

The Transformation Test combines multiple innovation, strategy, business model and transformation perspectives into a single tool and a single metric. The goal is to help the teams and management have strategic conversations and measure progress on the topics of innovation, business models and transformation.

TRANSFORMATION TEST	SCALE (0-1-2-3-4-5) - 5 = highest
1. Innovation Structure Does the company have a good structure for innovation in place? Is there an innovation strategy? Director for new business development and new ventures? Is there an innovation team? Does the team have the tools, training and internal position to make innovation happen? Does the company actively engage with outside sources and partners for someone (other than the CEO) responsible for making innovation happen? Tool: Innovation Proficiency Reference: The End Of Competitive Advantage (McGrath)	
2. Innovation Portfolio What is the strength of the current innovation portfolio today? Does the company have a strategy and tools in place to manage and measure an innovation portfolio? Does the company have a portfolio of “Core innovations”, “Adjacent innovations” and “Radical innovations”. Does the company actively invest in “radical innovations”? Tool: Strategic Innovation Canvas, Innovation Pyramid Reference: Managing Your Innovation Portfolio, Three Horizons	
3. Innovation Pipeline Over the next 10 years, what is the strength of the innovation pipeline? Does the company have a deep understanding of “Industry shifts”? Does the company have a well-designed and executed process for developing innovation funnels and multiple strategies? Does the company work well with non-financial metrics? Tool: Innovation Funnels, Open Innovation Reference: Open Innovation (Chesterborough), Innovation Metrics (Christensen)	
4. Success with Business Model Innovation Historically, what kinds of success has the company had with previous business model innovations (planned or emerged)? Does the company’s top management have a shared language for business model innovation? Does the company understand the differences in “optimizing one business model” vs. “exploring multiple new business models”? Does the company have a well-defined structure for business model portfolio innovation? Can the company showcase one or several business model successes? Tool: Business Model Canvas, Three Levels of Business Models Reference: Business Model Generation (Osterwalder, Pigneur), Reinvent your business model (Christensen, et.al)	
5. Transformational Capacity How strong is the company’s overall capability for long-term strategic change and deep transformation? Combining innovation, strategy, business model, change management and leadership, how strong is the company’s ability for continuous change and transformation? Does the company have the Magic Formula M+S+M (Mandate + Structure + Money) for leading strategic transformation? Does the company have a deep understanding of “market-creating innovations”? How well does the company do on the tool “Transformation Architecture”? Tools: Transformation Architecture Reference: Strategic Transformation (Hensmans, et.al)	
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