

## Press Release

### Industry Study

## **ALTANA Innovation Index: German Companies Richer in Ideas Than Ever Before**

- **Improvement of corporate culture and higher investments pay off**
- **Industry Innovation Index increases by four points**
- **In 2016, every third company spends more money on innovations**

**Wesel / Germany, September 29, 2016** – According to top managers in German industrial companies, the biggest challenge the industry will face in the future is coping with the pressure of having to differentiate one's company from the competition by means of products and solutions. Eighty-two percent of decision-makers consider innovative strength a key component for a company's success. Innovativeness has grown, as the Industry Innovation Index 2016 shows. For the study, the specialty chemicals Group ALTANA commissioned the Forsa institute for the third year in a row to survey 250 top decision-makers and 250 entry-level employees in German industrial companies.

The Industry Innovation Index, a specially developed indicator for recording the innovative ability of German companies, reached a level of 143.5 points in 2016, a four-point increase compared to 2015. Managers, in particular, assess their companies to be more innovative vis-à-vis the previous year. Almost every second manager – 48 percent – sees his or her company as being “very innovative”; in 2015 it was 43 percent. The benchmark group of entry-level employees has also given their employers a better evaluation: 44 percent currently perceive their companies to be very innovative (2015: 42 percent).

### **Promoting innovation culture and higher investments**

The increased innovative ability is largely due to the improved innovation culture in the companies. In particular, more freedom was created for innovations. Thus the share of managers who see individual employees as having creative leeway rose by 13 percentage points. This development is in line with the trend toward collaborative rather than hierarchical management styles within companies. That this freedom is a decisive prerequisite for the development of new approaches seems to have become anchored in the companies' management. Also in keeping is the fact that 24 percent of the managers and 16 percent of the entry-level employees see creative freedom as a key factor enabling companies to make groundbreaking innovations. However, entry-level staff members do not acknowledge the increased creative freedom as much as managers. The share of people just beginning their careers who see their company as providing great freedom increased only from 22 to 23 percent.

Companies often lack the entrepreneurial courage for innovations. Both managers and entry-level employees see potential for improvement here. Only nine percent of the managers say that a willingness to take risks is implemented in their

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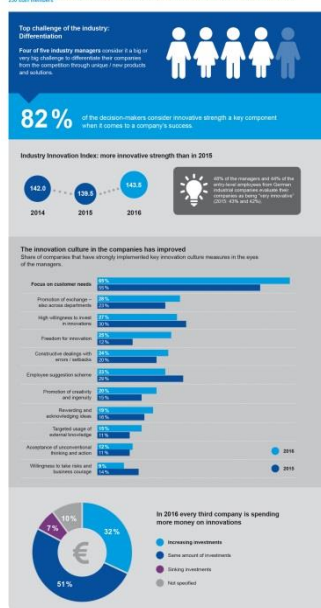
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companies – a five-percent decrease compared to the previous year. Seventeen percent of the entry-level employees see a somewhat higher willingness to take risks; in 2015 the share was 19 percent.

“To enable innovations to be made, it is decisive to continually question established procedures and in cases of doubt to get off the beaten track. To this end, it is essential that the corporate culture grants sufficient scope of action and admits mistakes,” says ALTANA’s CEO Martin Babilas.

In addition to promoting innovation culture, higher investments also help boost innovations in German industry. In 2015, every third manager said that his or her company would increase its investments in innovation projects. These investments seem to be paying off, for every third company is planning to increase its expenditure for innovations again in 2016.

### Industry Innovation Index 2016: German Companies Richer in Ideas Than Ever Before



### Background to the “Industry Innovation Index” Study

In the spring of 2016, the market research institute Forsa, on behalf of the specialty chemicals Group ALTANA, conducted 500 telephone interviews with representatives of companies that have at least 250 employees. 250 management board members, general managers, and division heads were interviewed. In parallel, Forsa surveyed 250 entry-level employees in companies aged 18 to 35 who had one to five years of professional experience.

This press release and a [printable graphic](#) can also be found at [www.altana.com/press](http://www.altana.com/press).

### About ALTANA:

ALTANA is a global leader in true specialty chemicals. The Group offers innovative, environmentally compatible solutions for coating manufacturers, paint and plastics processors, the printing and packaging industries, the cosmetics sector and the electrical and electronics industry. The product range includes additives, special coatings and adhesives, effect pigments, sealants and compounds, impregnating resins and varnishes, and testing and measuring instruments. ALTANA’s four divisions, BYK Additives & Instruments, ECKART Effect Pigments, ELANTAS Electrical Insulation, and ACTEGA Coatings & Sealants, all occupy a leading position in their target markets with respect to quality, product solution expertise, innovation and service.

Headquartered in Wesel, Germany, the ALTANA Group has 47 production facilities and more than 50 service and research laboratories worldwide. Throughout the Group about 6,000 people work to ensure the worldwide success of ALTANA. In 2015, ALTANA achieved sales of more than 2 billion euros. About 6 percent of sales are invested in research and development every year. Its high earning power and high growth rate make ALTANA one of the most innovative, fastest growing, and profitable chemical companies in the world.

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