

Innovation measurement framework BAU 2019

PROJECT SUMMARY:

INDUSTRY PARTNER(S): Scottish & Southern Electricity Networks, Wales & West Utilities, Northern Powergrid, SP Energy Networks, Cadent, Northern Gas Networks, UK Power Networks, National Grid Electricity Transmission, National Grid Gas Transmission

SME: Baringa Partners

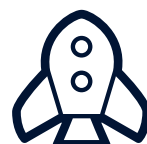
BACKGROUND: There is a need to report the short and medium-term value of innovation and its ability to foster collaboration and cultural change within companies. Demonstrating these near-term benefits would: provide evidence to customers, stakeholders and regulators on how network companies have embraced innovation; indicate the positive impact of innovation across network businesses; and provide a platform to feed into policy development.

CHALLENGES:

- Culture and collaboration are intangible in nature, therefore difficult to quantify.
- Cost savings and benefits are in theory easier to quantify but require an understanding of the counterfactual, (what would the outcome have been without the innovation) which can be highly subjective.

MOVING TOWARDS A SOLUTION: In March 2018, Baringa Partners were commissioned by the network companies to develop outcome measures of innovation. With the support of the EIC, they developed a holistic measurement framework, based on a scorecard approach that could be adopted by all companies. This framework allows an assessment of the performance of companies across the full suite of innovation activities (irrespective of the funding source). It allows the value and progression of innovation to be comprehensively measured and reported to stakeholders on an ongoing basis to demonstrate improvement over time.

BENEFITS: The framework has been designed so that it can be adopted across a variety of companies, allowing each of them to consistently communicate their own 'story' of innovation activity to their stakeholders. While the measures are not designed to be part of regulatory reporting or subject to incentives, they can help influence policy development.



PROJECT VALUE

Total: £296k