



***Making Innovation happen in  
a Commodity Market:  
The Secret Alchemy***

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Global Vice President  
Advanced Development and  
Cross Product Categories*

# ABOUT WHIRLPOOL AND ITS BRANDS

- Whirlpool Corporation has grown from its origins as a Midwestern U.S. company to the major appliance industry's global leader
- 60,000+ employees
- Manufacturing in North and South America, Europe, Asia and Africa
- Nine brands, five with over \$1 billion in sales
- Leads the \$120 billion global home appliance industry with 2013 sales of about \$19 billion
- Products sold in over 130 countries around the world
- Manufacture appliances across all major categories, including fabric care, cooking, refrigeration and dishwashers



# THE BEST BRANDED CONSUMER PRODUCTS ..... IN EVERY HOME AROUND THE WORLD



## BEDROOM(S)



Clothes revitalization  
Room air conditioning  
Dehumidifiers  
Air coolers

## KITCHEN / DINING

Refrigeration  
Dishwasher  
Cooking

Ventilation  
Portables  
Cookware



## LAUNDRY ROOM

Washer, dryer, sink  
Clothes revitalization  
Laundry storage solutions



## OUTDOOR

Grills  
Cooking  
centers



## GARAGE

Storage  
Appliances  
Workstations  
Flooring



## BASEMENT

Storage  
Water filtration

HVAC  
Freezers



# 100+ YEARS OF INNOVATION

1911-1948

1948-1980

1980s

1990's

2000s

Today

Manufacturing  
Technology,  
Single Product  
Single  
Customer

Multi-Product  
and Whirlpool  
Brand

Multi-Brand,  
U.S. Trade  
Expansion

Globalization

Top  
Consumer  
Brands,  
Maytag  
Acquisition

Leading  
Brand  
And  
Consumer  
Product  
Company



# FROM A "SEA OF WHITE" TO "EMBEDDED INNOVATION"



# INNOVATION STRATEGIC APPROACH

“Leading Global Appliance Manufacturer”

GROW THE CORE



*Major appliances*

“Leading Global Innovative Products Company”

EXTEND THE CORE



*Products or services which are dependent on and related to our core business*

“Leading Global Consumer Brand/Products Company”

EXPAND BEYOND THE CORE



*High-margin, stand-alone businesses that leverage our core competencies and core business infrastructure*

## WHIRLPOOL'S INNOVATION DEFINITION

1. Unique and compelling solution valued by our customers and aligned to our brands, and...
2. Creates sustainable, competitive advantage, and...
3. Creates differentiated shareholder value

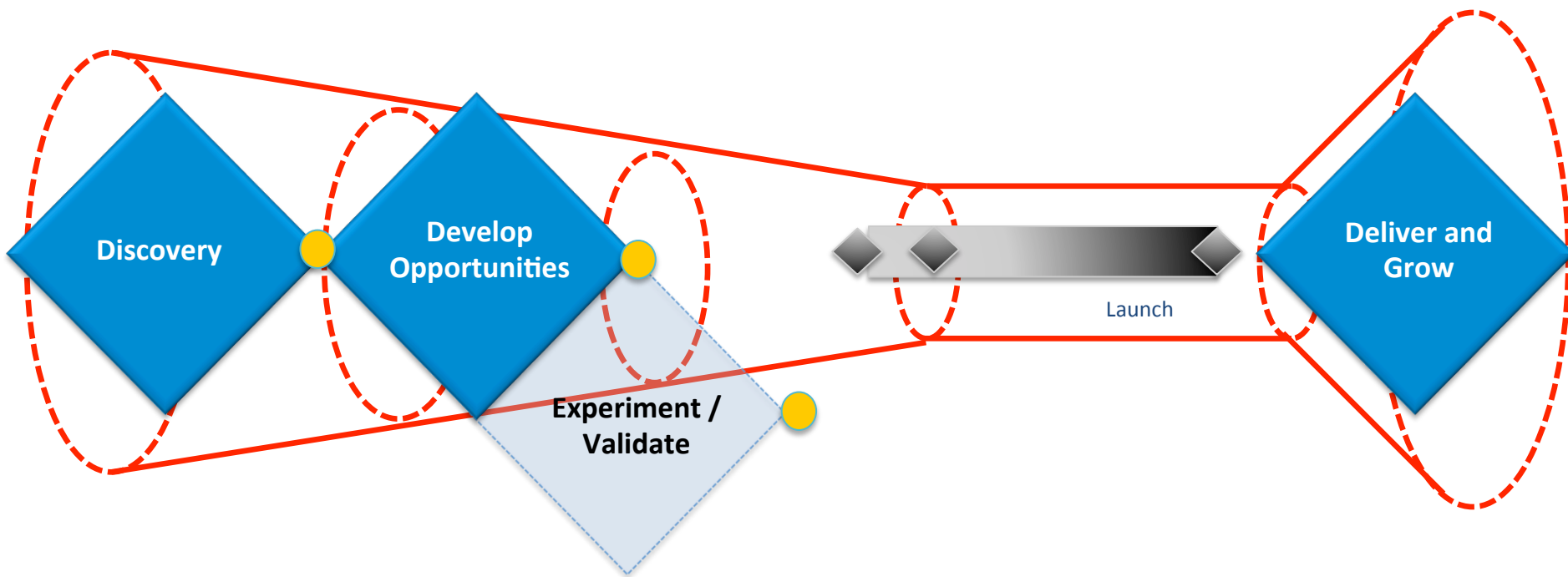
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**TWO KEY QUESTIONS:**

- ***WHAT IS INNOVATION ?***
- ***WHAT IS THE SECRET ALCHEMY TO MAKE IT HAPPEN ?***

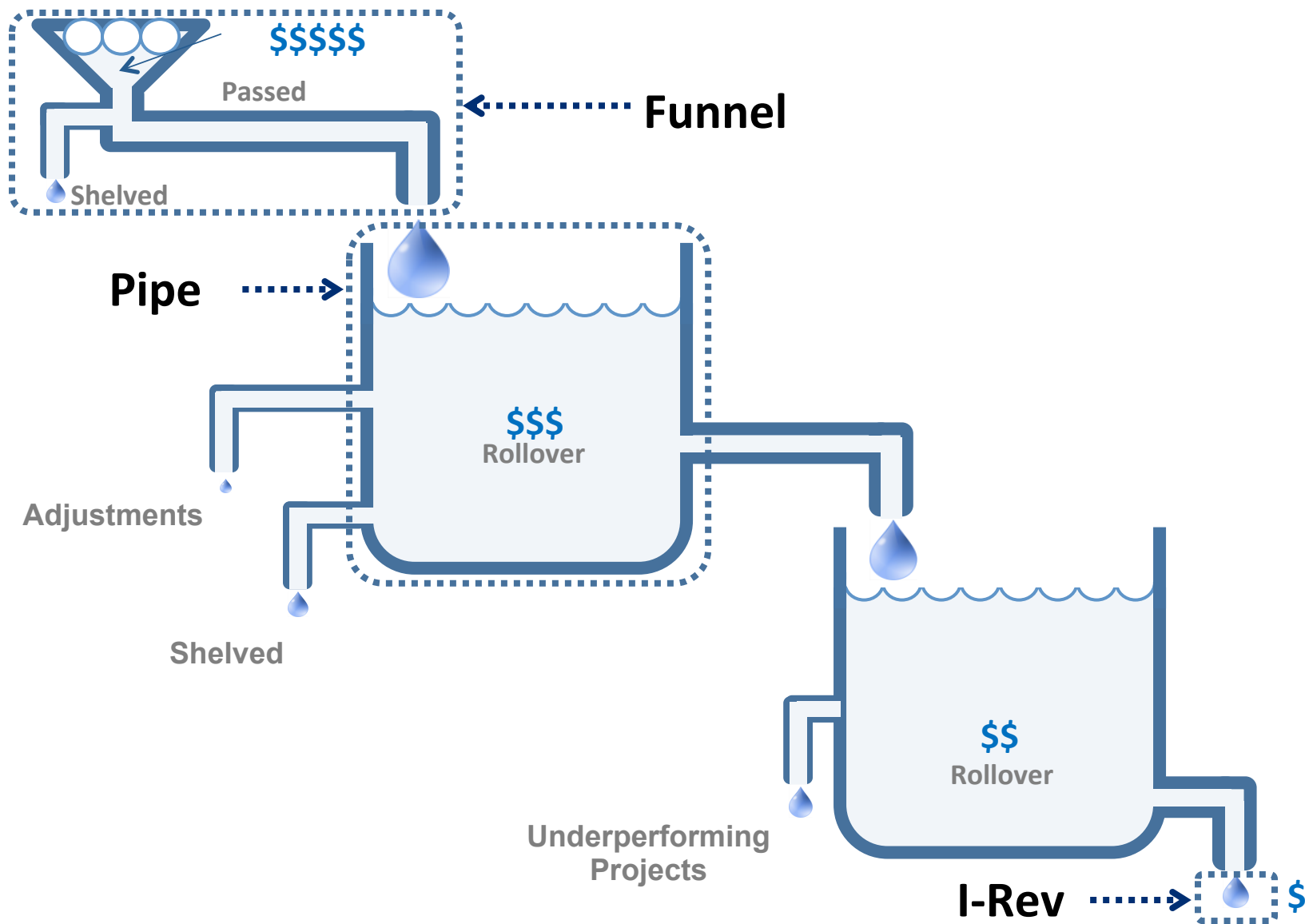
***..... many different answers***

# 1) Innovation is a process



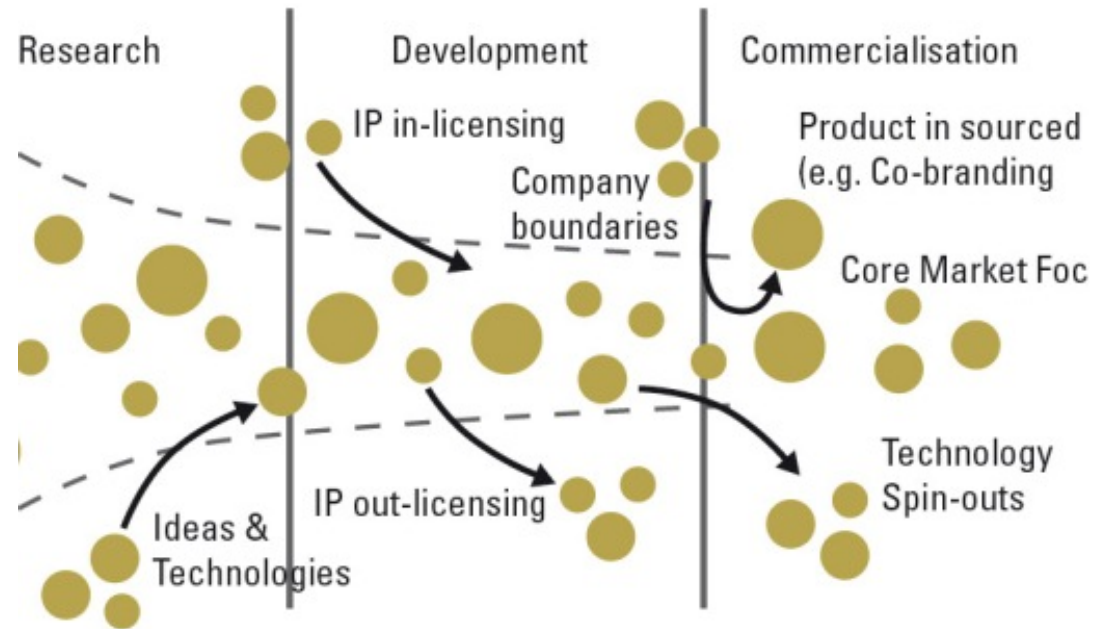


## 2) Innovation is a source of revenues



### 3) Innovation is translation of trends into “products”

- STRATEGIC FOCUS**
- Consumer
  - Competitive
  - Technology
  - Trends
  - Regulations



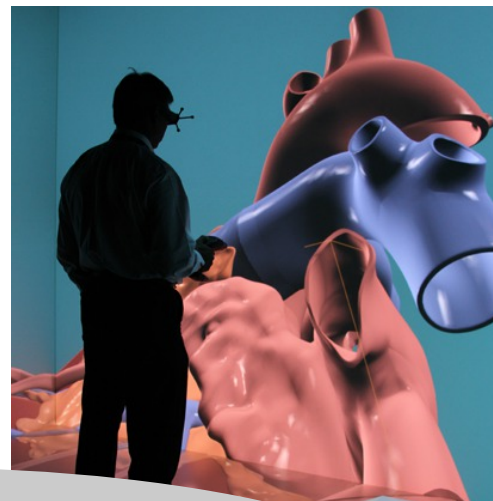
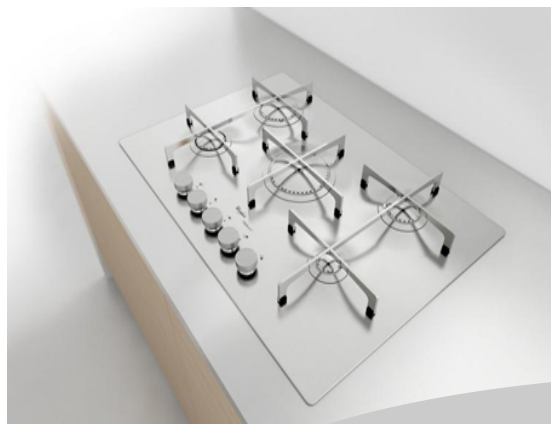
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## TWO KEY QUESTIONS:

- *WHAT IS INNOVATION ?*
- *WHAT IS THE SECRET ALCHEMY TO MAKE IT HAPPEN ?*

*..... many different answers*

**all of them true BUT more than them  
INNOVATION is :**



**A NEW EXPERIENCE FOR  
YOUR CUSTOMERS**



**... and a new experience for your people**

# FROM A "CENTER OF RESOURCES"



# TO “CENTER OF COMPETENCIES”



**“What is the new boss ?”**

**“The new is that the only thing that counts is BRAIN”**

# COMPETENCIES ARE A MATTER OF COLLABORATIVE ECOSYSTEM



- Experience is complex and goes beyond products
- Competencies to drive the “new experience” are multiple and complex and can not be single domain of a company
- Create collaborative ecosystems with common objectives is crucial to built up a “competency driven organization”
- The role of “change agent” is crucial to bridge the different part of the ecosystem
- Change agent objective is to have the ecosystem working not your company getting better off vs. others in the system

# WHAT IS THE ROLE OF THE LEADERSHIP



- Create and sustain “change agents”
  - MULTISECTORIAL
  - EXTREMELY GOOD IN UNDERSTANDING THE RELEVANCE BEHIND THE CONNECTIONS
  - EXTREMELY GOOD IN COMMUNICATE



- Create a WIN-WIN collaboration
  - EVERYBODY HAS A POSITIVE RETURN
  - EVERYBODY HAS AN INCENTIVE TO GUARANTEE SUPPORT
  - EVERYBODY WINS

From “LEADER OF A FUNCTION” to “LEADER OF AN ECOSYSTEM”



# AN WHIRLPOOL EXAMPLE: DOMESTIC FOOD WASTE REDUCTION PROGRAM

## EU Food waste

- Current wastage : 89 million tonnes per year (i.e. 179 kg per capita) -> 170 Mt CO2 per year
- Projection for 2020 (if no action is taken): 126 million tonnes (i.e. a 40% increase)

## Responsibility for food waste:

- **households: 42% (60% of which is avoidable)**
- manufacturers: 39%
- retailers: 5%
- catering sector: 14%

**Challenge:** Accomplish the 2012 EU Parliament resolution to develop strategies for reducing food waste of 50 % by 2025

**VISION:** Develop a NEW EXPERIENCE with technologies able to guarantee the traceability of food to optimize safety and quality, utilization, shelf-life and reduce food waste with primer focus on domestic environment.

# FROM COMPETENCIES ANALYSIS TO THE CREATION OF A COLLABORATIVE MODEL

## COMPETENCIES

- Traceability/ connectivity
- Food modeling
- Food preservation/ processing
- Sensors for food
- Smart materials for food packaging
- Experimental/ validation/ test
- Food distribution
- Food manufacturer

CREATION OF A "FOOD INSTITUTE" TO MASTER SOME OF THE COMPETENCIES



CREATION OF THE ECOSYSTEM TO MASTER ALL THE NECESSARY COMPETENCIES

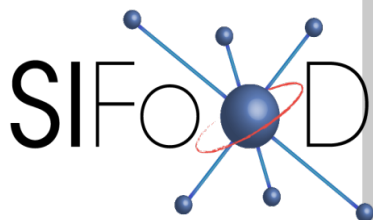


FROM AN ECOSYSTEM TO AN ASSOCIATION WHERE EVERYBODY SHARES THE SAME VISION

WHIRLPOOL R&D

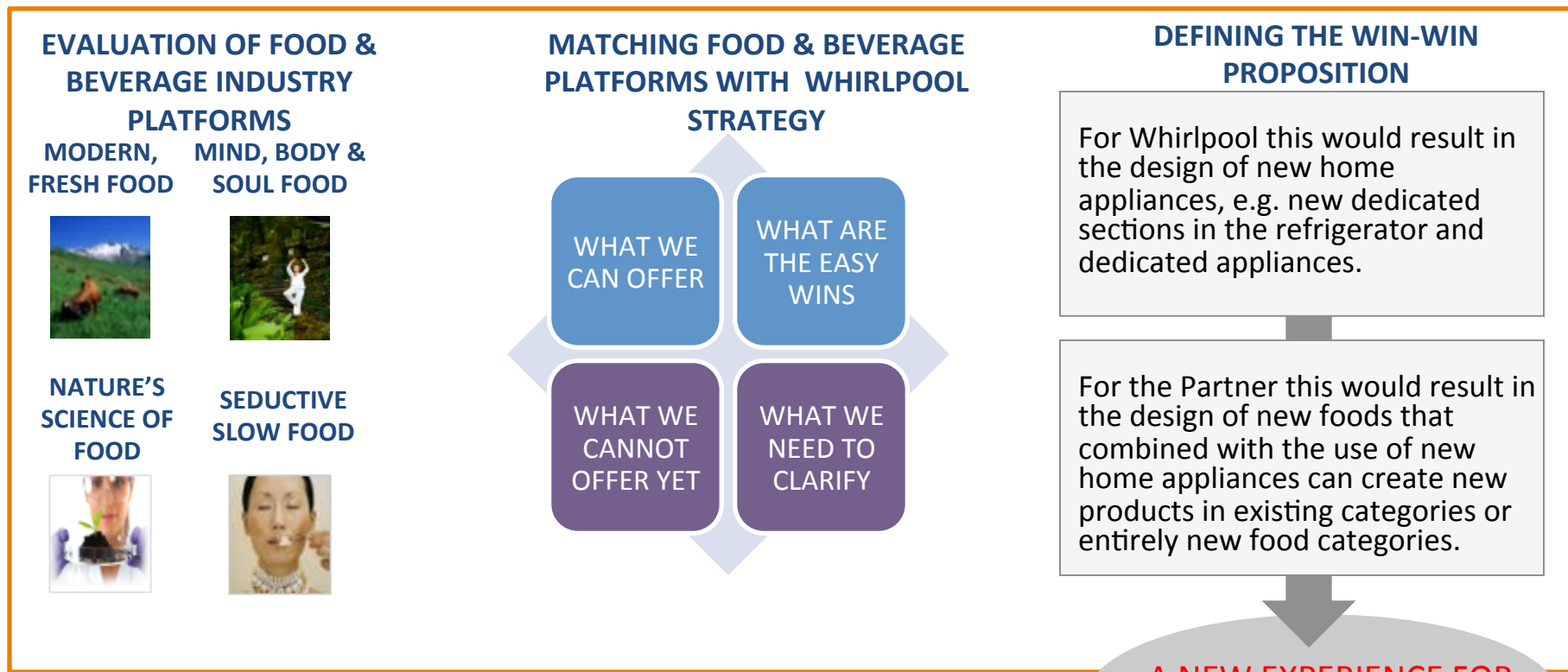


CREATION OF A "LEAN" LEGAL ENTITY TO "MANAGE" THE ECOSYSTEM



# FOOD WASTE REDUCTION PROGRAM OBJECTIVE

The Whirlpool-Partner collaboration is expected to lead to radical innovation in the way foods are designed, in preservation, preparation and consumption, and in new types of ready-to-eat food or semi-finished food where preservation plays an important role



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# FOOD WASTE REDUCTION PROGRAM OBJECTIVE

