



Improving innovation performance

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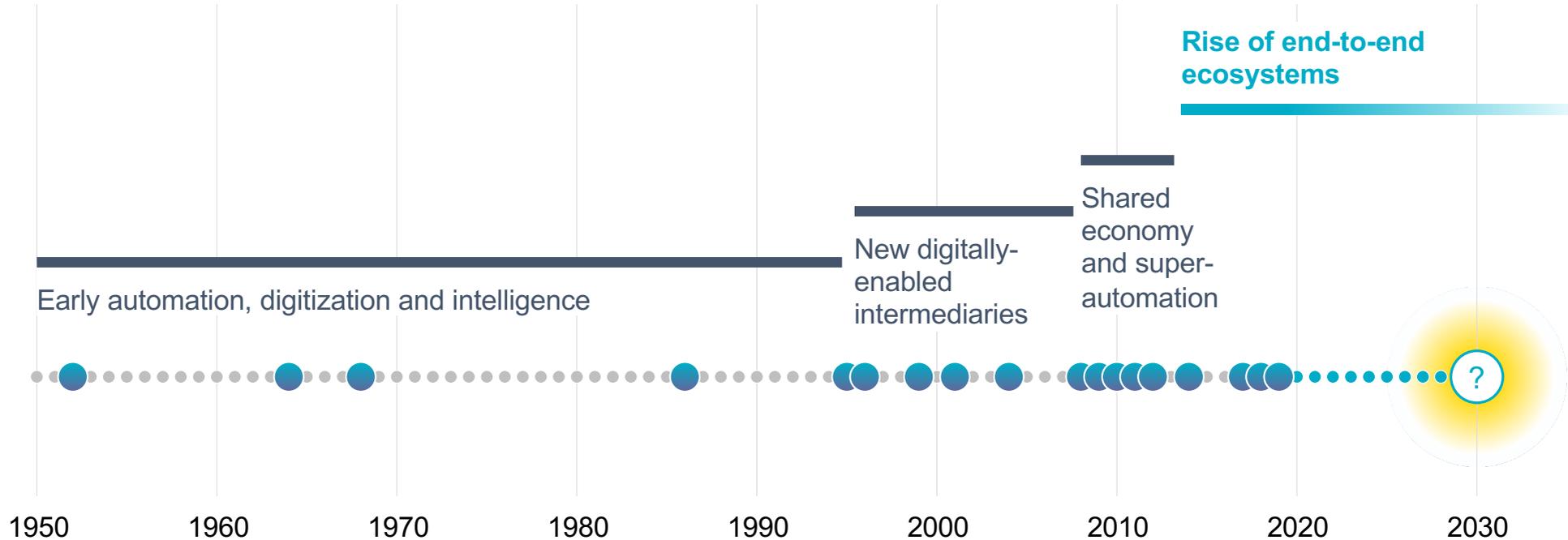
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ELEVATE 2019

#ATPCOelevate

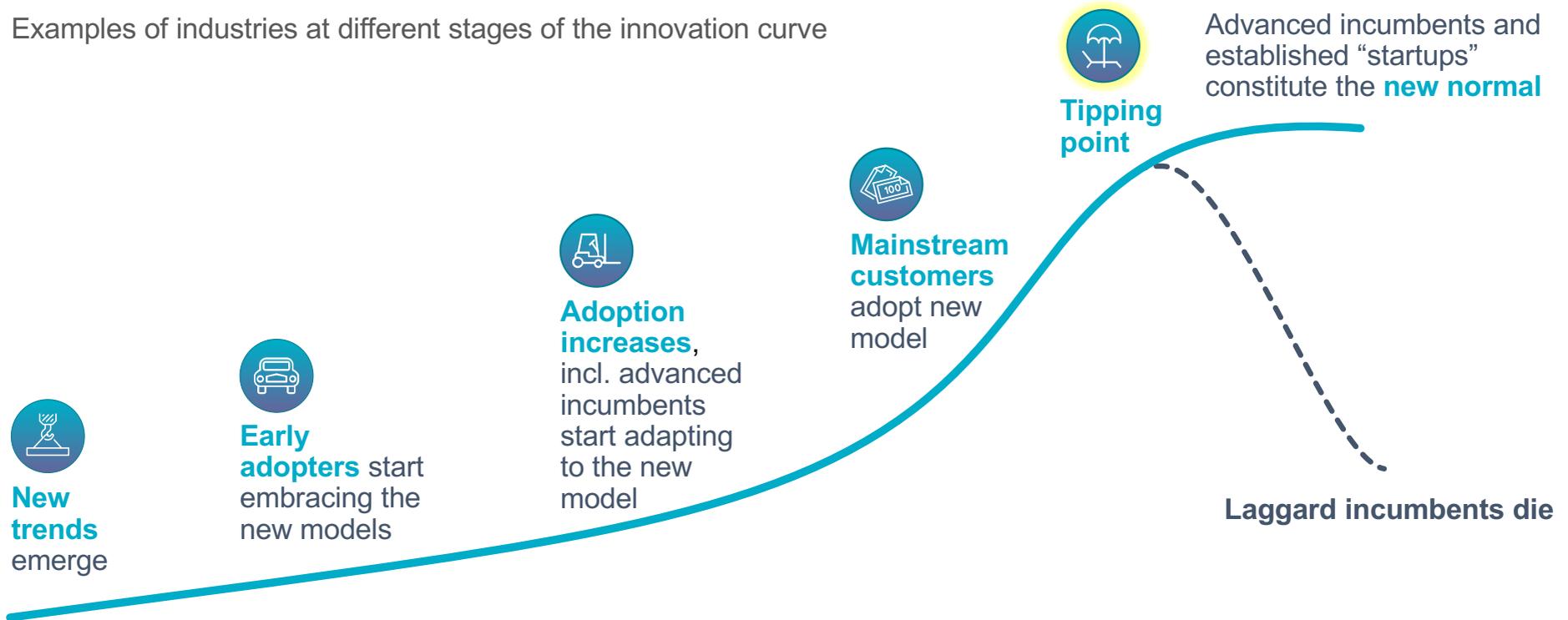
Innovation cycles in the past have been slow, but new technologies and entrants drive rapid acceleration

Disruptions and innovation in the Travel industry



Shorter innovation cycles have taken the travel sector to the tipping point along the typical industry innovation curve

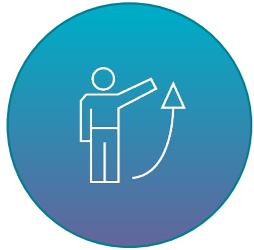
Examples of industries at different stages of the innovation curve



Breakthroughs in technology, adoption and financial resources are a catalyst for accelerated innovation cycles in travel

Key cross-industry developments

Technology

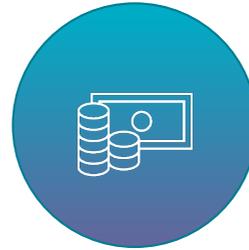


Data availability is growing exponentially



Technology adoption is increasing

Economy & Ecosystem



Funding and financial resources have never been higher



Digital platform players raise the bar for incumbents

In times of disruption, most executives agree that innovation is critical for their business ...



84%

“Innovation is important to growth strategy”

80%

“Business models are at risk”

... but only few are satisfied and involved in making it happen



6%

“Satisfied with innovation performance”

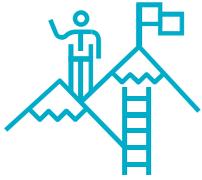
23%

“Involved in setting budgets/targets”

McKinsey's Innovation Quotient is testing for innovation practices across the Eight Essentials



A clear set innovation aspiration is critical for success



Bold and plausible

Sets an ambitious yet achievable target of innovation-led growth in line with business goals



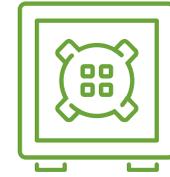
Specific

Drives alignment around the nature, mix and form of initiatives that make up the portfolio



Motivating

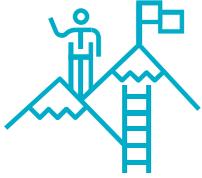
Engages organization to align and commit to the aspiration



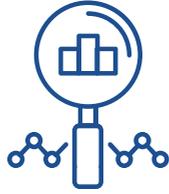
Valued (the “Green Box”)

Defines clear quantitative (how much and by when) and qualitative (practices that matter) performance standards for sustainable innovation in support of overall growth strategy

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Bold and plausible



Specific



Motivating

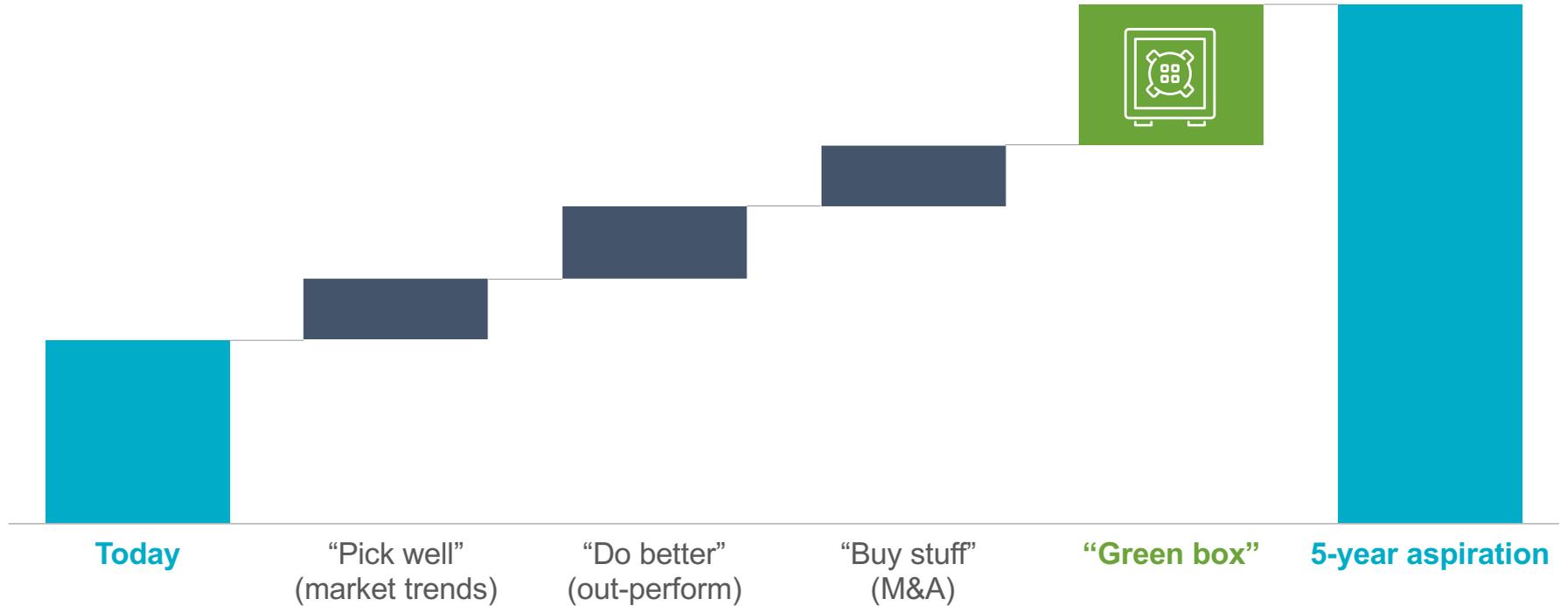


Valued (the “Green Box”)

Google

Lead the transformation from a “mobile-first” to an “AI-first” world,
putting AI and deep learning at the heart of Google’s services

A well-defined “Green Box” sets the value that must be delivered through innovation



Delivering innovation consistently and successfully requires a well thought through “full stack” operating model

Governance

Funding

Metrics

Internal Org. Structure

&

External Org. Structure

People, Skills, & Capabilities

Assets

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