

Case Studies on Customer-Centered Innovation

FOUNDATIONS

Entering New Markets

Bayer Material Science finds lasting value in the Building and Construction Market

The Sheffield Plastics division of Bayer Material Science had a strong customer base and a long history of profitability but, like many materials businesses in today's economic climate, its products were becoming commoditized. The company needed new opportunities and markets.

Bayer's lead product was polycarbonate sheet. With its high durability and impressive impact resistance, polycarbonate is ideal for applications ranging from safety shields on industrial equipment to security glazing in correctional institutions. These markets provided a strong base, but the company wanted to pursue higher value opportunities.

"We needed to innovate," says Ken Schwartz, manager of new product development at Sheffield. "We wanted to add value and develop a value proposition that we could introduce to new markets."

The company identified the architectural market as a target for value-added polycarbonate windows. New laws concerning energy efficiency, security, and safety created big opportunities for polycarbonate. The first challenge was that Ken and his team needed to learn more about the market they wanted to enter.

Ken chose **Innovare** as a partner for several reasons: **Innovare** could guide them through the market research, facilitate the front-end process, help define their innovation strategy and develop a portfolio of innovation concepts that leveraged Bayer's current and accessible technology. Along the way, **Innovare** would train the Bayer team so that they could recreate the process for future initiatives.

Ken first focused on the organization. He gained senior management sponsorship for the program and assembled a cross-functional team of chemical engineers, application specialists, business developers, marketing professionals and others. Their charter was to become front-end of innovation experts in their respective disciplines and define their approach to the architectural glazing market.

Learn more about Innovare's Customer-Centered approach to innovation!

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Grounded in Research, Driving for Innovation



Creating a Portfolio of Innovations

Front End Boot Camp

“The training part of the project was like joining the army,” Schwartz says with a laugh. “It was boot camp. It broke down our former way of doing things, and taught us a new approach.” He says the well-educated, accomplished professionals in the team had a natural tendency to immediately jump into solution development. But **Innovare** instilled the process discipline to step back and ask in-depth customer and market research questions.

As a first research step, the Bayer team joined **Innovare** consultants in conducting in-depth **Vocal Insights®** interviews with stakeholders throughout the building and construction industry, including potential suppliers, partners, and customers. They also took on secondary research assignments on government regulations, trade associations, and corporate reports.

“This was a new market for us, and we wanted to learn everything we could about how windows are specified, sold, and installed,” Schwartz says. “We also needed to understand the prevailing mindset. Everyone accepted the limitations of glass—it breaks—because they’re used to it. And they were skeptical about polycarbonate. How do you make critical specifiers aware of and comfortable with new technology? How do you reach new influencers?”

Innovare helped the team understand the key drivers of the market and customer needs throughout the value chain. That enabled the team to create solutions that addressed the needs of even the most critical specifier.

From Customer Needs to Technology Possibilities

“As part of a conglomerate, we can tap into technologies that are very downstream from what we do,” Schwartz says. “Some of our key concepts involve downstream technologies and forward integration. The people we contacted were excited to tell us what they do.” That helped the team apply emerging technology and create stronger innovations.



9 Concepts, \$400 Million

From several hundred beginning ideas the team developed 30 working concepts during the ideation sessions. They selected a portfolio of nine concepts for implementation based on the estimated market value, technical feasibility, and value chain member interest. The total market potential was \$400 mil-

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lion in top line revenue. Management buy-in was relatively simple because the team built a solid case for each concept during the front end process.

A year later, four concepts were introduced at the American Institute of Architects annual meeting. Now they are in various stages of commercialization. Three new platforms are ready to enter the pipeline. They have been validated for technical feasibility, and research with executives in value chain firms indicate strong acceptance and high market potential.

“Without **Innovare’s** process, we wouldn’t have come up with the concepts, and we wouldn’t have been able to put enough concrete justification around them,” Schwartz says. “With the process, we got enough information about the opportunities to build a strong case for senior management, and to successfully grow a new market.”

Bayer Material Science leveraged **Innovare’s TriCeptSM** front-end process to inspire their innovation team to develop a portfolio of new products and technologies creating exceptional value.