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Christian Hamerle in the "Innovation Lab" at Dussmann in Berlin (Photo: Omer Messinger)

Innovation Labs and Corporations: What Freedom Tastes Like

So-called Innovation Labs are designed to connect corporations with the world of start-ups. What's it like to work there?

By Ole Kaiser

It smells, tastes and looks like tuna. In fact, the imitation contains a lot of field bean, but no fish. No one would notice. At Dussmann's "Food Service Innovation Lab" in Berlin, founder Christian Hamerle and his team are working on the future of community catering, the "nutritional turnaround at the plate", as he says. Hamerle founded the lab in 2020 after discussions with Dussmann Service Deutschland GmbH as an innovation unit within the group. An interface between the dynamic world of start-ups, which constantly generates innovations, and the Group's food division, which operates more than 400 canteens. A speedboat in a tanker.

Many large companies have "innovation labs." They are to be distinguished from research and development departments, which often collaborate with universities. These often take years to reach market readiness, says Axel Menneking, head of "Hubraums," Telekom's tech incubator that works with startups and invests in them through an investment fund.

Innovation labs are about bringing together corporations and ideas from startups. The employees in these labs are often younger, with many under 30, says Sigrid Stinnes, head of innovation and design at Accenture. Most have an academic background. Two approaches can be distinguished among the labs, says Niclas Vogt, spokesman for the German Startups Association. There are "innovation units," units within the companies that are supposed to develop new, mostly digital ideas. To do this, they analyze the market situation, identify trends and cooperate with startups. Many companies work in this way, such as Dussmann, but also SAP.

The important thing here is "separation from the line organization," says Carina Müller, a research associate at the Fraunhofer Institute for Industrial Engineering. It is not primarily about "participating in existing start-up ideas, but about developing and implementing new ideas for the product and service portfolio of one's own company." In contrast, a company can work directly with startups to solve an existing problem.

An example of the latter is Telekom's Hubraum in Berlin-Schöneberg. It has existed since 2012 as a "gateway and collaboration partner with startups," Menneking says. The incubator cooperates with startups in three "focus areas" that the Group has defined: "Next Gigabit Society," i.e., broadband, fiber optics, 5 G/6 G. Second, "Connected Life and Work. Second, "Connected Life and Work," i.e., connected devices and machines for individuals and industry. Third, "Smart Data Economy." The incubator combines the creativity of external start-ups with the network infrastructure and product platforms of the Deutsche Telekom Group. In this way, it increases "the innovative power of the internal innovation units," Menneking said.



Herbs in a vertical greenhouse in the "Ursprung" restaurant, Dussmann Innovation Lab, Berlin, July 2023. (Photo: Omer Messinger).

Until the mid-20th century, innovation was very much tied up in the company, Menneking says. "Since the end of the 19th century, many researchers who had an invention became businessmen. As the business grew, they couldn't do research themselves. So research labs

sprang up in companies to continue to do research." Then, in the early 1950s, independent financial investors increasingly began funding innovation outside of large companies. "That's how Silicon Valley and the first venture capitalists emerged," Menneking said. With that, the pace of change suddenly became much faster.

With the Internet, he said, this process accelerated. Innovation increasingly took place through collaboration with external partners. "Apple showed us that with the app store. They launched the iPhone with a few apps. Then developers could upload their apps to the store. Suddenly, thousands of apps were available in no time." Crucial to working with startups, he says, is communication at eye level. "It's not a hierarchy in the sense of: big corporation and small start-up. We are business partners."

At Dussmann, the "innovation lab" is located directly within the Group. "Three years ago, we needed a neutral platform within the Group to take over the conductor's baton for the topics of innovation and transformation when it comes to food services," says Christian Hamerle. In the lab, he says, work is being done on future topics such as plant-based nutrition, but also on innovations such as "smart proteins" from plant sources. In addition to the start-ups, the lab also needs an interface with the management, says Hamerle. His colleague and counterpart is Bernd Freier, Head of Dussmann Food Service. He is responsible for the 400 canteens throughout Germany. Christian is more of a visionary, I am the realist. I have the experienced operations managers and chefs behind me," says Freier.

Hamerle and his team think outside the box, developing ideas and recipes. As soon as an idea has been successfully tested on 100 to 200 guests in the so-called "restaurant of the future" in Berlin, he says, it is put into practice. "We have operations with up to 2,000 dinners a day. Of course, we have to be able to scale up," says Freier. The dishes would have to be "cookable by hand." You'd have to look at, "How many moves do I need to get this fresh to the customer?"

Often, a collaboration fails because of the "maturity level of the startup," Hamerle says. The product, he says, is sustainable, delicious, easy to work with and well-received by customers. "But if we then say we need eight tons of this by next month, please, that's often not possible."

They are currently cooperating with more than 100 start-ups in so-called "innovation alliances." Especially in the beginning, the relationship with the group and thus with the local canteens was not easy, says Hamerle. "They thought, 'An innovation lab? We have a food services division after all. They only cost money and so on. There was a healthy skepticism.'" But acceptance has grown, he says. Now it's no longer, "Why do we need this?" It's, "When can we have more of this?"

Positive feedback from customers in the canteens has also allowed them to work more freely in the meantime. "We're also allowed to get our knickers in a twist and say it didn't work. That's part of it. It's better than when it happens to us in the canteens on site." He doesn't find being part of a "tanker" disruptive. "We have the opportunity not only to identify trends, but to set them." Without the name and the group behind it, this would hardly be possible. At the same time, now that they are established, the latter offers enough freedom and short decision-making paths. Organizationally, they are directly attached to the Executive Board and can make decisions quickly.

Strategic alignment with the corporate goal is essential, says Stinnes from Accenture. Especially large companies with multiple innovation initiatives need to orchestrate them well, integrate them into the corporate strategy and measure them with "consistent performance management. That's the only way they'll be successful in the long run, he said. The big question is, how do I bring these initiatives together and make them a whole?" said Stinnes. The parent company could benefit from a "large talent pool" - especially since the labs are more likely to retain skilled employees than traditional startups. For the labs, on the other hand, the relationship with the Group is not always easy. "We have the best of both worlds here," says Christian Hamerle from Dussmann. But integration into a corporate group is not child's play - but in some cases "squaring the circle".