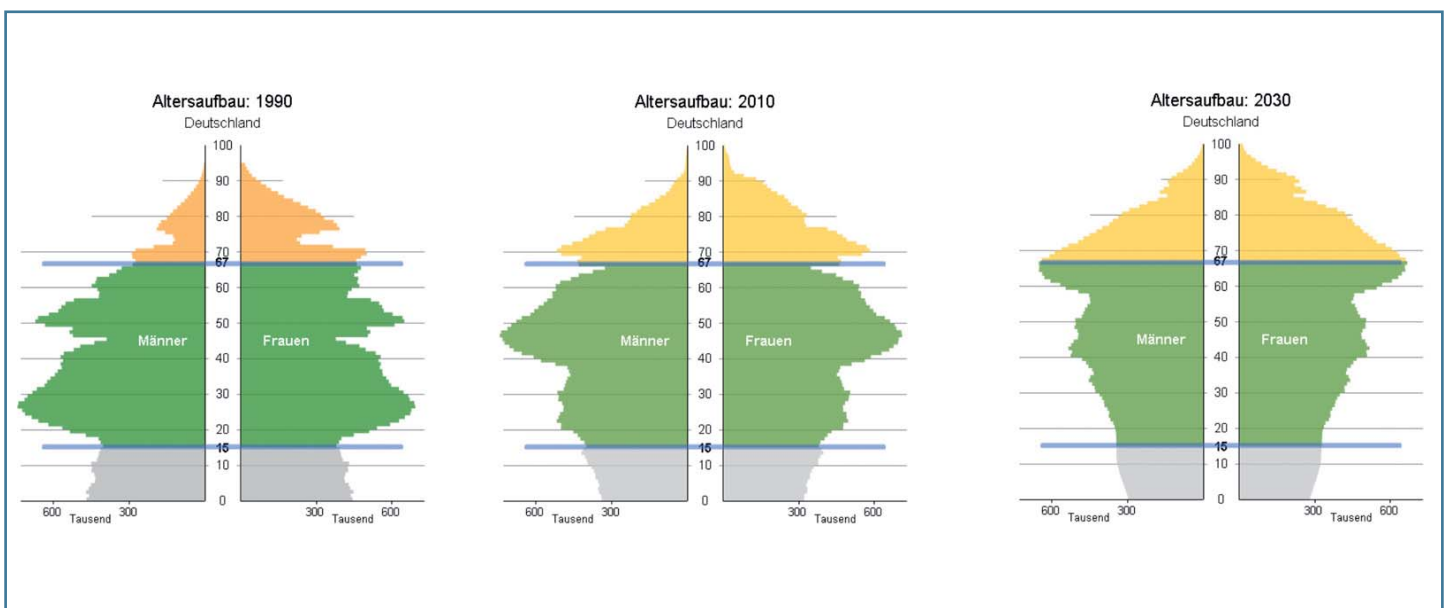




home innovation[®]
consulting network

People need innovations – innovations need people



Age pyramid in Germany 1990 – 2010 – 2030

In 2035 nearly every third German will be elder than 65 years. Throughout the EU every fourth citizen will be in them age. Alongside the social challenges that arise in the coexistence of generations and caring society systems, such as pensions and health insurance, economic basic conditions will also significantly change. Furthermore, the increasingly large elderly group, who have matured in the Internet age, will show changed attitudes and will have new demands on the things of everyday life. This will all mean that we need innovative systems, innovative services and innovative products.

However, we have to first want innovations before we can allow them, support them and create them.

The facts mentioned above are well-known, but in a short-sighted economy often oriented towards quarterly results and a political system that has the next election in its sights, economists and politicians will not take sufficient steps to account for them, despite the changes that are already occurring.

Today, common conditions such as dementia, migraines, joint conditions etc. are already producing innovative remedies that complement so-called orthodox medicine and, to a certain extent, replace it. The market for herbal and natural medicine, food supplements and other OTC products has been continually growing for years. While growth in Western Europe has “only” moved in single figures, the Eastern European markets are attracting attention with double-figure rates. The OTC market in Europe was estimated at 20 billion EUR at dealers’ selling prices in 2009. Russia is already one of the largest individual markets, at 2.3 billion EUR. The top 10 largest pharmaceutical companies in Europe in the OTC field already undertake core business in Eastern Europe (Source: IMS Pharma 1/10).

However, there are also interesting developments and significant market participants lining up again in the West. Nestlé founded the Nestlé Health Science S.A. and the Nestlé Institute of Health Sciences. Nestlé Health Science S.A., a wholly-owned subsidiary of Nestlé S.A., will become operational on 1 January 2011. The new company will be run at arm’s length from Nestlé’s main food, beverages and nutrition activities, and incorporate the existing global Nestlé HealthCare Nutrition business, which had a turnover of CHF 1.6 billion in 2009.

One home innovation® customer, GELITA AG, the world leader for gelatine, along with its subsidiary, GELITA Health GmbH, and its innovative product, CH-Alpha, is seeing great opportunities for growth in the mass market for joint conditions.

Video: GELITA Innovation:

<http://www.youtube.com/watch?v=pNoYRwH3qWo>



A further real-life example is AIONES AG, which is successfully launching blueberry extracts for migraines and is steering the company towards further growth.

Innovations require long-term strategies and concepts in order to be able to provide benefits for the consumers of today and tomorrow.

Changing life situations are also bringing about innovations in other markets too. In terms of household goods, this is not limited to large buttons for using e.g. household appliances and telephones. We must not only make allowances for our naturally declining physical abilities, but also for our new circumstances. These then lead to new ways of life and new habitats, and consequently to changes in architecture. Larger living spaces, houses and gardens can make less sense and mean more work in the later stages of life, when, for example, the adult children have left their parental home and the residential property is no longer a multi-generation house.

If only because of the large number of older people, it is highly likely that people will come together to develop and create new communities. Maybe this will also be expressed by a rediscovery of the Bauhaus style in another form. That was also a time when community facilities and places for the individual were created. Innovative living concepts enable us to look after our personal and common needs. Profitability can be achieved by reducing the former areas and by running new, partial areas communally. Even services such as gardening can be commissioned collectively. The community can then be run in an energy-efficient manner, e.g. several residential units with one meeting point or spa area. Today, communal heating power stations are already achieving an efficiency rate of 80 to 90 % and are ideal for 3-4 smaller bungalows.

These scenarios also generate innovative objects for daily requirements. If you look at objects in the bathrooms of older target groups today, they often look as though they come from hospitals. The objects must be fashioned in a way that meets the user's sense of design. Handles must not only be haptically useful, but also provide an optical experience i.e. be an integral element of architecture. New living spaces also create innovations that people need in the kitchen and dining area. home innovation® ran a workshop on: "How older people can be reminded not to forget to drink".

It became evident that tomorrow's increasing need is already a gap in the market today.

However, new forms and functions cannot often be assessed sufficiently by customers, as they are not skilled and often have memory problems. This is why market research should not serve as the only justification for decisions and positions. Intuitive entrepreneurial decisions based on gut feeling have often been the basis for so-called breakthrough innovations. Shaping the future also means being prepared to take on risks. Innovations always need people who are prepared to make decisions and tread new paths into the future.

The problem is not the aging population; often the problem is the aging of what's on offer and the failure to see change as an opportunity to be grabbed and traded. Even more than the body needs rejuvenation, business needs fresh blood in the form of innovations in order to make its organism able to compete successfully in the future.

Dietmar Menze, home innovation®, Nassau, January 2011