Get More Out Of Your Growth Strategy

MANAGING TOMORROW'S BUSINESS

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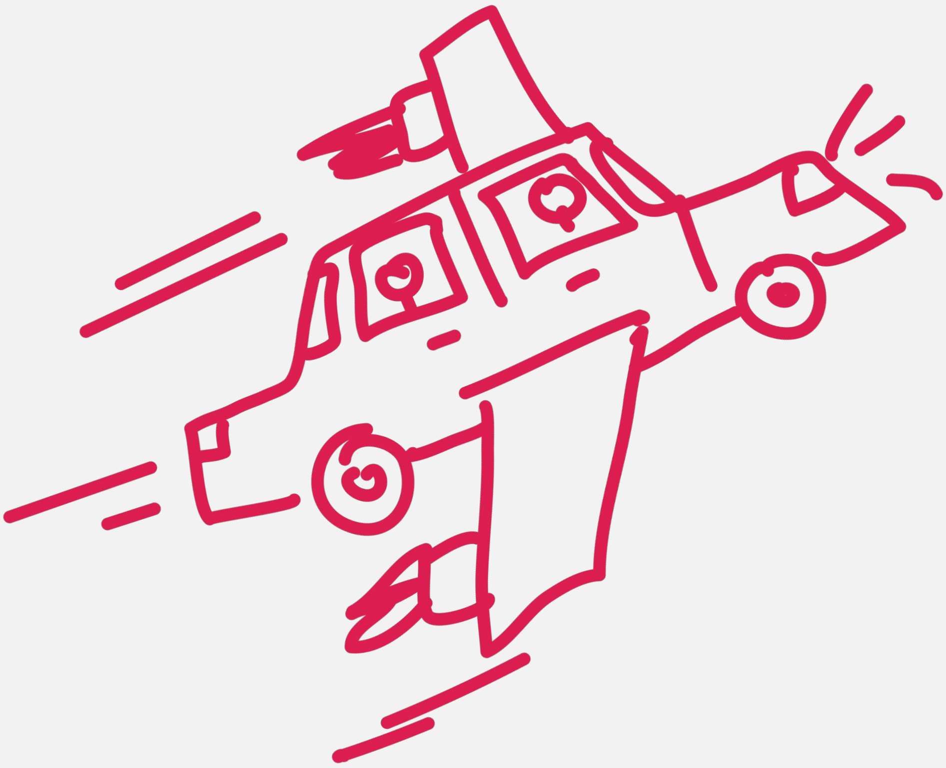

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Growth is the cornerstone of most corporate strategies. It is the metric by which CEOs are evaluated and a key driver of stock prices. In essence, growth is the lifeblood of companies. This white paper focuses on growth arising from new products and services, arguing that this particular source of growth should be managed differently to improve its impact.

For years, we have been puzzled by the difficulty of securing executive focus on innovation and the growth that arises from new products and services. When the recent Draghi report on 'The Future of European Competitiveness'[1] highlighted a significant innovation gap between European companies and their global competitors, it further motivated us to explore why the topics of growth and innovation are not given greater priority on executive agendas

To investigate this topic, we interviewed 15 executives from 10 different companies about their growth strategies and execution practices. Our aim was to uncover why growth initiatives often struggle to gain traction at the executive level and offer practical suggestions for improving their impact.

1. Introduction: The State of Managing Growth Today

Why Growth Struggles to Gain Executive Attention

Growth is a complex issue that is often sidelined in favor of more immediate operational urgencies. While every corporate initiative could benefit from executive attention, time is always limited, and there is fierce competition for focus. However, growth is at the heart of most corporate strategies, and ultimately, it is what CEOs, executives, and boards are judged on. Many studies also highlight that even in a economic downturn, growth initiatives are critical for value creation, even survival.[2] For publicly traded companies, growth and innovation are central topics during capital market days, where executives present their strategies to investors. These discussions often shape the company's stock performance, as investors closely monitor what's in the pipeline and how effectively it is executed.

The challenge lies in the execution of growth initiatives. Promises of growth tied to new products must be backed by tangible results—failure to deliver can lead to stock price declines and investor dissatisfaction. Even in economic downturns, growth remains critical for long-term value creation

[1] The future of European competitiveness Part A | A competitiveness strategy for Europe, September 2024

[2] McKinsey & Company: "Eight lessons on how to get the growth you planned", November 2020. HBR 2010, Roaring Out of Recession, by Ranjay Gulati, Nitin Nohria & Franz Wihlgesogen.

and survival. Investors expect clear visibility into where growth is coming from and how it will be achieved.

Who Owns Innovation?

Growth typically comes from four sources: 1) increasing sales, 2) mergers and acquisitions (M&A), 3) improving profits from existing business, and 4) developing new products and services.
Of these, all but new product development usually has a clear executive owner. The CFO and CEO oversee M&A, the CCO handles sales growth, and the COO manages margin improvements. While some companies may have a Chief Science or Technology Officer, these roles rarely fully own innovation, in the form of developing new product and services. During more than 25 years working in the field of innovation, we have observed that despite its importance and widespread attention, responsibility for innovation often lies at lower levels (2-4) within organizations, with limited access to senior executives. This leads us to believe that the topics of growth and innovation lack a clear executive owner, which could explain why they do not get more executive attention.

The Underutilised Growth Potential

Most strategies focus on increasing sales. While this is crucial, many companies also recognize that even this sales growth involves elements of innovation. Product owners often work on improving existing products, an effort known as continuous improvement, incremental growth, or business development. However, this responsibility is frequently left to product owners, and these initiatives can be sidelined by urgent operational issues. As a result, the potential for growth through product improvement is often overlooked.

These efforts are not typically seen as part of the innovation agenda, which is usually reserved for more radical changes. Yet, as an R&D director, a client of ours, noted, improving production efficiency to almost double output at the same cost was his most impactful innovation in 20 years. This example underscores the massive untapped potential in improving existing assets.

The Unique Challenges of Managing Explorative Initiatives

Developing new products and services is fundamentally different from managing continuous improvements, which often leads to it being neglected. New products and services are often based on assumptions about the market, the technology and the ability for the company capture value profit from the effort. In comparison, selling more, improving the margins and to some extend M&A activities all are based on known or accessible data and processes. Initiatives based on assumptions have a more explorative component that set them apart from initiatives that tent to exploit the existing.

The line between "explore" and "exploit" can be blurred. For instance, building a new factory is typically an exploitative initiative if the company has prior experience and established processes. However, if the factory involves new, untested technology, it becomes an exploratory project. Similarly, AI is increasingly seen as a tool for improving efficiency and margins. Despite its application to known processes, its technology is still new, and thus should be treated as an exploratory initiative rather than just a normal strategic one.

Launching new products requires three key elements: market demand, feasibility, and financial viability. However, the focus tends to be on the technology or science behind the product, while market fit and business models are often addressed too late—usually after significant investments have been made. This leads us to believe that this lack of understanding of the nature of explore projects can lead to them being misunderstood, mismanaged or not managed at all.

2. Research Design

The unit of our analysis

The lack of clear ownership and understanding of growth initiatives, particularly those focused on new products and services, is at the heart of our puzzlement and why we decided to conduct this investigation. To uncover this topic and shed some light on our puzzlement, we interviewed executives or individuals closely connected to the executive team (such as group strategy functions) in companies with growth agendas across various industries.
We conducted 15 interviews across 10 companies with board members, CEOs, executives, and executive assistants responsible for board meetings, as well as individuals with "Group Strategy" in their remit. A list of participating companies can be found in the appendix. These companies span a wide range of industries, each with unique challenges, strategies, and track records. The companies are a mix of public traded companies, privately or public owned companies. All of them are international and some have a global reach.

All interviews were conversations about more or less confidential information, hence, there is only limited direct quotes or no mentioning of who we talked to. This paper does not represent the views of any of those companies.

Our hypotheses

To guide our research, we formulated the following hypotheses:

- Low Ownership: That new product and service, which intuitively is about how innovative the company is, does not have a natural executive owner who is accountable for the impact
- Low attention: Despite growth being essential for most strategies, some sources of growth receive less attention than they “deserve.” Executive boards, in general, do not spend much time discussing “tomorrow's business.”
- Same Governance: That explorative growth initiatives tend to be managed and measured like other strategic initiatives. This mismanagement can result in a lack of impact.

Our research is based on an interview guide containing 15 questions that will help us validate or falsify our hypotheses and come up with recommendations.

Defining “Tomorrow’s Business”

In our research, we realised that we needed a new term that could cover the development of new products and services, including the incremental improvements that are part of driving the existing business. The term “innovation” is often related to more radical initiatives, and often seen as something detached from the existing business. We will thus use the term “tomorrow’s business” to cover everything that the company must live on in the future; that covers both highly innovative products and services, but also more incremental improvements to “today’s business”.

3. Findings

Three Distinct Growth Strategies

Growth, profitability, and survival occur in cycles, and the strategies of the companies we interviewed reflect this dynamic. At times, growth takes center stage; at others, the focus shifts to sustaining or increasing margins. For instance, one company recently signed a major acquisition that will nearly double its revenue—an achievement that understandably demands full executive attention and resources.

While all the companies we interviewed had growth as a key element of their strategy, each approached it in different ways. They all categorized growth into various sources, many of which align with the frameworks outlined in this paper. Some companies were highly specific—one, for example, projected that 45% of future growth would come from new products and services. Another company set a goal for a newly identified business area, which currently generates no revenue, to account for 40% of growth by 2029.

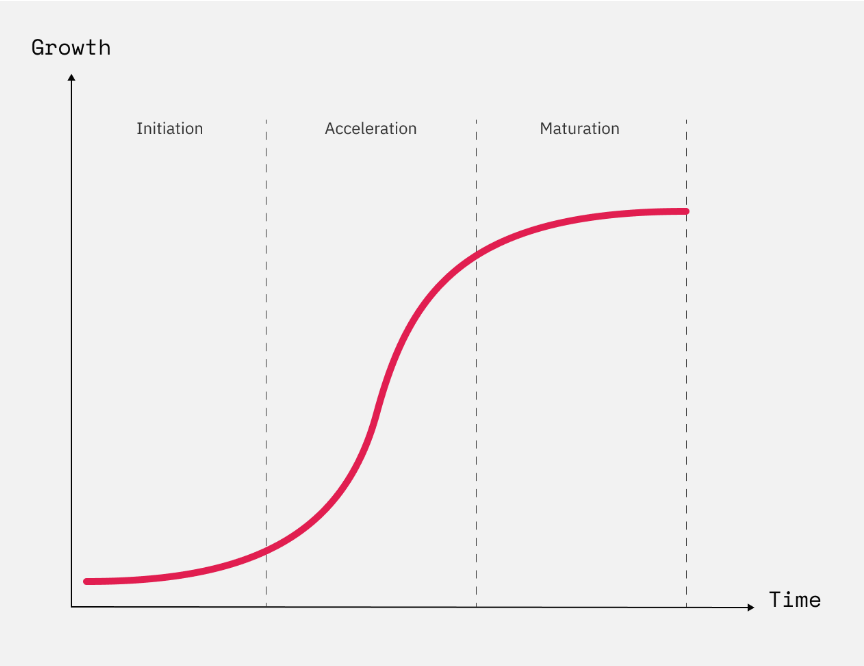
We identified three distinct growth strategies:

The Core Optimization Strategy focuses on "safeguarding the core" and driving revenue from existing businesses. It is a more defensive approach, aimed at preventing further losses rather than pursuing growth. However, even in this defensive posture, there's a need for innovative solutions to maintain and enhance the core business.

In contrast, the Aggressive Growth Strategy is highly focused on expansion. One company, for example, aims to grow from €300 million in revenue to €1 billion. They have established a steering group managing 28 growth projects, with the "Billion-Euro Club" meeting monthly to oversee progress. However, the focus can shift. For example, after an M&A push, one year might prioritize growth, while the next could be focused on successfully integrating the acquisition—still part of a growth strategy but with a more defensive, integration-driven focus.

The Balanced Growth Strategy, adopted by the majority of companies we interviewed, combines efforts to explore new growth opportunities, improve revenue from existing operations, and protect the position of established products. One executive, responsible for strategy, shared, "*The more a company grows, the more that growth needs to come from the innovation of something new."* This aligns with the S-curve theory of technology development (Fisher & Pry (1971)), where technologies follow a growth trajectory that starts slow, accelerates, and eventually flattens. In the early stage, growth is difficult, but once the product gains traction, it accelerates. Eventually, even with new features or incremental changes, the growth curve flattens. To continue growing, a new S-curve must be created—requiring novel solutions and innovations. In mature businesses, innovation is necessary not only to safeguard the existing product lines but also to spark the next growth cycle. This creates inherent challenges, as companies must balance sustaining their core business with exploring new growth areas. Additionally, since stock prices reflect expectations about future sales, once a new product enters its growth phase, the market recalculates the company's future sales potential, often leading to a dip in stock price.

Thus, the Balanced Growth Strategy is about protecting the core while also looking for new opportunities. It is about defending the present while creating the future.



S-Curve adopted from: Fisher & Pry (1971)

Innovation Is Needed at Every Stage of Growth

In conclusion, businesses need an innovative mindset at both the infancy and maturity stages of their products. Large companies often have multiple divisions with products at different stages of the S-curve. As products mature, companies increasingly focus on aggressive growth strategies aimed at finding the next S-curve. In the acceleration stage, the focus shifts almost entirely to driving growth and scaling the product. But even then, companies must plant the seeds for future growth.

One executive shared how their company, initially a leader in a highly technical product, transitioned from a market where owning the technology made them a global leader, to a commodity-driven market where cost became the main competitive factor. This shift forced the company to focus on "safeguarding the core." We observed this strategic pivot in around 30% of the companies we interviewed. As their markets matured or changed, these companies shifted to strategies aimed at protecting or recovering their core business to restore revenue and profitability.

The Differing Attention to Today's and Tomorrow's Business

Most companies we interviewed agreed that no one truly "owns" new product and service development due to its cross-functional nature. Unlike other growth sources, such as M&A or sales, ownership of innovation is often less clear. However, companies with aggressive growth strategies tend to give high executive ownership to new products. For example, one company aiming to grow a new product area from zero revenue in 2024 to 40% of total revenue by 2029 has established an "Innovation Board," with half of its members drawn from the Board of Directors. This board meets four times a year to discuss trends and future business, and its work is supported by a formal executive review of the R&D portfolio at least three times annually. This approach ensures significant executive ownership and attention to future growth.

In contrast, companies with a more Balanced Growth Strategy or a Safeguarding Strategy tend to have executives with "product" in their titles overseeing the pipeline of core product improvements. When we asked, "How much of the agenda and time in your last 3-4 executive meetings was dedicated to 'tomorrow's business'?" those with Balanced or Safeguarding strategies reported very little—usually just a small fraction of their time. In contrast, companies with Aggressive Growth Strategies reported spending up to 40% of their executive meeting time on future-focused business.

Most companies did not differentiate between discussions of today's and tomorrow's business. They did not hold separate meetings to track the progress of their more exploratory initiatives, which are meant to lead to future revenue streams. A few respondents, however, who were responsible for growth or more exploratory portfolios, explained that they maintained one-on-one dialogues with the CEO. This informal approach helped keep the CEO informed and allowed them to jointly decide when it would be appropriate to involve the full executive board.

It is important to note that all companies tracked their strategic initiatives closely, and executives showed strong interest in these initiatives. However, the more exploratory elements often did not receive the same level of attention. Nearly all respondents said they did not separate reporting on the health and progress of "exploit" versus "explore" initiatives—even in companies with aggressive growth strategies.

The Assymmetrical Challenge

Executive boards are primarily focused on current issues that have high financial value. There is a tendency to become "figure blind," when discussing about important problems almost always requiring large investments. For instance, if an executive team has just allocated billions to a major project, they may be less inclined to focus on issues that seem small in comparison. An early-stage ideas or "seeds" of new ventures should never require a large about. The therory and winning practices is, to “invest a little and lear a lot”. These nascent opportunities have little immediate financial value and are often deemed less important. As a result, they only receive attention when they are ready to scale, which means the pipeline might not be well-vetted or aligned with the organization’s strategic needs. We call this the “assymmetrical challenge”.

As an example, one interviewee shared that their company only started giving attention to high-potential, early-stage projects once their budgets exceeded 13 million euros — a stage that was too late for proper early exploration.

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This led to a "stop-go" approach, where potential was hyped up without sufficient validation, only for projects to be abandoned when they inevitably hit obstacles. Or as another simply put it “We only get the executives attention, when the budget is
+ 100 Million DKK”.

Managing Explore Initiatives

In general, all the companies interviewed had established tracking systems for their strategic initiatives, setting up PMOs and appointing responsible individuals to drive execution. Executives were incentivized to ensure success, and overall, there was a consensus that their companies were performing reasonably well in this regard. However, there was also an agreement that not all initiatives are created equal. Some are more explorative, relying on a greater number of assumptions, compared to initiatives grounded in historical data and proven expertise.

Despite recognizing these differences, almost all companies failed to distinguish between the types of initiatives in their tracking and reporting. Even in a case of an aggressive growth strategy company with ambitious targets to generate 40% of total revenue from new products, the same approach was used for reporting on both explorative and exploitative initiatives. This oversight made it harder to accurately assess the health of more uncertain, early-stage projects, potentially leading to misguided conclusions.

A key challenge for many companies is their heavy focus on the science and technology underpinning their products, which often leads to large R&D budgets and intense attention on technical development. While innovation is critical, this focus can neglect the commercial viability of new ideas. Companies may produce hundreds of patents, but without a clear path to market, these innovations hold little value.

Conclusion

New products and services are often not directly owned by executives, which may contribute to a lack of attention. Innovation and novel solutions are needed across the entire organization—within product pipelines, during the initiation of new S-curves, and throughout the maturation of existing products and services. This lack of clear ownership can make it difficult to focus on tomorrow's business, as it often relies on cross-functional efforts and resources that belong to other departments.

While more growth-focused strategies tend to give attention to tomorrow's business, it is often hidden within broader strategies and lacks the financial numbers to attract significant focus. Despite the proven effectiveness of internal venturing, few companies cite it as a major growth driver—except for one. Novel solutions may look different in a “safeguard the core” strategy, but the same innovative mindset is required to reduce costs, increase value, add functionality, or build something entirely new.

Fostering an innovative mindset should be a top priority, regardless of company size or product maturity. Innovation is not just necessary for new technologies; it is essential for maintaining and evolving the core business. However, because innovation is needed across all aspects of the business, there is often a lack of clear accountability and visibility over these initiatives and their outcomes.

Before starting our research, we developed a set of hypotheses based on observations and our experience from consulting across the years. Based on the interview findings, we can now make the following conclusions:

1. Low ownership:

Hypothesis:
A new product and service, which intuitively is about how innovative the company is, does not have a natural executive owner who is accountable for the impact.

Conclusion: *(Partially verified)*
Typically, there is an owner among the executives, but the role varies, and the responsibility might be spread among multiple executives. Ownership at C-1 is more blurred and ends up being down-prioritised due to other KPI-driven activities.

2. Low attention:

Hypothesis:
Despite growth being essential for most strategies, some sources of growth receive less attention than they “deserve.” Executive boards, in general, do not spend much time discussing “tomorrow's business.”

Conclusion: *(Partially verified)*
Growth initiatives do get executive attention, but only when they reach a certain monetary level. This sometimes leads to initiatives and investments being bloated to make it onto the agenda.

3. Same governance:

Hypothesis:
Explorative growth initiatives tend to be managed and measured like other strategic initiatives. This mismanagement can result in a lack of impact.

Conclusion: *(Verified)*
Explore initiatives are typically held to same appraisal standards as other projects, which is counter to their nature and can lead to them being prematurely shut down. Conversely, no standards can lead to too big investments and resource spend on projects with no market potential.

4. Recommendations

Drawing on insights from our interviews and client work, we have developed a number of practical recommendations to strengthen the execution of growth initiatives and enhance the impact of innovation efforts.

Strategies of Growth Outperformers

To further validate our recommendations, we lean into recent research by McKinsey[3]. Based on their in-debt knowledge about 10.000 largest companies globally, studying them over a period from 2016 to 2022, they have identified characteristics of "growth outperformers"; companies that outpace their industry peers on revenue and profit growth. These companies prioritize building new ventures (i.e. creating new revenue streams through new product and services) investing 20% of their growth capital in this effort, which leads to2.5% higher growth that those who do not invest[4] .

They are characterized by a courageous mindset that prioritizes innovation, and they follow **six key strategies** for their growth initiatives:

1) Fostering an innovation culture
2) Prioritizing sustainable and inclusive growth
3) Leveraging data and AI to grow core businesses
4) Strategically pursuing adjacent and breakout businesses
5) Shrinking to grow, when necessary,
6) Mobilizing employees to capture value quickly.

Those strategies apply to all growth initiatives, whether they arise from their M&A activities or venture building.

This study corroborates our argument for investing and prioritizing tomorrow's business and the strategies and characteristics of the growth outperformers have further inspired our recommendations.

1) Establish a meeting cadence focusing solely on "Tomorrow's business"

We recommend separating the discussions of today's business from tomorrow's business by establishing dedicated executive meetings focused solely on the business of tomorrow. These meetings should occur on a regular cadence—every three to six months, depending on the urgency

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[3] McKinsey & Company," Courageous growth: Six strategies for continuous growth outperformance", Oct 2023

[4] Leap by McKinsey,"How CEO's are turning Corporate venture building into outsize growth", October 2024

and pace of change. By isolating tomorrow's business from day-to-day operations, you create the necessary focus and allow executives to engage with it in the right frame of mind. It also encourages the organization to prioritize and prepare content for these meetings. Done well, this structure can establish a rhythm for innovation projects, ensuring they report progress and learnings at regular intervals, such as every three months. Giving the executives direct access to the digital infrastructure that holds the governance and the truth about the initiatives gives a more fact based meeting that respond to the needs of the initiatives.

The agenda for these "tomorrow's business" meetings could include some or all of the following points:

- Identifying and discussing emerging trends (regulatory, technology, market shifts)
- Reviewing whether the company's search areas or whitespace opportunities are evolving
- Assessing the idea funnel and ensuring a balanced, risk-aware portfolio of exploratory initiatives
- Managing the "project intake" process, providing resources to the most promising ideas, and discontinuing those that don't meet the criteria (e.g., 25% success rate entering the incubator, with a 75% kill rate)
- Reviewing one or two ideas that are ready to move forward, with teams pitching for resources to advance to the next stage or scale

Having project teams present directly to the executive board achieves two key objectives: first, it puts the "passion and energy" of the idea front and center, giving executives a direct, unfiltered dialogue with the team behind the idea. Second, it creates a sense of urgency for the project managers, knowing they have direct access to the board—even if only for a short time. This not only motivates the project team but also improves the quality of decisions made, helping the board provide clearer direction and support for future initiatives.

Having a cadence with tomorrow's business meetings can also be cascaded into the Sure-fixe conversations with leaders, so that those conversations reflect the company's goal of using 85-90% of their time on the performance of todays business and 10-15% of their time on the creation of tomorrows business.

2) Develop an Explore Portfolio and Measure Progress

There is a common misconception that innovation cannot be measured and should be left alone until someone comes forward with something groundbreaking. This is a flawed approach that requires too many resources and relies too much on serendipity. Another stance is applying the same KPIs to explore projects as to exploit projects, which is also unfortunate as this leads to too many good ideas being killed too early. As explore projects are different and based on assumptions, another way of reporting and assessing them is needed.

To guide and inform the before mentioned meeting, we recommend to map and track at a portfolio level, and at project level once projects reach a certain level of maturity (e.g. when considerable resources are invested).

The reporting should consist of:

- A funnel overview of ideas/projects pr stage: ideation, shaping, incubation, scaling, acceleration, along with a kill rate and changes since last
- A graphical illustration of projects mapped by resources invested, expected returns (growth potential) and certainty (how certain are we, that this is validated).
- Project-level reporting with budget, resources, team health and scope. This should be supplemented with a status on progress on the validation of key aspects of the projects (desirability, feasibility and viability). This reporting is light focusing on the progress of the project since last and the project team's learnings, conclusions and recommendations

This type of reporting will enable a discussion around the overall progress of the portfolio and distribution of projects (potentially also categorizing projects according to strategic search fields/focus areas). It is further possible to discuss relevant projects individually, ideally with the project team or manager in the room. It will bring in evidence and facts into an otherwise gut-based type of discussion and avoid the "reporting fatigue" that many project managers face (creating long reports that are never used).

3) Shield off Explore projects in the "Incubation Zone"

From both interviews and our experience working in this field, it is clear that early-stage ideas and explore projects will always struggle for resources when competing against a mature core business. Operational leaders and employees, often tasked with allocating limited time for tomorrow's business, will prioritize daily responsibilities over innovation. The solution is to create an incubation zone—a dedicated space with its own budget and protected resources (inspired by Geoffrey A. Moore's book "Zone to Win" (2015)).

The incubation zone is not a separate organizational unit; rather, it's a flexible space where ideas from across the company can be selected and nurtured. Ideas are chosen through the "Tomorrow's Business" meeting, and those selected are given the opportunity to work in the incubation zone 60-100% of their time for three months. At the end of each quarter, progress is assessed: Are we learning enough about the assumptions behind the idea to justify the time invested? This evaluation is typically done by the initiative sponsor and the Chief Innovation Officer (CIO), not the executive board.
The CIO oversees the incubation zone and its budget, while divisions and other parts of the company provide the necessary resources. The "Tomorrow's Business" board decides on the intake of projects, ensuring that resource allocation aligns with available capacity. When an idea leaves the incubation zone, it is because there is proven market demand, the technology is viable,

and it is financially viable to pursue. Depending on the type of idea and the resources available, some pilots is done, before the idea leaves the zone.

4) Create a Central Innovation unit that supports decentral effort

We recommend establishing a central innovation unit to oversee the methods, processes, and frameworks for innovation across the organization. This unit's role is to provide guidance, best practices, and support to decentralized teams in their innovation efforts. The fundamental principle is that innovation projects should be carried out where they are closest to customers. This means that a significant number of initiatives in tomorrow's business (both exploit and explore) should be conducted decentral, within the business units, with support from the innovation team. The support can be direct, with the innovation team being part of the project team, or indirect, by providing the business unit teams with the necessary training to run the projects. The innovation team is responsible for the tools, methods, and processes applied across the business. Using a digital infrastructure, the central unit can also be responsible for transparency, ensuring that the same problem is not being addressed in multiple places. This allows for analysis of the combined pipeline across the organization, maximizing the value of efforts and the collective knowledge of the company. Furthermore, the innovation team is responsible for explore projects in the incubation zone – projects that are too long-term or transformative to fit into divisional portfolios

5) Enable the organisation to run, manage and evaluate explorative projects

As previously mentioned, the number one strategy for growth outperformers is "fostering an innovation culture." This is achieved when leaders "lead by example" by prioritizing "Tomorrow's business" with time and budget, and by incentivizing employees to contribute to both incremental and transformative innovations.We found that running an internal Venture Competition challenge, engaging all employees, or actively sponsoring an incubation project can be effective ways of "leading by example." Running explore projects, both as a line manager and a project manager, requires distinct skills and, as noted earlier, needs to be reported and governed differently.Implementing training programs, such as our "License to Innovate," can support this cultural shift by equipping managers with diverse tools and methods. These programs train participants using real ideas, integrating learning with creating tangible impact. Applying these processes, tools, and methods, and training people across the organization, complements the new structures and zone division.This comprehensive approach demonstrates that everyone needs to develop skills to improve the execution of tomorrow's business. It emphasizes that innovation is not confined to a single department but is a collective responsibility that drives overall organizational growth and adaptability..

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5. Executive summary

In today's fast-paced business environment, organizations often struggle to balance the demands of maintaining their existing operations with the need to innovate and explore new growth opportunities. While today's business — the core operations and revenue streams — often takes center stage in executive decision-making, tomorrow's business - all initiatives relating to building the business of tomorrow, explorative and exploitative – is often neglected. These exploratory initiatives, which are typically more uncertain and long-term in nature, may not immediately generate significant returns but are crucial for sustaining future growth. This research dives into the challenges companies face in managing innovation, particularly the tension between short-term financial goals and long-term strategic opportunities.

Key Hypotheses and Our Conclusions

To guide our research, we formulated a set of hypotheses that were tested in a series of interviews (15) with executives or people close to executives from 10 different companies.

- Low ownership of Innovation: There is no clear executive owner for innovation efforts, and as a result, these initiatives lack the accountability they need to thrive (partially verified).
- Low attention to Tomorrow's Business: Despite growth being essential for most strategies, some sources of growth — particularly exploratory initiatives — do not receive the attention they deserve from the executive team (partially verified).
- Approach to Exploratory Initiatives: Exploratory growth initiatives are managed and measured using the same approach as exploitative initiatives, which leads to inefficiencies and mismanagement of early-stage projects (fully verified).

Recommendations

Based on the findings, we collected several strategic recommendations for companies looking to improve the management and execution of their exploratory initiatives and foster a culture of innovation:

- Establish a Dedicated Meeting Cadence for Tomorrow's Business
- Separate discussions of today's business from long-term innovation
- Develop a Clear "Explore" Portfolio
- Create an Incubation Zone for Exploratory Projects
- Centralized Innovation Unit with Decentralized Execution
- Enable the organisation to run, manage and evaluate explorative projects

Conclusion

Successfully balancing the demands of current business with the need to foster tomorrow's growth requires a structured and focused approach. By giving exploratory initiatives the time, resources, and attention they deserve, companies can better navigate the tension between short-term operational goals and long-term strategic innovation. The research demonstrates that with clear ownership, tailored processes for innovation, and a culture that values both current and future business, organizations can unlock sustainable growth and secure a competitive edge in an increasingly dynamic market landscape

6. Appendix

Participating companies

- KUKA AG
- Hitachi Energy Denmark A/S
- Ramboll
- Topsoe A/S
- Novonesis A/S
- DSV A/S
- VELUX A/S
- Ørsted A/S
- Vy
- Maersk Tankers

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