ACCELERATING LONG-TERM GROWTH THROUGH INNOVATION & SUSTAINABILITY

DuPont Sustainable Solutions
Businesses today are faced with an increasingly complex and rapidly changing environment. As technology advances exponentially, traditional economic theory is being challenged in almost all industries.

Globally, increasing data processing power, artificial intelligence, automation, remote sensing and IoT will usher in a future that is hard to imagine. Increasing competition, including the impact of start-ups and evolving consumer preferences, will result in a situation in which companies have to choose to either “change” or “be changed”.

Many leaders tackle these challenges and fight commoditization and disruption of their businesses by switching to a higher value, innovation-based strategy. Here we explore why innovation is needed to address disruption, and how it can accelerate growth and ensure business sustainability.
**WHY INNOVATION?**

**INNOVATION DRIVES LONG-TERM SUSTAINABLE GROWTH**

Innovation can have a significant impact on business once it becomes part of the company’s strategic goal.

**BUSINESS VALUE THROUGH INNOVATION**

- **Productivity Improvement**
- **Cost Reduction**
- **Increased Competitive Advantages**
- **Reputation & Brand Improvement**
- **New Partnerships & Relationships**
- **Increased Turnover & Profitability**
- **Sharing & Generation of New Ideas**
- **Surge in Learning & Collaboration**
- **Culture Improvements**
- **Sustainability**
- **Inspiration & Motivation**
- **& Much More...**

Innovation is critical in the knowledge economy – driving growth, new products, and new methods of delivering value to customers.

Businesses looking to capture value and long-term growth should be innovation-centred, focusing on making necessary investments to achieve the right level of impact.
Although there has been growth in innovation spending over the last 5-10 years across different industries, innovation is rarely a smooth process and entails a certain amount of risk and long-term investment. Innovation requires the right environment to encourage and enable the right people to develop ideas and drive relevant projects to commercialization.

It is also important to have the right tools in place to capture the value and guide decisions on resource allocation for routine or more risky, long-term innovation in new technologies and business models.

A clear framework around innovation management can help businesses clarify how they should approach an innovation transformation initiative.
DuPont Sustainable Solutions offer an innovative management approach that enable businesses to achieve their strategic goals. The DuPont Innovation Management Framework covers all stages of the process from strategy to execution, with key enablers designed to accelerate progress and to achieve results that hit the targets. Business strategy defines the vector for where to play and how to win with innovation. Based on specific market-back choices, we build and manage the portfolio of innovation projects. A balance needs to be struck between risk, time and reward to support the strategic objective. That requires deliberate decisions on resource allocation and choices – whether to reinforce the core business, expand into adjacent opportunities or explore the transformational breakthrough potential.

Leadership has to endorse the teams and processes that manage each type of innovation – to make sure that the pipeline is agile and its weight is in line with business targets. A constant focus on developing market insights through cross-value-chain interactions and leveraging of both internal core competencies and external partnerships is required to attain sustainable outcomes.

**THE DSS INNOVATION MANAGEMENT FRAMEWORK**

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<tr>
<th>DIRECTION</th>
<th>ENABLERS</th>
<th>EXECUTION</th>
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<tr>
<td><strong>BUSINESS STRATEGY</strong></td>
<td>Open Innovation / External Networks</td>
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<td>Innovation Strategy</td>
<td>Market Insight &amp; Foresight Capabilities</td>
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<td>Core Competencies &amp; Technology Capabilities</td>
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<td>Capable &amp; Motivated Organization, Innovative &amp; Collaborative Culture</td>
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A company that is moving towards innovation, creating more value differentiation, competitive advantages and growth within its industry, resulting in stronger profits, culture and people development as well as a better operational environment.
**Behavior Pillars for Leading Innovation**

At the heart of innovation is the company’s culture – with the right organizational mindset and behavioral pillars to drive and accelerate execution success.

- **Lead Innovation**
  - Learn to create a clear sense of what needs to be accomplished, commit personally to achieve it, and become directly involved in making it happen.

- **Stay Focused on Customers**
  - Find out how to focus on and engage customers, markets, value chains – listen, observe, notice, test, probe – actively search out opportunities to create and deliver value.

- **Build a Culture of Trust & Engagement**
  - Increase trust in communications, trust in actions/processes, trust within teams.

- **Embrace New Ideas & Manage the Risks**
  - Be curious about possibilities, expect more “stops” than “go’s”, intentional learning.

- **Enable Collaboration**
  - Develop the capability of team members and informal networks to work across organizational boundaries with ease and effectiveness.

- **Be Visible and Transparent**
  - Make measures of success and targets clear to all.
There are three main dimensions that need to be addressed to achieve a sustainable and profitable business. At the foundation is the need to protect value – this is about protecting people and assets while managing risks. Once businesses have established the “right to operate”, they can make some progress towards value extraction. This requires an understanding of how businesses can derive more value from existing assets to achieve better returns on investment.

A mature company that has achieved both effective risk management and efficiency will plan for long term growth and sustainability – what we call Value Creation. At this stage, businesses look beyond profits and focus on having an impact on the society and the environment.

Innovation is a common enabler across all three horizons and a dominant feature of the Value Creation stage where it supports differentiation, leading to higher margins and a greater impact. Leveraging DuPont’s own experience in innovation and our work with many of our global partners, we help our clients to accelerate their journey towards sustainable results through innovation.