

What's Your CIQ?

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Continuous Innovation Capability Assessment

Innovation is Driving Transformation

80%

say AI has improved their individual productivity.

44%

say AI is now scaling across their enterprise, up from 38% a year earlier.

37%

attribute at least some EBIT impact to AI, roughly the same share as a year earlier.

60%

expect their organizations to increase AI investment over the next year.

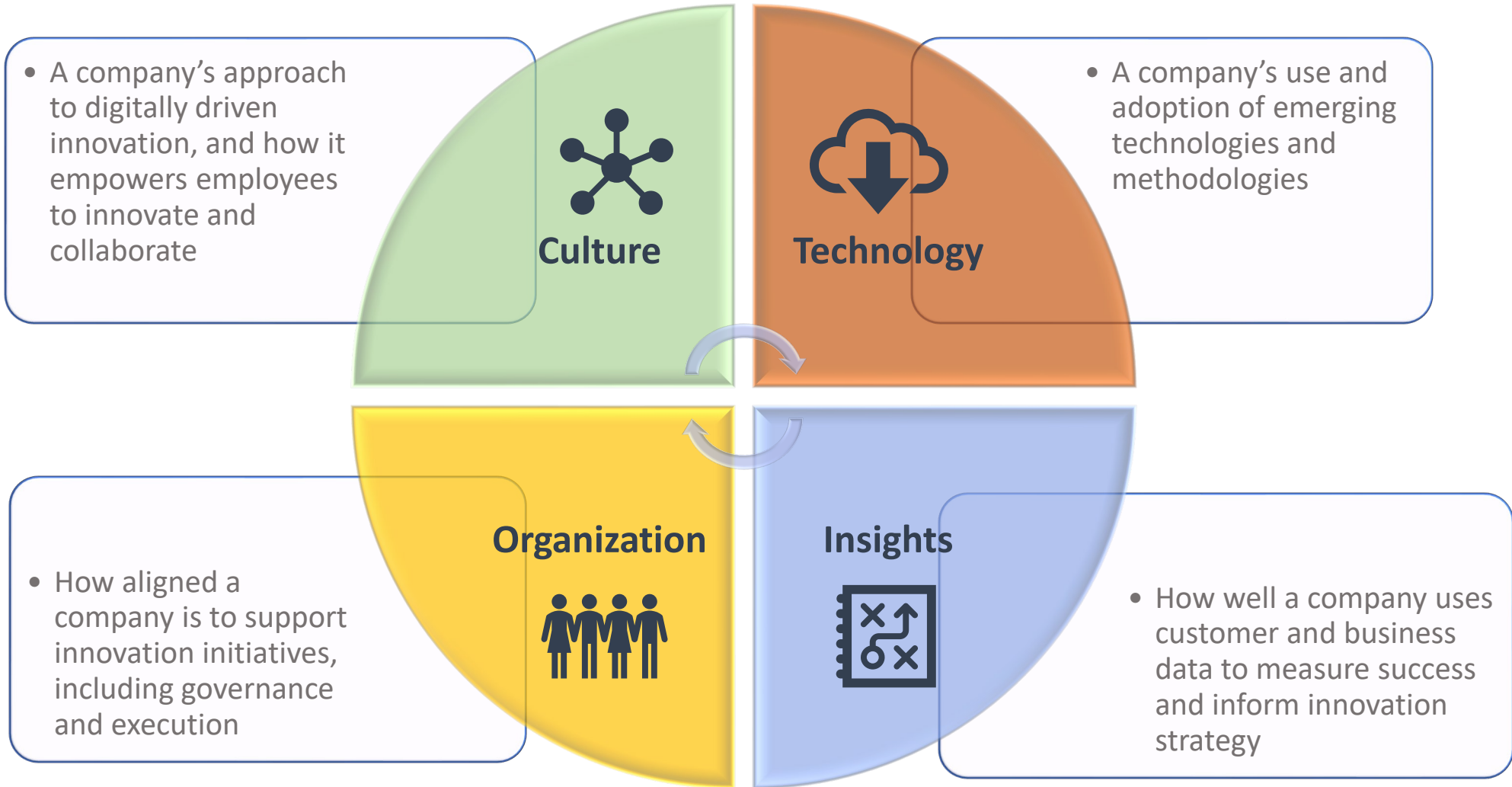
80%

or more of global venture capital funding in 2024 went to AI and generative AI.

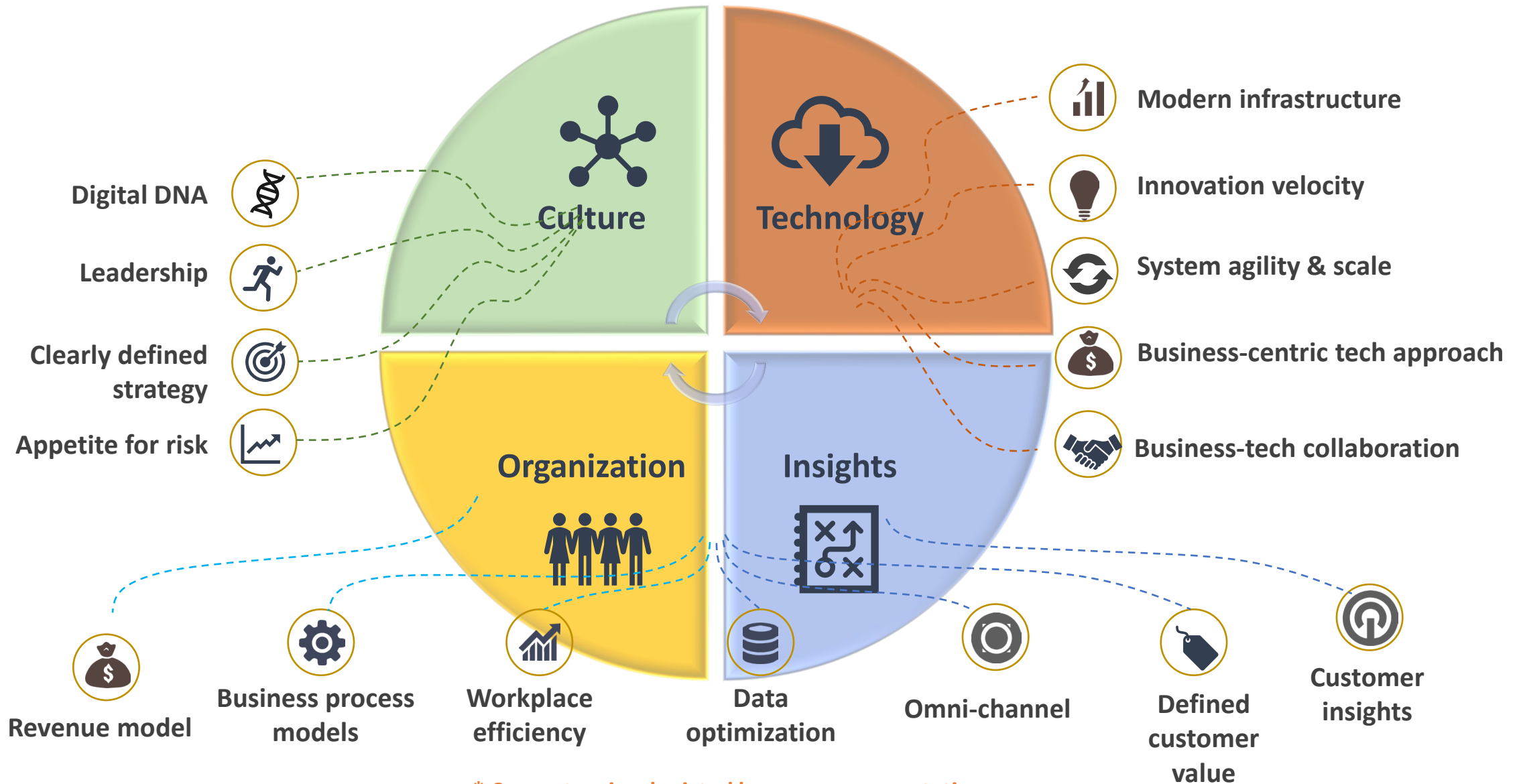
Defining Innovation

- Continuous Innovation
 - Exists when a company is constantly exploring ways to enhance, extend or improve their products and services. These explorations may not radically change a product, nor will they necessarily radically change the buying habits or usage patterns of customers. But CI is integral to a company's long-term success and must be done dynamically and continuously to save time, increase effectiveness, and maintain pace with customer behaviors and market forces. Fostering a culture of innovation and enabling a Continuous Innovation process can pave the way for disruptive innovations to occur.
 - EXAMPLES: McDonald's, Coca-Cola, The Lycra Company.
- Disruptive Innovation
 - Occurs when a company launches a new product or service that is completely different from existing products or services, usually leading to a major change in customer habits or behaviors, and often accompanied by market-making impact.
 - EXAMPLES: the iPod and the iPhone.
- Architectural Innovation
 - Occurs when existing skills and technology from one market or segment are applied within a different market or segment.
 - EXAMPLES: Uber → Uber Eats; CVS Pharmacy → Minute Clinics (though this is arguably disruptive to the broader healthcare industry); online communication tools & platforms → online learning
- Radical Innovation
 - A transformative business model that seeks to completely demolish and replace an existing industry or create a whole new industry. It takes an existing system, design or invention and turns it into something brand new. It may change the parts of the system, the processes of the system or both.
 - EXAMPLE: Netflix challenged the belief that consumers needed a physical destination in order to browse and rent movies, and created the rent-by-mail model, essentially demolishing Blockbuster. Netflix further disrupted the filmed entertainment industry by creating the gold standard for original streaming media on-demand.

Innovation Mastery has Four Dimensions

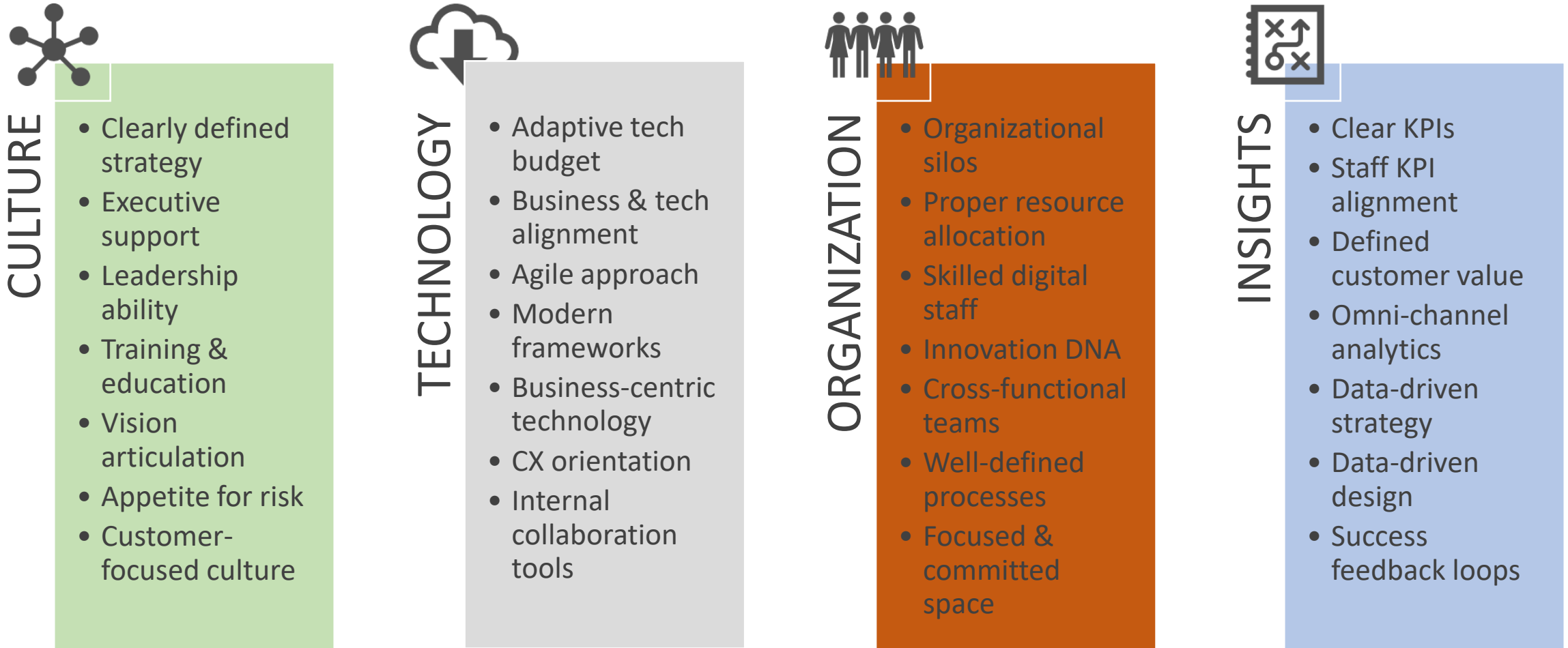


Dimensions are comprised of capabilities critical to achieving mastery.*



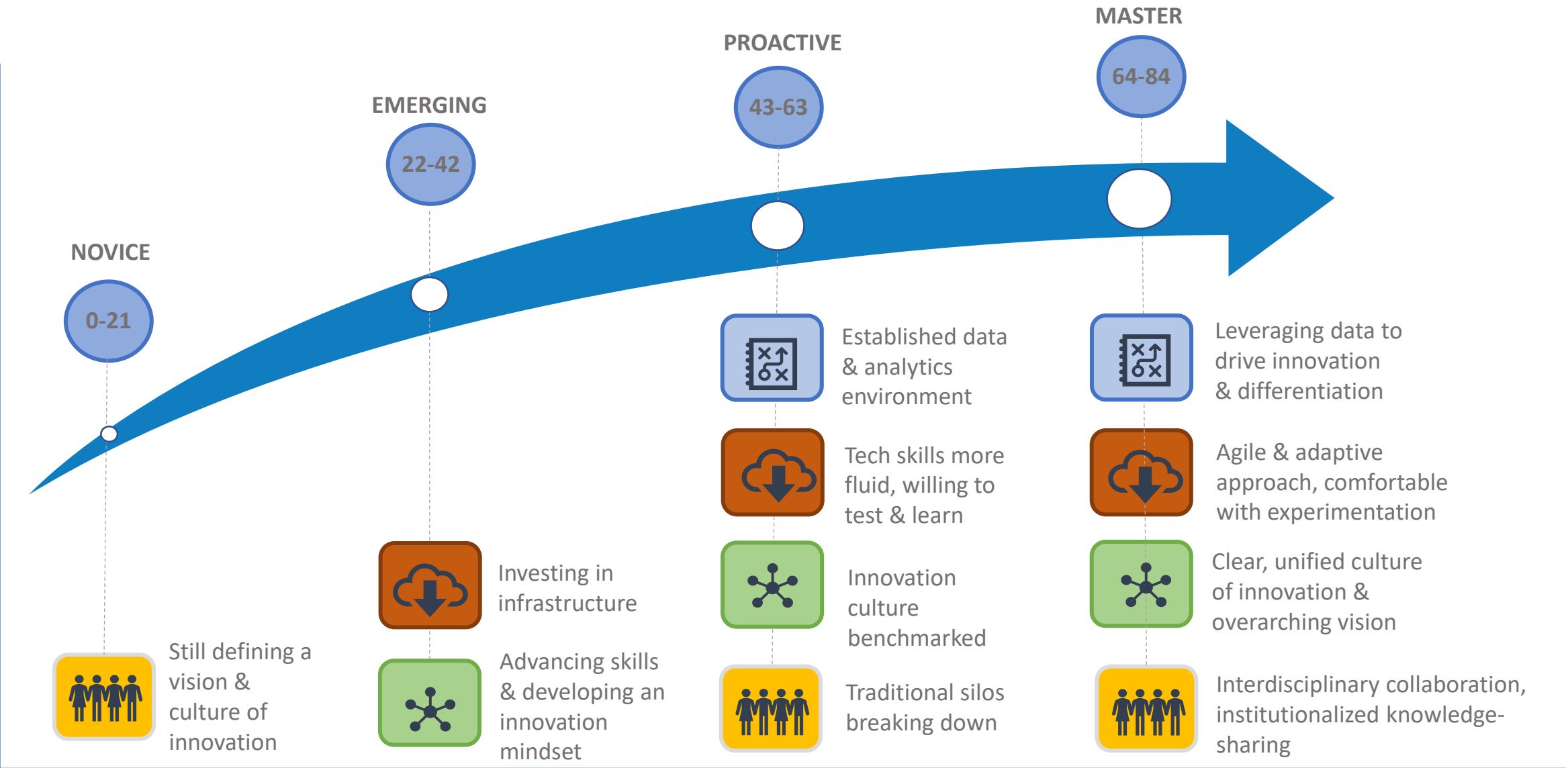
* Competencies depicted here are representative.

Capabilities are scored on a scale of 0-4 in each Dimension



7 core areas across 4 dimensions assess 28 essential capabilities required for innovation mastery.

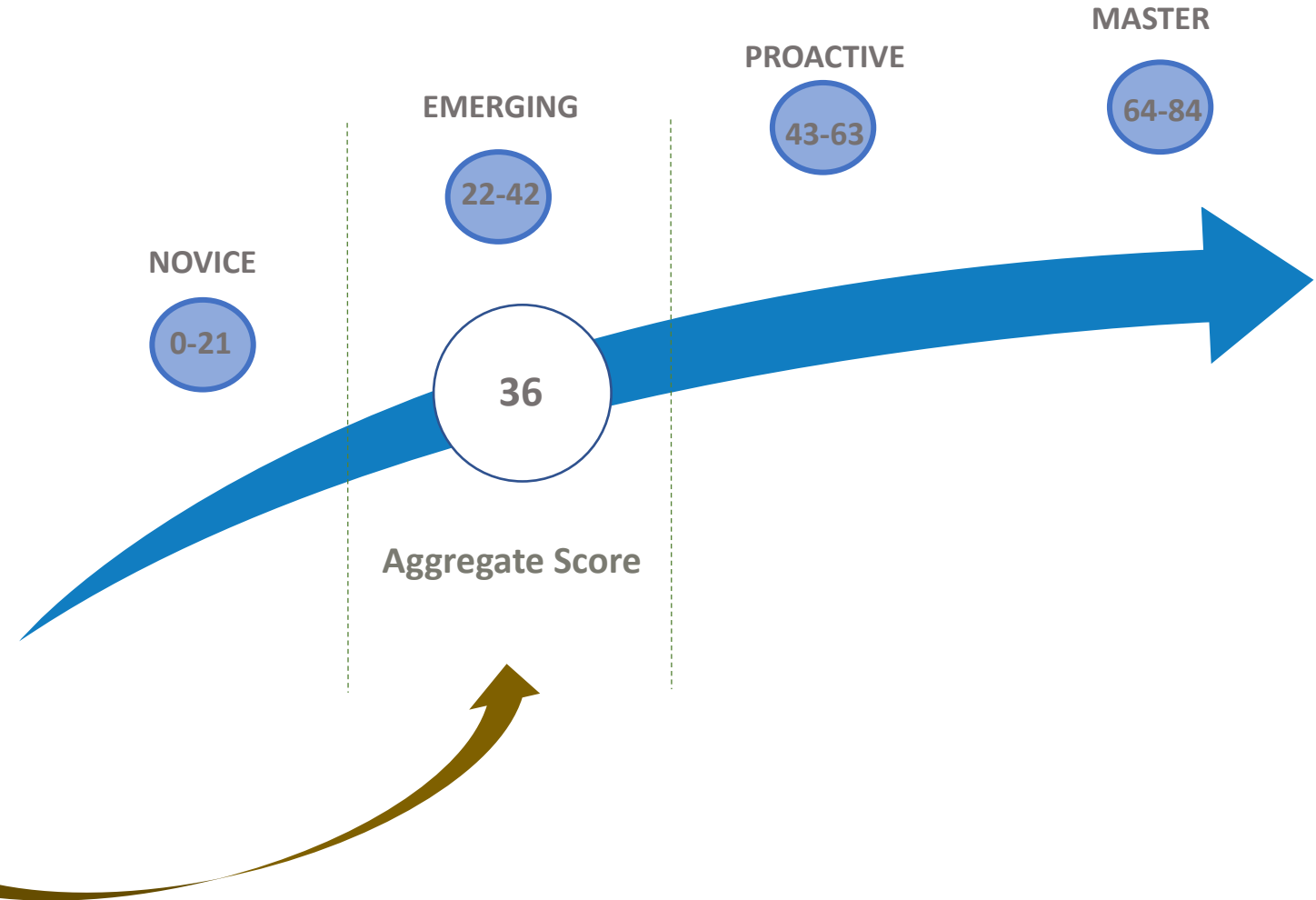
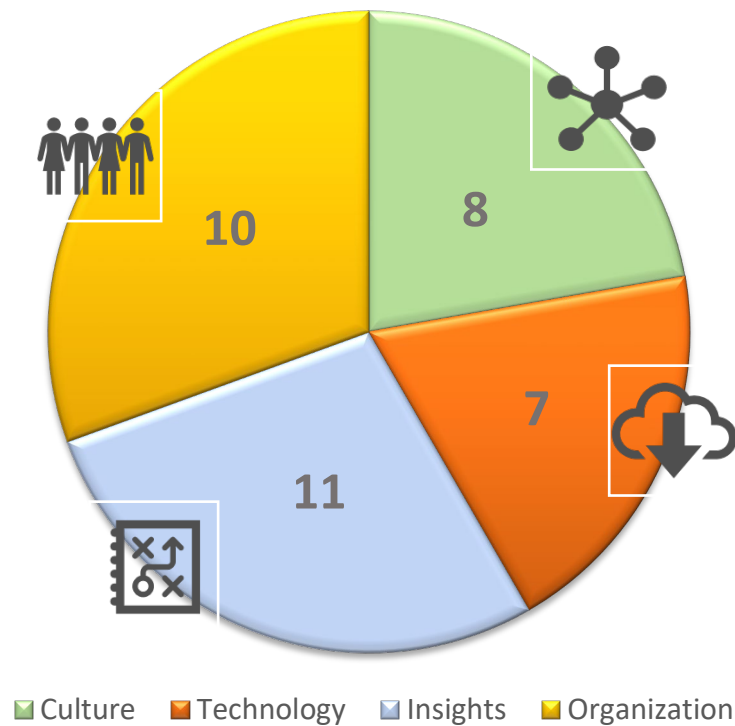
Firms Typically Fall into One of Four Categories



Aggregate score assesses level of mastery across dimensions of organization, culture, technology and insights

Based on customer scores, aggregate mastery is assessed

Innovation Mastery Dimensions

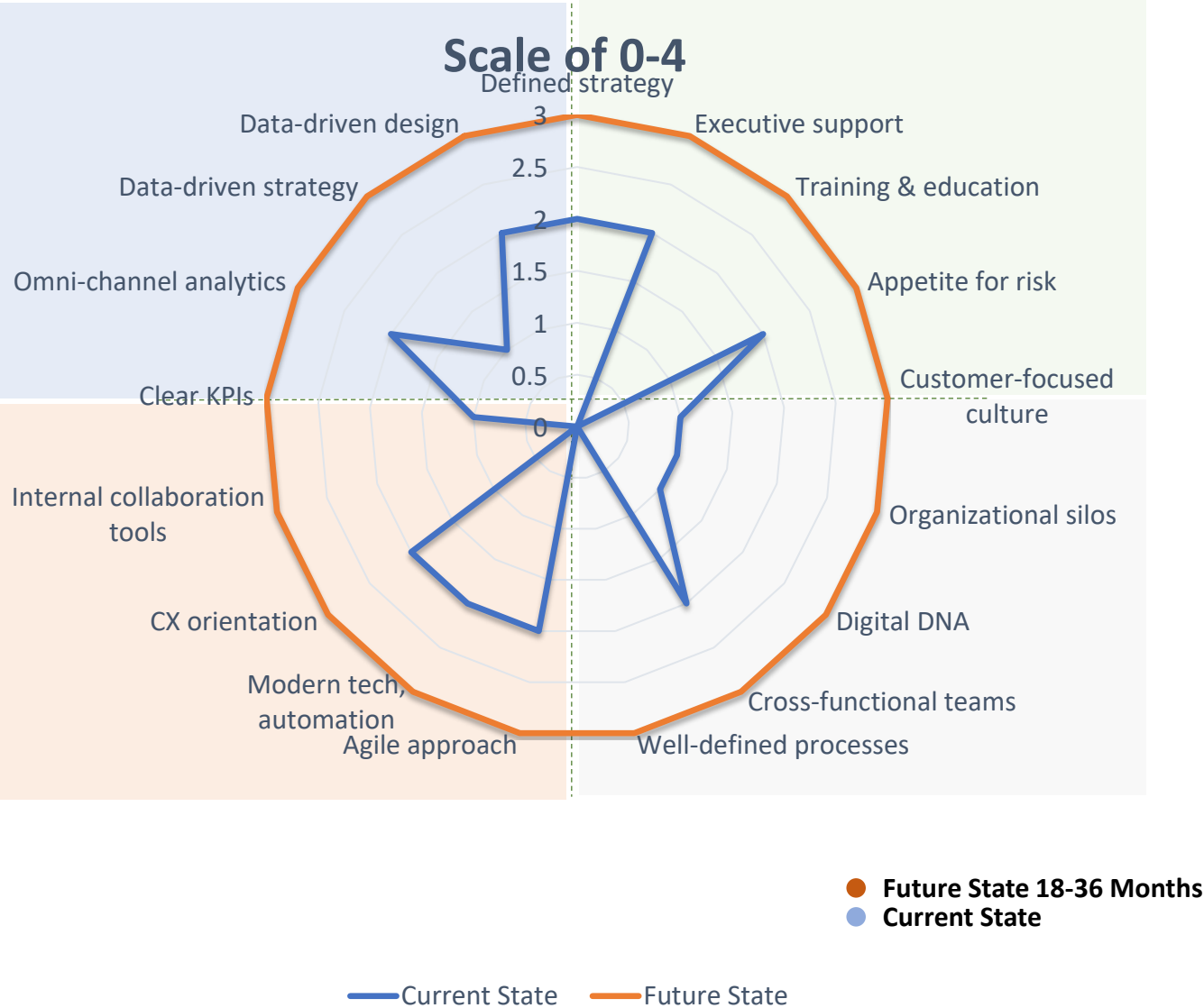


Innovation Mastery Characteristics

Novice	Emerging	Proactive	Master
• Core products or processes not sufficiently digitized • Manual processes dominate; little automation • Lack of a formalized innovation practice or process; ad hoc ideation dominates • Core digital assets and tech capabilities lag behind current standards • Key staff do not share an innovation mindset and/or most of these activities are outsourced • No or very little in-house development • Customer experience does not have central ownership • Unsophisticated analytics capabilities; may not be measuring the right data	• May be running some experiments • Immature innovation culture, may exist in silos • Management often skeptical of business value in advancing an innovation agenda • Often a lack of training • Little shared knowledge • Skill sets are verticalized • Inflexible structures and process • Projects may get bogged down in approval cycles • Infrequent release cycles • Legacy, less flexible platforms • IT not viewed as a business partner • Siloed data sources • Verticalized analytics	• Innovation culture and vision established but underdeveloped • Actively developing additional processes and skillsets • More investment in advanced technologies; traditional digital capabilities are usually more mature • Capable leadership • More collaborative structure • Can be slow to react to new trends, but willing to experiment as business needs and customer behaviors change • Good governance across silos • Greater openness to “test-and-learn.” but may still be burdened by conventional product or process release cycles • Tech skills are more fluid • More mature data & analytics environment	• Dedicated space and resources devoted to innovation initiatives • Multiple initiatives generating value in measurable ways • Clear, unified innovation culture • Strong, overarching innovation vision • Excellent governance across silos • Agile & adaptive approach in place • Data- and technology-empowered front-line staff • Omni-channel, actionable modeling • Integrated digital/offline experiences • Institutionalized knowledge-sharing, highly fluid • Deep knowledge across vertical functions • Real-time data & actionable analytics • High degree of investment in advanced technologies • Interdisciplinary collaboration • Permission to fail

Individual competencies should be grouped and scored

Sample Output



Innovation Mastery Dimensions

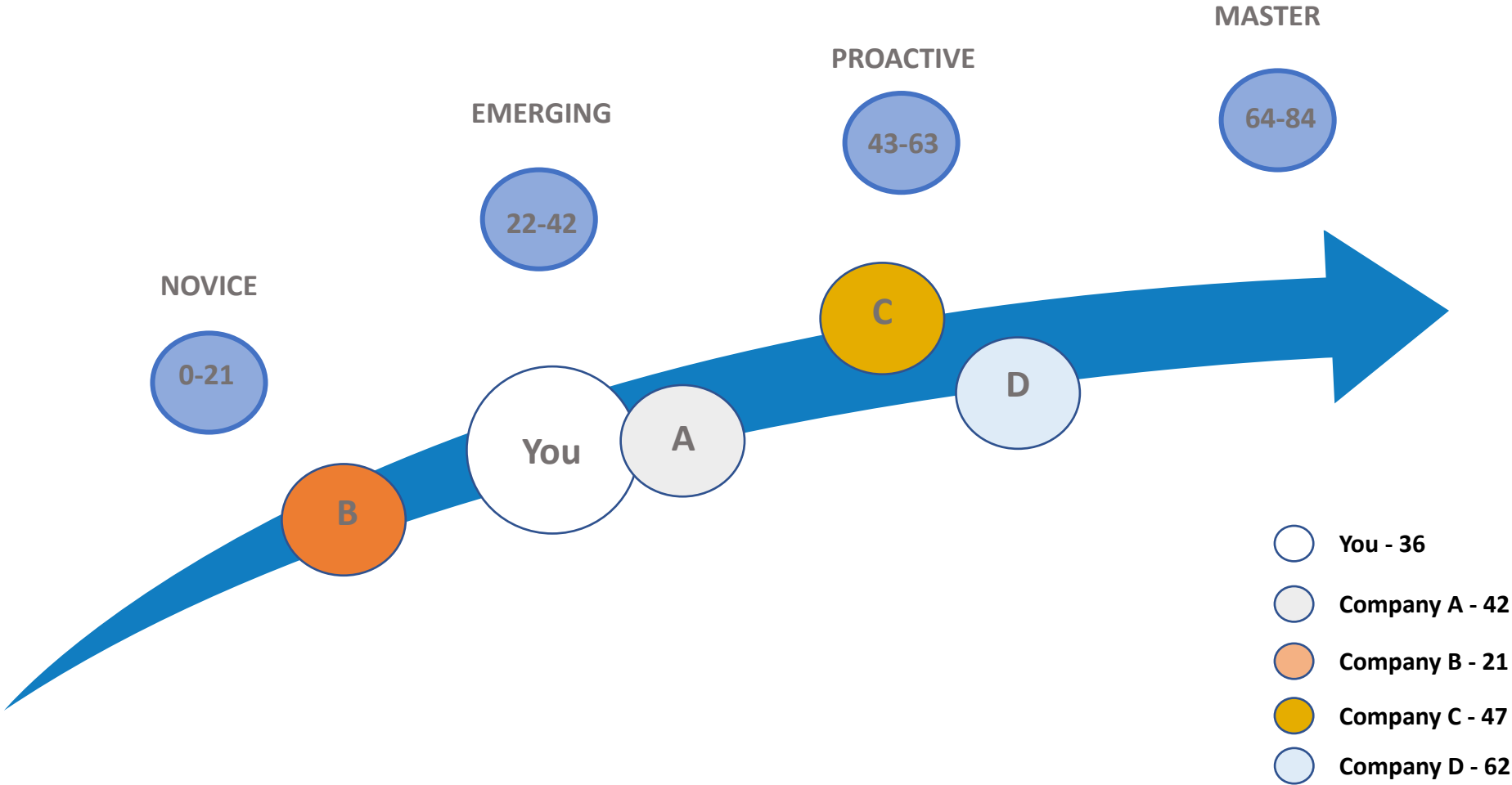
- **Culture = 9 (43%)**
- **Technology = 7 (33%)**
- **Insights = 11 (52%)**
- **Organization = 10 (48%)**

Key Observations

- Investments in cloud & CX have not pushed data-driven decision-making; need to connect the two initiatives and invest in data visualization
- Investments in self-guided and –directed training programs can close some of the skills gaps
- Data collection needs to be standardized
- Digital leaders must invest in strategy articulation and better communication with C-suite to obtain buy-in and support
- Appetite for risk may be low due to lack of transparency into strategy & initiatives
- Business outcomes must better map to articulated KPIs so that staff & leadership better understand what innovation means

We could also assess standing compared to select industry peers

Sample Output

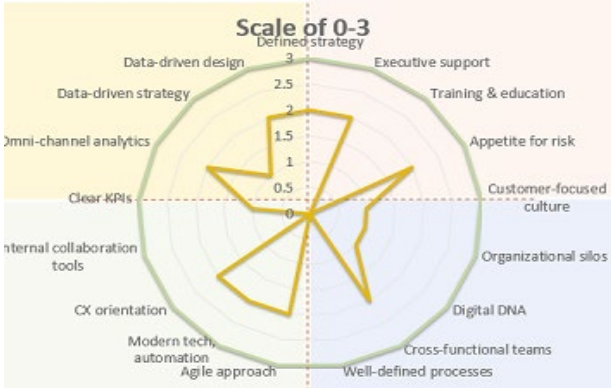


Make recommendations and create a prioritized CI capabilities roadmap

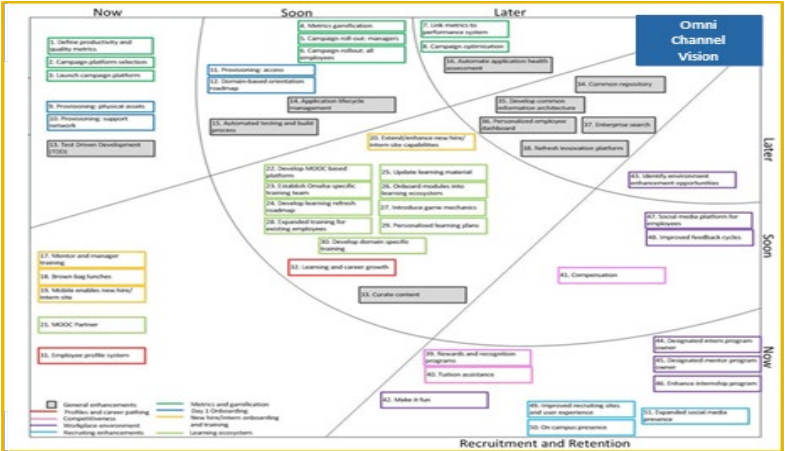
Competencies are grouped and scored
CIQ score is plotted (potentially alongside competitors)

Initiatives are prioritized
Scores are used as one input into prioritization that considers additional business value inputs, and helps the customer visualize future-state of continuous innovation

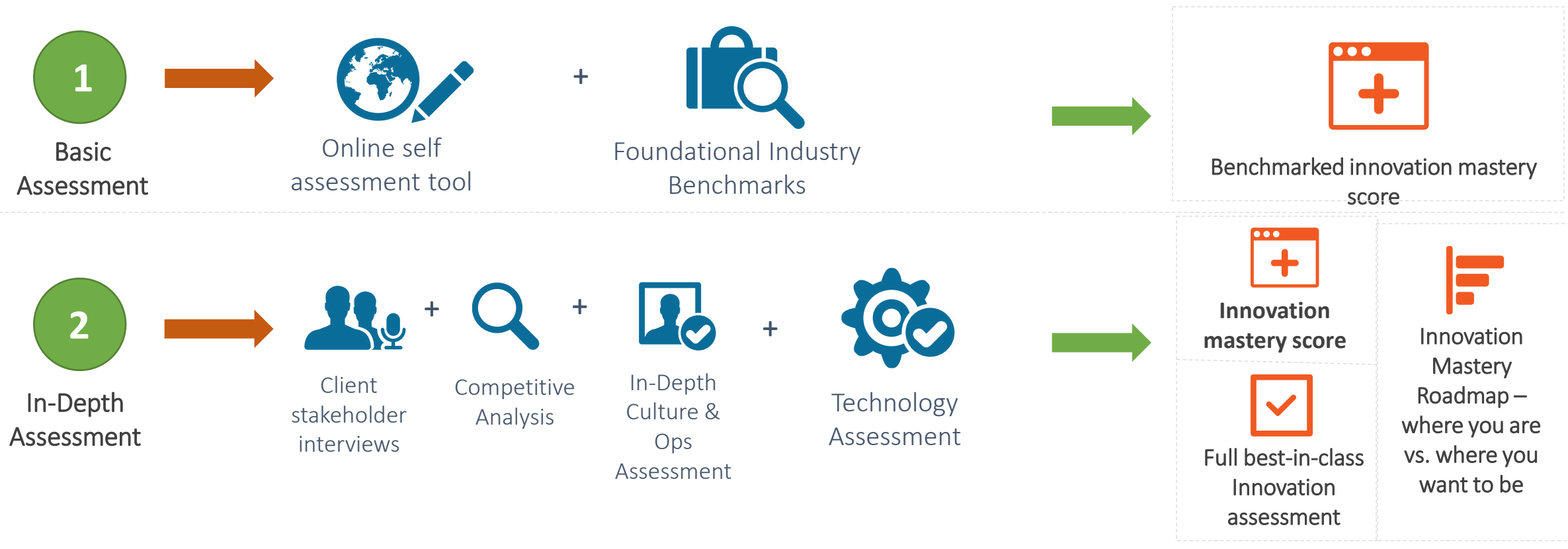
Initiatives are placed into CI roadmap
Each standalone initiative contributes to the overall future-state vision



Capability	Top User-Defined	Common / Found	Service	Relationship	Customer Imp.	Efficiency / Pro.	Time to Profit	Cross-Ch.
1 Accounts/Balances Panel	X			2	3	3	3	3
2 Money Movement	X			2	3	3	2	3
3 Trading	X			2	3	3	2	3
4 Account Features & Maintenance				2	3	3	2	3
5 Book Workspace	X			3	3	3	1	1
6 Customer Correspondence (visibility)				3	3	2	3	3
7 Interaction History	X			2	3	2	3	3
8 New Navigational Framework	X			2	3	3	1	3
9 Next Best				3	2	3	3	2
0 Outbound Contact				1	3	3	2	2
1 Customer Alerts				3	2	3	2	3
2 Customer Overview (PAS Status)	X			1	2	2	1	3
3 Call Tracking & Recording				1	3	1	1	3
4 OLR Integration				2	2	2	1	3



Options for assessing innovation mastery levels



In-depth assessments would be paid engagements delivered in two phases, with an optional development phase

1

ASSESS

Evaluate and score current state innovation capabilities, assess competitive landscape

ACTIONS

- Identify internal “catalyst” for change
- Conduct assessments of current capabilities through focused interviews, discussion groups, questionnaires
- Map findings to scoring mechanism
- Evaluate competitive set against current capabilities
- Conduct playback session

OUTCOMES

- Competency scoring, spider map
- Mastery Score vs. Competitors
- Competitor Assessment
- Playback documentation, artifacts

2

VALIDATE

Identify business cases and benefits, prioritize for ROI, develop business cases and innovation roadmap

- Catalyst & future-state validation workshop
- Prioritize and identify opportunities
- Create business cases
- Roadmap development

- Business cases
- High-level requirements
- Workshop documentation, artifacts
- Implementation phase approach and roadmap
- Governance and fees for Phase 3

3

ACTIVATE

Develop & launch selected initiatives

- Develop detailed UX design (if needed)
- Elaborate requirements (if needed)
- Identify & deliver training modules (as needed)
- Prioritize workstreams & implement, or develop application
- Conduct quality assurance testing
- Provide support during validation and UAT
- UX design explorations and documentation (if needed)
- Detailed architecture (where needed)
- Training plan and measures of success
- Verification test plan and test cases
- Show and tell for each sprint

Sample Timeline

