



To BCG's network around the world,

When BCG began publishing the annual Most Innovative Companies report, back in 2005, the primary focus was on the list itself, highlighting the 50 leading large-company innovators from around the world and telling their inspiring success stories. Over time, the report has turned into an opportunity to explore the drivers of innovation outperformance, diving deep into how companies create healthy innovation systems that help them discover and develop ideas that will excite customers.

Our 2021 report, [Overcoming the Innovation Readiness Gap](#), explains how the COVID-19 pandemic put the need for innovation excellence front and center. A crisis is always a test of an organization's ability to adapt rapidly to change—and this past year was a crisis like no other, requiring innovation in business models, value propositions, and ways of working.

It turned out, of course, that some companies stood out and were better prepared than others.

The will to be innovative was there. In 2021, 75% of companies said innovation was among their top three executive priorities, as opposed to 65% the year before—the biggest year-over-year jump since we've been doing the research. But many face a readiness gap. When we asked respondents about their innovation systems and evaluated them based on BCG's [innovation-to-impact benchmarking framework](#), we found that just 20% are ready to translate their aspirations into results.

Companies that were committed and ready to innovate were not only able to handle the challenges brought on by the pandemic but found many ways to thrive. For example, the companies on the prepandemic [2020 list](#) outperformed the broader global market in shareholder returns by a staggering 17 percentage points over the past year (13 points even if you exclude the largest high-flying tech firms), making it clear that well-tuned innovation

systems drive resilience and adaptability.

I also found it interesting that the leadership teams of the [top 50 this year](#) were more diverse in terms of gender and cultural background than their peers. It turns out that this is not simply correlation; looking back at the rich history of the innovators from the past 15 years, we clearly see that diversity drives innovation, not so much the other way around.

For me personally, after having spent so much of my time this past year talking to other business leaders about COVID-19, it gave me particular joy to see early vaccine pioneers Pfizer and Johnson & Johnson both in the top 20 of this year's list.* Just the other day, as part of the [Consilium@BCG](#) executive summit, I spoke with Albert Bourla, Pfizer's CEO, who described how Pfizer's purpose and values contributed directly to the company's ability to be agile and innovative in such a challenging year. I feel such deep appreciation for the way these companies, and other leading health technology firms, unleashed tremendous innovation at a time when the world needed it most.

Please see below to read the report and find other related insights.



Rich Lesser
Chief Executive Officer

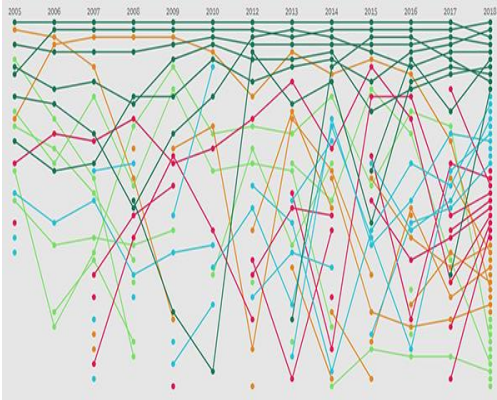
* Moderna and AstraZeneca were also in the top 50.



Overcoming the Innovation Readiness Gap

More companies say innovation is a top-three CEO priority. Many are allocating the resources to prove it. But are they prepared to deliver?

[CLICK TO READ MORE](#)



15 Years of the Most Innovative Companies

BCG started publishing an annual innovation report—with its list of the 50 companies most admired by global innovation executives—in 2005. Explore the changing rankings and the rich history of innovation thought leadership.



Mastering Innovation Strategy and Delivery

Innovation strategy development is a priority for companies looking to win in modern markets. BCG's consultants are experts in creating innovative business solutions.