

"HAVE A GO, LEARN, AND STAY FLEXIBLE"

The internal innovation accelerator at Lufthansa Group transfers employee ideas into market-relevant products and services. We interviewed Doris Krüger, Senior Director Future Innovation Strategy and member of the Supervisory Board of Deutsche Lufthansa AG, to find out how the program puts in-house potential on the road to success.



WHY DID LUFTHANSA GROUP ESTABLISH AN ACCELERATOR?

KRÜGER / One of our key objectives is to effect a cultural transformation within Lufthansa Group – a complex organization – to create an agile and innovative company. That's why, as a supplement to our Innovation Hub in Berlin which focuses on innovation opportunities outside the Group, we wanted to create an additional offering which mobilizes our employees' power to innovate. An innovation accelerator was the next logical step once we had developed cross-business-area future scenarios, set up the "Our Innovation Universe" collaboration platform, and installed an innovation fund for financing.

HOW CAN EMPLOYEES APPLY FOR A PLACE IN THE ACCELERATOR?

KRÜGER / It's very easy. They just submit a short description of their project idea. A management team then decides whether participation in the accelerator program would be useful and would advance the relevant topic. Applicants may come directly from the line organization, although projects which are supported via our innovation fund, which runs in parallel, can also be accepted for the accelerator.

WHAT IS THE INNOVATION FUND EXACTLY?

KRÜGER / Once a month, we invite internal teams to take part in a ten-minute pitch presentation to apply for up to €500,000 in seed money. The board of decision-makers – referred to as the Innovation Fund Board – is made up of representatives from the individual business areas and a chairperson. Applicants include graduates of the accelerator program but also – vice versa almost – teams who have the opportunity to take part in the accelerator as a preliminary step before performing the project.

HOW DOES THE ACCELERATOR WORK?

KRÜGER / It follows the principles of Design Thinking and the Lean Startup method, which means that a business idea is brought to market as quickly as possible, and customer feedback is rapidly taken into account for further development. Accelerator Program participants go through four modules within three months, with each module lasting three to five days. This structure allows employees to take part alongside their day-to-day work. Module 1 covers the identification and validation of customer needs. Module 2 focuses on the creative search for the optimum product or service design with minimal requirements – referred to as the MVP, or "Minimum Viable Product" – and market-testing this MVP in focus groups. In the third module, participants learn how they can establish their business model for the long term, and successfully sell it using a "pitch deck". And, if the focus is on a suggested innovation for the external market, the right market launch strategy – encompassing pricing, sales, and marketing – is developed in Module 4.

MORE THAN 20 LUFTHANSA GROUP TEAMS HAVE SUCCESSFULLY COMPLETED THE ACCELERATOR. HOW IS IT GOING DOWN WITH EMPLOYEES?

KRÜGER / Incredibly well! First and foremost, participants value the professional support they receive from experienced consultants and coaches, as well as appreciating the agile work method in collaboration with customers – this is an entirely new experience for many employees. Our colleagues realize that as an employer we value their ideas highly, and – almost as a side effect – they're also becoming familiar with many new tools and intellectual approaches.

WHAT DOES THE ACCELERATOR OWE ITS SUCCESS TO?

KRÜGER / Whether they are flight attendants, technicians, or sales representatives, I see people from all sectors working enthusiastically on ideas that open up new business areas for us as Lufthansa Group, or which reduce costs. Since the accelerator was launched at the beginning of 2015, we have already recorded several successful market launches, such as for Lufthansa Cargo, Austrian Airlines, and Miles & More. Having the teams operate in parallel also offers advantages: We only use the accelerator when we can get at least three ideas started simultaneously, saving on the cost of setting-up and keeping available an ongoing "in-house accelerator". It also means that we benefit from the experience and inspirations of the external partner.

HOW WOULD YOU ADVISE COMPANIES WISHING TO INSTALL AN ACCELERATOR?

KRÜGER / My advice is easy to summarize: Be brave, have a go, and don't be afraid of risk; always keep learning, allow transformation to happen, and stay flexible. Disruption, particularly what we are experiencing as a result of digitization, will have a lasting impact on all industries. Given that no one really knows what the future will bring, we must establish expertise and structures that will enable us to respond quickly to opportunities and risks. An accelerator is an important component of advancement and the minimization of risk in the innovation process, and it activates the most important resource available to us in our company: Our people. ■