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AHEAD OF WHAT'S NEXT.

Fortune 1000 Executives' Perspectives on Enterprise Innovation

Excerpted survey results – complete data available upon request.

Methodology

All data collection was conducted online by Harris Interactive® on behalf of Olympus Corporation of the Americas between July 6th and 16th, 2010 among 304 Fortune 1000 executives using Harris Interactive's *Executive Omnibus*, with the *LinkedIn* database as the sampling frame. Final data are weighted to be representative of the population of F1000 executives based on: annual revenue; number of employees; and Fortune 1000 rank.

Key Terms

As part of the introduction to the first question in the survey, key terms were defined as follows:

"For the purposes of this survey, please think of **enterprise innovation** as transformative business processes, practices, organizational planning and models that enable a business of any size to operate more effectively, profitably, and/or competitively."

"In addition, please think of **human capital** as the sum total of the knowledge and competencies of qualified, engaged employees whose individual contributions create and deliver value to a company."

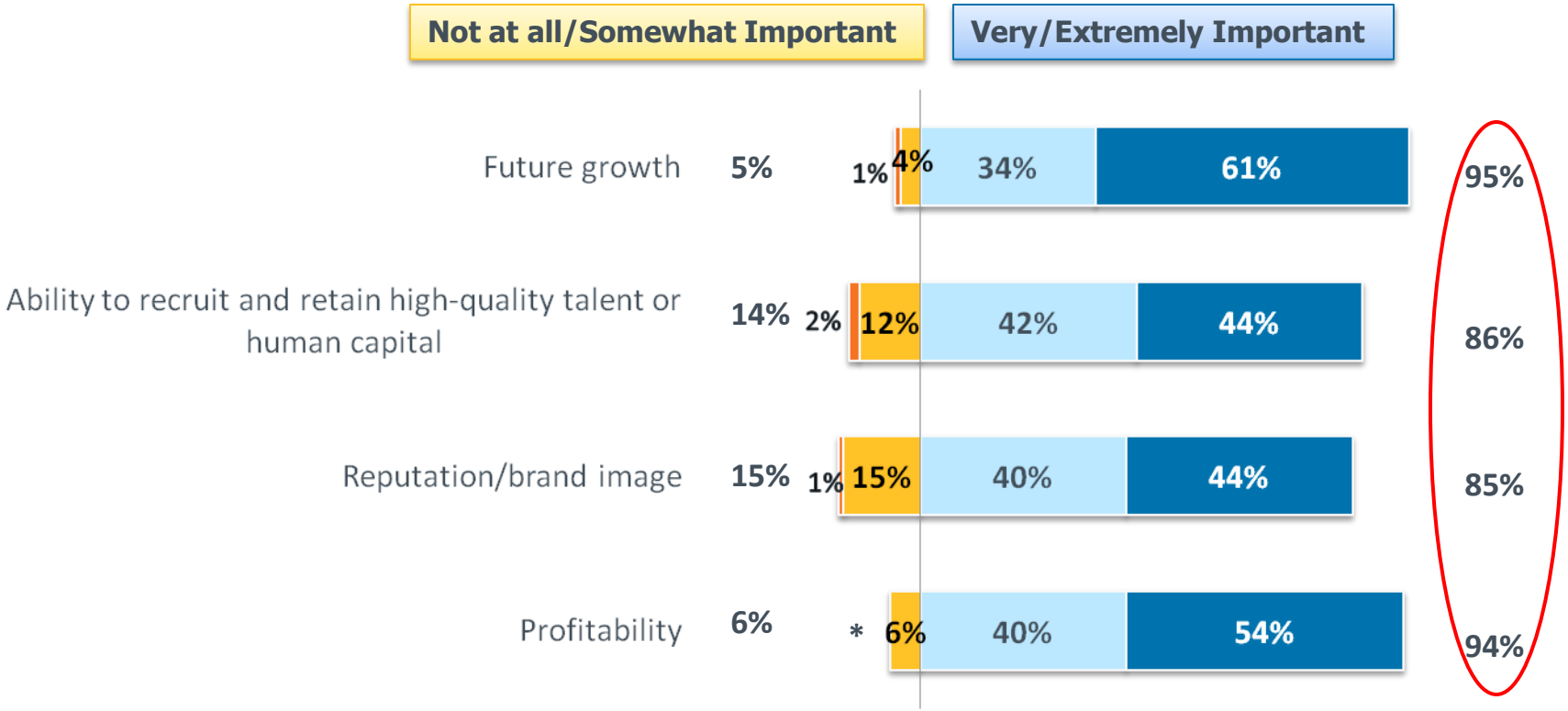
A Note about the Report

Throughout the report, an asterisk (*) signifies a value of less than one-half percent (0.5%), and a dash (-) indicates a value of zero (0). Percentages may not add up to 100% due to weighting, computer rounding, and/or the acceptance of multiple responses.

Detailed Findings

The vast majority of executives say enterprise innovation is *extremely or very important* for driving business growth, profitability, attracting and keeping talent, and brand prestige.

Importance of Innovation to Certain Aspects of Company



Q1601 : How important is enterprise innovation to each of the following aspects of your company?
Base: All executives (n=304)

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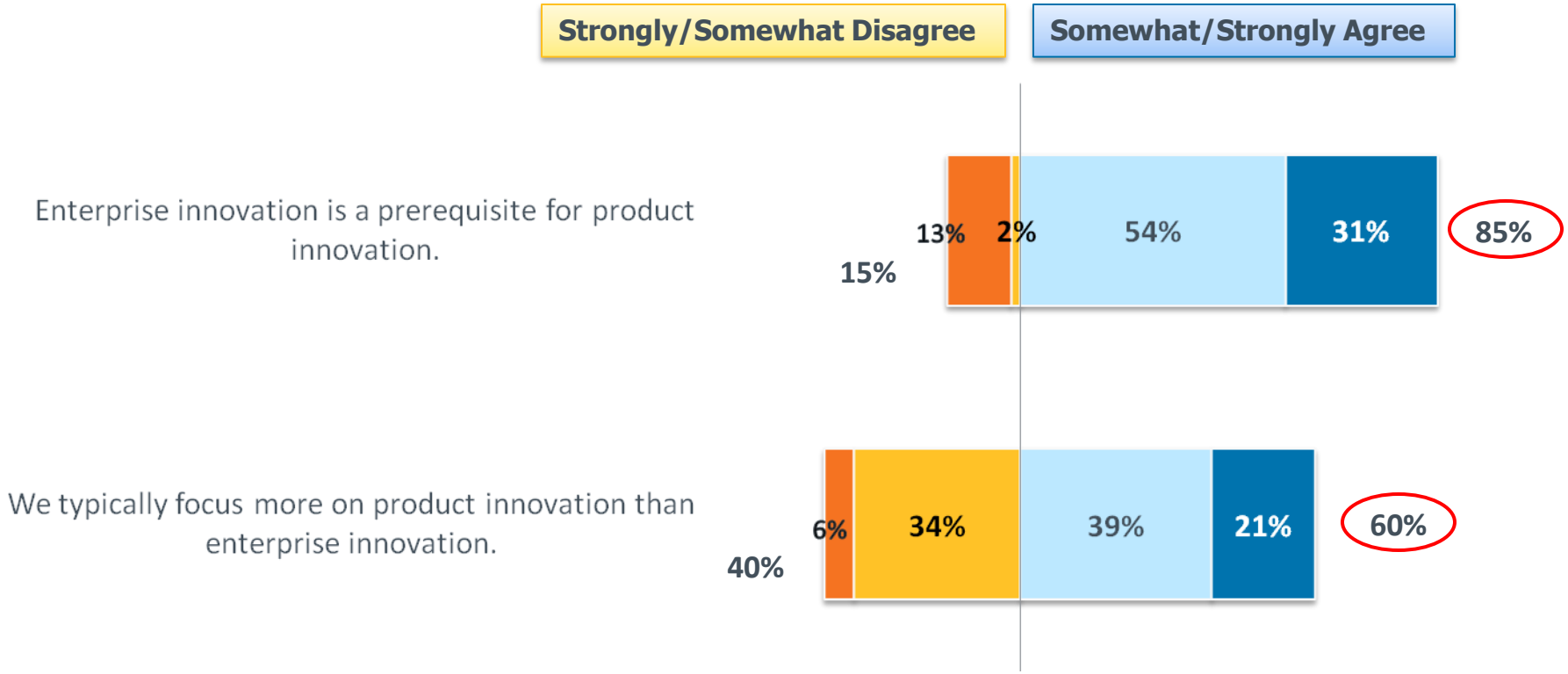
More than 4 in 5 executives believe enterprise innovation is a prerequisite for product innovation. However, more than half say their company typically focuses more on product innovation than overall enterprise innovation.



Q1606: How strongly do you agree or disagree with each of the following statements about enterprise innovation?
Base: All executives (n=304)

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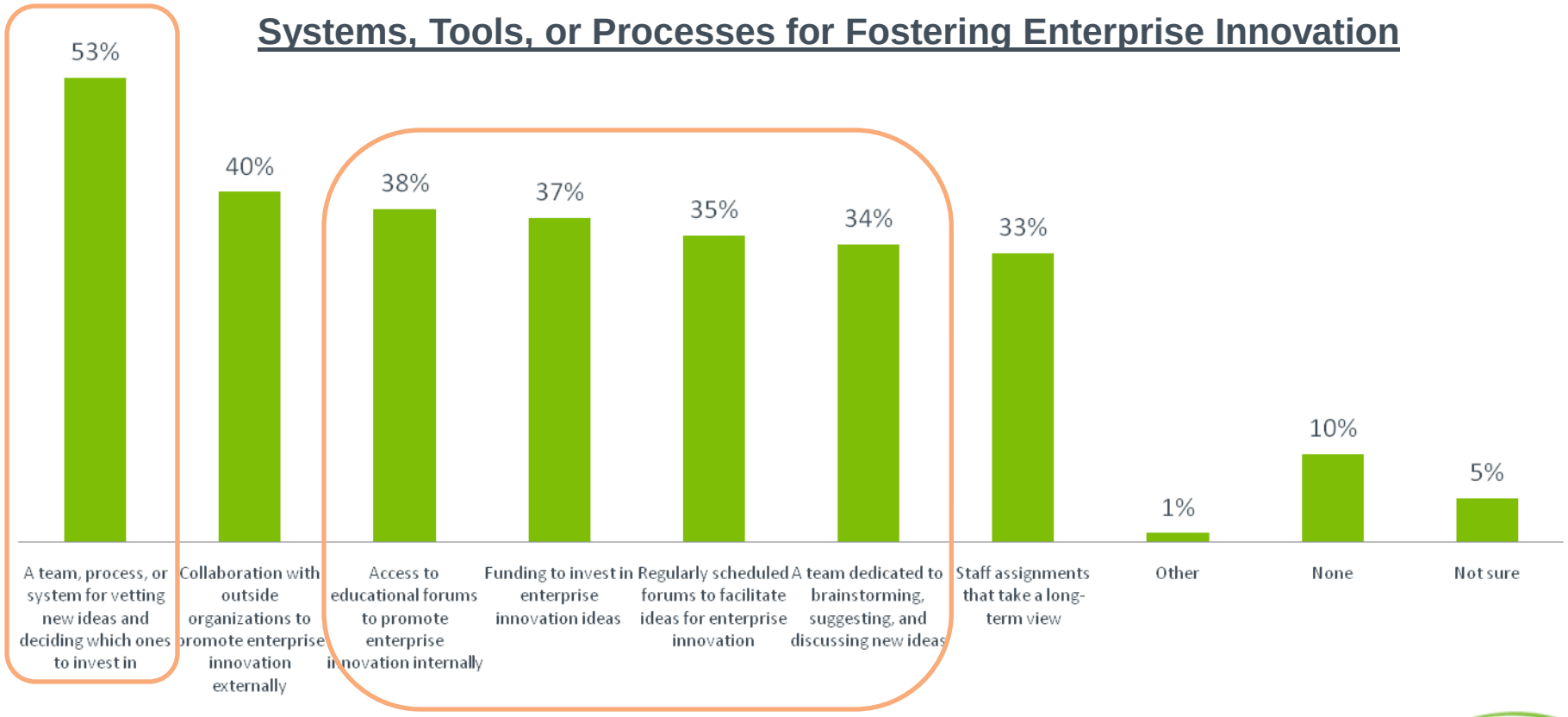
47% report that their company has no team, process, or system for vetting new ideas in order to decide which ones to invest in. Moreover, only a minority report that their company promotes enterprise innovation by providing funding or access to educational or idea-sharing forums, and only 1 in 3 report that they have a team specifically dedicated to brainstorming new ideas.

Systems, Tools, or Processes for Fostering Enterprise Innovation



Q1620: What systems, tools or processes, if any, does your company have in place for fostering enterprise innovation?
Base: All executives (n=304)

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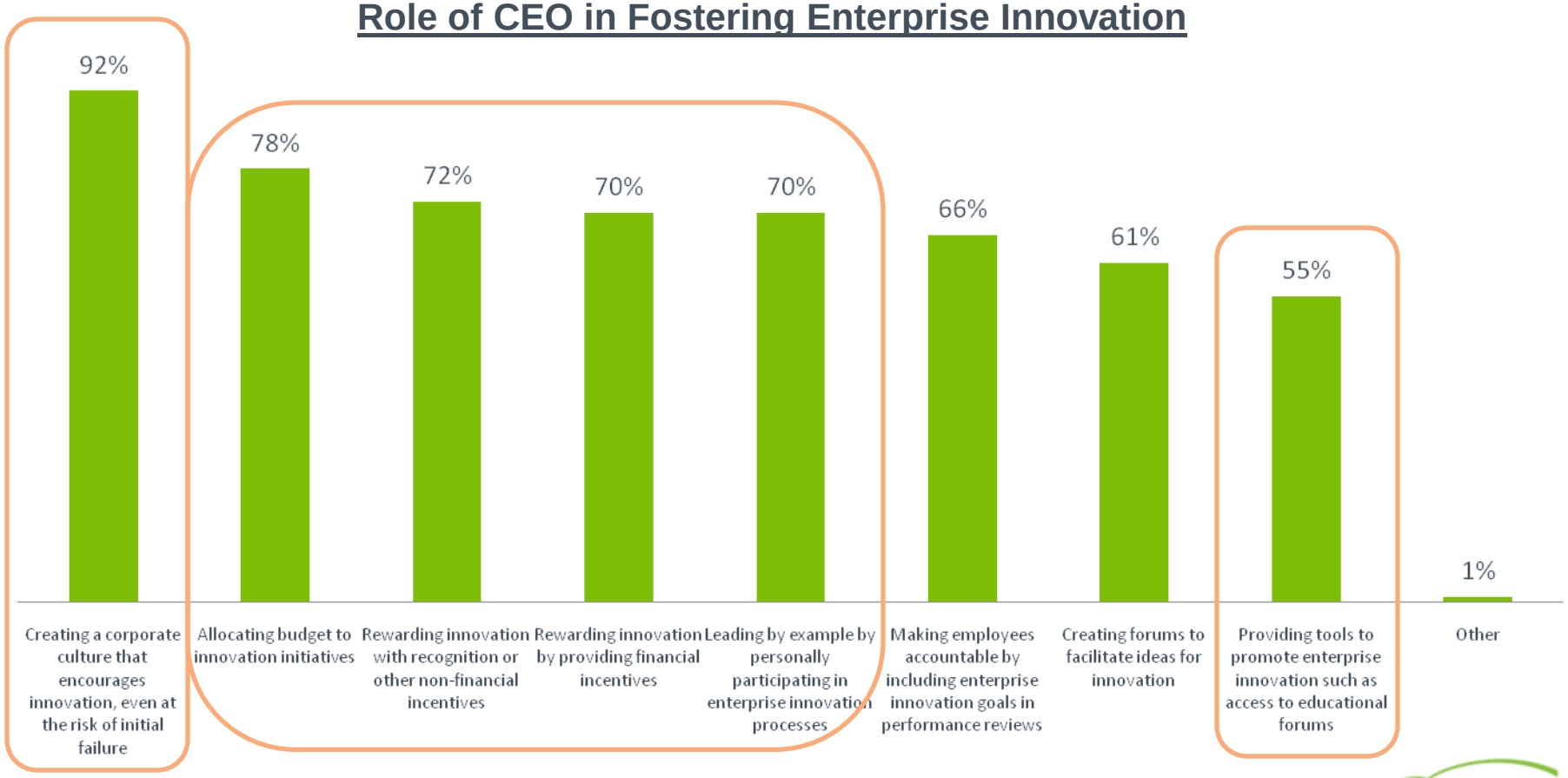
Executives say CEOs play a critical role in defining and supporting their company's overall innovation strategy. For innovation to prosper, CEOs must provide greater leadership, tools, and financial as well as non-financial support.

Role of CEO in Fostering Enterprise Innovation



Q1610: What role should the CEO play, if any, in fostering enterprise innovation?
Base: All executives (n=304)

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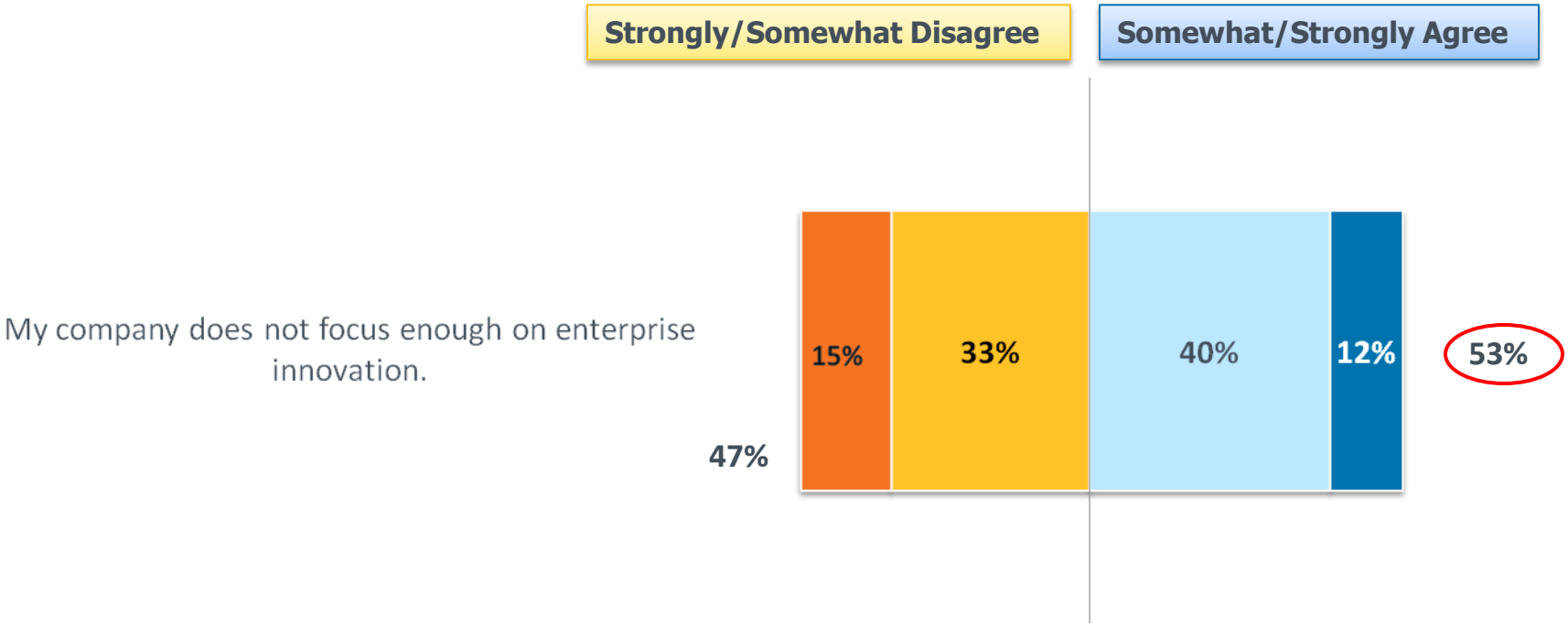
To achieve optimal product innovation, the overall survey findings suggest that companies must first develop or improve operations and processes that can serve as the foundation for their creations. Yet more than half of executives say their company does not focus enough on enterprise innovation.



Q1606: How strongly do you agree or disagree with each of the following statements about enterprise innovation?
Base: All executives (n=304)

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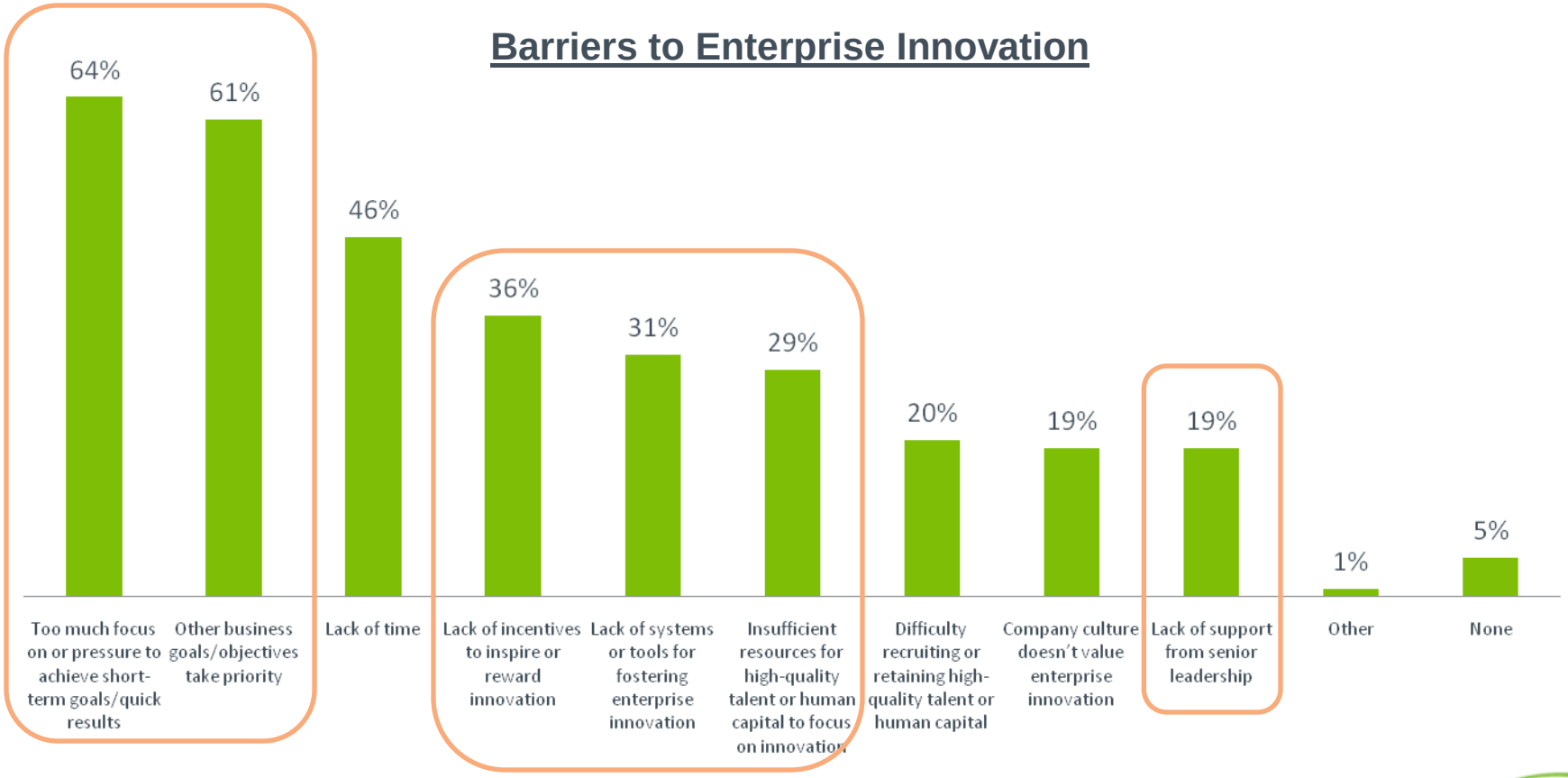
Executives say the barriers to enterprise innovation include pressures to achieve short-term goals, other goals taking priority, and/or lack of incentives to inspire or reward enterprise innovation, among others.



Q1625: What are the barriers to enterprise innovation at your company?
Base: All executives (n=304)

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IT is viewed as having been the most innovative function within executives' own companies during the past 10 years, and by far the most likely focal point for investment and continued innovation over the next 2 years. Many executives also report that marketing, sales, customer service, outsourcing, and supply chain management have been innovative in the past decade, and that they will invest in these areas in the next 2 years.

Functions or Areas	Most Innovative in Past 10 Years (Own Company)	Plan to Invest In over Next 2 Years (Own Company)	Expect to Witness Most Innovation over Next 2 Years (Across All Companies)
IT (Information Technology)	44%	60%	63%
Customer service	37%	38%	34%
Marketing	33%	41%	26%
Sales	30%	40%	24%
Outsourcing/vendor relationship management	26%	24%	36%
Employee education/training	25%	36%	23%
Supply chain management	23%	20%	29%
Production/manufacturing	20%	23%	29%
Human resources	11%	24%	11%
Other	7%	3%	1%
None	6%	7%	1%

Q1630: What functions or areas of your company, if any, have been most innovative in the past 10 years?
Q1635: In what functions or areas, if any, does your company plan to invest in order to foster enterprise innovation over the next 2 years?
Q1640: Across all types of companies, what function or area of an enterprise do you think will witness the most innovation over the next 2 years?

Base: All executives (n=304)

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Demographic Profile

Demographic Profile

Fortune 1000 Rank	N=304
1-249	25%
250-499	25%
500-749	25%
750-1000	25%

Revenue	
<$2 billion	20%
$2 billion to $4.99 billion	37%
$5 billion to $9.99 billion	15%
$10 billion to $24.99 billion	12%
$25 billion or more	16%

Number of Employees	
<1,000	8%
1,000 to 2,499	4%
2,500 to 4,999	16%
5,000 to 9,999	21%
10,000 to 14,999	12%
15,000 to 19,999	7%
20,000 +	32%

Industry	N=304
Banking and Finance	27%
Manufacturing	14%
Insurance	10%
Technology Services	7%
Business Services	6%
Real Estate	5%
Healthcare and Social Assistance	3%
Pharmaceutical	3%
Telecommunications	3%
Advertising/Marketing	2%
Engineering Services	2%
Retail Trade	2%
Travel	2%
Arts, Entertainment and Recreation	1%
Construction	1%
Education	1%
Transportation and Warehousing	1%
Utilities	1%
Wholesale Trade	1%
Other services	1%
Other	4%

Only mentions >1% listed

Region	N=304
Northeast	38%
South	28%
Midwest	20%
West	13%
Other	2%

Gender	
Male	85%
Female	15%

Age	
<40	10%
40-49	36%
50-59	23%
60-69	11%
70+	1%
Decline to answer	20%
Mean Age	*48.6*
Median Age	*48*

Job Title	
C-Level	6%
Other Senior Management	40%
Vice President	51%

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