

# ANY PLANS FOR 2026?

Strategizing for 2026 and beyond  
Part 2: Projects, Investments, and Activities



**Naveen Krishnamurthy**

Senior Vice President,  
Executive Programs



**Arij van Berkel, Ph.D.**

Chief Product Officer

# AGENDA

01

Strategizing for near-term wins  
Turning goals & plans into actions & progress

02

Organizing and measuring  
Moving from “what” to “how”

03

Learning and repeating  
Closing the loop on executing

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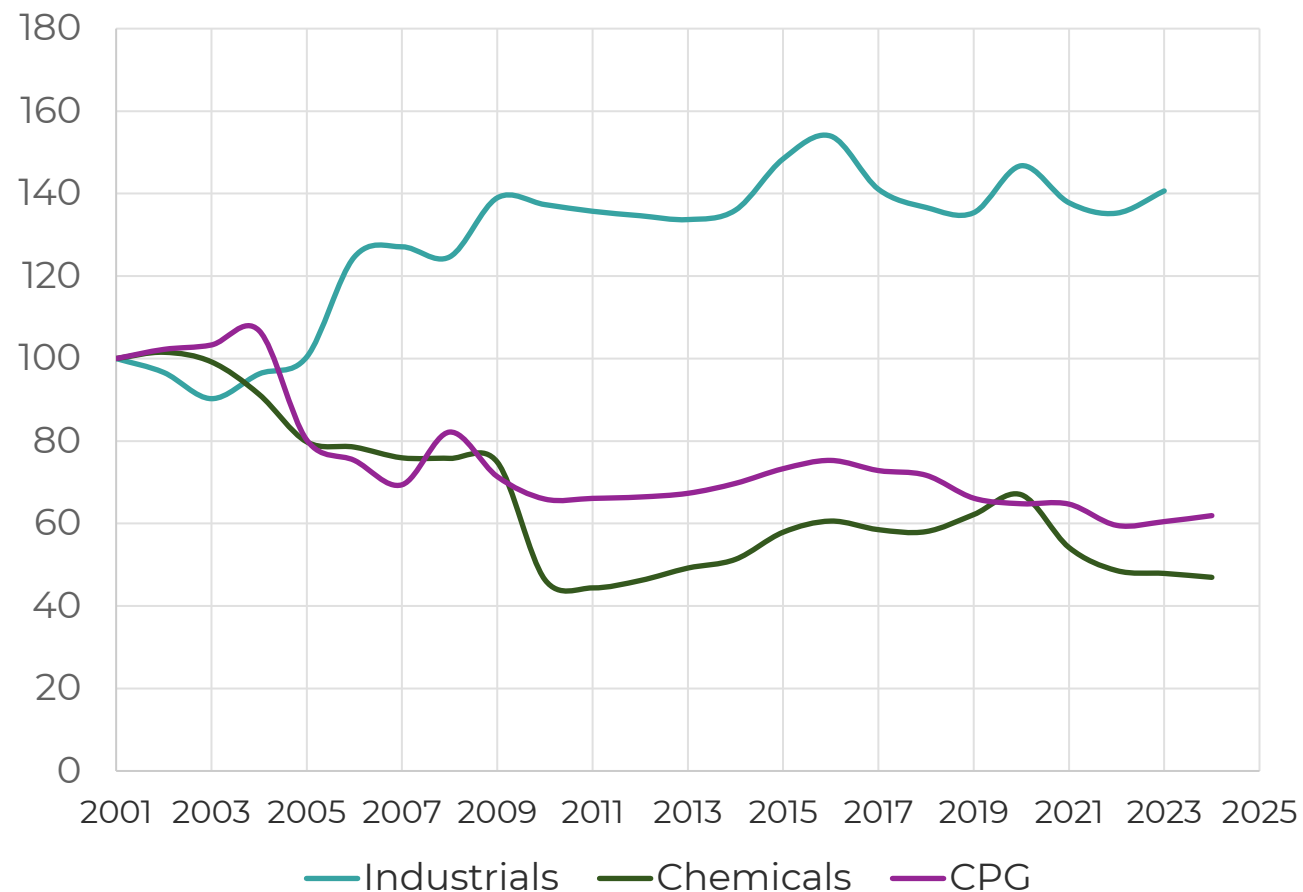
# STRATEGY DRIVERS

R&D is getting concentrated in the middle of the value chain.

At the edges (chemicals and CPG): Do more with less.

In the middle (industrials): Make it count.

R&D Intensity  
index (2001 = 100)



# TECHNOLOGY STRATEGY

A strategy is a plan, but not just any plan

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The way in which a business, government, or other organization **carefully plans** its **actions** over a period of **time** to improve its **position** and **achieve** what it wants.

– Cambridge dictionary definition

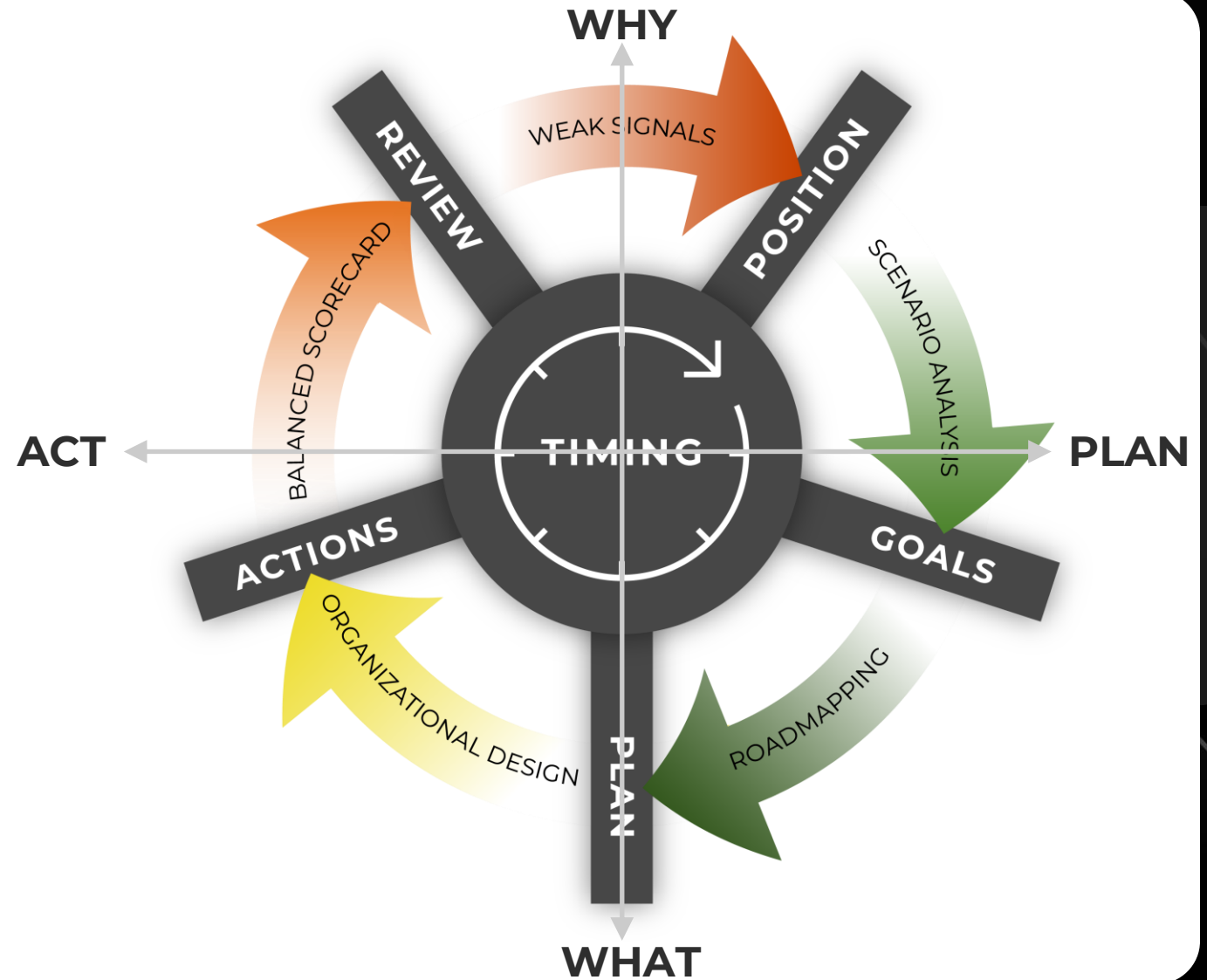
## STRATEGY TO-DO LIST

1. Time the strategy
2. Position ourselves
3. Define goals
4. Plan with flexibility
5. Define actions
6. Repeat

# BEING METHODICAL

Innovation strategy requires a continuous process with a timing of 3 to 5 years.

A well-designed process separates planning, acting, the “what,” and the “why.”





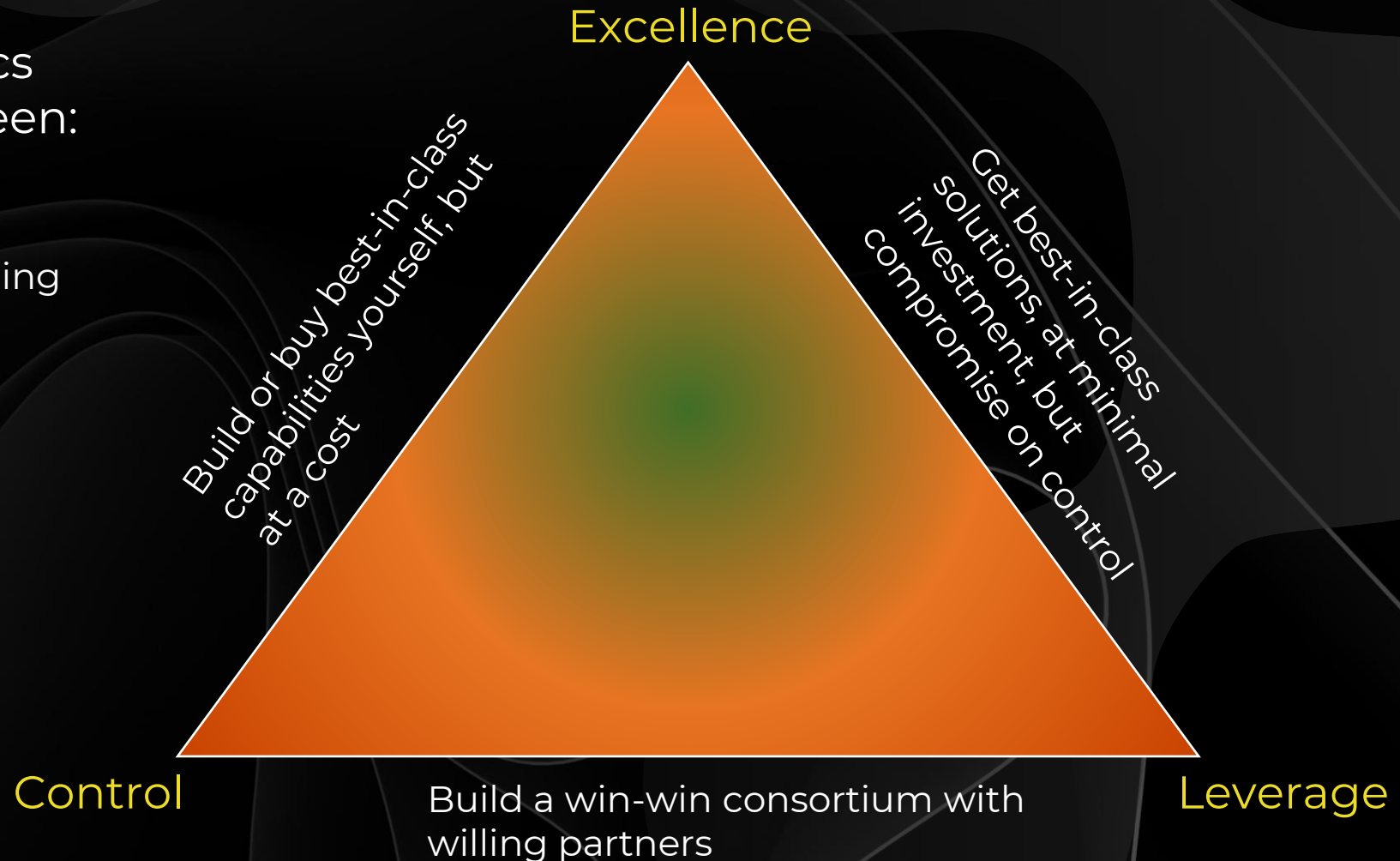
# TODAY'S FOCUS: ORG. DESIGN & SCORECARD



# ORGANIZE FOR YOUR KIND OF SUCCESS

Devising your execution tactics involves compromising between:

- **Leverage**  
De-risk by getting additional funding
- **Control**  
Obtain IP rights and control of all decisions
- **Excellence**  
Have world-class solutions and experts





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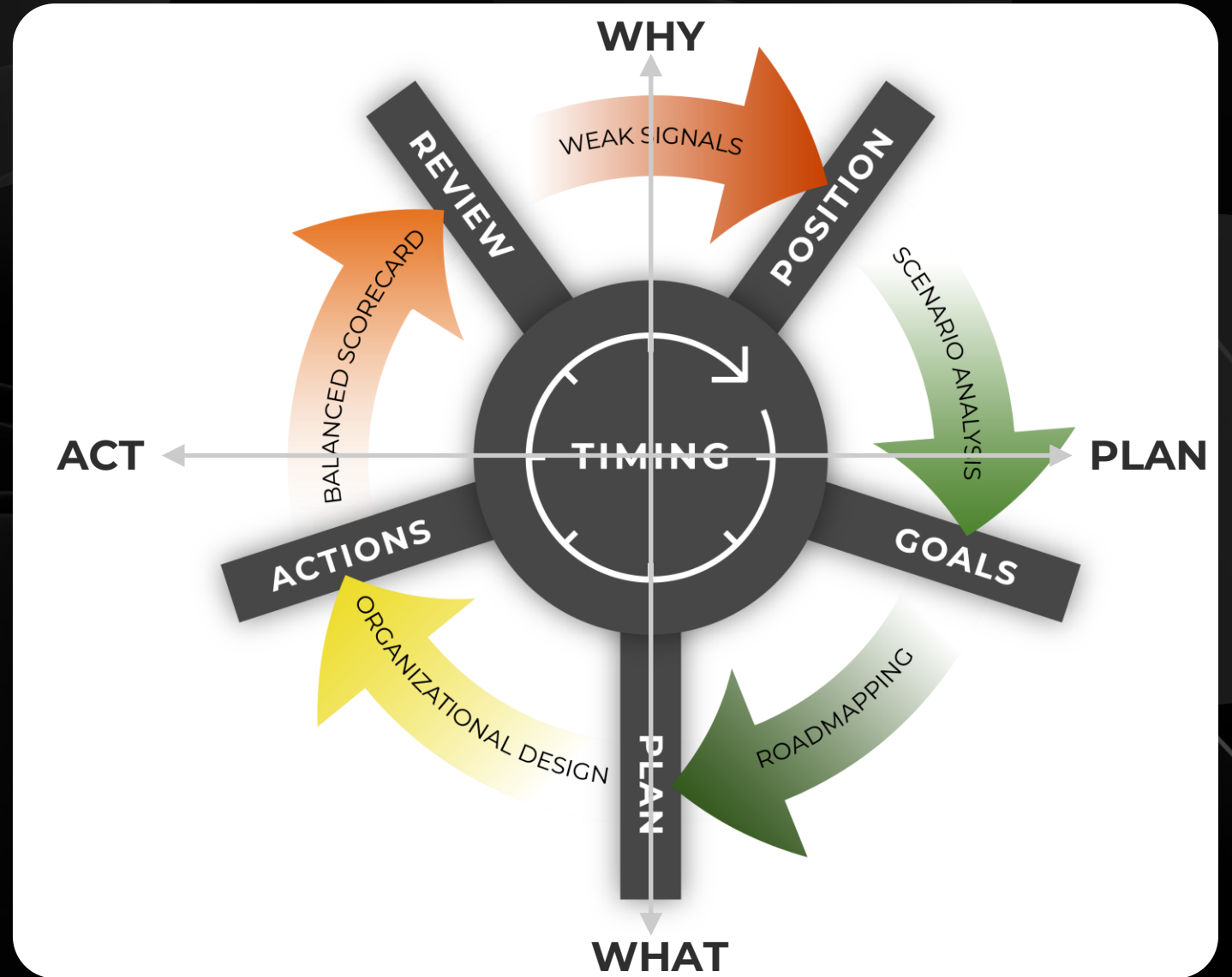
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# THE TASK AHEAD

You went through “why, plan, and what.” **Now, it’s time to act.**

By now you have:

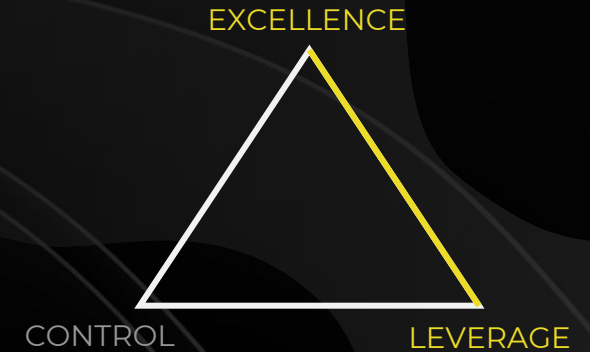
- ☒ A good vision of what success looks like (**position**)
- ☒ A set of targets to be achieved over time (**goals**)
- ☒ A list of projects or activities to be developed (**plan**)



# EXCELLENCE THROUGH LESS CONTROL

The Holst Centre develops solutions for flexible polymeric electronics. Parties participating in the shared innovation programs compromise on control for:

- Derisking: cooperating throughout the value chain and with government support
- Better results: no company does in isolation what the collective achieves in this area

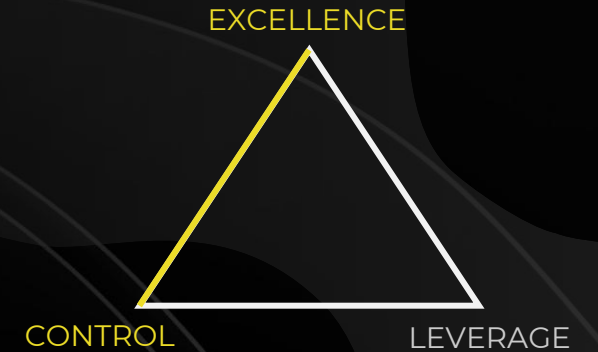


# UNASSAILABLE CONTROL THROUGH EXCELLENCE

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Focus on excellence in one area: efficient computing power.

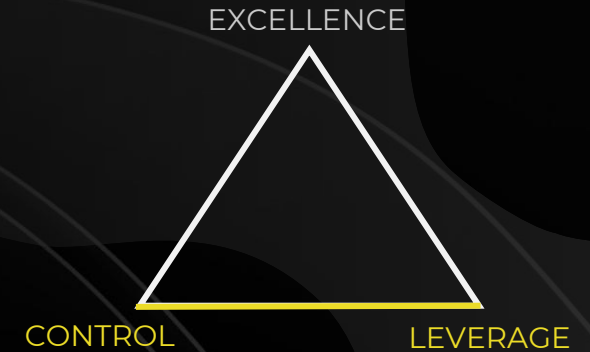
Excellent IP position even enables a licensing-only business model with a USD 150 billion valuation.





# LEADING AND LEVERAGING YOUR ECOSYSTEM

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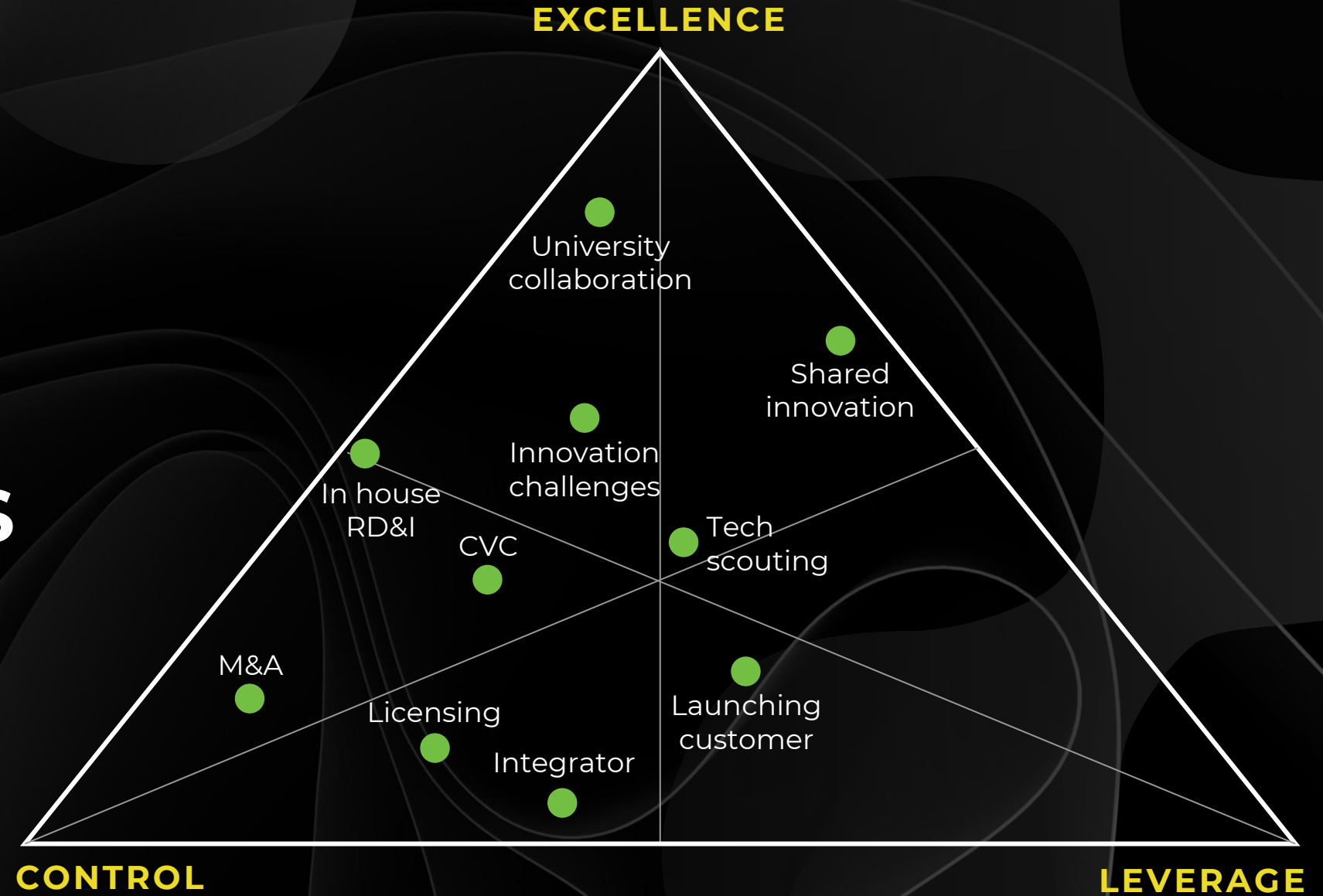


Toyota's Keiretsu ensures that critical components are up to their standards.

As a launching customer of innovations in your ecosystem, you have optimal control while leveraging your innovation spending.



# MAPPING YOUR TOOLS





# 4 PILLARS SUPPORTING THE BALANCED SCORECARD FOR INNOVATION

PEOPLE	PROCESS	PROFFER	PROFIT

# BALANCED SCORECARD PILLAR #1: PROFIT

## PROFIT

Market and margin size

What is the revenue and profit opportunity?

Barriers to growth

What hurdles will delay attainment of revenue potential?

R&D intensity

How keenly does the company invest in R&D/innovation?

Innovation leverage

What does innovation deliver for the company?

# BALANCED SCORECARD PILLAR #2: PROFFER

## PROFFER

Technology value

How impactful is the technology portfolio in addressing customers' unmet needs?

Strength of partnerships

Can existing partners maximize reach and impact of the company's innovation?

Competitive intensity

How deep and wide is the company's moat around its innovation?

Regulatory/investor/other influences

Does the company's innovation enjoy, or suffer from, stakeholder influences?

# BALANCED SCORECARD PILLAR #3: PROCESS

## PROCESS

Vitality index

How novel is the company's portfolio of market offerings?

Quality of front end

Is the company consistently sourcing the highest-quality ideas?

Resource to revenue

How speedily, cost effectively, and talent efficiently does the company turn attractive ideas into commercial value?

Decision-making effectiveness

Is innovation decision-making powered by best-in-class data, tools, and frameworks?

# BALANCED SCORECARD PILLAR #4: PEOPLE

## PEOPLE

Management experience

Does the C-suite bring broad experience in running businesses/companies?

Bench strength

How deep are research and commercial competencies embedded within the ranks?

Culture of performance

Is the workforce enabled toward continual performance excellence?

Talent acquisition/retention/ascension

Is the company a thriving talent magnet?

# 4 PILLARS SUPPORTING THE BALANCED SCORECARD FOR INNOVATION

PEOPLE		PROCESS		PROFFER		PROFIT	
Management experience	Does the C-suite bring broad experience in running businesses/ companies?	Vitality index	How novel is the company's portfolio of market offerings?	Technology value	How impactful is the technology portfolio in addressing customers' unmet needs?	Market and margin size	What is the revenue and profit opportunity?
Bench strength	How deep are research and commercial competencies embedded within the ranks?	Quality of front end	Is the company consistently sourcing the highest-quality ideas?	Strength of partnerships	Can existing partners maximize reach and impact of the company's innovation?	Barriers to growth	What hurdles will delay attainment of revenue potential?
Culture of performance	Is the workforce enabled toward continual performance excellence?	Resource to revenue	How speedily, cost effectively, and talent efficiently does the company turn attractive ideas into commercial value?	Competitive intensity	How deep and wide is the company's moat around its innovation?	R&D intensity	How keenly does the company invest in R&D/innovation?
Talent acquisition/ retention/ ascension	Is the company a thriving talent magnet?	Decision-making effectiveness	Is innovation decision-making powered by best-in-class data, tools, and frameworks?	Regulatory/ investor/other influences	Does the company's innovation enjoy, or suffer from, stakeholder influences?	Innovation leverage	What does innovation deliver for the company?



# EXAMPLE #1: SBM OFFSHORE

30% Of R&D budget allocated to emerging technologies in the energy transition

45 Patents filed

14 Projects that attained TRL 4

PERFORMANCE MEASURES	WEIGHTING
➤ PROFITABILITY	40 - 60%
➤ GROWTH	20 - 40%
SUSTAINABILITY PERFORMANCE	15 - 25%
TOTAL	100%
DISCRETIONARY JUDGEMENT SUPERVISORY BOARD	- 10%

Performance area	Performance indicator	Relative weight	Threshold	Target	Max	Actual performance	Actual in % of target
Profitability	Underlying directional EBITDA (US\$ mln) <sup>1</sup>	50%	1,100	1,200	1,270	1,294 (=Max)	65.0%
	➤ Project Execution performance <sup>2</sup>		Commercially sensitive			Target	
Growth	FPS Order intake	25%	Commercially sensitive			Between Max and Target	28.5%
	➤ Energy transition <sup>3</sup>						
Sustainability	➤ Safety – Process Safety		T1 Process Safety Incidents with > 3 in severity score			1 (=Max)	
	Safety: SIF + TRIFR		Serious Injury and Fatality (SIF) + TRIFR			TRIFR=0.10; SIF=0 (=Target)	
	➤ Operational Excellence on CO <sub>2</sub> produced	25%	Average CO <sub>2</sub> per barrel produced (kg) (fleet average)			Max	32.5%
	Safe and Sustainable Recycling		Development decommissioning plans			8 (=Max)	
	➤ Employee Engagement <sup>4</sup>		Min	Target	Max	Target	
Weighted performance on all indicators		100%					126.0%
1 Underlying EBITDA reflects the following adjustments: i) impact of the sale of FPSOs Liza Destiny and Prosperity in 2024.							
2 The Project Execution performance was assessed qualitatively in terms of backlog delivery and analysis of past project performance and definition of lessons learned which were implemented, if applicable, for the set-up of future projects.							
3 Energy Transition: progress on near zero FPSO development.							
4 Employee Engagement has been evaluated in terms of percentage of engagement and satisfaction in engagement survey.							

# EXAMPLE #2: EU'S APPLES & ORANGES

Horizon Europe is one of the largest, cohesive RD&I programs in the world.

It developed a balanced way of measuring its success.

## SO.1 – Scientific Impact

- (a) Strengthen excellent basic and frontier research [...]
- (h) Connect and develop research infrastructures and provide transnational access across the ERA
- (i) to attract talent, to train and retain researchers and innovators in the ERA, including through mobility
- (j) Foster open science and ensure visibility to the public and open access to scientific publications and research data, including appropriate exceptions

## SO.2 – Societal Impact

- (c) Support the implementation of Union policy priorities including in particular the SDGs and the Paris Agreement
- (b) Reinforce the link between research, innovation, and, where appropriate, education and other policies, including complementarities with national, regional and Union R&I policies and activities
- (l) Deliver, through R&I missions, on ambitious goals within a set timeframe
- (m) Improve the relationship and interaction between science and society, including the visibility of science in society and science communication, and to promote the involvement of citizens and end-users in co-design and co-creation processes
- (d) Promote responsible R&I, taking into account the precautionary principle

## SO.3 – Economic/Technological Impact

- (o) Stimulate R&I activities in SMEs and the creation & scale-up of innovative companies, in particular SMEs, and in exceptional cases small mid-caps
- (n) Accelerate industrial transformation, including through improved skills for innovation
- (p) Improve access to risk finance, including through synergies with InvestEU, in particular where the market does not provide viable financing

## SO.4 – Optimised programme delivery

- (a) [...] Reinforce and spread excellence, including by fostering wider participation throughout the Union
- f) Increase collaboration links in European R&I and across sectors and disciplines, including social sciences and humanities (SSH)
- (e) Strengthen the gender dimension across the Specific Programme
- (g) Strengthen international cooperation
- (k) Encourage exploitation of R&I results and actively disseminate and exploit results, in particular for leveraging private investments and policy development

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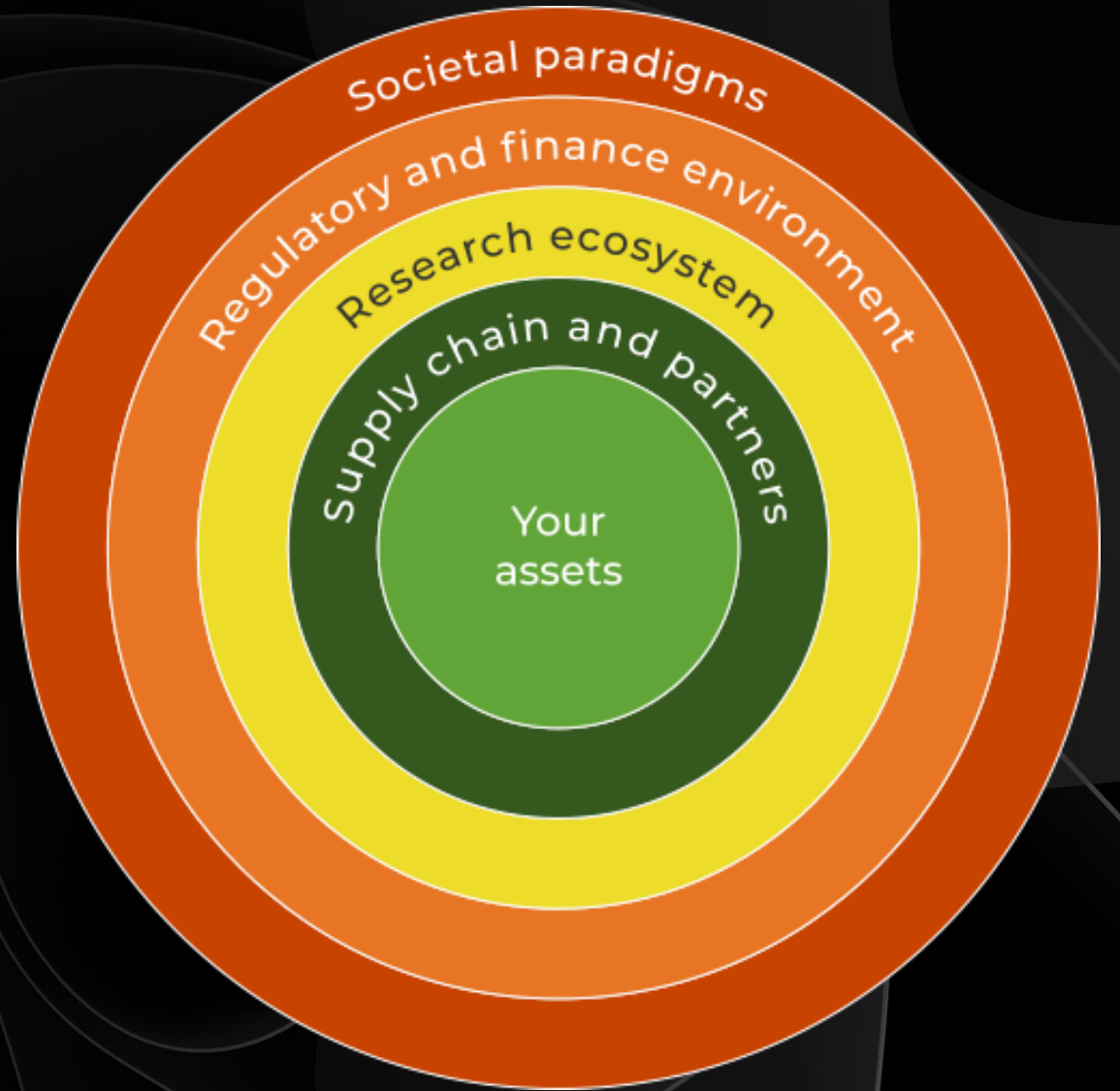
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# DREAMING TO DOING

Map your ecosystem and place in it to  
design your organization

Balance control, excellence, and leverage  
to maximize your chance of success.





# DREAMING TO DOING

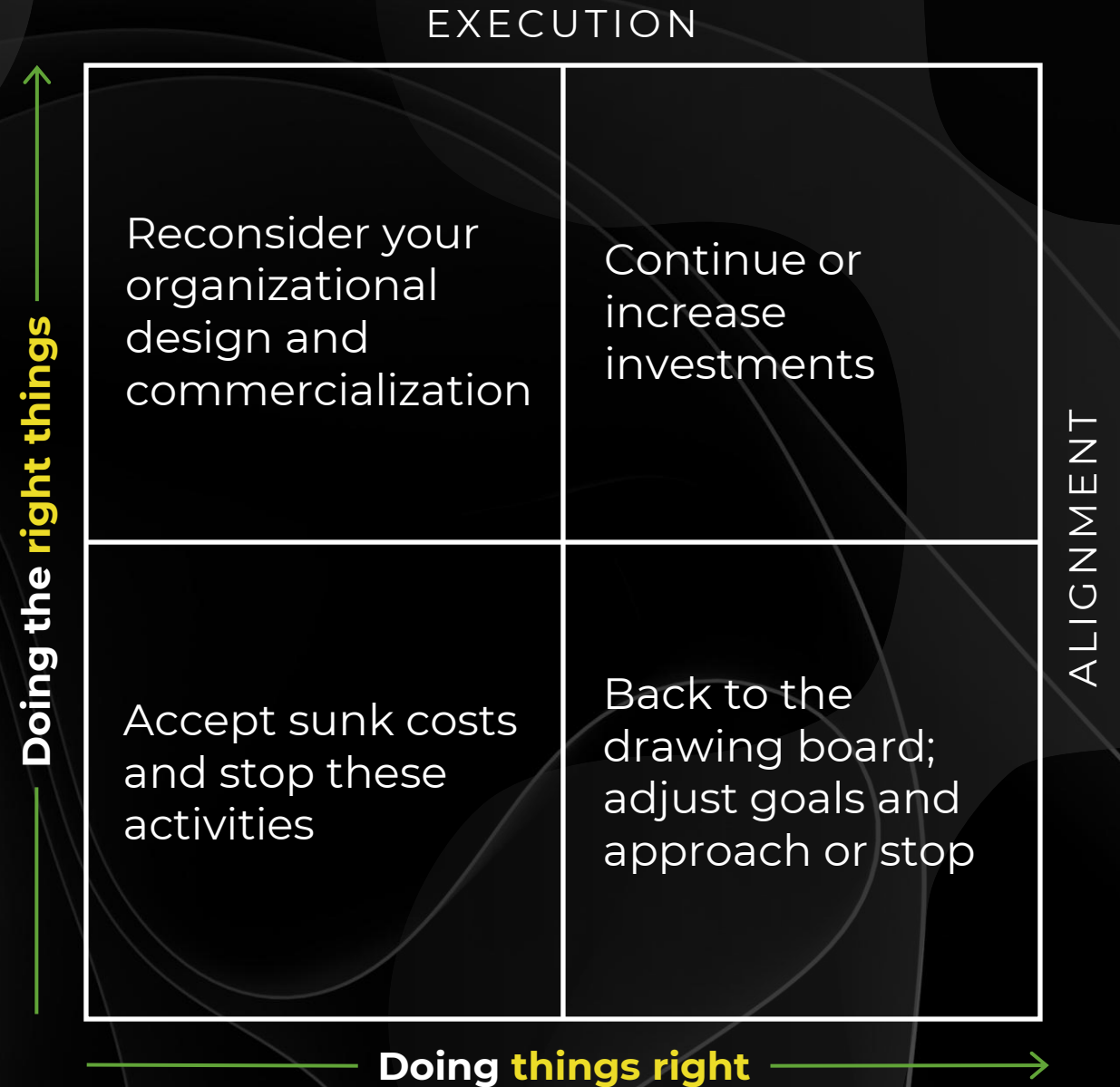
Pick the right tools in  
your environment





# DOING TO DREAMING

Close the loop back to why



# KEY TAKEAWAYS

1

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**Innovation is no longer about scientific supremacy.**

Excellent science has always enabled breakthrough innovations. However, excellent science is abundant today and no longer the only or even most important differentiator.

2

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**Leverage partnerships strategically to act fast and reduce risk.**

Once you have a good strategy, you must act fast to execute. A reliable, long-term network of partners enables you to be fast and agile. Consider your network one of your company's valuable assets. It's a major investment.

3

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**Avoid simple metrics and ensure a balanced framework.**

Capital asset investments must have a sound return on investment. Innovation projects should also consider your future ability to innovate, including your network, skills, and license to operate.



# THANK YOU

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The “Lux Take” is trusted by innovation leaders around the world, many of whom seek our advice directly before placing a bet on a startup or partner — our clients rely on Lux insights to make decisions that generate fantastic business outcomes. We pride ourselves on taking a rigorous, scientific approach to avoid the hype and generate unique perspectives and insights that innovation leaders can’t live without.



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