# Mapping the Innovation Gap

- Determine your planning horizon. Estimate revenue targets in each year.
- Break down annual revenue by new and existing products.
- Break down new products even further by estimating the actual number of new products you will need in each year.

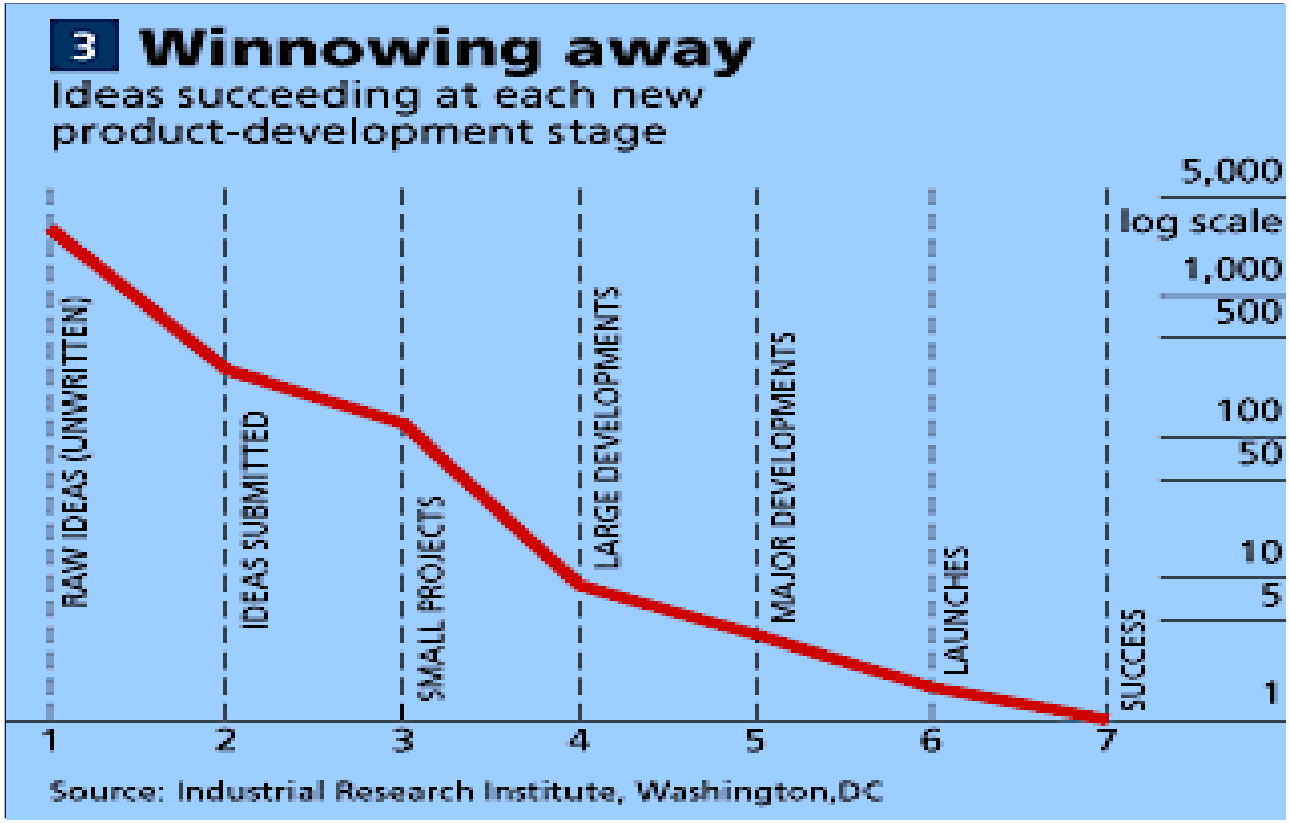
YEAR: _____

| Product type (revenue range) | Average* Revenue by product type | Number of products required to reach annual revenue goal | Total revenue per product type |
|---|---|---|---|
| Product Type 1. (low) | | | |
| Product Type 2. (medium) | | | |
| Product Type 3. (high) | | | |
| | **Total** | | |

*** Average revenue examples in 2011 by product type:**
**Product Type 1 = $5MM; Product Type 2 = $10MM, Product Type 3 = $50MM,**

# Mapping the Innovation Gap

- Estimate your company's Innovation Yield (percentage of ideas that turn into actual products)



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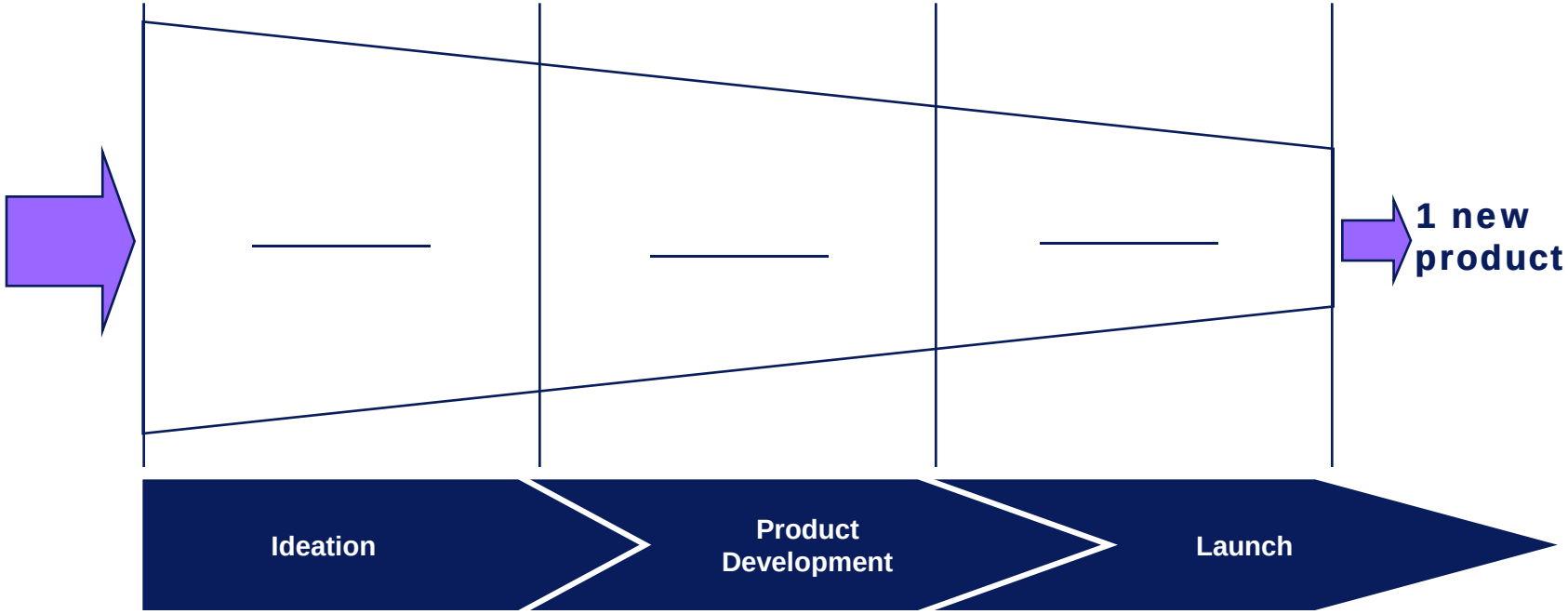
- Plot your assumptions of the number of ideas or concepts that must be generated on average to yield one new product

**Innovation Yield**



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- Take the number of new products needed and “spread” them out by year of when they are launched into the market

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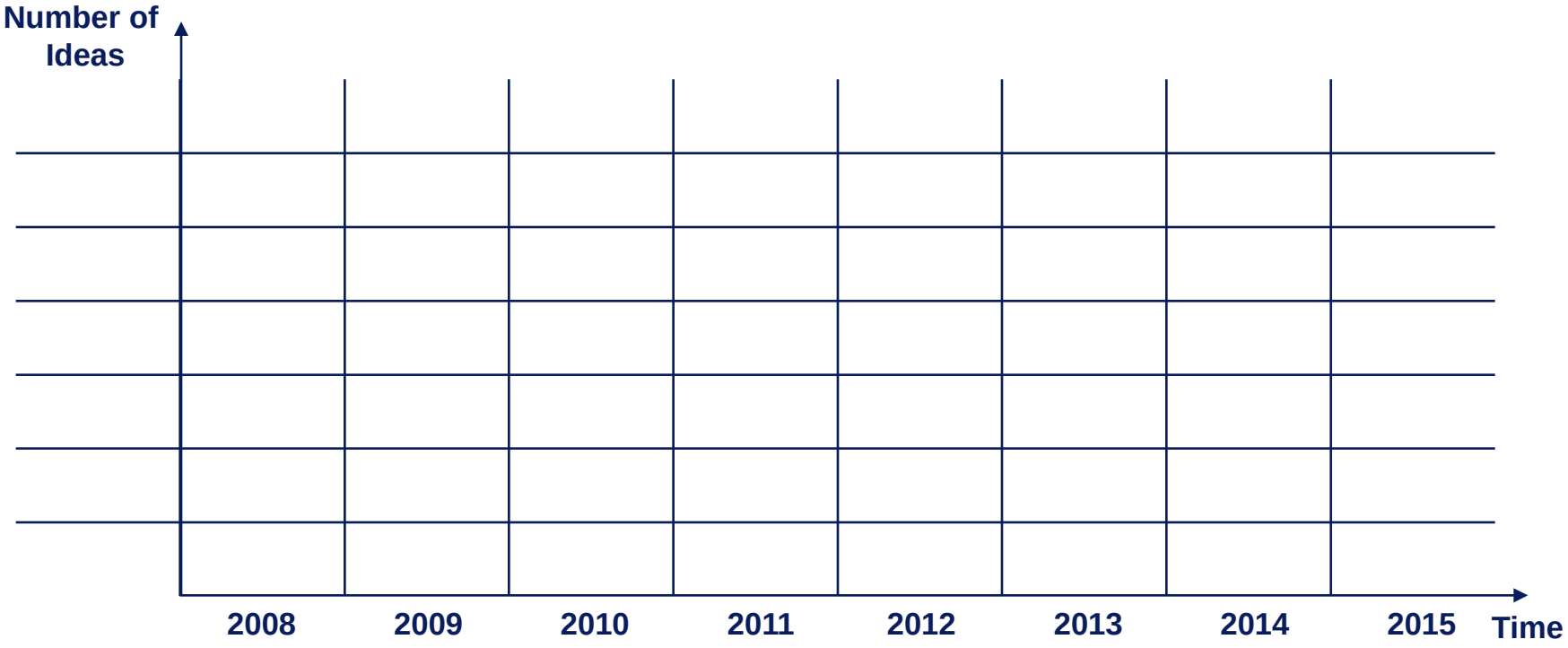
- With the calculated number of ideas needed, determine the number of new ideas per year needed to yield new products. Plot them backwards in time by the lead time needed to develop products.

**Ideation schedule**