

# WHAT DOES IT MEAN TO *INNOVATE*?

## The Why and How of One Company's Approach

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**Is innovation as simple as something being 'new'? Not really; to be consequentially innovative, processes and/or product characteristics can't simply be 'new' – they need to be completely transformed to create something unprecedented. Over at least the last decade, perhaps longer, overuse of the word 'innovation' may have dulled its meaning and distracted from processes, technologies or products that are truly unique.**

Innovating isn't just a buzzword; it's corporate lifeblood. For companies to remain competitive, moving beyond a slight modification is imperative. Staying relevant in the current environment of hyperdynamic technology is essential to customer attraction and retention, profitability, and progress. "Adapt or die", as the saying goes. Adaptation and transformation are precisely what Henkel is and has been implementing with its innovation strategy, as the global materials leader forges a bold path to foster scientific discovery without boundaries. And one that goes well beyond just being 'new'.





## Why Innovate?

At Henkel, innovation is not a loose term. On the contrary, it is an intentional strategic direction underpinned by science and creativity. And, as a global company with the objective of delivering financial success, the goal of innovation is a return to shareholders, but doing so in a way that improves people's lives. In Henkel's words, it is 'Purposeful Growth'.

Helping dissect the many facets of Henkel's innovation initiatives, Adhesive Technologies' EIMEA Head of Product Development, Jose Garcia-Miralles, sheds light on the company's mindset and some of its enterprising actions to ensure a non-commoditized, evolutionary approach.

***“We are in the position of being an industry leader,” explains Jose, “and doing so requires us to move away from commoditization, to offer something to our customers and, by default, their customers that is exponentially better in many ways. That could be cost and/or performance efficiency, longevity, sustainability, or – preferably – all of the above. Henkel innovates to maintain its top position and to deliver business growth with human benefits.”***



## How is Innovation Achieved?

The 'how' of innovation is where the rubber hits the road. For Henkel, an essential element is customer intimacy which enables development not necessarily just what a customer thinks it may need or want, but a product or process that creates real value. Taking customer technology roadmaps, marrying that with historical and predictive data points, and connecting all the dots within the ecosystem drives innovative results.

*“That’s a nice blue-sky statement,” acknowledges Jose, “however, Henkel is quite ambitious in how to get the value piece right. We recognize that **innovation is not linear**, as in the old model. Instead, multi-input, real-time data informed by proactive market intelligence and strategic investment in the right places transforms product development, societal results, speed, and time-to-market.”*



**There are many facets to the Henkel approach, which include the following:**

#### **Collaborative In-person Environments**

With 11 business units in Henkel Adhesive Technologies, there is always the danger that engineering teams may work a bit in isolation. By co-locating many scientific experts together with colleagues from other departments in a single location, as in Henkel's Inspiration Center Düsseldorf (ICD), and organizing R&D initiatives by technology rather than market sector, incredible discoveries and information sharing are taking place. And this is happening in Henkel regional development centers around the world.

#### **Shared Service Innovation Center**

With a state-of-the-art production facility in Pune, India, 2023 will see Henkel leverage this strategic location to enable project acceleration services for all Adhesive Technologies' business units. The Adhesives Shared Center (ASC) Pune will be the first of its kind, with a pool of lab-based colleagues able to take on any challenge where the global innovation force needs support. By doing so, technical experts around the world will be freed from certain standard lab tasks, allowing them to focus on other strategic or up-front research activities. Overall, this will improve R&D efficiency and output.

#### **State-of-the-Art Digital Tools and 'Global Brains'**

Henkel's cloud-based innovation management system, called "Albert", digitally logs all of the work carried out in its global labs. This creates a digital record – as opposed to traditional written documentation – and opens tremendous collaboration acceleration and traceability. For example, suppose an engineer in California wants to know the results of ongoing work in Japan. In that case, they can tap into Albert and instantly see all the data, picking up where their colleague left off. They don't have to wait for a discussion. The potential is massive.

#### **Sustainable Engineering**

The efficiency allowed by Henkel's innovation approach itself is sustainable in terms of maximizing resource allocation. And, importantly, as part of its core corporate promise, product developed by the materials leader cannot have a negative sustainability impact. So, the Henkel team's collaboration, digital innovation management, and global connection are helping the company accelerate its development of adhesives that are environmentally-compatible, enable 'right to repair' circularity, and are biobased.



## So What?

Ultimately, what has resulted from Henkel's innovation efforts? The company's continuous evolution and hundreds of thousands of products over its more than 140+ years in business is a testament enough in itself. More recently, significant breakthroughs underscore the power of Henkel's new approach. For instance, the company just released its first biobased PUR hot melt material for consumer electronics, has engineered an entire portfolio of market-leading thermal management solutions that help industrial products operate more reliably, and is on the cusp of launching debondable adhesives that hold fast when needed but can debond on demand to enable repairability and circularity. That's just the start – there is far more to come.

***As Jose puts it, “Innovation is also about introspection. How can we continuously improve, look critically at processes or products, improve them, uphold our value to customers and shareholders, and make people’s lives better? For me, that is the purpose of innovation, and Henkel is investing in all the right places to remain on the leading edge.”***



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José García Miralles

## The Author

José García Miralles is leading Product Development teams in EIMEA region within the Industrials business unit of Henkel Adhesive Technologies. Jose joined Henkel in 2006 and after various positions in research and development he took over his current position in 2021. With his knowledge of various industry segments and hands-on experience in new technologies development, he views multi-input, data-driven innovation, and active customer engagement in developing new products as key to address the need for cost-effective and sustainable results.

He graduated at the IQS University (Barcelona, Spain) in Chemical Engineering and holds an MBA from the WHU – Otto Beisheim School of Management (Düsseldorf, Germany).



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