

Innovations Consulting

The Innovation Network: How to deliver digital innovations within a large multi-group corporation

With over 300,000 employees and many business units (retail, travel, e-commerce, logistics), REWE's innovation activities were spread across many departments. CrowdWorx helped REWE develop a productive network of these departments. Today, REWE is acknowledged as a highly innovative company that has tried out business models in short cycles and has been able to spin-off successful start-ups.

REWE

Company
REWE Group

Industry
Consumer retail, travel

Headquarters
Cologne, Germany

Revenue
€61.2 bn (\$67.3 bn)

Introduction

REWE is one of Europe's largest retailers serving 14 countries across the continent. Its focus has traditionally been on mid- and upper-market brick-and-mortar retail stores. In recent decades REWE has added business units for travel, logistics, and e-commerce. With its B2C-focussed business portfolio REWE has grown into a large corporation with more than 300,000 employees.

Issue

In 2013, then REWE CEO Alain Caparros stated in an interview that his company has underestimated the potential and the speed of development of E-commerce and digital technologies in general. REWE did have a large number of innovation departments across its business units. Things got more complicated, however, since within each business unit different departments were working on different aspects of innovation, such as the Marketing department focusing on part of the customer journey while the logistics or the pricing departments were working on other ideas. Figure 1 is demonstrating how each business unit had a number of departments work on their angle of innovation.

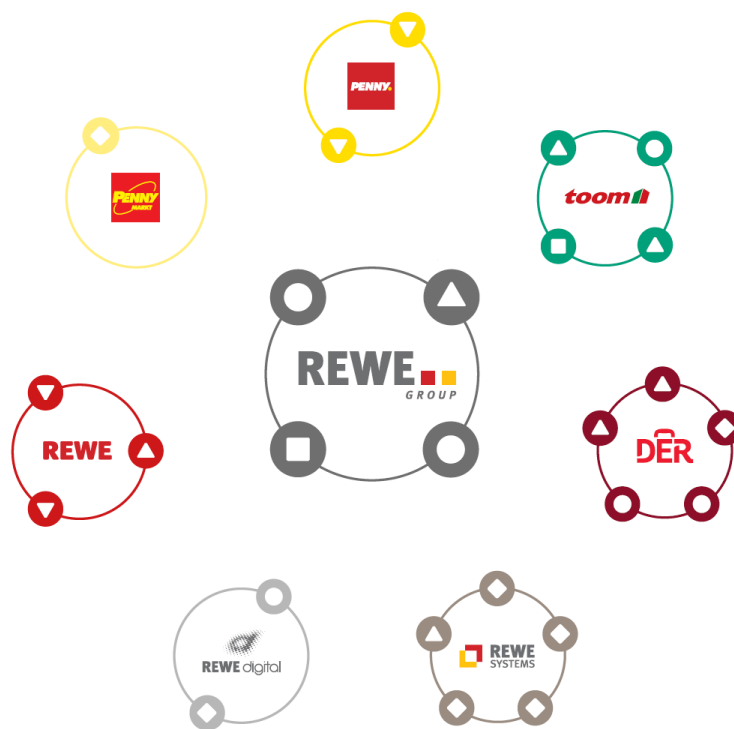


Figure 1: Business units (represented by circles with the group logo inside) with departments (disks on the group's circle) from various business functions (represented by the shapes inside a disk) are working on innovation at REWE. Source: CrowdWorx.

The problem with that was that the lack of communication and coordination among these activities. This was compounded by a lack of strategic vision which could serve as guiding point to which everybody could align to.

Solution

In 2016 REWE hired CrowdWorx to develop a new innovation framework for the digital age. CrowdWorx deployed a proven innovation consulting approach which involved a step-wise analysis, presentation, and derivation of conclusions. The process involved more than 30 people from all business units and functions.

- In weeks 1-2 a **Status Quo analysis** was conducted which revealed not only weaknesses but also the strengths of REWE's current approach, as well as resource and knowledge needs.
- In week 3 CrowdWorx held a **workshop** where a new framework for group-wide innovation was *collaboratively designed together* with REWE people from all business units. One major outcome was the formalization of an **Innovation Network** across REWE which would utilize the expertise of its departments and groups.
- In week 4 the proposed **framework was visualized** with high-end graphics utilizing professional graphic designers. Part of this visualization – the Innovation Network – is shown in Figure 2.

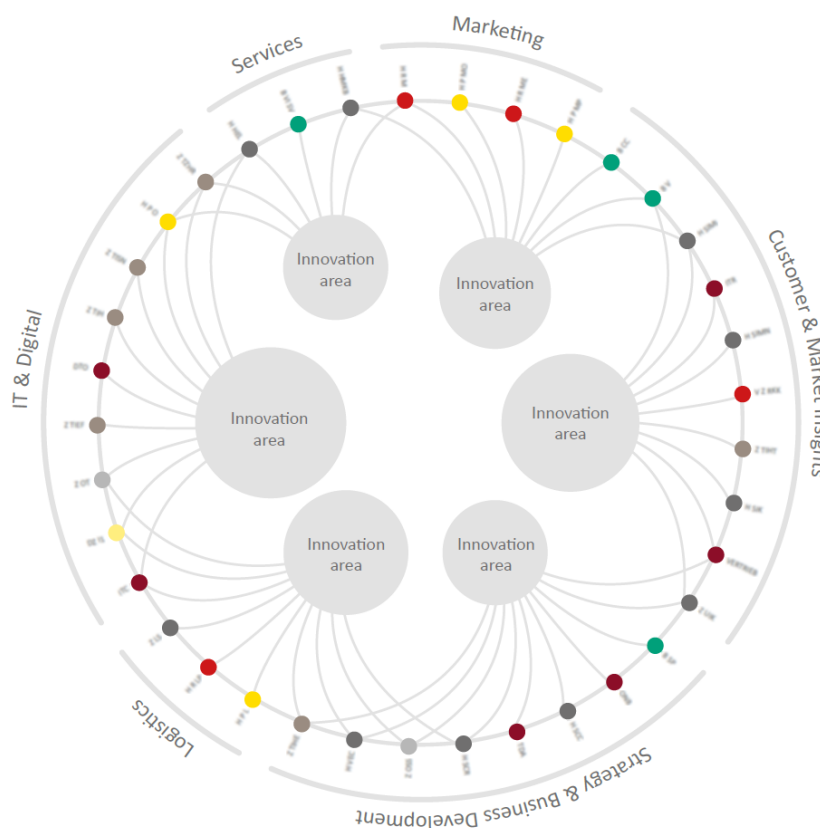


Figure 2: The proposed Innovation Network for REWE's innovation activities aligning departments along shared goals and innovation areas & projects . Source: CrowdWorx.

The next step was a presentation of the visualized framework to top management. With the help of the professional graphics the project team was able to convince top management to fund and launch the build-up of the Innovation Network.

This was, of course, the start of a longer journey where people, processes, working habits had to be adapted, experimented with and improved – all of this again was conducted in a collaborative process. Collaboration and the adoption of a trial-and-error approach is the CrowdWorx' way, and perhaps the only way, of introducing gradual change in a large organization.

Impact

Today, many years later, REWE is **more profitable than ever** and has achieved record growth numbers. It is benefitting from its network of internal innovators who are **jointly testing many new business models in short cycles**, some of which have resulted in a number of **successful start-ups**. Moreover, REWE has been able to successfully **integrate innovations into regular business processes**, such as a grocery delivery service which is available both online (via apps) and offline (in stores).

About CrowdWorx

CrowdWorx® is the leading integrated software and consulting provider for all aspects of Idea and Innovation Management. With locations in Berlin and Poznan, we help our customers in numerous regions of the world with an excellent and comprehensive product and service portfolio for small and medium-sized businesses as well as corporate clients.

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