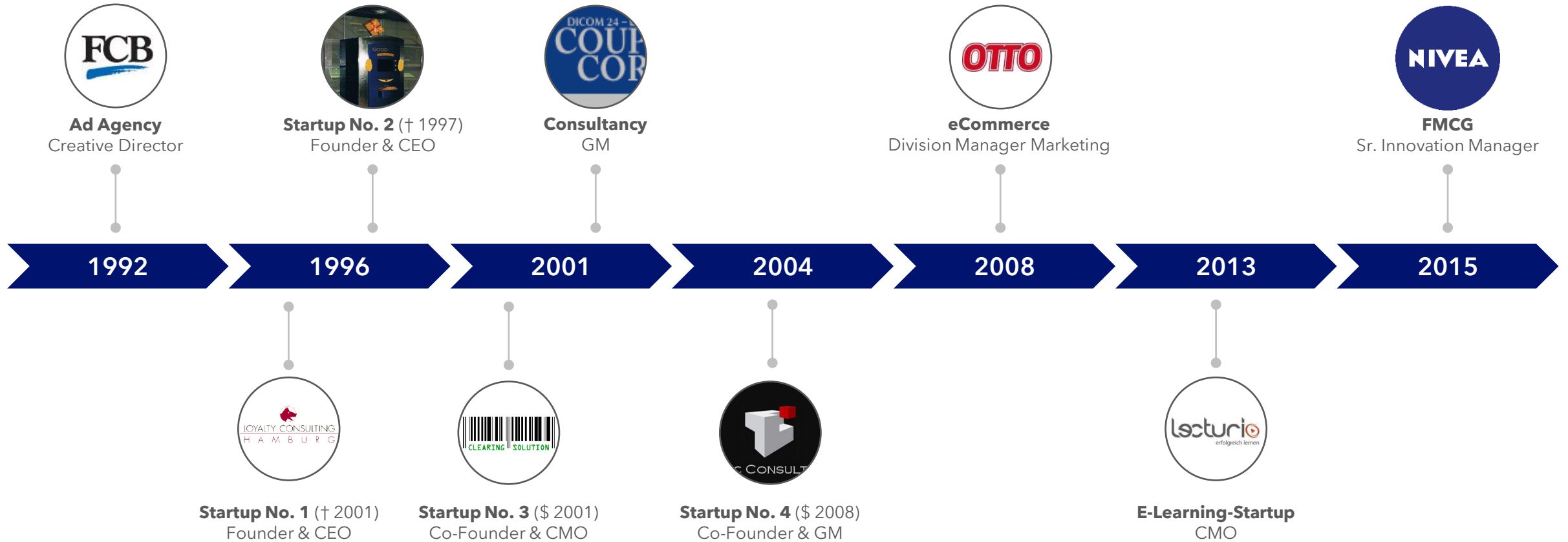


Innovating Innovation

How Corporates Can
Leverage the Innovation
Ecosystem.



— My Background.



— Beiersdorf.

- Founded in 1882 by Paul C. Beiersdorf
- Headquarters: Hamburg
- Revenues 2020: 7 bn €
- Employees: 20.000
- Markets: >170
- Publicly traded (MDAX: ETR:BEI)



— Our DNA: Innovation.



1882

1909

1911

1922

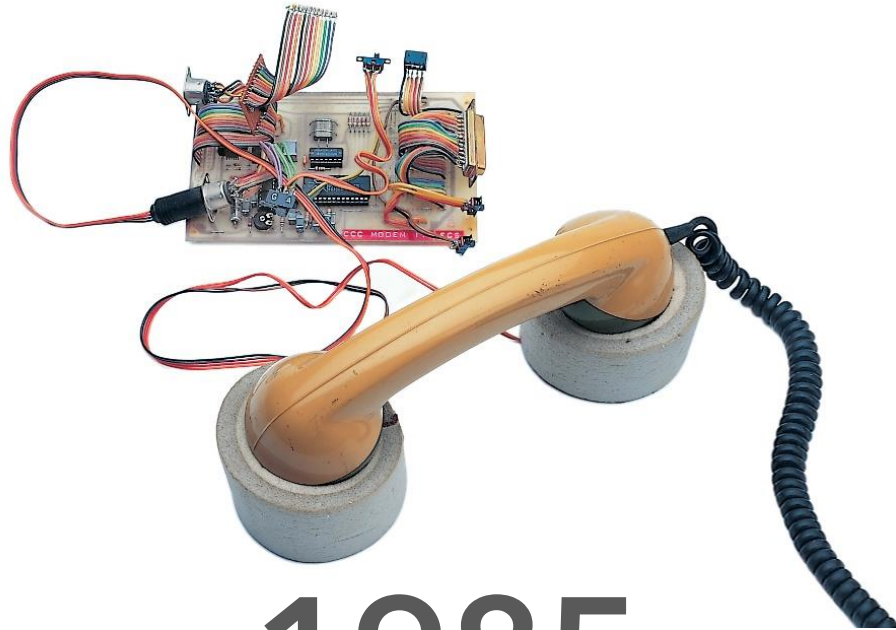
1936

1975

2020

— 1 DRIVERS OF CHANGE: #1 - SPEED

— Online since 1985.



1985

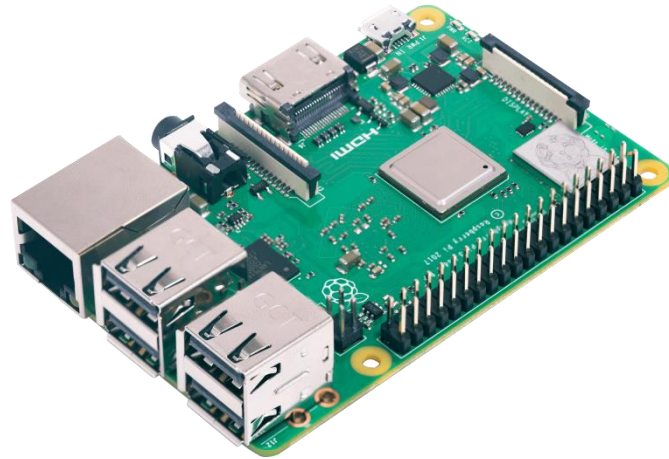
300 bit/s



2020

10.000.000.000 bit/s

— Moore's Law



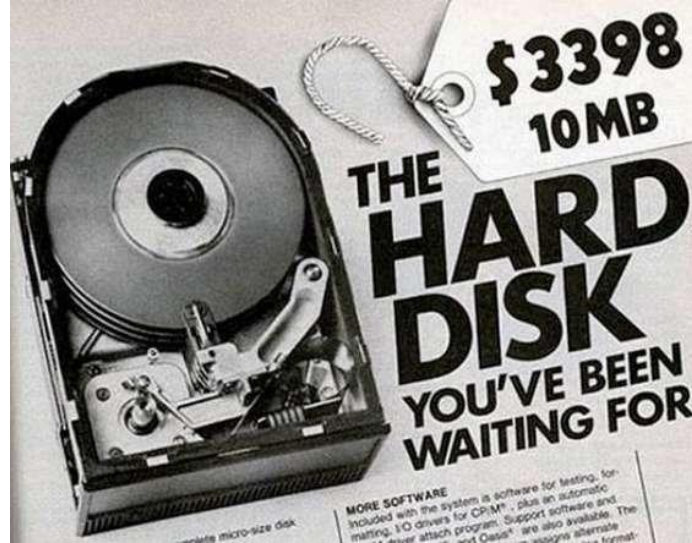
$$X 3 = X 1 = X 39$$

— Smaller, „bigger“, cheaper



1956

5 MB: 300.000€ p.a.



1981

10 MB: 8.200€



2020

1 TB: 360 €

— 2 DRIVERS OF CHANGE: #2 - TECHNOLOGY

To understand the future,
one must have a look at the past.

To understand the future,
one must have a look at the past.

Especially at old **Star Trek** episodes.



MOBILE PHONES



UNIVERSAL TRANSLATOR



TABLET PCS



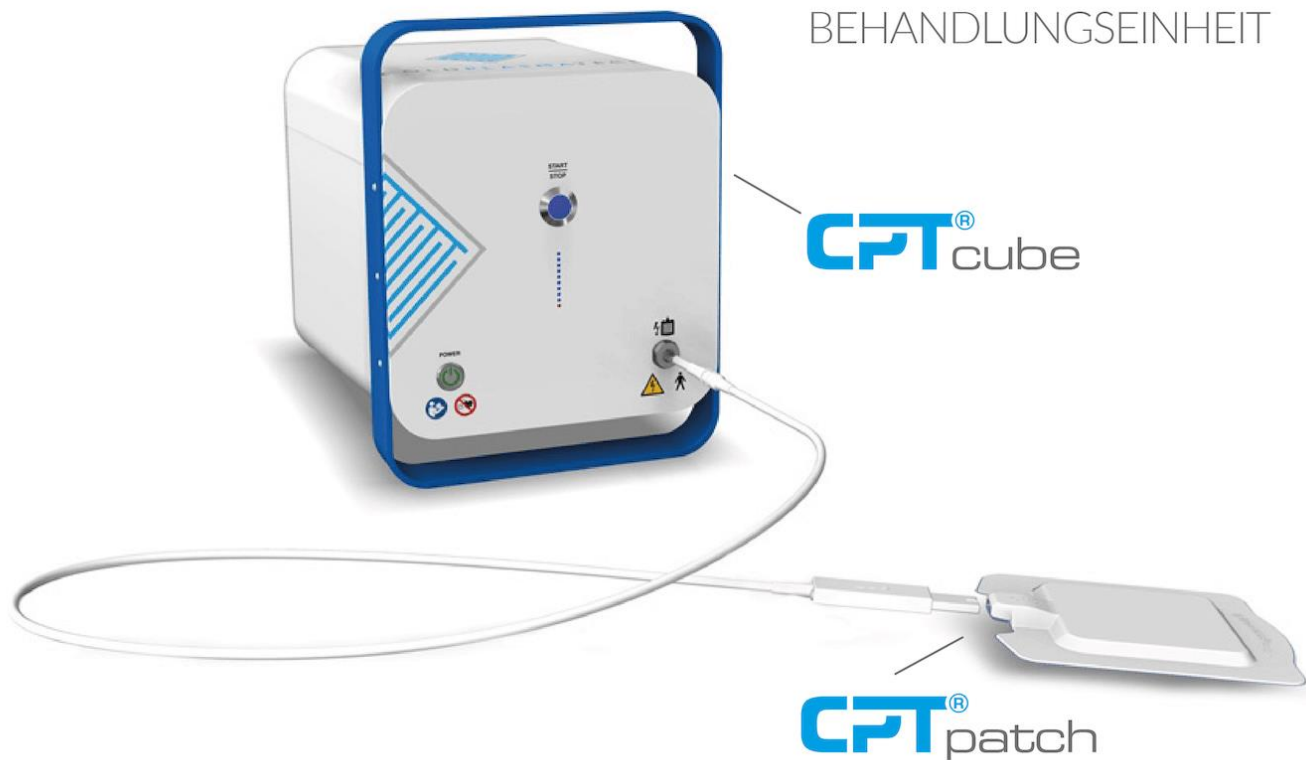
VIDEO CALLS

— Und, of course: The „Dermal Regenerator“



— Here it is. From a startup in Germany.

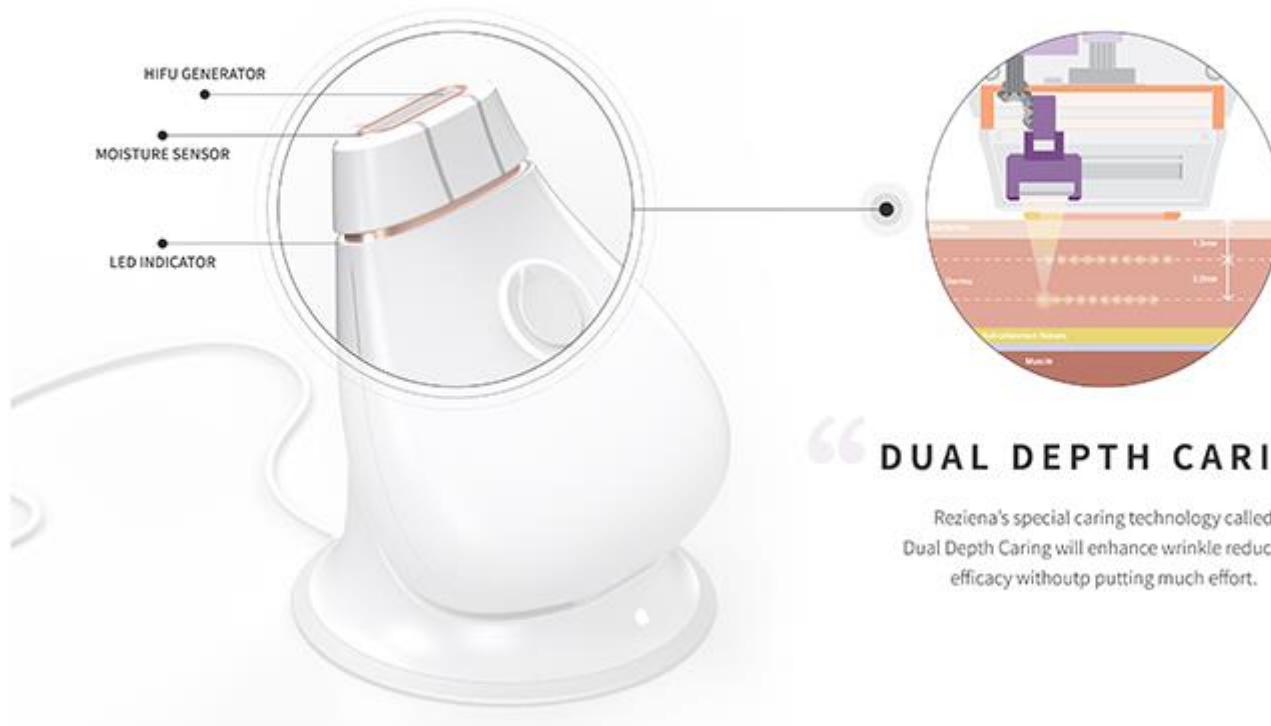
- The end of plasters?
- Or of deodorants?



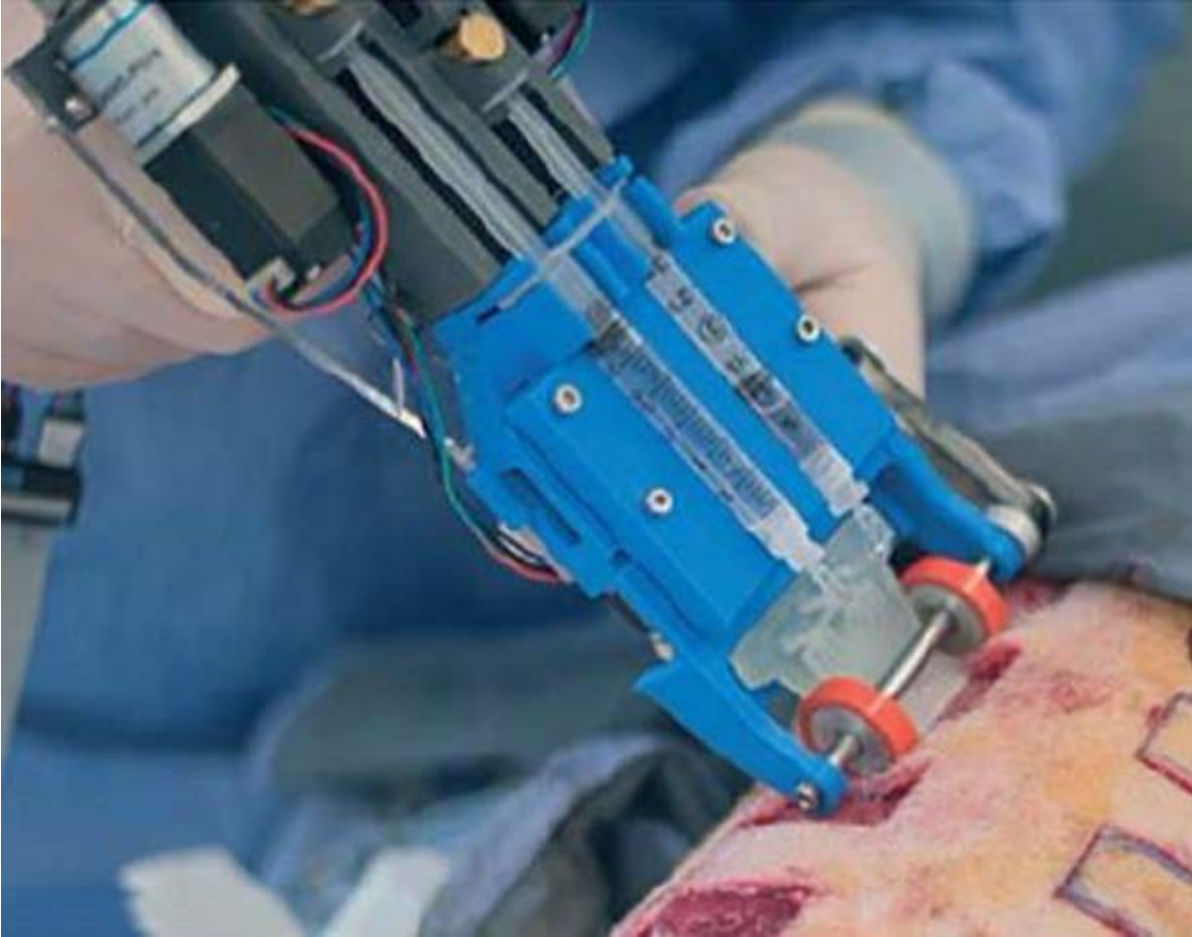
— High Intense Focus Ultrasound (HIFU)

Rezienna's special care method

- Nor more need for anti-wrinkle creams?
- 700 units sold in under 1 minute



— 3D Printing



- Damaged skin - repair or replace?

— Disruption is everywhere



HEALTH



FOOD



SHOPPING



COMMUNICATION



MOBILITY



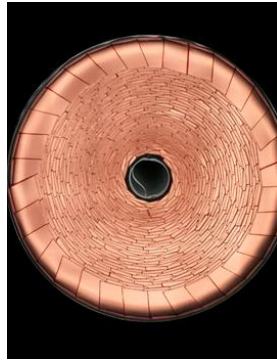
BEAUTY



ENTERTAINMENT



CONSTRUCTION



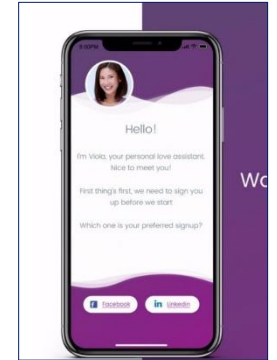
ENERGY



AGRICULTURE



LIVING



DATING

— 3 DRIVERS OF CHANGE: #3 - NEW COMPETITION

— The downfall of market entry barriers...

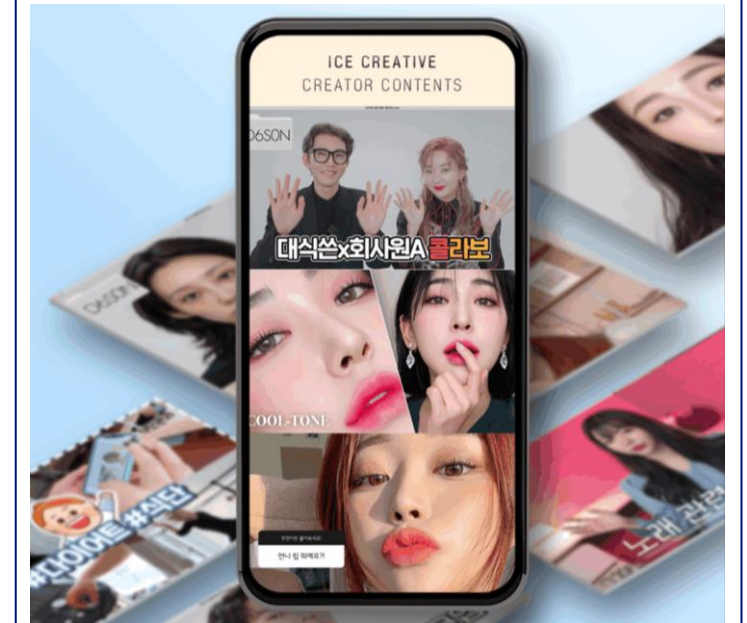
INDIE BRANDS



LOCAL BRANDS



INFLUENCER BRANDS



— ...and the rise of tech giants

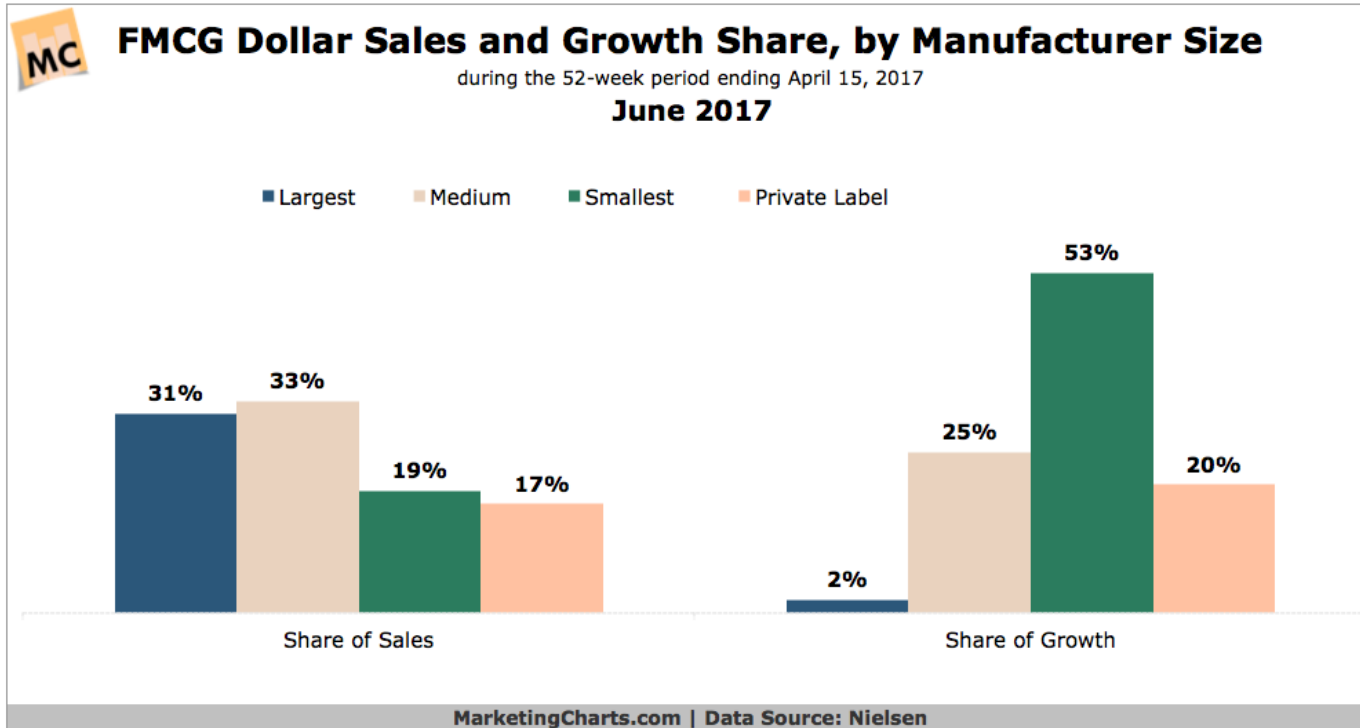
GOOGLE



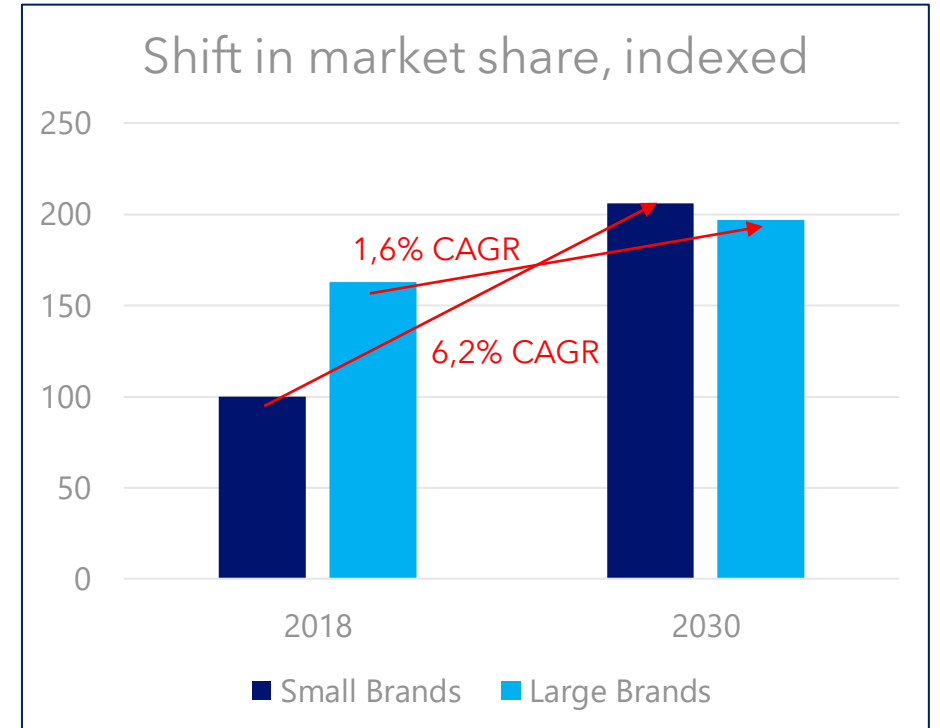
AMAZON



Changes to the Business Model

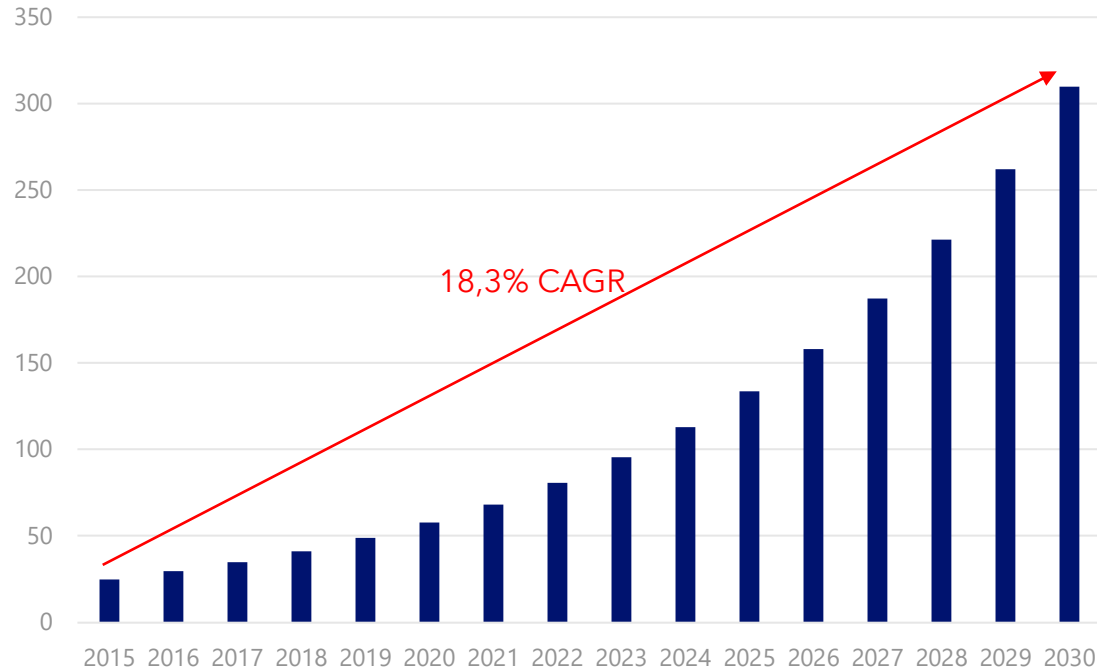


Source: Nielsen, PriceWaterhouseCoopers

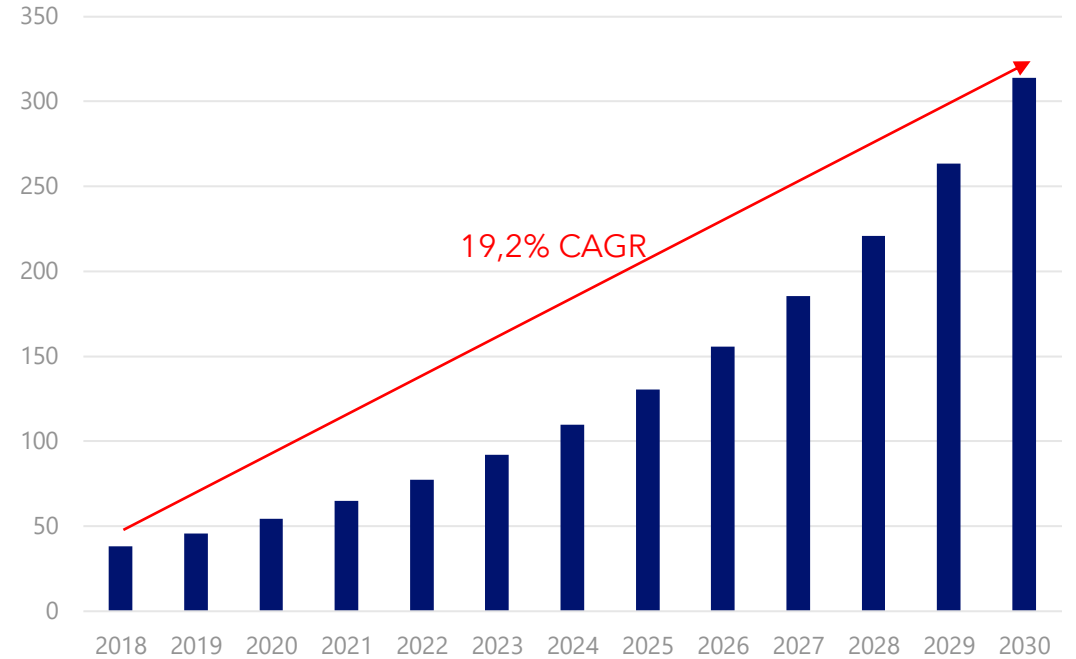


Changes to the Business Model

Beauty Devices Global Revenue, \$bn



Telemedicine Global Revenue, \$bn



THE SKIN CARE BUSINESS WILL SEE A SIGNIFICANT SHIFT FROM CURRENT PRODUCTS (CREAMS AND LOTIONS) TOWARDS **DEVICES AND SERVICES.**

Source: Variant Market Research/Bekryl Market Analysts, Global Market Insights

— 4 The New Approach To Innovation

— Challenges! Challenges everywhere!

- Niches markets often too small to justify huge R&D investments
- Fragmentation of consumer demands requires massive resources
- Speed of change often leads no time for building internal capabilities
- New (online) channels require different approaches in design, packaging and pricing



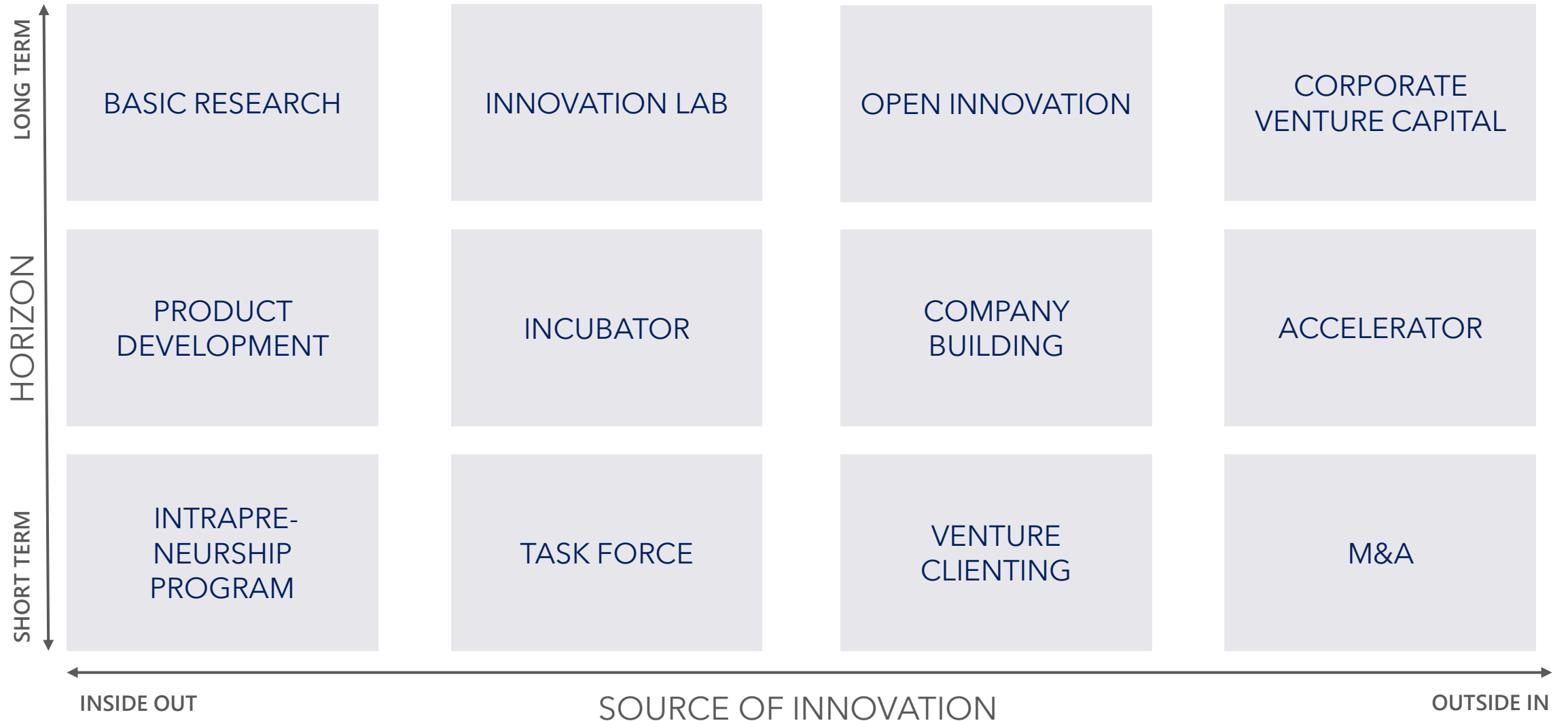
© marketoonist.com

— The Old Way: Stage Gate Process

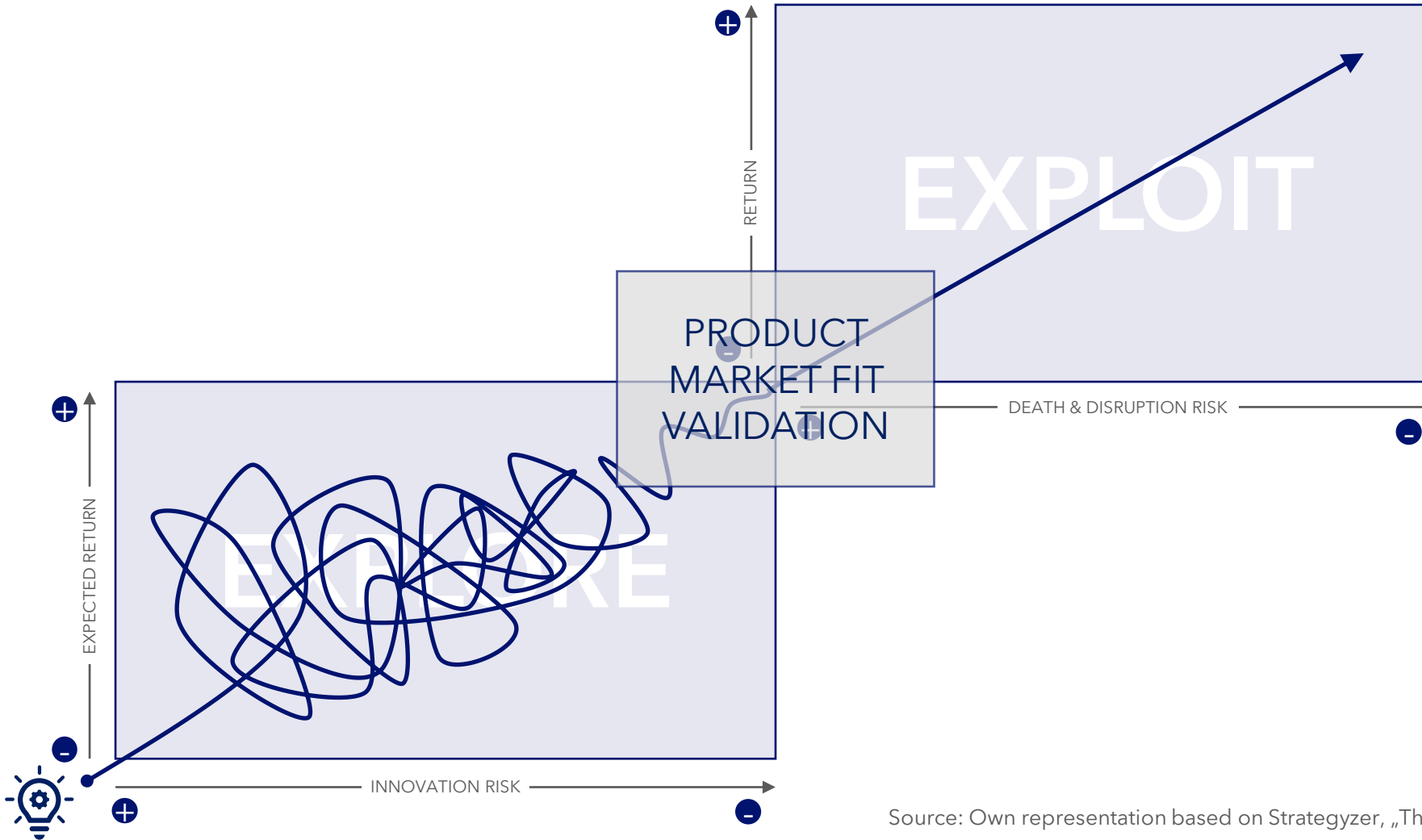


- **Still working perfectly for incremental or compulsory innovation**
- **Not very suitable for breakthrough innovation or fast-changing markets**
- **Pro: Reliable, predictable, safe**
- **Con: Slow, static, backward looking**

— The Instruments for Innovation



— When to use what? Portfolio Approach.



Source: Own representation based on Strategyzer, „The Invincible Company“, 2020

— 5 Learnings

— It's not a goal. It's a journey.



- Your processes have to be as flexible as the market you're operating in.
- Everyone doing what they think is best, isn't autonomy. It's anarchy.
- Mushrooming might be effective, but is usually also inefficient.
- Long-lasting partnerships drive efficiency - but tend to be repetitive.
- „Not invented here“ can become a huge barrier for innovation.
- Embrace the human factor: Act data-driven, but also gut-powered.



Thank you.

Dirk Ploss

Senior Innovation Manager

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e @DerPloss

Beiersdorf