

GE GLOBAL INNOVATION BAROMETER.



Global Research Report
January 2012



GE imagination at work



StrategyOne

Methodology

- Conducted by StrategyOne, an independent research and consulting firm, between Oct 15 and Nov 15, 2011 in 22 markets
- Telephone survey of 2,800 senior business executives
- All respondents SVP-level or above, 30% c-suite level
 - **All respondents directly involved in the innovation strategy or process within their company**
- Average company size is 1,500 employees, 20% of respondents belong to companies of more than 5,000 employees
- Average interview length: 16 minutes

Sample

- Minimum 100 respondents per market
- Larger sample sizes in USA (300) & BRIC countries (200)
- Each market afforded the same weight in global results
- Year-over-year tracking possible in 12 markets (underlined below)

AMERICAS sample: 700

USA: 300
Brazil: 200
Canada: 100
Mexico: 100

APAC sample: 800

China: 200
India: 200
Singapore: 100
Australia: 100
S. Korea: 100
Japan: 100

EUROPE sample: 700

Germany: 100
Sweden: 100
UK: 100
France: 100
Poland: 100
Russia: 200

MENA sample: 600

Israel: 100
Turkey: 100
KSA: 100
UAE: 100
Algeria: 100
S. Africa: 100

Margin of error varies with sample size:

Global sample (2800)	Between 0.4 and 2.4 pts	BRIC (200)	Between 1.4 and 6.9 pts
US (300)	Between 1.1 and 5.6 pts	Other Markets (100)	Between 1.9 and 2.7 pts

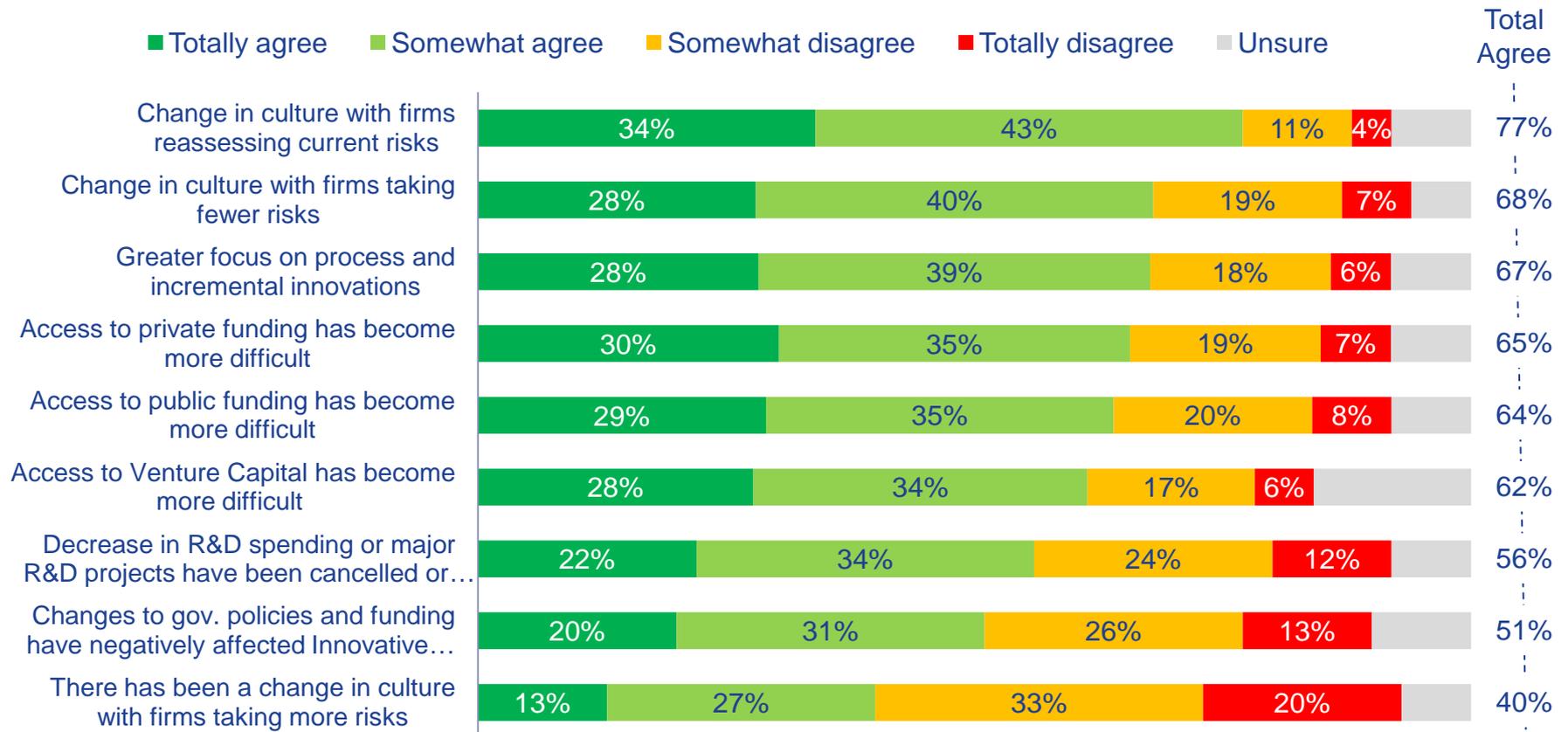
Content Overview

- Impact of the Financial Crisis on Innovation
- The Global Innovation Environment
- Expectations & Optimism for Innovation
- New Model of Innovation
- Global Innovation Reputation and Self-Assessments
- Innovation Definitions

Impact of the Financial Crisis on Innovation

How the crisis has affected business' ability to innovate

To what extent do you agree or disagree with each of the following statements? All statements are related to the way the economic crisis may have impacted your company's innovation.



The Global Innovation Environment

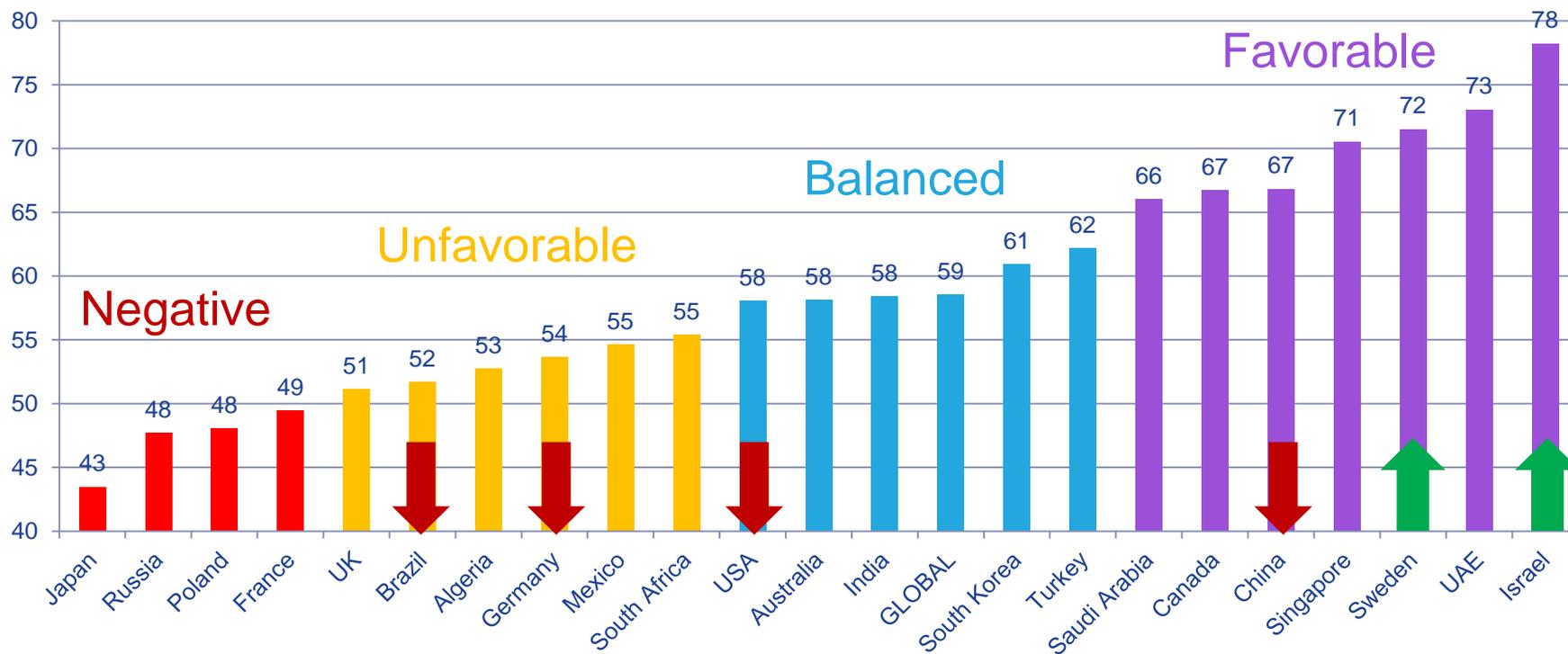
The Innovation Environment

Barometer investigates how satisfied business is about the perceived external innovation environment in their home country. Indicators comprising this dimension include:

1. Level of government support
2. Efficiency of government support
3. Trade regulations
4. IP and patent protections
5. Efficacy of public-private partnerships
6. Support of private investors
7. Preparedness of tomorrow's innovators
8. Value public places on innovation
9. Public appetite for innovation
10. Societal acceptance of risk-taking
11. Level of public support for business
12. Ease of partnership with academia
13. Speed of innovative products to market

Business perceptions of the external environment by country

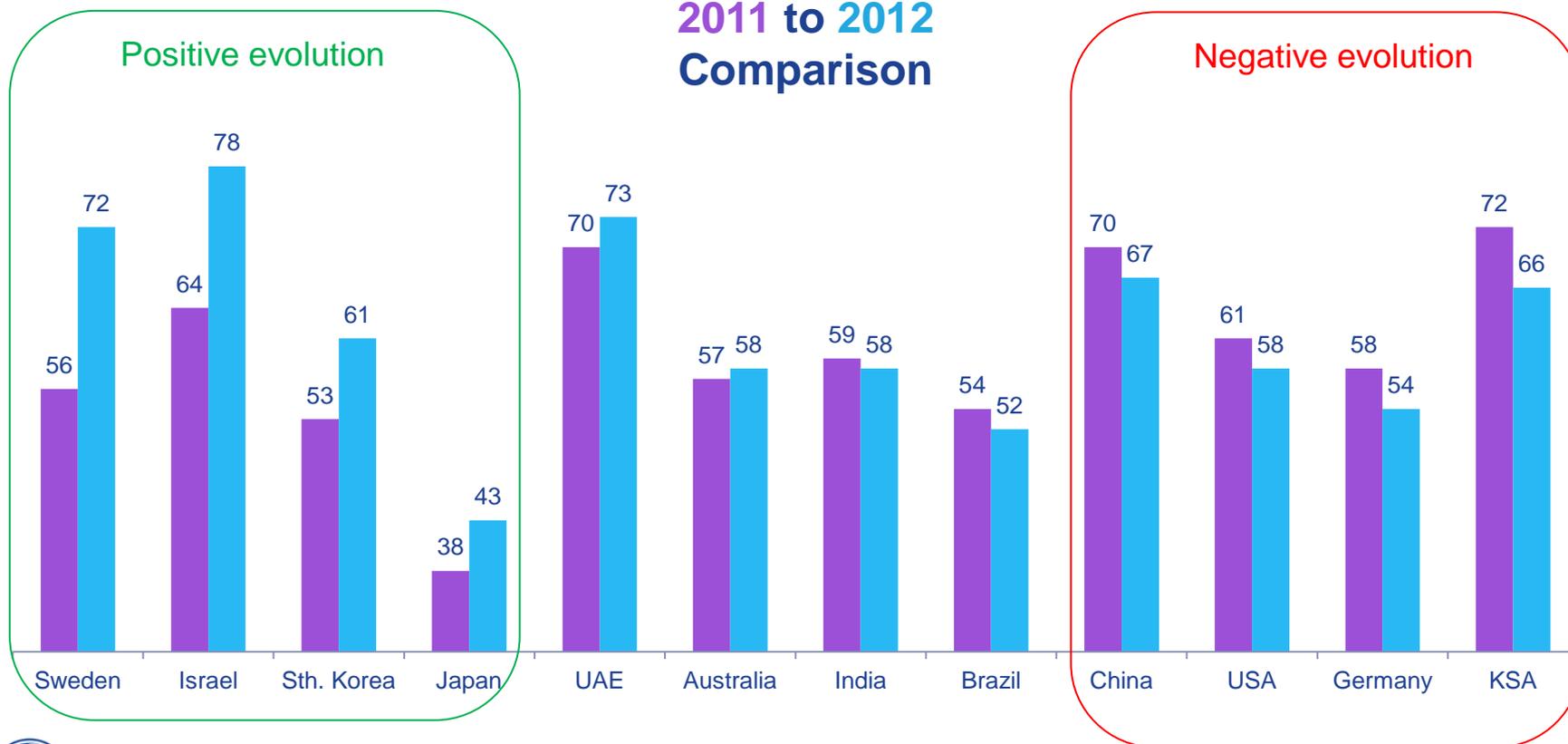
Innovation Environment Index: This 100-point index illustrates how satisfied each market is about the combined 13 elements that make up the innovation environment



Innovation Environment Index: Year on year tracking in 12 markets

Innovation Environment Index: This 100-point index illustrates how satisfied each market is about the combined 13 elements that make up the innovation environment

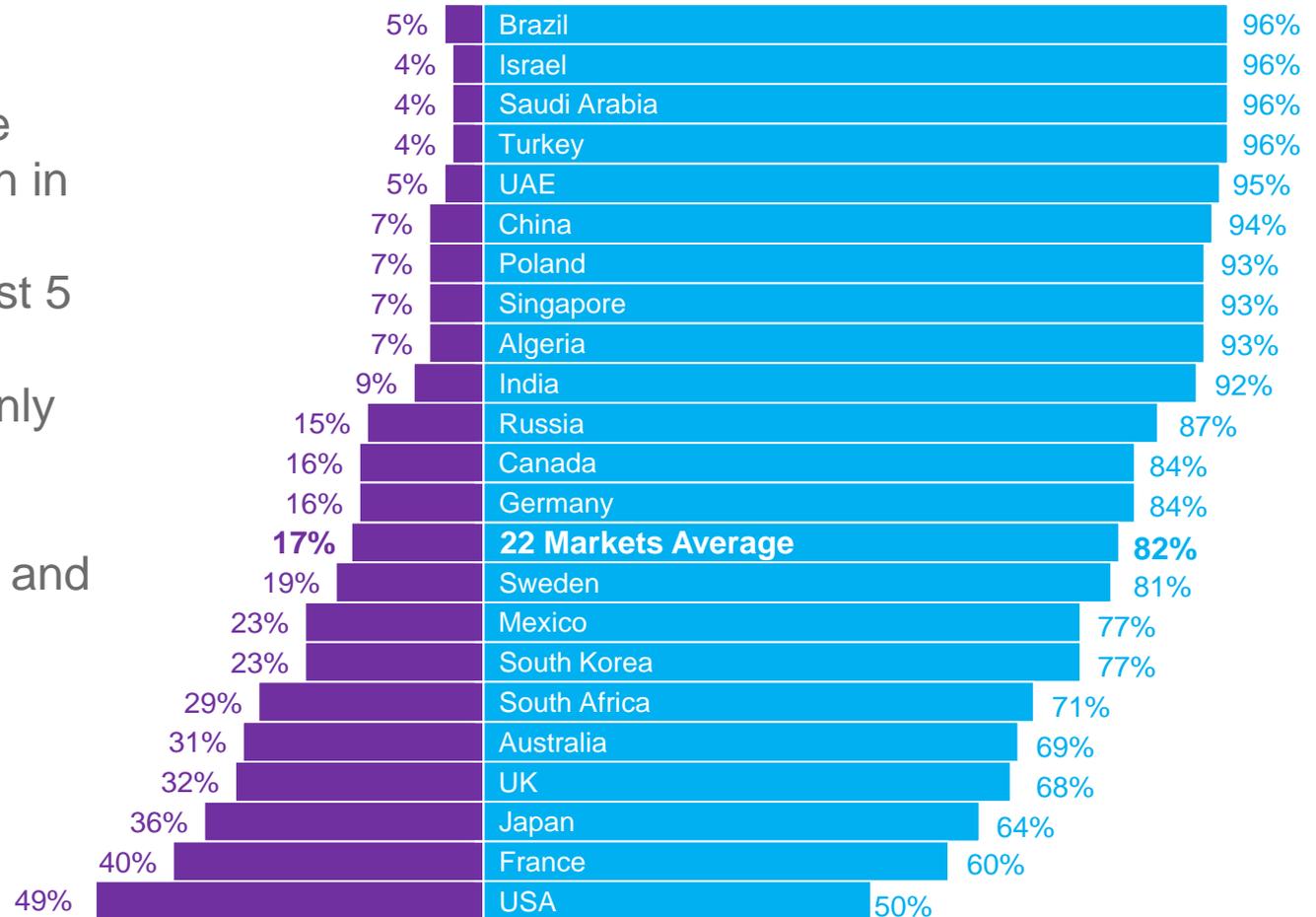
2011 to 2012 Comparison



Business perspective on how the environment has changed in last 5 years

Over the last 5 years has the innovation environment of your country improved or worsened?

- 82% of respondents globally think that the context for Innovation in their country has improved over the last 5 years
- Positive trend is mainly driven by emerging economies
- USA, France, Japan and UK report the most negative perception



Globally identified drivers and deterrents for innovation

Which elements of the global innovation environment generated the most satisfaction / frustration among businesses (4 most positive / 4 most negative at global level)

+

Population support for innovation

Ability to partner with universities

Effective IP and patent protection

Efficacy of public private partnerships

-

Efficiency and coordination of gov't support

Government budget allocations to innovation

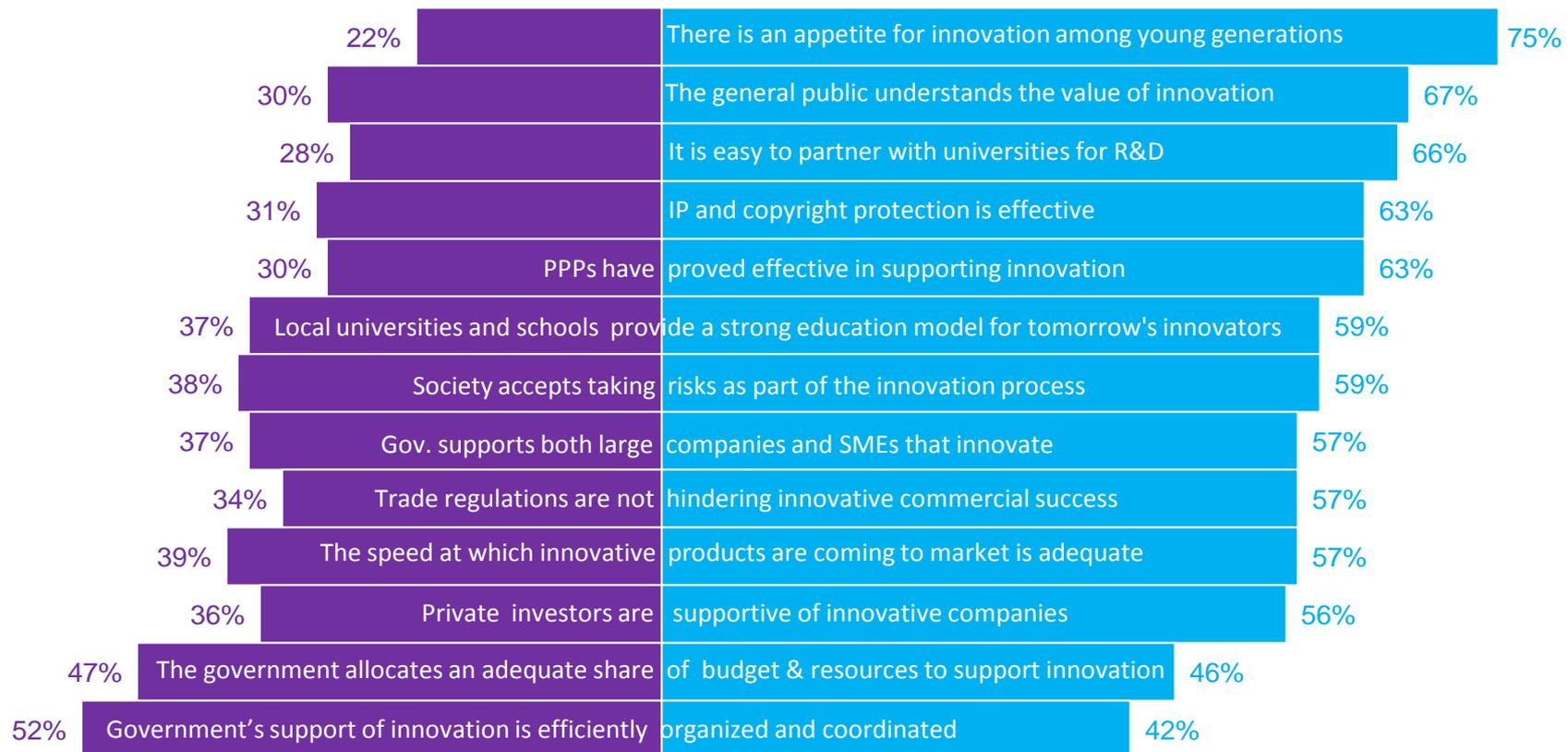
Private investment support

Speed that innovative products come to market

A closer look at global drivers and deterrents to innovation

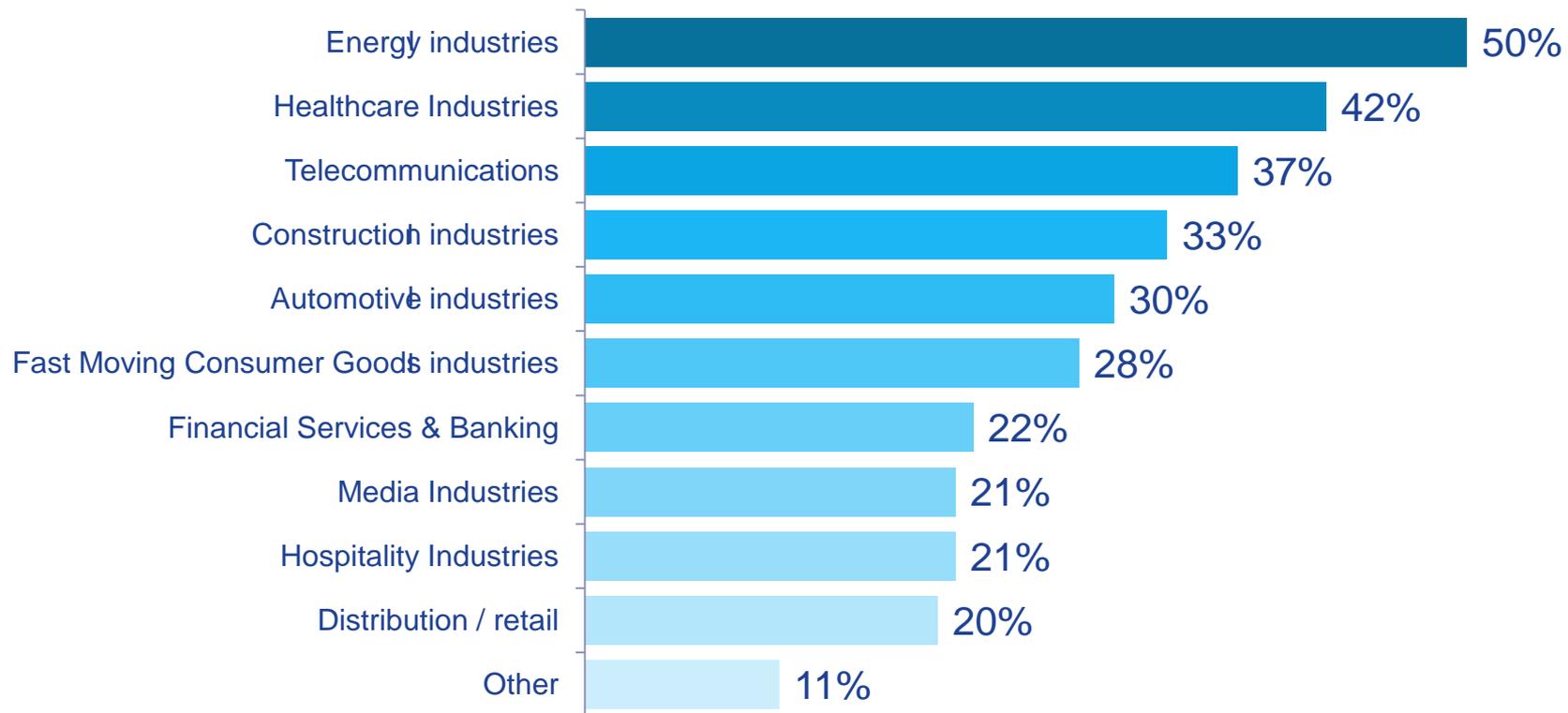
Please state whether you totally agree, somewhat agree, somewhat disagree, totally disagree with the following statements:

In my country....



Perceived impact of a favorable environment on specific industries

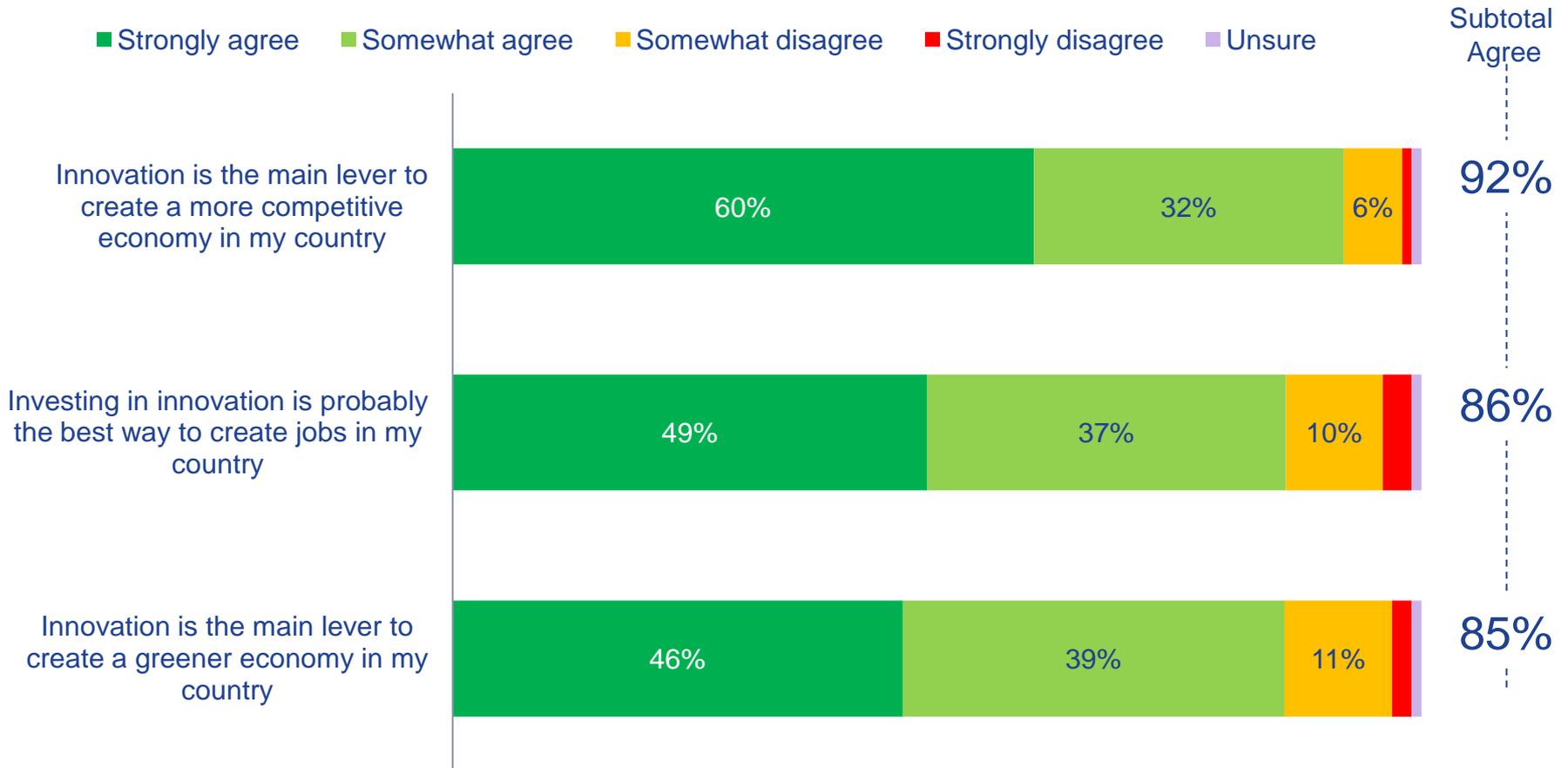
What economic sectors do you believe would benefit most in terms of job creation and increased profits if the government were to implement a more efficient innovation policy in your country?



Expectations & Optimism for Innovation

Innovation and competitiveness

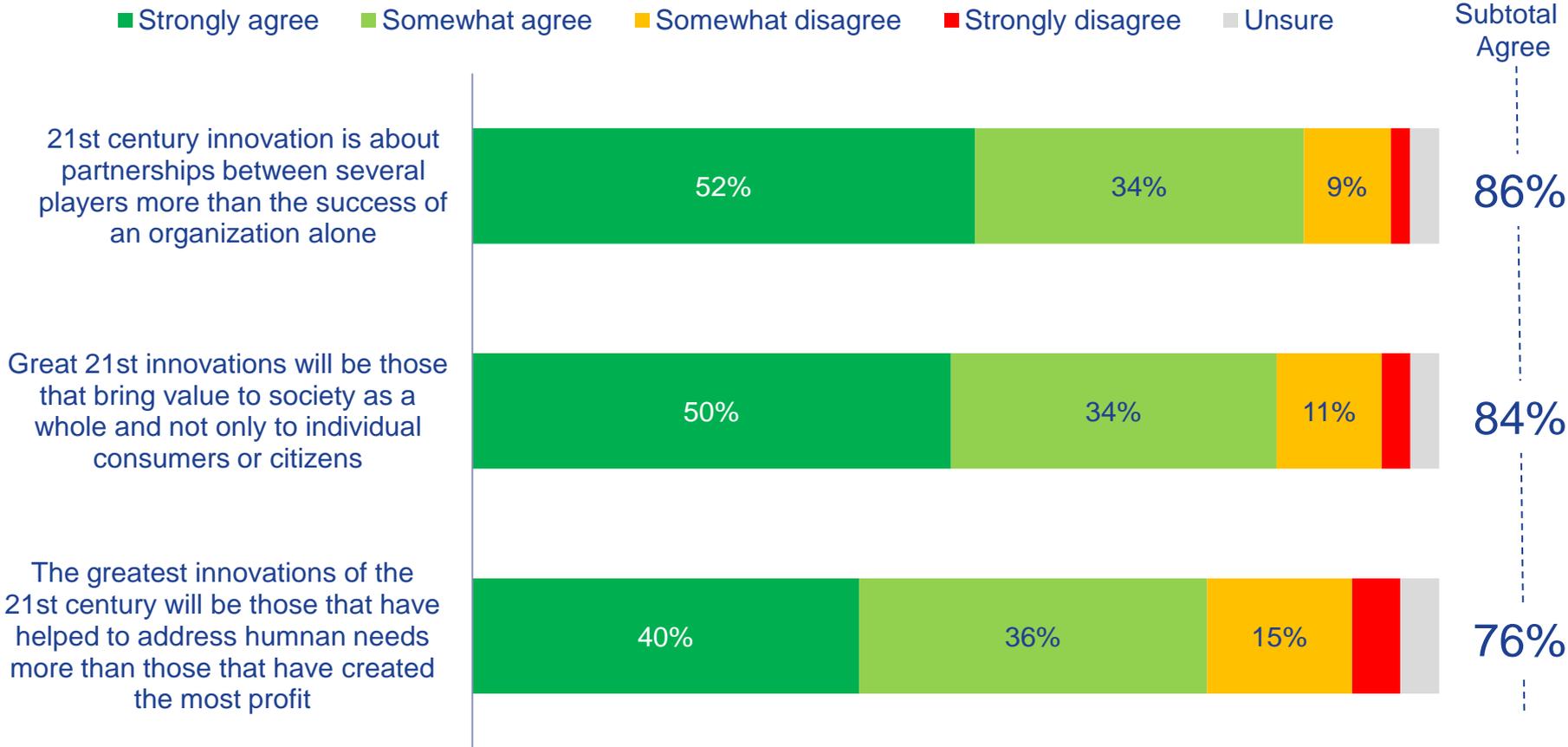
To what extent do you agree or disagree with each of the following statements?



Innovation and social value

To what extent do you agree or disagree with each of the following statements?

■ Strongly agree
 ■ Somewhat agree
 ■ Somewhat disagree
 ■ Strongly disagree
 ■ Unsure



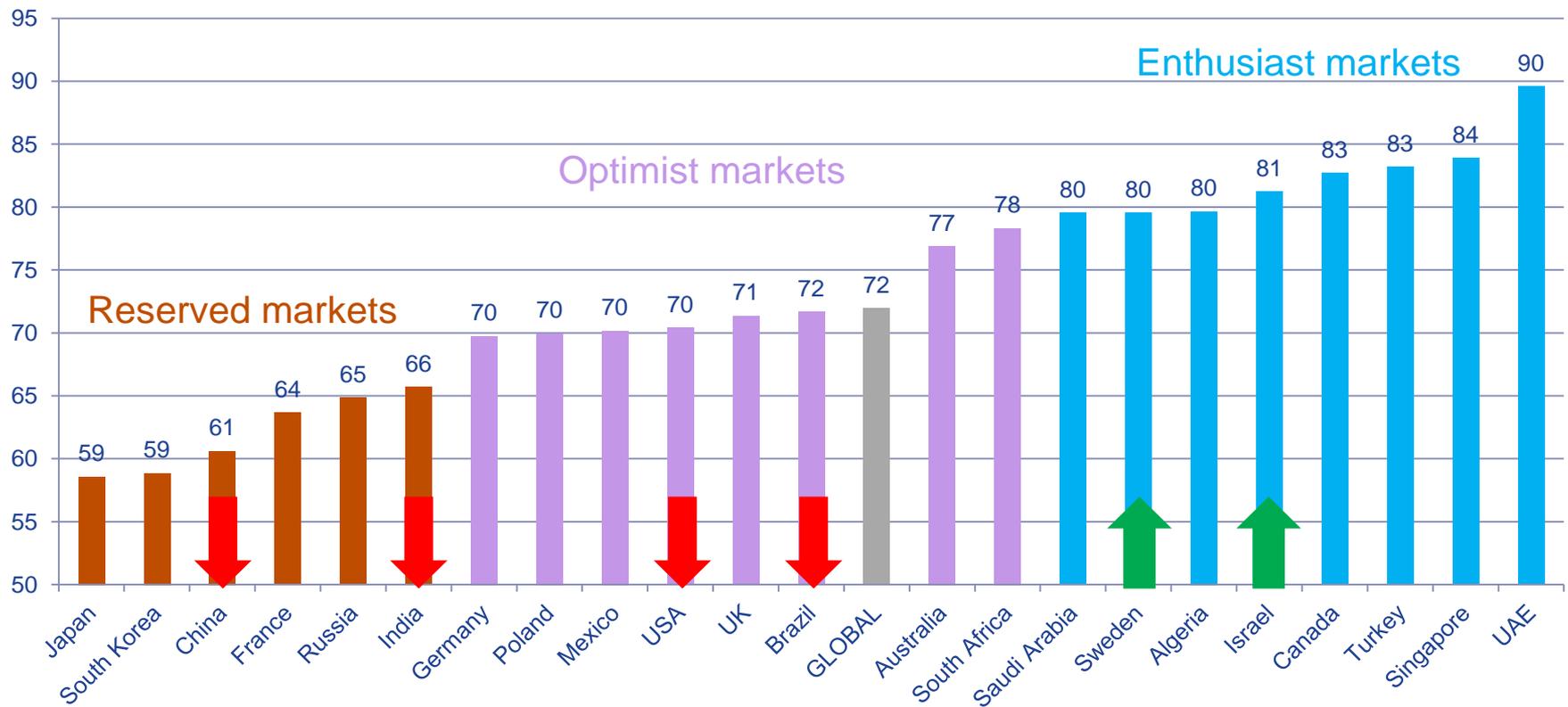
Innovation Optimism

Barometer investigates how hopeful business is that innovation will convert into perceived improvements in citizens' life conditions. Indicators comprising this dimension include:

- The job market
- Access to healthcare
- Health quality
- Energy security
- Environmental quality
- Communications
- Transport quality
- Access to education
- Education quality
- Housing equality
- Citizen security

Innovation optimism remains strong, but shows slight decline (compared to 2011)

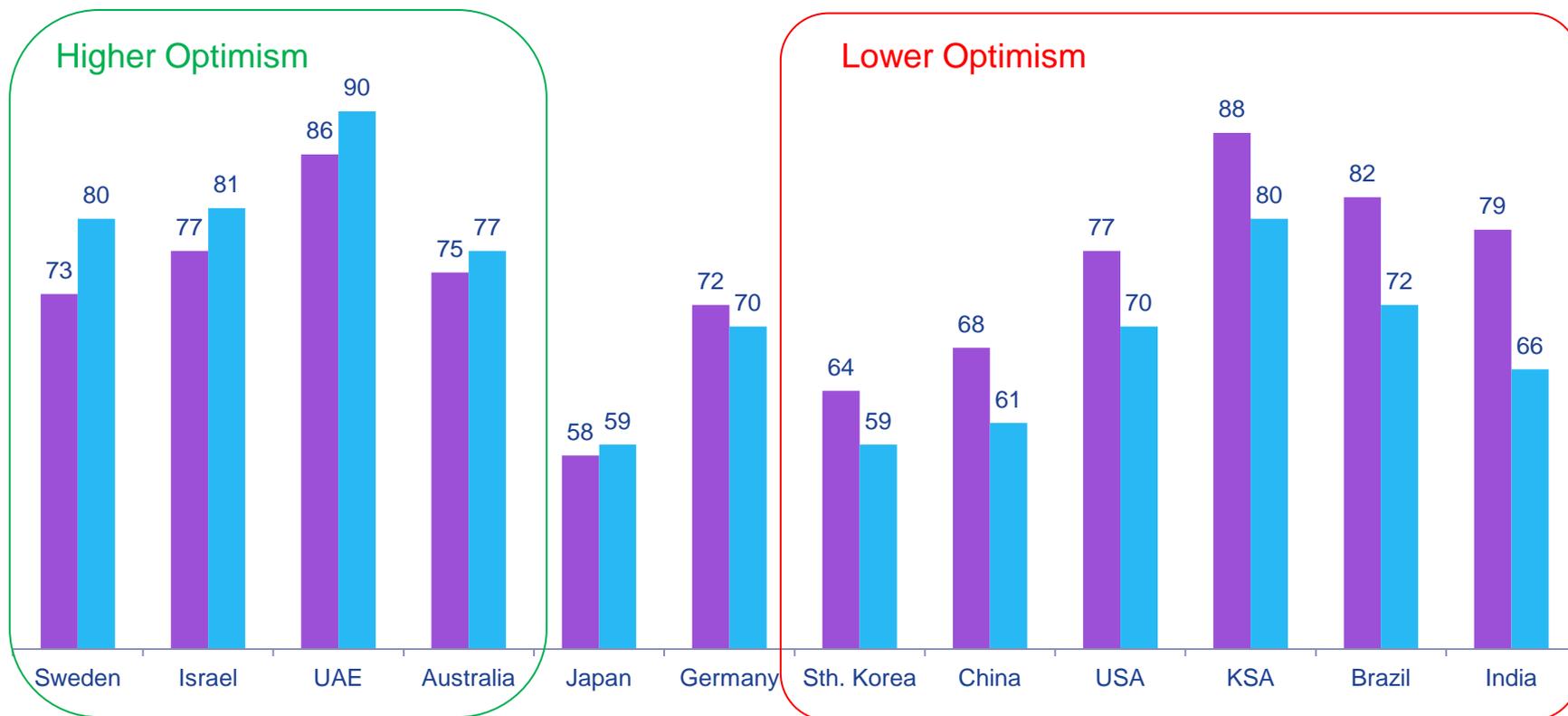
Innovation Optimism Index: Hundred-point index illustrates how optimistic each market is that innovation will successfully convert into improved life conditions for citizens. Arrows indicate year-over-year trends



Innovation Optimism Index: Year on year tracking in 12 markets

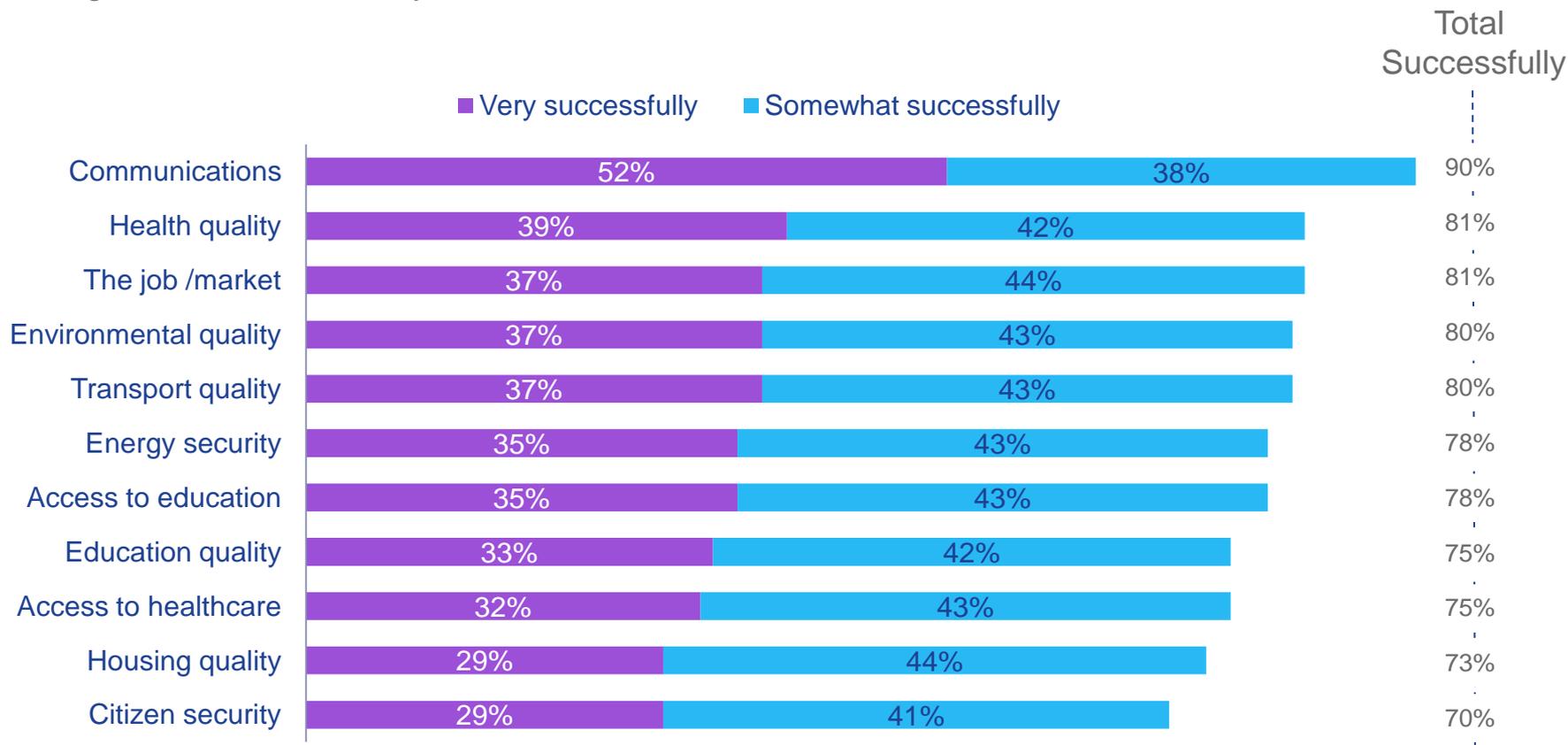
Innovation Optimism Index: Hundred-point index illustrates how optimistic each market is that innovation will successfully convert into improved life conditions for citizens. Arrows indicate year-over-year trends

2011 to 2012 Comparison



Ability of innovation to improve citizens' lives

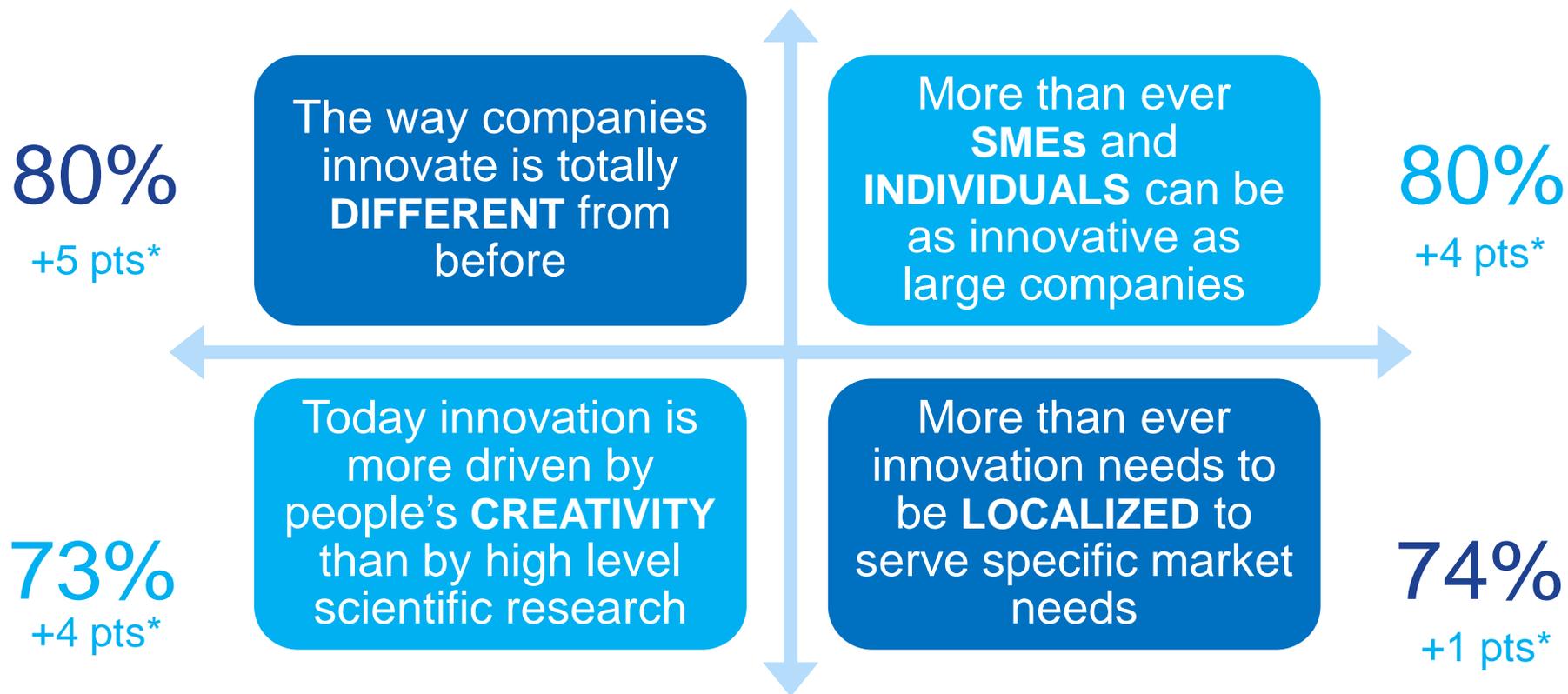
How successfully do you think innovation could improve citizens lives in each of the following areas in the next 10 years?



New Model of Innovation

Business embracing a new model of innovation

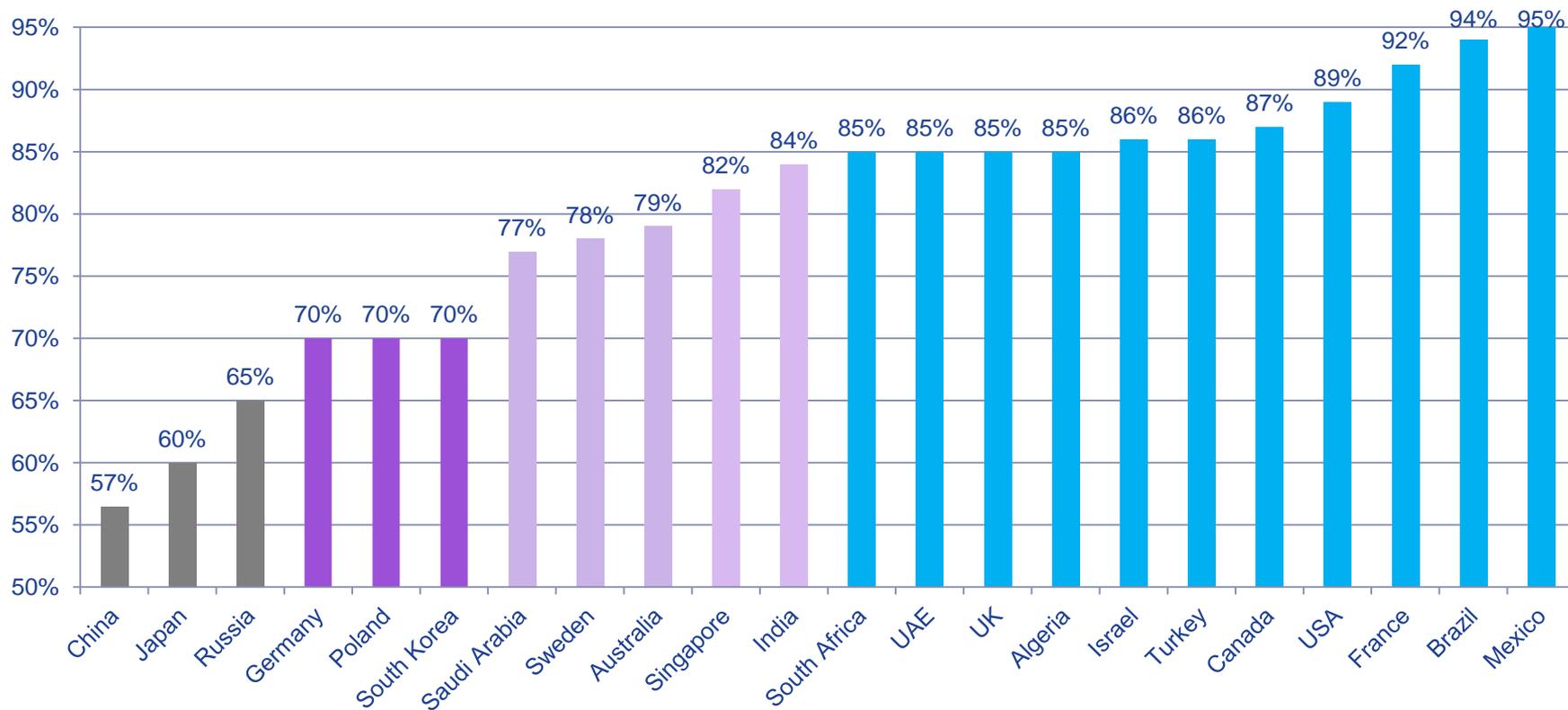
To what extent do you agree or disagree with each of the following statements? (% Agree)



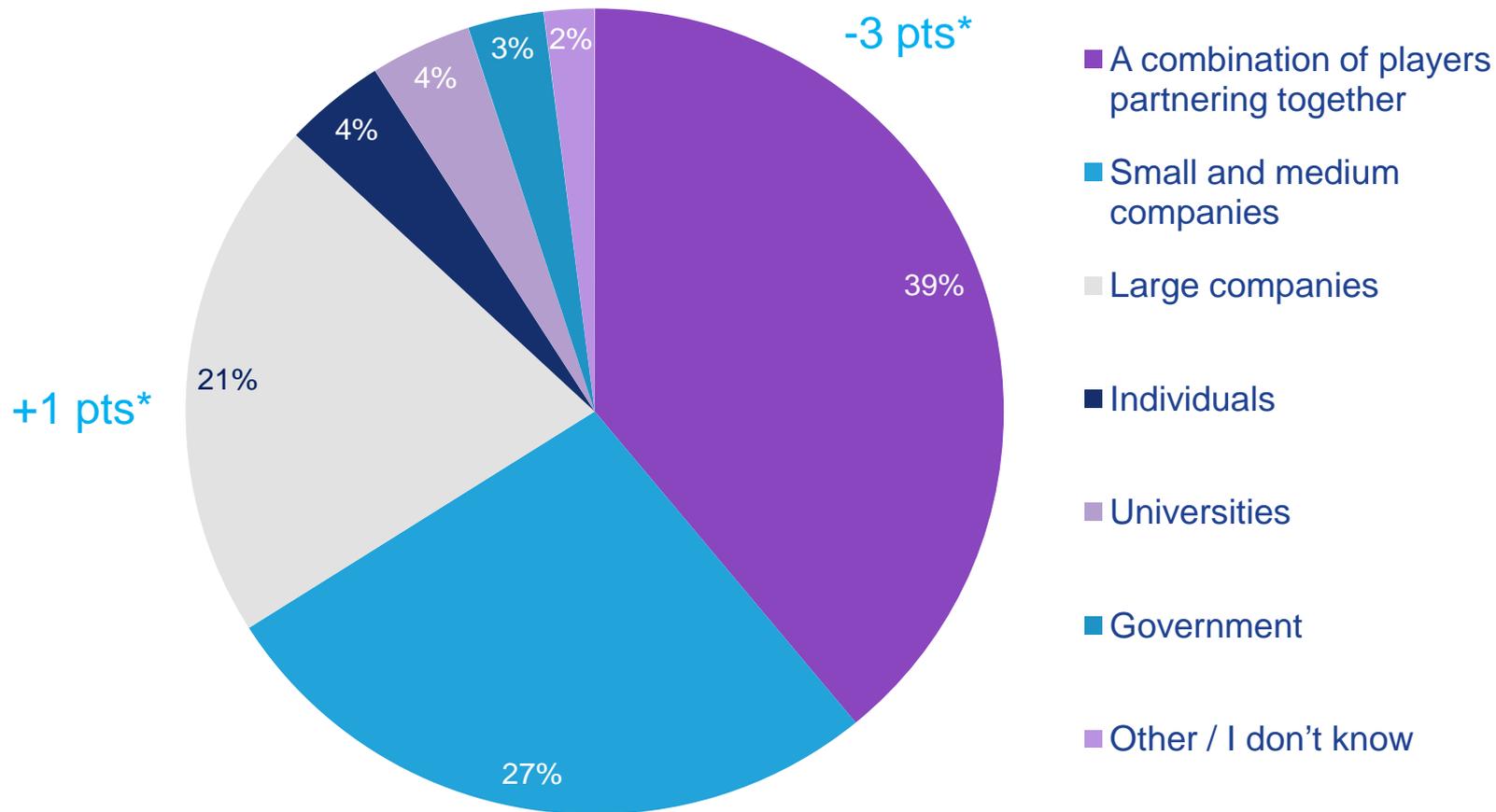
* Year on year tracking on 12 markets

Harnessing the innovative potential of SMEs and individuals (country breakdown)

More than ever before, SMEs and individuals can be as innovative as large companies (% Agree)

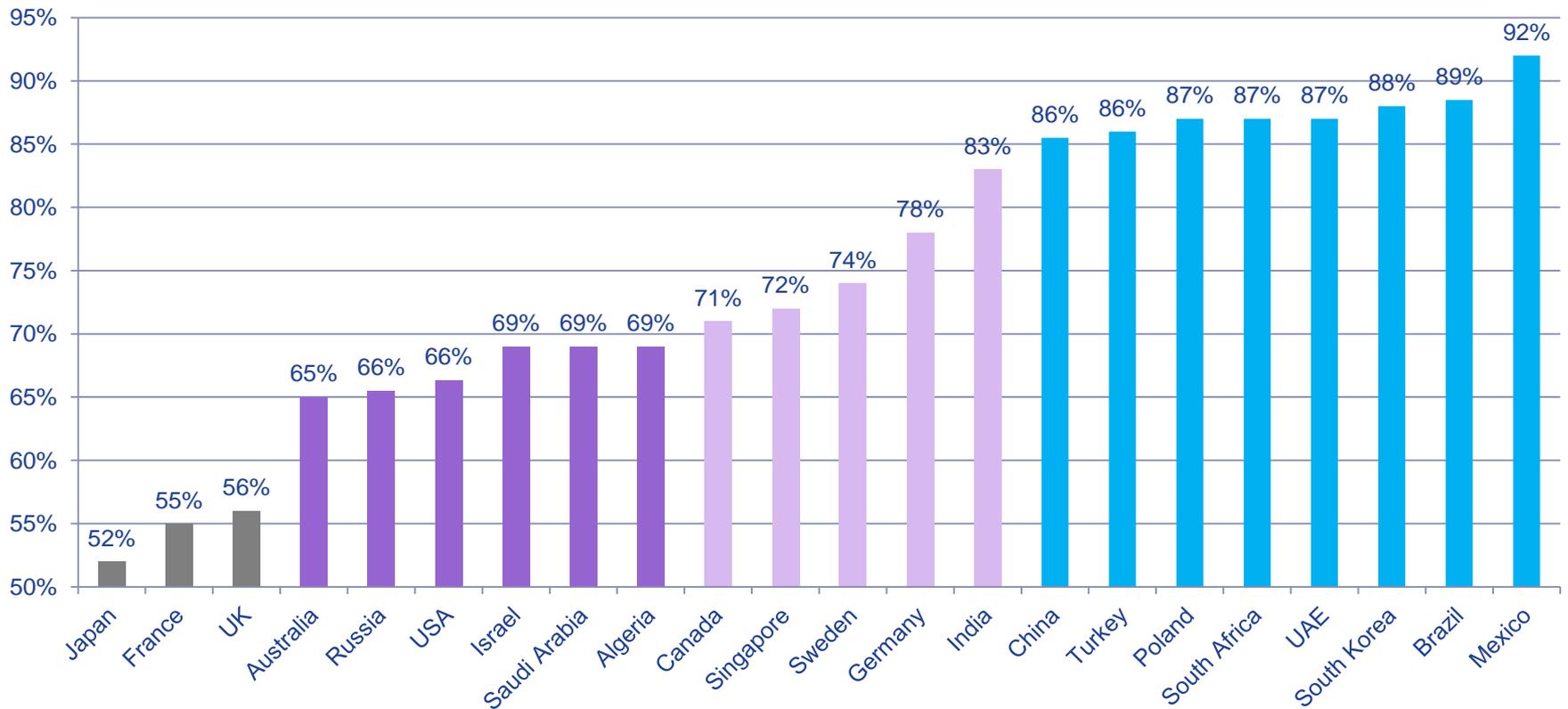


Most likely to drive innovation through the next decade



The importance of localization in innovation (country breakdown)

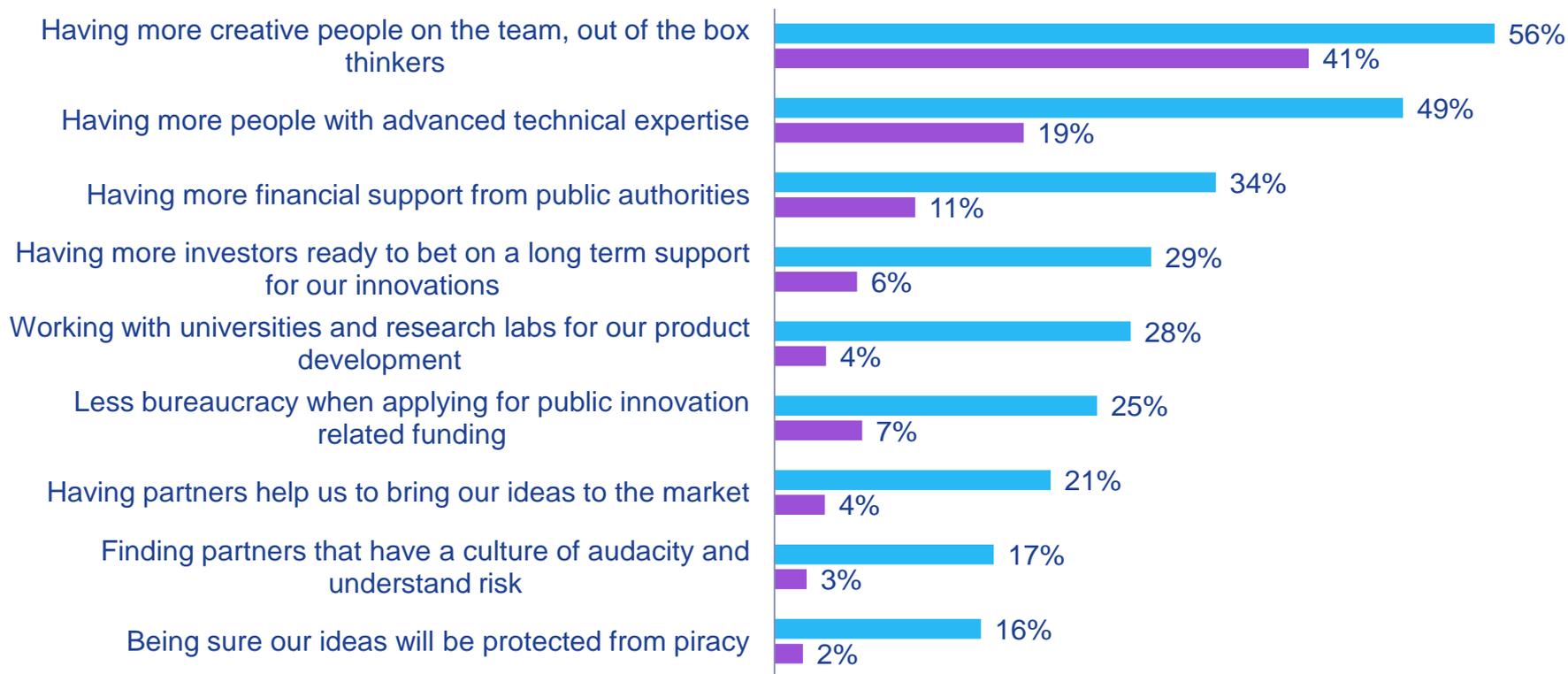
More than ever before, innovation needs to be localized to serve specific market needs (% Agree)



What business needs to be more successfully innovative

At your own company level, what could most help you to be more successfully innovative?

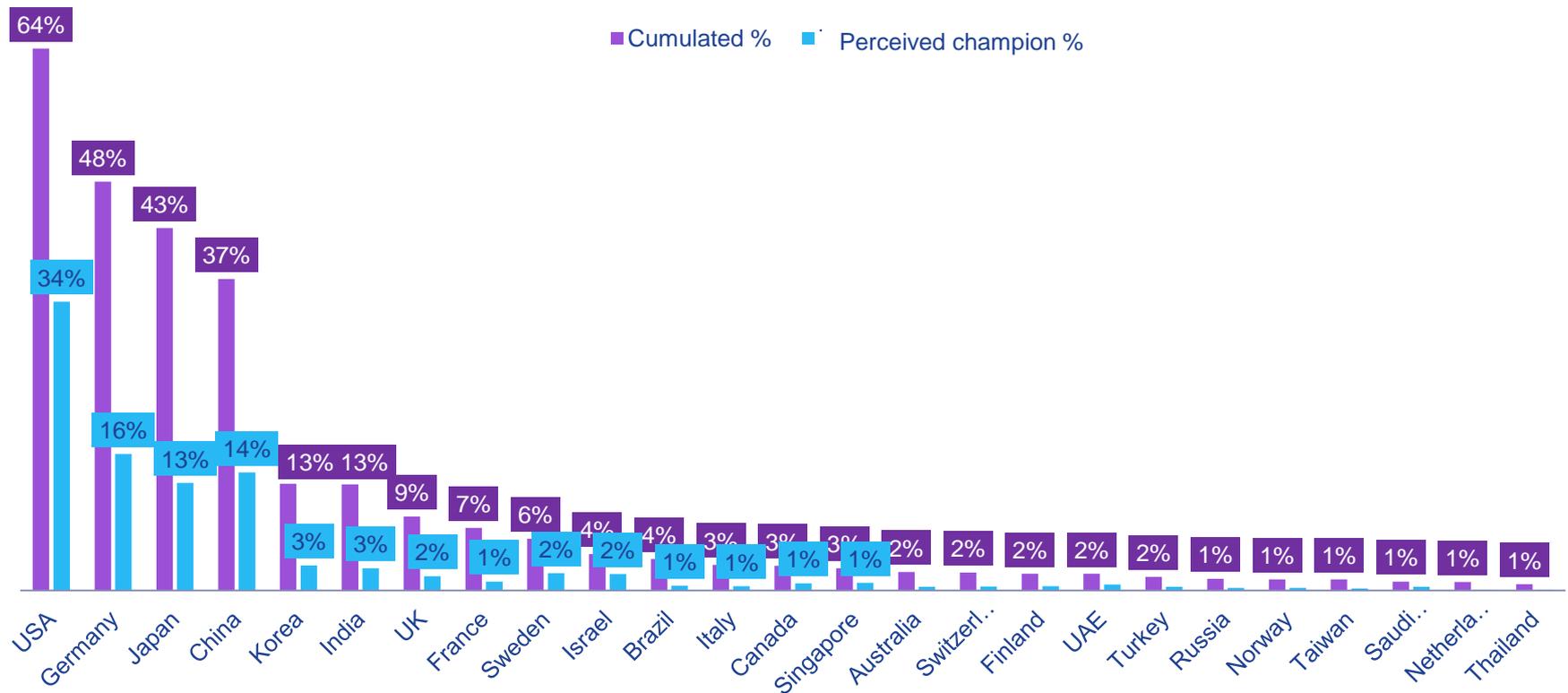
■ % Cumulated ■ % Mentioned as the most important



Global Innovation Reputation and Self-Assessments

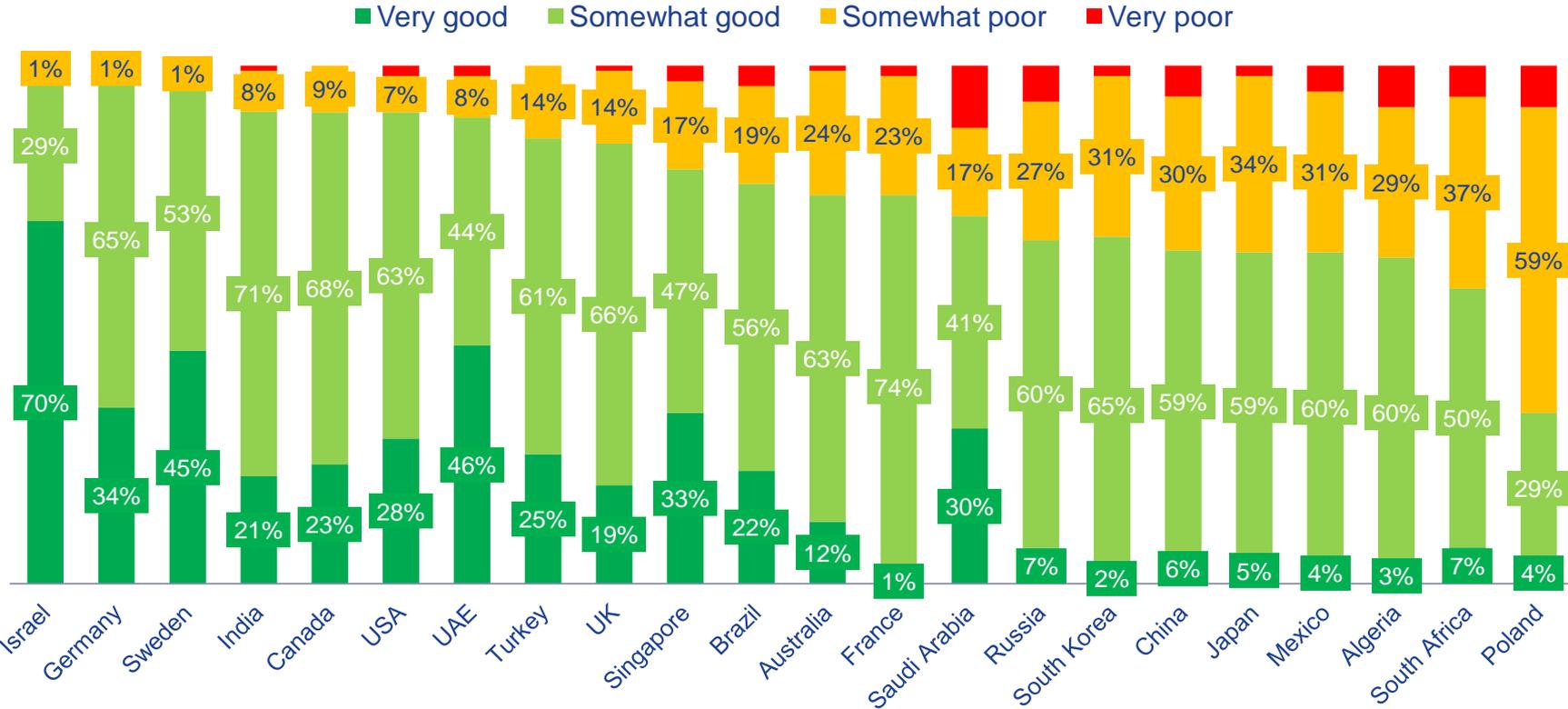
What are the countries with the best reputation for innovation?

What are the 3 countries that you see as leading innovation champions? Respondents asked to identify one country they regarded as the clear champion. Respondents allowed to name their own country.



How do countries evaluate their own reputation for innovation?

Do you think that the reputation of your country as an innovative market is...



Innovation Definitions

How business defines innovation

Which two aspects below most closely correspond to your personal definition of innovation?

Definitions elements	Top choice	Total mentions
The implementation of new processes, products, organizational changes or marketing changes	35%	47%
An environment/culture that embraces positive change, creativity and continuous improvement	27%	42%
Research and development, new intellectual property (IP), and inventions	17%	41%
Staying ahead in the market and being a market leader	12%	32%
Solutions that benefit society and societal outcomes (including environmental outcomes)	9%	29%
None of the aspects above is close to my personal definition of innovation	1%	10%

For more information about the Global Innovation Barometer, contact:

Antoine Harary

Director of Research

StrategyOne

antoine.harary@strategyone.com

Una Pulizzi

Manager, Global Public Affairs

GE

una.pulizzi@ge.com

GE GLOBAL INNOVATION BAROMETER.



Global Research Report
January 2012



GE imagination at work



StrategyOne