

Automotive News



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Quality In Everything We Do

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Center Inc.

General Context – “Beyond Innovation”

At this point in history virtually every automotive OEM and supplier agree that innovation is a *Critical Success Factor* driving top-line and bottom-line performance. In accumulating almost twenty years of experience in evaluating supplier innovation, the Automotive News PACE Awards program agrees that innovation is a necessary goal but not in and of itself sufficient to assure commercial vitality or viability. In an effort to better understand *successful innovation*, we have gone on to develop a perspective and an inventory of key performance indicators to establish a recognized benchmark for *innovation excellence*. Beyond the specific technical or process innovation, when we identify PACE Award Winners we are making a statement as to the innovation *and* its positive impact on the company, its customers, its competitors and the automotive industry at-large.

PACE Innovation Framework

Innovation excellence, like profit, is a consequence of many complex actions and many well-made complex judgments. Innovation success cannot be pursued directly; it happens when the appropriate investments, people, processes, and technologies are connected, energized, and mobilized to solve a problem. And in solving a problem a team creates value. Most important, successful innovation occurs when everyone from top to bottom understands and operates consistently from a well-considered mission and strategy, with a vision that is clear, and values that are shared and rewarded all the way from the executive boardroom to the shop floor.

What is a PACE Award winning innovation? It is an innovative product, process, or service that rewrites the rules of the game. This is our simple, direct test for understanding or making judgments about innovations, and the hard-to-separate-out practices and processes that engender them.

Innovation Quotient (“I³Q”)

Based upon the review of nearly 20 years of PACE Award entrants’ applications and site visit discussions and documentation of processes PACE independent judges have identified three critical attributes. Each year we set about qualifying and quantifying the three attributes below in order to determine an application’s *innovation quotient* or *I³Q* and thus select PACE Winners.

To determine *High I³Q* innovations we collectively evaluate:

1. Ideation

- a. Is it new, is it unique, is it compelling?
- b. Have the creativity and analytics been documented?
- c. Is an “innovation” really something we haven’t seen before?

2. Impact

- a. Is it disruptive, is it significant, is it being accepted and adopted by customers?
- b. Can the effects on customers/consumers, competitors, and society be documented?
- c. Does this process, product or IT system really change the basis of competition?
- d. Does an innovation change a company’s business for the better?

3. Implementation (Process to Market Commercialization)

- a. Is it repeatable, is it transferrable?
- b. Is it a basis of or platform for future innovations?
- c. Are there *best practices* and/or leadership lessons to be learned from this innovation?

