

Dematic's IP-strategic capability – geared for a fast-moving future

How Dematic quickly established a new IP StratOps capability to address immediate pressures and new opportunities, and stay ahead of the industry curve.

INNOVATION TO KEEP THE WORLD MOVING

KION Group, headquartered in Frankfurt am Main, Germany, is a world leader in industrial trucks (#2 globally) and supply chain solutions (#1 globally). Dematic, headquartered in Atlanta, GA, USA, with locations worldwide, is KION's primary Supply Chain Solution provider. Dematic develops, manufactures, and installs automated technology, software, and services to optimize material and information flow.

Dematic differentiates itself with technology, cutting-edge customer-centric solutions, and process knowledge. Dematic's core knowledge and experience base uniquely position Dematic to provide solutions that help customers achieve their logistics goals.

Dematic provides solutions for a wide range of fast growing verticals including grocery, e-commerce, and apparel. In these software and data-intensive environments, solutions are based on technology, know-how and data beyond the capabilities of individual companies. With the continued evolution of business models, new partnering models, and new competition, intellectual property has a crucial role to play in building and growing the business.



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New business needs for IP

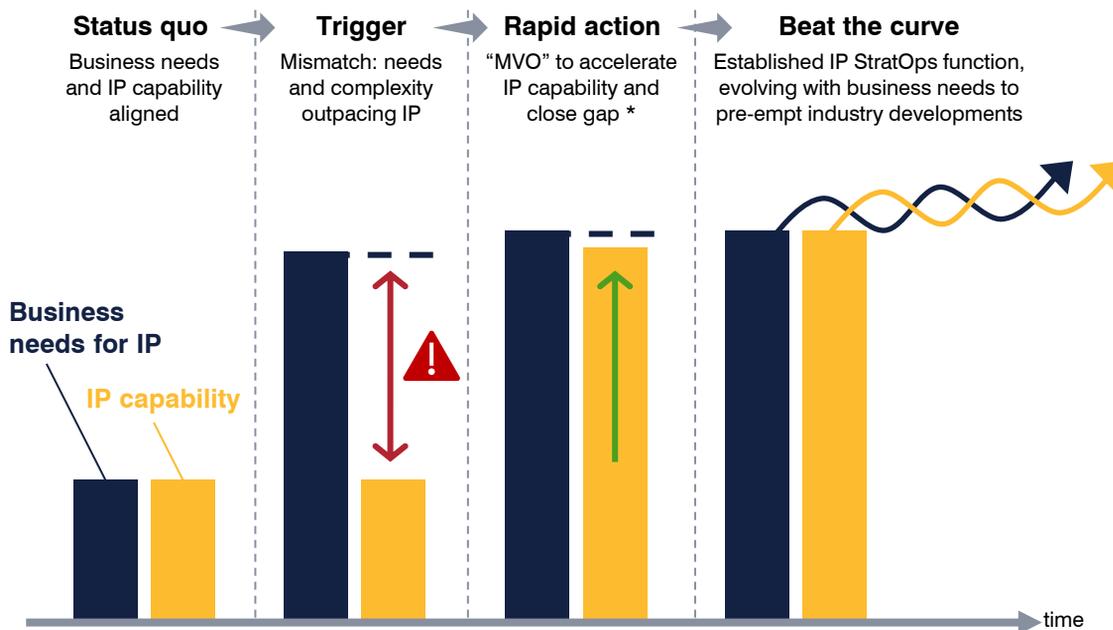
IT STARTS WITH BUSINESS NEEDS

The material handling and automation industry is in constant flux, driven by new consumer patterns and technological advancements. Dematic's customers expect new technologies and solutions to meet the needs of this everchanging industry. Expectations include: flexibility to rapidly scale to shifting demand, dynamic integration of manual and automated labor, shortened implementation times, advanced data utilization, and holistic enterprise systems.

The changing business environment presented Dematic with both large opportunities and significant pressures. Shifting consumer expectations created new market opportunities well suited to Dematic's core expertise and position as an innovation leader, while suppliers, competitors, and customers began repositioning themselves in the new market. This in turn meant that the new environment was characterized by heightened competition, increased risk of conflict, and more frequent and important negotiations for technology access and data control.

The changing industry dynamics highlighted a need for a more proactive IP position. With rapid business and environmental changes straining their existing IP capabilities, Dematic needed to rapidly enhance their IP activities.

Figure 1: Dematic's IP-strategic capability development journey



KION Group effectively protects its inventions

With a starting point in its German engineering heritage, KION Group has built up an effective intellectual property rights machinery that protects and promotes core technologies for defensive purposes. With some 1200 patent families in its portfolio, KION Group secures freedom to develop and commercially use technologies for all its brands, including Still, Linde and Dematic. Dematic's business-driven IP strategy adds to the overall KION Group Patent Strategy.

From “IP MVO” to IP StratOps

QUICK REMEDY WITH A “MINIMUM VIABLE IP-STRATEGIC OPERATION”

Realizing that their current IP capabilities were insufficient to meet the new demands, Dematic worked with Konsert to design and implement an IP-strategic Minimum Viable Operation (IP MVO) to complement existing IP activities and boost the patent portfolio and operations to meet and exceed new business needs.

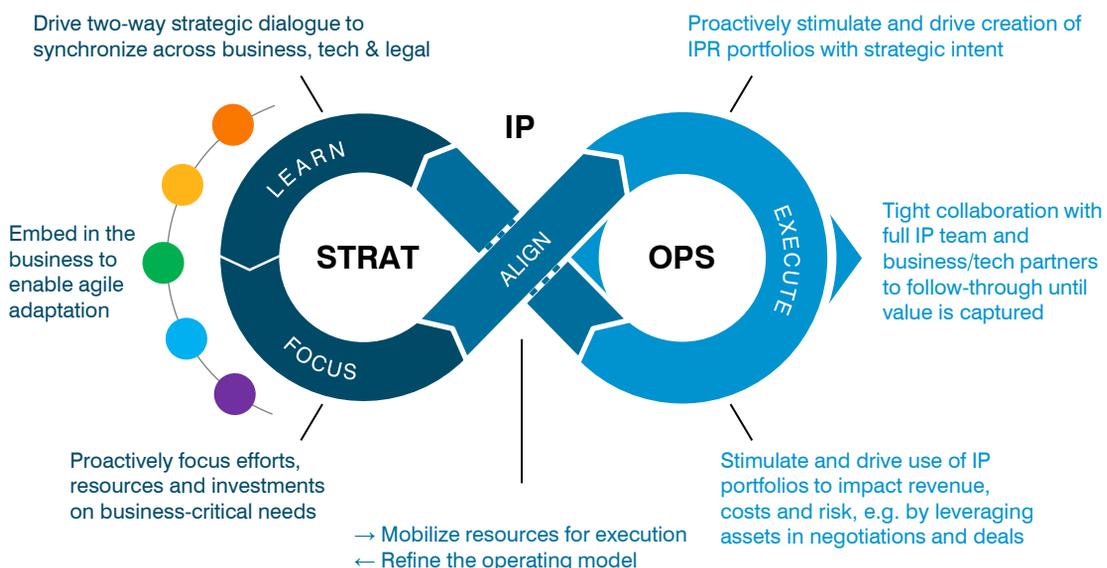
Over the course of a year, the IP MVO was established in the following steps:

- **Rapidly putting a business-driven IP strategy in place.** Developed together with business stakeholders, the IP strategy met the reactive here-and-now needs, identified future revenue and technology loci, and identified opportunities for proactive IP creation;
- **Designing and implementing new roles** including business-IP partners with commercial accountability for IP, domain ambassadors with deep technical expertise, and an IP-strategic team embedded in the business. These roles enabled rapid and agile updates to the IP strategy, catalyzed new IP creation, and enabled use of IP portfolios to impact revenue, costs and risk;
- **Upgrading or establishing new IP processes and tools** with the capacity to differentiate between:
 - *Business-driven IP* with direct strategy relevance, earmarked for fast-tracking once approved as strategy-relevant by the business, and
 - *R&D-driven IP* with broad indirect strategic potential, assessed for long-term business value potential.
- **Proactively stimulating new IP generation in strategic areas** to quickly seed the portfolio with IP of direct relevance to stake out early claims, protect likely “secret sauce” differentiators, or address immediate business opportunities.

CONTINUOUS VALUE CAPTURE WITH STEADY STATE IP STRATOPS

The goal of the IP MVO was not simply to provide a one-time boost to IP capacity to meet the demands of new business needs – it was to establish lasting capability to continuously capture value by setting the IP-strategic direction and executing in accordance with the IP strategy. The transformation was efficiently handled by immediately launching the new business-integrated functions in parallel with existing IP capacity, and then staffing and transitioning the functions to a permanent process. The result was an IP StratOps capability that helped the business address immediate pressures, rapidly create value with lower risk when pursuing new opportunities, and continuously stay ahead of the industry curve.

Figure 2: A proactive and agile process, combining strategy and operations



Why it matters

FIT FOR A FAST-MOVING FUTURE

Dematic's IP-strategic capability is built to meet the expectations of customers, stakeholders, and shareholders. It is a sustainable and adaptable approach to protect Dematic's technology position and keep pace in their rapidly changing business environment. Its main purpose is to ensure that business plays get faster to value with higher certainty.

The long-term benefits of the new capability are still to be realized, but several immediate benefits are evident:

- Joint accountability within the business ensures that the right direction is established, and the IP strategy is prioritized and executed promptly.
- IP is proactively created in business-critical areas with strategic intent. The portfolio is focused on the areas that matter most, and quality is ensured as the patent creation process is guided by intended use.
- IP awareness is boosted, as the IP strategy is embedded within the business and communicated through the organization. For example, key stakeholders in product management, sales, procurement and technology understand better when and how to think about the way IP can impact revenue, costs and risks.
- Efficiency is improved, as the IP organization works as one team at two speeds; urgent business matters are addressed fast without disrupting steady-paced operational patent management matters.

Most importantly, Dematic puts its IP to better use, to positively impact business results. The proactive and business-driven approach of the IP StratOps function supports KION Group's defensive stance on IP by equipping Dematic to defend business interest when needed – whether in ensuring differentiation versus competition, protecting the competitiveness of customers, ensuring leverage in negotiations and deals, facilitating new business models, or leveraging the power of data.



“Dematic has shown that it is capable of reinventing its operations to keep pace with the leading edge. With the new IP StratOps function, Dematic not only stays at the forefront of its industry, but develops best practice for how to work in any software- and data-driven business.”

– Jens Bördin, CEO Konsert Strategy & IP