

Impact Evaluation

Innovation projects capture long-term value beyond traditional ROI

Dimension	1	2	3	4	5
Business Model Robustness Reducing fragility and dependence on single revenue streams.	Fragile Increases fragility; concentration on single source.	Neutral Cost optimization; no real diversification.	Marginal Limited diversification into adjacent segments.	Significant Significant reduction of a major risk.	Major Major reduction of a critical dependency.
Strategic Optionality Unlocking future market access and pivot capabilities.	Dead End Locks into dying technology or shrinking market.	Linear No pivots; failure is a total write-off.	Foot in Door Limited access or partnership in new sector.	Bridgehead Secures credible "right to play" in new sector.	New Pillar Creates a fully viable "Plan B" platform.
Human Capital Forcing mastery of new skills and attracting top talent.	Stagnant Outdated methods; talent avoids assignment.	Routine Uses existing skills in "business as usual" way.	Standard Refines existing processes; good for training.	Upskilling Adds significant new skills and motivates.	Transform Masters breakthrough tech & attracts talent.
Trust & Reputation Building social license and credibility with stakeholders.	Erosion Aggressive moves that damage relationships.	Invisible Innovation comms without operational change.	Specific Trust increase for one specific group.	Targeted Clear trust increase for key stakeholder groups.	Systemic Strong trust increase across multiple stakeholders.
Competitive Advantage Creating structural moats and barriers to entry.	Catch-up Playing catch-up to existing standard.	Commodity Easily replicable; quick competitor launch.	Different Features provide a temporary edge.	High Barrier Significant tech/reg advantage; buys lead time.	Lock-In Creates defensible, displacement-proof moat.

Will enough value be created by this project?

✓ Example Criteria: Do we have at least 2 metrics scoring above 4?

Example of High Impact Innovation Project

Real-world examples of high impact innovations with unclear initial direct ROI

BUSINESS MODEL ROBUSTNESS

Solved fragility via recurring revenue.

Microsoft's Pivot to Cloud

Shifted from one-time licenses to Azure & Office 365, creating predictable, recurring revenue that insulated the business from hardware cycles.

STRATEGIC OPTIONALITY

Turned cost center into product platform.

Amazon Web Services

Converted internal servers into a revenue engine, capturing the nascent cloud market early and scaling rapidly beyond e-commerce.

HUMAN CAPITAL & CAPABILITY

Built future skills before demand arrived.

Nvidia's CUDA Architecture

Built software and talent that allowed GPUs to power general-purpose compute workloads long before AI demand exploded.

TRUST & RELATIONAL CAPITAL

Committed to infrastructure to build trust.

Tesla Supercharger

Built a reliable network ahead of scale, signaling long-term commitment and reducing consumer concerns about EV usability.

COMPETITIVE ADVANTAGE

Owned physics to create efficiency gap.

Apple Silicon (M-Series)

Integrated custom silicon and system design to deliver a performance-per-watt advantage that is hard to replicate without major redesign.

IDENTITY & COHERENCE

Removed conflicting revenue to realign.

CVS Health Exits Tobacco

Stopped tobacco sales to credibly pivot toward healthcare, a costly signal that enabled deeper strategic partnerships and transformation.