



Innovation in the Company

PROCESSES. CHANGE. INNOVATION.

INNOVATIVE ABILITY

What does that mean?

Innovation, literally the introduction of something new, is mostly used nowadays as a term for new ideas and inventions that make it onto the market as products or services.

We looked at this theme from different perspectives in an interview with digital entrepreneur and author Pierre Haarfeld – and we got some inspiring answers to our questions.

Pierre Haarfeld has dedicated his career to business model innovations in the Home & Living sector, and is a true expert in his field. In his capacity as consultant and CEO of nuucon GmbH, a digital B2B marketplace for interior designers, not only does he bring together brands and project customers, his work also involves combining the best aspects of both the new and old economies.



” For me, innovation is only what’s radical. “

Pierre Haarfeld

König + Neurath: How would you personally define innovation, and what role does innovation play in your life?

Pierre Haarfeld: For me, innovation's all about subject areas with novelty value – that could be products, ideas or even attitudes. The question is: How new is something? How far removed is it from what already exists? A good example of this is the differentiation between “electrification and digitisation”. With the first, it's just a case of adapting existing processes, while the second involves completely new business models. From my point of view, innovation in a professional context is much more than modification or variation – it's something radical, completely different from what we're used to. Incremental innovation in a private context can also be perceived as something radical. Examples might be Netflix, Amazon Prime or new mobility concepts like Car2go or CleverShuttle: the ideas aren't new in a revolutionary sense, but they completely change our daily routine. They illustrate that it is possible to facilitate innovation within established structures.

K+N: *Which five companies are currently the most innovative, in your view?*

P. H.: I would include Netflix, Casper mattresses, Slack, the corporate communication tool, Wayfair, the largest furniture distributor in the world, and Tesla, in that list.

K+N: *Has the general understanding of innovation changed over the last five years? To what extent?*

P.H.: Yes, absolutely. Innovation has become faster and happens in more areas than was previously the case. It happens in very short cycles. For example Netflix has completely replaced linear television for a generation in the space of a few years. It used to take 30 years until a company was considered established. Using the mattress industry as an example, we can see that what we call “mattress in a box” distributors have achieved a market share of 25% within three years. And now a traditional company like Dunlopillo is being bought by a start-up.

K+N: *What strategies would you recommend to enable firms with a traditional character to initiate change processes with the aim of being more open to innovation?*

P.H.: I have several perspectives on this. The first is the one with which we've had the best experience ourselves: innovation is best developed in a greenfield environment, in other words away from my existing structures with new people and new ideas. The question shouldn't be “How can I maximise integration of something into my existing processes?” – but “How can I maximise keeping something separate from my existing processes?” A good example of this is About You, which was set up as part of the Otto Group, but was able to operate completely independently.

On the other hand, there is the question of how I motivate an established company to embrace innovation more. In that situation I always recommend starting with a mindset workshop to answer the question: what are these thought patterns I'm stuck in? We all think in a linear way. And that causes us to have a blind spot where potential competition is concerned. It often takes someone coming to the market from the outside for that to become visible. Changing mindset is important, because then you can decide together whether to start up something as a greenfield project, or whether incremental innovation is more appropriate.

K+N: Is it important to include employees external to the industry to achieve such a development?

P.H.: Definitely. I believe that they are sometimes even more important than the industry experts. Allowing new ideas from outside is of crucial importance. Diversity is a key theme here. In our company, we frequently prefer to recruit career changers, who are able to enrich the mix hugely.

K+N: Is innovation a question of age? What can the generations learn from each other that will enable them to work together innovatively?

P.H.: Innovation is certainly not a question of age. It's always a question of attitude. That applies both at home and in the workplace. The central question is how we can learn optimally from each other. How can we work innovatively as a team? We have start-ups that don't understand the established world. On the other hand there are established companies unable to embrace new ideas. The key to successful intergenerational cooperation is networking – to encourage interaction, to build bridges. That's the nuts and bolts of innovation – privately as well as in a business environment.

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