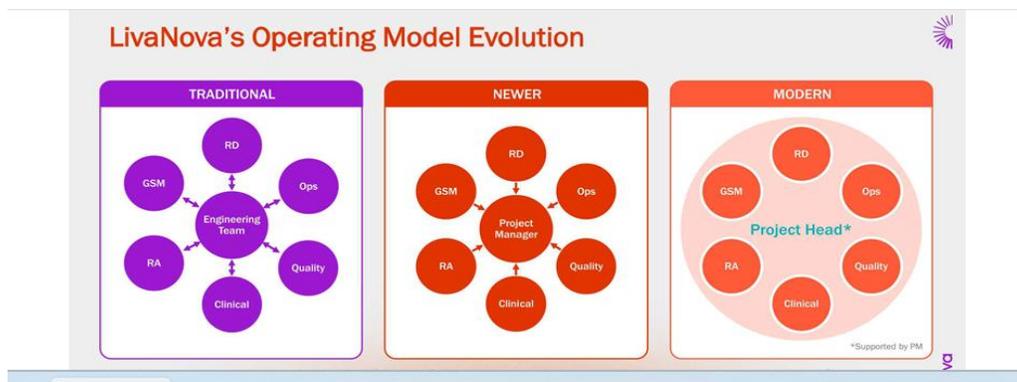




Executive Brief

Structuring the Innovation Organization and Governance Model A Council Virtual Case History

Moderated by Christy Overall, Director of Innovation, LivaNova



To encourage innovation in new product development, we must organize teams in a way that allows for accountability, fast escalation and issue resolution, and single points of accountability. Culture is born out in the ways we work and LivaNova's transformation from large project teams to a core team model has allowed their culture of innovation to flourish.

Action Items

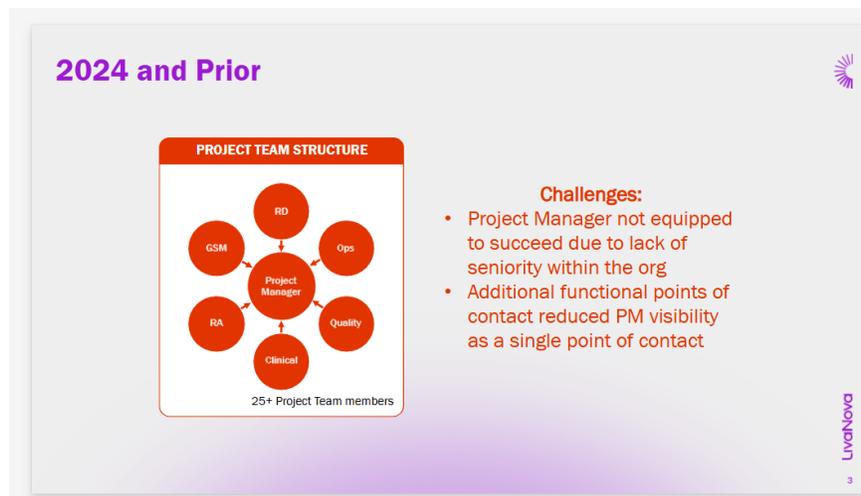
- Review the evolution of project team structures over time and the path to this Innovative Operating Model
- Learn about the critical role of Project Head and how the Core Team ensures streamlined decisions and issue resolution
- Understand the possible challenges associated with implementing this model (and why the benefits outweigh these risks)

LivaNova, a global company that develops and manufactures devices and therapies for neurological and cardiac conditions, has undergone several iterations in both the products and therapies it develops and its approach to innovation.

The company was created in 2015 as the result of a merger between Sorin, a global medical device company, and Cyberonics, Inc., a neuromodulation company focused on implantable medical devices for refractory epilepsy and treatment-resistant depression.

The Evolution of Innovation Models at LivaNova

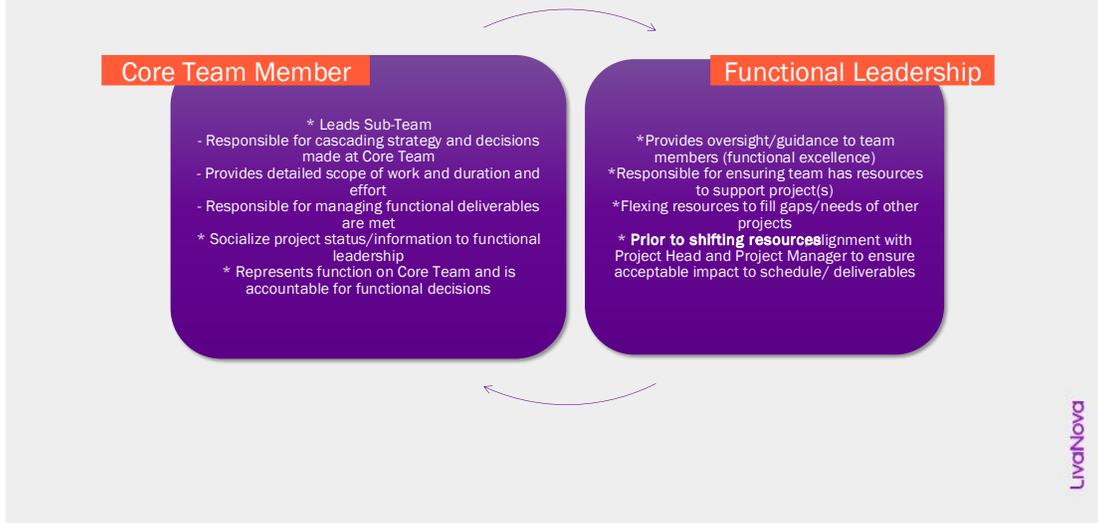
Prior to 2024, innovation at LivaNova was based on the project team structure model shown below. With this approach, project managers often did not have the seniority to succeed. Inconsistency between business units, lack of accountability or lack of a single point of contact, as well as projects not being well promoted internally, all contributed to slow decision making and hampered progress.



As Christy stated, the organization needed to operate differently to innovate more effectively. To remedy the situation and address new market challenges, a Chief Innovation Officer role was created in 2024. A new operating structure was implemented, and other process changes were made.

The new operating structure centered around a single point of contact, a Project Head, who reports to senior leadership. Key team members report to the Project Head. There can be more than one Project Head for complex projects. Project Heads need strong business and technical expertise. They are accountable for costs and timelines, including integration. The position also acts as a representative for the project. This approach and distribution of resources is working well for LivaNova.

The Role of Function in Core Team Model



The Core Team Model

Having a strong team that works well together is another important component for success and Christy discussed this via LivaNova's Core Team Model. As she stated, key team attributes should include:

- ✓ Sharing a common purpose
- ✓ Establishing a common approach
- ✓ Complementary skills
- ✓ Empowering each team member
- ✓ Accountability and support
- ✓ Considerations and challenges

LivaNova's 2026 planning objectives included training on decentralized decision-making. The company also had all team members include project(s) in their performance objectives. The importance of having leadership prioritize what core team members worked on and how much time they spent working on projects was underscored. Ultimately, the enterprise needs to set priorities for team members that reflect the priorities of the business.

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