

# Innovation Acceleration and Business Impact

INNOVATION SAFETY  
RESEARCH STUDY

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## The unexpected drives innovation in 2020

In addition to the insights provided in our 2019 and 2020 Innovation Safety research studies, UL is releasing this addendum to investigate how and why 2020 has triggered a stepwise advance in innovation around the globe.

In 2020, businesses face the daunting challenge of staying the course in unprecedented conditions. Striving to ensure business continuity, maintain revenue and profitability, deliver products and services in an environment where physical locations are closed, and provide safety in the midst of a global pandemic are just some of the challenges they face. Savvy brands are returning to their strengths and core competencies while leaning into technology and innovation to deliver supply chain agility, critical products, new delivery models and continued operations.

2020 changed the business landscape with events and conditions that forced businesses to operate in a completely new reality. Agility is required to navigate these waters.

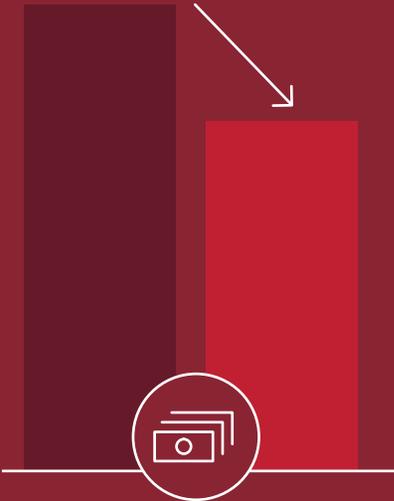


## Consumer behaviors and preferences



More than  
**60%**  
of global consumers  
have changed shopping  
behaviors since the  
outbreak of COVID-19.<sup>1</sup>

## Revenue decreases



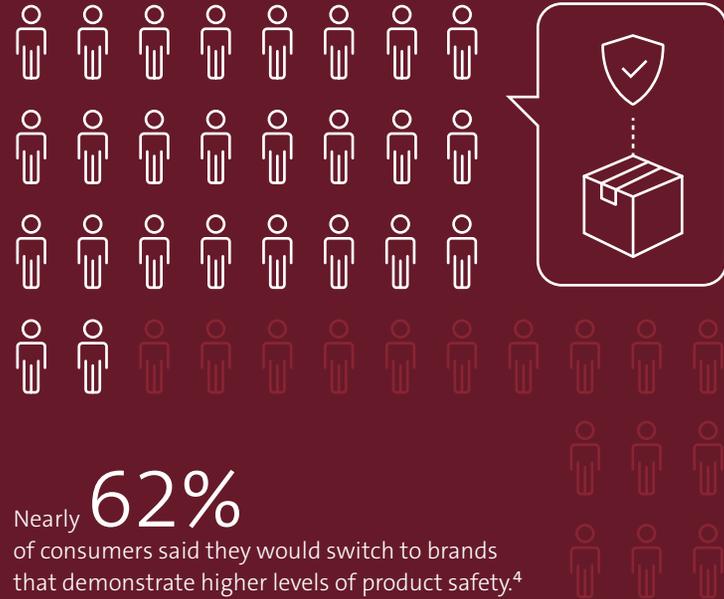
**53% of CFOs**  
expect a decrease  
in revenue and/or  
profit of up to  
**25%.**<sup>3</sup>

## Supply chain disruptions

**95%**  
of respondents reported  
that their supply chains  
will or already have been  
impacted by COVID-19.<sup>2</sup>



## Heightened sensitivity to health and wellness



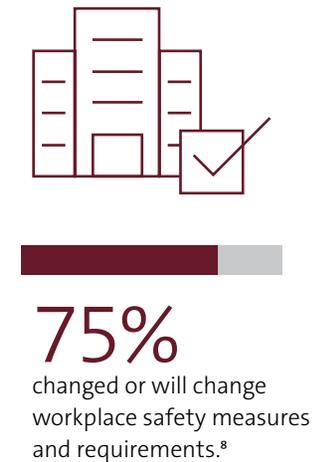
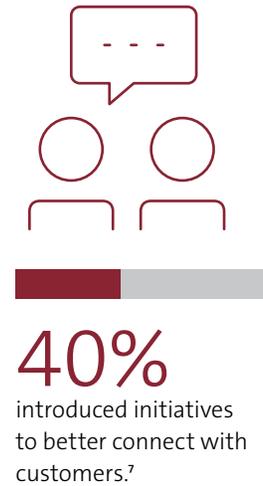
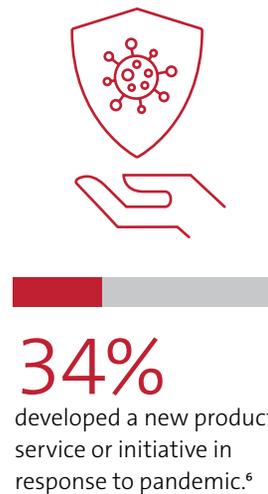
Nearly **62%**  
of consumers said they would switch to brands  
that demonstrate higher levels of product safety.<sup>4</sup>

# Evidence of innovation acceleration

Companies across sectors have accelerated innovation in response to unexpected changes in every facet of business. In fact, 90% believe that the COVID-19 crisis will fundamentally change the way they do business over the next five years.

In *The Nexus of Innovation and Safety* study, released in 2018, 45% of respondents indicated that impactful drivers of innovation were exploration of products for revenue growth and customer expectations.<sup>5</sup> However, in 2019, fewer than half of the respondents believed their approaches to innovation would meet market needs. In 2020, the COVID-19 pandemic tested these companies' innovation approaches, introducing a sudden need for innovation, not only to achieve revenue goals, but also to ensure business continuity, safety and coherency.

Since the COVID-19 outbreak, companies have responded:



## Innovation in healthcare

The global pandemic has placed tremendous burden on healthcare systems and professionals around the world. It has exposed some innate weaknesses and incorporated some innovative new practices and technologies that are changing healthcare today and will reshape the future of the industry as well.

### Flexible operations meet changing demands

- Provision of telemedicine will streamline care, maximize resources.
- Technology will manage traffic in real-time, notifying patients when to report for their appointment rather than confining them to a waiting room.

While only about 19% of Americans have tried telehealth solutions,

66% said that COVID-19 has increased their willingness to try telehealth in the future.<sup>9</sup>



The home healthcare segment is anticipated to be a leading revenue segment, generating

**\$24,061.36 million (USD)** in wearable medical devices by the year 2027.<sup>10</sup>

### Automation helps achieve efficiency and precision

- Healthcare monitoring wearables will enable two-way information flow between patient and provider.
- Real-time patient data collected using Internet of Things (IoT) sensors will be used for more effective diagnosis and care.

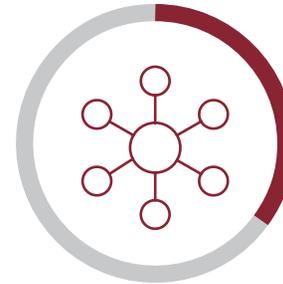
# Approaches and tools to innovation



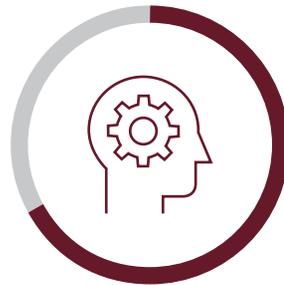
Technology is a critical enabler of innovation and companies are prioritizing tools and activities that facilitate innovation.



**87%**  
of respondents said the pandemic has increased the need for digital transformation in their business.<sup>11</sup>



**35%**  
of companies have further digitized their supply chains.<sup>12</sup>



**67%**  
of companies have accelerated automation and artificial intelligence.<sup>13</sup>

The percent of respondents who claimed their organizations' demand for the following technologies increased significantly or moderately.<sup>14</sup>

Advanced Analytics

**46.4%**



IoT

**40.1%**



AI

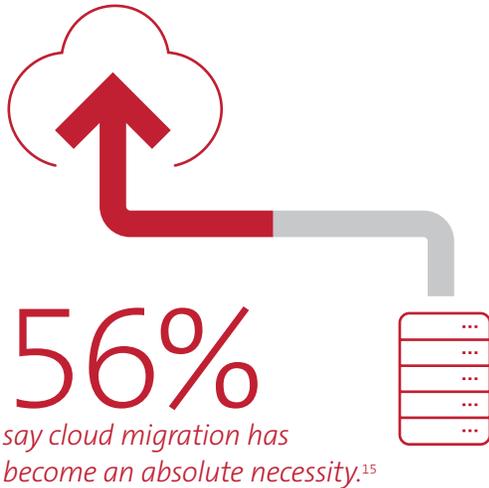
**40.0%**



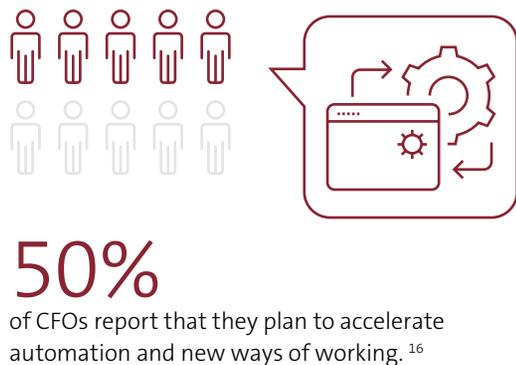
# Stepping forward with innovation

While companies still face many challenges and much uncertainty, they are embracing innovation as a pathway to resilience and success in the future.

## Innovative technologies



## Innovation in the workplace

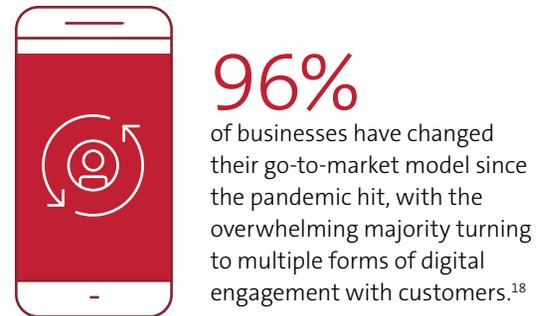


## Innovation in the supply chain

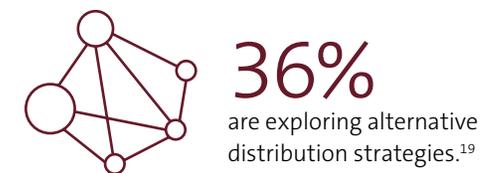
*Companies are prioritizing changes to the supply chain.*



## Innovation in solutions provided



## Innovation in business models

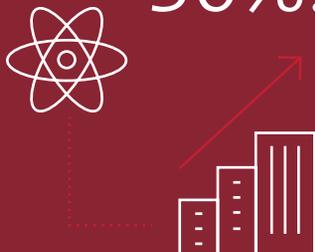


# Optimism about the future

Innovation engenders confidence in the future of businesses. Companies are embracing 2020 as the year of change, not only to survive in the midst of the pandemic, but also to position themselves for long-term success.



Organizations that maintained an **INNOVATION FOCUS** through the 2009 financial crisis weathered the event and **OUTPERFORMED THE MARKET AVERAGE** by more than **30%**.<sup>20</sup>



**Moving forward, 70% of respondents said that they believe there will be some return to normalcy, but with some changes to the way things are done.**<sup>21</sup>



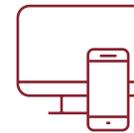
**79%** of CFOs said they were very confident that they can meet customers' safety expectations.<sup>22</sup>



**60%** of respondents foresaw more prioritization of contingency planning and crisis modelling in response to the pandemic's disruptions.<sup>24</sup>

In response to the pandemic,

**32%** of CFOs look to tech-driven products and services to advance their businesses.<sup>23</sup>



Most categories have seen more than

**10%** growth in their online customer base during the pandemic.<sup>25</sup>



*Pursuing innovation means staying informed of cutting-edge trends, critical marketplace changes and the latest regulatory guidelines. How can you access the latest available information and timely insights? Sign up for Insights from UL, our monthly e-newsletter that delivers all the latest insights that are critical to your business.*

[ul.com/Insights](https://ul.com/Insights)

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