

Dear Executive:

Did you know that spending more on R&D does not lead to improved business success?

This important study was recently released by Booz Allen Hamilton in an article in **Strategy+Business**. Attached is a short summary.

We believe in passionate customer innovation. But only about 5% of the Global 1000 have clear efforts. Perhaps some of your company R&D budget should be spent on projects seeking innovative ideas from your passionate customers?

We propose a passionate customer innovation effort via collaboration between sales/marketing and R&D.

R&D seeks to creatively develop new products, processes, and business models.

How about a test pilot project to have passionate customers focus on R&D efforts for new business processes?

I am sure you have been hearing more and more about ‘customer innovation’ and ‘product innovation’ and ‘open source business models.’ If this is something you want to explore, give us a call.

We would like to introduce ourselves as innovators in identifying passionate customers and harnessing their ideas in a big way.

Our **Pilot Project** is a small project of \$9,500 with an unconditional guarantee. It takes only 1-2 days of your staff time and less than one month of calendar time from start to finish. Contact me at 240-396-1376 to schedule a phone call to discuss your ideas and interests in passionate customers and **Orange Passion**.

Sincerely,

Steve Kantor
President
Orange Passion

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P.S. If you would like a link to the complete article, just send me an email. Also, if there are people in your company who may be interested in this information, forward their names and we will mail them more information.



The Booz Allen Hamilton Global Innovation 1000 Money Isn't Everything - Impact of R&D Spending on Corporate Innovation

Overview

The study was based on the 1,000 publicly held companies that spent the most on research and development in 2004. The study is one of the most comprehensive to assess the influence of R&D on corporate performance and published in **Strategy+Business** magazine.

Results of Study

Money does not buy results. There is no relationship between R&D spending and most measures of business success. Simply spending more on R&D does not seem to lead to better results. Nonmonetary factors may be the most important drivers of a company's return on innovation.

Suggestions

- Be open to ideas that come from outside the corporation.
- Develop open innovation of global innovation networks
- Seek customer insights to identify attractive new opportunities.

There is no easy way to achieve sustained innovation success – you can not spend your way to prosperity. If you're a corporate leader, it is time to open the innovation black box, and start retooling the works.

Orange Passion Recommendations

Companies should create small efforts from R&D budgets and sales/marketing budgets to find their passionate customers and encourage them to innovate and collaborate. Business process and business model innovations by passionate customers can provide home-run results.

Courtesy of **Orange Passion** – www.orangepassion.com – 240-396-1376

Orange Passion helps to find your passionate customers to create innovative ideas to improve products, service, and marketing with brainstorming and collaboration.