

## Press release

### Line managers unsatisfied with outcome innovation process

*Amsterdam*, 21<sup>st</sup> August 2007 – Celerant Consulting, the global management consultancy specialising in operational improvement, has completed a research study amongst 300 line managers in R&D and Sales & Marketing. They work at some of Europe's leading companies, and between them manage over 75% of the European and 21% of the global R&D budget.

The most important results of this study are:

- Less than one third of all innovation work results in a new product
- Reward systems for innovation ideas do not work
- Only the respondents in the automobile industry are satisfied with their innovation process
- The respondents in the manufacturing industry judge the R&D department as poor

The research was primarily based on the question of how satisfied are line managers with various important aspects of innovation within their company. Secondly there was a focus on the successful financial performance and management of multiple R&D locations and/or projects. Thirdly the research looked at the actual effectiveness of the innovation process.

All functions and departments that took part in the research identified that the self-development of ideas, the relevant reward system and the measurement of key performance indicators can all be improved. The study also shows that line managers doubt that their companies have the internal capability to process innovation projects.

Furthermore the results show that there are big differences between different market sectors. For example, respondents from the energy sector are very dissatisfied about the idea developments, whilst respondents from the manufacturing industry are dissatisfied with the reward system.

Two thirds of all the projects on which the respondents in this study are working are about product improvements and/or modifications. Only one third of all projects on which the respondents work have to do with the development of an entirely new product.

“The word “innovation” is therefore used in a wide context, and should be expanded even further to include all processes in the value chain” said Jeroen van der Meer, Celerant’s country manager in the BeNeLux region. “The implementation of new business models is also a form of innovation in as much that it can also significantly contribute to value creation”.

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For more information or interviews please contact:

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**About Celerant Consulting**

Celerant Consulting (Celerant) is a leading global management consultancy specialising in delivering operational transformation across a broad range of industry sectors.

Celerant helps leading companies worldwide achieve and sustain world class performance from their operations. The essence of its approach is Closework® where consultants work side-by-side with people in the front lines of the business to ensure sustainable and measurable gains. Celerant embeds long-term behavioural change into the culture of the client organisation – the key to sustainable change.

In 2006, Celerant delivered over \$1 billion in annualised sustainable savings to its clients. Over the last 20 years, Celerant has become the largest independent firm of business operations consultants with revenues of \$145 million in 2006.