News release

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**TMT Innovation Leaders Focus on Key Areas to Ensure Innovation Delivers Consistent, Tangible Results**

**New York, 23 April 2014** ‑‑ Leading innovators in the Technology, Media and Telecoms (TMT) industries succeed by identifying and taking action on six key areas that can set their companies apart from the competition, according to *Clearing the innovation hurdles: How leading TMT businesses overcome barriers to make innovation happen*.

This latest report in PwC’s TMT global innovation series focuses on how companies address innovation hurdles as they arise, and how these hurdles have unique challenges for TMT industries. The survey findings, which include feedback from 374 c-suite executives from TMT companies across 20 countries, reflect that the most innovative 20% of TMT companies anticipate hurdles to innovation by focusing on such areas of differentiation as visionary leadership, an open culture, attracting talent, collaboration and partnerships, the right metrics, and higher investment and use of innovation subsidies and tax incentives.

Dan DiFilippo, PwC, Global TMT Leader, said:

“Product lifecycles are relentlessly shorter for TMT companies, while the speed of technological change is only increasing. The pressure to innovate is fierce – TMT companies have to be committed to creating an environment that can anticipate and eradicate innovation hurdles.”

**Finding and overcoming the hurdles**

*Clearing the Innovation Hurdles* provides practical insights on attributes TMT innovation leaders use to achieve higher returns on their innovation investments.

* **Leadership:** Innovation cannot be relegated to the R&D department. Innovation must remain a corporate priority that is inseparable from the company’s overall growth strategy, which needs to be owned by the company’s top leadership.
* **Culture:** Having a culture that promotes innovation is a vital step in the process towards shaping an ‘innovation ecosystem.’ Other ways to create a culture of innovation include ‘innovation project rooms’ and tolerance for ‘fast failure.’
* **Talent:** Leaders embed innovation traits into their talent strategy, from training and performance reviews, to attracting new recruits. Alignment is also supported by rewarding and recognising behaviours that encourage innovation.
* **Collaboration:** Leading TMT innovators collaborate more frequently and with a wider spectrum of partners. The most innovative 20% of TMT companies co-create, on average, over 36% of their products and services with external partners. The least innovative TMT companies only co-create about 8%.
* **Metrics:** The most innovative TMT companies have installed metrics to track and assess their innovation performance, and seek opportunities to use data more effectively to inform decisions about future innovation investment.
* **Funding:** PwC’s survey found that the most innovative 20% of TMT companies invest over 1.5 times more in innovation than others. Investment is only one part of the process, however, as efficient use of funding is a crucial next step. Further, locating and using financial innovation incentives such as tax holidays and R&D tax relief, can also help achieve greater innovation.

Roman Friedrich, Strategy&, Global TMT Leader, said:

“There’s no one perfect solution to attain innovation. It is much more about having a well-defined strategy accompanied by relevant resources and infrastructure to eliminate the hurdles. By fostering a culture of innovation, using their resources and budget wisely, TMT companies can become the innovation leaders of tomorrow.”

**Notes:**

* Contact Dan DiFilippo on Twitter: @DanDGlobal
* *Clearing the innovation hurdles: How leading TMT businesses overcome barriers to make innovation happen* is the third and final report of the PwC TMT Innovation series. This third paper focuses on common barriers to innovation and how they can be overcome, as well as best practice innovation approaches occurring across the TMT industries. The second report, *Learning from innovation leaders,* focused on characteristics and habits of highly effective TMT innovators. The first report, *Seizing the Innovation Edge*, identified steps companies could take to develop a coherent innovation strategy, and h0w this focus on innovation generates faster revenue growth.
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