WP

D.T1.3.1

**Maturity model
for the innovation drivers
Upgraded version**

**Version 1
30.11.2021**

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Table of content

EXECUTIVE SUMMARY

The present deliverable displays the tool developed by CHAIN REACTIONS for assessing the future readiness of businesses through a set of questions covering the following dimensions of businesses:

- **Organisation:** this dimension covers how the company's organisation mirrors its way of addressing innovation and preparing for the future.
- **Products and services:** this dimension covers how the company develops new products and services
- **Resources:** this dimension covers how companies allocates resources to innovation
- **Processes:** this dimension covers internal innovation management processes
- **Value Network:** this dimension covers how the company deals with strategic value networks

The tool can be used as a self-assessment tool or as support for an interview-based assessment of businesses.

1   FUTURE READY ORGANISATIONS

Understanding external factors

As defined in the CHAIN REACTIONS methodology for the analysis of value chains, the analysis of the external factors and forces is essential to the understanding of the market's dynamics and the necessity for companies to change and adapt proactively. This is well summarised in the PESTEL model.
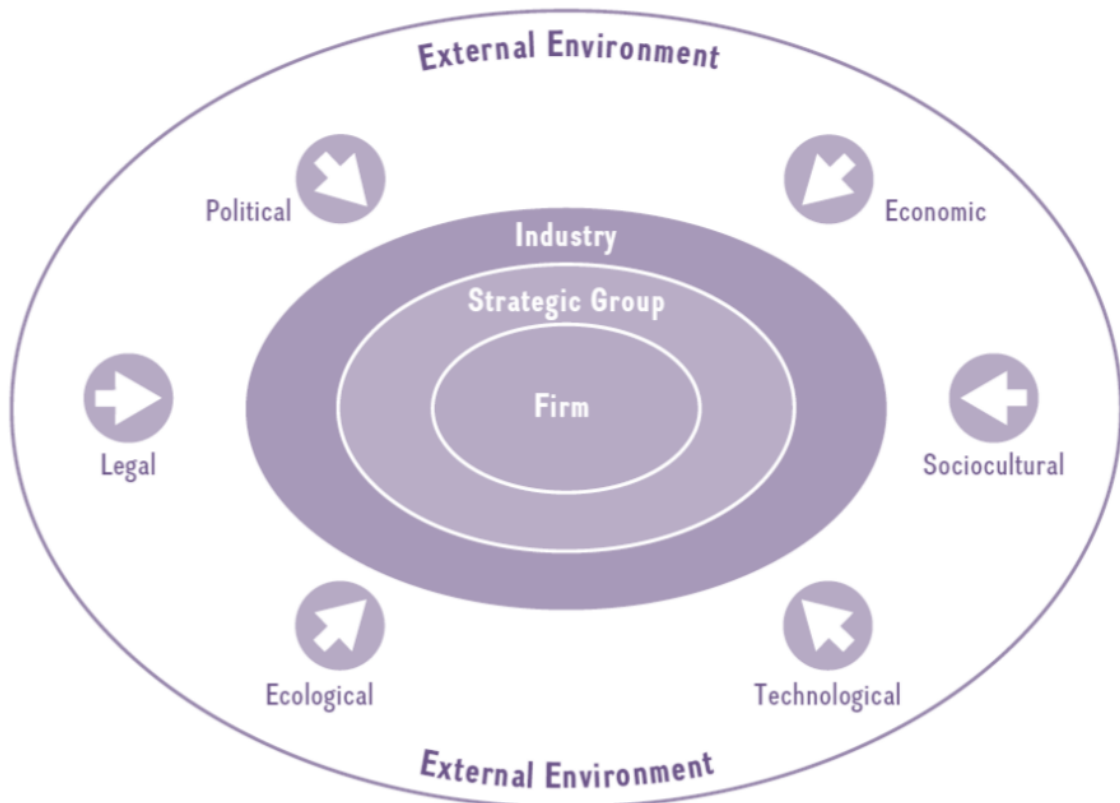
In CHAIN REACTIONS we recommended an adaptation of the classic PESTEL methodology with a strong emphasis on the innovation drivers and their impact on future developments in the selected industrial areas:

P	Political factors
E	Economical factors
S	Social and cultural factors
T	Technological factors The classic analysis of technological factors will be adapted in order to take into account the potential influences in the selected industrial areas of the innovation drivers addressed in CHAIN REACTIONS: - Key enabling technologies - Digital transformation - Service innovation - Resource efficiency / circular economy
E	Environmental factors
L	Legal factors

Motivation and necessity to change

The motivation or necessity to change is illustrate by the S curve of innovation and disruption: the 'new economic world' replaces the 'old economic world' with increasing speed, driving static companies out of business. The time scale can be quite different for different sectors, the trend to increased innovation pace is common to most sectors.
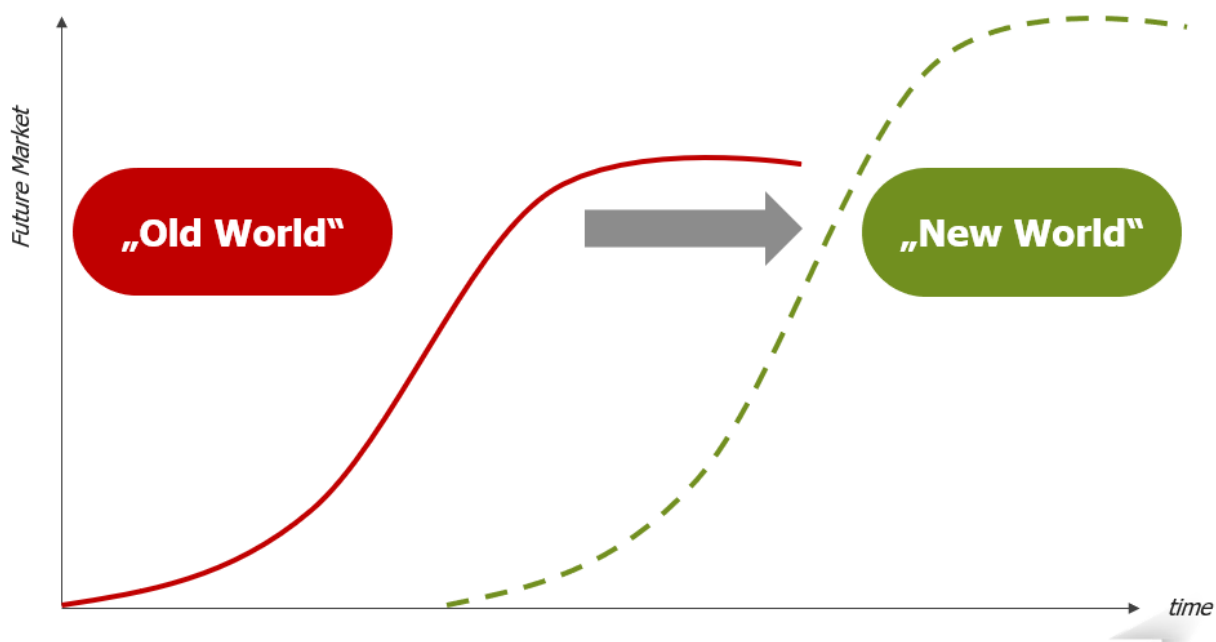
Our conclusion is therefore that a company's capacity for change (CC^C) must be equal or higher to the rate of change of the market (CR^M).

$$CC^C >= CR^M$$

Organisational change for future-ready businesses (organisations)

Today's businesses are often set up as traditional hierarchies or matrix organizations with roots stretching back to the industrial revolutions of the 18th, 19th, and 20th centuries. In theory, these structures provide clear lines of authority from frontline employees up through layers of management. In practice, matrix structures have often grown more complex as business reality has —to the extent that in some companies they are so cumbersome they hardly function.

Future-ready organizations need to structure themselves in ways that make them fitter, flatter, faster, and far better at unlocking value.
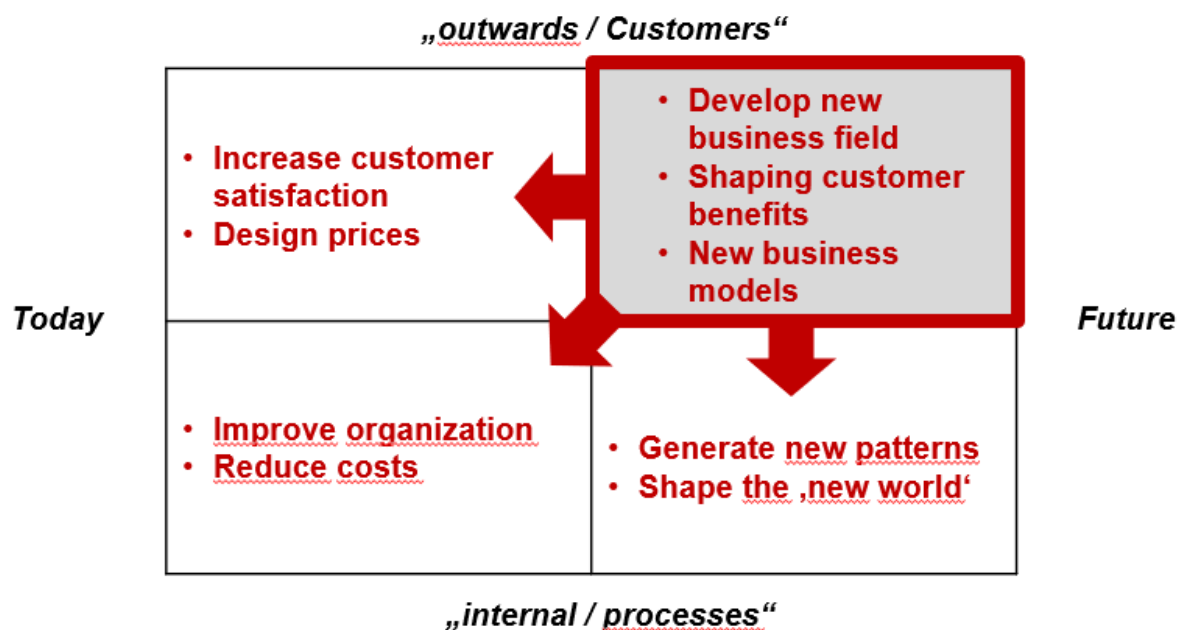
Future-ready organizations view partners as extensions of themselves. These relationships feature porous boundaries and high levels of trust and mutual dependence to share value and let each partner focus on what it does best.

Experiment-and-learn environments encourage accelerated personal growth and improvement for employees.

2   FUTURE READINESS / RESILIENCE MATURITY AUDIT

2.1   Background for the upgraded CHAIN REACTIONS maturity model

The initial maturity model delivered in CHAIN REACTIONS was focusing on digital maturity aspects. The further development of the maturity model towards a full fledge practicable model integrating all aspects of the value chain innovation model (digitalization, circular transition, servitisation of the economy, integration of technologies) could not be achieved at that time due to the complexity of the task.

Considering the surge of the Covid-19 pandemic, the focus of the work of the project partners has shifted towards the adaptation to the crisis. In this respect, the concepts of resilience and adaptability of businesses were gaining momentum compared to other topics and needed to be integrated into a maturity model. A working group was setup by the end of December 2020 in order to explore ways to develop a comprehensive and usable maturity model combining innovation and resilience / future readiness by the end of 2021.

This model is built in a similar way to the initial maturity model and covers the following dimensions of businesses:

- **Organisation:** this dimension covers how the company's organisation mirrors its way of addressing innovation and preparing for the future.
- **Products and services:** this dimension covers how the company develops new products and services
- **Resources:** this dimension covers how companies allocates resources to innovation
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2.2 Full questionnaire – an example

> **Instructions**
>
> 1. Read each statement and determine how much you agree with each one (looking at the column headers)
> 2. Insert a "1" in the column that is most appropriate to indicate an answer. Formulas at the bottom will score the audit and you will see a SCOREING KEY at the bottom as well
> 3. Check your final score at the bottom against the scoring key at the bottom

Resilience Audit

	4 - Fully	3 - Often	2 - Partial	1 - Little	0 - None	
QUESTIONS 1-10 - Organisation	**7**	**1**	**1**	**1**	**0**	**34**
We have a common understanding for the term 'future-oriented adaptability'	1					
Future orientation is one of our core values		1				
There is support for taking risks			1			
It is okay to fail once in a while				1		
Our company has a long-term strategy addressing future business domains	1					
Our innovation strategy is linked to our corporate strategy	1					
Senior executives drive future-orientation in our organization	1					
We have people focused on identifying key future market, customer, and other insights	1					
Innovation is the job of the boss	1					
Innovation is part of all employees	1					
QUESTIONS 11-20 - Products & Services	**1**	**1**	**5**	**3**	**0**	**20**
I know how to submit an innovation idea	1					

> Insert a "1" in the column that is most appropriate to indicate an answer. Formulas at the bottom will score the audit and you will see a SCORING KEY at the bottom as well

	C1	C2	C3	C4	C5	Score
We have a communication strategy for future orientation		1				
I collaborate on innovation ideas with my coworkers			1			
We have software for innovation management in place				1		
We have a new product development process in place				1		
We launch new products on time				1		
We launch new products faster than our competition			1			
Quality management well understood and widely distributed in our organization			1			
We are constantly looking to improve as an organization			1			
We have a methodology for generating ideas in our company			1			
QUESTIONS 21-30 - Resources	**1**	**5**	**1**	**3**	**0**	**24**
Relevant stakeholders know what kinds of future oriented innovations the company is looking for	1					
Relevant stakeholders have been trained on these one or more methodologies		1				
We have a portfolio of strategy/innovation projects			1			
Our portfolio of strategy/innovation projects is actively managed				1		
We have a formal process for project idea selection				1		
We use one or more innovation methodologies				1		
We have a clear set of success metrics		1				
We have a process for killing failing projects		1				
We have a formal process for future oriented innovation idea funding		1				
We have a separate pool of funding available for future-oriented innovation projects		1				
QUESTIONS 31-40 - Processes	**5**	**1**	**1**	**3**	**0**	**28**
We have an innovation idea/future strategy development process	1					
We have a formal process for staffing key innovation projects		1				
We have a process for recognizing and rewarding stakeholds			1			
Our organization is a good home for innovators				1		

Insert a "1" in the column that is most appropriate to indicate an answer. Formulas at the bottom will score the audit and you will see a SCORING KEY at the bottom as well

Our organization is a good home for intrapreneurs				1		
Marketing and R&D have a good relationship and share information				1		
Knowledge of the customer is shared widely in our organization	1					
People have time to innovate in our organization	1					
People know where to go for funding for an innovation idea	1					
There is more than one funding source available for future-oriented innovation ideas	1					
QUESTIONS 41-50 - Value Network	**1**	**1**	**1**	**7**	**0**	**16**
We solicit future-oriented innovation ideas from employees	1					
We solicit future-oriented innovation ideas from suppliers		1				
We solicit future-oriented innovation ideas from partners			1			
We solicit future-oriented innovation ideas from customers				1		
Suppliers would describe our organization as future-oriented/resilient				1		
Partners would describe our organization as future-oriented/resilient				1		
Customers would describe our organization as future-oriented/resilient				1		
We have a formal process for strategic resilience				1		
We have a formal approach for networked innovation				1		
We are considered the partner of first resort for future orientation				1		
Column Totals	15	9	9	17	0	

Insert a "1" in the column that is most appropriate to indicate an answer. Formulas at the bottom will score the audit and you will see a SCORING KEY at the bottom as well

Grand Total	122

QUESTIONS 1-10 - Organisation	7	1	1	1	0	34
QUESTIONS 11-20 - Products & Services	1	1	5	3	0	20
QUESTIONS 21-30 - Resources	1	5	1	3	0	24
QUESTIONS 31-40 - Processes	5	1	1	3	0	28
QUESTIONS 41-50 - Value Network	1	1	1	7	0	16

Resilience