



GGI 2014 Product Development Metrics Survey Description

*North American Practices In
Organic R&D, Open Innovation,
IP, & CXO Corporate Metrics*

Prepared

March 3, 2014

*This Promotional Piece
Contains A Description
Of The “2014 GGI
Product Development
Metrics Survey.”*

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GGI 2014 PRODUCT DEVELOPMENT METRICS SURVEY

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Survey Description

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Survey Description

Focus

Innovation Strategy and Tactics; and Top Corporate R&D-NPD Metrics.

Topic Areas

The questionnaire was designed to secure the following information in five areas:

- The Respondent's Profile (location in the company structure, title, etc.)
- R&D Operating Environment
- Organic Innovation
- Open Innovation
- Intellectual Property
- Top Corporate RD&E [R&D and Product Development] Metrics Used In Industry.

Response Rate

A total of 3099 pre-qualified research questionnaires were distributed and 219 were returned for a response rate of 7.1%. After eliminating 19 responses that were otherwise incomplete or invalid, there were 200 net good responses for a response rate of 6.5%.

Respondent Profile

62.5% of responding companies were public companies, 36% were private companies, 1.5% were R&D laboratories.

Almost 60% of responding companies were from the Consumer Products, Industrial Products, Medical Products, Chemical, Automotive Vehicular, Software, Electronics, and Food industries.

48% of respondent companies had sales revenues less than \$500 million and 52% had sales revenues more than \$500 million.

98% of responding companies sell, 95% develop, and 88% both develop and manufacture in North America.

Over 85% of respondents were management level or above in their company.



Survey Demographics

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Survey Demographics

11-Pages	STUDY CONDUCTED USING A FAIRLY LARGE QUESTIONNAIRE
18	Selected companies contacted GGI asking to participate
17	GGI made surveys available at public seminars
662	Emails distributed by GGI
<u>2402</u>	Emails distributed by 23 firms or organizations to qualified participants
3099	TOTAL RESEARCH QUESTIONNAIRES DISTRIBUTED
219	Total responses [219/3099 = 7.1% Response Rate]
(4)	Less duplicate responses
<u>(15)</u>	Less incomplete and non-qualifying responses
200	NET GOOD RESPONSES
6.5%	RESPONSE RATE [200/3099]
95%	CONFIDENCE LEVEL is standard across all Margin of Error calculations associated with the response to each question.



Reports Published By GGI

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Reports Published By GGI: Comparison Of The Three Reports

STRUCTURE OF GGI'S REPORTS		THE THREE REPORTS		
		MR 51	MR 52	MR 54
COMPOSITE	<i>Survey Population Is Analyzed As A Whole</i>	text	text	text
KEY FINDINGS				
SECTIONS	<ul style="list-style-type: none"> A. Respondent Profile B. R&D Operating Environment C. Organic Innovation D. Open Innovation E. Intellectual Property F. Top Corporate Metrics Used In Industry for RD&E 		graphic	graphic
SEGMENT	<i>Survey Population Is Segmented And Compared</i>			text
KEY FINDINGS				
SECTIONS	<ul style="list-style-type: none"> Public vs. Private Companies Smaller vs. Larger Companies Process vs. Repetitive/Discrete vs. Job Shop Operations Higher Technology vs. Lower Technology Companies More vs. Fewer Employees 			graphic

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Process vs. Repetitive/Discrete vs. Job Shop Operations	<i>Observations</i> TBD
Higher Technology vs. Lower Technology Companies	<i>Analysis</i> TBD
More vs. Fewer Employees	<i>Presentation Slides</i> TBD
	TBD
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Selected Examples Of Key Findings

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Selected Examples Of Key Findings



Corporate R&D Strategies being practiced:	Percentage	Strategy
	5%	Innovator
	29%	Innovator-Extender
	45%	Balanced
	19%	Extender
	2%	Other

91% are engaged in Product Development.
 67% are engaged in Advanced Development.
 47% are engaged in Applied Research.
 18% are engaged in Basic Research.

42% of companies report Open Innovation importance is increasing.
 9 OI techniques have now penetrated more than 10% of industry.
 32% of companies generate revenues from their intellectual capital.

30% of companies are changing their Trade Secret practices due to First-To-File becoming law.

The Top 5 Metrics used by respondent companies:

[The survey contains 88 in ranked order.]

R&D Spending as a % of Sales	79%
R&D Headcount	67%
Current-year % Sales due to New Products Released In The Past "N" Years	62%
# Patents Filed/Pending/Awarded/Rejected	61%
Number of New Products Released	58%

END