

Type I vs Type II innovation programs

Success considerations for two quite distinct innovation missions

Date December 10th, 2025

Location InnoLead webinar



An 18-year love affair with Innovation Management

2007-2009

Forrester Research



2018-2024



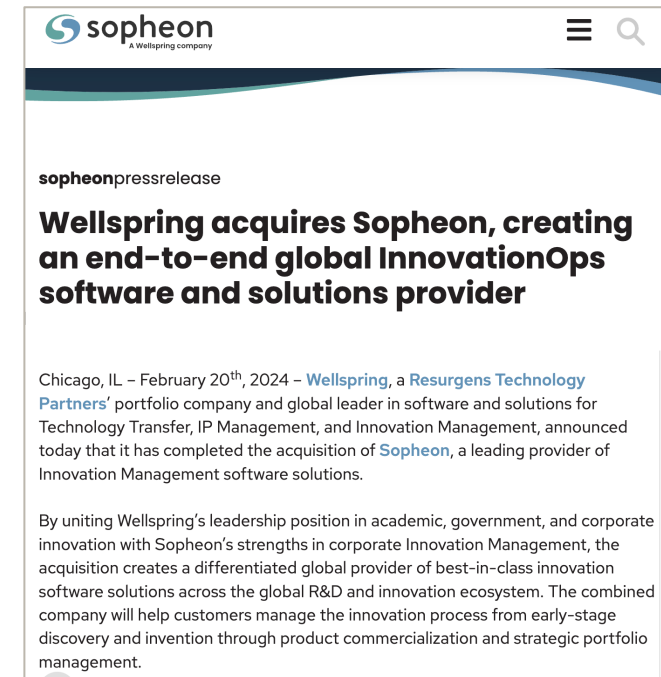
2024-present



2010-2018



2009-2010



@ IMPACT 2025



The Game Changer's Playbook

Driving innovation impact in an age of uncertainty

Date October 21st, 2025

Location IMPACT conference, Boston



Where have all the (previous) innovation teams gone?



A man wearing a brown hat, a brown shirt, and a green backpack stands on a rocky ledge, looking out over a vast savanna landscape. The landscape features rolling yellow hills, scattered acacia trees, and a herd of animals including giraffes, a zebra, and a lion in the distance. A deep, layered canyon runs through the middle of the scene.

The best way to do
innovation is...

A man wearing a brown hat, a green shirt, and a green backpack stands on a rocky ledge, looking out over a dense, lush green jungle. The jungle is filled with various tropical plants, trees, and animals, including a toucan perched on a branch, a blue parrot flying, and a jaguar walking on the ground. A waterfall cascades down a cliff face in the background.

Our approach to
innovation is...

Type I vs Type II innovation programs

Type I innovation programs

Innovation programs motivated by a specific business challenge or opportunity (e.g., an energy company exploring the next-gen power grid).

Type II innovation programs

Generalized innovation functions that drive business value across various parts of the company in perpetuity (e.g., New Product Development).

01

Type I innovation programs

Hallmarks of a Type I innovation program

- Viewed as strategically important now; based on front-burner business issue.
- Often created to bypass Type II programs that are deemed too slow / too cautious.
- Often dependent on vision and/or charisma from one or more senior leader(s).
- Usually fairly young; typically founded within the past few years.
- **In 5 years, I'm doubtful this program will still exist.**

Type I program: exploring the next-gen energy grid



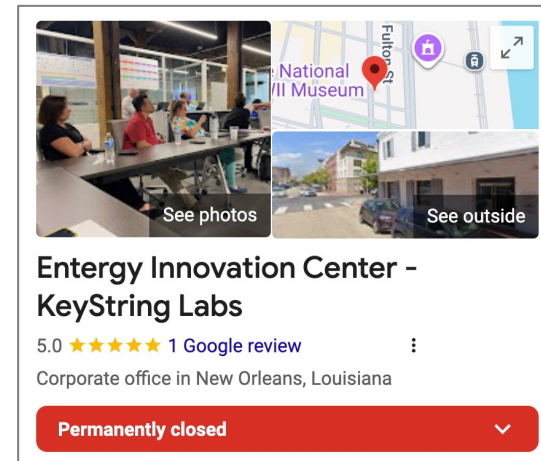
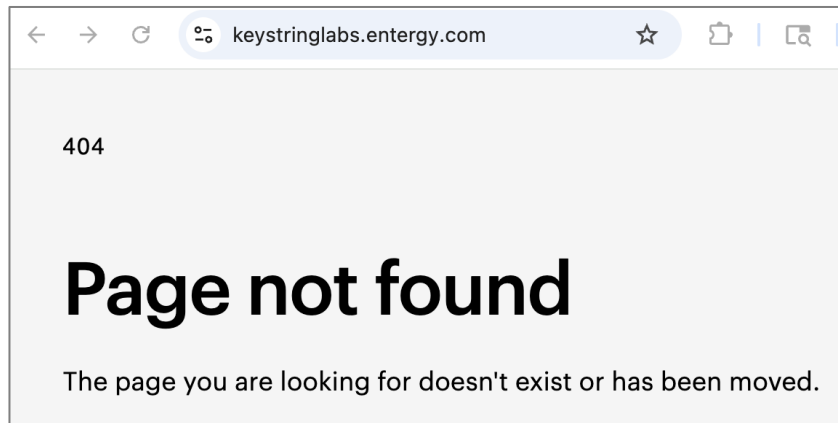
Article

Entergy VP on Driving Sustainability and Running an Innovation Lab

February 2, 2022 | By [Alexander MacDougall](#)

Michael Cross explains how Entergy's KeyString Labs is set up; the need to start with concrete, near-term results; and how his team stays close to customer needs.

[Entergy VP on Driving Sustainability and Running an Innovation Lab](#), InnoLead article, Feb 2nd, 2022



Type I program: Manulife / John Hancock LOFT



On Demand Webcast

Manulife/John Hancock on How COVID Accelerated Digitization

August 6, 2020

Amit Bhatia, Head of Manulife/John Hancock Innovation Labs, discusses the team's digitization, his current projects, and more.

[Manulife/John Hancock on How COVID Accelerated Digitization](#),
InnoLead article, Aug 6th, 2020

IN ACTION

Manulife and John Hancock's Lab of Forward Thinking (LOFT)

In View Summary

Manulife's Lab of Forward Thinking (LOFT) is an initiative by Manulife to embrace emerging technological trends in the face of impending disruption by smaller, nimbler start ups. Through LOFT labs in Boston, Singapore and Toronto, Manulife is fostering an environment where ideas are prototyped and launched without the layers of approval that typically accompanies a new initiative in multinationals. Manulife provides the tools, resources and programs to people within the company to champion and work on ideas. Importantly, Manulife's LOFT has been given a broad mandate to pursue concepts on a test and iterate basis, free from the commercial restraints and bureaucracy that typically stymies innovation within large companies.



Manulife provides the tools, resources and programs to people within the company to champion and work on ideas. The fail-fast and lean start-up culture at LOFT ensures every worthy idea gets a fighting chance.

The Type I endgame: three pathways

Dismemberment

- Eliminated due to internal cost cutting
- Eliminated as a casualty of re-org
- Wrong model / not working
- Original champion changes role / leaves company
- Company strategy changes / no longer needed
- Sabotaged / killed by another function or group

Planned obsolescence

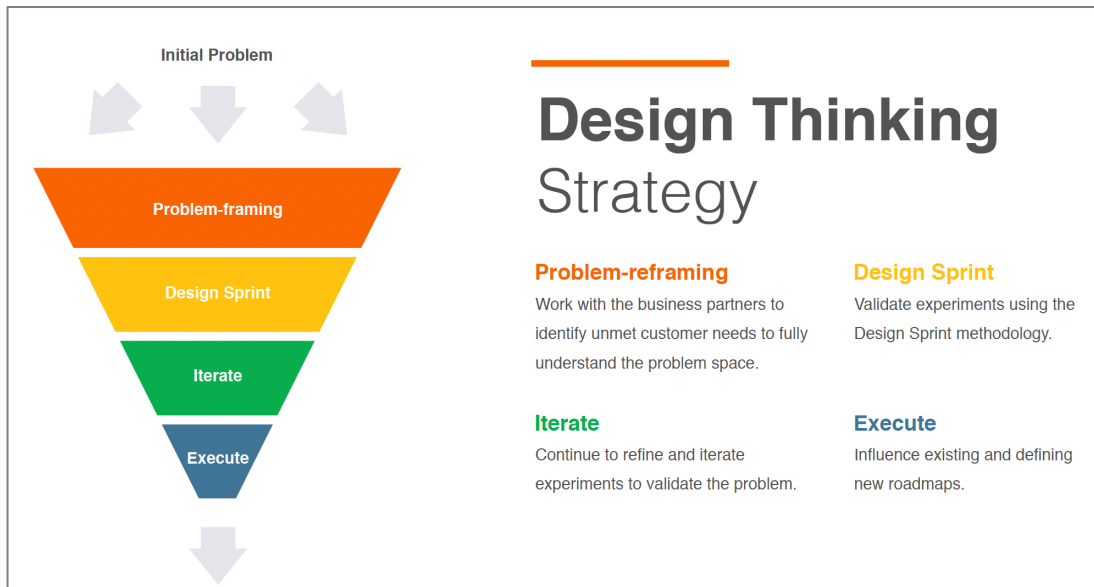
- Disbanded once strategic mission is complete
- Folded back into the business (as planned)
- Time-boxed from inception

Evolution into Type II

- Rolled into an existing business function (Marketing, Product, Strategy, etc.) as an innovation subfunction.
- Formally attached to one or more existing Type II programs.
- Becomes a new Type II program of its own.

What about “shared service” innovation programs?

Design Thinking programs



[Home Depot: Building the Culture of Design Thinking](#), InnoLead resource, Dec 10th, 2018

Ideation programs

Article

Scaling Up Challenge-Based Ideation at TD Bank

January 8, 2025 | By **Steven Melendez**

In recent years, TD Bank has harnessed its iD8 internal innovation program to crowdsource tens of thousands of ideas—from simplifying customer transactions to improving back-end processes. We speak with Vlora Muslimi, Senior Manager and head of iD8, about how challenge-based ideation has become a game changer for the bank.

[Scaling Up Challenge-Based Ideation at TD Bank](#), InnoLead article, Jan 8th, 2025

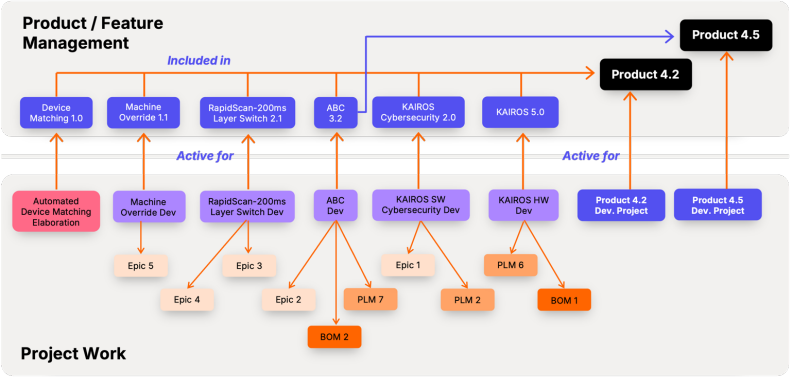
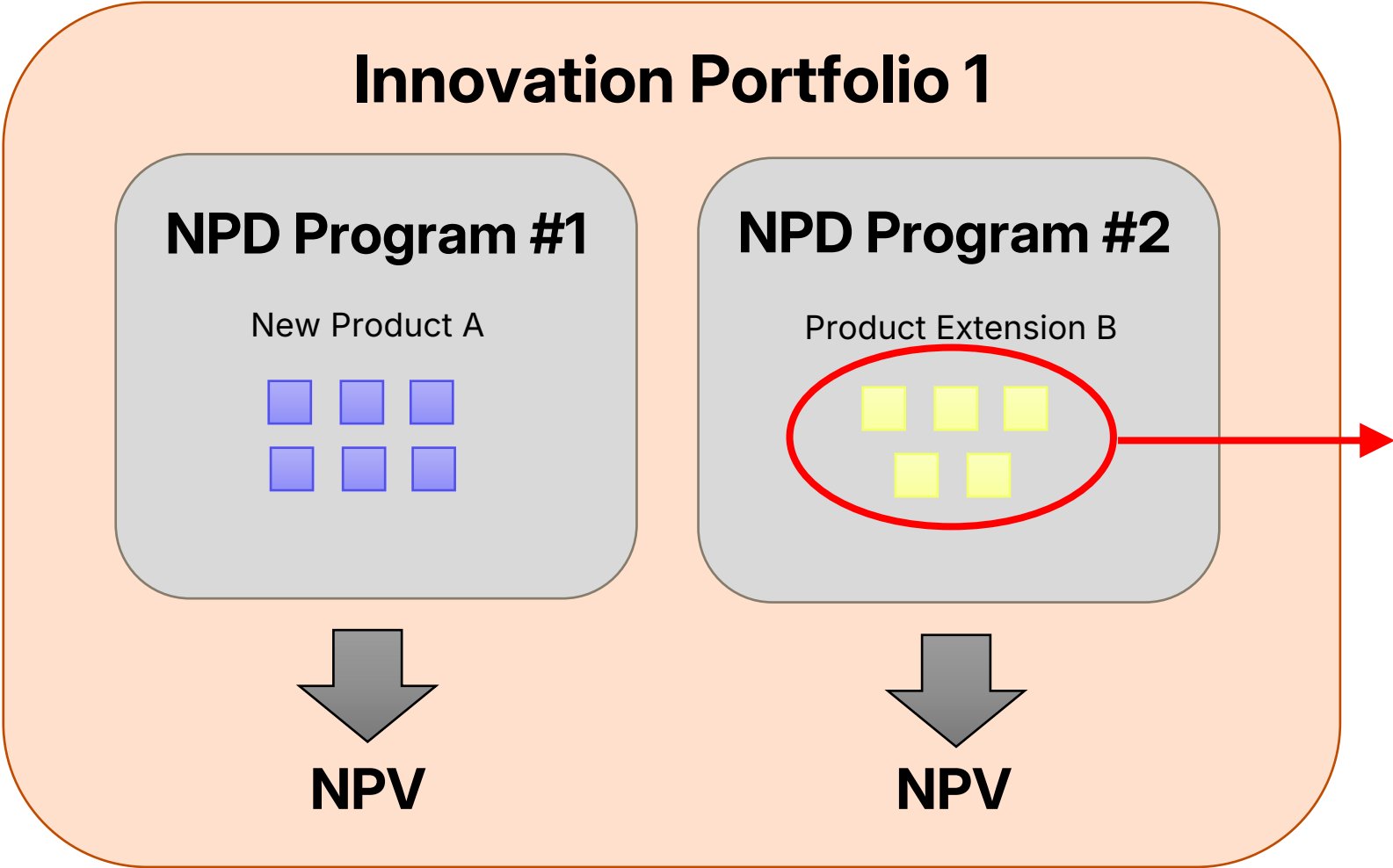
02

Type II innovation programs

Hallmarks of a Type II innovation program

- Viewed as mission critical to the enterprise.
- Direct connection to a key part of the global operation.
- Not dependent on a charismatic leader / internal founder.
- Usually has been around for a long time already.
- **In 5 years, I'm confident this program will still exist.**

New Product Development (NPD): Classic Type II Program



P&G Connect + Develop: from Type I → Type II



Connect + Develop
Open Innovation Solutions

CONNECT + DEVELOP NEEDS INNOVATION ROADMAP SUSTAINABILITY SOLUTIONS SIGNAL 360 P&G VENTURES

Innovation Roadmap

Are you an entrepreneur or inventor with a new technology or innovation? Are you seeking partnership to bring your technology to market?

With over 180 years of delivering quality products, we strive to successfully launch consumer-focused innovations that deliver irresistibly superior performance. If you are looking for a partner to help bring your technology to market, follow our innovation roadmap (at the right) to prepare your submission for P&G. This roadmap addresses the milestones that will prepare you to submit your new technology or innovation for our review. Let us collaborate and show you how we can help bring your invention to life!

Explore the interactive map to learn more about the process.

7. FROM A CONCEPT TO A CHERISHED PRODUCT

6. BRING YOUR INVENTION TO LIFE

5. INTELLECTUAL PROPERTY DRIVES BUSINESS OPPORTUNITY

4. FROM PAPER TO PROTOTYPE

3. CAPTURE YOUR INNOVATION

2. DREAM BIG DREAMS

1. EVALUATING YOUR INNOVATION

START HERE

HBR.ORG

Harvard Business Review

JUNE 2011
REPRINT R1106C

SPOTLIGHT ON PRODUCT INNOVATION

How P&G Tripled Its Innovation Success Rate

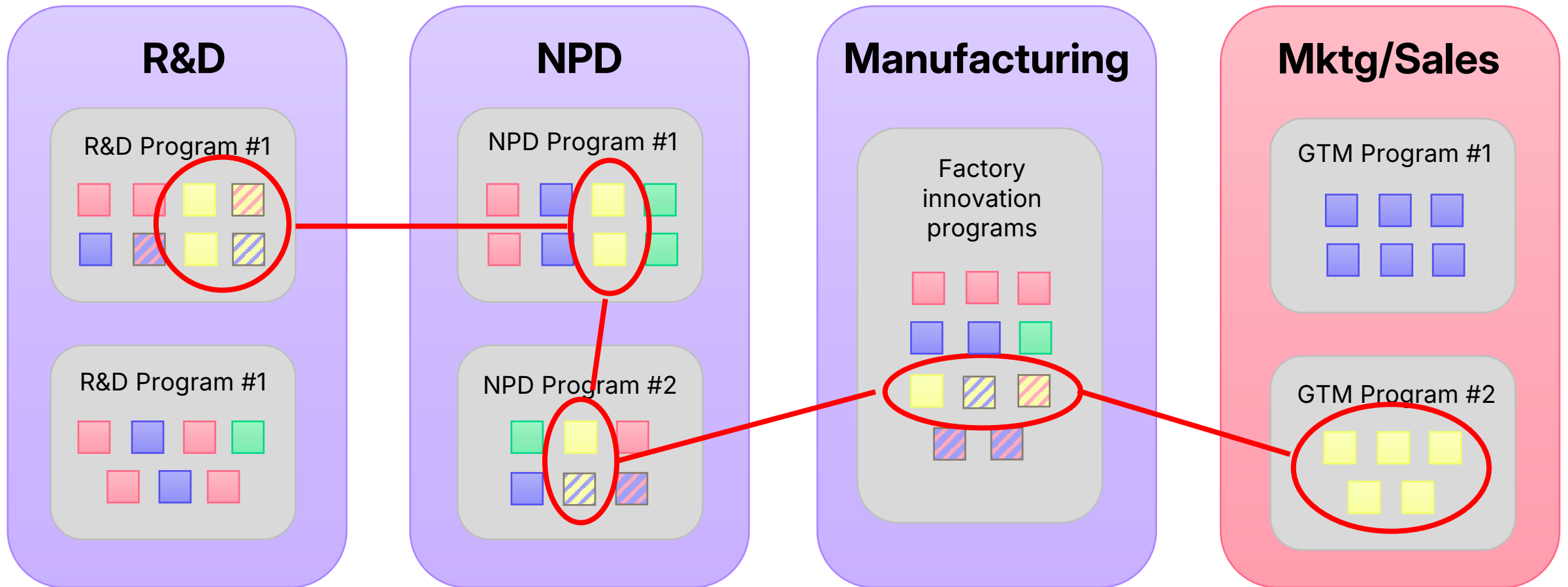
Inside the company's new-growth factory
by Bruce Brown and Scott D. Anthony

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What does Type II success look like?

- Delivering on your team's KPIs / OKRs (because of course).
- Not screwing up / not creating problems / staying under the radar.
- Weathering re-orgs; avoiding staff and budget cuts.
- **Delivering "move the needle" enterprise value.**
- **Playing a true 3-horizon innovation game.**

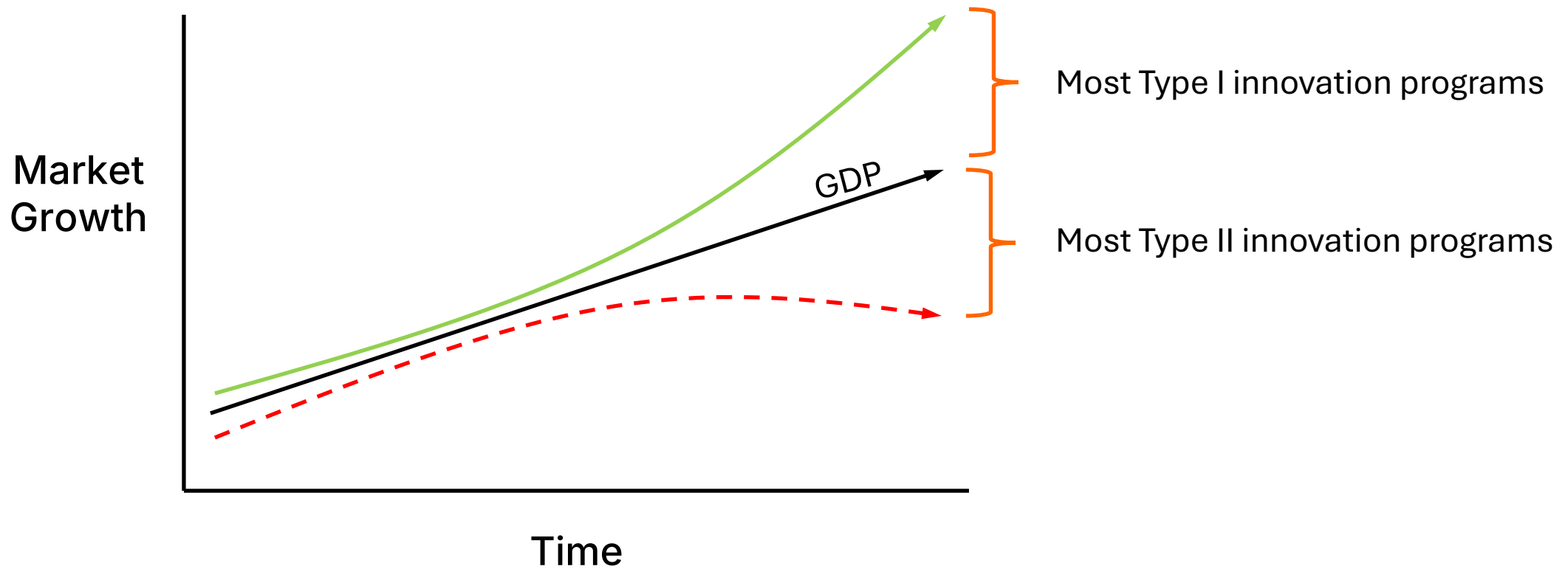
Type II programs thrive when they scale together



03

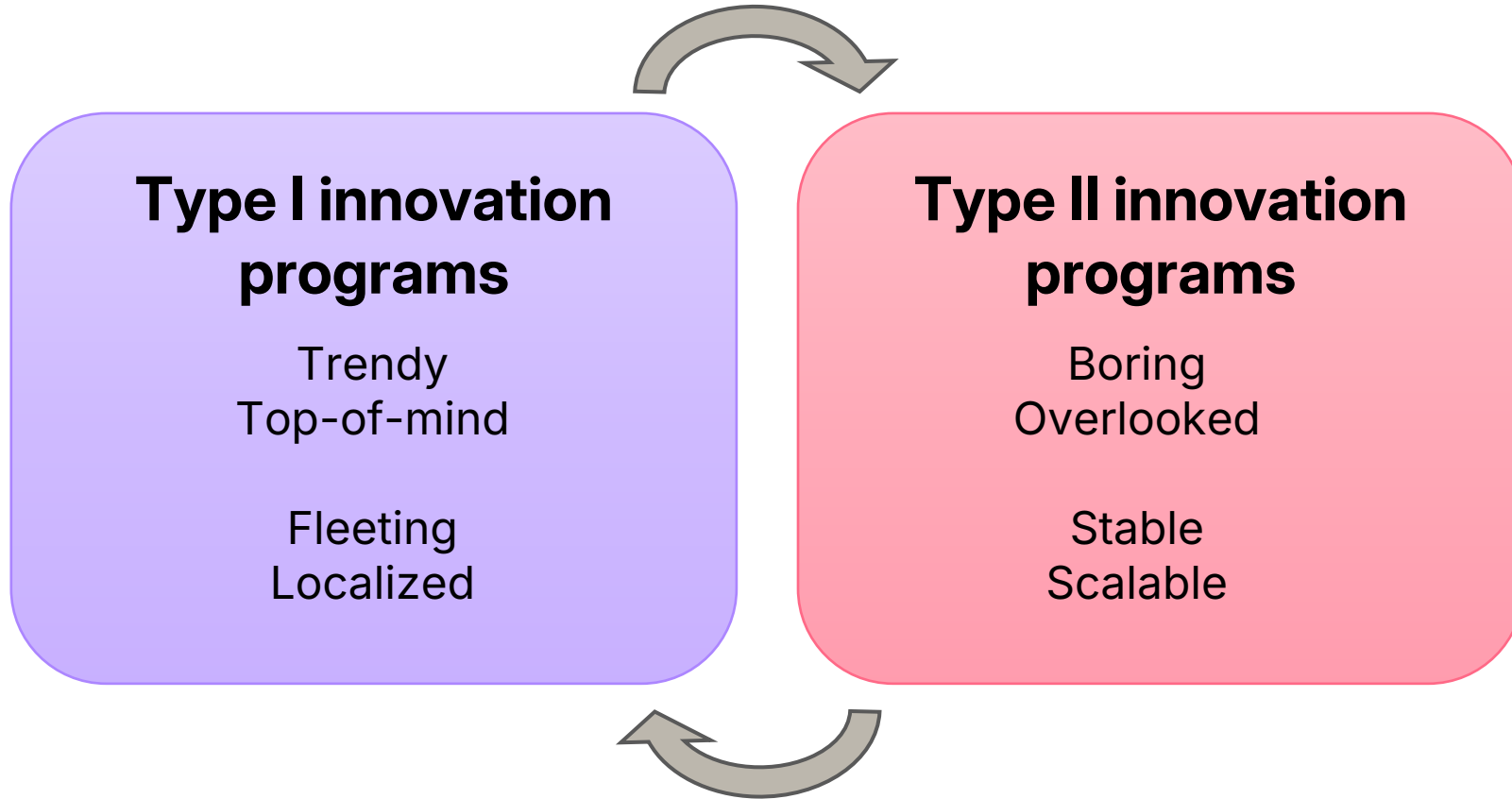
Putting it all together

Which type of innovation program are you?



Why Type I and Type II need each other

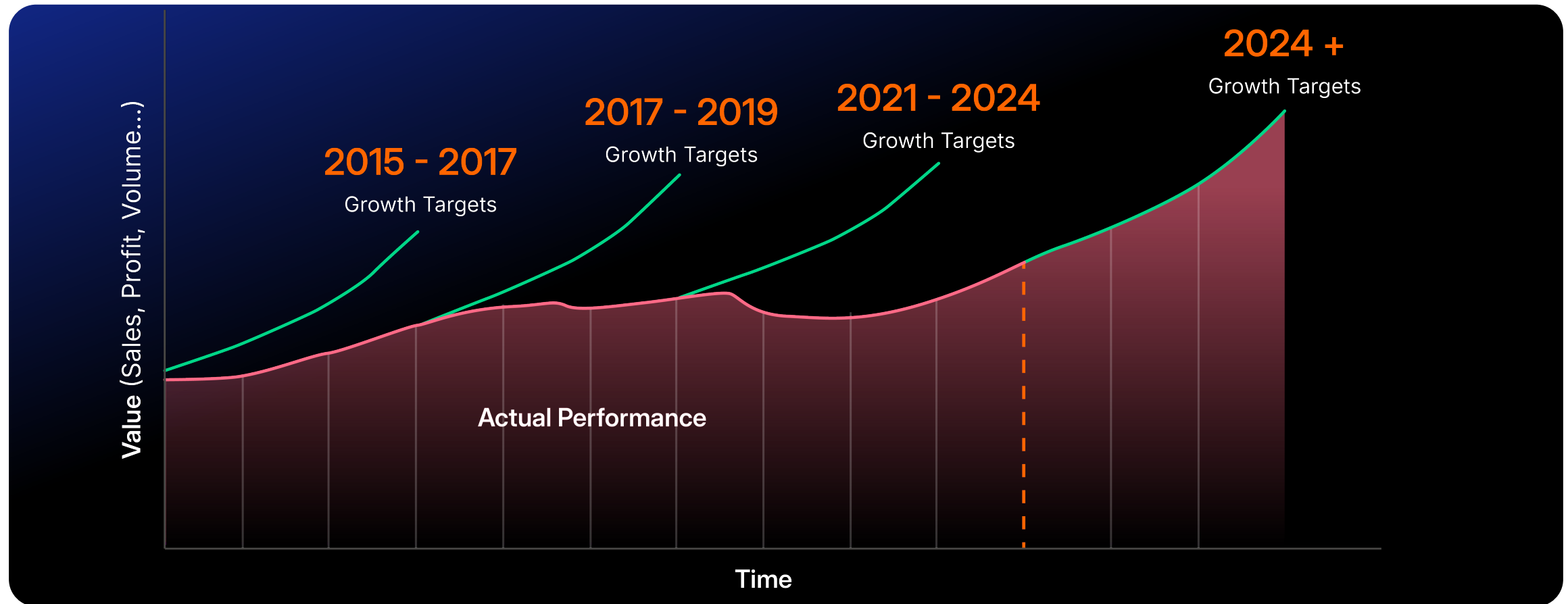
Provides relevance, exec attention, fresh energy, investment options



Provides stability, longevity, scalability, operational grounding

"Our innovation investments must move the needle"

Strategic growth plans consistently fall short



The **#1** business priority has changed

Which of the following initiatives are likely to be among your organization's top business priorities over the next two years? (select up to three)

2021

Digital
Business
Transform
ation

(49%)

2022

Digital
Business
Transform
ation

(51%)

2023

Digital
Business
Transform
ation

(49%)

2024

New
Sources of
Revenue
Growth

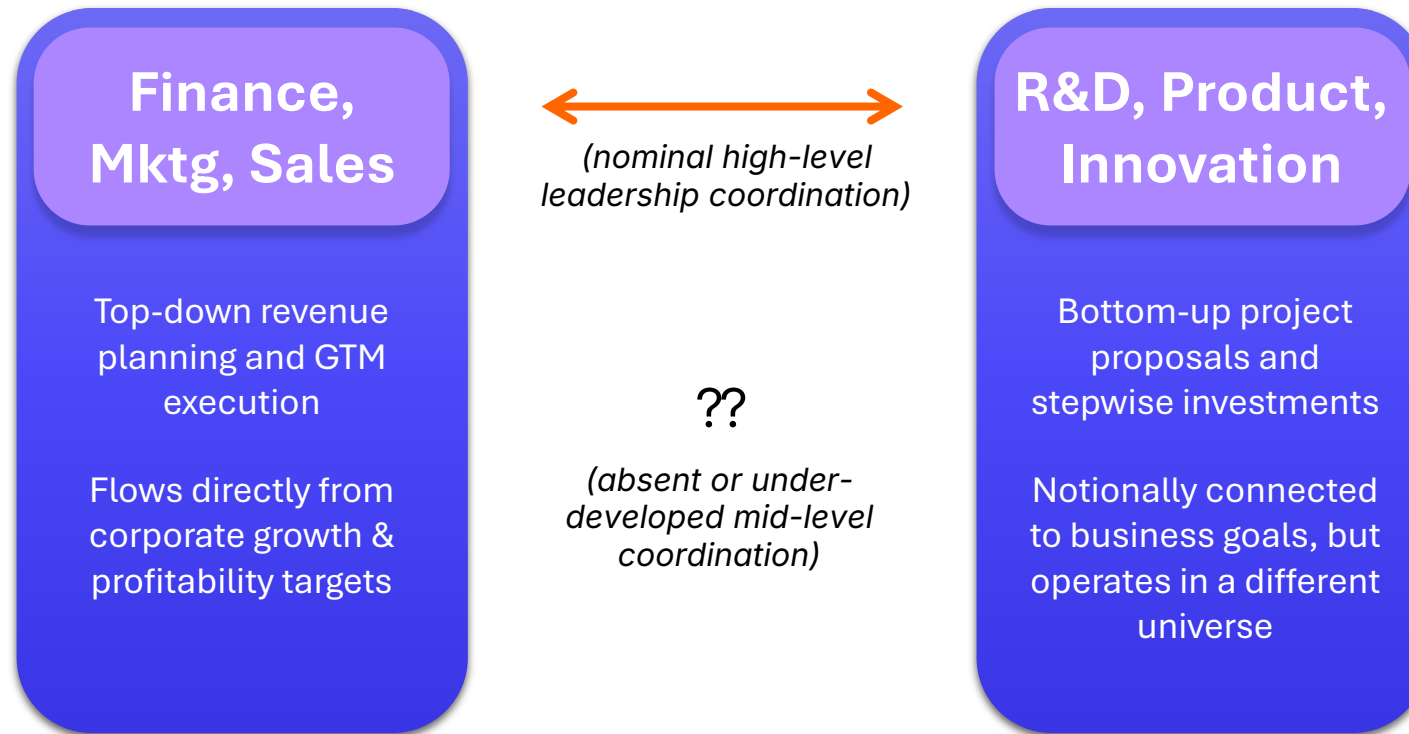
(43%)

2025

New
Sources of
Revenue
Growth

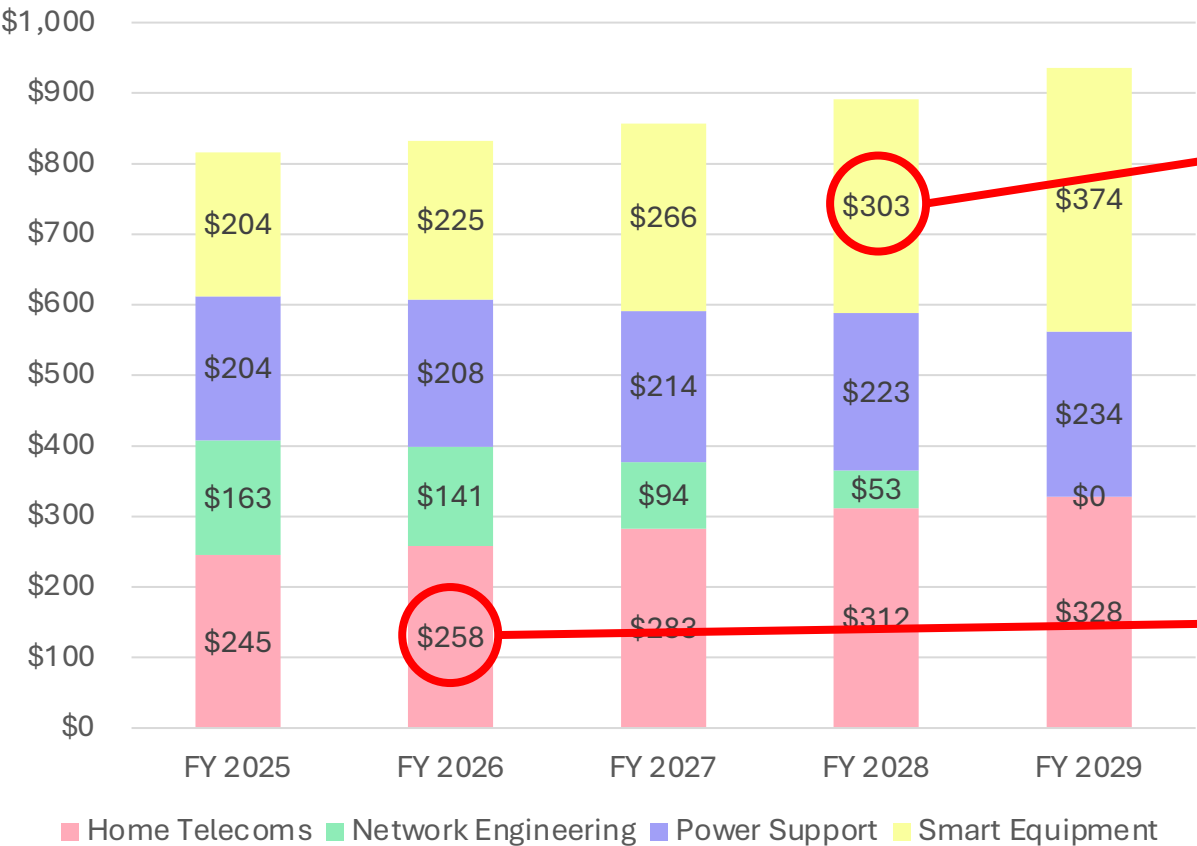
(45%)

Most companies: (at least) two different growth systems



The "Growth Innovation" structure that unites both Types

Corporate Revenue Targets (\$M), 2025-2029



SparkSurge (product family)

Type: New Product Introduction (2028 launch) **Revenue Stream (proj.):** year 1: \$50-100M; year 5: \$300-\$800M

R&D

NPD

Manuf.

Mktg/Sales
(option for 2027 / 2028)

associated innovation programs (active in 2025)

AirConnect Plus 3G

Type: Product Extension (2026 launch) **5-year NPV:** \$242M

R&D

NPD

Manuf.

Mktg/Sales

associated innovation programs (active in 2025)



Thank You

