



Innovation Balanced Scorecard

Measure Innovativeness of your Company

AlpRocket – Empowering Ideas for Success

In a world of constant change and fierce competition, innovation has been recognized as essential to the company survival. But its added value is rarely measured because it is intangible and difficult to measure with traditional financial methods. The Balanced Scorecard (BSC), as we know it, must evolve to reflect the contribution of the innovation.

The company does not innovate to innovate, but to offer a specific value to the customer. Innovation underpins strategy to create a sustainable competitive advantage. It goes without saying that innovation initiatives must be aligned with the strategic objectives of the company and as such their impact should be measured.

Today, all sectors are confronted with two types of innovation: disruptive innovation that corresponds to new products / services, or business models profoundly changing customers' and competition's habits, and sustaining innovation that reflects the incremental improvement in products / services thus extending their life cycle.

Take the example of the global automotive industry, which has given birth to a new sector - the mobility ecosystem. This change has profound implications on how we move daily. New players and business models are emerging, such as electric vehicles with their components (Tesla Motors); autonomous vehicles (Tesla Motors, Google, Uber); charging stations (GreenMotion, ABB), car sharing, rental and mobility services and platforms (Zipcar, Car2Go, BlaBlaCar, Lyft); robotization and industry 4.0 (Siemens, KUKA, ABB); 3D printer (3Dsystems, Stratasys); data acquisition and analysis (Microsoft, Google, SAP, Oracle); GPS / GIS telecommunications (Google, Thales, Cisco). With the level of impact on our lives, mobility ecosystem is based on a disruptive innovation.

There is no doubt, measuring disruptive and sustaining innovation is not an easy task. We must integrate innovation in the 4 perspectives of BSC (Finance, Customers, Internal Processes and

Learning & Growth) and choose specific measures corresponding to the company or institution, its culture and its operating sector.

Why measure innovation?

- To demonstrate the value of innovation, to justify investments and support the best decisions.
- To evaluate strategic objectives and innovation programs that lead to better allocation of human and financial resources.
- To bring a common language and more clarity to internal communication.

Otherwise investment decisions would be based on intuition, without appreciation of the intangible value created by innovation.

With Innovation Balanced Scorecard (InnoBSC™), a comprehensive management tool that includes an ongoing analysis of internal innovation and its external results, executives are now able to better judge organisational performance and how it is positioned for the future.

By using an Innovation Balanced Scorecard (InnoBSC™) consistently, companies are better equipped for a volatile, uncertain, complex, ambiguous, and ever-changing environment.

For more details visit us at www.alprocket.com.

Berardino Turchi

E: berardino.turchi@alprocket.com

Sanja Fabrio

E: sanja.fabrio@alprocket.com