

iSixSigma Research Shows That Strategy, Discipline and Six Sigma Drive Innovation Effectiveness

Bainbridge Island, Washington (June 25, 2007) - With a vast majority of companies professing to want "innovation," those that rate their efforts most effective say they rely on a clear strategy and systematic methodologies, according to a new survey released in the July/August 2007 issue of *iSixSigma Magazine* (www.isixsigma-magazine.com).

The survey included responses from 1,000 Six Sigma professionals around the globe. "More than 900 of the respondents, or 91 percent, said their companies are engaging in innovation," said Michael Marx, research manager for iSixSigma.

Within that group, 81 percent of those that rated their program "effective" said they had a clear strategy driving their innovation efforts. A similar percent of "effective" programs also use a systematic process or methodology for innovation.

The measures of effectiveness varied, including ROI, success rates of new products/services, new product sales as a percent of revenues, and numbers of new products/services hitting the market.

The survey also explored factors that contribute to having a strategy and methodology. Only 22 percent of the respondents said their company had a chief innovation officer (CIO). "But those companies were three times more likely to be approaching innovation systematically," commented Marx.

And there was one more link in the chain. "These success factors – having a CIO, a clear strategy and a systematic methodology – were far more common in companies that had well-established Six Sigma programs," said Marx. He added that the link was not surprising because Six Sigma is a business improvement methodology that emphasizes the need to establish processes and clear responsibilities.

Overall, the survey clearly indicates that companies need to pay more attention to how they are structuring their innovation programs. "Only 13 percent of the total group of respondents rated their innovation programs as effective. The other 87 percent rated them as only somewhat effective or ineffective. That's a huge opportunity. Many organizations can learn from the successful companies: Having a strategy, a corporate leader and systematic approaches are critical to improving effectiveness."

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