



# New Business as a Key to Companies in the Future

An anthology recently published by Schäffer-Poeschel Verlag Stuttgart highlights business developments in various sectors of technology and investigates how innovations can be successfully commercialized. The anthology provides an insight into 25 international corporations, including BYK Chemie, for whom Dr. Anette Brüne, Head of Strategic Business Development, described her impressions. Faces is delighted to be able to include Dr. Brüne's article here, thus making it available to members of staff around the world.

- An important part of the success that a company enjoys now is the result of systematic new business development years before
- To ensure growth, a company must make a conscious decision to invest in new business in the long term
- In the current climate of global changes, new business is vital insurance for the future

This and other convictions are what shape my daily work.

During my professional career, I have almost always dealt with innovations and long-term strategies. Initially, my focus was on research work. Later, I spent many years working on developing strategies and strategic processes. A few years ago, my career led me into business development. I find this field really fascinating, because it combines long-term strategies with innovations.

I don't think anyone has investigated the success factors for innovation activities more intensively than Robert G. Cooper. After around 20 years of study, his conclusions led him to the simple formula of "Doing the right projects ... right". I, too, see this as the greatest challenge, though I would also add: "Finding the right projects and the right people!"

- There are two ways to find promising projects –
1. By systematically analyzing customer requirements in existing markets and orienting all activities toward these
  2. By developing new markets and applications and winning new customers

For an organization to achieve lasting success, it must employ a combination of both of these. The first is covered primarily by the operational units. They operate close to the customer and have the technical skills to constantly be able to use innovations to improve product ranges and solutions. The focus of these operations is on market pulls and incremental innovations.

However, it is of particular strategic importance to ensure that innovations not only address existing customers and their requirements but also pursue the question of how to win new customers in new



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markets. This will often only be possible as part of technology pushes. And this is where it becomes more challenging. The operational units would certainly have lots of ideas and skills for this, but their focus on daily business often means they have insufficient capacity to turn these ideas into concrete innovations. This particularly applies to the sometimes quite complex process of actively looking for, identifying, and assessing new markets and areas of application as part of the overall corporate strategy.

This is where the central “Strategic Business Development” unit comes in. I have headed this unit for five years. The scope of our duties ranges from trend analysis (scouting), technology foresight, conducting feasibility studies, and developing concrete value propositions for innovations to managing the early stages of new business projects.

What are the factors for successfully carrying out these tasks, always focusing on the goal of turning project ideas into new business opportunities for the operational units? I now see the following actions as key:

- Even if the projects are developed centrally, the operational units should be involved at a very early stage. I am thinking particularly of sponsorship models with defined incentives that also focus on areas such as Marketing & Sales (at a global level).
- Market launch must be anticipated at just such an early stage. Customer involvement becomes vital against this backdrop, with the priority sometimes being to attract potential customers who are not yet part of the Group’s business portfolio. The proof of concept must be conducted as part of a rigorous project management program.
- These kinds of processes require a great deal of patience and perseverance. It is therefore vital to provide the projects with a realistic timeframe. The first two years focus more on information gathering rather than achieving sales targets.
- This will only be possible if the top management supports the project and sends out the appropriate signals. I feel it is the management team that



Dr. Anette Brüne, co-author of the “Innovationen erfolgreich kommerzialisieren” anthology

bears primary responsibility for preparing the ground so that technology pushes find their place in the Group’s internal innovation management system.

- And then there is one more key point that I mentioned earlier—the right people. These kinds of projects require people whose personality traits include an entrepreneurial mindset, a long-term strategic outlook, innovative thinking, customer orientation, and thinking outside the box. Ideally, we aim to achieve this work in cross-divisional and cross-functional teams.

If sufficient financial and human resources are available to turn the projects into business models, the chances are good that the projects will be successful. It is impossible to rule out failure, however. The organizational culture has to be structured in such a way that the failures are not (only) regarded as being negative but are also seen as a source of vital experiences. It must therefore also be possible to abort projects that originally seemed very promising without this disrupting interaction within the company.

Capital expenditure on new business represents a key investment in a successful future! *Dr. Anette Brüne*

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