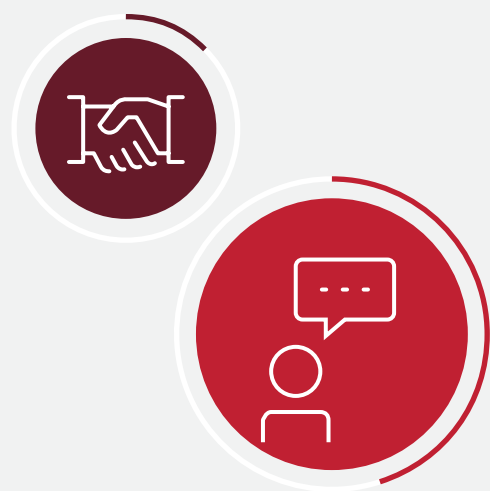


Top trends in innovation

With a combination of technology, consumer demands and threats of disruption accelerating the pace of innovation in business, companies are reevaluating how innovation is done. Interested in learning about how companies are approaching innovation today, UL conducted a study among C-level executives and high-level professionals regarding their challenges, capabilities and insights. Based on those responses, we developed the following top five trends in innovation.

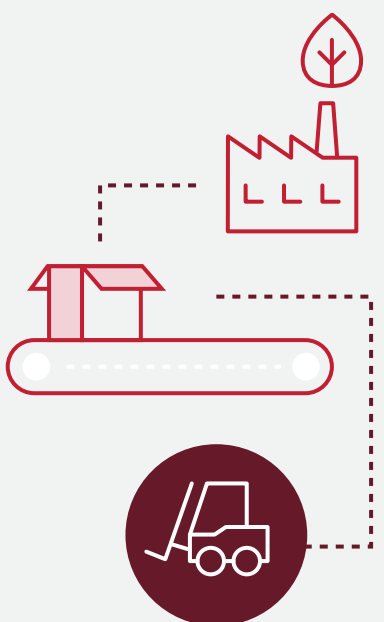
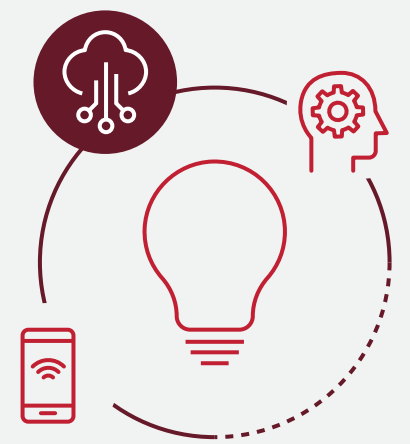


1 Customers drive innovation far more than channel partners.

Whereas 45% of respondents indicated that customer expectations were a “highly impactful driver” of innovation, only 12% said that channel expectations and only 8% said that supply chain volatility were highly impactful drivers of innovation.

2 New technologies will force an overhaul of innovation.

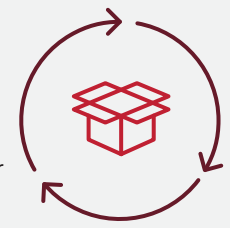
Respondents indicated that technologies are likely to require major changes in companies’ approach to innovation. In fact, 66% believed that artificial intelligence and machine learning would “have a major impact” or “require a complete overhaul” of innovation approaches. Similarly, 60% believed that Internet of Things (IoT) technologies would do the same.



3 Forceful societal changes are requiring companies to develop custom products.

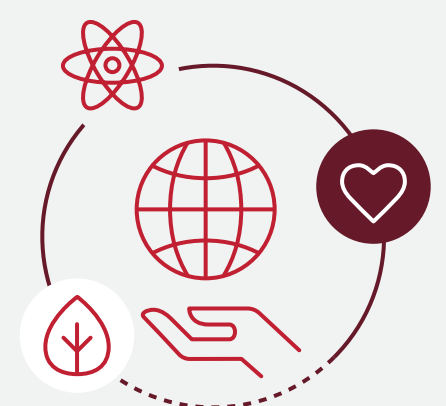
Instant access to information has raised consumers’ expectations and demands for more personalized, innovative products with all manner of sustainability, performance and personalization criteria, forcing companies to truncate the new product development process and innovate on all aspects of a product, from environmental attributes to packaging, to delivery methods and beyond.

Using Agile methodologies, High Accelerated Stress Test (HAST) or similar techniques, more than half (52%) of respondents have seen a 25% or more compression in product lifecycles.

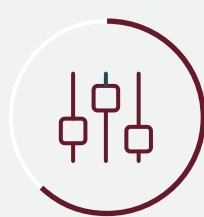


4 Innovation is more than just new products and features.

Consumer demands are driving manufacturer innovation beyond new product features. Respondents indicated that the following are some of the considerations that are top-of-mind with consumers and pressing manufacturers to develop fresh approaches to innovation.



Percent of respondents who said this social trend would have a ‘major impact’ or require a ‘complete redesign’ of approach to innovation.



62%
Demand for higher degree of product customization



60%
Demand for data privacy protection



34%
Movement toward a sharing economy



5 Compressed timeframes put pressure on innovation.

In an open-ended response question, “How do new technologies specifically impact innovation?” the number one response is that they will enable faster time to market and faster innovation. While innovation looks forward to ever-increasing speed of innovation, the safety side of the coin is concerned about being able to ensure the safety of products as well as regulatory compliance within the expedited product development phases.