



SUCCESS STORY

PAVING THE WAY TO MARKET AND INNOVATION LEADERSHIP IN AUSTRALASIA

How Fletcher Building is changing the game of construction

The new situation in 2020 has also forced the construction industry to realign itself. Major investments in the public sector, particularly in hospitals and other medical facilities, are pushing many construction companies towards rethinking and innovating. Emerging industry drivers such as sustainability and green investment are also shaping the new conditions.

In order to be ideally positioned in the event of any arising crisis, Fletcher Building Limited has already set itself the goal in 2019 of firmly anchoring company-wide innovation as a strategic initiative and dominating the local industry as a sustainable market and innovation leader in the future. Fletcher Building is

the largest, vertically integrated building and construction company in New Zealand, today employing over 15,000 people across around 30 businesses, which also span through Australia and the South Pacific.

On the way to becoming the Australasian leader in sustainable building products, construction, and distribution, Fletcher Building has set ambitious goals to get there. Together with ITONICS, one of the foundation stones was laid at the end of 2019. In order to create company-wide synergies, generate evidence and transparency, the innovation platform of ITONICS was integrated and closely aligned with Fletcher Building's mission to fuel growth opportunities, innovation success, and company-wide collaboration.

100's

of employees having access to innovations

>70

ideas & projects recorded

>30

innovation leaders managing their portfolios

>12

potential business to business collaborations identified

***in the period of 6 months**

“In order to firmly anchor innovation as the driver of growth in our company, we have actively sought a partner who could consult and support us best in innovation enablement and company wide collaboration. The ITONICS platform has become an integral part of the new innovation culture and is contributing to cross-pollination of pioneering growth opportunities at Fletcher Building.”

– Dr. Lisbeth Jacobs, General Manager Innovation and Sustainability, Fletcher Building



THE CHALLENGE

Market leadership in building products, construction, and distribution

Market situation

- Fierce market competition in the Australasian construction industry
- Nationwide housing shortage, driving the market for affordable houses being built at pace with required infrastructure
- Sustainability and green investments as strong industry drivers

Initial situation

- One of the market leaders in NZ and Australia
- Fragmented approaches to innovation processes across the business
- Missing transparency over initiatives of 30 business units
- Limited reporting to Executive Committee on innovation initiatives across the business
- Difficulty in identifying project collaborations

THE MISSION



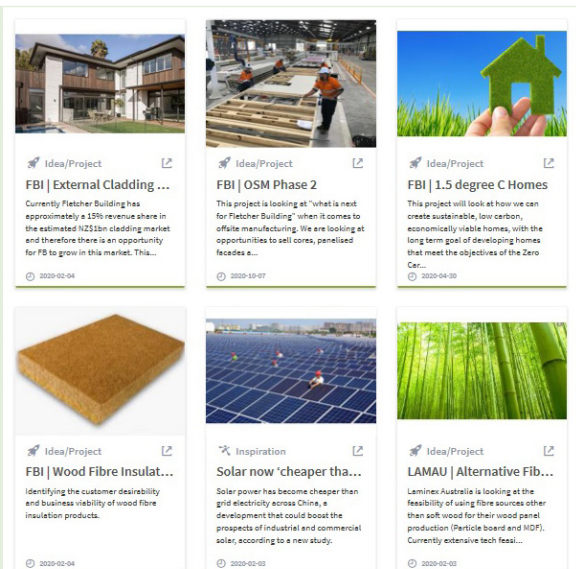
Market leadership in Australasia across all businesses

Reduce carbon emissions by 30% by 2030

OBJECTIVES

Fletcher Building was looking for a powerful tool to ...

1. be implemented as the main innovation portfolio management platform aligned to Fletcher Building's strategic initiatives.
2. involve all innovation leaders of the BUs and bundle their ongoing activities to create synergies (reduce resource waste and risk), generate evidence and transparency.
3. track progress of projects and help to make decisions in project directions.
4. aid in road mapping and prioritizing innovation initiatives.



Overview of transformational ideas and projects in the platform

THE WAY FORWARD WITH ITONICS

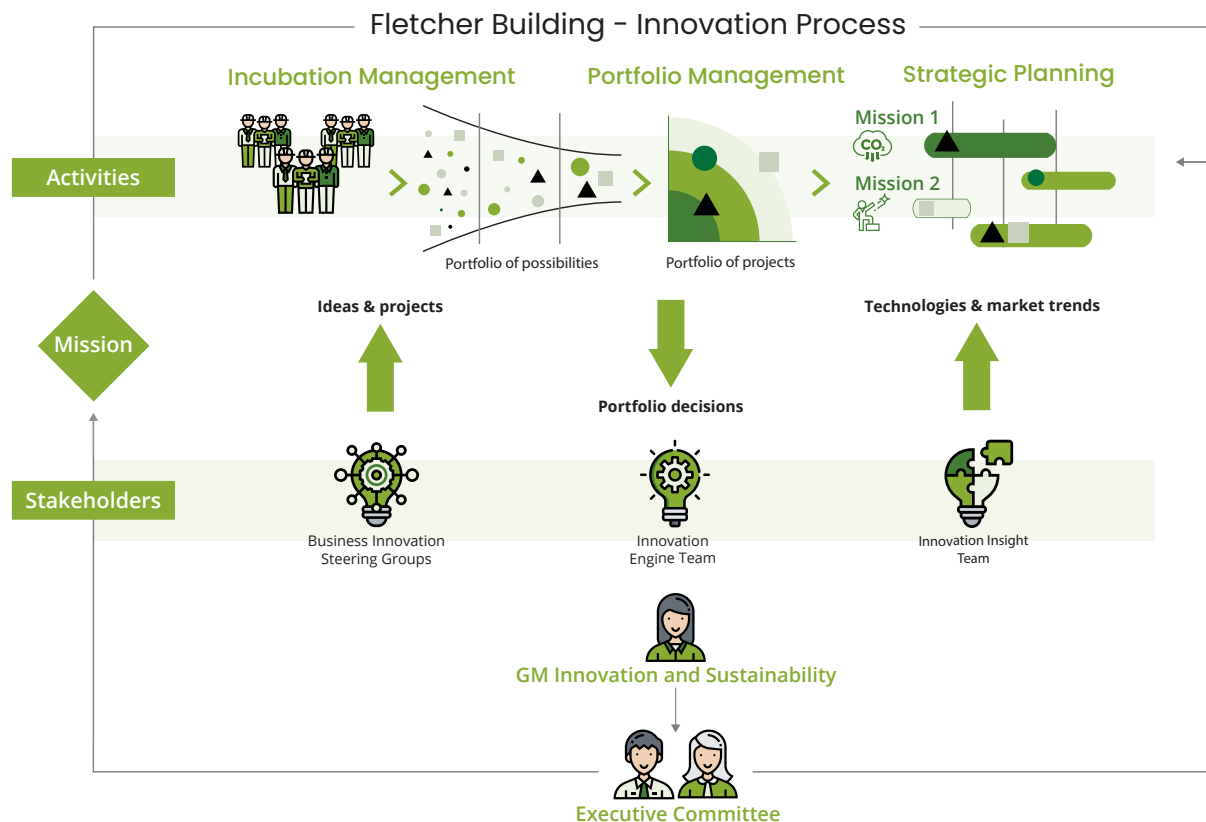
A main portfolio management platform aligned to Fletcher Building's strategic initiatives

Incorporating innovation as the new strategic initiative

Cultural transformation at all levels

New innovation team to steer innovation across the company

The Fletcher Building Innovation Team is responsible for steering the innovation agenda across Fletcher Building. Supported by the ITONICS platform, the team is driving incubation, portfolio management, and strategic planning in line with the strategic goals.

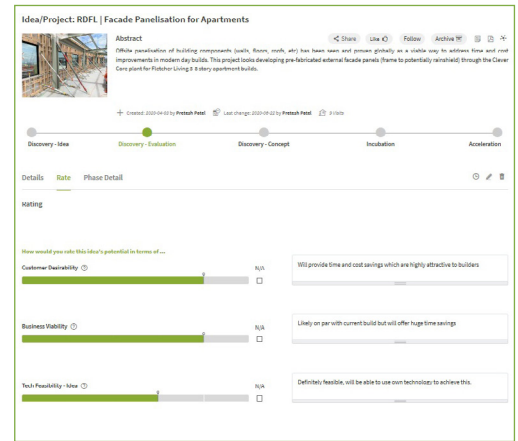


The stakeholders

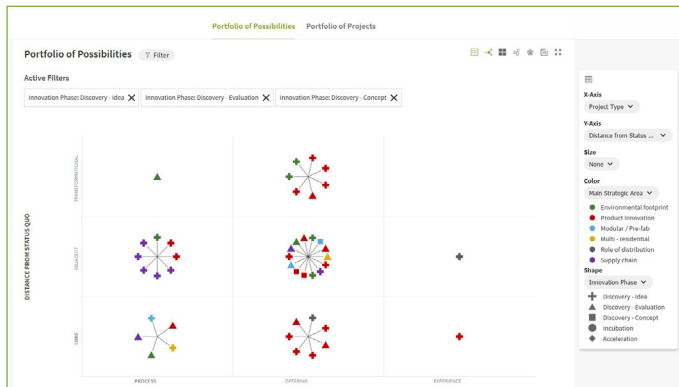
- The **Executive Committee** is accountable for the overall growth of Fletcher Building via innovation.
- The **GM Innovation and Sustainability** leads the Innovation team (Insight and Engine) and drives the innovation agenda and cultural change across the business.
- The **Innovation Insight Team**, which includes innovation analysts, identifies external opportunities as well as market and competitor insights. It also maintains and manages close relationships with the R&D and startup community as well as with governmental and regulatory institutions.
- The **Innovation Engine Team** incubates and accelerates transformational innovation outcomes and is in charge of managing the innovation funnel and portfolio innovation projects.
- Individual **Business Steering Innovation Groups** are responsible for management of their individual innovation portfolio, with more focus on core and adjacent innovation.

Incubation Management

- The **Innovation Team** develops transformational initiatives that build innovation and growth mindsets, promotes cultural change at all levels, and builds internal embedded innovation capabilities.
- To provide uniform access to internal information and drive incubation management within the company, the **Innovation Steering Group** of every business unit collects core, adjacent, and transformational ideas within a **portfolio of possibilities**.
- Within **three decision-making rounds**, all ideas are evaluated and narrowed down according to criteria such as customer desirability, business viability or tech feasibility.



Rated idea of the portfolio of possibilities



Portfolio of possibilities

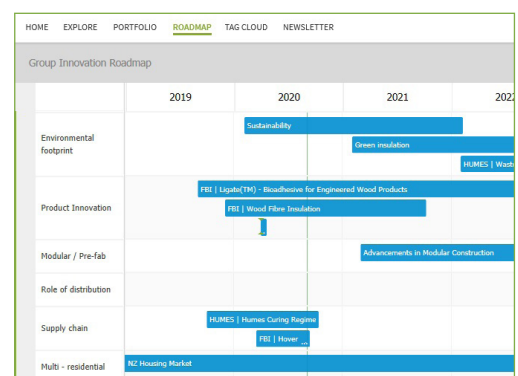
Portfolio Management

- In **monthly portfolio decision meetings**, the ideas are transferred to a **portfolio of projects** in order to interlink strategic corporate goals and innovation operations.
- The goal is to create **balanced innovation portfolios** that prepare for acting upon numerous possible contingencies.
- **Quarterly portfolio reviews** provide a direct link to the **Executive Committee**, where portfolio outcomes and future directions are discussed.



Strategic Planning

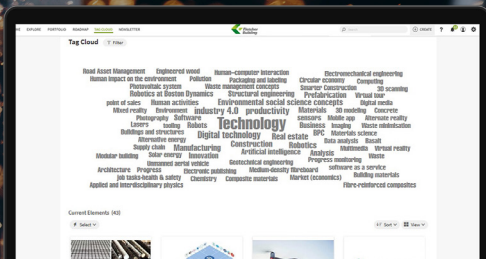
- By visualizing and contextualizing market and technology trends with the defined **innovation projects** on an **integrated roadmap**, dependencies in innovation implementation are revealed.
- Closing the loop back to the **initial company missions**, the roadmap layers represent the overall corporate strategic initiatives: environmental footprint, product innovation, modular/pre-fab, multi-residential, role of distribution, and supply chain.



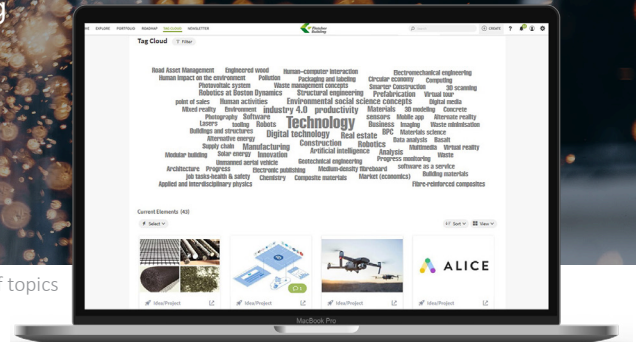
Roadmap with projects, markets, and technologies aligned to the corporate missions

“We have succeeded in bringing together external knowledge of technologies and markets with internal initiatives and aligning everything with our overall strategic direction.”

– Elliot Mercer, Head of Innovation Insight, Fletcher Building

A laptop screen displays the Tag Cloud application interface. The interface features a grid of various technology and market-related tags, such as 'Artificial intelligence', 'Renewable energy', 'Digital technology', and 'Sustainable building'. The tags are arranged in a structured manner, with some larger than others, suggesting a hierarchy or frequency. The background of the application is dark, and the tags are in white or light colors. The laptop is positioned in the lower right corner of the image, and the background of the entire image is a dark, textured surface with a grid pattern.

– Elliot Mercer, Head of Innovation Insight, Fletcher Building



Tag cloud visualizing the importance of topics

THE SUCCESS

A digital engine driving innovation success, growth, and cultural change

For the entire company

- The platform is an integral part of the new innovation culture and contributed to cross-pollination of pioneering growth opportunities. More than 70 ideas and projects have been moved through the funnel.
- Due to improved collaboration opportunities, the entire company is undergoing a cultural transformation giving 100's of employees access to innovations happening across the business.
- The new innovation process is fully digitized and mapped on a collaborative innovation platform.
- Processes are established to bring relevant stakeholders together on a regular basis.
- The central organization of information results in immense time savings in the innovation process.
- Over 30 innovation leaders from across the company now manage their portfolios with full transparency.
- More than a dozen potential business to business collaborations have already been identified.

By role

- **Executive Committees:** Growth opportunities and the right investment decisions for the company are now visible.
- **Innovation Team:**
 - The team is now able to obtain information about the entire company and link topics between the businesses, technologies, and markets.
 - Cultural change now also becomes visible, tangible, and measurable.
 - Innovation paths can be better prioritized and informed decisions can be made and justified based on data.
- **Business Steering Innovation Groups:** The progress of projects can now easily be tracked. Ratings make clear where to focus on, also in order to save resources. Teams are now able to prove the benefit of their idea with a small budget.

OUTLOOK

Together with ITONICS, Fletcher Building continues to increase their internal innovation initiatives to achieve market leadership. The goal would be to further expand the platform with the adoption of more ITONICS tools in the future e.g. Ideation. A more precise measurement of the innovation portfolio success will also help to act even better upon numerous possible contingencies.

About ITONICS

ITONICS is the leading provider of software solutions and services in innovation management. Founded in Nuremberg in 2009, the company employs around 100 people at four locations.

In addition to its headquarters in Nuremberg, ITONICS has offices in Germany (Berlin), the USA (New York) and Nepal (Kathmandu). ITONICS' end-to-end approach enables an integrated innovation process on a single web-based collaboration platform.

Why ITONICS

- **Strategic approach:** The ITONICS methodology and tools link strategy, innovation, and execution and can be managed by a small team.
- **Perfect match:** The customizable software modules can be configured to your individual needs. We guarantee the perfect fit to already existing best practices within your organization.
- **Partnership for excellence:** Bring your innovation management to the next level! Our best practice workshops, periodic health checks, benchmarks, and training sessions guarantee a sustainable and world-class innovation management.
- **Global engagement:** We manage and operate global open innovation challenges and enable worldwide technology and trend scouting projects. We have an extensive expertise that ranges from automotive to chemicals, defense, fashion, financial services, and FMCG to governmental agencies and research institutes.
- **Trust:** As a leading provider of services and software solutions in innovation management the protection of your data assets is one of our major obligations. Getting certified in ISO/IEC 27001:2013 underlines this ongoing endeavor.
- **24/7 support worldwide:** You can rely on our team of experts 24/7 and receive individual support and advice.

Our Customers



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