Research in innovation has been widely conducted by academics. Many of them, however, merely define associations among innovation factors, findings are often contradictory, and research that involves innovation leaders with rich experiences, both successes and failures, is rare. Thus, how to innovate remains a question among practitioners. This qualitative research is aimed at filling this gap in the literature. To that end, 23 innovation leaders, most of whom are founders and CEOs of software/technology companies worth hundreds of millions to tens of billions of dollars, were interviewed to develop an innovation framework. Peter Drucker’s innovation theory was used as a theoretical lens to examine how well the theory still applies to contemporary innovation management. Six of Drucker’s 12 innovation principles were confirmed, two were revised, one was contradicted and three could not be validated due to the lack of data. Beyond validating Drucker’s theory, this paper proposes that the environment acts as a mediator in innovation and suggests ways to create the right environmental factors and foster innovation. Finally, this paper refines Drucker’s theory and develops seven novel theoretical propositions to create a more holistic theoretical framework to better understand innovation in the tech space and guide business practitioners.