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Business Development Manager
RDWT Innovation Platform

Grundfos

- Founded in 1945 by Poul Due Jensen
- Owner structure
 - Poul Due Jensen Foundation 86,6 %
 - Poul Due Jensen's Family 11,3 %
 - Employees 2,1 %
- Annual production of more than 16 million pump units
- Turnover of DKK 21 billion in 2011
- More than 18.000 employees worldwide



The Grundfos Purpose

- Grundfos is a *global leader in advanced pump solutions and a trendsetter in water technology. We contribute to global sustainability by pioneering technologies that improve quality of life for people and care for the planet.*

Our dream for the future

Experts in
user needs

50% of growth
from new technologies

1/3 of turnover
other water related
products than pumps

75.000 people

Talent magnet

Truly global

Still no. **1** in circulators

Innovation



Alpha2
New pump

Characteristics:

- ✓ We know the customer
- ✓ We know the sales channel
- ✓ We know the competition
- ✓ We know the success criteria



Grundfos Remote
Monitoring

Characteristics:

- ✓ We know the end customer
- ✓ Based on known technologies
- ~~X~~ Different pricing than physical pump
- ~~X~~ Is existing sales channel OK?



Grundfos LIFELINK

Characteristics:

- ~~X~~ New unknown customers
- ~~X~~ No existing sales channel
- ~~X~~ New competitive landscape
- ~~X~~ Poor knowledge of true value creation
- ~~X~~ Many unknown unknowns e.g. "This is Africa"
- ~~X~~ Define value proposition thru experimentation

Innovation and Levels of Uncertainty



Grundfos LIFELINK



Grundfos Remote
Monitoring

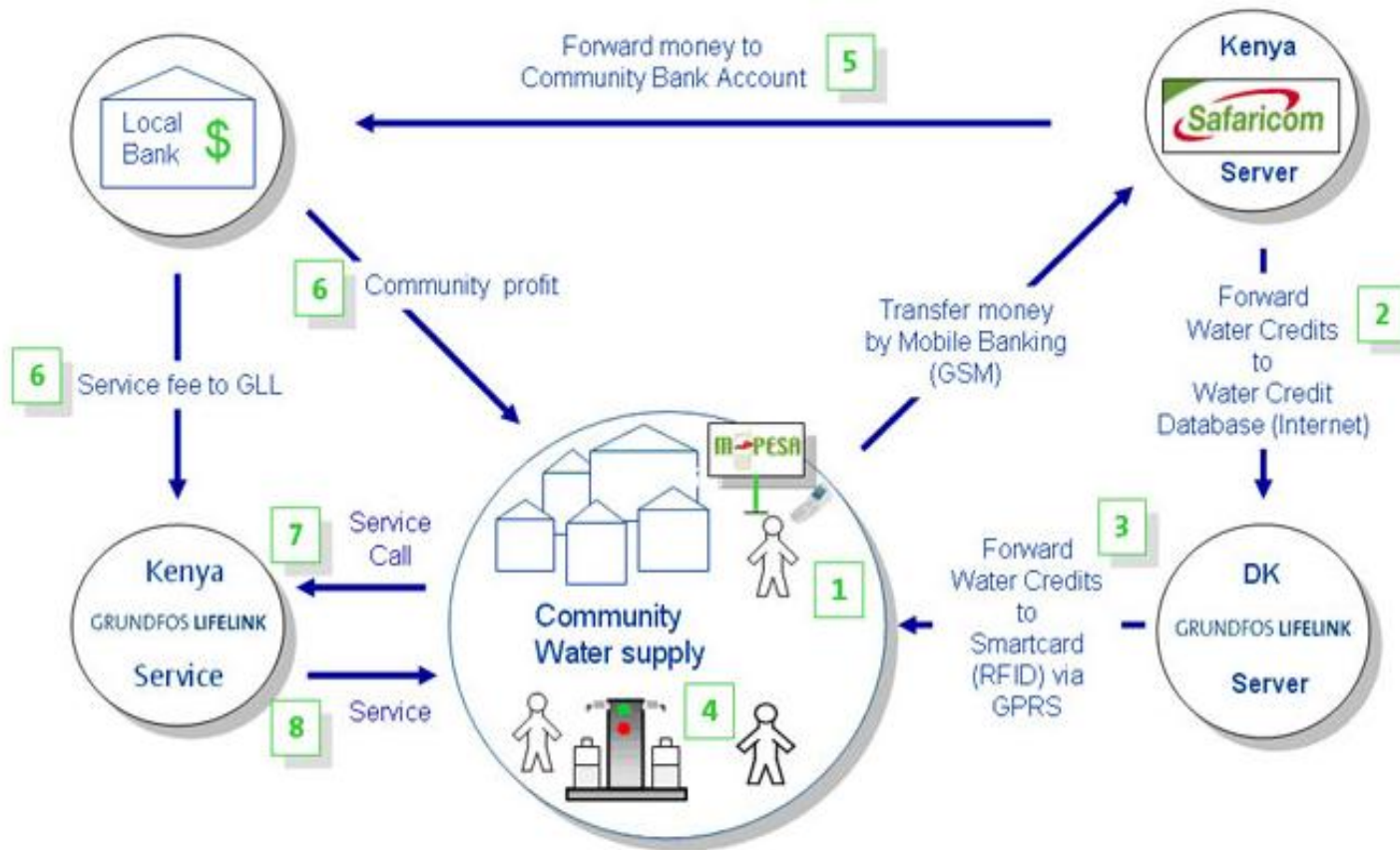


Alpha2
New pump

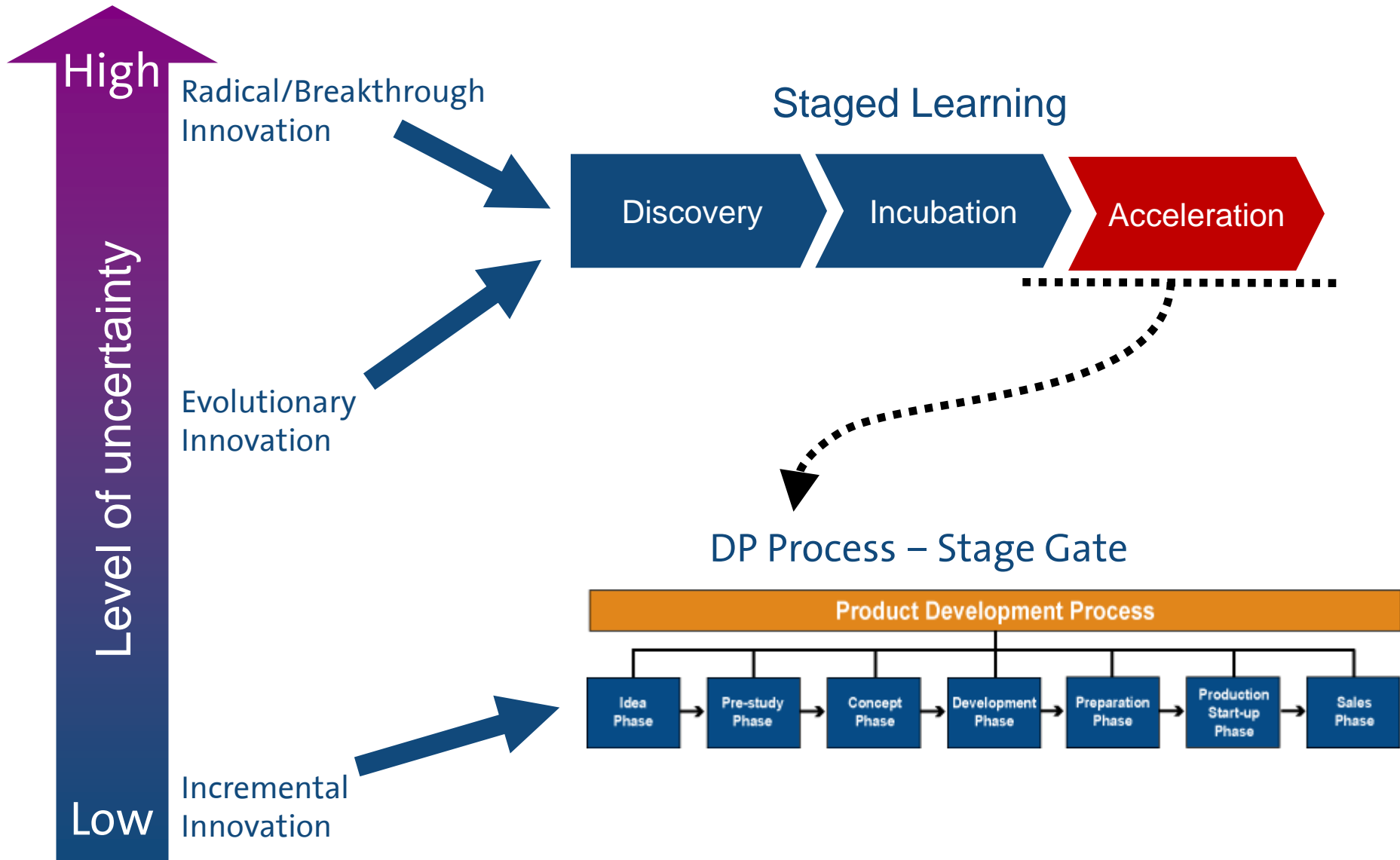


Level of
Uncertainty

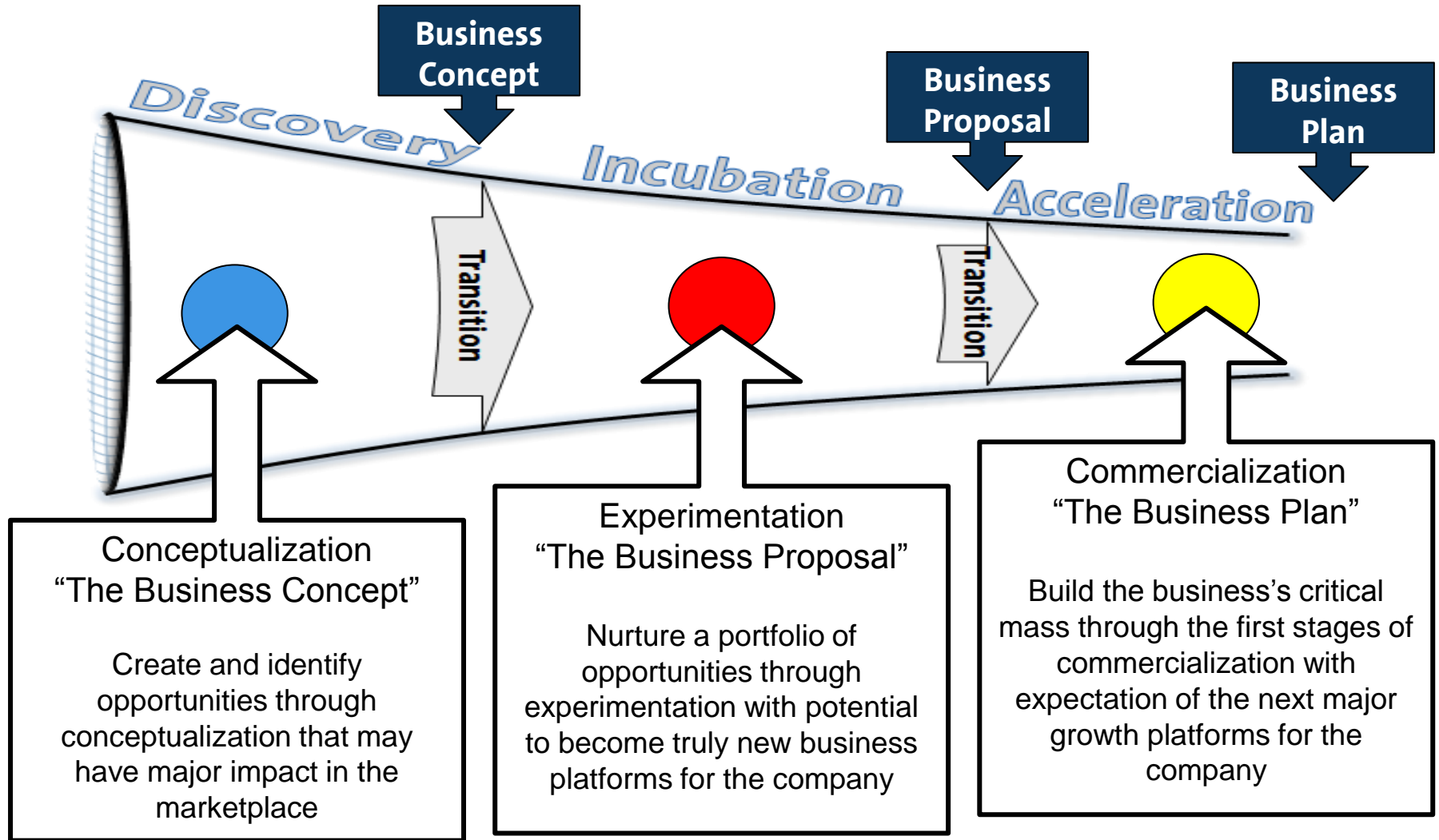
Business Model Innovation



Type of Innovation - Methodology



DIA Phases and deliverables



Uncertainty Reduction

Discovery

Incubation

Technical Uncertainty – Understand:

- Drivers
- Value
- Economic Feasibility

Market Uncertainty - Learn about:

- Drivers
- Value Creation
- Business Viability

Resource Uncertainties - Access

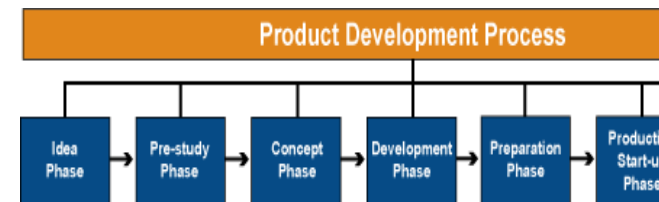
- Money
- People
- Organizational Competencies

Organization Uncertainty

- Gaining and Maintaining Organizational Legitimacy

Acceleration

- Business Plan
- Predictability
- Operational Efficiencies
- Process Driven



Managing Uncertainty Not Risk

Uncertainty / Ambiguity

- Possible outcome unknown
- Impossible to assign likelihood of occurrence

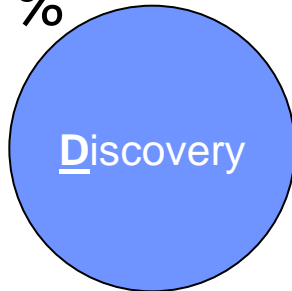
Risk

- The possible outcomes are known
- Probability of occurrence can be assigned
- Predictability

Reduce Uncertainty

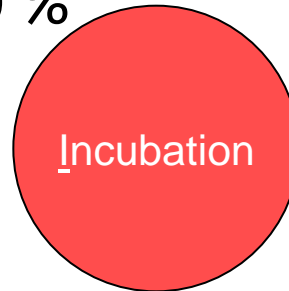
Minimize Risk

± 90 %

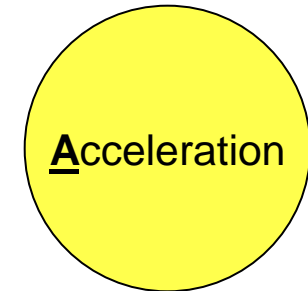


Conceptualization
“The Business Concept”

± 50 %

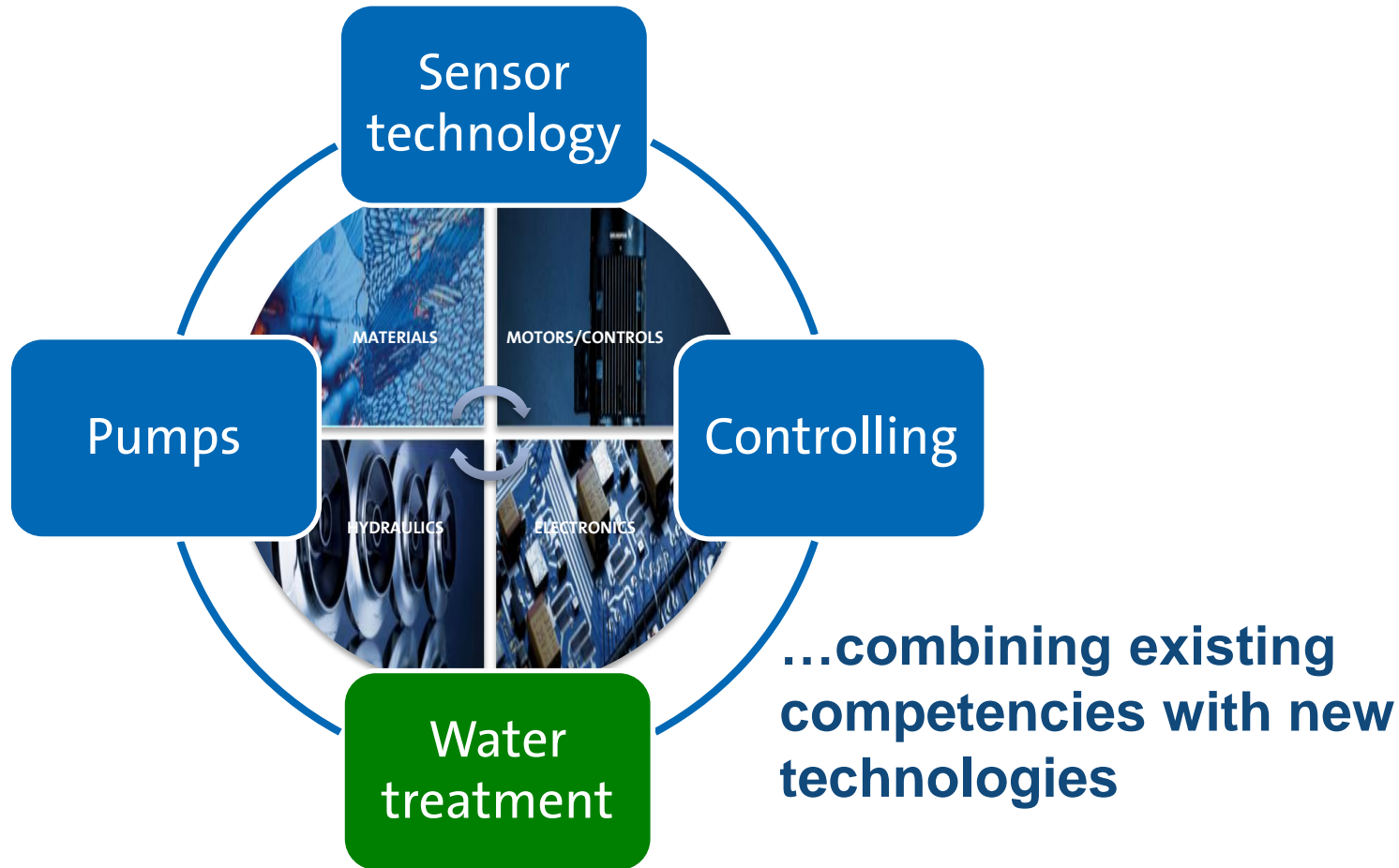


Experimentation
“The Business Proposal”



Commercialization
“The Business Plan”

Going from Water Transport to **Water Treatment**...



Challenges

- Innovation Intent is key
- Learning curve
 - Processes and use of tools can be trained
 - New employees on board
- Mentality and culture (Discovery and Incubation)
 - Overcome Stage Gate mindset
 - Process to enable learning not control
 - “Strive to maximize learning” vs. “Strive to make it right”
- Importance of strong value pitches
- Budgeting and resource allocations
- Other metrics than core business
- Career path