

## **RWE Effizienz**

*Tailored and Flexible -*

*The Innovation System of a Leading Energy Provider*



# Tailored and Flexible – The Innovation System of a Leading Energy Provider

## VORWEG GEHEN

### Company

- Part of the RWE group, Germany's second largest electric utilities company
- RWE was awarded for the second time as Germany's most innovative energy provider in the ESMT study in February 2014
- RWE Effizienz bundles all energy efficiency activities of the RWE group
- Key topics are SmartHome, eMobility, decentralized energy generation, and energy consulting
- 150 highly qualified employees
- 5-person innovation management team

### Challenge

- High pressure to be innovative due to radical changes in the energy sector
- Changes in technology, politics, and society require a stronger diversification of service offerings
- New competition from other industries and startups
- Continuous development of the innovation process
- Expertise spread across various departments

### Result

- Tailored HYPE platform, which is continuously being adapted by RWE
- Focus on innovation ideas and improvements with individual workflows for processing
- Effective innovation management through a systematic approach
- Using the platform resulted in significant efficiency improvements
- Platform is continuously being evolved for the entire RWE group

### Business need

The energy industry changed drastically within the last 20 years, mainly driven by major political, social, and technological developments. Energy providers have to face challenges forcing them to develop new business models and expand their service offerings. These challenges include the transformation of the energy system, new legal requirements to increase energy efficiency and an increased ecological awareness of the society. In addition, the energy market tends to blend more and more with other markets, like telecommunications and IT, which leads to a new competition from different industries.

To meet these new challenges and to address new markets, Germany's second largest electric utilities company, RWE, founded the subsidiary RWE Effizienz in 2009. Their mission is to develop innovative solutions and concepts to increase energy efficiency in the private customer sector. Since energy is important in many contexts, the company has a significant reach. This calls for systematic innovation management to identify and evaluate the various options for new products and services.

RWE Effizienz involves all employees in this process: their formula for success is "be ready-be motivated-be free" ('Können-Wollen-Dürfen'). This means that employees need to learn the right methods via trainings and workshops to *be ready* to innovate. Also, they need to *be motivated* to be involved. And finally, they need to be given the time and permission by supervisors and colleagues to *feel free* to get involved in innovation management.

### Solution

When RWE Effizienz was founded, innovation management already became an integral part of their organizational structure, and today the innovation team counts five members. Their main objective is to provide early concepts to product management and product development. These concepts are aligned with the company's product strategy and are based on identified trends. To achieve their task, the innovation team focuses on approaches that allow all 150 employees to participate.

As part of their responsibilities, they do not only manage innovations, but also the BVW program (a German specific in-house suggestion scheme), which focuses on improvements for processes and the working environment. Since HYPE allows for different processes to run in parallel within the same system, the team decided to use a central platform for all kinds of ideas.

## **HYPE and RWE Effizienz**

RWE Effizienz has a comparably flat organizational structure and is open for changes and new ways of doing things. Accordingly, it was crucial for the team to have a software platform that is able to mirror this high degree of flexibility. HYPE's configurability enables the team to perfectly map processes and conduct changes in forms, workflows, and access rules at any time and without support from HYPE. Dr. Alexandro Kleine, innovation manager and responsible for HYPE at RWE Effizienz, gets to the heart of it: **"HYPE is like LEGO: if we want something changed, we just reconfigure it ourselves."**

Previously, the power generation division of RWE already had the same positive experience with their cost saving program and continuous improvement process. This was a major reason for the innovation team of RWE Effizienz to decide for the proven solution from HYPE.

## **Detail of program**

With single sign-on, the HYPE platform can be reached by all employees without any additional access hurdles. It is the central hub for all kinds of ideas: contributors classify their ideas as new product idea or improvement. Based on this classification, the ideas are pushed into the right workflow, and fields on the following forms are set automatically. Product ideas, e.g., run through a three-stage filter process: First, a contributor has to state source and product area for the idea and evaluate it by reference to seven criteria, including market potential, degree of novelty, and feasibility. In the next phase, the "Quick Check", a colleague from the innovation team tags the idea with relevant keywords and connects it with similar ideas, before they conduct a rough assessment. More recently, a quick review matrix has been introduced to filter ideas even faster.

When ideas pass the Quick Check stage, they reach the detailed assessment phase. Here ideas are evaluated based on additional criteria, including market and revenue estimations, customer fit, and strategic-risk calculations. If this evaluation and the ensuing board decision are positive, the project implementation can be triggered and executed, all within the HYPE system. The idea gets forwarded to the responsible colleagues and the system notifies them to take action. Ideas which do not make it to implementation get stored in the archive of the innovation system.



*Dr. Alexandro Kleine  
Innovation Manager RWE Effizienz*

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***"RWE Effizienz opens the market for innovative and efficient energy products in a pragmatic way. HYPE is just the right tool for us due to its high degree of flexibility and the option to quickly adapt to complex challenges."***

*Dr. Alexandro Kleine*

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Selected units of RWE SmartHome

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***“Campaigns will improve our search for innovative ideas in the strategic product areas of RWE Effizienz even more.”***

*Dr. Alexandro Kleine*

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## **Results & outlook**

The HYPE platform has become an integral part of the innovation management system of RWE Effizienz. Due to the high degree of configurability, Dr. Kleine and his colleagues are able to map the individual workflows of the innovation process independently. Thus, the innovation team is well prepared for future changes. As a next step, they plan to integrate a module for idea campaigns, and the interaction and knowledge transfer across the various departments will be simplified with additional collaboration features. Furthermore, new opportunities for cross-departmental quick checks and additional ways for direct participation will make the process more efficient and improve the quality of the evaluations.

Today, the innovation platform of RWE Effizienz is a reference for the whole RWE group and the basis for a second tailor-made system in another RWE subsidiary.

Altogether, the systematic innovation management of RWE Effizienz is considered a thorough success. This is not only displayed by the vast product range in the energy efficiency sector, reaching from eMobility to decentralized power generation to home automation and energy consulting. The European School of Management and Technology awarded RWE in a [study](#) published in 2014 as one of the three most innovative energy providers in Europe. RWE Effizienz and their employees play a major role in making RWE so successful.



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