

INNO VA TION 2016



INDUSTRY MONITOR: INNOVATION 2016
A study by Staufen AG

STAUFEN.

About the study

**For the “Industry Monitor: Innovation 2016”
Staufen surveyed 183 industrial companies in
Germany on the topic of innovation.**

**The survey took place between mid-June and
early July, 2016.**



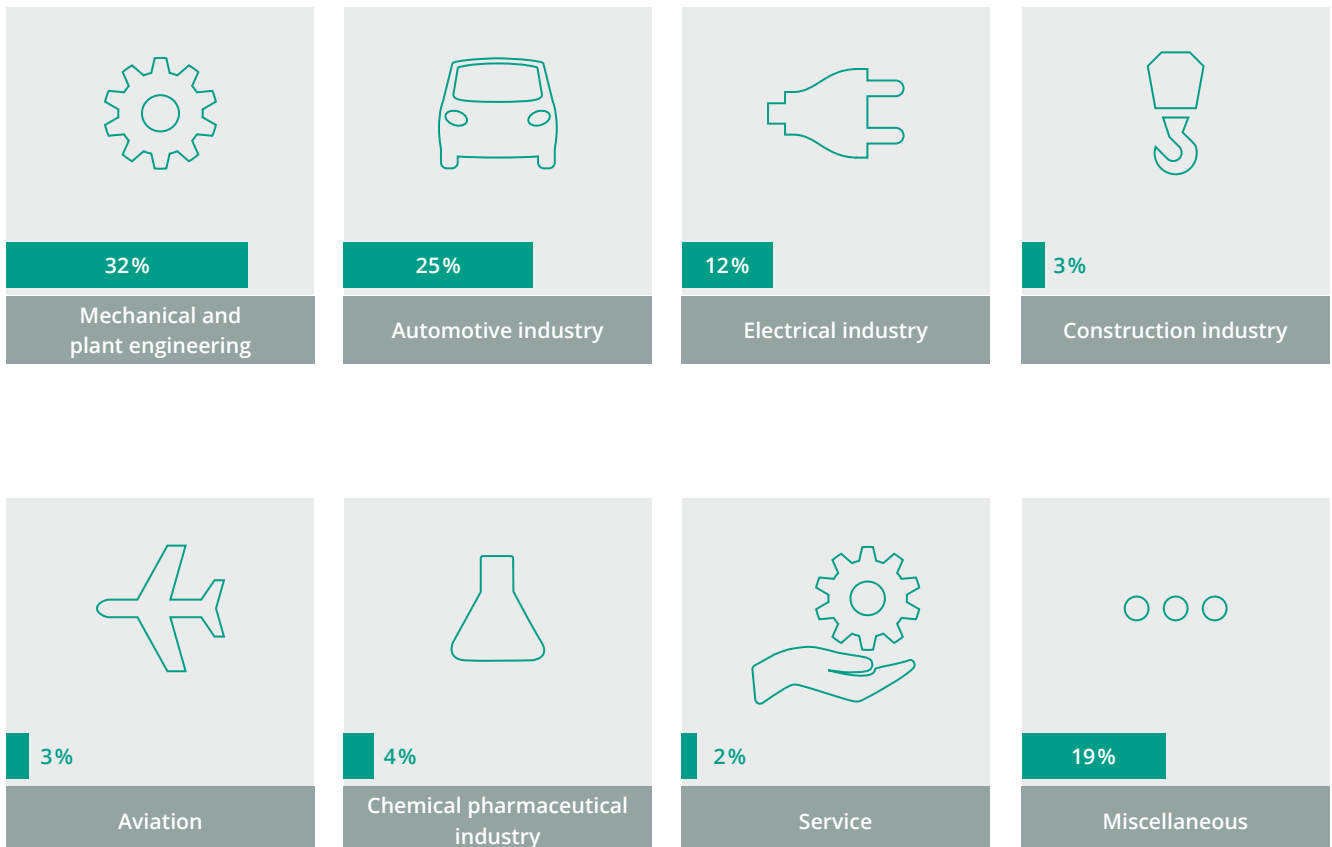
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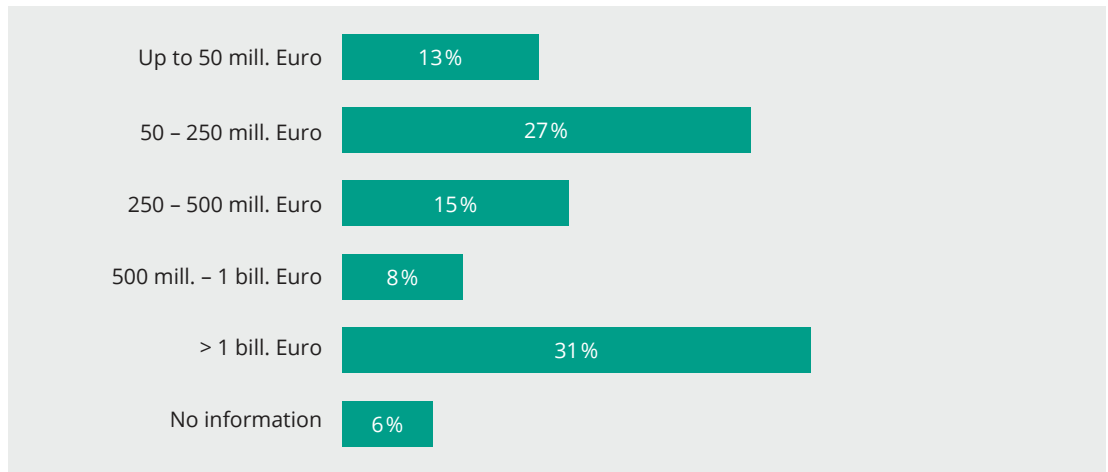
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Demographic data

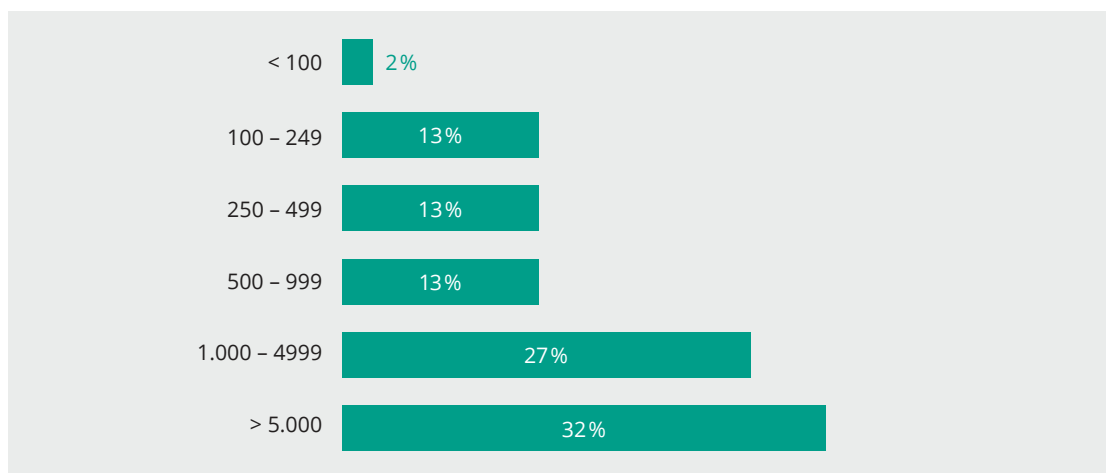
Industries represented by
the participating companies



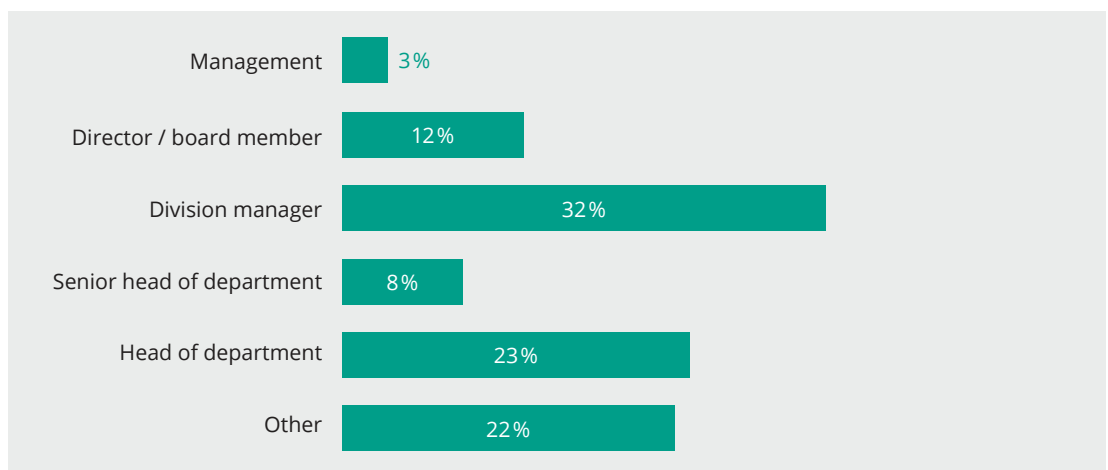
Participating companies: annual revenue



Participating companies: number of employees



Survey participant: position



For almost eight out of
ten companies, innovation
has become
more
important

German companies react to new technology and current market developments: Almost 80 percent believe that innovations have become more important. Three out of four companies feel considerable pressure to be innovative. The majority has adapted their innovation-related work to shorter innovation cycles. However, uncertainty regarding the process of undertaking innovative initiatives prevails in more than four out of ten companies.

Given developments on the market and new technologies, do you currently feel greater pressure to innovate?

A lightbulb icon with a grey base and a white top, containing a large teal percentage.

78%

believe that successful
innovation has become
more important

A lightbulb icon with a grey base and a white top, containing a large teal percentage.

73%

currently feel a lot of
pressure to be
innovative

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59%

have adapted their
innovative initiatives to shorter
innovation cycles

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43%

are uncertain of how to proceed with
their innovation initiatives, taking into
consideration the latest technological
developments

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32%

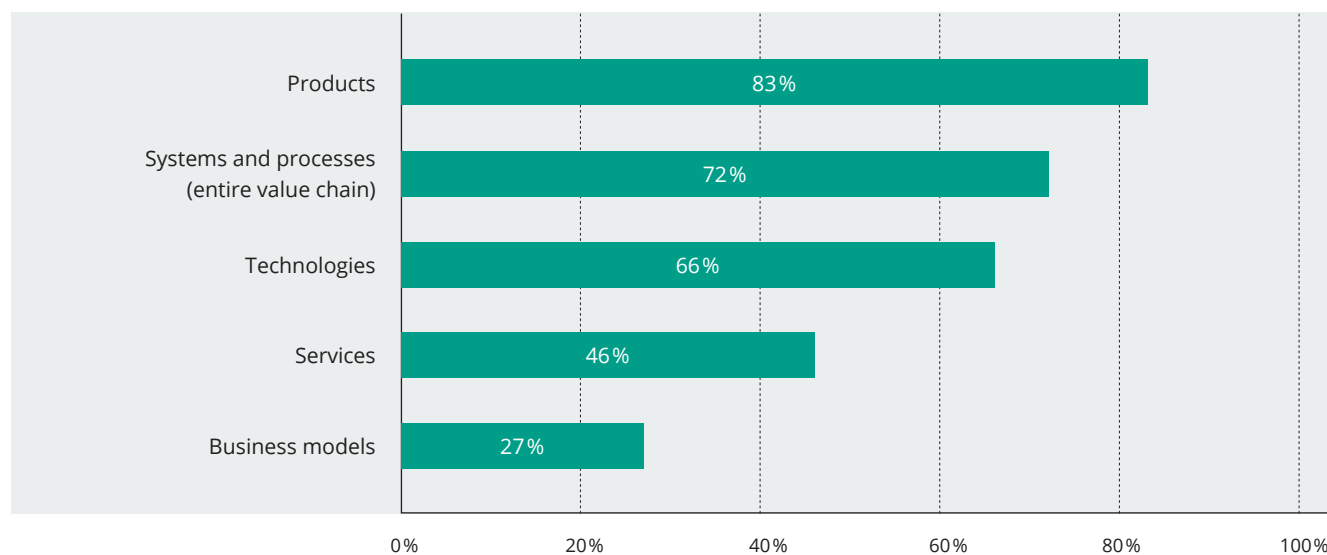
continue to approach their innovation
initiatives the same way they have in the
past

When it comes to innovation, product, process and technological innovations take center stage

For the most part, companies continue to rely on so-called incremental innovations, gradually improving existing products, processes and technologies. New business models are not a priority when it comes to innovations: Only every fourth company focuses on innovations that better meet additional or current customer requirements, in an effort to arm itself against new competitors.

What types of innovations are on your agenda?

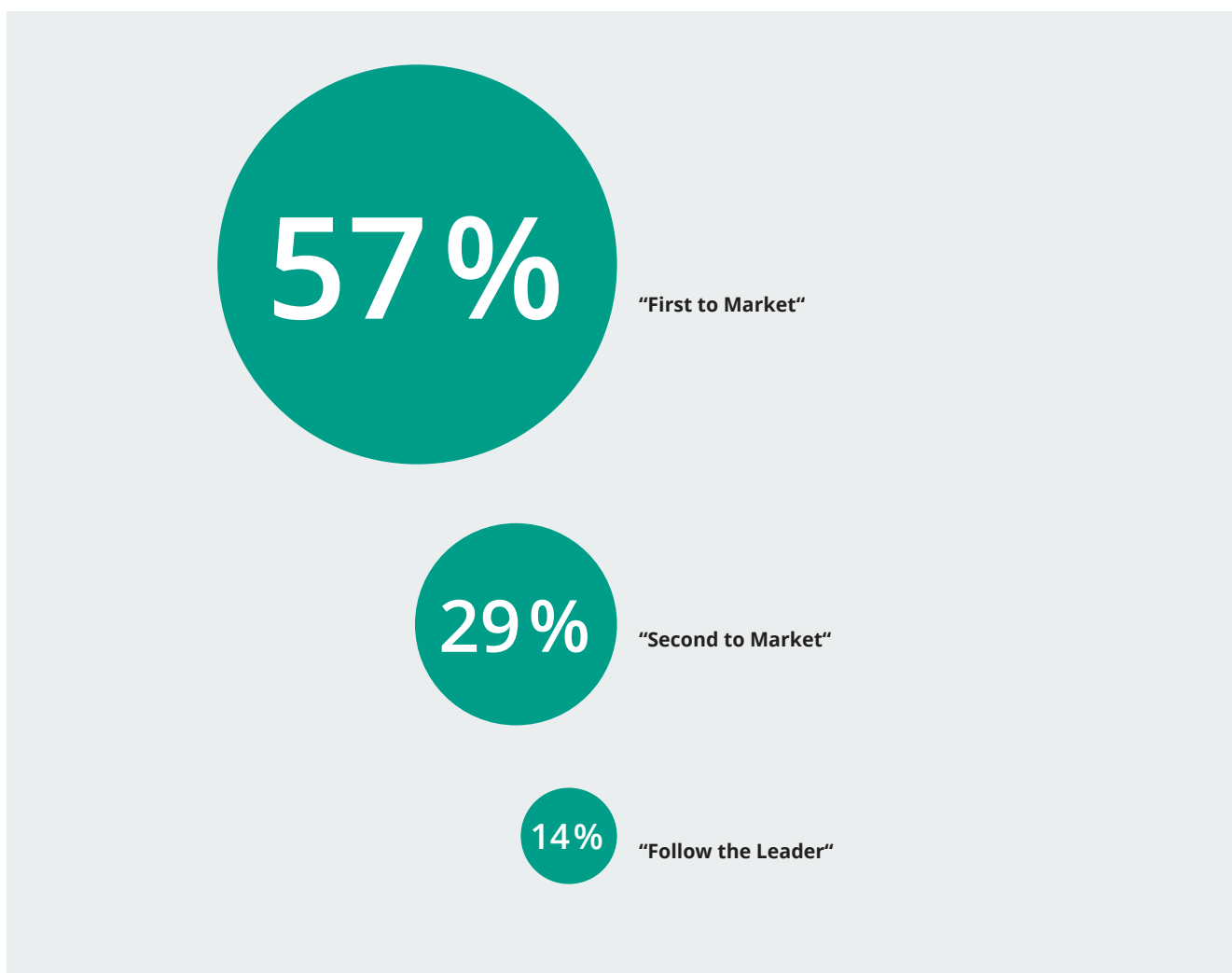
Multiple answers possible



Almost six out of ten companies see themselves as innovation pioneers

Almost six out of ten companies give their innovations good grades and see themselves as innovation pioneers. Around 30 percent describe themselves as “fast followers” or “second to market”, whereas 14 percent belong to the “follow the leader” group. Also of note: With respect to innovation strategy, company size does not matter.

How would you describe your innovation strategy?

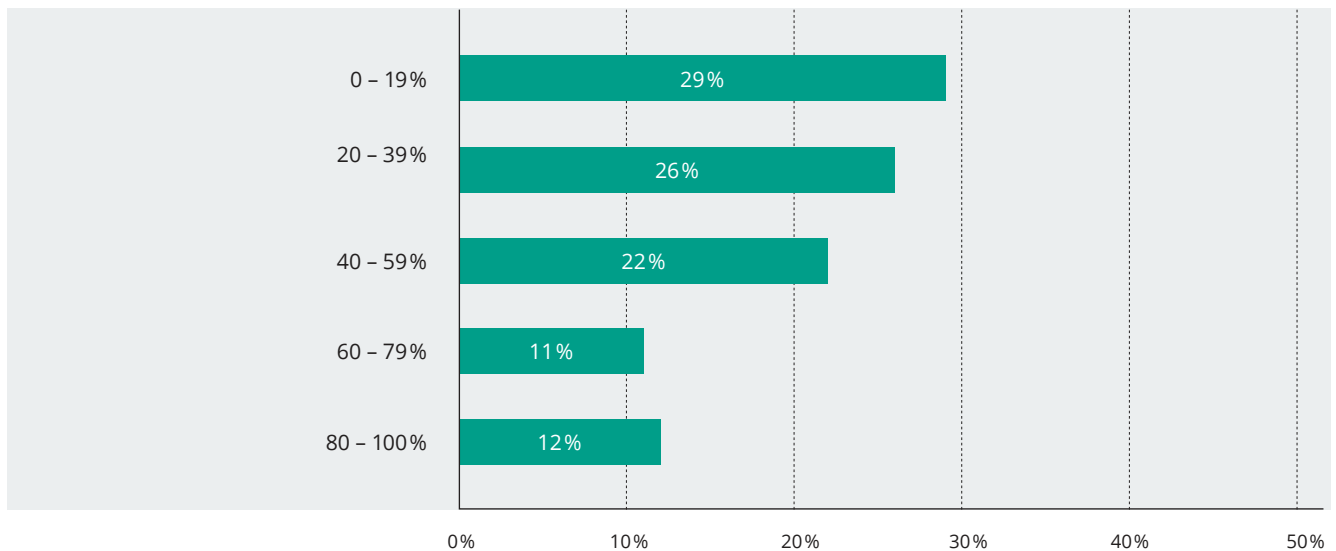


On average, 38 percent of innovations achieve market success

Every innovation brings with it the risk of failure. On average, four out of ten innovations are successful. Yet, there is a noticeable distribution: For 30 percent of companies, the majority of their innovations fail. On the other hand, every fourth company is extremely successful when it comes to innovations.

What percentage of your ideas eventually achieve market success, meaning they are financially viable for your company?

Percentage of respondents



Percentage of ideas that achieve market success

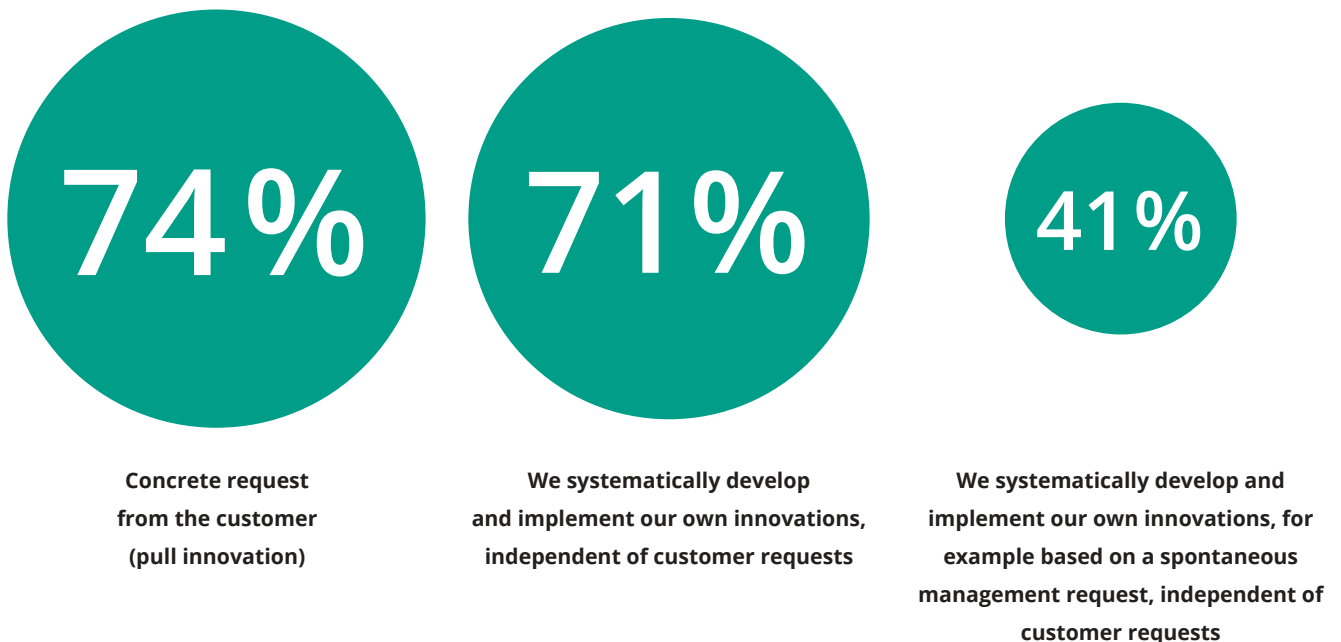


In 41 percent of companies, innovation is spontaneous and unstructured and is not based on customer wishes or ideas developed systematically by the company

Three out of four companies base their innovations on customer requests. The companies not only respond to concrete customer requests, but also work systematically on their own ideas. What's less positive is that in a large amount (41 percent) of companies, innovations are carried out on an ad hoc basis and therefore unstructured – for example, they are based on a spontaneous request by management.

In general, what triggers your company to initiate innovation?

Multiple answers possible

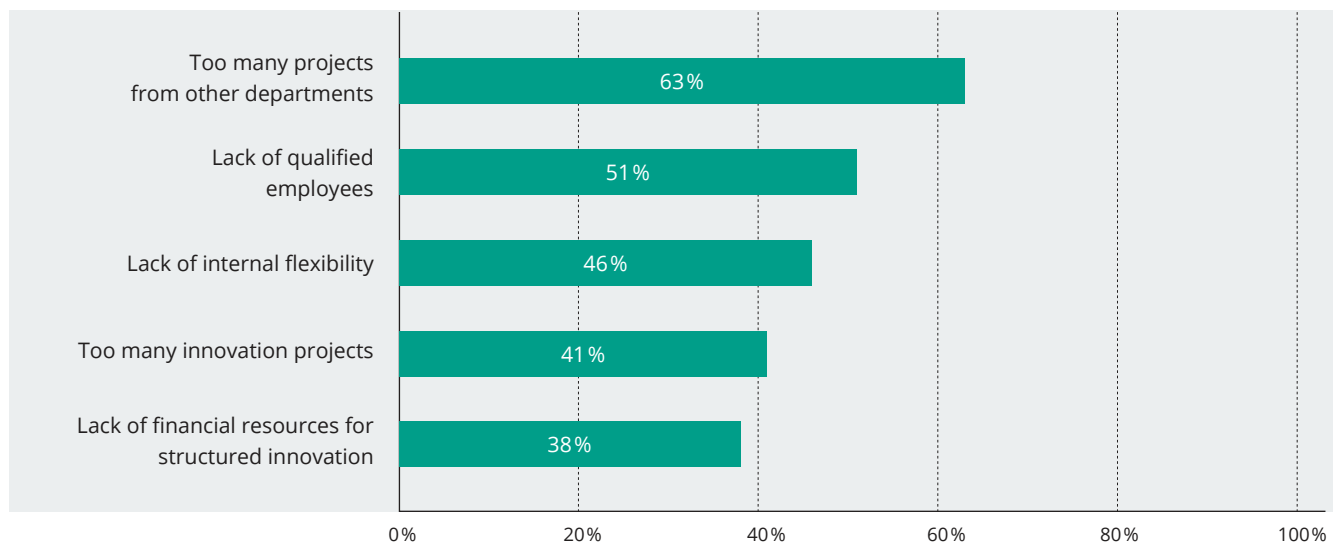


Companies overextend themselves with innovation projects

Too many projects on the go, too little personnel and not enough money: Companies overextend themselves with too many innovation-related projects, so that they cannot focus on those innovations that are truly promising. The biggest problem: In two out of three surveyed companies, it is the multitude of projects from other departments that causes the innovation projects to fail.

What is preventing your company from getting innovations rolling?

Multiple answers possible

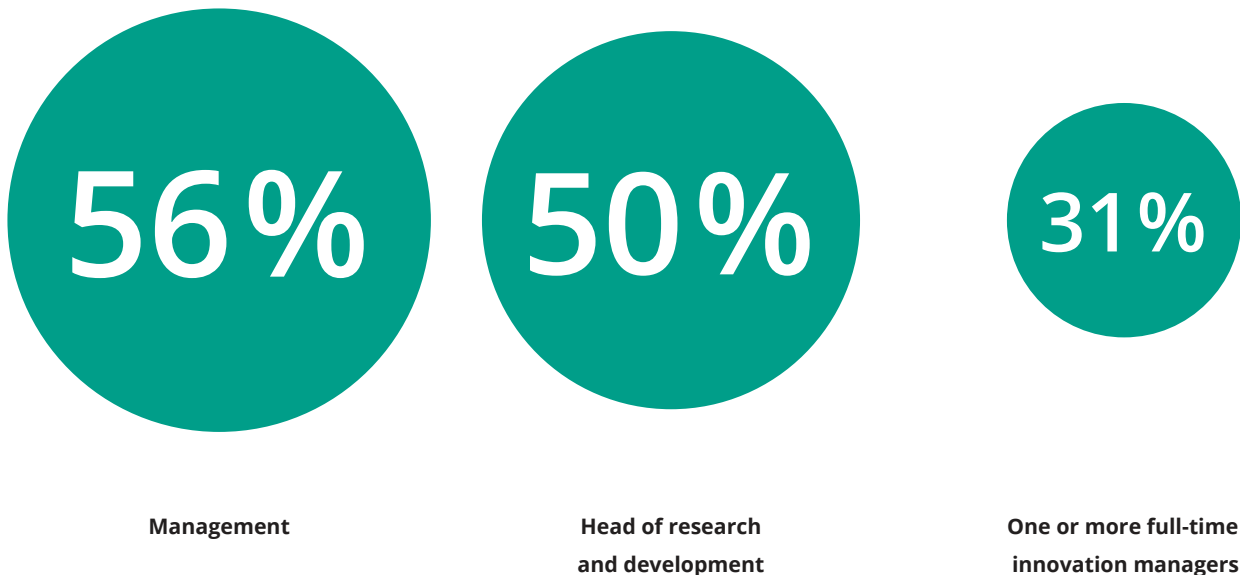


In more than every second company, management is involved in innovation management

Full-time innovation managers are employed in just under one third of the companies surveyed. Working on new ideas is the boss's business – in 56 percent of companies, management is responsible for innovation management.

Who is responsible for innovation management in your company?

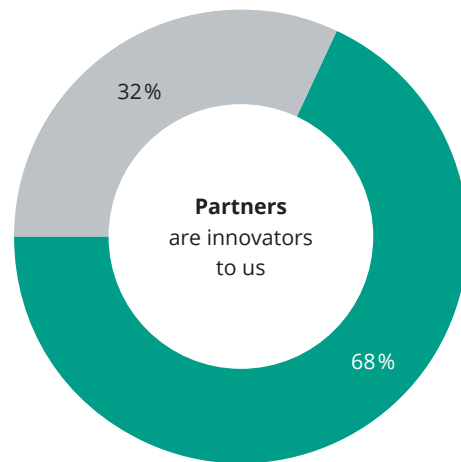
Multiple answers possible



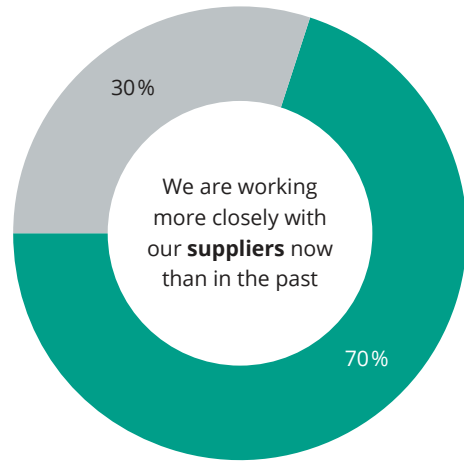
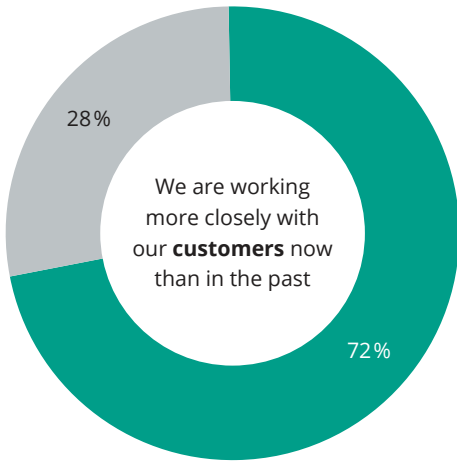
Two out of three companies see external partners in the innovator role

Company-internal and cross-departmental collaboration is of paramount importance for innovation development, as is the involvement of external partners. Companies have realized this: About seven out of ten have started working more closely with customers and suppliers. Every second company collaborates more closely with research institutions. However, government funding is only important for every fourth company.

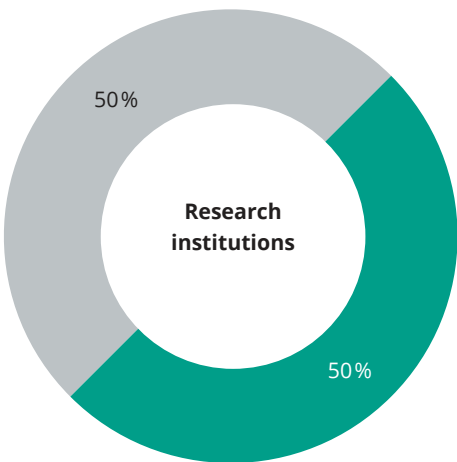
Has your collaboration with partners changed in the past two years?
Are they more intensively involved in innovations?



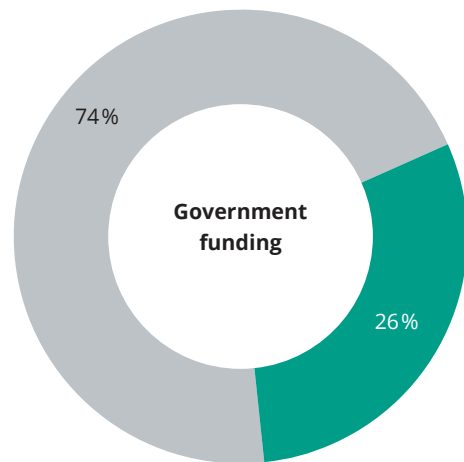
Yes
No



Yes
No



We are working more closely with **research institutions** now than in the past



We are working more closely with **government funding** now than in the past

Too few departments are involved in innovation work

Research and development, sales and production – in most of the companies surveyed, these are the only departments involved in innovation. In most companies, other departments, such as purchasing, marketing and logistics, are not involved in this developmental work. As a result, companies miss the opportunity to get innovations to market faster and more successfully.

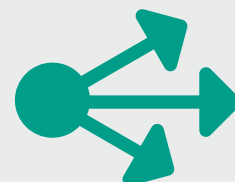
In your company, which departments are involved in innovations right from the beginning?

Multiple answers possible



93%

Research and development



70%

Sales



63%

Production



37%

Purchasing



34%

Marketing



20%

Logistics

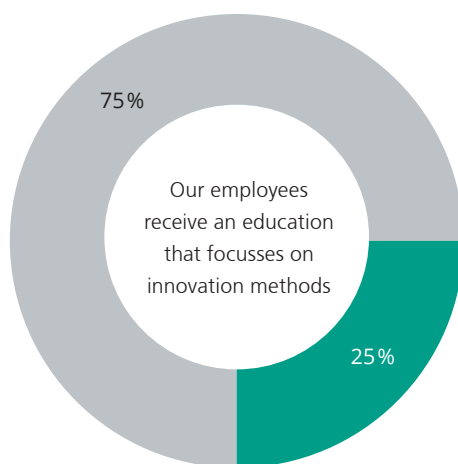


20%

Service

Efficient and successful innovation requires qualified employees: 75 percent of the companies forego teaching employees about innovative methods

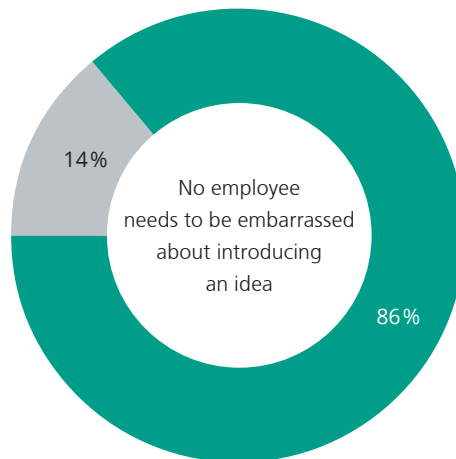
In every third company, no space is made for innovations in the day-to-day work. Innovations take place during overtime or after the end of work – there is therefore little motivation to work on new ideas. The great majority of companies also foregoes an education where the focus is innovative methods. Moreover, companies are falling behind significantly in terms of accepting innovation culture. In 36 percent of companies, if employees have new ideas, they are generally reviewed with prejudice.



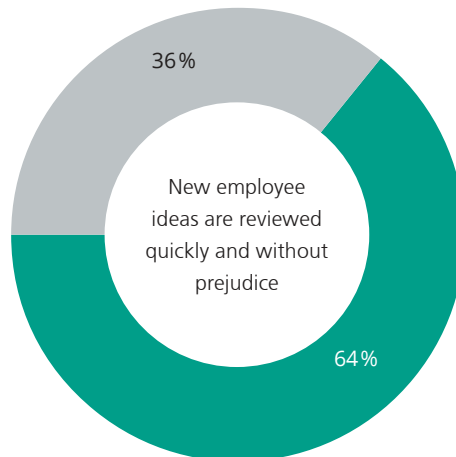
Not
true

Only **every fourth** company offers education that focuses on **innovation methods**

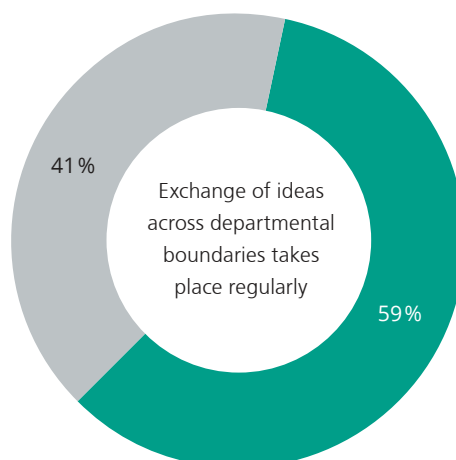
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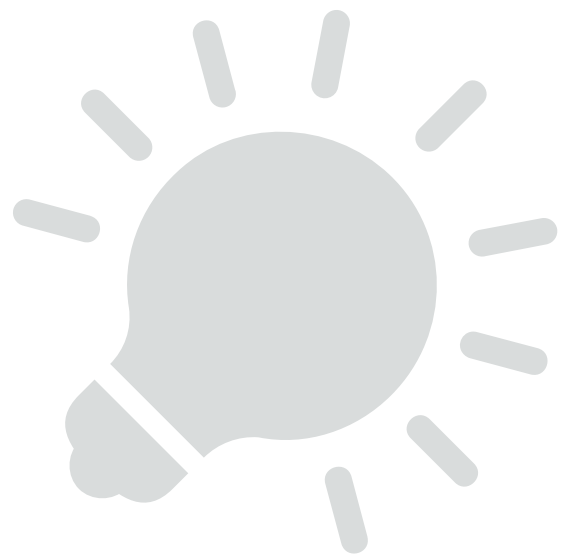
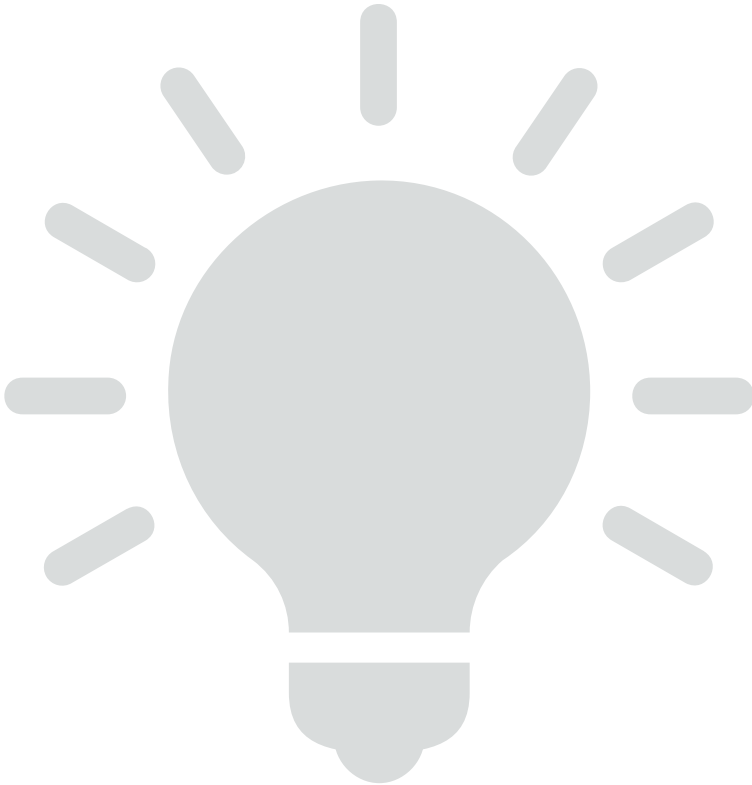
Employees do not need to be afraid of **embarrassing** themselves by suggesting an idea in **almost nine out of ten companies**.



However, in **more than one third** of companies, employees' new ideas are usually **neither reviewed quickly, nor without prejudice**.



In **41%** of the companies, there is no regular **exchange across departmental boundaries**.



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