

Julian Birkinshaw
Enrique De Diego
Monika Lessl
Henning Trill
Julia Hitzbleck

CS-18-023
August 2018

Bayer's Innovation Agenda: Igniting Innovation in a 100,000-person company

Innovation had always been fundamental to the success of Bayer, one of the largest life-science companies in the world. But with important changes underway in the worlds of pharma and crop science, as well as broader trends in digital disruption, there was a recognition that innovation driven by the traditional R&D process alone would not be sufficient. As one executive commented:

We face exponentially increasing opportunities and we need to keep pace. Healthcare hasn't been disrupted yet but we can see it coming, with new health management services and novel treatment paradigms such as gene editing. And if you go to a farm, it has nothing to do with what you would see in a farm 15 years ago, with autonomously driven tractors that do everything. You can probably run a farm from your office and only need a couple of people who do the maintenance on site. The role of the doctor will also change as they will be heavily assisted by artificial intelligence.

Beginning in 2016 an agenda started to take shape. The innovation team was led by Monika Lessl, who reported to Board member Kemal Malik:

We have deliberately taken a systemic approach – to make innovation the responsibility of all Bayer employees. We need to inspire people, help them learn new skills, and enable them to collaborate and connect in new ways.

By early 2018 the innovation programme had real momentum: more than 1,000 people had some sort of formal role in support of innovation, more than 5,000 people had been involved in innovation training, and more than 35,000 people were connected through the innovation portal.

Yet Monika was still concerned that they weren't doing enough. How could they be sure that their efforts would make a real difference? How could they make innovation a natural way of working for every Bayer employee? This process of cultural change was a significant challenge for Bayer, particularly at a time when the company was about to

Julian Birkinshaw is Professor of Strategy & Entrepreneurship, London Business School. Enrique de Diego is an alumni of London Business School. Monika Lessl and Henning Trill of Bayer provided advice and assistance with the writing of the case.

London Business School cases are developed solely as the basis for class discussion and are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

© 2018 London Business School. All rights reserved. No part of this case study may be reproduced, stored in a retrieval system, or transmitted in any form or by any means electronic, photocopying, recording or otherwise without written permission of London Business School.