

Corporate Innovation Strategy

Corporate Innovation Strategy

Strategy Owner: Acting Head of Innovation Section	Endorsed by: Director of Strategic Affairs	Approved by: CEO
Ref. Code:	Version No.: Original Version Date: 6 Oct. 2020 Last Review Date: 27 Mar. 2023	Review Frequency: yearly

| Preparation, Review, Acknowledgment, and Final Approval

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1 | Link with the National Innovation Strategy:

The National Innovation Strategy aims to make the UAE among the most innovative countries in the world by stimulating innovation in 7 key national sectors: renewable energy, transportation, health, education, technology, water, and space.

The strategy includes several national initiatives and covers a range of new legislation, support for innovation incubators, building specialized national capabilities, a set of incentives for the private sector, building global research partnerships, and changing the government work system towards greater innovation.

The National Innovation Strategy has been reviewed, and several axes have been linked. For example, the Fund's internal corporate innovation strategy has been linked with the National Innovation Strategy. A link has also been established with many of the criteria for evaluating ideas and their final results with the outcomes of the National Strategy.

2 | Link with the Abu Dhabi Government Excellence Model:

The model represents a qualitative leap in government work by enabling government entities to meet the requirements and expectations of society in obtaining distinguished government services and supporting government directives in various fields, especially innovation, to achieve a competitive advantage for the emirate. The excellence model also takes into account the difference and specificity in the nature of the work of government entities by determining the weights of their criteria and for their performance efficiently and effectively through the optimal use of resources and the continuous pursuit of learning and development.

The Abu Dhabi Government Excellence Model is consistent with the Fourth Generation Government Excellence Model applied in the federal government of the United Arab Emirates, taking into account the requirements of the Abu Dhabi government.

Content of Figure (1): Abu Dhabi Emirate Government Excellence Model

Main Axes:

Innovation (10%):

- Focus on Foresight and Innovation
- Foresight
- Innovation Management

Achieving the Vision (60%):

- Focus on the results of the entity's main tasks and the extent of achieving the Abu Dhabi Plan
- Focus on developing services and digital government
- Abu Dhabi Plan
- Main Tasks
- Service Delivery
- Digital Government

Institutional Enablers (30%):

- Focus on governance, financial system efficiency, risk management and business continuity, Emiratisation, and corporate communication
- Employees and Emiratisation
- Governance and Legislation
- Finance
- Corporate Communication
- Risk and Business Continuity
- Resources and Properties

Figure (1): Abu Dhabi Emirate Government Excellence Model

3 | Inputs for the Corporate Innovation Strategy at the Fund

- National Innovation Strategy
- Government Excellence Model (GEM 2.0)
- Vision and directions for innovation at the Fund
- Objectives, topics, and issues related to corporate innovation
- Outputs of brainstorming workshops
- Risks related to corporate innovation
- Strategic requirements within the international standard ISO 56002:2019

4 | Khalifa Fund's Innovation Strategy:

Overview:

Khalifa Fund for Enterprise Development is keen to create a suitable business environment for small and medium-sized enterprises and innovators from start-up projects, and to instill and promote a culture of innovation and entrepreneurship among young citizens by providing appropriate programs and services aimed at equipping innovators and entrepreneurs with the necessary skills and knowledge on how to establish, manage, and develop projects. Khalifa Fund is also keen to develop special strategies for small and medium-sized enterprises to create an innovative business environment in cooperation with its local and international strategic partners.

Khalifa Fund for Enterprise Development attaches importance to the corporate innovation management system due to its direct return and results in the process of developing and improving the Fund's operations and services. Therefore, Khalifa Fund is keen to provide the necessary human and financial resources to support the corporate innovation management system and achieve its desired results in an innovative and modern way, in line with the requirements of the international standard ISO 56002:2019.

The tasks of monitoring and managing the corporate innovation system have been assigned to the Innovation and Special Projects Section at Khalifa Fund for Enterprise Development, in cooperation with the Strategic Affairs Department at Khalifa Fund, to integrate the corporate innovation

strategy with the Fund's vision, strategy, priorities, and some strategic projects.

The innovation strategy at Khalifa Fund is aligned with the Government Excellence Model (Fourth Generation), which includes innovation as a key axis in the Abu Dhabi Award for Excellence in Government Performance, the National Innovation Strategy 2021, and achieving the Abu Dhabi vision. An innovation structure and strategy have been developed at Khalifa Fund to stimulate a work environment that supports creativity, innovation, and continuous improvement.

Khalifa Fund presents its innovation strategy and approach based on a high-performance innovation structure certified by the Global Innovation Management Institute (GIM Institute). The structure identifies the key elements for building creative capabilities at Khalifa Fund through 3 main strategic pillars that form the general framework for corporate innovation, represented as follows and as shown in Figure (2):

1. Developing the innovation strategy
2. Enhancing the capacity for innovation (innovation enablers)
3. Rooting the principles of corporate innovation (behavioral rules of innovation)

General Framework for the Innovation Management System at Khalifa Fund for Enterprise Development

The Khalifa Fund innovation system is based on 3 main pillars as follows:

Behavioral Rules of Innovation	Innovation Enablers	Innovation Strategy
Leadership (Management System, Leadership Style) Impact Measurement General Behavior Knowledge Work Environment	Processes (Partners and Networks) People (Organizational Structures) Resources (Project and Portfolio Management)	The Case for Change (Challenges/ Opportunities) Growth Gap (Profit/ Time) Innovation Portfolio Innovation Axes (Fields of Opportunity, Concepts/Partners) Timeline

Figure (2): Summary of the General Framework for the Corporate Innovation Management System at the Fund

5 | SWOT Analysis for the Corporate Innovation Strategy:

The Fund periodically reviews the strategic plan for corporate innovation to monitor and follow up on strengths and weaknesses, and to identify opportunities and threats. Then, risks related to corporate innovation are

identified and a mechanism for dealing with them is determined, as shown below:

Weaknesses W	Strengths S
<ul style="list-style-type: none">• Weak awareness of corporate innovation and commitment of employees and stakeholders to meet its requirements• Low participation in corporate innovation programs and awareness workshops• Weak continuous follow-up of the system	<ul style="list-style-type: none">✓ Presence of government support for implementing the innovation system✓ Support from the leadership team and availability of financial and moral support✓ Availability of expertise working in the innovation system

Threats T	Opportunities O
<ul style="list-style-type: none"> • Scarcity of innovative ideas and low novelty/originality • Limited financial support for innovative projects (if any) • Reluctance to participate in innovation programs and submit ideas • Violation of intellectual property and copyrights by employees or individuals outside the Fund • Absence of opportunities resulting from poor documentation and near-future implementation of innovative ideas • Lengthy and complex nature of the corporate innovation management process (from generating, refining, classifying, documenting, and implementing ideas...) 	<ul style="list-style-type: none"> ✓ Availability of international standards for innovation management (ISO 56002:2019) ✓ Provision of local standards for innovation management (Government Excellence Model) ✓ Signing Memoranda of Understanding with universities and research centers in the country for cooperation in the fields of corporate innovation and scientific research ✓ Presence of entities/institutions in the country concerned with protecting and registering intellectual property, patents, and literary works

Table (1): SWOT Analysis for the Corporate Innovation Strategy at Khalifa Fund

6 | Risks of the Corporate Innovation Strategy:

The following strategic risks have been identified that may directly affect the corporate innovation system:

No.	Risk	Likelihood	Impact	Risk Level	Risk Dimensions	Risk Treatment Methods
1	Lack of general	4	3	12	Operational	Mitigate

No.	Risk	Likelihood	Impact	Risk Level	Risk Dimensions	Risk Treatment Methods
	awareness of the integrated corporate innovation system, which weakens employee engagement in submitting new innovative ideas and effective contribution					
2	Absence of a plan and performance indicators for the innovation system at the departmental and individual levels, leading to irregular and unsystematic application of the corporate	3	4	12	Strategic	Mitigate

No.	Risk	Likelihood	Impact	Risk Level	Risk Dimensions	Risk Treatment Methods
	innovation system					

3	Absence of documentation, classification, and systematic application of creative innovation ideas, leading to a loss of opportunities to benefit from innovative ideas	4	4	12	Operational	Mitigate
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Note: For more details on the risks of the corporate innovation system, the mechanism for dealing with them, and remedial plans, please refer to the Corporate Risk Matrix for Corporate Innovation.

7 | Strategic Intelligence:

Khalifa Fund for Enterprise Development follows a strategic partnership-based approach to corporate development. This is done by obtaining data and information from internal and external sources and cooperating with relevant parties to build the necessary knowledge to share with decision-makers. Khalifa Fund is keen to implement appropriate activities and practices for data mining, analysis, and environmental scanning, including brainstorming sessions for foresight.

The Innovation and Special Projects Management Section also analyzes the outputs of brainstorming workshops, foresight workshops, and corporate innovation practices, and develops appropriate creative solutions for them. An implementation plan is developed for these solutions to measure the impact, expected risks, and risk mitigation plans. Its performance indicators are also monitored to achieve the Fund's objectives.

The Fund periodically and regularly analyzes the needs and requirements of partners and stakeholders in the innovation system (such as employees, customers, the Executive Office, and the Government Excellence Award Office).

Information and knowledge related to the innovation management system are also exchanged through direct communication with research centers, universities, government agencies, and private consulting firms, to ensure staying up-to-date with the latest developments in the field of corporate innovation, dealing with the most important challenges, and overcoming obstacles to ensure the optimal application of the system.

8 | Evaluation of the Corporate Innovation Strategy

Khalifa Fund for Enterprise Development evaluates the performance of its corporate innovation strategy and system in an integrated and continuous periodic manner, according to the innovation strategic plan at the Fund. The report aims to provide a comprehensive and systematic assessment of innovation activities at Khalifa Fund, and to assess the overall maturity level of the Fund based on international best practices. A quantitative survey is launched to evaluate the following contents in the corporate innovation strategy and system:

- Measure the percentage of employee awareness of the corporate innovation system in general
- Measure the satisfaction of employees and partners with the corporate innovation system
- Measure the level of institutional maturity regarding awareness of submitting innovative ideas and implementing feasible ones
- Measure the level of institutional maturity regarding awareness of intellectual property protection
- Follow up on the number of intellectual properties/literary works/ patents registered in the name of the Fund or its employees.

Main Sources for the Innovation Strategy Evaluation Process

1. Government Corporate Excellence Model.

1. High-Performance Innovation (HPI) framework, including the innovation maturity scale, developed by the Global Innovation Management Institute, sometimes and optionally.
2. Quantitative analysis based on a survey covering Khalifa Fund employees, including senior leadership, middle management, and front-line staff.
3. Qualitative analysis based on individual interviews with members of Khalifa Fund's senior leadership and insights from evidence reviewed as documents for this report.

The most prominent challenges and proposed action plans suitable for overcoming these challenges are also clarified and presented to the Fund's senior leadership to obtain their recommendations and/or approval for the remedial plans for these challenges.

Amendments to the Corporate Innovation Strategy

Review No.	Section No.	Subsection No.	Paragraph No.	Date	Management Rep. Approval
1.0	New	New	New	6 October 2020	Electronic
1.1	Update on all items			16 September 2022	Electronic