THE EDGE OF WHAT'S NEXT: IRI'S QUARTERLY TRENDS ANALYZER



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About The Trends Analyzer

The Edge of What's Next examines the strategic environment in which innovation and R&D take place and flags up potential trends that you should factor into your strategic planning. At the end of each quarter, trends are examined by the IRI Foresights Advisory Board and assessed for their potential impact on innovation. In this report, key trends are described and vital questions you should ask yourself as you conduct your strategic planning are listed. In addition, we include some interesting possibilities (weak signals') at the end of the report that we will keep an eye on to see if they will rise to the level of a bigger, more impactful trend.

Innovation Research Interchange (formerly the Industrial Research Institute) is an inclusive membership organization with hundreds of global members in private-sector companies and federally funded laboratories. Founded in 1938, we lead and advance the field of innovation management by creating contemporary practices. Some of the world's most widely adopted models – such as "open innovation", "front end of innovation", and "stage-gate" – were born from the work of our members. We value strength in cooperation and partner with other organizations at the forefront of developments in innovation management, creating a hub for all to convene and contribute in an experimental, noncompetitive, and noncommercial environment. The IRI is a division of the National Association of Manufacturers.

October 2026 Trends

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REDEFINING AMBITION: HOW GEN Z IS RESHAPING CAREER EXPECTATIONS

Organizations are facing a new workforce dynamic as many Gen Z employees redefine what ambition and career success look like. Rather than following traditional paths centered on corporate advancement and advanced degrees, many younger workers are placing greater value on flexibility, well-being, financial security, and work that feels sustainable. At the same time, concerns about AI, rising living costs, student debt, and a challenging entry-level job market are leading some to question the return on traditional career paths. This is driving a turn toward skilled trades and hands-on professions that appear more resilient to automation.

For R&D organizations, this shift extends beyond recruiting. Innovation has long depended on developing deep technical expertise through mentorship, challenging assignments, and years of accumulated experience. As workforce expectations evolve, R&D leaders may need to rethink how they attract, motivate, and develop the next generation of scientists and engineers. The challenge is not simply accommodating different expectations, but ensuring organizations continue to build the technical capability, resilience, and leadership pipeline needed to sustain innovation over the long term.

LEARN MORE

- Gen Z Workers Turn to Naps, Crying Breaks to Cope with Work Stress (MSN)
- Moving Back Home After College? All Your Friends Are Doing It. (*The New York Times*)
- Mom, Dad- I Want to Be a Welder (*The New York Times*)
- Gen Z Shun White Collar for Skilled Trades—but which jobs pay the most? (*Newsweek*)



ASK YOURSELF THESE QUESTIONS:

1. How should we adapt our leadership, career development, and workplace expectations to attract the next generation of technical talent?

2. How can we balance employee well-being with the intensity and persistence often required for breakthrough innovation?

3. Are younger workers redefining ambition, or are we relying on outdated assumptions about what motivates talent?

4. How should we redesign early-career experiences to help employees build technical expertise, resilience, and long-term engagement?

5. Do you still need an advanced degree to build a successful career in R&D?

THE RETURN OF INTELLIGENT RISK TAKING

Leaders are increasingly rethinking their relationship with risk. After several years marked by economic uncertainty, geopolitical disruption, and rapid technological change, many are recognizing that excessive caution can be just as damaging as reckless decision-making. At the same time, advances in AI, shifting markets, and evolving customer expectations are creating new opportunities that often require organizations to move before the path is fully certain. Rather than seeking to eliminate uncertainty, companies are beginning to distinguish between risks that should be avoided and those that can create long-term strategic advantage.

For R&D organizations, this shift is especially significant. Innovation has always depended on experimentation, but increasing pressure for short-term results, portfolio discipline, and predictable returns has made many organizations more risk-averse. As technology cycles accelerate, however, breakthrough innovation may increasingly depend on an organization's ability to take intelligent risks—making deliberate investments in uncertain technologies, challenging conventional assumptions, and learning quickly from failure. The competitive advantage may no longer come from avoiding uncertainty, but from building the capabilities, culture, and governance needed to manage it effectively.

LEARN MORE

- American Water Risk VP: "Intelligent Risk-Taking Is an Engine for Growth (Deloitte and *The Wall Street Journal*)
- U.S. Investors Are Doing Something They've Never Done Before—And It Could Lead to a Major Meltdown (The Motley Fool)
- The death of Nirmal Purja raises questions about the growing culture of extreme risk and achievement (*The New York Times*)
- Fund Managers Cut Cash and Embrace Risk, BofA Survey Shows (*The Wall Street Journal*)



ASK YOURSELF THESE QUESTIONS:

1. Has our balance shifted too far toward risk avoidance, making it harder for us to pursue breakthrough innovation?

2. How can we distinguish between unnecessary risk and the kinds of intelligent risks that create long-term competitive advantage?

3. What leadership behaviors and organizational cultures can help us encourage thoughtful experimentation while maintaining appropriate accountability?

4. How can we learn from failure in ways that improve future decision-making rather than discourage future risk-taking?

5. As AI accelerates the pace of innovation, does it change how quickly we need to make and learn from high-consequence decisions?

PREDICTION MARKETS MOVE FROM SPECULATION TO INNOVATION INTELLIGENCE

Prediction markets allow participants to buy and sell contracts based on whether a specific future event will occur, with market prices reflecting the crowd's collective estimate of the probability of that outcome. Prediction markets are beginning to evolve from a form of public speculation into a potential tool for forecasting uncertain outcomes. Platforms such as Kalshi and Polymarket have grown rapidly, while new applications are moving into areas much closer to business and science. In 2026, Kalshi launched a pilot allowing participants to forecast clinical-trial outcomes and FDA decisions, effectively putting probabilities around questions that pharmaceutical companies and investors have traditionally assessed through private research, expert networks, and internal analysis.

For R&D organizations, the more interesting question is whether the underlying idea - using a diverse group of people to make explicit probabilistic predictions - could improve innovation decision-making. Research has already explored prediction markets for scientific replication, biomedical research, and new product development, with some evidence that aggregated forecasts can provide useful information that individual experts or traditional surveys may miss. Rather than replacing scientists or R&D leaders, prediction markets could potentially become another input for decisions about which technologies are worth pursuing, which experiments are likely to succeed, or where an organization should place its next R&D dollar.

LEARN MORE

- Why Prediction Markets Matter for Business Intelligence (The Conference Board)
- Kalshi to Allow Bets on Clinical Trials, FDA Decisions (Reuters)
- What Moves Prediction Markets? Evidence from Corporate Earnings (SSRN)
- US Appeals Court Rules Against Kalshi, Says States Can Regulate Prediction Markets (*U.S. News*)



ASK YOURSELF THESE QUESTIONS:

1. Could prediction markets improve how we evaluate uncertain technologies and research projects?

2. Would our scientists and engineers be willing to put probabilities around the likelihood that their own projects will succeed?

3. Can collective intelligence outperform traditional expert judgment when we make high-uncertainty innovation decisions?

4. Could prediction markets help us identify promising technologies earlier, or would they simply reinforce prevailing opinions?

5. How should we balance algorithmic and market-based forecasts with scientific expertise and human judgment?

THE HUMAN COST OF HYPERCONNECTED WORK

As workplace communication becomes increasingly mediated by Slack, Microsoft Teams, email, video calls, and now AI, organizations are confronting an unexpected consequence of greater connectivity: more opportunities to communicate do not necessarily translate into better communication. Recent research suggests that the problem may be expanding as AI further reduces the need for employees to interact directly with one another. New research and industry commentary point to a workplace in which employees increasingly turn to technology rather than colleagues for information, assistance, and even communication support. At the same time, companies are beginning to redesign how employees communicate so AI systems can capture and access organizational knowledge. While this may improve information sharing and organizational memory, it also raises questions about whether optimizing communication for machines could further change the candid, informal interactions through which people build trust and resolve differences.

For R&D leaders, the question is whether technology-mediated communication is strengthening collaboration or eroding the relationships, trust, and informal knowledge-sharing that underpin innovation. As AI and digital tools become more deeply embedded in R&D workflows, leaders must consider where human interaction remains essential and how they can intentionally preserve those connections.

LEARN MORE

- How AI Damages Work Relationships—and Where It Can Actually Help (*Harvard Business Review)*
- Why Your Boss Wants to Make Sure AI Can Read Your Slack Messages (MSN News*)*
- AI Is Ruining Workplace Relations – Here's How to Fix It (*People Management)*
- What HR Can Do to Stop the Big Drivers of Workplace Conflict in 2026 (HRMorning*)*



ASK YOURSELF THESE QUESTIONS:

1. Are we optimizing communication for efficiency at the expense of relationship-building?

2. Which types of workplace conversations should remain human-to-human?

3. Is the decline of face-to-face interaction creating new risks for collaboration, trust, and innovation?

4. As AI becomes a primary source of information and assistance, what happens to the informal knowledge-sharing that takes place between colleagues?

5. How should we balance the benefits of making communication AI-accessible with the need for privacy, candor, and psychological safety?

WHEN A BREAKTHROUGH PRODUCT BECOMES A DIVERSIFICATION CHALLENGE

The extraordinary success of Ozempic and Wegovy has made Novo Nordisk one of the clearest examples of how a breakthrough product can transform a company—and eventually create a new strategic challenge. As competition intensifies in the GLP-1 market and pricing and market-access pressures increase, Novo is looking for additional growth opportunities beyond its core obesity and diabetes franchise. That challenge became more visible after the recent failure of its late-stage cardiovascular drug ziltivekimab, increasing pressure to find new areas of growth through internal R&D, partnerships, acquisitions, or expansion into adjacent therapeutic areas.

For R&D organizations, Novo's situation illustrates a broader innovation challenge: how do you build the next growth engine before the current one begins to mature? Companies that become highly successful in one technology or market can become increasingly dependent on it, making adjacent-market innovation more important—and more difficult. R&D leaders may need to continually evaluate where existing scientific capabilities, technologies, and customer knowledge can be extended into new markets, while also maintaining investment in the core business. The challenge is not simply finding the next blockbuster but creating enough diversity in the innovation portfolio to avoid becoming dependent on a single technology, product, or market.

LEARN MORE

- Pharma Giant Novo Nordisk Stock Jumps Even as Deutsche Bank Repeats Sell Call (Stock Tip Ranks)
- Citi Flags GLP-1 Prescription Slowdown at Novo Nordisk- Reiterates Sell (Yahoo Finance)
- Novo Nordisk Warns of First Sales Drop Since Start of Ozempic *(The New York Times)*
- Novo Nordisk's Woes Are Slimming Denmark's Economic Growth *(The New York Times)*



ASK YOURSELF THESE QUESTIONS:

1. How early should we begin investing in market adjacencies when a core technology or product is still growing rapidly?

2. How can we identify adjacencies where our existing scientific capabilities give us a meaningful advantage?

3. When should we build internally versus partner, license, or acquire to enter a new market?

4. How do we balance continued investment in successful core technology with the need to develop our next growth engine?

5. Can success in one market make us less willing to take the risks needed to enter another?

ADDITIONAL TRENDS TO WATCH:

- A Battle for Control India's Biggest Business Empire (*The New York Times*)
- Inflation is At a Three Year High- and Americans are burning through their savings (MSN)
- Yes the Fed Can Kill the AI Boom (*The Wall Street Journal*)
- AI Boom-or-Bust Scenarios Loom Large at World Financial Summit (*The Wall Street Journal*)
- The biggest wealth giveaway in modern history aims to transform the world (*The Washington Post*)
- Pentagon looks to build a deep-cover spy program to confront China (*The Washington Post*)



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