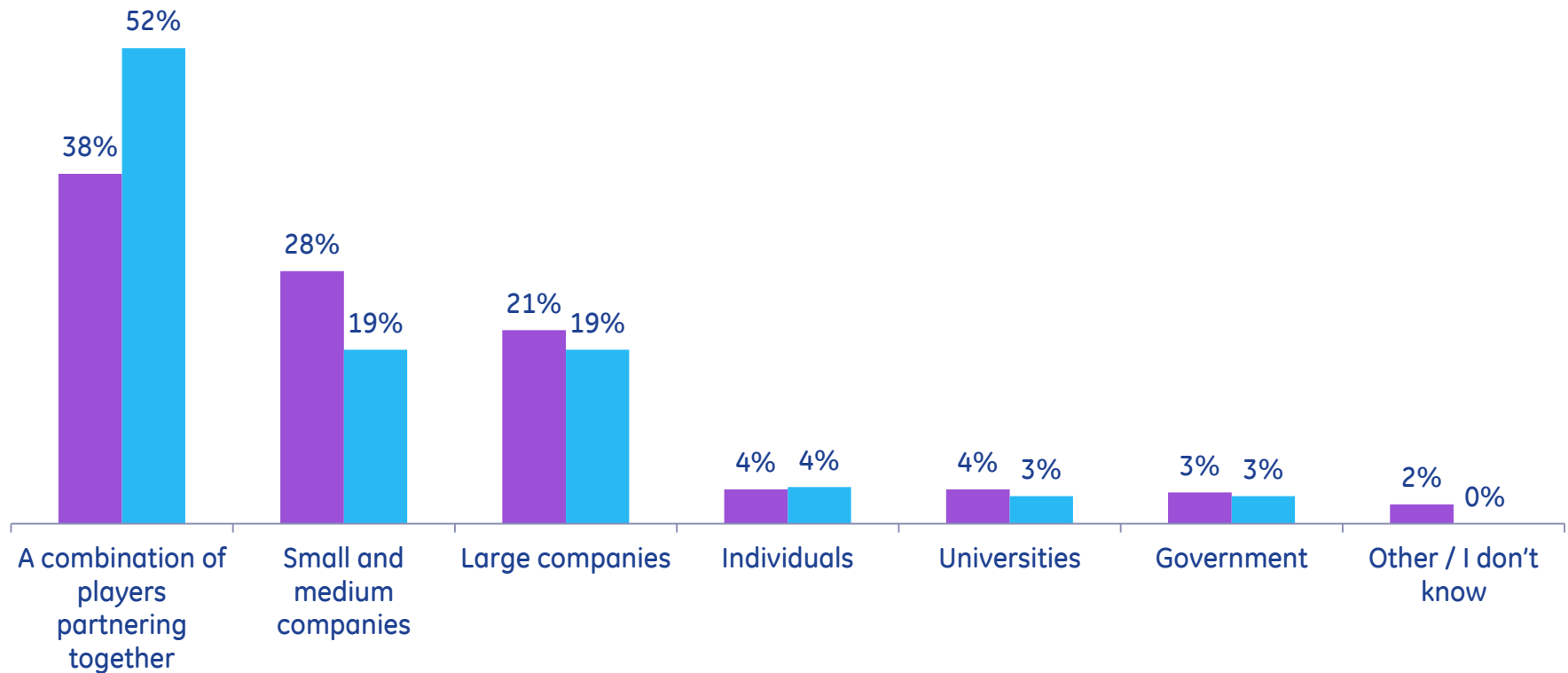


The greatest Innovations will be those that help to address human needs more than those creating the most profit
(% agree)



Who will drive innovation the most in the next decade: collaborating partners, SMEs, MNCs...?

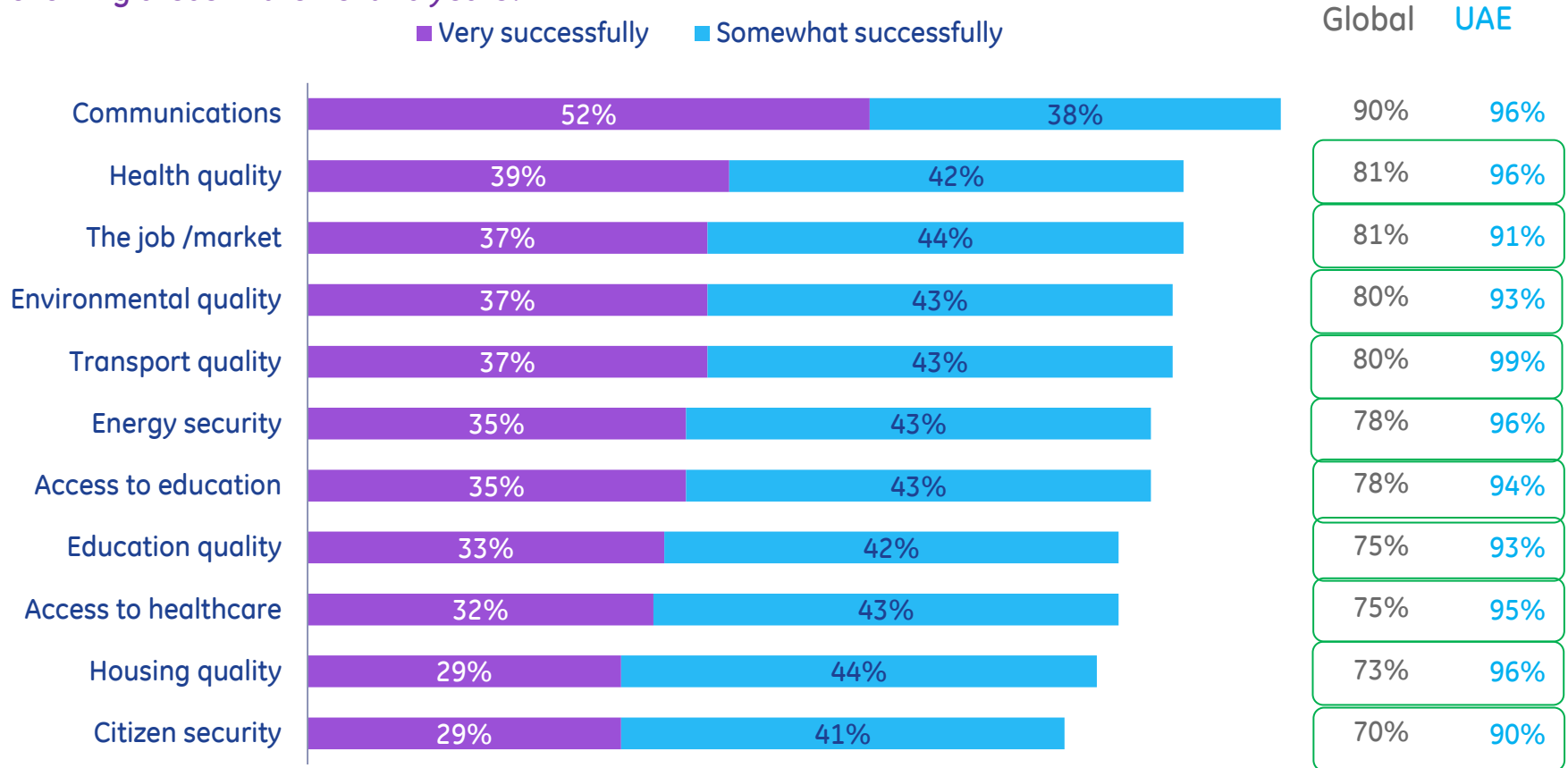
■ Global ■ UAE



Innovation is still an optimism driver globally. Business is confident that improved innovation policies would drive not only profit and jobs in various economic sectors, but as well contribute to improve citizens' life

Beyond growth, can innovation successfully improve people's lives?

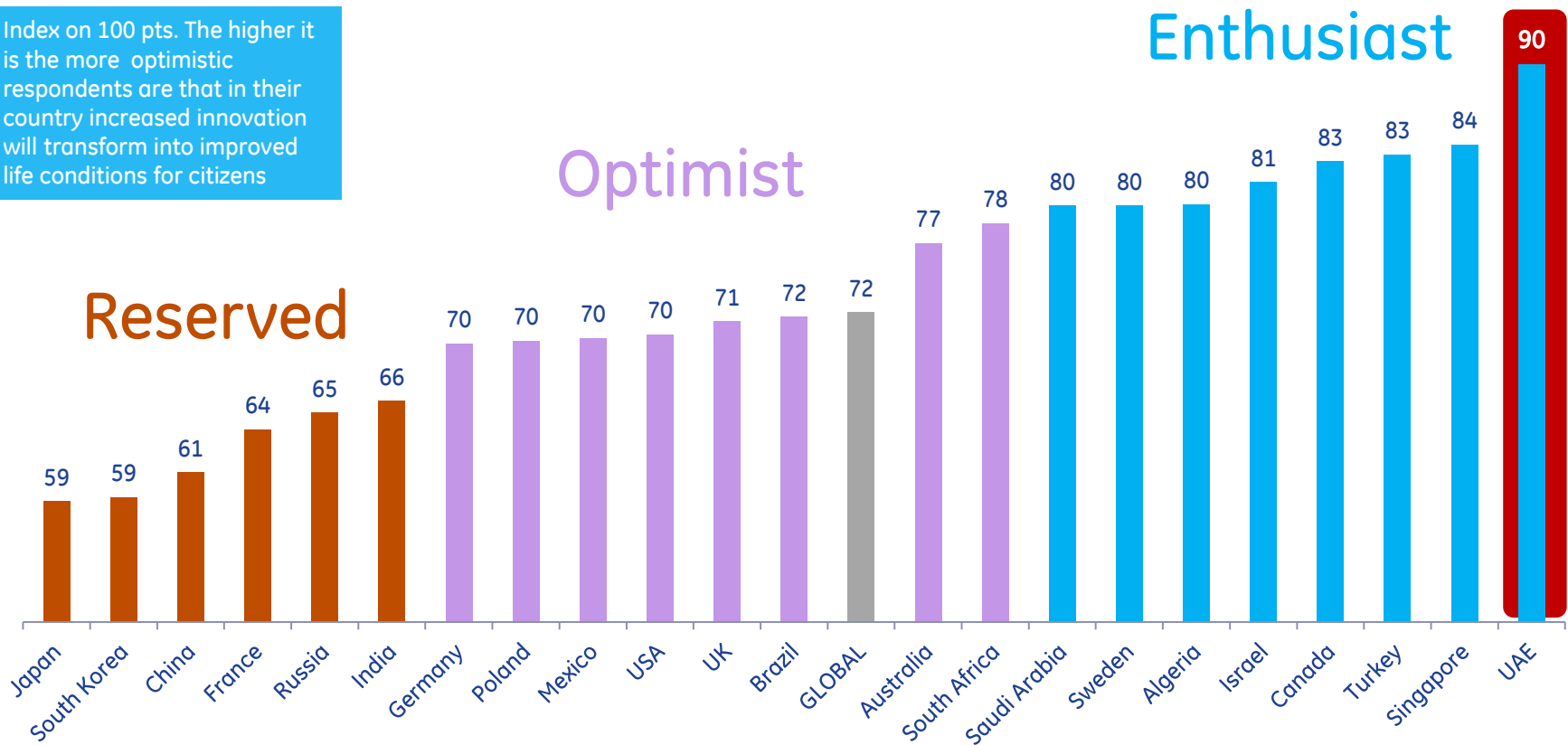
How successfully do you think innovation could improve citizens lives in each of the following areas in the next 10 years?



Innovation Optimism Continuum:

Index on 100 pts based on citizen life improvement

Index on 100 pts. The higher it is the more optimistic respondents are that in their country increased innovation will transform into improved life conditions for citizens

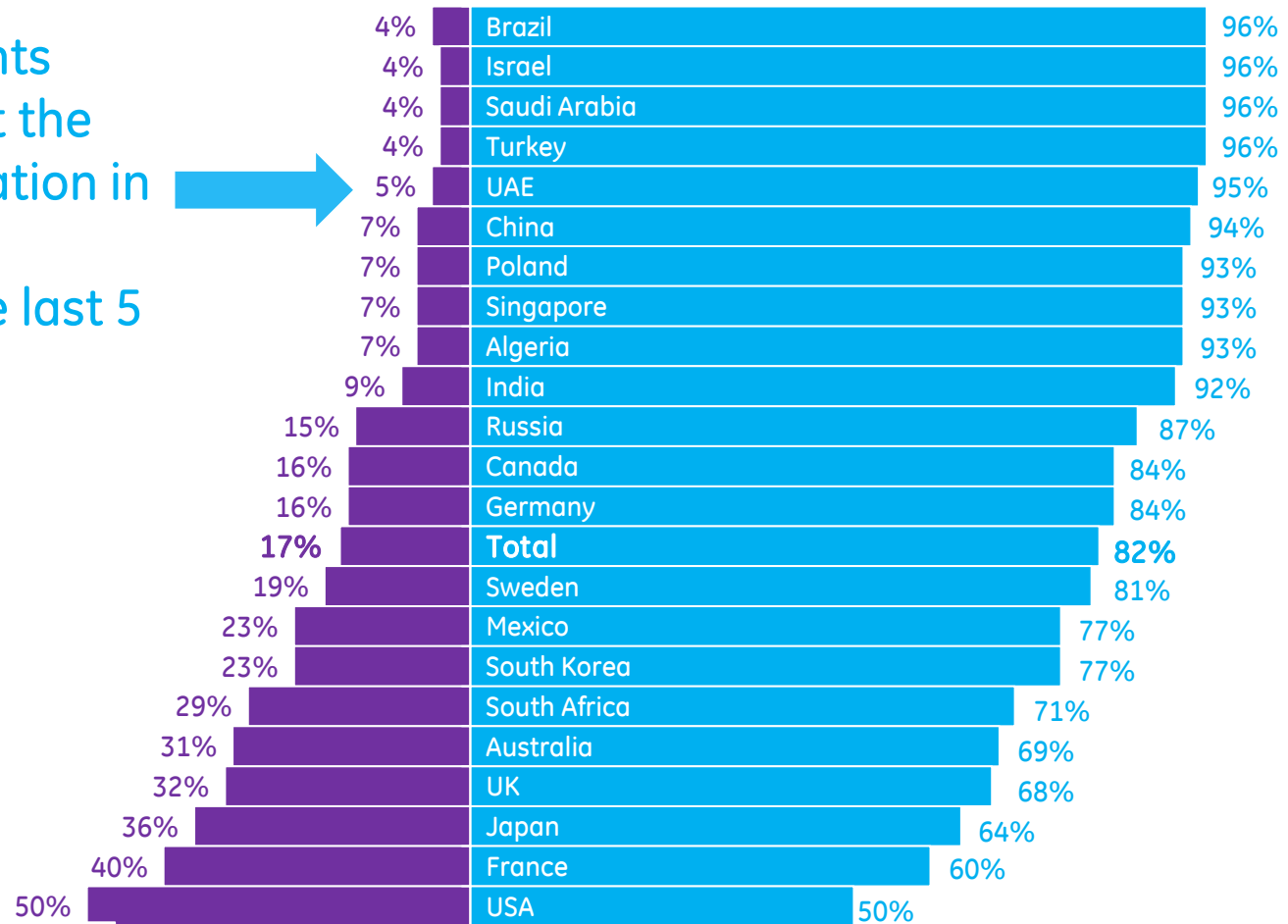


The Global context for Innovation is multifaceted and inconsistent. Overall governments have been successful at making Innovation a priority over the last 5 years, yet a clear need of harmonization remains. More than the amount of resources allocated to support innovation the effectiveness of the system is challenged in the “innovation driven” economies



A mainly positive perspective on the way local innovation contexts evolved

82% of respondents globally think that the context for Innovation in their country has improved over the last 5 years



Improved or worsened?

Key Improvements

Awareness of Rapid Growth

"Well a simple look at the country today in comparison to what we could see five years ago - that is an breathtaking difference, in all development aspects."

Government Support

"The governments vision for the growth of their countries in this region is the driving force for moving forward."

Technological Advancement

"This country is a developing country which is concentrating in advancing technology."

Environmental Improvement

"Future planning of green environment, planning to avoid usage of plastic bags, more use of solar energy and more plantations in the country."

Key Set Backs

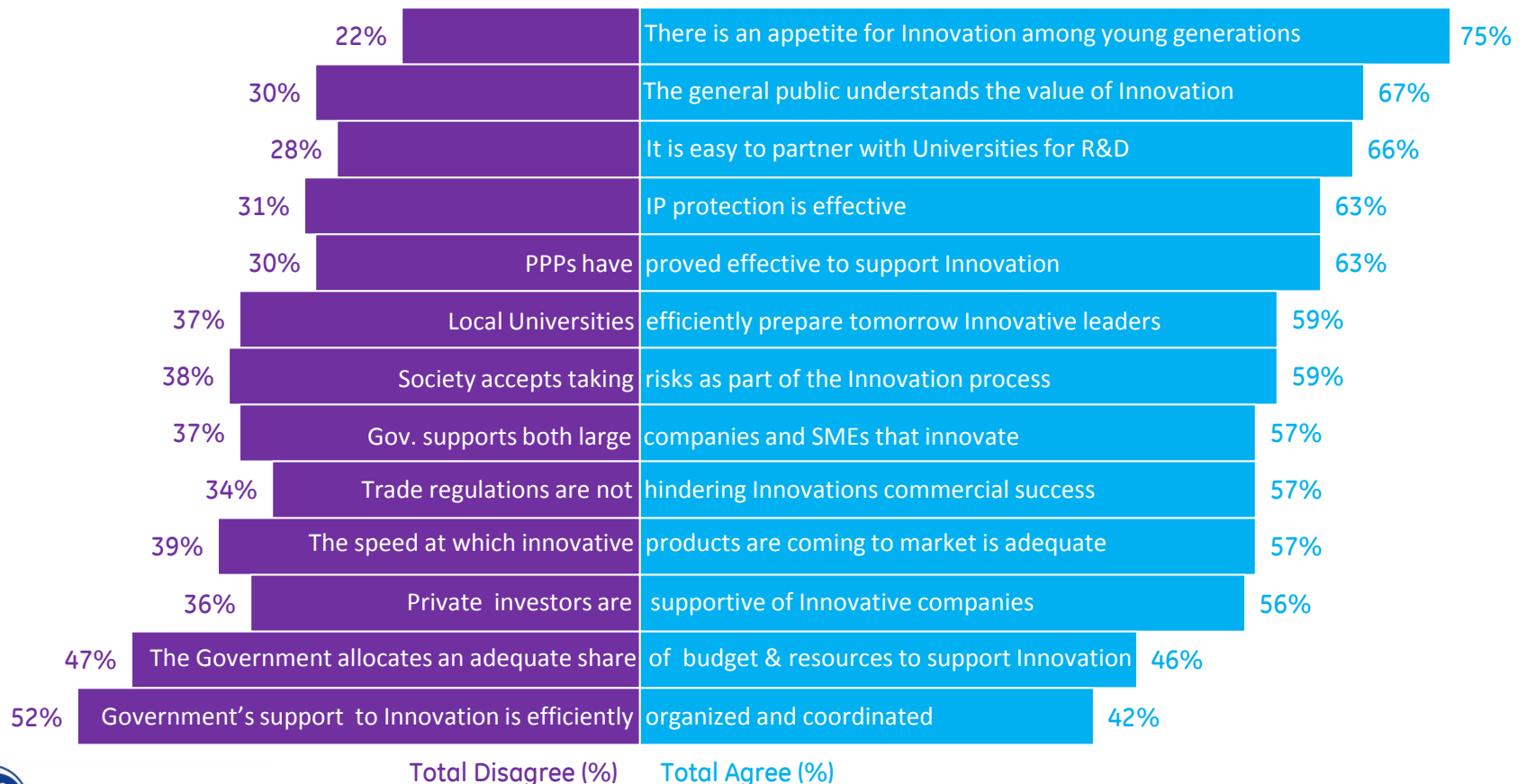
Nothing Identified



A closer look at some key elements of the Innovation framework

Please state whether you totally agree, somewhat agree, somewhat disagree, totally disagree with the following statements:

In my country....



The best - and the worst- of the global context for innovation

+

Support from
Populations

Partnerships
with Univ.

IP and Patent
protection

Public Private
Partnerships

-

Organization
of Gov.
Support

Intensity of
Gov. Support

Private
Investment
Drought

Speed to
Market



The best - and the worst- of the UAE context for innovation

+

Appetite for
Innovation among
young
generations

General public is
convinced of the
value innovation
brings to citizens

Trade regulations
are not a limit to
innovative
commercial
success

The speed at
which innovative
products are
coming to market

-

Easy R&D
Partnership with
Univ and Private
investors

Society as a
whole is
accepting of
taking risks

Private Investors

Local univ.
prepare tomorrow
leaders

The green boxes indicate a satisfaction significantly higher within this country on this element

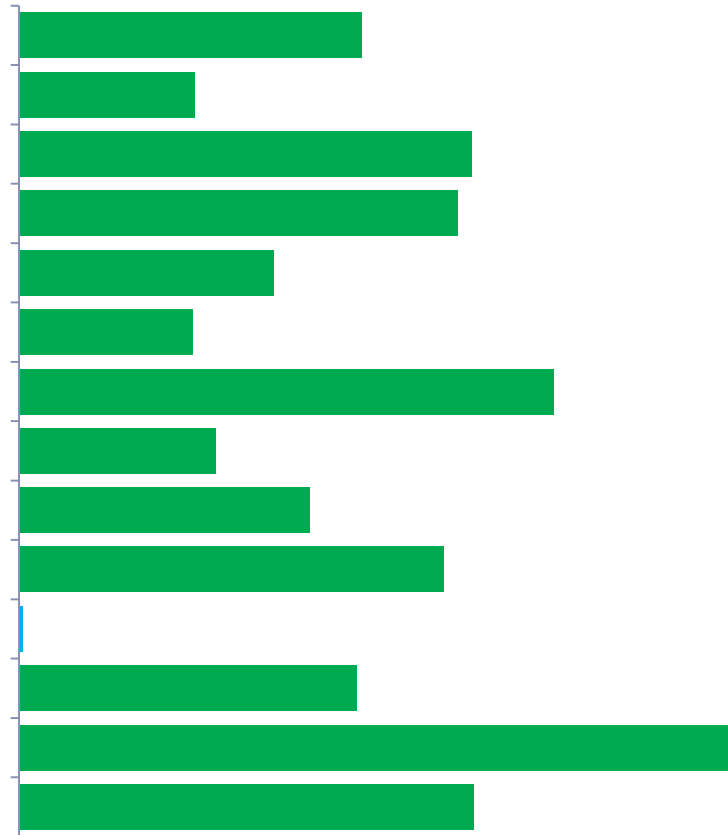
The yellow boxes indicate a satisfaction significantly lower within this country on this element



Perception of the Innovation Environment (UAE vs. Global average)

Below
average

Above
average



Overall Innovation context

Private Investors

Trade regulations are not a limit to innovative commercial success

General public is convinced of the value innovation brings to citizens

Appetite for Innovation among young Generations

Society as a whole is accepting of taking risks as part of the Innovation...

The speed at which innovative products are coming to market is adequate

IP Protection

Local Univ prepare tomorrow leaders

PPPs have proved effective in supporting Innovation

Easy R&D Partnership with Univ

Gov support both Large Companies & SMEs

Efficiency of Gov Support

Intensity of Gov Support

The green bars indicate a satisfaction significantly higher than the Global average on this element
The yellow bars indicate a satisfaction significantly lower than the Global average on this element

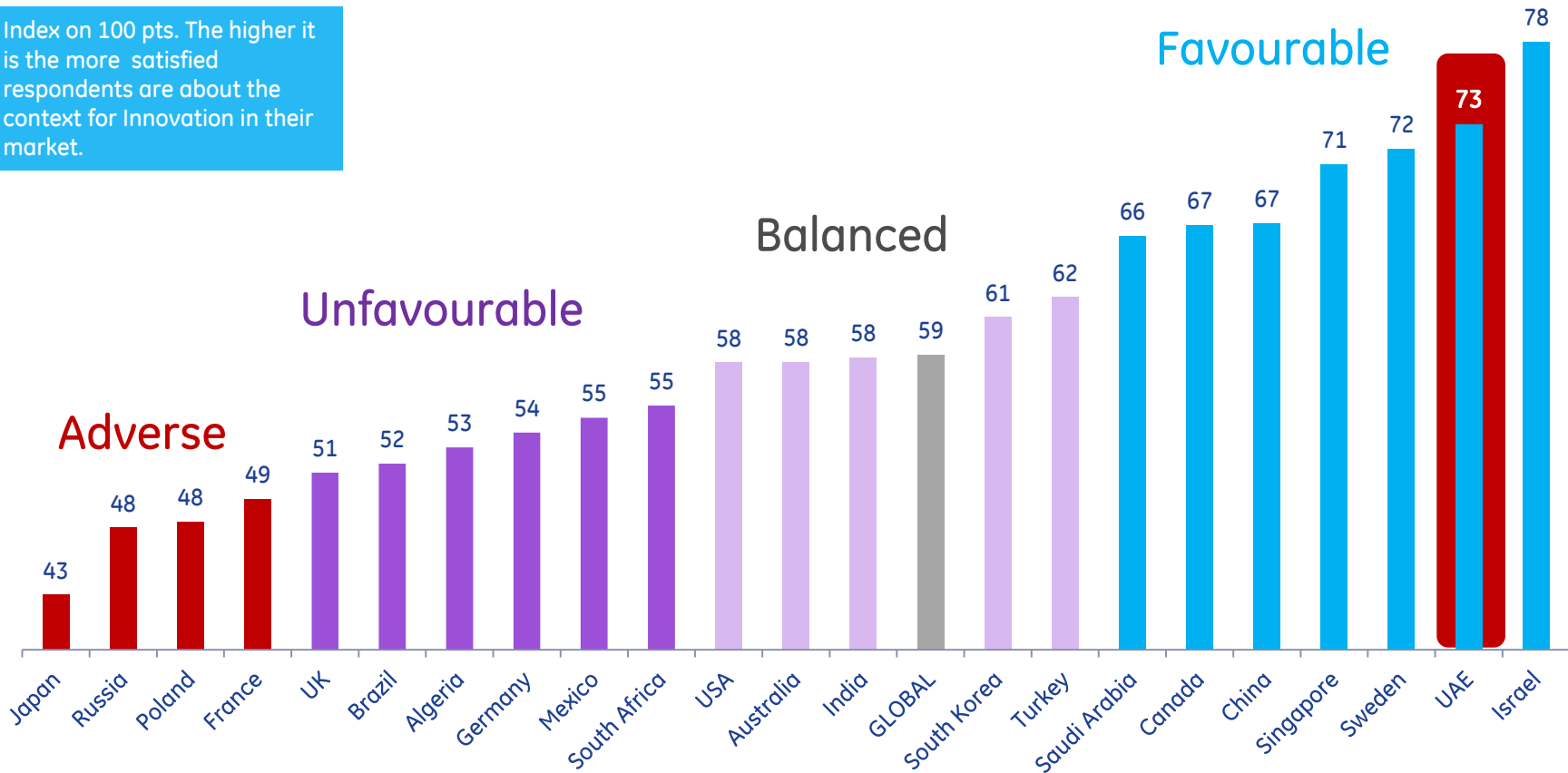


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Perception of the Innovation Environment

Index on 100 pts

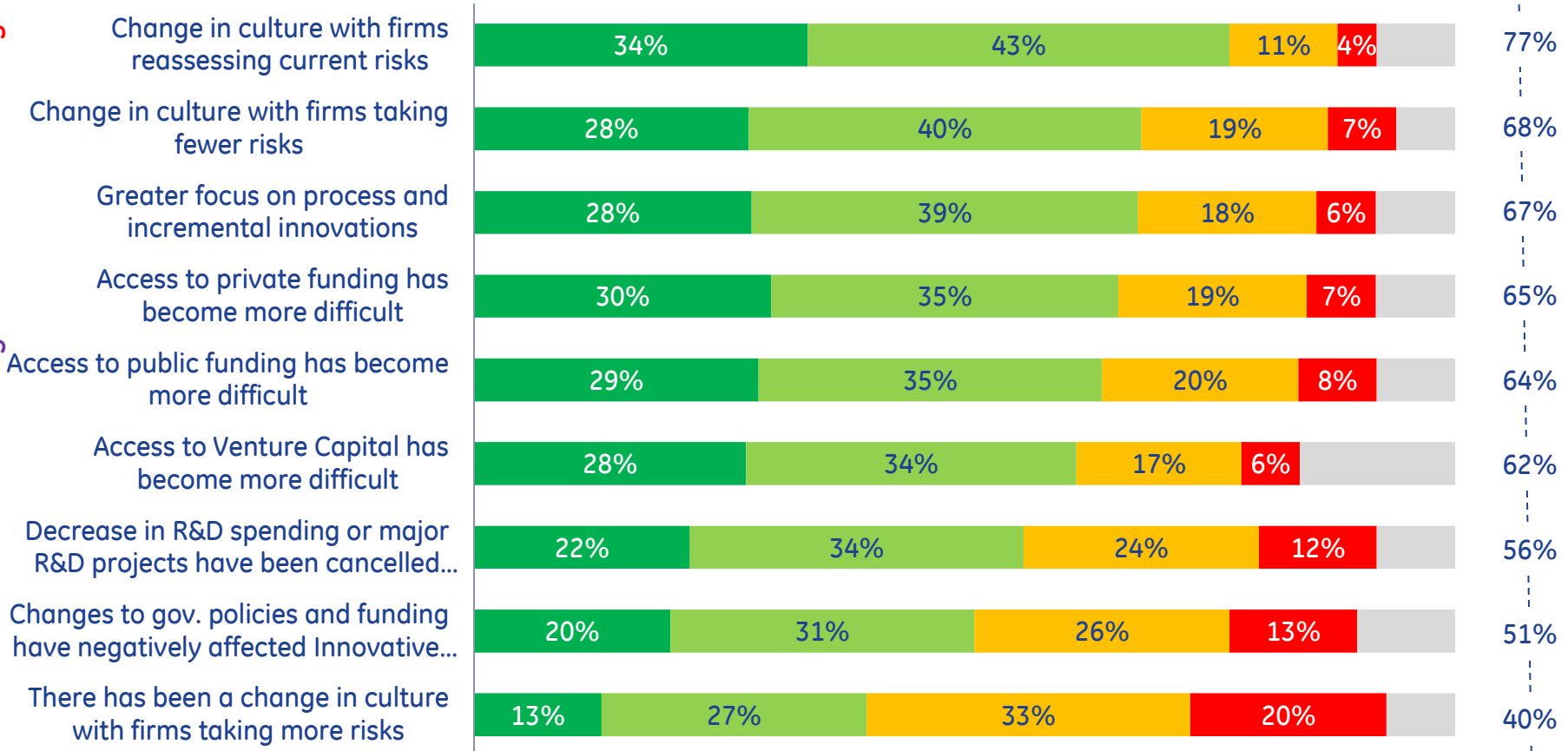
Index on 100 pts. The higher it is the more satisfied respondents are about the context for Innovation in their market.



What is the impact of the economic crisis on business innovation?

■ Totally agree ■ Somewhat agree ■ Somewhat disagree ■ Totally disagree ■ Unsure

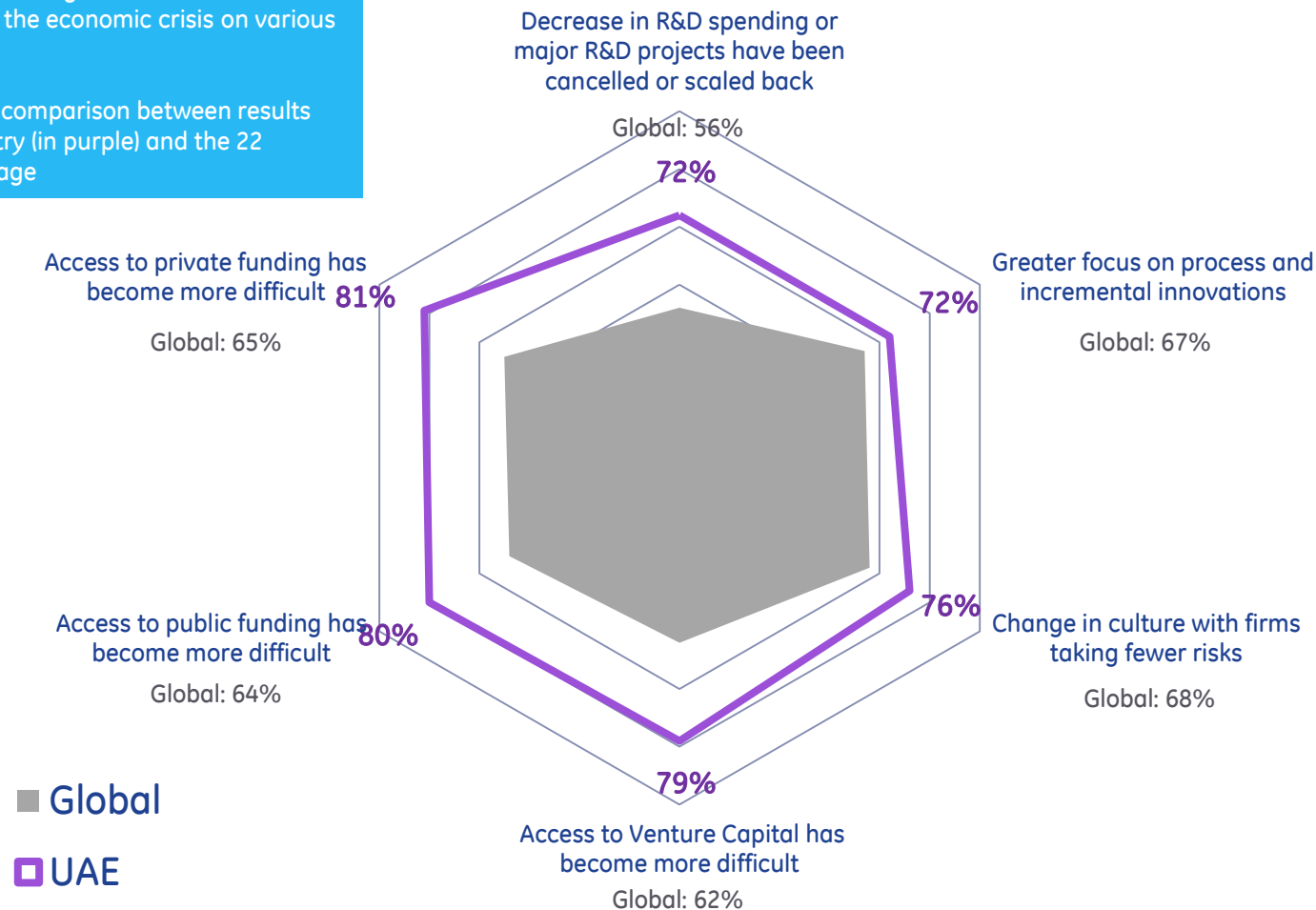
Internal change
Funding & VC



Impact of economic crisis

This radar represents the % of respondents that agree their organization has been impacted by the economic crisis on various dimensions.

It features a comparison between results for the country (in purple) and the 22 market average

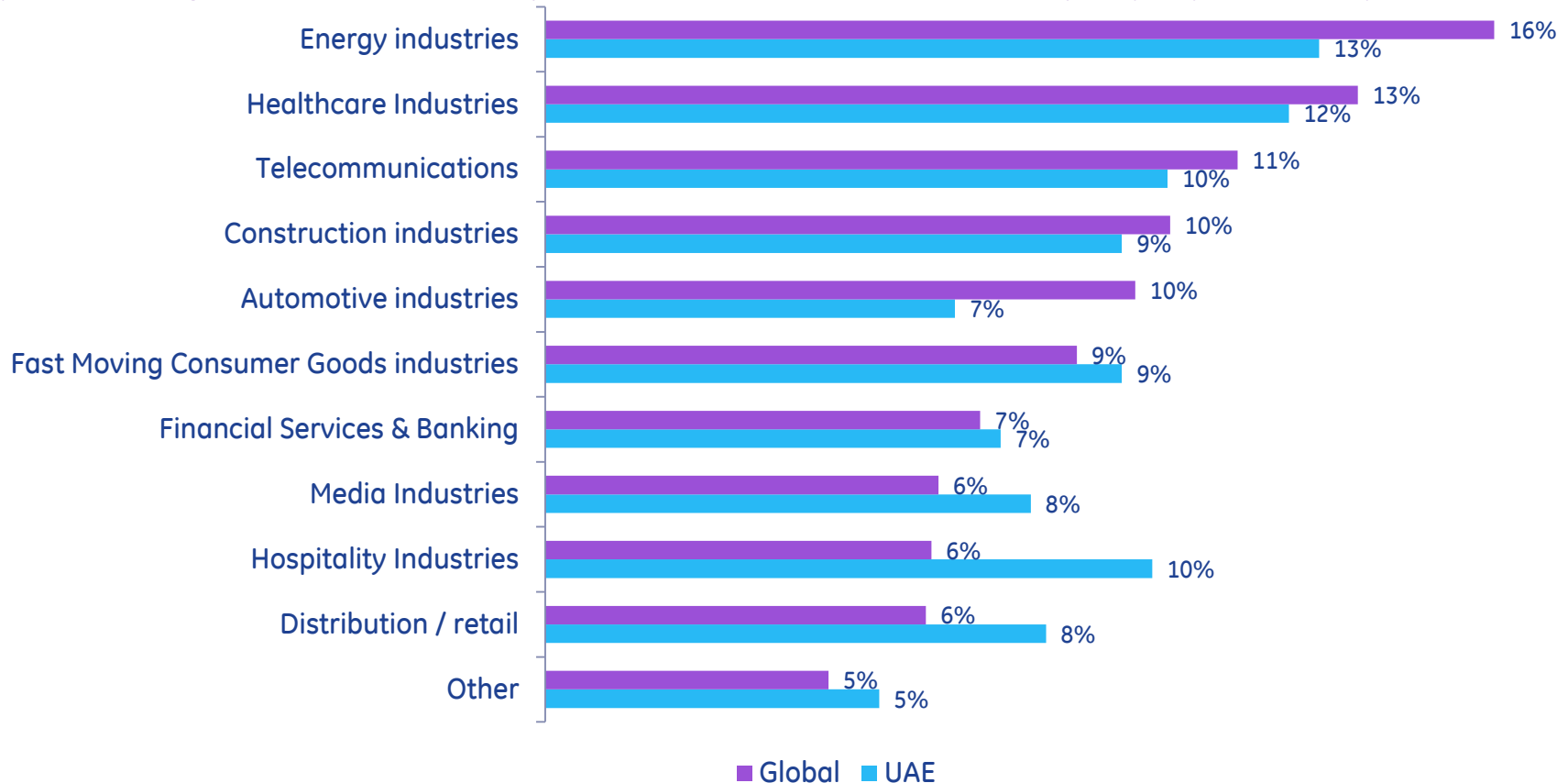


What are the economic sectors that could benefit from more innovation policies?



Economic sectors with the most innovation driven growth potential

What economic sectors do you believe would benefit most in terms of job creation and increased profits if the government were to implement a more efficient innovation policy in your country?



On a day-to-day basis, what do innovators need most?

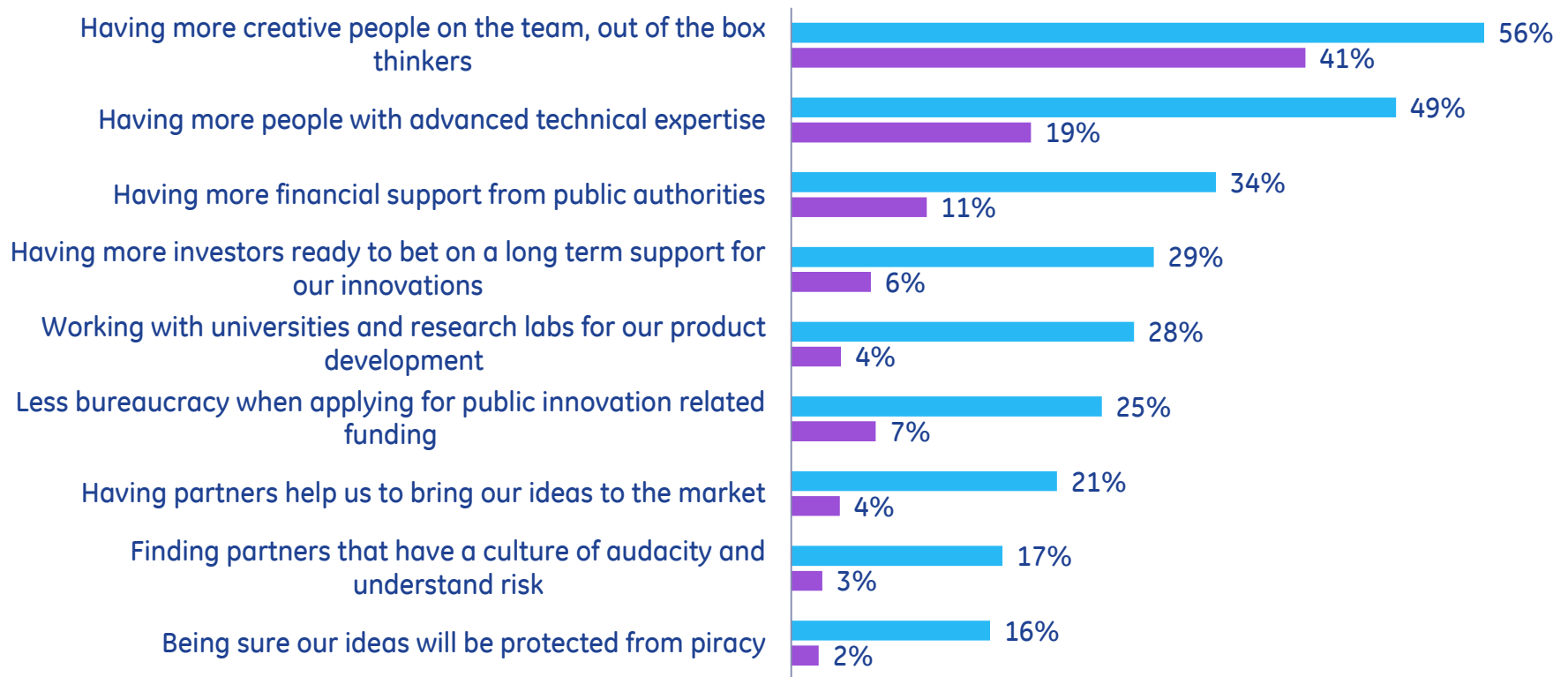


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Top 3 **global** factors to help innovators on a day-to-day basis

At your own company level, what could help you the most to be more successfully innovative?
(% mentioned)

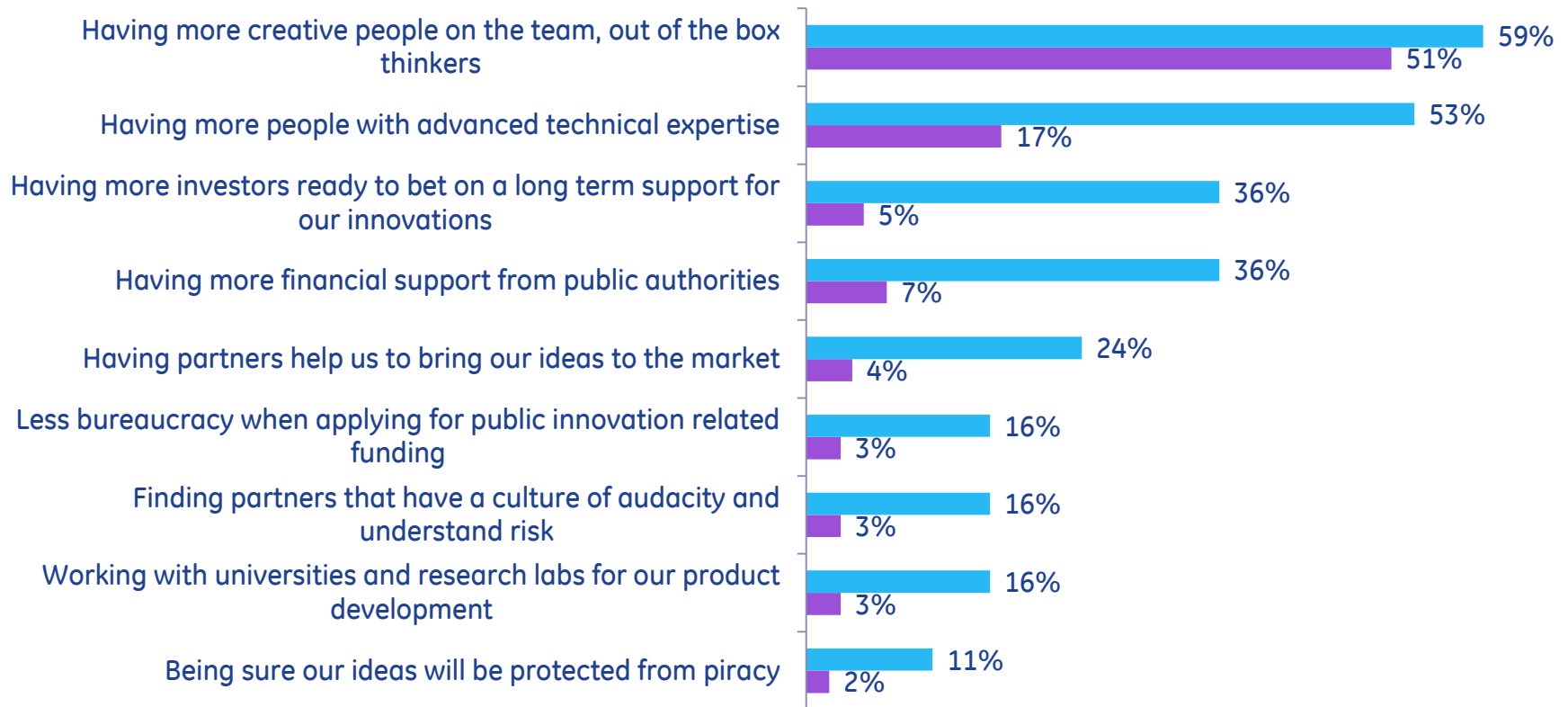
■ % Cumulated ■ % 1st



Top 3 factors in UAE to help innovators on a day-to-day basis

At your own company level, what could help you the most to be more successfully innovative?
(% mentioned)

■ % Cumulated ■ % 1st



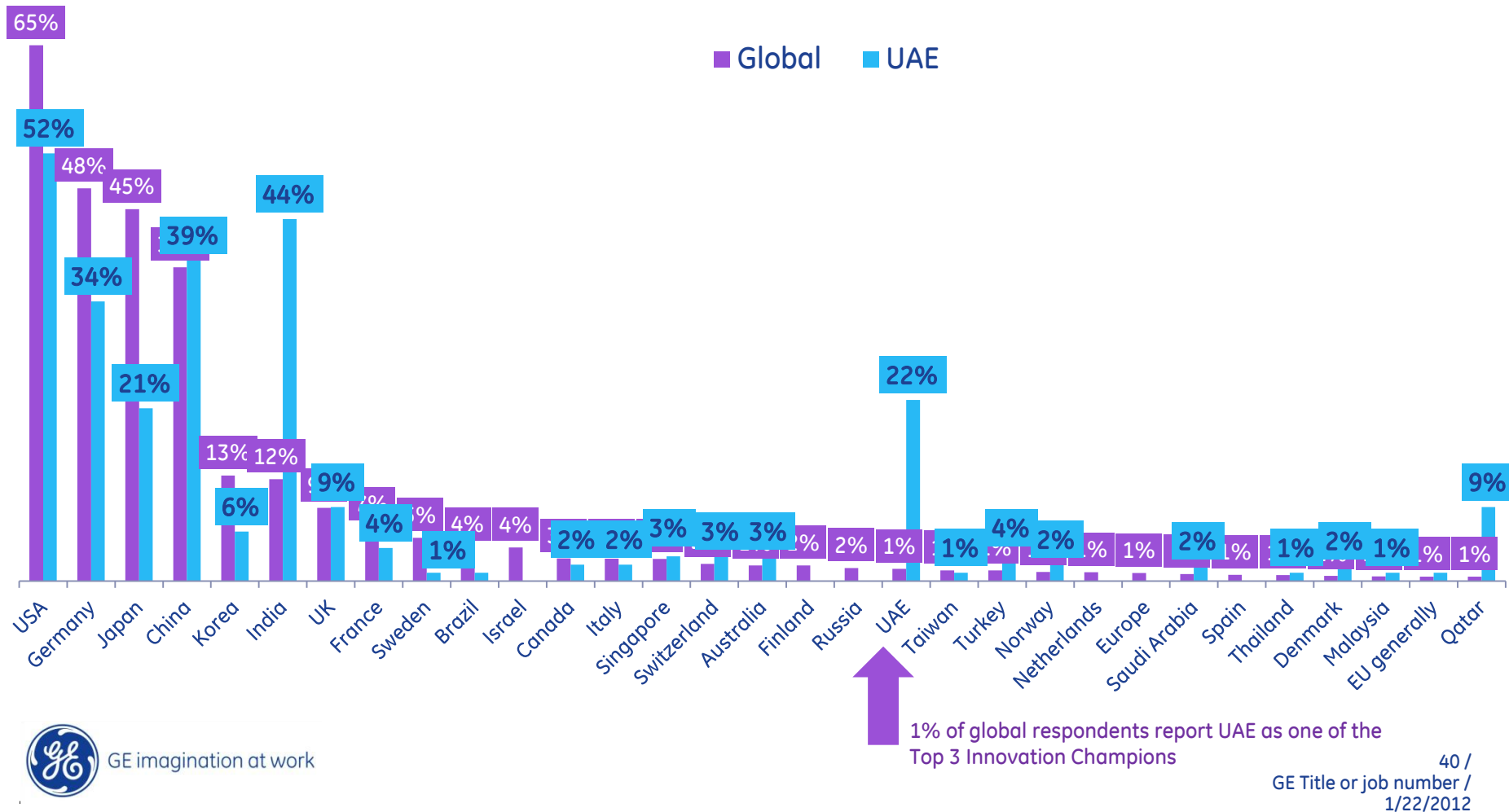
Innovation Reputation (external & self-assessment)



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What are the countries with the best reputation for innovation?

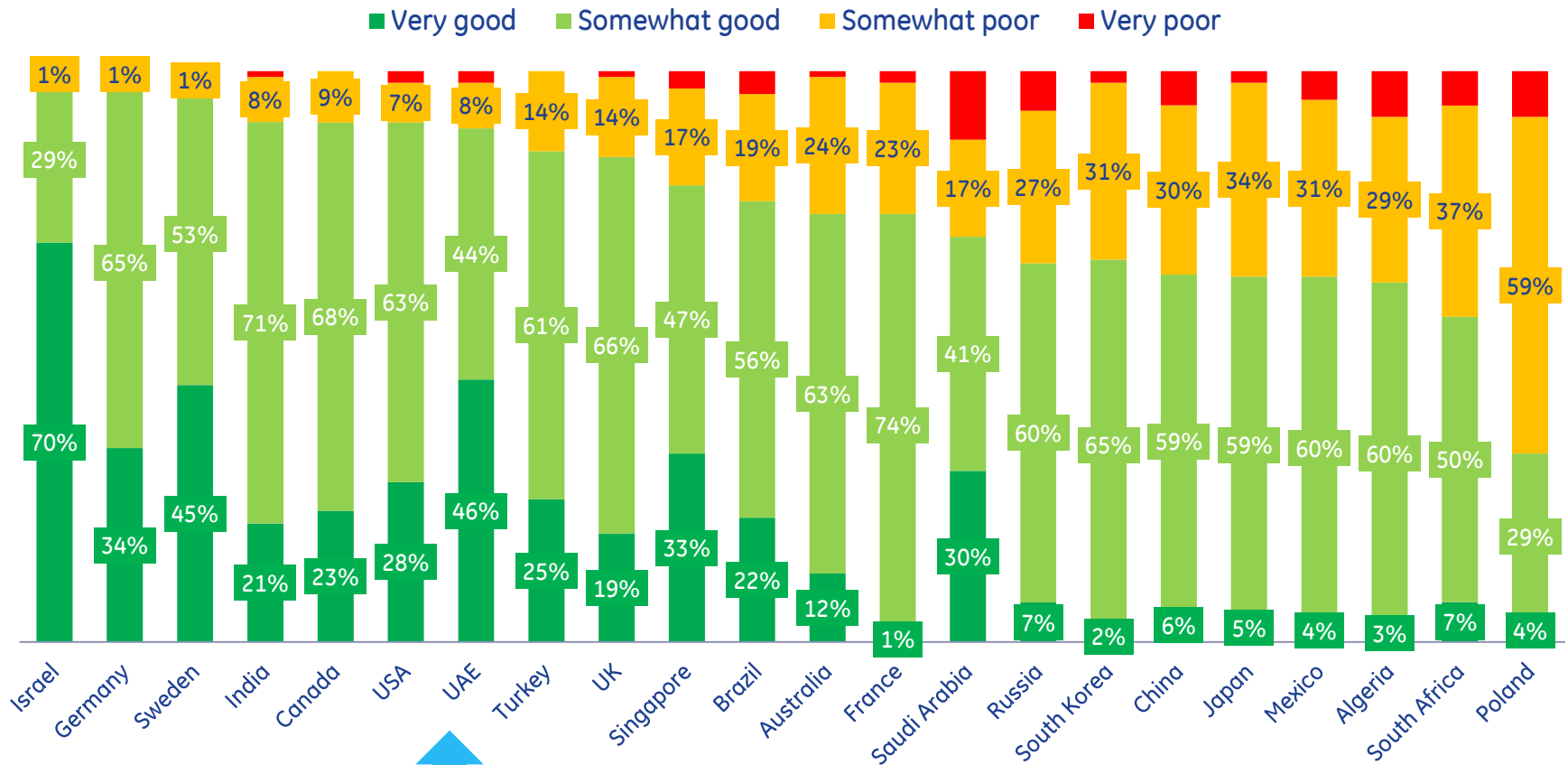
What are the 3 countries that you identify as Innovation champions? (%mention)



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How do countries evaluate their own reputation for innovation?

Do you think that the reputation of your country as an innovative market is...



90% of UAE respondents report that their country has a good reputation for innovation



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2nd Edition, Jan 2012



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StrategyOne