



# 2025 Innovation Outlook

Why Innovation's Performance Gap  
Is Putting Your Company At Risk



# 01

## The New Growth Imperative

- 05 In An Uncertain World, Executives Prioritize Of New Sources Revenue Growth
- 06 Innovation Teams Must Execute Across A Growing Array Of Mission-Critical Priorities
- 07 Innovation Leaders Face Increasing Performance Pressure

# 02

## Innovation's Performance Gap

- 12 Undisciplined Pipeline Execution
- 13 Inadequate Decision-Making Rigor
- 14 Ineffective Portfolio Governance
- 16 Insufficient Connection To Strategy

# 03

## Methodology / About This Study



# Reckoning Or Renaissance?

**Over the past half-century, corporate innovation management has been through two grand pivots.**

The first of these transitions began in the 1980s and 1990s as part of the golden age of computing and information technology. Until then, traditional R&D had been virtually synonymous with “corporate innovation.” But digital technologies created a new center of gravity, turning the core innovation strategy at most companies into a near-synonym for the digital transformation agenda. Companies invested substantial sums to capture value from the booming tech-startup ecosystem. Classic new product development, while still important, faded by comparison, often morphing into a matrixed support service for the business.

The second grand pivot is happening *now*.

While tech startups and digital transformation initiatives remain important, they are no longer the top innovation priority. Having spent the past decade-plus retooling their firms for digital productivity, senior executives have rediscovered the need to find new sources of organic growth. And they plan to hold innovation teams responsible and accountable for driving more revenue to the top line. This does not mean a return to the classic R&D-dominated innovation structures of the 1950s, 60s, and 70s.