

**Interview** (2014 by Henning Breuer, Interviewer Adam de Nisau)

***Everybody is speaking about innovation nowadays. But a lot remains to be discovered in that field. You introduced one of these topics, that is values-based innovation, and are now writing a book about it. What is values-based innovation about?***

We see values-based innovation as the next step in innovation and its management. Traditionally innovation managers have been concerned with processes, products and services. Take the car industry as an example: Manufacturers may focus on increasing efficiency in their supply chain, come up with new products such as electric cars and move into providing mobility services. Since 10 or 15 years attention has been shifting to business models. Car-sharing is an example of a new business model several car manufacturers engage in. The question with business models is how (economic) value is being created and captured, based on a more comprehensive variety in sources of innovation.

***Yes, everyone seems to be looking for innovative business models, and new business models endanger established market players.***

Now two kinds of question emerge: The first has become an issue in public debate: What kind of values do these business models promote? How does for instance a platform like Facebook change our notion of privacy, and does this change conform our individual desire and societal norms? Or in how far does a ride-sharing platform like Uber exploit its workers and undermine the well-established norms in terms of insurance coverage for taxi services? The second question points to what I would call the generative potential of values: If we know or explore our values and priorities, why not take them as a basis to foster and manage innovation?

***What could that look like?***

For instance, instead of just seeking new customers and clients for their accounts, financial service providers would ask how to provide financial safety for previously neglected groups such as kids in precarious living conditions. How they would contribute to financing green energy in a sustainable economy? New networks of companies, public and non-governmental organisation can gather around such ambitious visions. At the Leuphana University in Lüneburg, Germany, we had the chance to moderate such a process of different stakeholder looking for new opportunities and business models under the normative goal to establish a sustainable energy region.

***Why is this relevant?***

More than once I received a call from corporate leaders to discover the „next big thing“. It seems like everyone is looking for this, but nobody has a clue what that could be or even where to look. At the same time, the challenges we are facing as society and individuals abound. Most people know what really matters to them, what is important to him- or herself. Why not take these challenges and values as a starting point for ideation and exploration of new business models and as a criteria for their evaluation?

***Sounds quite idealistic.***

It is happening always and everywhere. (As Friedrich Hölderlin said „But where the danger is, also grows the saving power.”) Not only in the realm of social entrepreneurship, but also conventional companies in the energy, communication and mobility business create successful cases of values-based and normative innovation.

As an example, the Indian company Aravind Eye Care System, one of the world largest eye care facilities, is not only dedicated to “compassionate service for sight” (Aravind, 2014) and providing for high-quality and reliable eye care to its customers – though such dedication qualifies as a suitable value proposition and is therefore an essential component of the business model. When Aravind created innovative health care processes and products and established a new revenue model and cost structure (charging regular customers extra in order to provide free cure to the poor), innovation was driven by the normative “mission of eliminating needless blindness”.

Part of the academic research I am conducting with my co-author Florian Lüdeke-Freund in Hamburg is reviewing these cases, and developing a framework of values-based innovation. Actually we appreciate hints to additional cases that could qualify, or companies and start-ups willing to try this approach. We hope that other companies and entrepreneurs can and learn from these experiences and utilize the patterns these pioneers created.

***With patterns you refer to reusable solutions to reoccurring problems, right? But how can I use a solution in the financial sector to address for instance problems in the energy business? And what are in your opinion the main conditions for establishing normative innovation more firmly in the corporate world?***

Academics across the globe, consultants and designers have developed a vast variety of tools and methods to boost the creative capacities of organizations and corporate players. However, in most of these creative and sometimes notorious activities the key to future markets is missing, and that is direction. Therefore we developed a Business Innovation Kit that facilitates the exploration and elaboration of values-based business models. It offers a self-moderated process for innovators and entrepreneurs. In small teams they elaborate upon the normative foundations of their endeavour, learn from other companies and business model patterns from different industries and collect, prioritize and challenge their own ideas in a series of group exercises. In these workshop, but also in our student and consulting projects we understand that the potential of values and normative orientations in triggering and directing innovation within corporations and across value networks is just being discovered.

Interestingly enough, in branding and advertising companies have long been communicating to consumers in terms of customer values such as safety, comfort or health. Now we ask them to take such dedication from the end-of-the-pipe to the so-called fuzzy front end of innovation.

***What are in your opinion the main conditions for establishing normative innovation more firmly in the corporate world?***

This ranges from public policies and funding regimes to individual awareness of entrepreneurs and decision makers. With my company we focus on fostering appropriate mind-sets, facilitating collaboration and providing tools. It begins with the simple observation, that - just as "every company has a business model" - every company also pursues values and normative orientations. They are already there and they bear the potential to align what a business is about, to what is

important to its participants. Companies can actually simplify their business by focusing on its essential values. Understanding values not as restrictive but as enabling is a powerful approach to discover new business opportunities and contribute to the flourishing of individuals and society.

***Thank you for this interview!***

***The book will be published by Palgrave Macmillan in 2016 ([he.palgrave.com/breuer](http://he.palgrave.com/breuer)). Preparatory works were presented at the Conferences of the International Society for Professional Innovation Management. This paper and previous publications on Normative Innovation are available at: <http://www.uxberlin.com/publications/>***