

Innovation Audit
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Course: *MGT 665*
Title: *Management of Innovation and Technology* (3 units)

“Opportunity is missed by most people because it is dressed in overalls and looks like work.”

---*Thomas Edison (1847-1931)*

The following was excerpted (p. 12) from Burgelman, *et. al.* (2004), “Strategic Management of Innovation and Technology” (4th ed.), McGraw-Hill.

Innovative Capabilities Audit Framework:

1. Resource Availability and Allocation
 - 1.1. Corporate R & D funding level and evolution
 - 1.1.1. in absolute terms
 - 1.1.2. as a percentage of sales
 - 1.1.3. as compared to the average of main competitors
 - 1.1.4. as compared to the leading competitor(s)
 - 1.2. Breadth and depth of skills of corporate level personnel in R&D, engineering, and market research
 - 1.3. Distinctive competencies in areas of technology relevant to multiple business units
 - 1.4. Corporate R&D allocation to
 - 1.4.1. exploratory research
 - 1.4.2. R&D in support of mainstream definition
 - 1.4.3. R&D in support of new business development
2. Understanding Competitors’ Innovative Strategies and Multi-Industry Evolution
 - 2.1. Intelligence systems and data available
 - 2.2. Capacity to identify, analyze, and predict competitors’ innovative strategies spanning multiple industries
 - 2.3. Capacity to develop scenarios concerning evolution of interdependencies among multiple industries
 - 2.4. Capacity to anticipate facilitating/impeding external forces relevant to firm’s innovative strategies
3. Understanding the Corporate Technological Environment
 - 3.1. Capacity for technological forecasting in multiple areas
 - 3.2. Capacity to forecast cross-impacts among areas of technology
 - 3.3. Capacity to assess technologies in multiple areas
 - 3.4. Capacity to identify technological opportunities spanning multiple areas

4. Corporate Context (Structure and Cultural)
 - 4.1. Mechanisms to share technologies across business unit boundaries
 - 4.2. Mechanisms to define new business opportunities across business unit boundaries
 - 4.3. Internal and external organization designs for managing new ventures
 - 4.4. Mechanisms to fund unplanned initiatives
 - 4.5. Evaluation and reward systems for entrepreneurial behavior
 - 4.6. Movement of personnel between mainstream activities and new ventures
 - 4.7. Dominant values and definition of success

5. Strategic Management Capacity to Deal with Entrepreneurial Behavior
 - 5.1. Top management capacity to define a substantive long-term corporate development strategy
 - 5.2. Top management capacity to assess strategic importance of entrepreneurial initiatives
 - 5.3. Top management capacity to assess relatedness of entrepreneurial initiatives to the firm's core capabilities
 - 5.4. Middle-level management capacity to work with top management to obtain/maintain support for new initiatives (organizational championing)
 - 5.5. Middle-level management capacity to define corporate strategic framework for new initiatives
 - 5.6. Middle-level management capacity to coach new venture managers
 - 5.7. New venture managers' capacity to build new organizational capabilities
 - 5.8. New venture managers' capacity to develop a business strategy for new initiatives
 - 5.9. Availability of product champions to identify and define new business opportunities outside of mainstream activities.