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Innovation is in the Air

WHEN MOST OF US THINK ABOUT INNOVATIVE COMPANIES, APPLE, GOOGLE, AND AMAZON LEAP TO MIND.

You might be surprised to learn that there are a number of health-care/life-sciences companies that are also topping the most disruptive and/or innovative lists of several arbiters of such rankings.

But what is a disruptive company? According to MIT Technology Review, it is a business whose innovations force other businesses to alter their strategic course. This is similar to the definition put forth by the popular author and business guru Clayton Christensen (see the May 2009 issue of PharmaVOICE). For Mr. Christensen, disruption can be both a threat and an opportunity — it all depends how a company frames it. In general, though, he views disruptive innovation as a huge growth opportunity for the pharmaceutical industry.



On MIT Technology Review's 50 Disruptive Companies in 2012 are: Athenahealth, Cellular Dynamics International, Complete Genomics, Foundation Medicine, Healthpoint Services, Integrated Diagnostics, Life Technologies, Organovo, Patients-LikeMe, and Roche. (www2.technologyreview.com/tr50/2012/). Fast Track Company, which is another great barometer of what's hot, identified Life Technologies, Siemens AG, Genentech, and Narayana Hrudayalaya Hospitals on its 2012 list of the 50 most innovative companies (www.fast-company.com/most-innovative-companies/2012/full-list). Among the healthcare companies listed on Forbes' most innovative companies are: Intuitive Surgical, Hindustan Unilever, Celgene, Alcon, Procter & Gamble, CSL, Thermo Fisher Scientific, Boston Scientific, and Stryker (www.forbes.com/special-features/innovative-companies-list.html).

According to Booz Co.'s Global Innovation 1000 study of R&D spending, over the past eight years, there is no long-term correlation between the amount of money a company spends on its innovation efforts and its overall financial performance; instead, what matters is how companies use that money and other resources, as well as the quality of their talent, processes, and decision-making. Those are the things that determine their ability to execute their innovation agendas. The Booz study also found that 43% of participants said their efforts to generate new ideas were highly effective, and only 36% felt the same way about their efforts to convert ideas to product development projects. Altogether, only a quarter of all respondents indicated that their organizations were highly effective at both.

The business consultancy Insigniam, which also recently conducted a survey among Global 1000 companies, found that 76% of executives believe that innovation is very important to their ability to succeed and strengthen competitive advantage in the next one to three years. Furthermore, 75% of the executives who rated innovation as very important define innovation as offerings (their product or service offered in the market) or process (their internal processes, procedures, and practices).

We want to thank our friends at PwC and EY for their invaluable insights in helping us with our overview of how disruptive innovation is expected to shape the life-sciences industry now and in the future.

Regards,

Taren Grom
Editor

tgrom@pharmavoiced.com

Their Word...

DENISE MYSHKO
Managing Editor



To bring innovative products to the market, companies will have to consider new approaches to discovery and development.

ROBIN ROBINSON
Senior Editor



A new, invigorated focus on patient adherence could be the biggest game changer in commercialization since the advent of DTC.

KIM RIBBINK
Feature Editor



Innovation distinguishes between a leader and a follower. — Steve Jobs. The life-sciences industry must become a leader if it wants to be successful in the future.

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