



Innovation in Action

Stora Enso Workshop
October 24



What a Tree can do (link)

The renewable materials company – our target



Everything that's made with fossil-based materials today can be made from a tree tomorrow



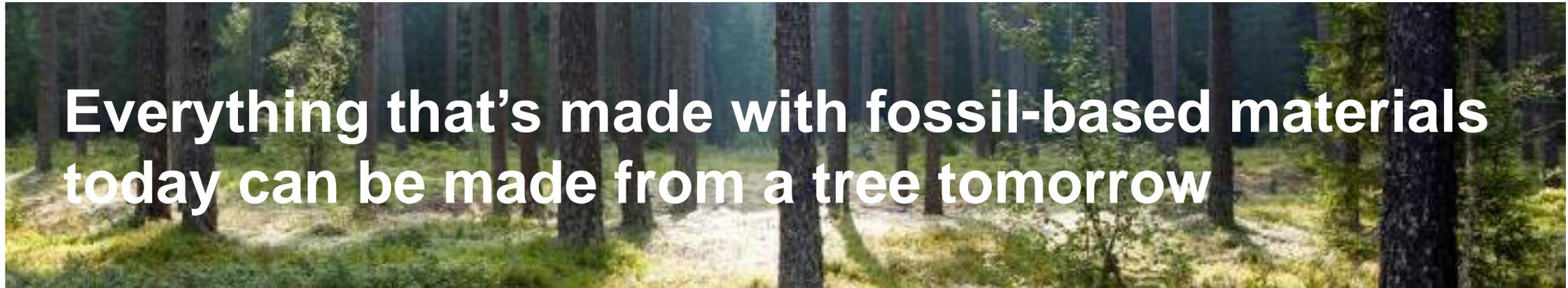
What would have been your company's most urgent actions in a disruptive situation where it needs transformation?



Hylte Case – what we did learn!

Kenneth Ohlsson, Mill Director

The renewable materials company – our target



Portfolio aimed at growth



Consumer Board – Expansion of relative market share in profitable niches

Packaging Solutions – Selective profitable growth

Biomaterials – Strengthening current business and creating new profitable growth

Wood Products – Accelerating growth

Paper – Strategy for maximum cash generation

1

The Stage

2

Innovation **ECO** System

3

Learnings

?

Changes at Hylte 2013 - 2014



Decrease in Sales [FTE]

- people leaving us 383 FTE
 - In new tasks or positons 270
 - need of traininghours > 45 000 h
 - hours in negotiations > 1 475 h
- ... & a much to Big infrastructure ...

Safety

Efficiency

You don't make magic alone everyone is leading Leadership.

And some thoughts about Leadership

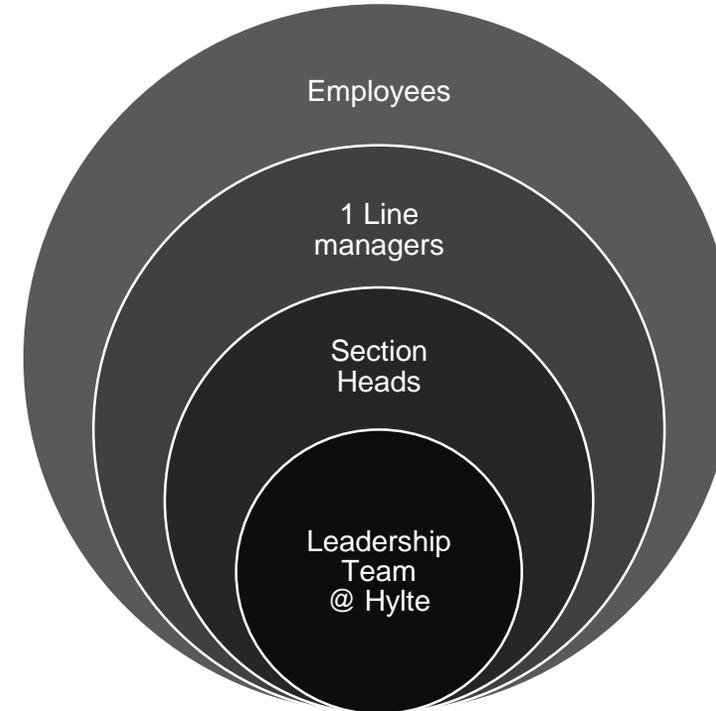


W46-50

Do we all need to take the Lead?
Do you believe in Hylte longterm?

90 %
80 %

- **allowing everyone to reach their full potential**
 - need to see the big picture
 - It must be ok to influence the direction - *strategy if you like*
 - to perform, at peak level, you need to feel confident in the team – it must be ok to fail!
- **the leadership team - we develop ourselves constantly, individually and as a team**
 - and I expect that managers to do the same in their respective team
 - constant positive feedback
- **communication – what is important?**
 - Timing
 - Communicate, communicate.....
- **Everything must be built in the line organization**



W3-12

Do we all need to take the Lead?
Do you believe in Hylte longterm?

25 %
35 %

On Tour – learn from the best



Clayton M Christenson



Roy Sandbach P&G



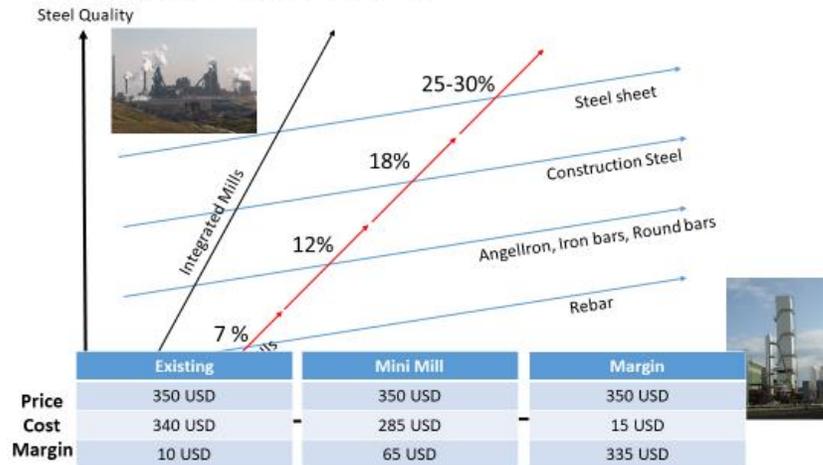
Bruce Brown P&G



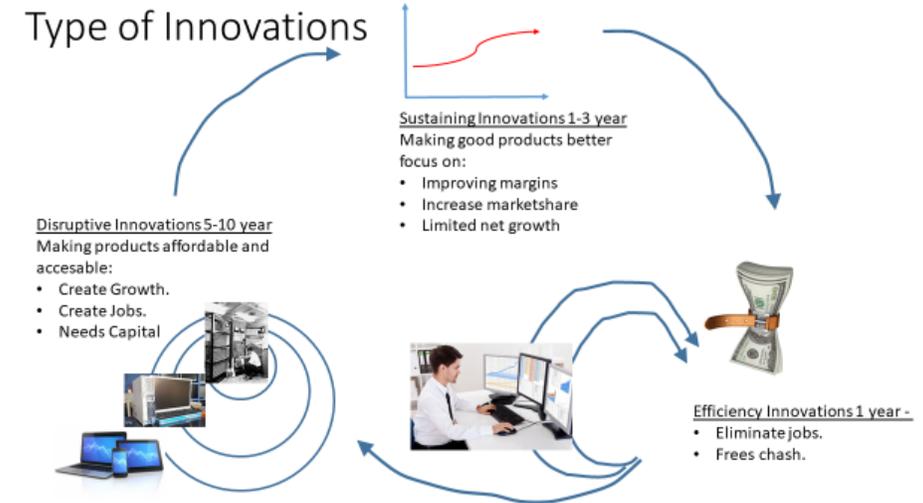
Roger L Martin



Disruptive Innovation

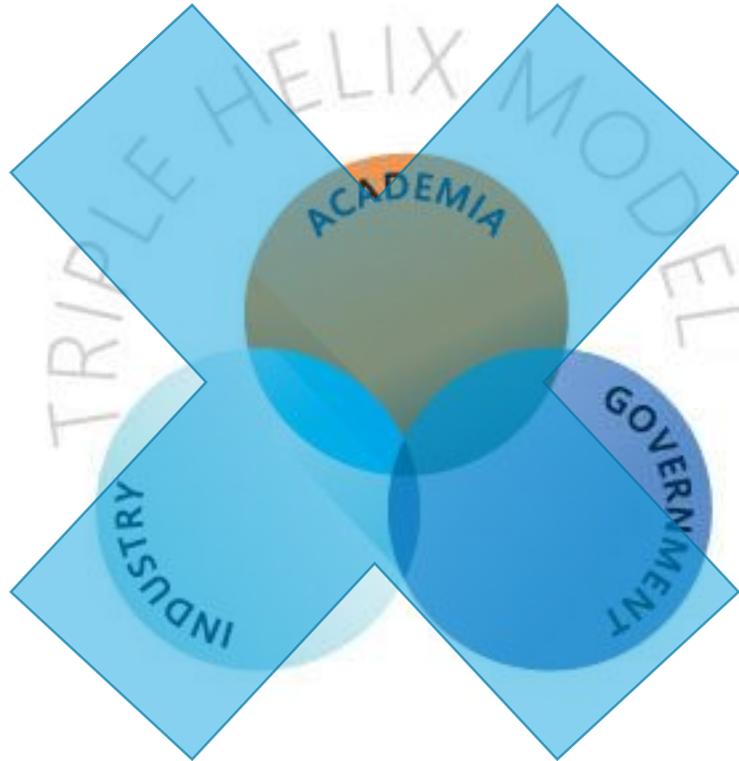


Type of Innovations



In parallel build a Innovation **ECO**-system

Creation of a local Innovation DNA

The logo for IDEON NEON, with "IDEON" in yellow and "NEON" in pink, both in a bold, sans-serif font.

**Danger Ahead:
Company Immune System**

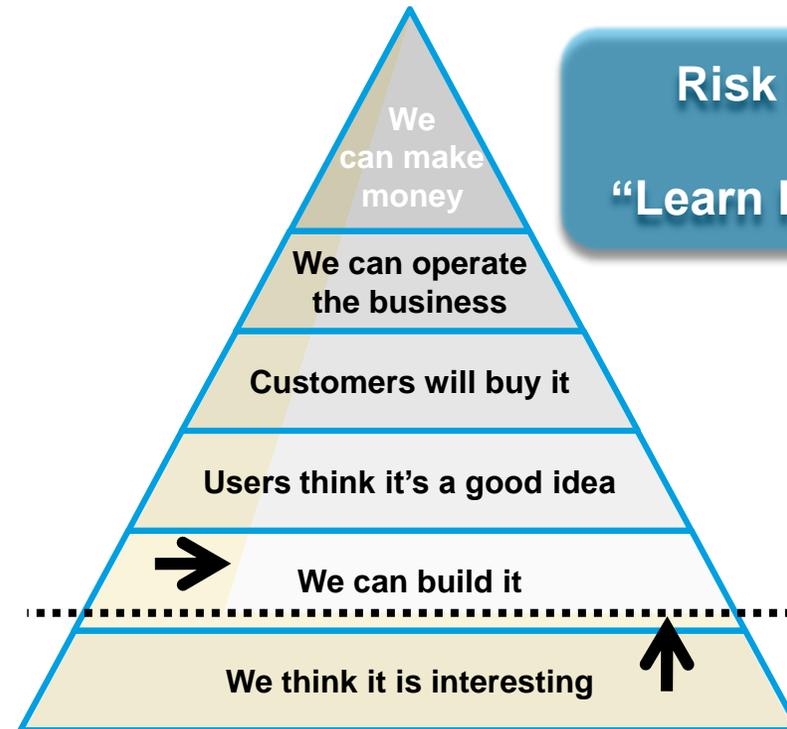
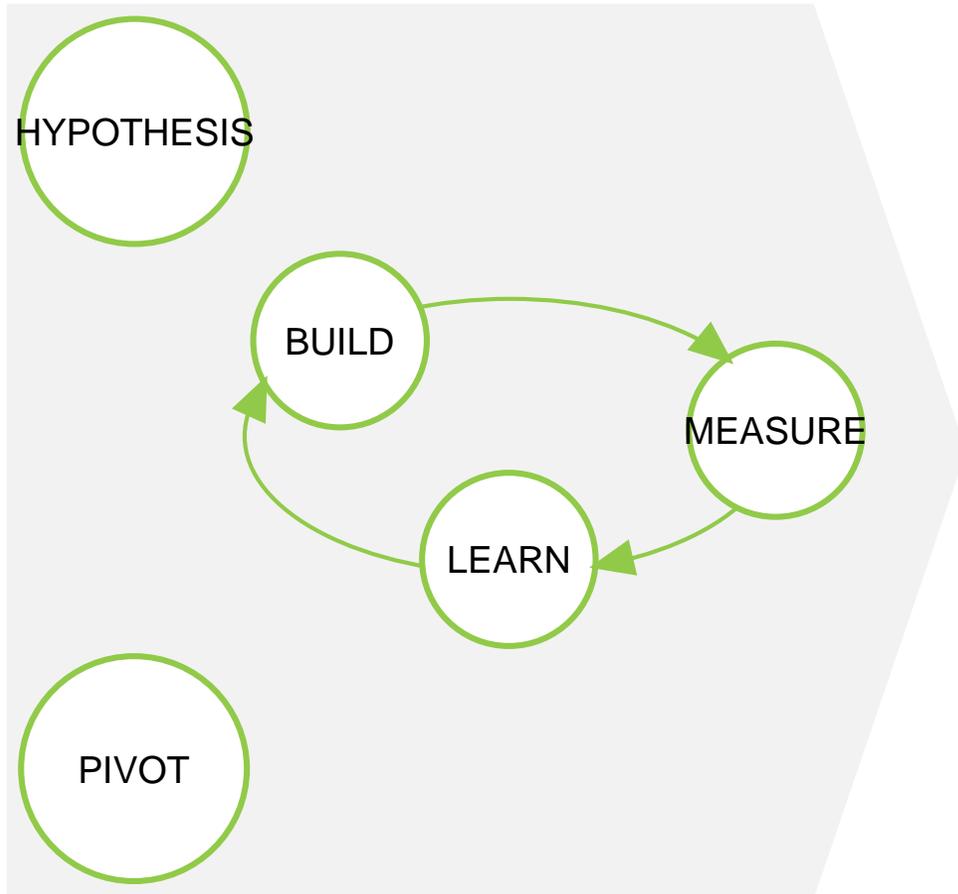
CONSULTING GROUP

The logo for "rethink.", featuring a stylized sunburst icon in orange and red above the word "rethink." in a lowercase, sans-serif font.

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Build-Measure-Learn loops

Start with an Hypothesis - experiment - integrate learnings in a Pivot



Risk Management
"Learn Fast – Fail Fast"

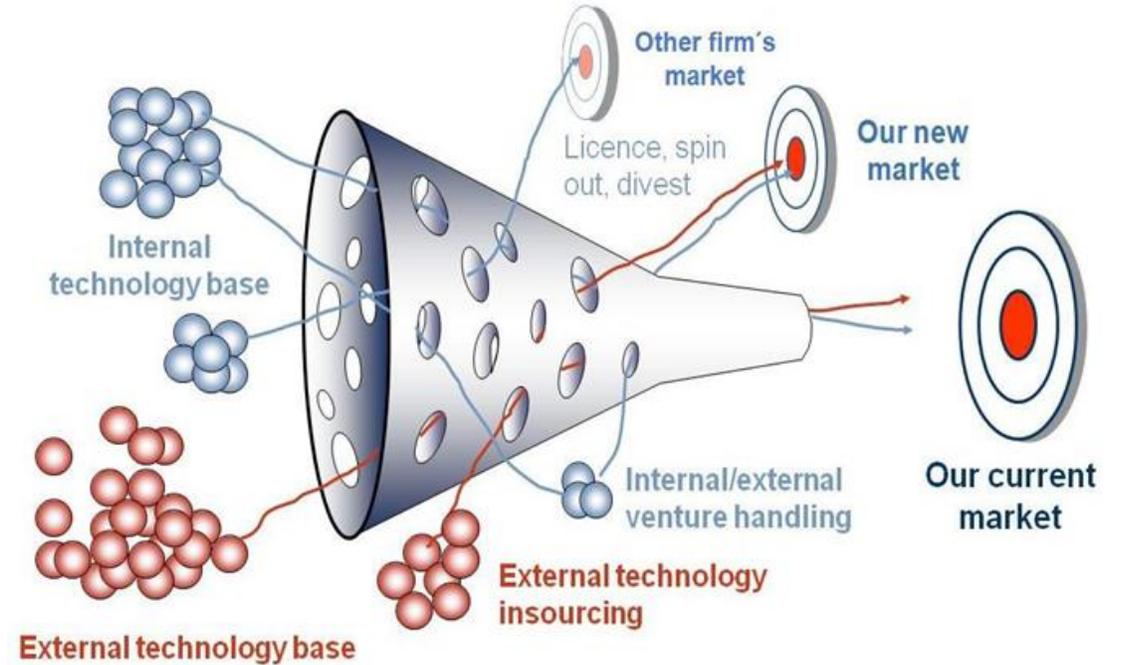
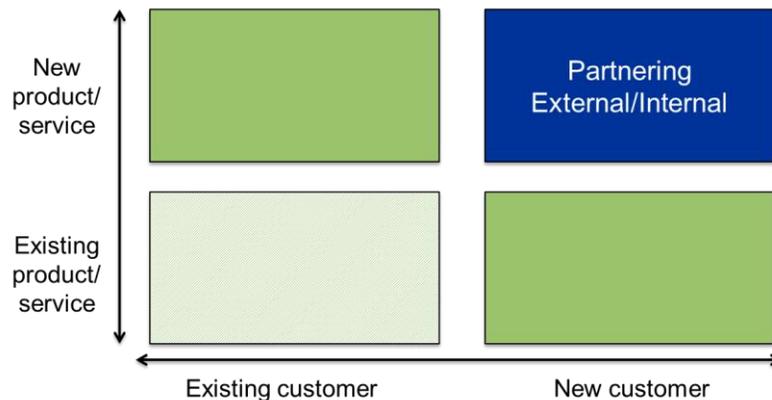
Work parallel - Not Serial

What is Open Innovation ... ?

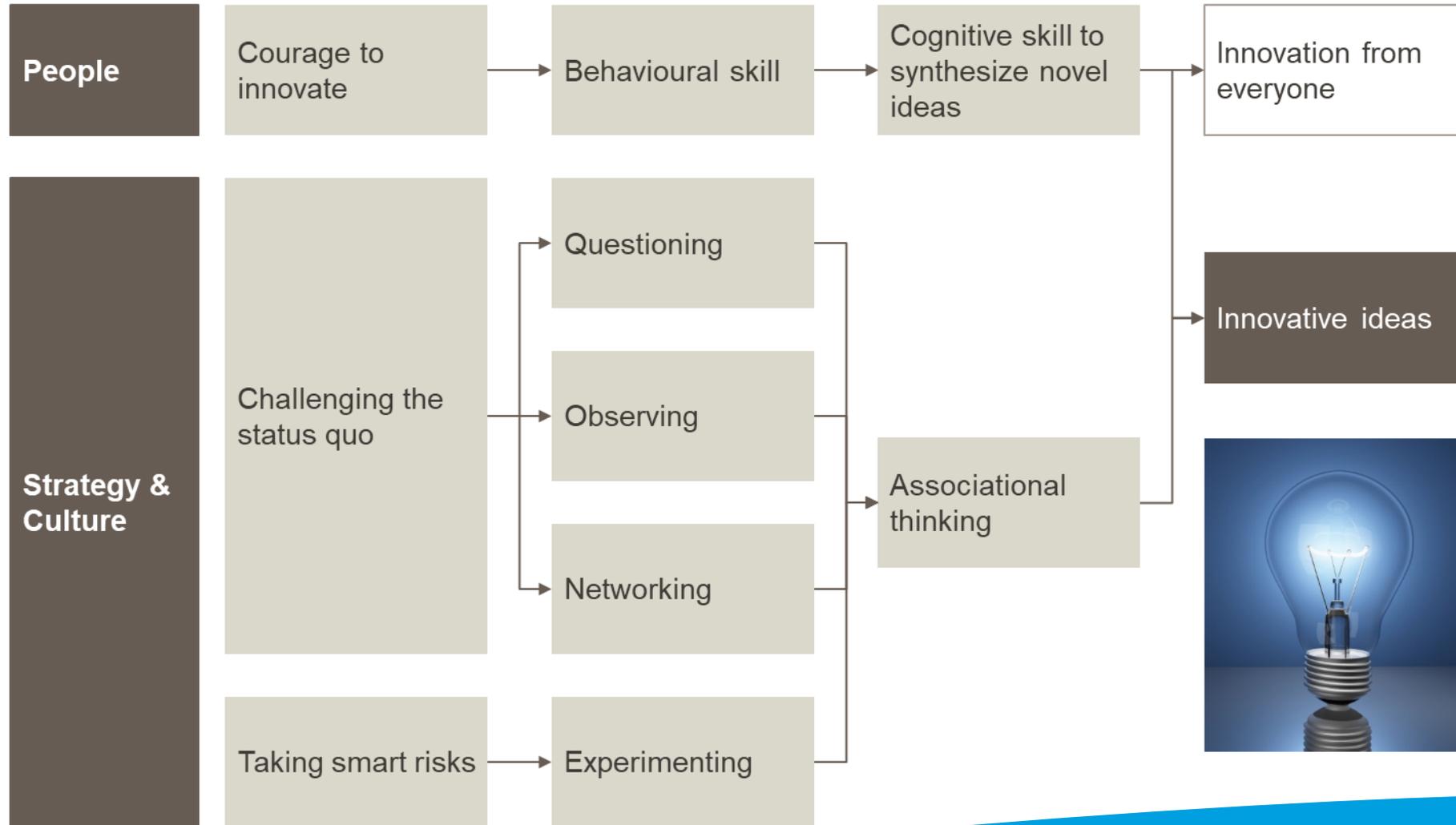


"Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology.

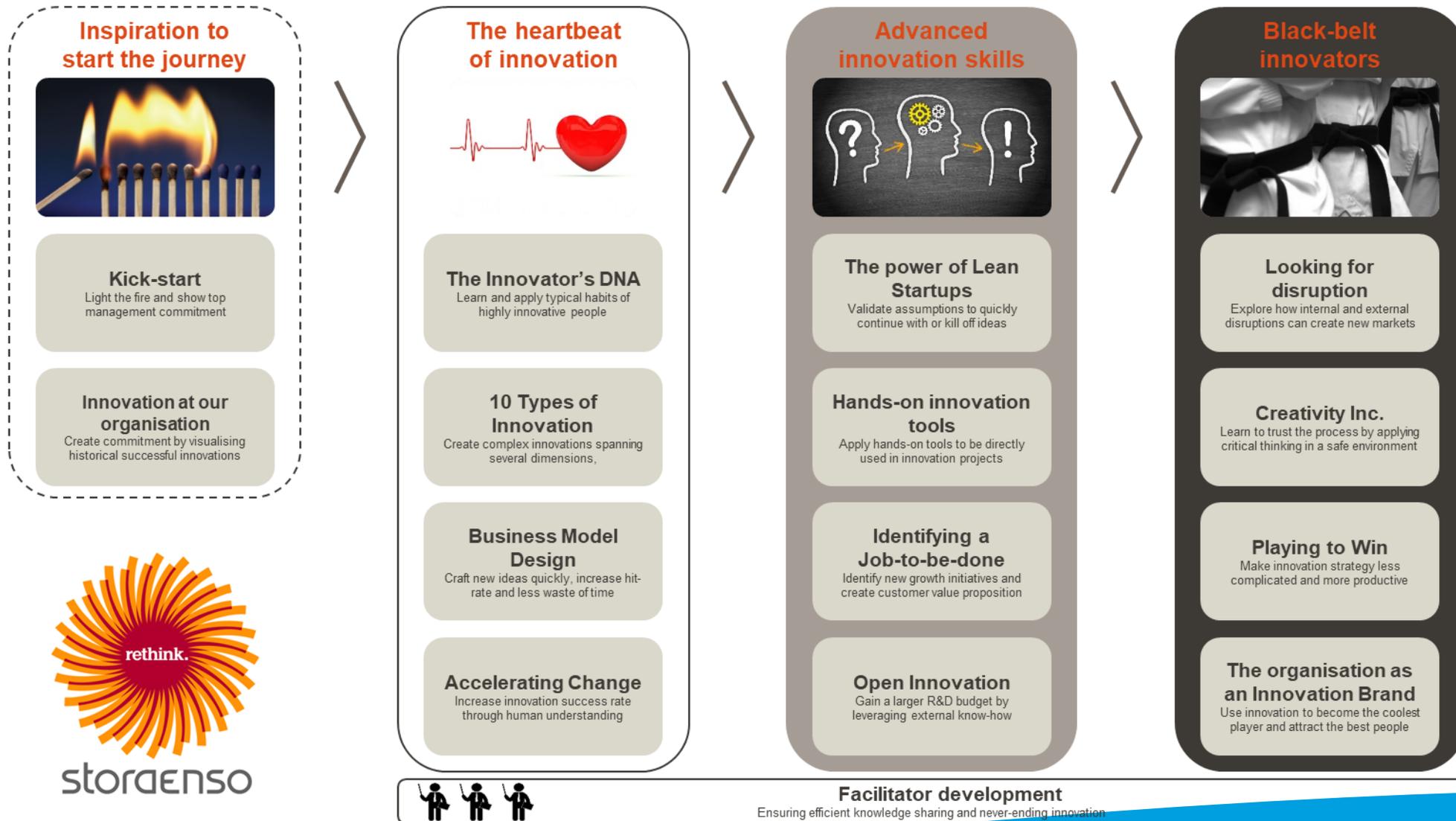
-Henry Chesbrough, the "father" of Open Innovation



The “Innovator’s DNA” is what characterizes the most innovative people – 70% can be learned – Leaders can kill it without knowing



...while the Innovation Accelerator University provides an iterative learning experience for individuals & teams to strengthening the required capabilities



Business and behavioural impacts at Hylte

”

- *We act quicker and focus on results rather than activities and meetings*
- *We execute in small sprints - not a marathon – with regular follow-up on all milestones*
- *We work actively with business cases, not just assessing potential businesses in our minds*
- *We dare to take on new challenges and re-plan rather than stick to the old plan*
- *We make connections with external contacts all the time*
- *We work much closer within the group*
- *Our new behaviours transfer to other projects and tasks*
- *We keep a high tempo and everybody gets more and more engaged in the project*
- *We work much more structured with innovation, and project management in general*
- *Ideas from everybody are listened to, and everybody shares them without hesitation*
- *We are more flexible and attend fairs, workshops, meetings etc, which is really challenging our business as usual*
- *Everything we work with becomes anchored in the market – or cut off. Only a "good idea" is not enough*
- *In very short time spans we get an understanding of an idea's market validity*
- *We have the ability to assess entire value chains and market potentials, not only assess ideas based on technical grounds*



CHALLENGE ACCEPTED



My reflections on



Leadership	<ul style="list-style-type: none">• Everyone needs to be given the opportunity to reach their full capacity – Everyone needs the “big” picture!• SE values is great: <i>“Lead & do what’s right!”</i>• “Permission to try, learn from failure” - important mind set!• Make sure everyone understand the direction – then give the team some slack, to create in their way!
Innovation	<ul style="list-style-type: none">• Combine core business with new initiatives as long as possible!• Realize that we are, slow, reactive and lacking knowledge and certain skills!.• “What job to be done?” What customer problem to solve?” <i>Answering this – rest becomes easy!</i>• Interact with the world around – experiment ... creates insights!• Small team, trials with quick response – Risk handling!

In any case:
Learn your organization to Embrace Failure and be robust to change

..... To Reflect



- *How do you know that you have enough and relevant experiments on-going to understand the world, enabling you to create compelling products and services ?*
- *How do you choose and engage with external partners to speed up your innovation and go to market of new products and service, ensuring also strong internal competence development?*
- *What is the requirements to scale up a new business as fast as possible?*

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Workshop Feedback



Go to www.menti.com , use the code – 41 30 43 and answer the questions by rating 1-10;

- Was the workshop fun?
- How much did you learn?
- How useful is the knowledge for you?

and with a short text the question;

- Describe how you may benefit from the knowledge acquired?



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What would have been your company's most urgent actions in a disruptive situation where it needs transformation?



Customer driven innovation strategy - Best practices and models that work

Björn Thunström, SVP Marketing & Innovation, Division Packaging Solutions

Ismo Saarinen, SVP Innovation, Division Consumer Boards

Customer driven innovation – best practices



Future private label award,
Dada: "Camper"



ScanStar award,
EcoFishBox



ProdExtraPack,
Epicur premium egg packaging

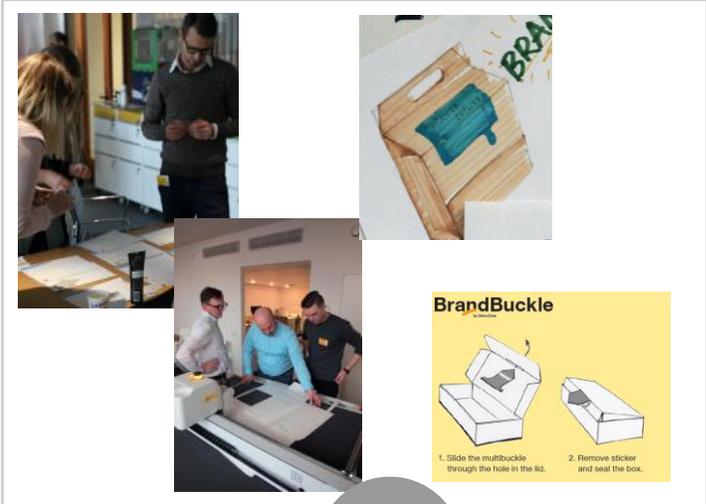
From insight collection to ready product *e-commerce example*



Collect insights from consumers and e-tailers



Innovation “packathon”

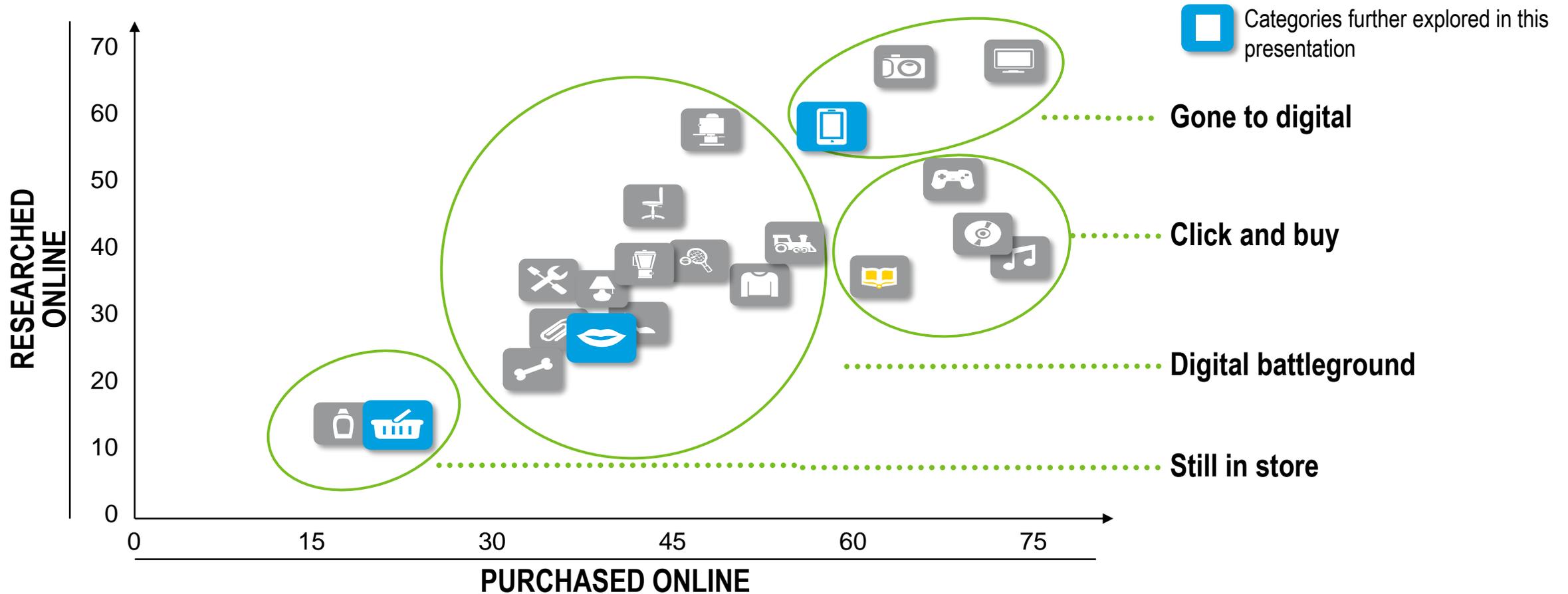


Commercialization & marketing



Continuous interaction with retailers & consumers (Co-creation and development, validate and test concepts, launch & pilot)

E-commerce packaging portfolio created based on thorough segment analysis

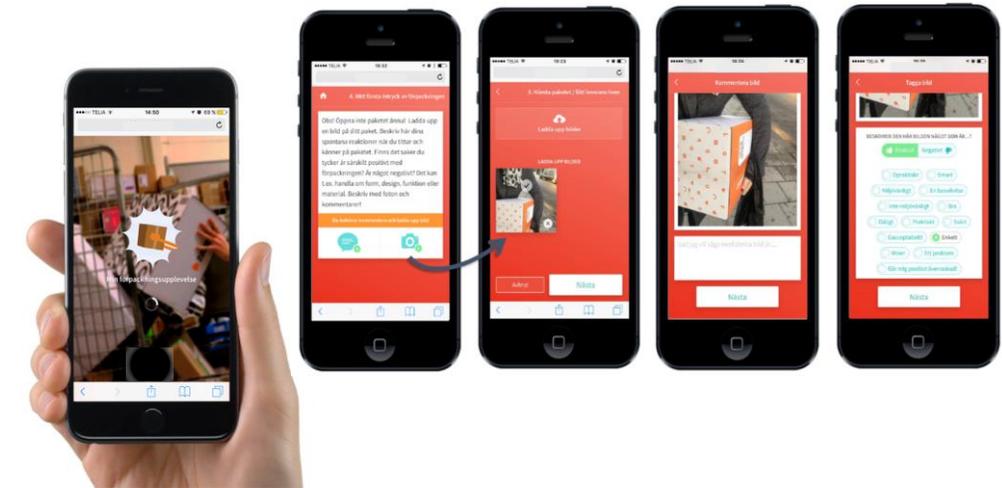


Source: McKinsey & Company iConsumer 2013 (published in the summer of 2014). iConsumer surveys 30,000 consumers across the globe annually (200,000 accumulated responses). Data above is based on European markets

We have followed the life of 120 consumers and performed deep interviews with >20 e-tailers



Consumer journey



“App” for consumer diary and documentation of packaging experience

Customer journey

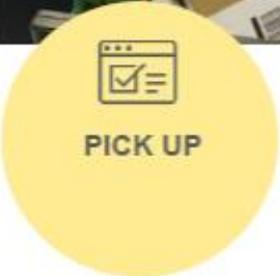
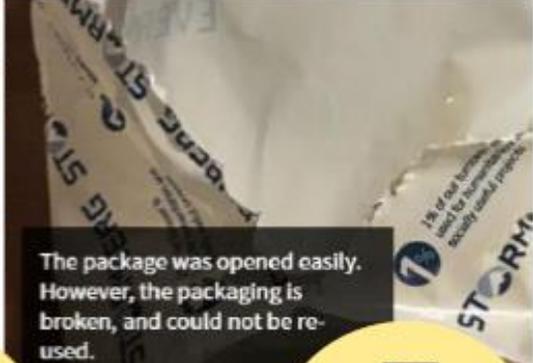


Structured interviews with e-tailers and visiting fulfillment centers

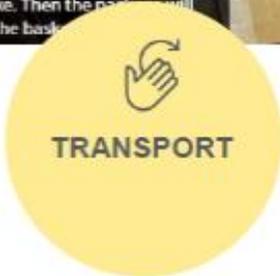
Consumer experience of the packaging



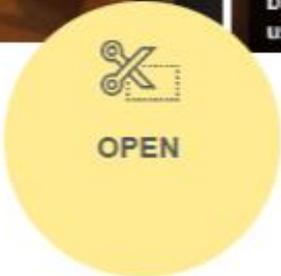
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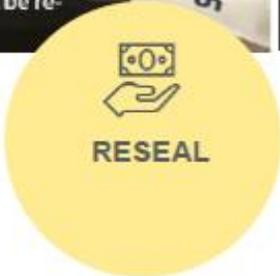
PICK UP



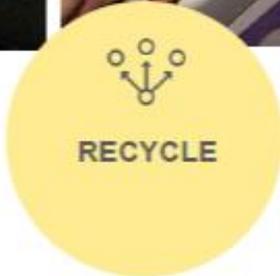
TRANSPORT



OPEN

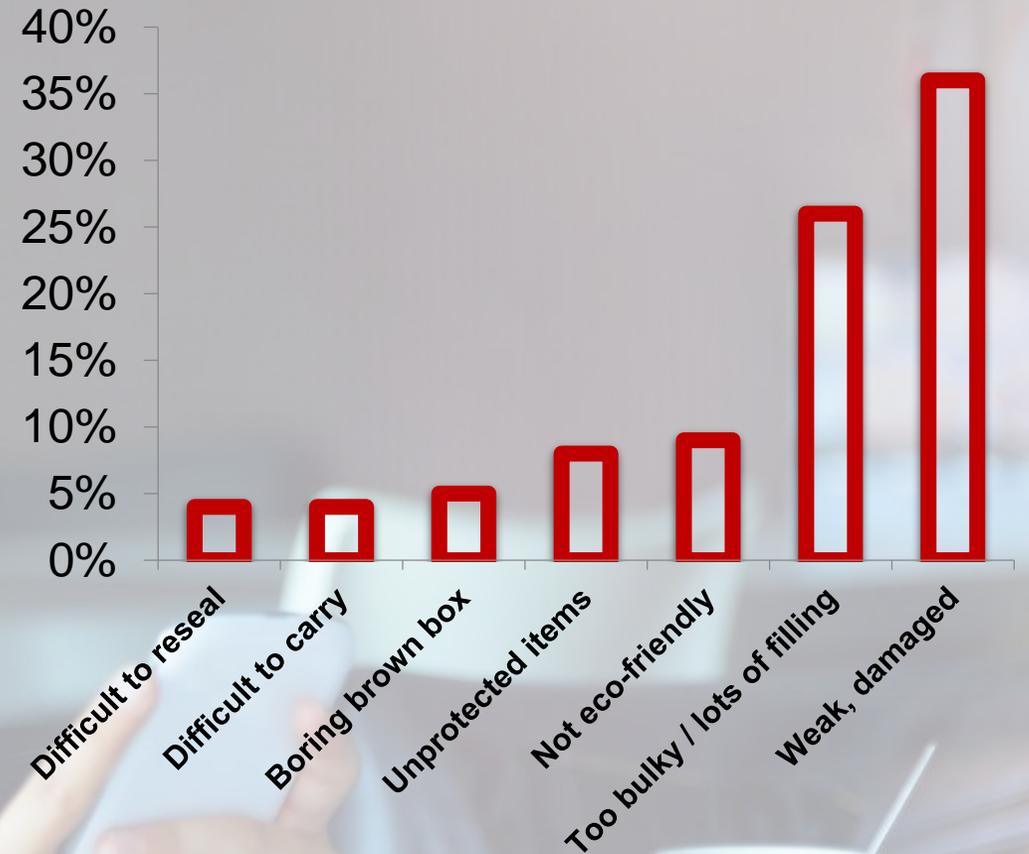


RESEAL



RECYCLE

Consumer pleasure and pain points along the online packaging buyer journey



Source: Results from in-depth consumer study with 120 participants from Poland & Sweden

Online retail pick and pack process



ORDER PICKING



PACKING LINE



SELECT PACKAGING



PACK & SEAL



SEND



Let us present an example of online packaging innovation: The MULTIBUCKLE (patent pending)



Intelligent packaging lead the way for corrugated into the future of retail



Consumer engagement



Brand protection



Supply chain

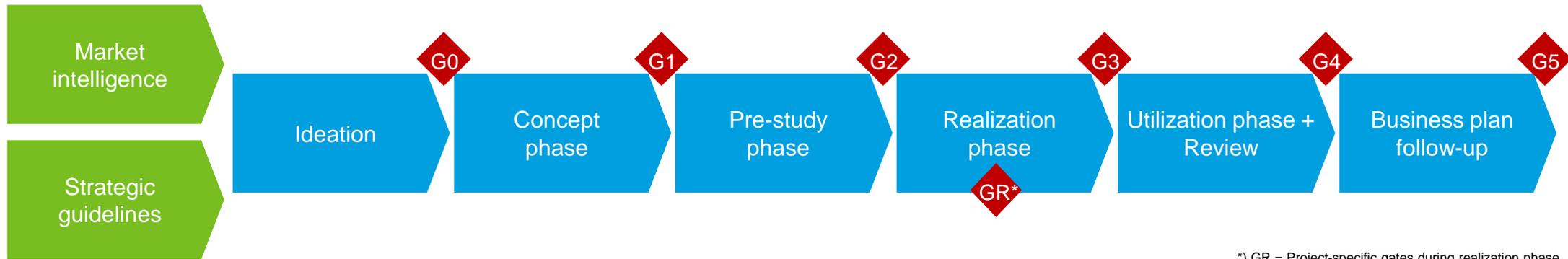




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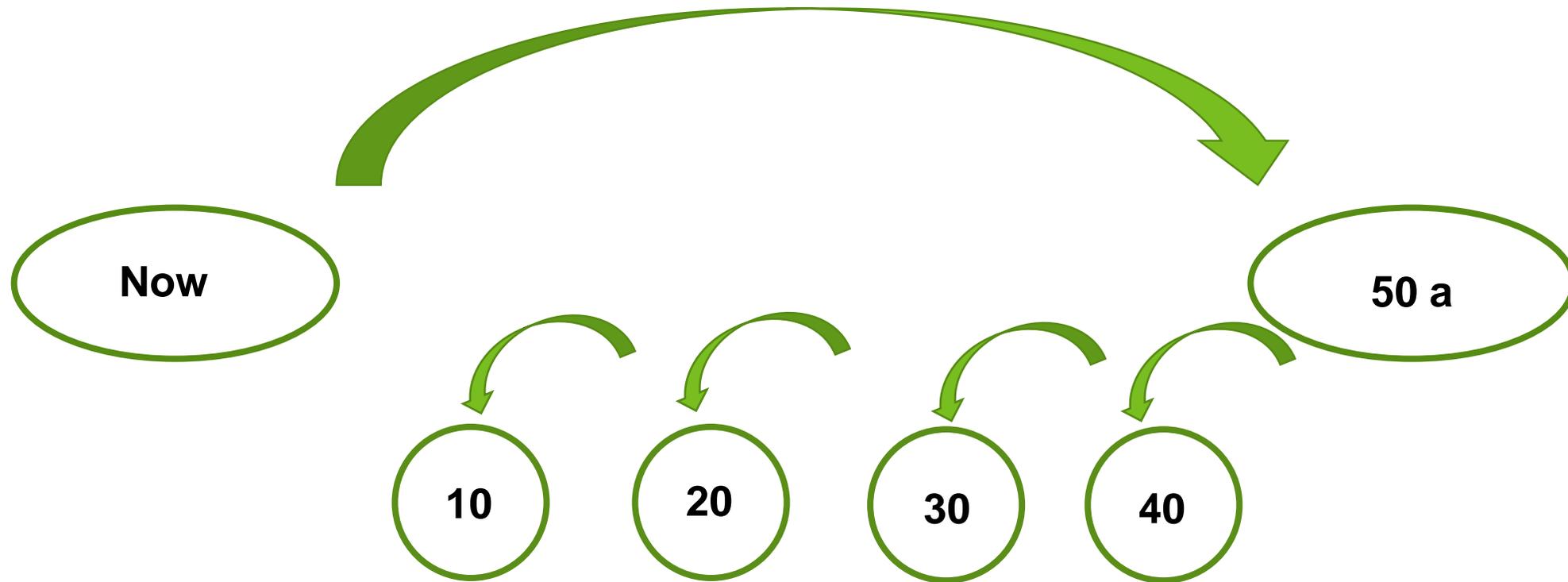
**From insights to
processes or....**

Stora Enso Innovation Process

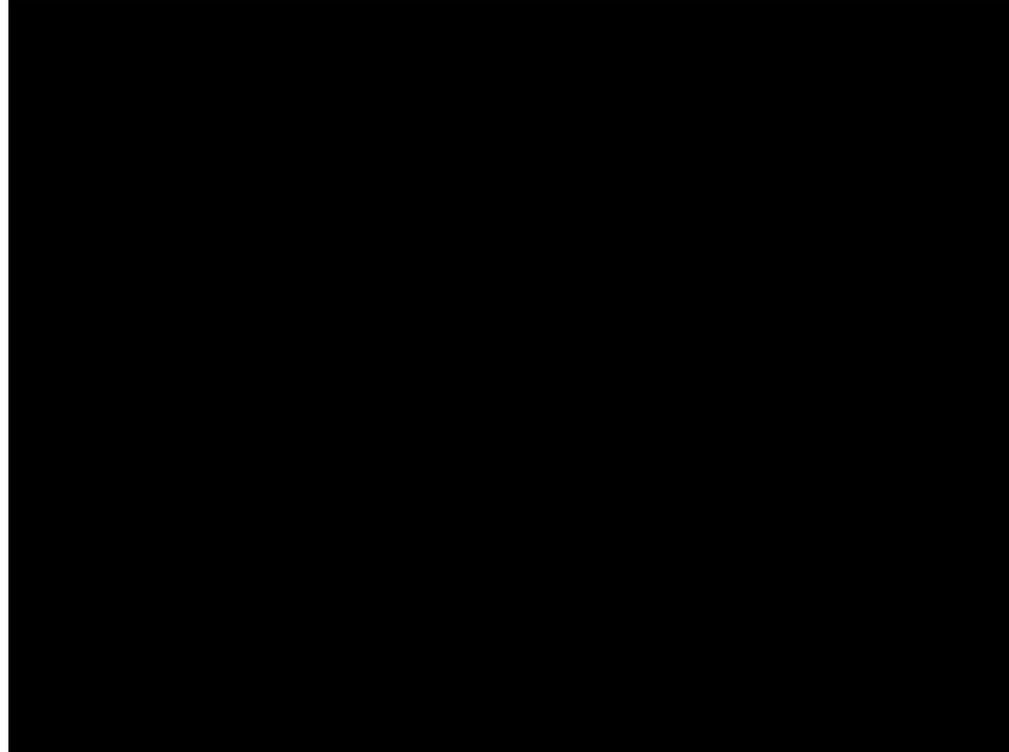


*) GR = Project-specific gates during realization phase

Design Thinking & Disruptive Innovation by Federico Casalegno - MIT



Design Thinking & Disruptive Innovation - seeing beyond the horizon



<https://www.youtube.com/watch?v=wC3E2qTCIY8>

Corporate versus Start up by Shailendra Vyakarnam – Cranfield University



Yes	Yes	Yes	No	
No	No	No	Yes	

The Other Way



Chaos



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Thank you!

How to set up an approach for innovation that enables speed from idea to launched product/service, and takes customer needs in consideration?

Most effective set up for capturing consumer and customer insights, and to translate those insights to actionable input for innovation?

What is according to your experience best practice to execute innovation process?

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