INNOVATIONSKULTUR –
DER ZENTRALE ERFOLGSFAKTOR DER DIGITALEN TRANSFORMATION

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Technology – Innovation – Management – Design
Business model innovation

Service innovation

Product and Process innovation
IN FUTURE, COMPETITION TAKES PLACE NOT BETWEEN PRODUCTS OR COMPANIES, BUT BETWEEN BUSINESS MODELS.

GARY HAMEL 2008
Digital Services → digital

Analyses

Connectivity

Sensor / Actuator

Physical Object → physical

Value for customer

SOURCE: PROF. DR. ELGAR FLEISCH, ITEM-HSG
Innovate or die

Adapt or get UBERIZED
«DISRUPTION MAP» DIGITALISIERUNG NACH INDUSTRIEN

QUELLE: BASIEREND AUF ANALYSEN VON HEADS! UND DELOITTE DIGITAL 2015
INNOVATE OR EVAPORATE – CERTAINLY TRUE FOR BUSINESS MODELS

**Humans**

- 1937: 61
- 2012: 77.5

Average of U.S. men & women

**Companies**

- 1937: 75
- 2012: 15

S&P 500 companies
CEWE TRANSFORMATION

Transformation phase
analogue / digital

Growth of the digital business
expected

 Regional expansion in the analogue market


Innovation:
Digital processing Photokiosk Internet Digital printing CeWe Photo Book

SOURCE: MBA TEACHING CASE, ITEM-HSG
DIGITAL PLAYERS  
DIGITAL PRODUCTS  

New Business Models  

ZUKÜNFTIGE WERTSCHÖPFUNG  

Platforms/Ecosystems  
Digitalization  

DIGITIZED PRODUCTS  

TRADITIONAL COMPANIES  
PHYSICAL PRODUCTS AND SERVICES  

DIGITAL PRODUCTS

DIGITALIZED PRODUCTS

TRADITIONAL COMPANIES  
PHYSICAL PRODUCTS AND SERVICES

DIGITAL PLAYERS

DIGITAL PRODUCTS
81% of executives say platform-based business models will be core to their growth strategy within three years.

40% of executives believe adopting a platform-based business model and engaging in ecosystems of digital partners are very critical to their business success.

By 2018 more than 50 % of large enterprises will create and/or partner with industry platforms

Analog ist überholt

In der Stahlindustrie ist der Informationsfluss entlang der Liefer- und Leistungskette hochgradig ineffizient: Wie vor Jahrzehnten bestellen die Kunden überwiegend per Telefon und Fax. Ansätze eines durchgängig digitalen Order- und Prozessmanagements gibt es kaum.


Dies erzeugt nicht nur erhebliche Logistikkosten, sondern macht auch große Lagerbestände erforderlich und führt zu einer hohen Kapitalbindung.
MINDSPHERE – SIEMENS CLOUD FOR INDUSTRY
Ecosystem narrower sense

User / Customer

Complementors

Interfaces

Platform leader & partner

Ecosystem wider sense

Politics & laws

Technology

B2B

Competitors

B2C/B2B

Culture
User

Value Proposition

Complementor

Value Proposition

Value Contributed to Platform

Value Received from Platform

Value Contributed to Platform

Value Received from Platform

Value Contributed to Platform

Value Received from Platform

Who?

What?

Why?

How?

Platform

Value Realization

Value Realization

Value Realization

Value Realization

Platform Leader

Value Proposition

Partner

Value Proposition
Digital transformation enables:
• the use of data in existing business models
• digitized, extended products/services (business models)
• new, purely digital business models ➔ platforms/ecosystems!
“Software is eating the world, in all sectors

In the future every company will become a software company.”

Mark Andreessen 2011
ON!TRACK
ASSET
MANAGEMENT
You can have all the right strategy in the world; if you don’t have the right culture, you’re dead.

PATRICK WHITESELL, CO-CEO OF WME
Culture ... Strategy
Companies with a Strong Culture Outperform Their Peers

Source: BCG, 2018

- Companies with a weak culture: 10%
- Companies with a mixed culture: 13%
- Companies with a strong culture: 24%

Note: TSR = total shareholder return. BCG surveyed 75 public companies.
THE DIGITAL TRANSFORMER’S DILEMMA

How to sustain continued success in the core business while establishing a new digital business

**WHY to act:**

Explore the need for a dual business.

**WHAT to do:**

- Define a digital strategy and the right business model to support it.
- Strategy on 1st S-curve
- Strategy on 2nd S-curve

**WHERE to see results:**

Monitor the effects and measure the impact.

**HOW to do it:**

- Set up the right (infra-) structure.
- Institute the right mindset and talent.

1. Organization
2. Technology
3. Processes
4. Leadership
5. People
6. Culture

Source: Frankenberger, Mayer, Reiter, Schmidt 2019
Innovation Culture Navigator: A systematic process for sustainable development

**Insight**: Learning what is missing

**Inspiration**: Seeing what is working

**Implementation**: Doing what is fitting
www.innovationskulturnavigator.ch

CLICK HERE TO DO THE SELF-ASSESSMENT

START HERE
Precise positioning of your company thanks to systematic measurement of the six central ingredients for a successful innovation culture.
FIELD TRIPS n°16

Pick your team and go to a place far away

**HOW** Leave the office and go into the field together with your team in order to gain direct experience from the customer’s perspective.

**WHY** Field trips help to identify and solve problems of customers, especially those that the customers themselves are not yet fully aware of.

**EXAMPLE** Nissan sent a team of engineers to Europe in order to gain personal experience with the German highways and small French roads. Inspired by this experience, the team designed the Primera, Nissan’s first successful model in Europe. Intuit calls a similar method “follow-me-home”. Customers are visited and observed and their behavior when solving problems is recorded.

**COMPANIES** Nissan, Volkswagen, Schindler, Hilti, Dupont, IDEO

LEVEL Team TIME Fast
Invite an external speaker once a month to give an afternoon lecture on his research topic and its potential implications. 

External speakers give input in concise key notes and promote the exchange between the employees. They make the workplace a place to learn and discuss innovative ideas. 

With the famous “Talks@Google”, Google invites inspiring and controversial speakers from fields as diverse as technology, design, research and art to discuss their ideas with its employees.

Google, Mettler Toledo, IBM, Ringier, PwC
Reduce or eliminate barriers between your employees and your customers.

**Why**
A direct interface between product teams and customers increases empathy and speed of innovation.

**Example**
At Stripe, all engineers work in Customer Support for one day a week. This increases their empathy for customers’ pain points and their motivation to find solutions. At Hilti more than 70% of the employees work in the field and have daily customer contact.

**Companies**
Stripe, Hilti, ResearchGate, Schindler
Break silos by creating a lunch lottery, in which every employee can participate and gets matched to have lunch with interesting colleagues he wouldn’t normally meet.

Informal relationships across silos are central for a healthy and creative idea flow through the company. Having lunch with colleagues outside your regular social network helps building these relationships.

**Example**
Kickstarter programmed their own lunch roulette app to automatically create diverse and stimulating lunch groups – and the code is open source on GitHub.

**Companies**
Kickstarter, Google, Boehringer Ingelheim

**LEVEL** Organisation TIME Fast
TUESDAY RULE

n°25

TUESDAY RULE

n°25

HOW
Define a concrete half day a week on which employees can pursue their own creative ideas.

WHY
Urgent deadlines from all sides prevent the pursuit of innovative ideas. A company-wide regulation that guarantees employees the right to freedom for innovation helps them to take the necessary freedom. This means that innovation is not lost in day-to-day business.

EXAMPLE
Bosch gives its associates the Tuesday morning to devote themselves to completely innovative ideas. Choosing Tuesday instead of the typical Friday reinforces the feeling that innovation is part of the job.

COMPANIES
Bosch, Google, 3M, PwC, ABB

LEVEL
Organisation
TIME
Medium
Systematic roadmap for the introduction of optimized cultural practices for the sustainable design of a successful culture of innovation

**Why**
- Culture as process
- Learning by designing
- Routines self-perpetuate through stories

**How**
- Find easy wins
- Go the long run
- Celebrate progress

**With whom**
- Storytelling
- Engage with influencers
- Highlight challenges and benefits
Starting Point → Promise → Storyline

- Set an example!
- Authenticity
- Visibility
- Consistency
$138 BILLION IN ONE PICTURE AND NOT A GUCCI BELT IN SIGHT
The Cultural Code

Build Safety

Share Vulnerability

Establish Purpose

SOURCE: DANIEL COYLE 2018
Highly successful groups

Distinct pattern of interaction → “little moments of social interaction”

Close physical proximity, often in cycles
Profuse amounts of eye contact
Physical touch (handshakes, fist bumps, hugs)
Lots of short, energetic exchanges (no long speeches)
High level of mixing, everyone talks to everyone
Few interruptions
Lots of questions
Intensive, active listening
Humor, laughter
Small, attentive courtesies (thank-yous, opening doors, etc.)

SOURCE: DANIEL COYLE 2018