

Innovation provides Competitive Advantage

A significant difference, that consumers value, that one product enjoys over its competitors. A key value driver.

Are we:

Better than the rest?

Difficult to imitate/substitute?

Durable? (Sustainable is the key)

Further Benefits of Innovation:

Satisfies Consumer Need

An Improved Company Image

**Increases Market Choice/Consumer
Offering**

Healthcare Innovation Champions

From a recent survey, investors value most the following non-financial metrics:

In rank order

- 1 Strategy execution
- 2 Management Credibility
- 3 Quality of strategy
- 4 Innovativeness**
- 5 Ability to attract talented people
- 6 Market Share
- 7 Management experience
- 8 Quality of executive compensation
- 9 Quality of major processes
- 10 Research leadership

"Innovation in all its forms is crucially important to the achievement of our objective of maximising the Value of the Company to the benefit of the Shareholders."

James Blyth
Chief Executive Boots Group

To maximise the value of The Boots Company's participation in the global self-medication market by being a leading developer and marketer of innovative products and differentiated consumer health brands.

BHI's Mission Statement

MANAGING FOR INNOVATION

Companies which pursue innovation without understanding where and how value could be created will not provide optimal returns for shareholders. Rather support should be for Innovation for Value.