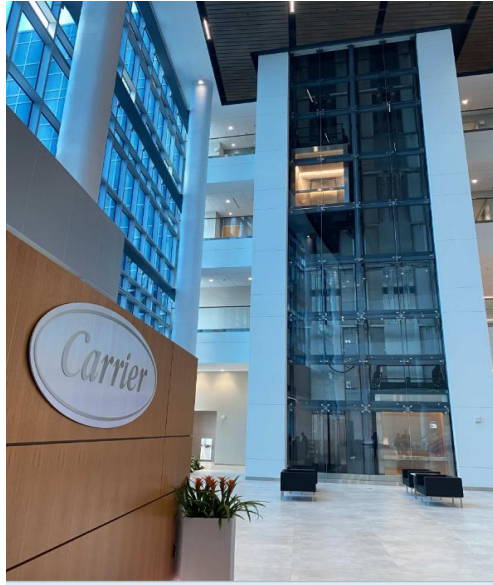




STRUCTURING OPERATING MODELS THAT ACCELERATE INNOVATION IMPACT

Key ideas and takeaways from the Innovation Workshop & Tour: A Quarterly Series at the Carrier Center for Intelligent Buildings

Structuring Operating Models that Accelerate Innovation Impact was the theme of Frost & Sullivan's **Q2 Innovation Workshop and Tour: A Quarterly Series**, held in Palm Beach Gardens at the Carrier Center for Intelligent Buildings. This full day event featured a tour of the Center for Intelligent Buildings, a first-of-its-kind technology, innovation and collaboration center showcasing Carrier products, systems and interactive displays of their brands.

Thought leaders from the J.M. Smucker Company, Philip Morris International, Siemens Healthineers, Wells Fargo and other notable organizations shared timely innovation insights and strategies while collaborating with peers throughout the Workshop. Read on for just some of the session and discussion highlights:

WHEN EVERYONE OWNS INNOVATION, WHO DECIDES IT'S SUCCESSFUL?

Headliner Christy Overall, Director of Innovation, LivaNova, led a session entitled, *When Everyone Owns Innovation, Who Decides It's Successful?* As noted, one of the challenges of creating an innovative organization is determining when you've become "innovative." If it's a collective effort, who's defining success?

Innovation was defined as the process of delivering differentiated value to the market. To create an environment where innovation can thrive, you must be specific about what “good” looks like, define KPIs the entire organization is aware of and aligned to, and have a culture that is constructively collaborative.

Participants learned about LivaNova’s operating model, culture, and Innovation Scorecard, as well as how the organization supports innovation success:

Key takeaways

- Create alignment across teams and departments
- Distinguish between process innovation and product innovation
- Innovation should create measurable value, not just ideas

Operating model insights

- Large meetings become ineffective
 - Example: 25 people on calls and no one is contributing
- Not everyone needs to attend every discussion
- Importance of intentional collaboration
- Build governance structures that support teams rather than create bureaucracy

Innovation strategy at LivaNova:

- Identifies an unmet need
- Focuses on the ability to solve the problem
- Leverages existing science/engineering pathways and internal and external capabilities
- Is financially viable for patients, physicians, payers, companies
- Innovation metrics
 - Freshness Index - measures percentage of company sales from products approved within the last 5 years
 - Treated as an innovation metric, not just commercial metric
- Milestone attainment: Goal around 80% completion
- Metrics are connected to the enterprise strategy

eNPV (Estimated Net Pipeline Value)

Raw eNPV from finance + business case

- Apply risk adjustment:
 - Clinical risk
 - Regulatory risk
 - Result = Risk-adjusted eNPV

Five dimensions of an innovative culture

1. Be honest about thoughts and open to hearing others
2. Think critically
3. Be willing to reconsider positions
4. Seek first to understand
5. Maintain a healthy relationship with risk and failure

Final Thoughts

Successful innovation means delivering the right product, at the right time, at the right cost.

PANEL DISCUSSION – WHO’S KILLING THE MOMENTUM? BREAKING INNOVATION BOTTLENECKS AND FRICTION

Moderator: Evan Sevel, Executive Director, Transportation Product Management, Carrier

Panelists: Shashank Kadetotad, Global Senior Director, Enterprise Data Science and AI, Mars; Dr. Hitesh Mehta, Director of Innovation and Translation, Shepherd Center; Nitesh Soni, Global AI Solutions Leader (Commercial), Sanofi; Illya Thomas, Vice President, Research & Development, The J.M. Smucker Co.

Innovation often slows not because of lack of ideas, but because organizations unintentionally create barriers that stall progress. In this session, industry leaders discussed the operational, cultural, and strategic bottlenecks that prevent innovation from scaling effectively and explored methods for accelerating momentum while maintaining alignment, quality, and compliance.

Key takeaways

- Innovation stalls are usually caused by leadership misalignment, weak incentive structures, poor change management and skill gaps
- Technology itself is rarely the true bottleneck
- Top-down leadership alignment is critical
- Organizations need a clearly articulated vision, defined incentives and strong communication across teams
- In regulated industries, compliance should not act as a blocker, but instead create productive constraints, improve design thinking and strengthen trust and transparency
- Regulatory teams should be included at the start of projects

Innovation strategy

- Innovate around the edges before changing core products
- Legacy brands require careful balance:
 - Consumers want familiarity
 - Companies still need novelty and momentum
- Strategy should include
 - Low-complexity innovation
 - Medium-complexity innovation
 - High-complexity innovation
- Encourage multifunctional collaboration

Best practices

- Build innovation around customer and consumer needs
- Keep leadership consistently aligned
- Use pilot groups to test AI adoption; ensure transparent communication around AI recommendations
- Share both successes and failures openly
- Balance low-risk and high-risk innovation projects
- Celebrate learnings when projects are stopped

Final thoughts

Innovation bottlenecks are usually organizational, not technical. Leadership alignment and change management are essential for maintaining momentum. Organizations should normalize experimentation, learning, and project termination when warranted.

CASE HISTORY: NOVEL PERSPECTIVES FOR BUILDING FUTURE-PROOF INNOVATION ECOSYSTEMS

Andrea Mills, Chief Advisor, External R&D and Emerging Technologies for Science and Innovation, Philip Morris International, explored how historical knowledge, interdisciplinary thinking, and exaptive innovation can unlock new opportunities for long-term prosperity and innovation resilience and shared ways to foster nonlinear thinking and cross-domain collaboration.

Key insight

Innovation is often viewed as a forward-looking process, yet many of the most transformative breakthroughs emerge by reconnecting knowledge across disciplines, time periods, and ecosystems.

Key takeaways

- Many solutions already exist outside your immediate expertise or industry
- The farther you are from the core of what you know, the more you need to partner
- History, nature, ancient technologies and cross-disciplinary thinking can inspire modern innovation
- Technology alone is not responsible for innovation
- Deep thinking and perspective shifts are often more important than advanced tools

Leveraging interdisciplinary thinking

- Non-experts often bring valuable fresh perspectives
- Experts can unintentionally limit innovation because of existing assumptions, specialized thinking and self-imposed boundaries
- “90% of what you need is outside of you”

Innovation through history

- Human behavior and innovation patterns repeat across history
- Historical knowledge remains highly relevant
- Ancient solutions can inspire modern applications

Action items

- Encourage employees to explore disciplines outside their expertise
- Train teams to recognize signals and unexpected opportunities
- Create innovation programs that expose teams to new environments and perspectives
- Study historical examples and analogies when solving modern problems
- Focus on understanding customer perception, not just product functionality
- Encourage metaphor-based and associative thinking
- Foster interdisciplinary collaboration across teams and industries

Implementation guidelines

- Intentionally connect unrelated industries and knowledge domains
- Study neighboring disciplines for transferable ideas
- Create pathways for employees to collaborate outside normal silos

Final thoughts

The future of innovation may depend less on creating entirely new ideas and more on reconnecting existing knowledge in new ways. Organizations that encourage curiosity, emergence, and interdisciplinary exploration will be better positioned for long-term innovation success.

ENTREPRENEURIAL BY DESIGN: HOW WE ACTUALLY BUILD ACCOUNTABILITY INTO INNOVATION

Innovation accountability is one of the most difficult challenges organizations face when attempting to create sustainable growth outside their core business. In the Capstone session, Paul Campbell, author of *The Corporate Innovator's Playbook* and Former Vice President, Corporate Innovation, explored how organizations can intentionally design structures, processes, and innovation systems that create accountability, support long-term innovation success, and improve organizational innovation maturity.

Discussion highlights

Defining innovation

- Innovation entails finding new growth and revenue outside the core business
- Sustaining innovation and incremental improvements are different from transformational innovation
- Large companies often struggle to support non-core growth initiatives

Innovation maturity

- Companies operate at different levels of innovation maturity
- Organizations can assess innovation readiness by examining innovation capability, structural gaps and leadership support, for example
- Maturity scoring helps identify organizational weaknesses, blind spots, improvement opportunities

The Innovation Canvas Framework

- This framework evaluates: Strategy – Leadership – Culture – Processes – Governance - Open innovation - Design thinking - Lean innovation – Incubation – and Venture systems
- Organizations do not need mastery in every category, but innovation leaders should understand all dimensions well enough to apply the right tools

Cultural and organizational barriers

- A poor culture can quietly destroy innovation
- Most organizations have one major friction point, weak category, or blind spot that prevents innovation growth
- Sometimes fixing one major barrier dramatically improves innovation outcomes

Greenhouse/internal accelerator

- Safe environment for early-stage ideas
- Its purpose is to protect ideas during high-risk development phases

- Allow ideas to mature before business units evaluate them
- Greenhouses help ideas survive the “J curve”

The J Curve problem

- Most innovation projects lose money initially
- Business units often reject projects because early-stage investments hurt short-term metrics and/or innovation introduces uncertainty
- Many companies kill projects too early
 - Example shared: 75% of projects transferred to business units were killed within 6 months

Innovation incubation

- Successful incubation includes business model validation, market testing, customer validation, revenue development, operational readiness
- Once innovations become profitable or “accretive,” business units are more willing
- Build systems that support innovation beyond ideation
- Protect early-stage innovation from short-term business pressures

Best practices

- Benchmark innovation capabilities against peer organizations
- Encourage experimentation without immediate ROI pressure
- Focus on growth outside the core business
- Use flexible funding models
- Benchmark innovation maturity regularly
- Treat innovation as a long-term organizational capability

Final thoughts

Organizations must intentionally design systems that allow innovation to survive uncertainty and early-stage risk.

COMING IN SEPTEMBER: INNOVATION WORKSHOP & TOUR AT THE OHIO STATE UNIVERSITY

If you’re looking for more innovation best practices, don’t miss our next [Innovation Workshop & Tour: A Quarterly Series at The Ohio State University Honda Research Institute 99P Labs](#). The event will take place September 14th through 16th, and the agenda will focus on *Operationalizing AI at Scale*. Click [here](#) for detailed information.

- **Patricia Jacoby, Senior Content Specialist, Frost & Sullivan**