

GE GLOBAL INNOVATION BAROMETER.



Global Research Report
January 2012



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StrategyOne

Methodology

- Conducted by StrategyOne, an independent research and consulting firm, between Oct 15 and Nov 15, 2011 in 22 markets
- Telephone survey of 2,800 senior business executives
- All respondents SVP-level or above, 30% c-suite level
 - **All respondents directly involved in the innovation strategy or process within their company**
- Average company size is 1,500 employees, 20% of respondents belong to companies of more than 5,000 employees
- Average interview length: 16 minutes

Sample

- Minimum 100 respondents per market
- Larger sample sizes in USA (300) & BRIC countries (200)
- Each market afforded the same weight in global results
- Year-over-year tracking possible in 12 markets (underlined below)

AMERICAS sample: 700

USA: 300
Brazil: 200
 Canada: 100
 Mexico: 100

APAC sample: 800

China: 200
India: 200
 Singapore: 100
Australia: 100
S. Korea: 100
Japan: 100

EUROPE sample: 700

Germany: 100
Sweden: 100
 UK: 100
 France: 100
 Poland: 100
 Russia: 200

MENA sample: 600

Israel: 100
 Turkey: 100
KSA: 100
UAE: 100
 Algeria: 100
 S. Africa: 100

Margin of error varies with sample size:

Global sample (2800)	Between 0.4 and 2.4 pts	BRIC (200)	Between 1.4 and 6.9 pts
US (300)	Between 1.1 and 5.6 pts	Other Markets (100)	Between 1.9 and 2.7 pts

Content Overview

- Impact of the Financial Crisis on Innovation
- The Global Innovation Environment
- Expectations & Optimism for Innovation
- New Model of Innovation
- Global Innovation Reputation and Self-Assessments
- Innovation Definitions

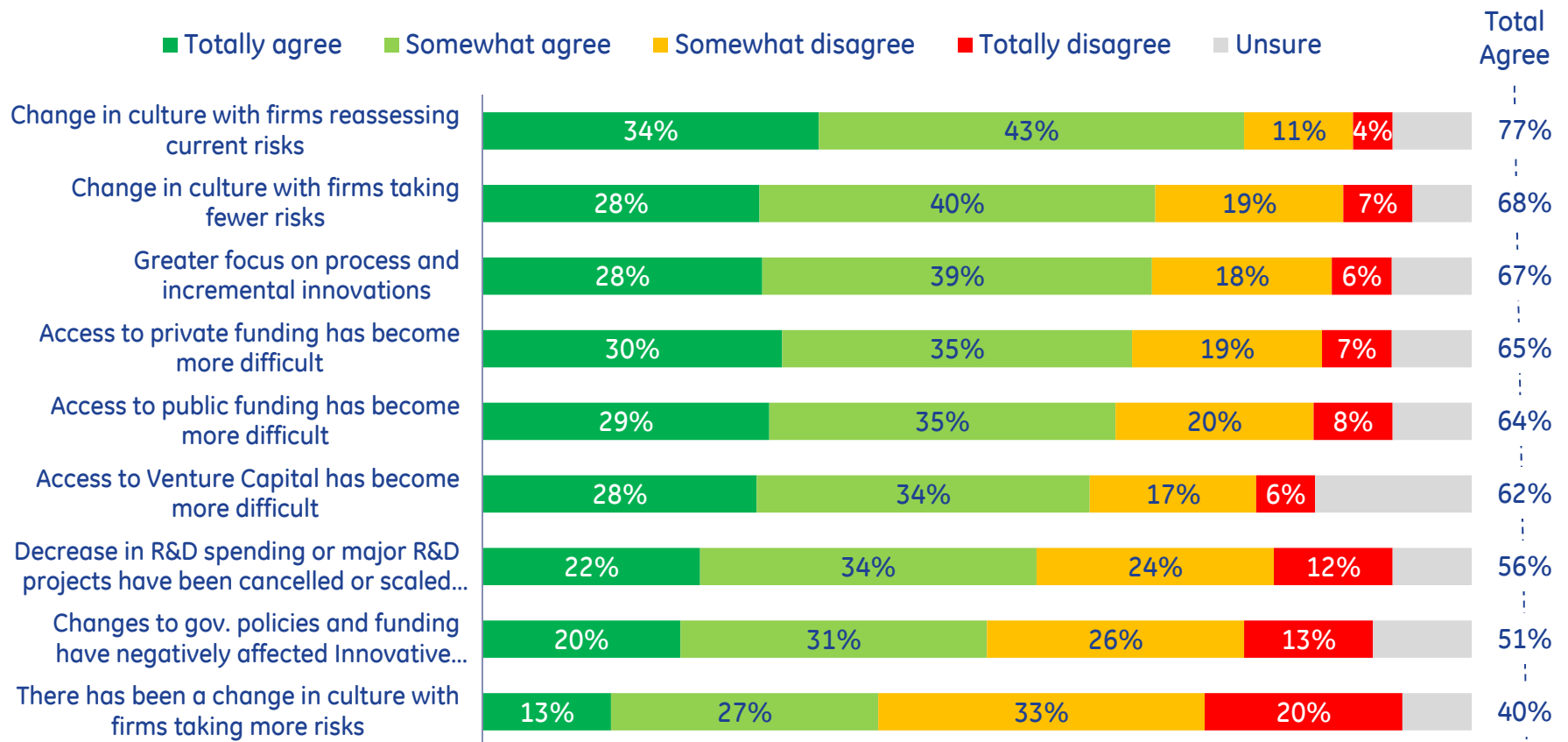
Impact of the Economic Crisis on Innovation



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How the economic crisis has affected business' ability to innovate (global average)

To what extent do you agree or disagree with each of the following statements? All statements are related to the way the economic crisis may have impacted your company's innovation.



The Global Innovation Environment



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Innovation Environment

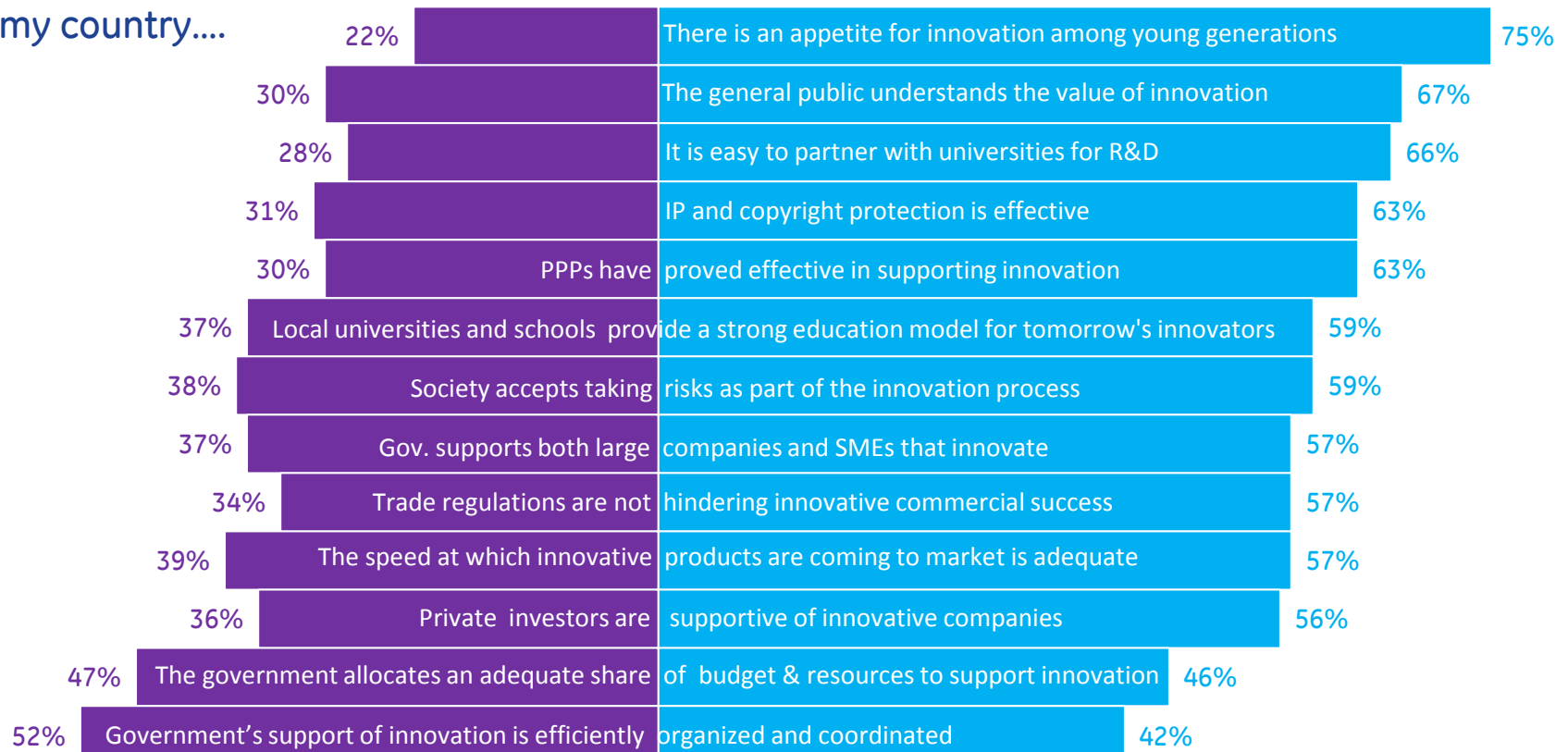
Investigates businesses' perceptions of their home country's political, economic and social environment in the context of their ability to innovate. Innovation environment is comprised of the following 13 indicators:

1. Level of government support
2. Efficiency of government support
3. Trade regulations
4. IP and patent protections
5. Efficacy of public-private partnerships
6. Support of private investors
7. Preparedness of tomorrow's innovators
8. Value public places on innovation
9. Public appetite for innovation
10. Societal acceptance of risk-taking
11. Level of public support for business
12. Ease of partnership with academia
13. Speed of innovative products to market

How business perceives each indicator of the innovation environment (global average)

Please state whether you totally agree, somewhat agree, somewhat disagree, totally disagree with the following statements:

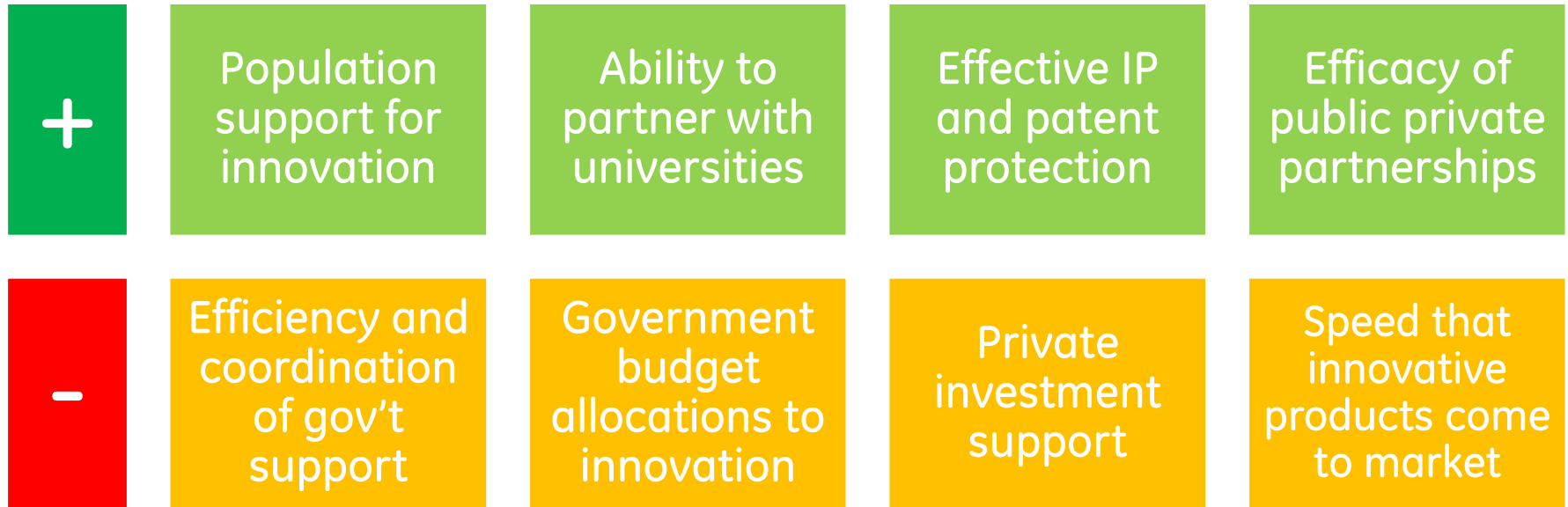
In my country....



Total Disagree (%) Total Agree (%)

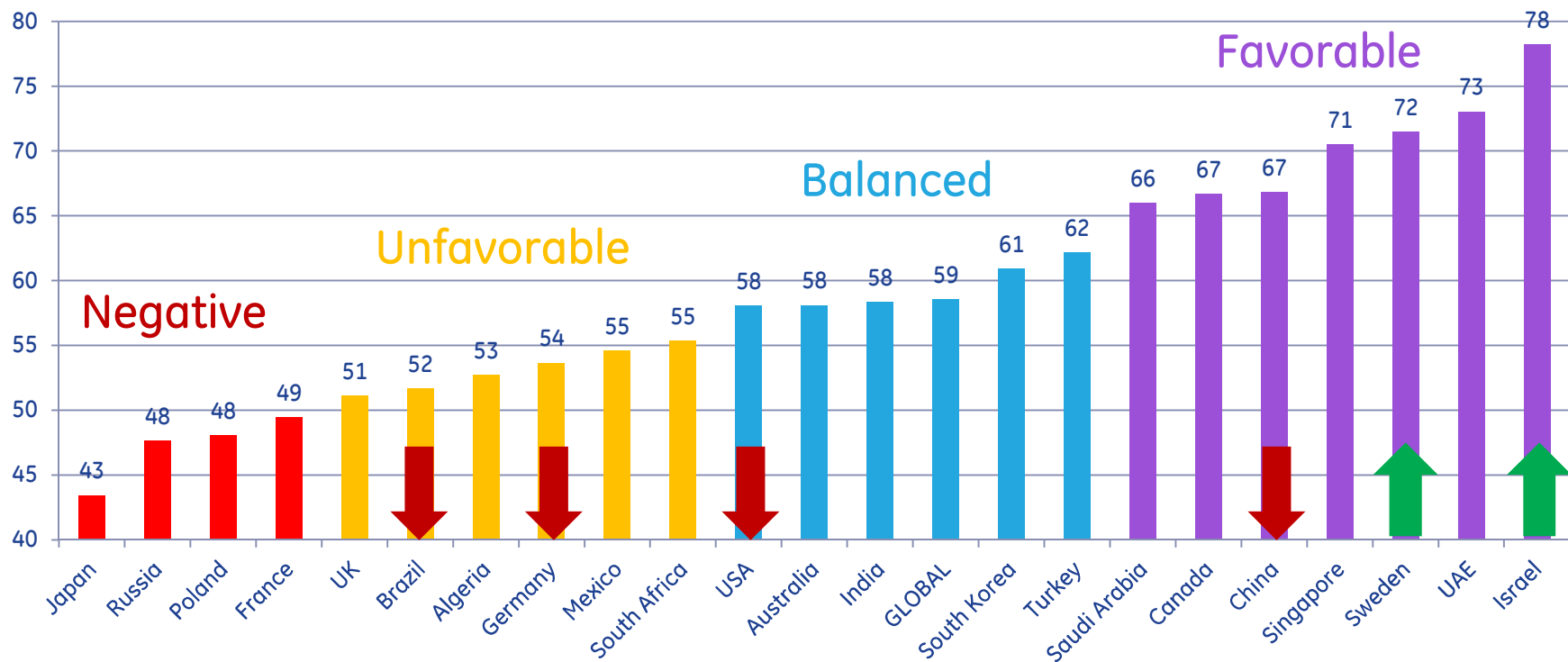
Globally identified drivers and deterrents for innovation

Which elements of the global innovation environment generated the most satisfaction / frustration among businesses (4 most positive / 4 most negative at global level)



How business perceives their home country's innovation environment

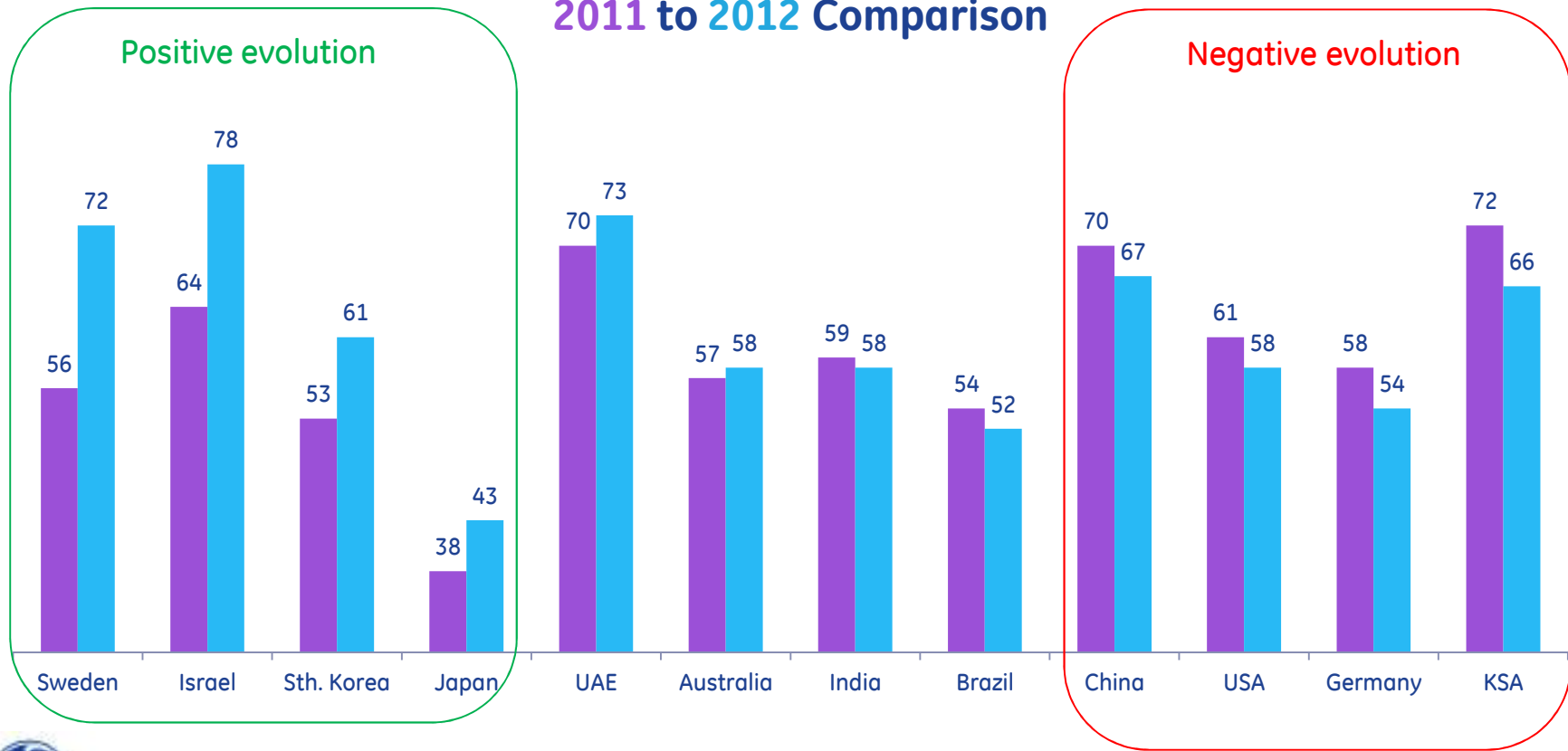
Innovation Environment Index: This 100-point index illustrates how satisfied businesses in each market are about the combined 13 elements that make up the innovation environment. Arrows indicate year over year trends.



2011 to 2012 comparison of innovation environment perception

Innovation Environment Index: This 100-point index illustrates how satisfied businesses in each market are about the combined 13 elements that make up the innovation environment.

2011 to 2012 Comparison



Expectations & Optimism for Innovation



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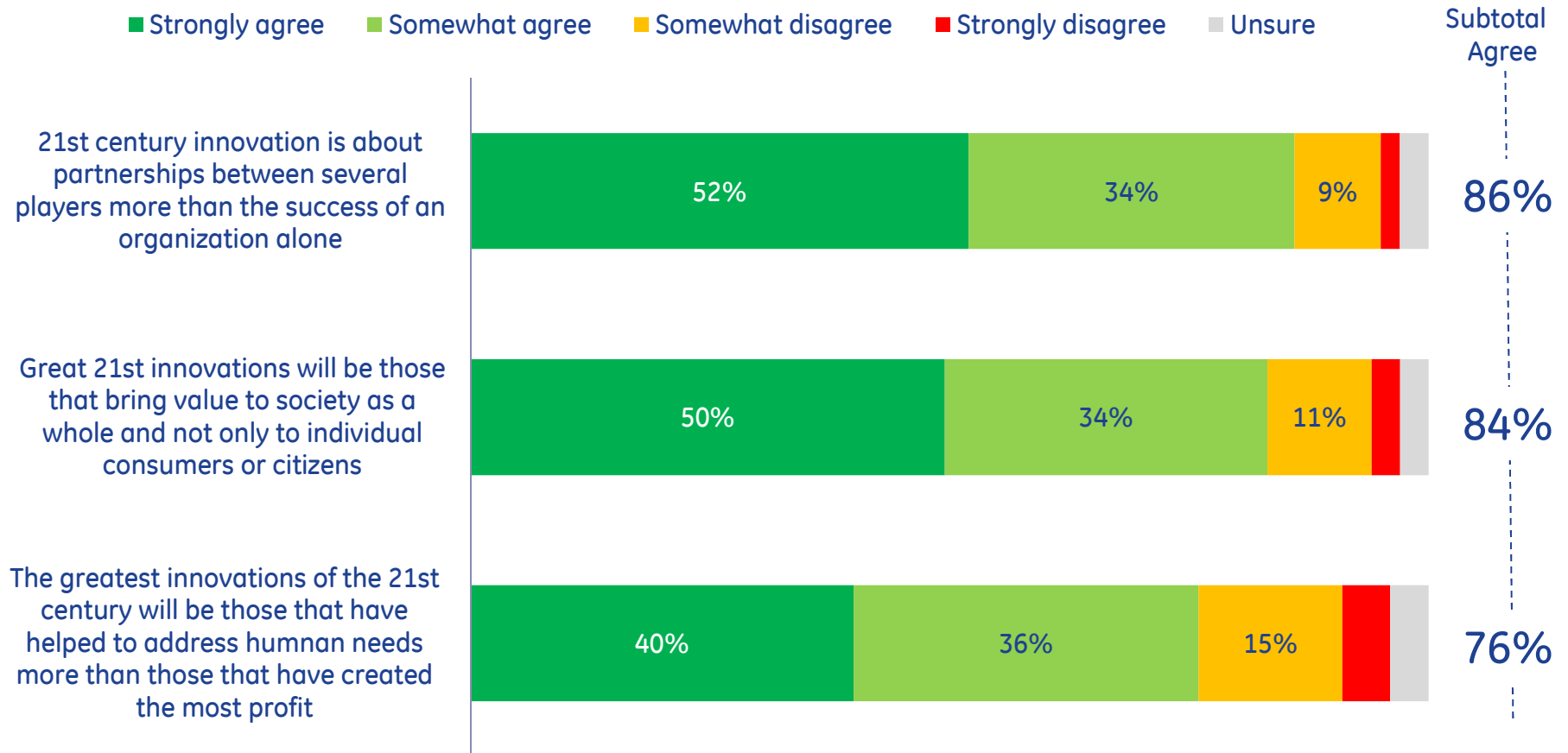
Innovation and competitiveness

To what extent do you agree or disagree with each of the following statements?



Innovation and social value

To what extent do you agree or disagree with each of the following statements?



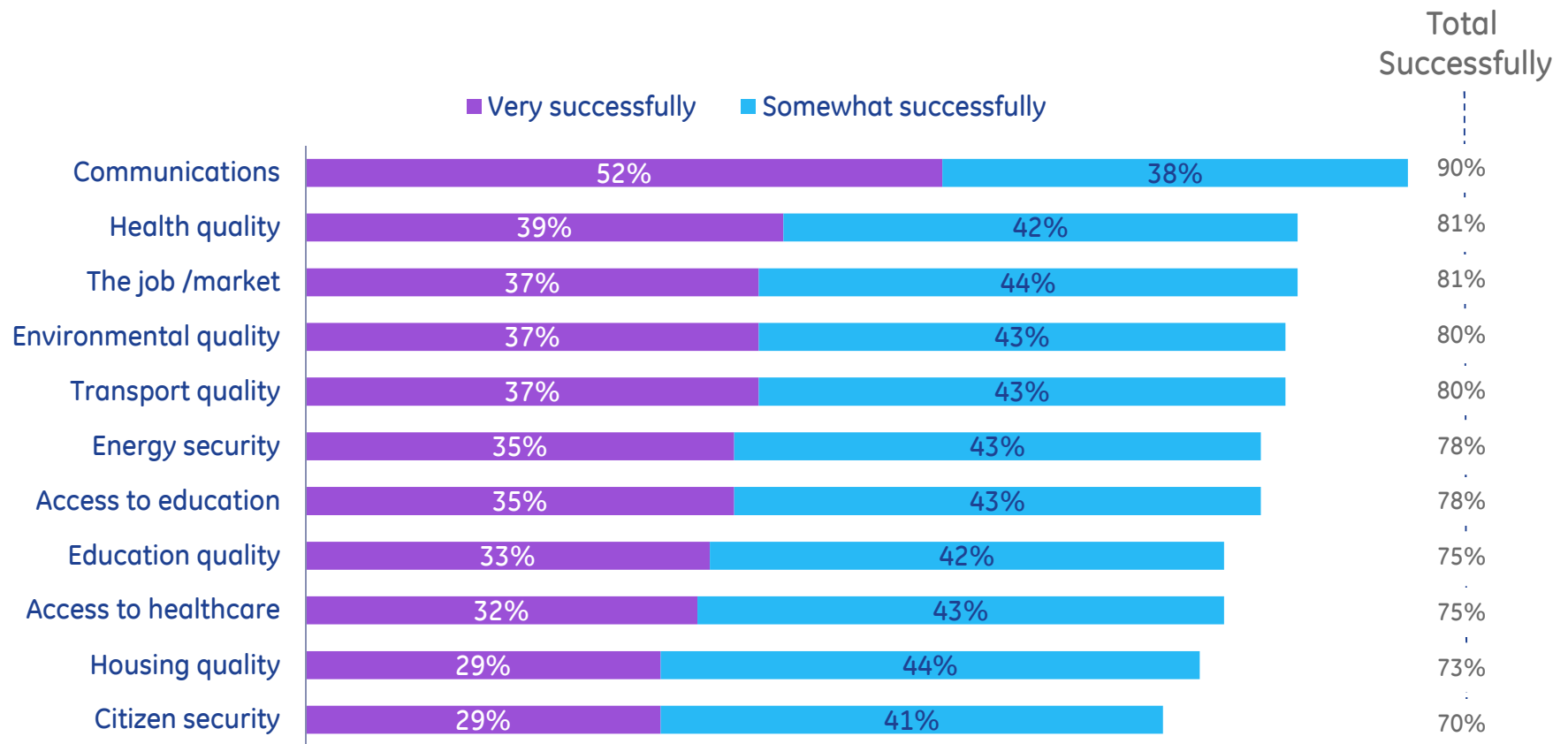
Innovation Optimism

Investigates how optimistic the business community feels about innovation's potential to improve quality of life for people in their home country. Specific areas for exploration include:

- The job market
- Access to healthcare
- Health quality
- Energy security
- Environmental quality
- Communications
- Transport quality
- Access to education
- Education quality
- Housing equality
- Citizen security

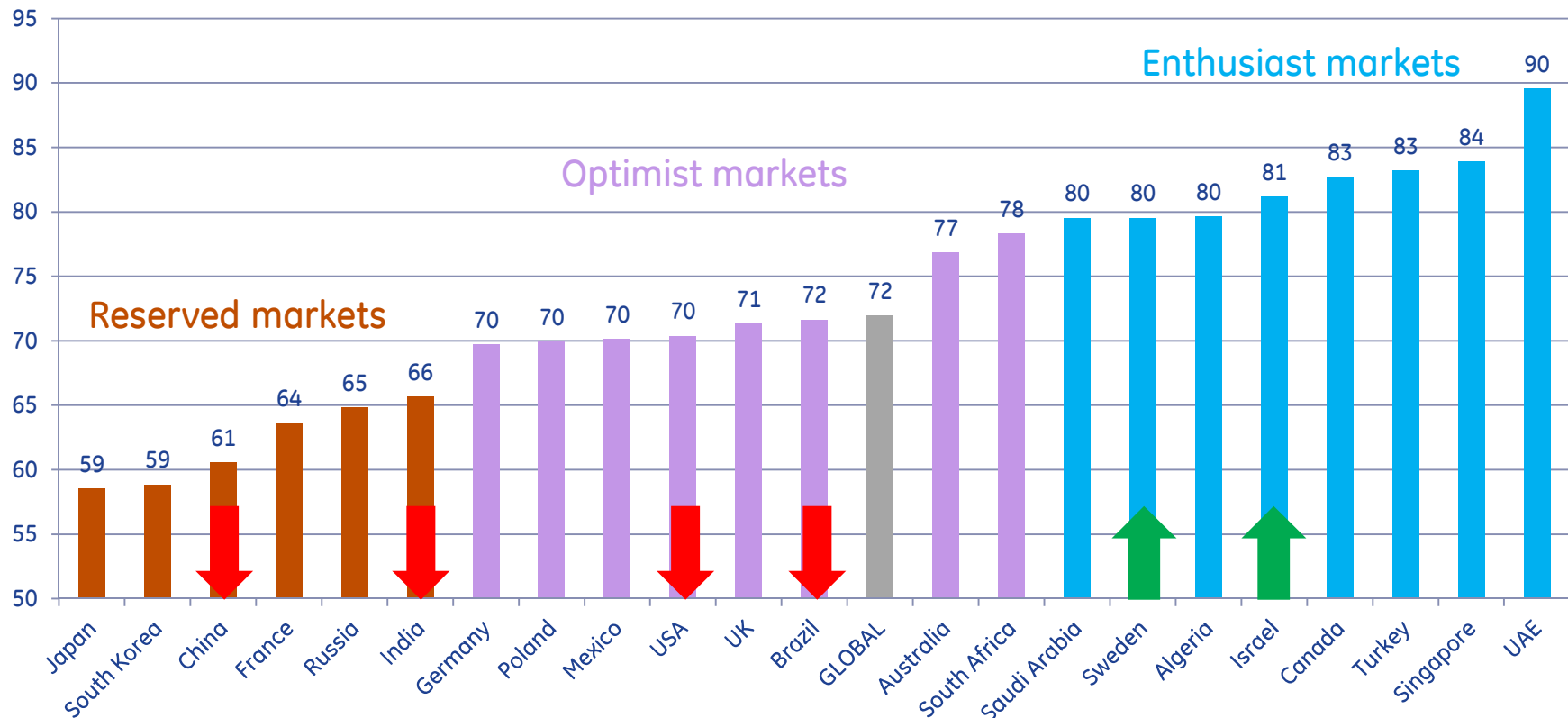
How optimistic business feels that innovation will result in better life (by area)

How successfully do you think innovation could improve citizens lives in each of the following areas?



How optimistic business feels that innovation will result in better life (by market)

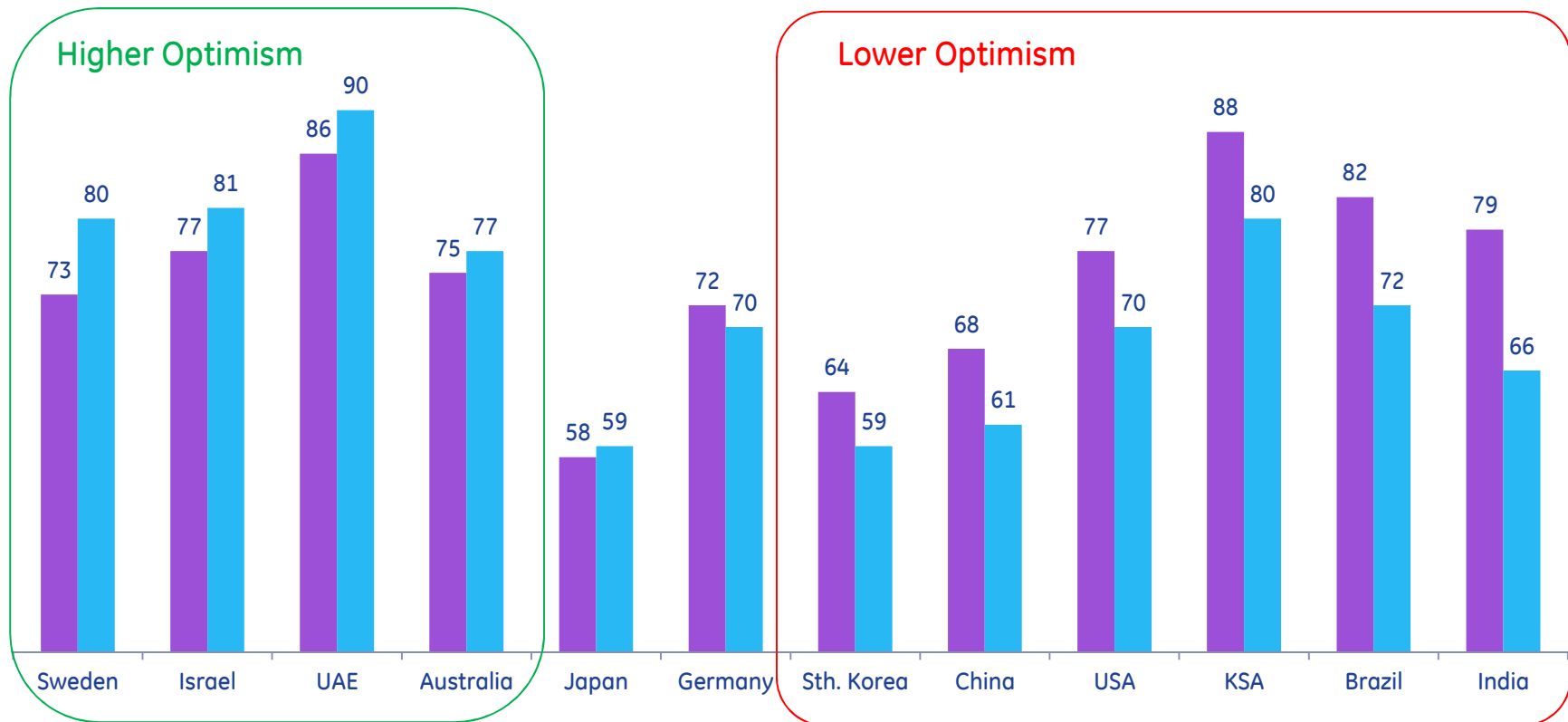
Innovation Optimism Index: Hundred-point index illustrates how optimistic business is that innovation will successfully convert into improved quality of life for citizens. Arrows indicate year-over-year trends



2011 to 2012 comparison of business optimism for innovation

Innovation Optimism Index: Hundred-point index illustrates how optimistic each market is that innovation will successfully convert into improved quality of life for citizens.

2011 to 2012 Comparison



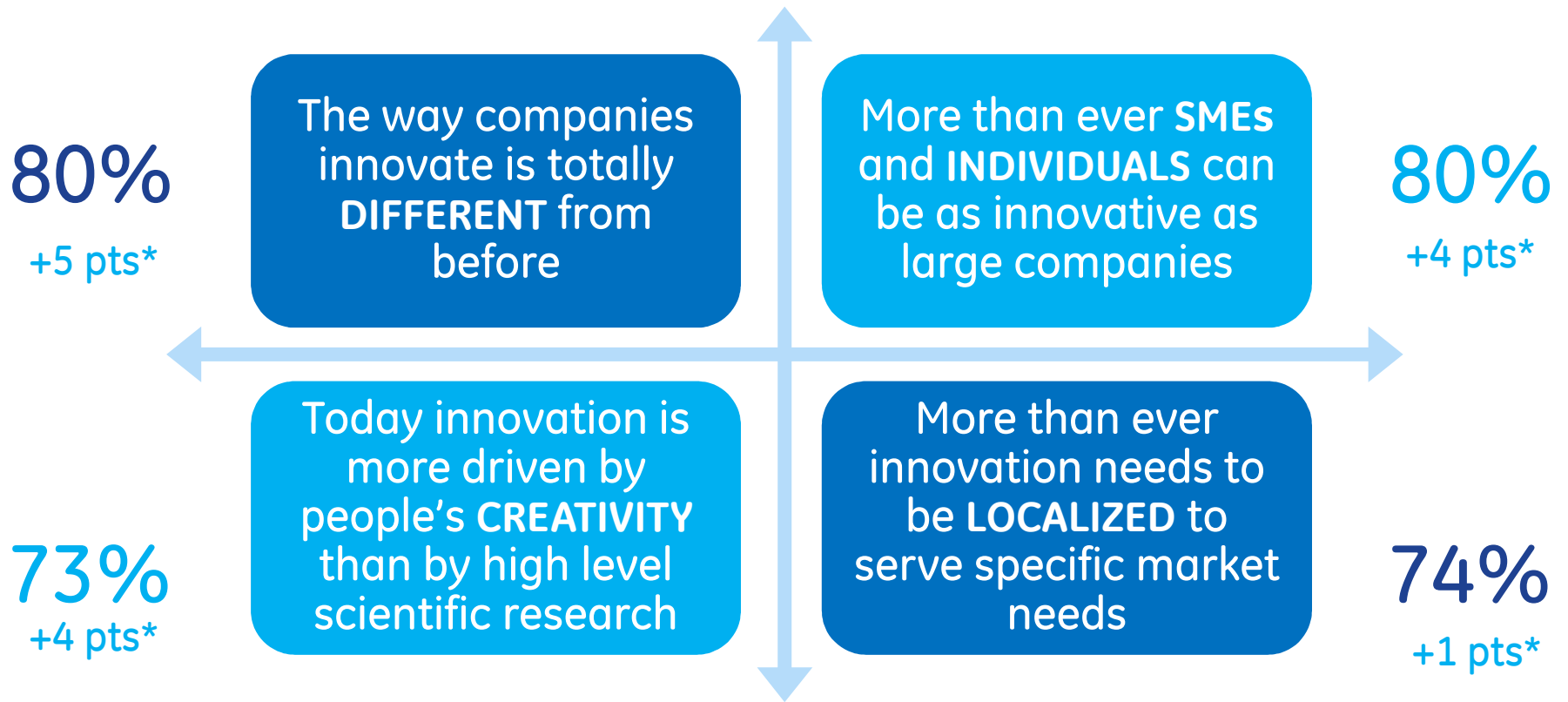
New Model of Innovation



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Business embracing a new model of innovation

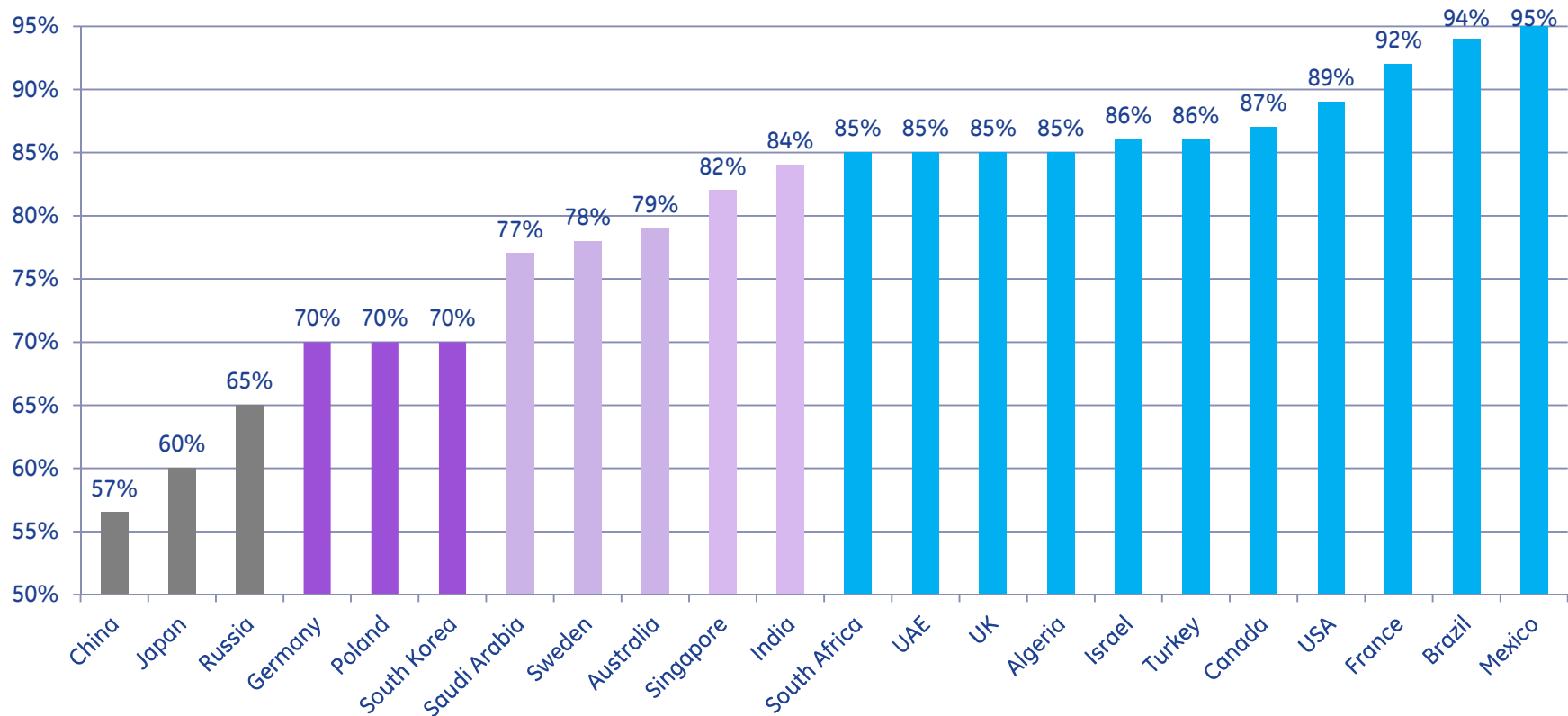
To what extent do you agree or disagree with each of the following statements? (% Agree)



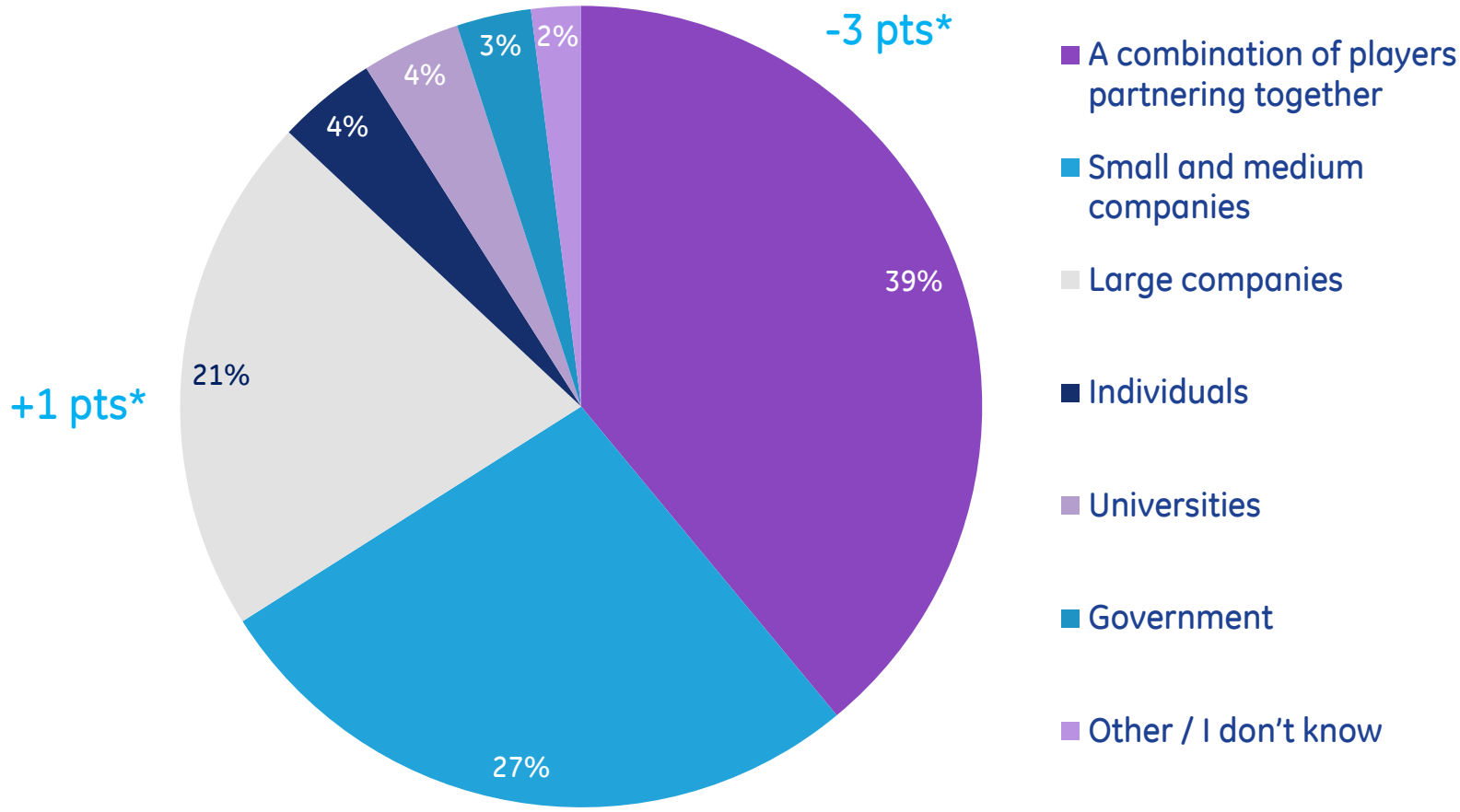
* Year on year tracking on 12 markets

Harnessing the innovative potential of SMEs and individuals (by country)

More than ever before, SMEs and individuals can be as innovative as large companies (% Agree)



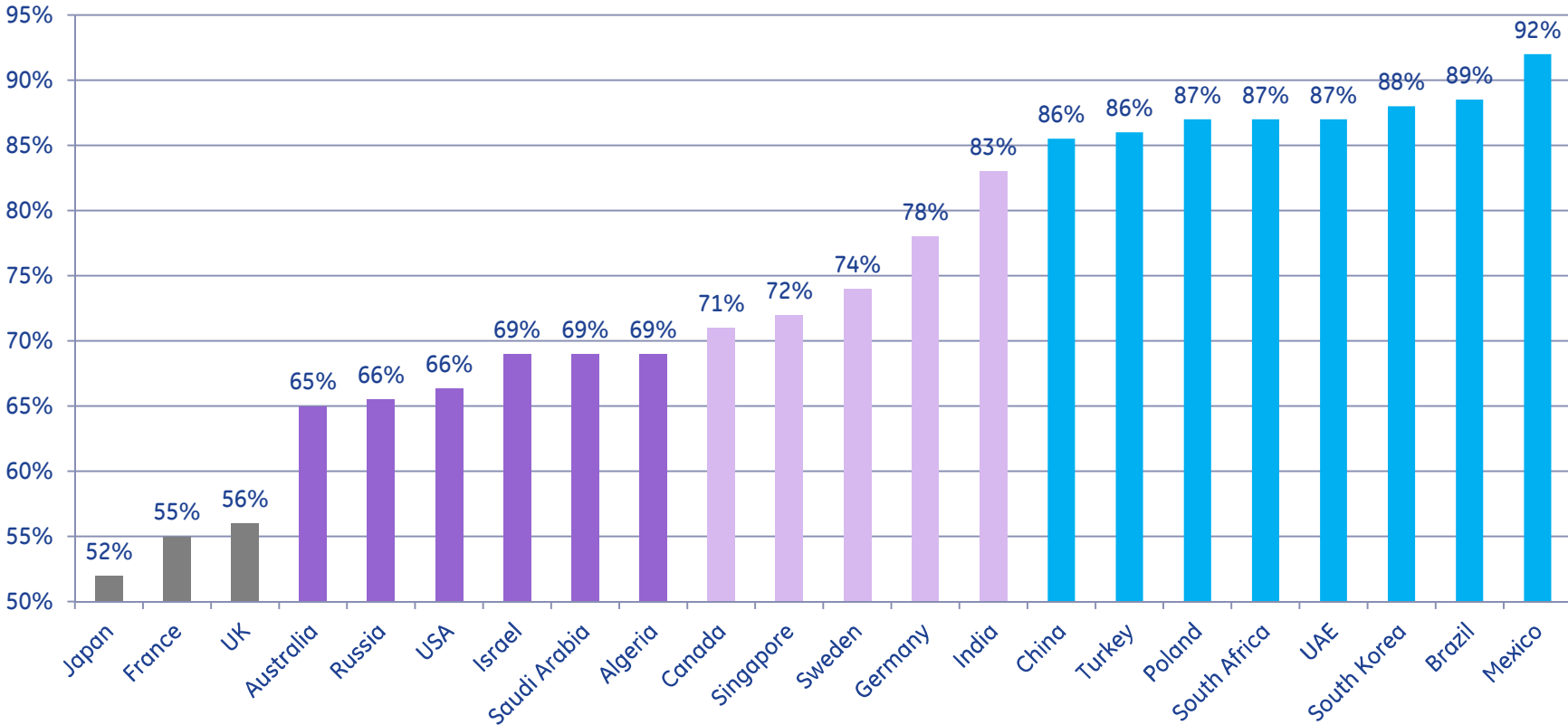
Most likely to drive innovation through the next decade (global average)



*Demonstrates year over year shifts

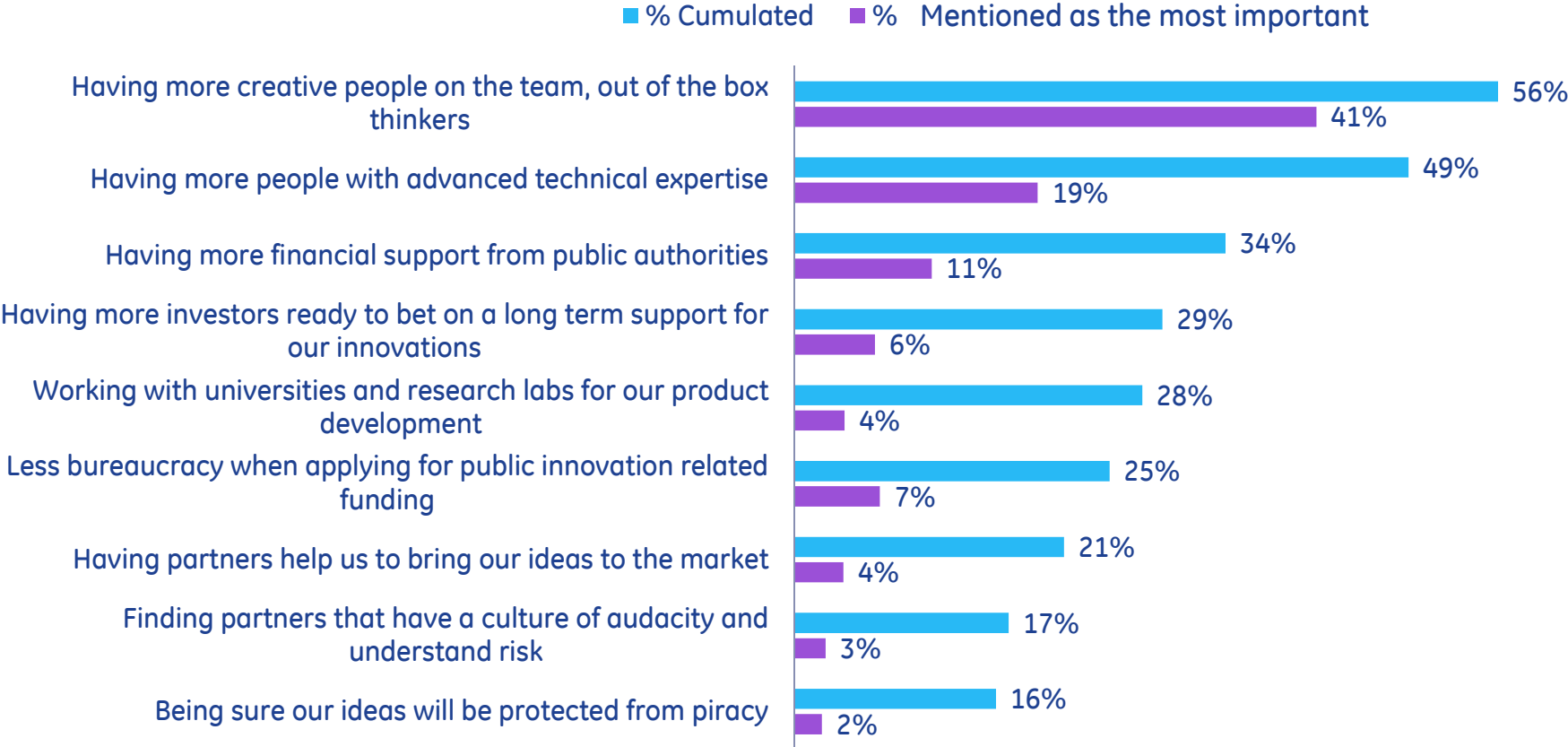
The importance of localization in innovation (by country)

More than ever before, innovation needs to be localized to serve specific market needs (% Agree)



What business needs to be more successfully innovative (global average)

At your own company level, what could most help you to be more successfully innovative?



Global Innovation Reputation and Self-Assessments

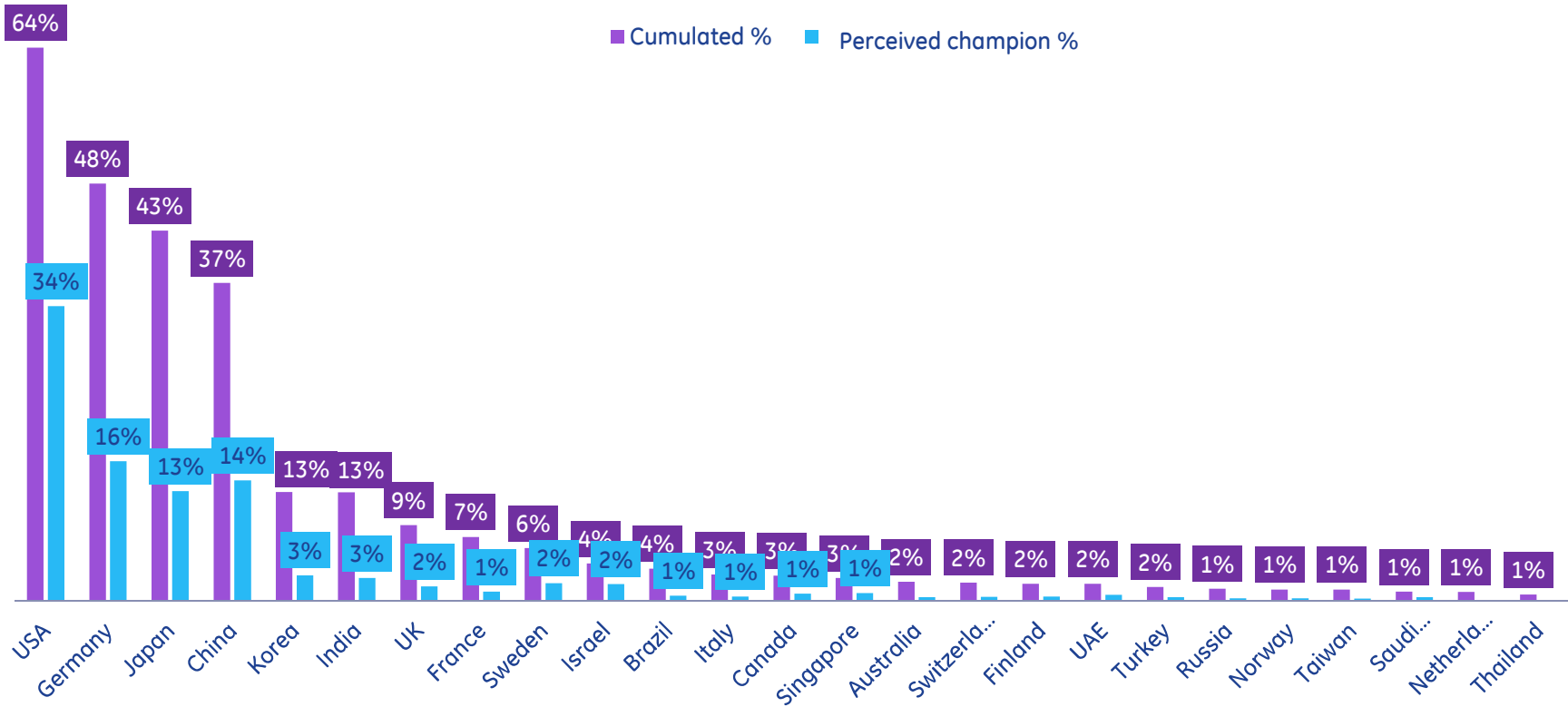


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The countries with the best innovation reputation

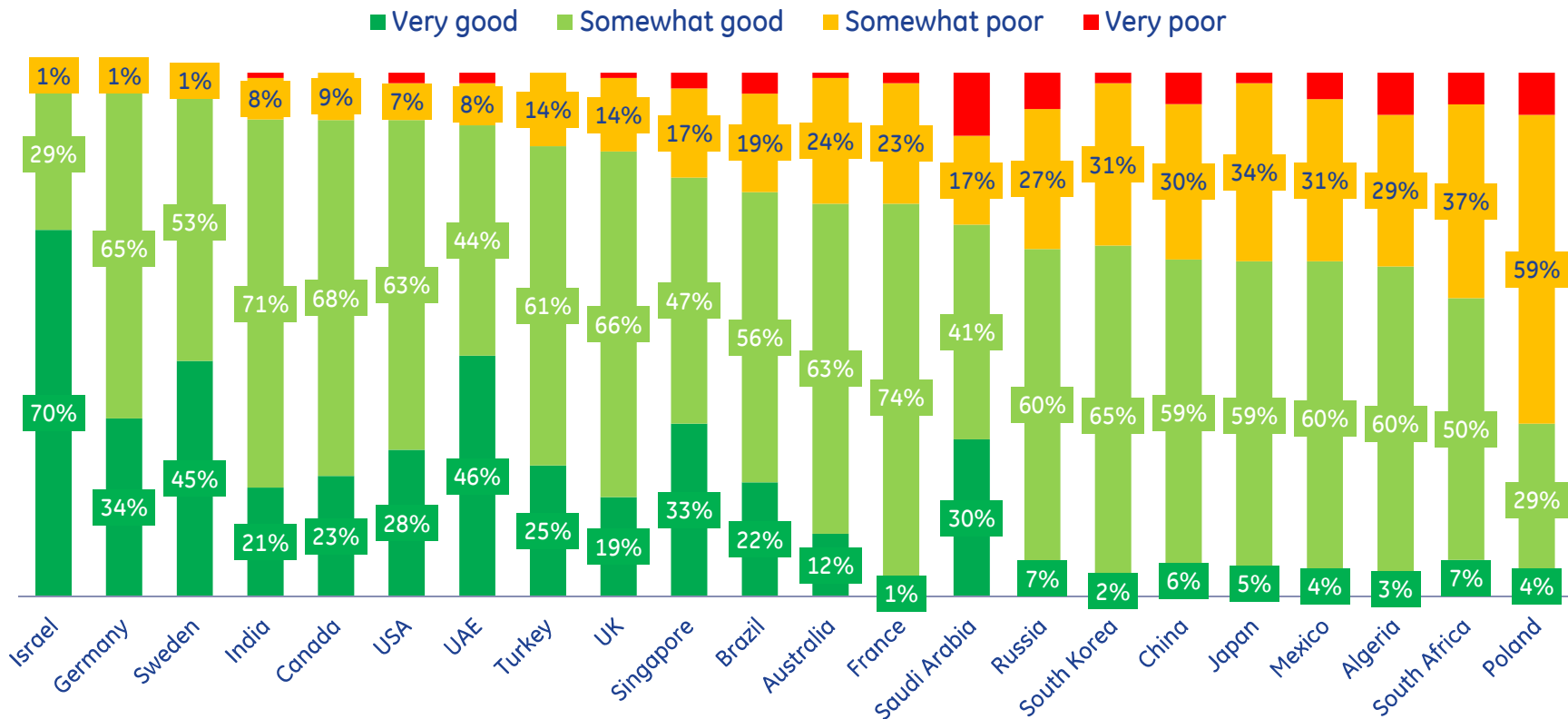
(Respondents asked to identify and rank top 3 leaders)

What are the 3 countries that you see as leading innovation champions? Respondents asked to identify one country they regarded as the clear champion. Respondents allowed to name their own country.



Businesses assess their home country's innovation reputation

Do you think that the reputation of your country as an innovative market is...



Innovation Definitions



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How business defines innovation

Which two aspects below most closely correspond to your personal definition of innovation?

Definitions elements	Top choice	Total mentions
The implementation of new processes, products, organizational changes or marketing changes	35%	47%
An environment/culture that embraces positive change, creativity and continuous improvement	27%	42%
Research and development, new intellectual property (IP), and inventions	17%	41%
Staying ahead in the market and being a market leader	12%	32%
Solutions that benefit society and societal outcomes (including environmental outcomes)	9%	29%
None of the aspects above is close to my personal definition of innovation	1%	10%

For more information about the Global Innovation Barometer, contact:

Antoine Harary

Director of Research

StrategyOne

antoine.harary@strategyone.com

Una Pulizzi

Manager, Global Public Affairs

GE

una.pulizzi@ge.com

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