



German Innovation Spotlight 2026

**Study on the Innovation Capability
of German Companies**

In cooperation with:

Preface

Germany's future requires effective systems

Innovation does not arise in the design phase but during implementation. It manifests itself the moment an idea is tested, scrutinized, adapted, and tested again. Anyone who wants to shape the future must be prepared to actively engage in this process and not merely grasp it theoretically. This is exactly where the central challenge for companies lies. There is no shortage of visions but rather a lack of sustainable structures to translate them into concrete results.

The *German Innovation Spotlight 2026* survey addresses precisely this issue. It is less about individual success stories and more about the reality of the German market. The results show a clear picture: German companies are ready to innovate. They are taking more proactive steps, opening up to collaborations, and increasingly integrating key topics such as artificial intelligence, sustainability, and user-centricity into their practices. This development is an expression of a broad movement, not a marginal phenomenon.

Structures as the key to innovative strength

This is why the current findings are so precise: in many places, the will to innovate is stronger than the systems that support it. Initiatives are launched, momentum is present, yet it is not consistently translated into robust processes. Innovation remains situational rather than becoming a lasting force. This observation points to a fundamental challenge. Innovation requires more than ideas and investments. It requires structures that provide direction and enable decision-making, as well as leadership that actively supports them. In many organizations, these prerequisites are lacking: management remains fragmented, data is not always available, methodological approaches are not applied consistently, and skills development lags behind evolving demands.

Economic indicators also underscore this ambivalence: innovation spending is high, yet many companies, especially small and medium-sized enterprises, act cautiously. Investments only yield results in functioning systems where a willingness to innovate translates into competitiveness. New technologies such as artificial intelligence and increasingly autonomous physical systems such as robotics are bringing new players into the picture, shifting roles and raising previously unanswered questions. Who makes the decision? Who bears responsibility? Which tasks do humans take on, and which fall to the system? These questions are not

threats, but an invitation to think ahead—provided that companies have the right structures in place to use them productively.

In this context, the connection to the *German Innovation Awards* becomes clear. The awards highlight what is possible under the right conditions: projects that consistently translate innovation into solutions and thereby set new standards. The survey *German Innovation Spotlight 2026* complements this perspective. It analyzes the prerequisites, identifies the factors that enable or limit scaling, and asks what it takes to turn ideas into action.

Innovation: the result of an integrated system

Steering, data infrastructure, methodology, expertise, and design competence are all interlinked. If any of these elements are missing, the impact remains limited. When they are present, it becomes possible not only to keep pace with change but to actively shape it.

Germany has the preconditions: a strong industrial base, excellent research, and high problem-solving competence. The key is to systematically develop these strengths and translate them into resilient structures. The *German Innovation Spotlight 2026* provides guidance for this at a time when politics, business, and organizations alike are being called upon to consistently structure and effectively embed innovation capacity.

I hope you find this an inspiring read.

Lutz Dietzold

CEO German Design Council

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1 Results in a Nutshell

The *German Innovation Spotlight 2026* provides a broad and practical overview of the innovation capability of German companies. Based on an online survey with a key focus on the manufacturing sector, the IT and software industry, and the service sector, the study examines key drivers of innovative capacity: from strategy and culture to digitalization and artificial intelligence, to sustainability, skilled workers, and business location conditions.

The overarching result is clear. The drive for innovation is strong in German companies, but there is significant room for improvement in the structural prerequisites. Nearly 85% of the companies surveyed describe innovation as “important” or even “vital”. Slightly less than three quarters have embedded innovation in their corporate strategy. Yet significant gaps are evident in operational implementation: only just over half manage innovation using clearly defined processes, and merely one third utilize measurable metrics. Processes and metrics, combined with methodological tools, are crucial in determining whether innovation ambitions can evolve into competitive advantages.

The picture is particularly striking when it comes to digitalization and the use of artificial intelligence (AI): nearly all companies have launched digitalization projects, and AI is already being used in idea generation and concept development by about two thirds of companies. However, its use declines significantly in later phases of the innovation process. The necessary data infrastructure in terms of quality, accessibility, and standards is considered sufficient by only about one third of companies. This represents a key structural barrier to the ability to innovate with the help of machine learning and AI.

Sustainability as an innovation driver has so far been fully integrated into the innovation strategy at 28% of companies. Methodological support for sustainability-oriented innovation projects is completely lacking in a quarter of the participating companies. A similar picture is evident in terms of corporate foresight, with smaller companies showing the greatest need to catch up.

In the area of skilled personnel and cooperation, the situation is two-fold: just under half of the companies have sufficient innovation and technology specialists, and have established structured training programs. More than half regularly cooperate with research institutions, start-ups, or universities. This is a positive sign of openness to external knowledge, though it is important to note that the other half of the participating companies still have significant room for improvement.

A striking tension emerges between the speed of implementation and decision-making processes: over 60% of companies report an increase in the pace of innovation over the past three years. At the same time, nearly 45% describe internal decision-making processes as slow. The larger the company, the more pronounced this inertia is. This creates a structural contradiction that systematically limits the effectiveness of innovation initiatives. Mechanisms to accelerate innovation are a key element for boosting innovative capacity, particularly in large companies.

Germany as a business location is perceived by 43% of respondents as not very conducive to innovation. This stands in stark contrast to Germany’s continued strong performance in international innovation rankings. Nevertheless: despite this critical assessment of the business environment, 57% of companies report an improvement in their own innovation performance over the past three years. Small businesses and the IT sector stand out particularly positively in this regard.

The study’s conclusion is clear: there is a willingness to innovate in Germany. What is missing are robust systems that can translate this willingness into lasting economic success. Management through key performance indicators, a robust data foundation, methodological expertise, consistent training, the systematic integration of user needs, and the embedding of design expertise are not optional add-ons. They are the prerequisites under which innovations can be accelerated, scaled, and made sustainably effective.

2 Innovation and Innovation Capabilities

The innovations we develop today play a key role in shaping our lives in the future. For companies, tomorrow's day-to-day business is developed in today's innovation activities. Fundamental to innovation is an understanding of what constitutes innovation in the relevant field. This understanding enables the targeted development of innovation capability, that is the ability to identify and evaluate innovation potential and successfully translate ideas into innovations.

2.1 Innovation

The term innovation is used in a variety of ways. There is broad agreement that innovations are fundamentally characterized by their degree of novelty combined with a successful implementation (Fraunhofer Group for Innovation Research 2018). What the subject of innovation is, for whom it is intended, and how the degree of novelty is defined must all be clarified. Furthermore, the characterization of successful implementation on a case-by-case basis is required to align the influencing factors for innovation capability accordingly. This can be illustrated, for example, using the system boundaries of the degree of novelty. Developing an innovation that is "new to the world" requires different prerequisites than an innovation with a degree of novelty for a defined market or a single company. A shared understanding of what innovation is or should be is therefore essential before the influencing factors for innovation capability are addressed.

2.2 Areas of Innovation in Business

Generally, an innovation is understood to be a new product or a novel technology. In everyday business operations, however, additional fields of innovation arise for companies (Dreher et al. 2006). Here, a distinction can be made between offerings visible to customers and internal processes, each of which consists of tangible and intangible elements. Thus, in addition to product development, which is often the sole focus, service development, sometimes as a supplementary service to the actual core product, must also be included in the innovation portfolio. At the process level, improvements can be achieved through technical or organizational measures. Accordingly, a distinction must be made here between technical process innovations and organizational innovations within the company.

In recent years, the great importance of combining innovation fields to enhance competitiveness has also become evident. This results in, for example, product-service systems or new business models that emerge from a combination of innovations across the individual innovation fields. In this context, the term *system innovation* is frequently used to describe the complex network of modern innovations that extends beyond individual companies.

2.3 Innovation Capabilities

At the institutes of the Fraunhofer Group for Innovation Research, the study of influencing factors for innovation capability has a long tradition dating back to the 1980s (see for example Bräunling 1981 on the innovation capability of small and medium-sized enterprises). In line with the changing nature of how innovations emerge and the evolution of technological, organizational, and societal drivers and barriers, the need to understand innovation capability is unlikely to diminish in the future.

Within this framework, researchers at the institutes of the Fraunhofer Group for Innovation Research have focused on a wide variety of influencing factors and target systems for innovation capability to analyze the impact on innovation capability of, for example, (hybrid) work environments (Müller et al. 2026; Hochfeld et al. 2022) foresight activities (Raszta and Hölzle 2023), data protection regulations (Karaboga et al. 2022), strategic competence management (Horvat et al. 2018; Ahrens and Molzberger 2018), co-working environments (Stiefel and Rief 2021), age groups (Dworschak et al. 2012; Becke et al. 2016), diversity and collaboration (Schweer et al. 2015), and digital business models (Bullinger and Weisbecker 2014; Lerch et al. 2017). Target groups specifically analyzed for innovation capacity include, for example, national economies (Frietsch et al. 2025; Frietsch et al. 2023), public administration (Tippel 2025; Prochazka et al. 2020), museums (Ciziroglou et al. 2025), the construction industry (Stahlecker et al. 2023), federal states (Frietsch et al. 2020), small and medium-sized enterprises (SMEs) (Lerch et al. 2017; Horvat et al. 2018), players in globalized markets (Horvat 2015; Stahlecker et al. 2014). Another focus is on synchronizing innovation capability with the value chains of day-to-day

operations, for example, in the context of advanced system engineering (Schneider et al. 2024).

According to the institutes of the Fraunhofer-Group for Innovation Research, nine areas of influence on corporate innovation capability can be identified, which have been repeatedly addressed in the previously mentioned specialization (Spath et al. 2006; Kirner et al. 2007; Spitzley et al. 2007):

- *Innovation Culture*
- *Strategy*
- *Competence and Knowledge*
- *Technology*
- *Product and Service*
- *Process*
- *Structure and Network*
- *Market*
- *Project Management*

These areas of influence are now reflected in approaches within common standards for innovation management systems, such as the ISO 56000 series or the German DIN and European CEN guidelines. It is crucial for companies not to view individual areas of influence in isolation but rather to consciously design and balance their mechanisms with one another. This requires the clear strategic anchoring of innovation, suitable organizational structures and processes, qualified and creative employees, and an open, error-tolerant corporate culture. Equally important are sufficient resources and collaboration with external partners in line with current technological trends.

It is crucial that all areas align with one another, as weaknesses in any one area can undermine the company's overall capacity for innovation. By leveraging synergies among these areas, companies can enhance their ability to identify untapped innovation potential early and transform it into marketable innovations.

2.4 The Importance of Innovation Systems

In an increasingly knowledge-based and globally networked economy, innovations are rarely the result of isolated individual efforts. Instead they arise through cooperation, the exchange of knowledge, and interdisciplinary collaboration. In this context, innovation systems play a central role in modern innovations and new forms of value creation. They structure and foster interaction among various actors, institutions, and framework conditions. Innovation systems encompass companies, research institutions, government agencies, and sociocultural factors that collectively influence the emergence and dissemination of innovations (Warnke et al. 2016).

Innovation systems are of central importance to companies: they facilitate access to knowledge, technologies, and skilled workers, promote cooperation, enable access to funding programs, and help share risks and accelerate development processes (Hölzle et al. 2024). Innovation systems thus enhance companies' overall capacity for innovation and help them successfully develop new products, services, or business models and maintain a competitive edge in the long term.

2.5 The Future of Innovation

In companies, the way innovations are developed has undergone continuous change in the past (Bauer and Schimpf 2020, 2018). In the future, it is expected that innovations will emerge in an even more networked, data-driven, and interdisciplinary manner. Innovation cycles will continue to shorten not only due to AI but also because of new agile methods, forcing companies to become more flexible and open to experimentation. Innovation processes will be characterized by openness and networks, and the importance of intrapreneurship will also increase. In addition, users will be more closely involved in innovation processes, making innovations more practical and customer-centric (Fraunhofer Group for Innovation Research 2018, 2021).

Similarly, the focus of innovation is shifting from individual products towards systemic solutions, services, and data-driven business models. Modern innovations will emerge even more strongly at the intersections of sectors and industries, and the importance of sustainable and socially relevant innovations will continue to grow. In this changing environment, it is more important than ever for companies to monitor the nine areas of innovation capability to secure their own competitiveness in the future.

3 German Innovation Spotlight 2026: Study on the Innovation Capability of German Companies

Germany is internationally regarded as a country of engineering excellence and powerful ideas. At the same time, companies are under growing pressure to demonstrate their innovation capability anew under changing conditions. Digitalization, artificial intelligence, new materials, and circular business models are rapidly transforming markets. Added to this are a shortage of skilled workers, increasing regulatory requirements, and an economic environment that is making it increasingly difficult to make quick and bold decisions.

3.1 Objective and Structure

The objective of the *German Innovation Spotlight 2026* is to gain a current, concise, and practical picture of the innovation capability of German companies. Therefore, the study was structured around the following influencing factors for innovation capability:

■ **Relevance, subject matter, and sources**

A decisive factor in innovation capability is the weighting of the relevance of innovation activities within the company. Combined with the origin of innovation impetus, this provides the internal framework for innovation capability. Among the most important areas to consider for innovation impulses are the markets and the technological environment. Furthermore, it is essential to take future developments of all kinds into account in the planning and implementation of innovations, according to their relevance.

■ **Strategy, processes, culture, and innovation type**

The integration of strategic innovation planning into corporate strategy establishes guidelines for the development and implementation of innovations. With the help of appropriate processes and metrics, and using methodological support, the strategic level can then be translated into operational implementation and actual innovation activities. In particular, the involvement of employees and partners provides another important framework and can influence the

development and implementation of innovations, both positively and negatively. In addition to these framework conditions, the targeted innovation type is a key factor that, in turn, influences many design characteristics. Depending on whether innovations with high or low degrees of novelty/performance advancement are targeted, it is important to consider corresponding search fields, competencies, organizational structures, and implementation areas.

■ **Digitalization and artificial intelligence**

Digitalization is one of the trends that has been affecting companies for several decades now and has, along the way, been complemented by artificial intelligence as a central theme. In addition to the impact digitalization has had on innovation activities to date, it is already evident that artificial intelligence is significantly shaping how innovations are created and implemented.

■ **Sustainability**

Sustainability is one of the megatrends of our time. Even though other topics are currently taking center stage, sustainability is a fundamental success factor that determines a company's long-term competitiveness in the innovation landscape. This applies across the board to all areas of innovation, from the design of new processes to the development of products, services, or integrated solutions. In addition to strategic sustainability goals, the decisive factor here is the consistent integration of sustainability into structures and decision-making processes.

■ **Skilled workers, qualifications, and collaboration**

The complexity of innovations has steadily increased over time. Today, there is hardly any innovation that is developed and implemented by individuals or single companies without the involvement of others. Combined with the availability of suitable skilled workers, continuous employee training, and cooperation with

partners, this field is one of the most important success factors for innovation capability.

- **Speed of implementation and decision-making processes**

Speed of implementation and decision-making processes are currently among the most important topics discussed in the context of international competition. In particular, the challenge posed by so-called “Chinese speed”, an alternative, faster approach to innovation, sets the framework for current and future requirements.

- **Location, framework conditions, and development of innovation performance**

The framework conditions in an innovation ecosystem can significantly impact innovation capability. A central component of this factor is the assessment of the framework conditions in Germany, as well as the development of the innovation performance of the participating companies over the past three years.

The compilation of the influencing factors and questions in the *German Innovation Spotlight* was developed based on the fundamental guidelines of existing approaches to assessing innovation capability, in close collaboration with current practical issues. Different disciplinary perspectives were also taken into account, particularly the role of design in the development and implementation of innovations.

3.2 Methodology

The *German Innovation Spotlight 2026* survey is based on an online questionnaire jointly designed and conducted by the Fraunhofer Group for Innovation Research and the German Design Council. The aim of the survey was to obtain a current, concise, and practical picture of the status quo of German companies' innovation capacity. The questionnaire combines closed-ended questions, primarily in the form of Likert scales and multiple-choice options, with open-ended free-text questions, structurally following the seven areas influencing the innovation capability of companies.

Of a total of 433 responses, 201 data sets were included in the analysis, yielding a response rate of just under 47%. Since some questions were not answered by all participants, the sample size ranges from n=185 to n=201, depending on the specific question, and was transparently reported in the analysis.

The analysis is primarily descriptive, taking the form of frequency distributions, supplemented by cross-tables to differentiate by industry and company size, as well as moderate correlation analyses, such as between company size and degree of digitalization or decision-making speed. Open-ended text

responses were clustered by theme and prioritized by frequency of mention. The study expressly makes no claim to statistical representativeness, neither for a specific group of companies nor for a specific industry. Rather, it is intended to cast a practice-oriented spotlight on the current state of innovation capability in Germany, with the aim being to highlight courses of action and improvement strategies for companies, policymakers, and academia.

We would like to express our sincere thanks to the study participants, without whose commitment this analysis would not have been possible. We would also like to thank all other stakeholders who contributed to launching the German Innovation Spotlight 2026 survey on the innovation capability of German companies.

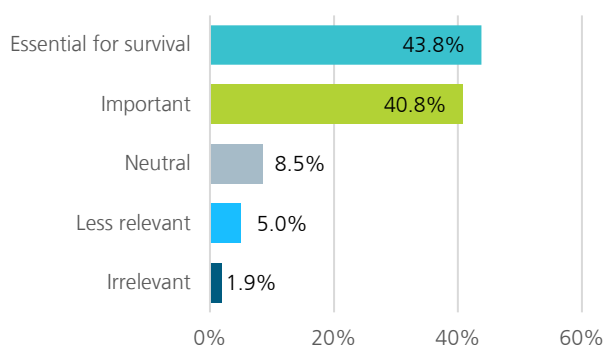
4 Relevance, Subject Matter, and Areas of Origin

In the section on the relevance and sources of innovation, respondents were asked how important innovation is to their companies, what the substantive nature of innovation is, and which internal departments generate the most significant innovation impetus. The internal origin of innovation impulses, i.e., the question of which departments or business units innovation primarily arises in, is supplemented by a distinction between technology- and market-driven innovations and a forward-looking perspective in the form of corporate foresight.

4.1 Innovation Relevance

The priority given to innovation development in companies can vary depending on the strategic orientation. The goal of strong differentiation from the competition is often associated with the high prioritization of innovation activities. The nature of these innovation activities can vary. A differentiation or niche strategy is often accompanied by innovations in products or services, while a cost leadership strategy is associated with process innovations. A clear majority in the study classified innovation as "important" (40.8%) or even "essential for survival" (43.8%) (see Figure 1).

Figure 1: Distribution of responses to the question "How important is innovation for your company?" (n=201)



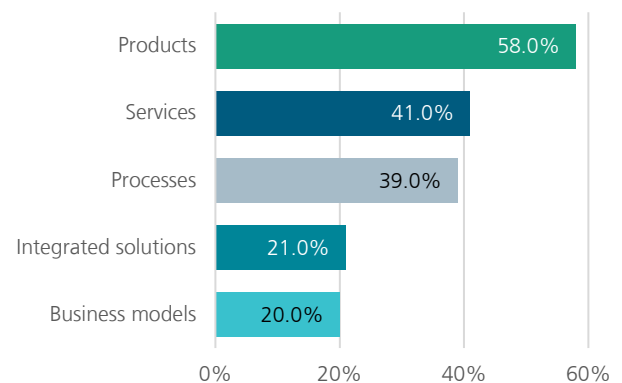
Overall, the importance of innovation in companies is confirmed by nearly 85% of the participating companies. The sectors in which innovation is defined as "essential for survival" with above-average frequency include the IT sector, media and publishing, services and consulting, and the manufacturing industry. The

energy supply sector, on the other hand, ranks in the middle, with the majority of respondents rating innovation as "important and neutral."

4.2 Subject of Innovation

The content dimension of an innovation describes the subject of the innovation. It is the focus of development and is thus at the heart of the degree of novelty compared to a reference solution. It can be summarized by the question of what is new (Hauschildt 1997, 7–15). Based on the content dimension, an innovation can be, for example, a product, a service, a process, a business model, or a combination in the form of an integrated solution. When asked what content is the focus of innovation in the participating companies, a majority cited "products" (58.0%), followed by "services" (41.0%) and "processes" (39.0%), as shown in Figure 2.

Figure 2: Distribution of responses to the question "In which areas does your company primarily innovate? Please name the two most important areas."

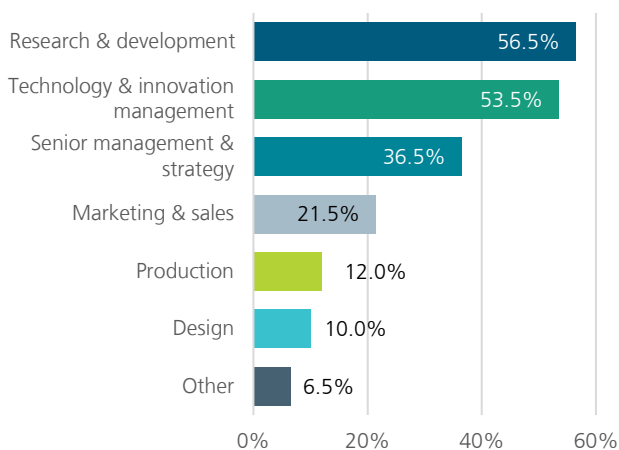


"Business models" and "integrated solutions" are each cited by only one fifth of participants as the most important areas of innovation. Since these topics are often viewed as particularly promising for optimizing value propositions and revenue mechanisms, there appears to be potential to supplement and further develop the existing innovation logic.

4.3 Sources of Innovation

A question that repeatedly arises regarding innovation capability is where the impetus for innovation comes from. This section focuses on the internal location of innovation impetus within companies. The internal areas of “research & development” (56.5%) and “technology & innovation management” (53.5%) were most frequently cited by participants as the sources of innovation impetus. These two areas are followed by “senior management & strategy” (36.5%) and “marketing & sales” (21.5%). The overall distribution is shown in Figure 3.

Figure 3: Distribution of responses to the question “Which internal departments in your company generate the most important innovation impetus?” (n=200, multiple answers allowed)

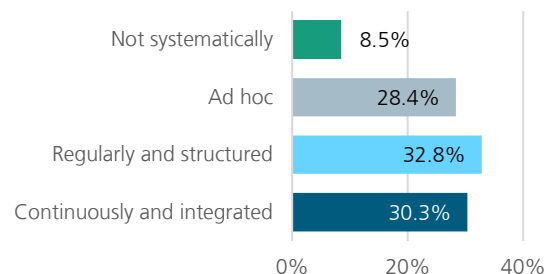


In addition to the options listed regarding the sources of internal innovation, software development stands out particularly in the feedback. With the rise of digitalization and advances in artificial intelligence, it has become a key driver of innovation. It is also evident that in small businesses and the service sector, management is a more significant source of innovation than in other industries. Innovation initiatives originating from design are most common in the media, IT, and consumer goods sectors. The dominance of the fields “research & development” and “technology & innovation management” can be explained, at least in part, by the high proportion of participating companies from the manufacturing sector and by the representation of larger companies.

4.4 User Needs

Taking user needs into account is increasingly important in the context of continuously rising complexity and competitive intensity. Regarding the question of how systematically user needs are integrated in the participating companies, only a small proportion of the participating companies do not systematically take user needs into account (8.5%). As shown in Figure 4, a majority of the participating companies take user needs into account regularly and in a structured manner (32.8%), followed by companies that incorporate them continuously as an integral part of strategic planning and innovation development (30.3%), and those that consider user needs on an ad hoc basis (28.4%).

Figure 4: Distribution of responses to the question “How are user needs incorporated in your company?” (n=201)

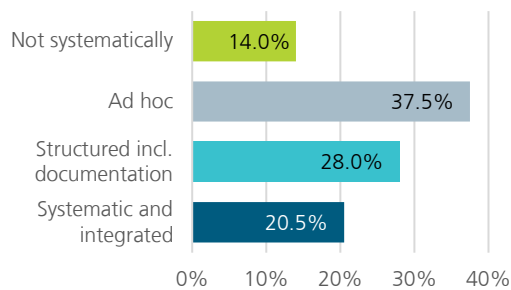


Among participants who systematically incorporate user needs (n=127), just under half of the participants confirm that user research is an integral part of processes (48.0%), that direct contact with users is organized across departments (52.0%), and that methodological approaches such as personas or journey maps are actively used (49.6%). Co-creation with users also appears to be a methodological approach for addressing user needs (40.9%). In contrast, a central repository for user needs is in use at only one tenth of the participating companies (11.8%). Like other factors, the degree of user-centeredness varies greatly across industries and plays a similar role to design. In the information and communication sectors, as well as the service sectors, the incorporation of user needs is very pronounced; the automotive, chemical, and pharmaceutical industries are in the middle, followed by mechanical engineering and energy supply, where user involvement tends to be rather unsystematic and sporadic.

4.5 Technology Monitoring

In contrast to the systematic consideration of user needs, the systematic consideration of technological developments is somewhat less pronounced in the participating companies (see Figure 5). Slightly more than a third consider technological developments on an ad hoc basis in the form of technology scouting/monitoring (37.5%). Structured technology monitoring, including the continuous documentation of results, is established at a quarter of the companies (28.0%), while only a fifth of the companies have continuously integrated the associated processes into strategic planning (20.5%).

Figure 5: Distribution of responses to the question *"How are technological developments identified, monitored, and evaluated in your company in the sense of systematic technology scouting/monitoring?"* (n=200)

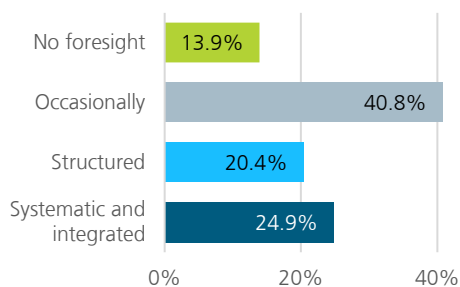


Just under 15% have no systematic technology monitoring or scouting (14.0%).

4.6 Foresight

Regarding the question of how companies deal with future forecasting and long-term developments in the context of corporate foresight, the most common response is that foresight activities are carried out occasionally (40.8%). The structured use of foresight is present in a fifth of the participating companies (20.4%), and a quarter have integrated future studies as a continuous component of strategy, leadership, and innovation (24.9%).

Figure 6: Distribution of responses to the question *"How does your company handle forecasting and long-term developments in the context of corporate foresight?"* (n=201)



The proportion of companies that do not engage in foresight is on par with those that do not monitor technology (13.9%), as shown in comparison with the other responses in Figure 6.

5 Strategy, Processes, Culture, and Characteristics

In this study section, the focus is on long-term innovation capability. Key success factors here include integration into corporate strategy, operationalization, and a factor that must not be overlooked under any circumstances: the culture of innovation. Another critical factor is the deliberate planning of innovation orientation. This orientation may, for example, include targeted performance improvement or the origin of innovation impetus from outside the company.

5.1 Innovation in Corporate Strategy

Anchoring innovation in corporate strategy forms the foundation for all subsequent activities, as it ensures alignment with long-term goals and provides direction for innovation impetus. Just over 70% (71.6%) of the participating companies agree somewhat or completely with the statement that innovation is an integral part of corporate strategy (see Figure 7).

Compared to the importance of innovation within the company, which is rated as neutral to unimportant by approximately 15% of the participating companies (see Figure 7), the proportion of companies

in which innovation is not anchored in the corporate strategy is only 5%.

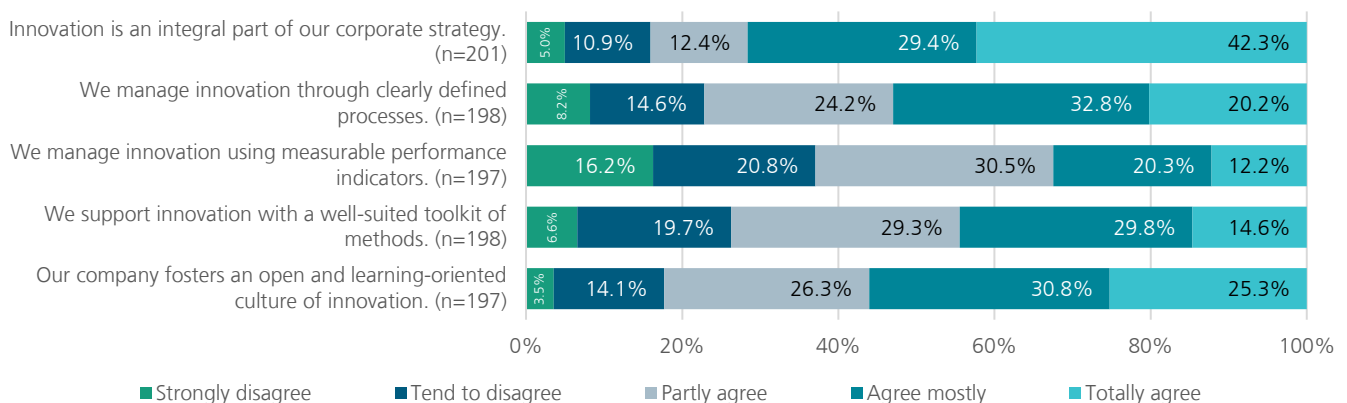
5.2 Innovation Processes, Metrics, and Methods

In addition to integrating innovation into the company's overall strategy, it is essential to translate it into day-to-day operations. Key approaches for achieving this include defining appropriate processes, monitoring consistency, goal achievement, and implementation efficiency using relevant metrics, and having a "toolbox" of suitable methodological tools available throughout the process chain.

When asked whether innovation is managed using clearly defined processes, slightly more than half of the participating companies agree mostly or completely (53.0%). In a few of the participating companies, however, clearly defined processes are rarely (14.6%) or never (8.1%) used to manage innovation.

The use of key performance indicators (KPIs) to manage innovation, however, is somewhat less prevalent among the participating companies. Only just under a third agree with the statement that innovations are managed using measurable KPIs (32.5%); slightly

Figure 1: Distribution of responses to the question "Please select the applicable answer regarding corporate strategy, processes, measurable performance indicators, methods, and innovation culture."



more than a third of the participating companies use key performance indicators infrequently or not at all for steering innovation (37.0%).

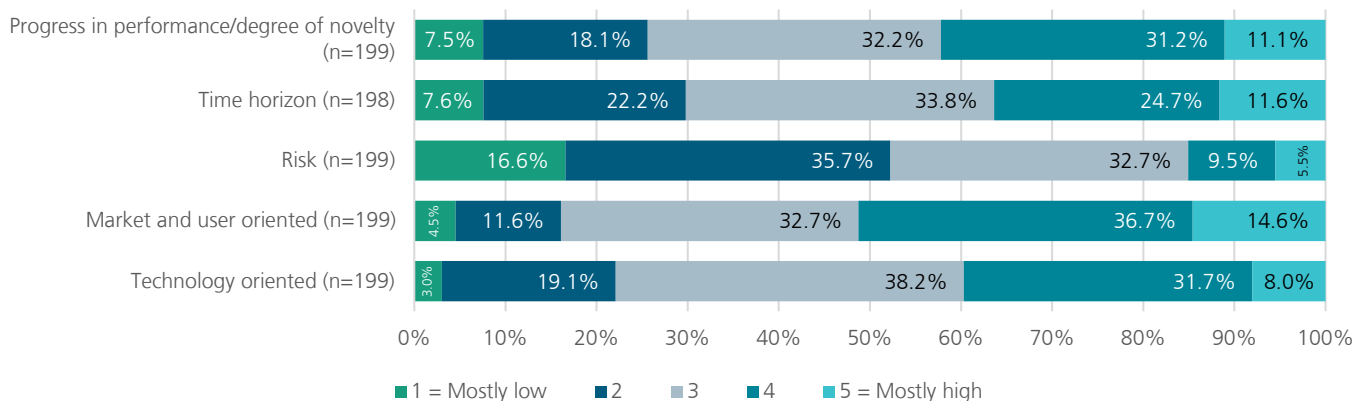
The strategic direction sets the course, which can then be supported by the targeted use of methodological tools. To achieve technological innovation leadership, it is essential to identify and evaluate technological developments early and strategically integrate them into the planning process. Cost leadership requires innovation goals for continuous process optimization along the entire value chain and product lifecycle. When asked whether innovations are supported by a suitable toolbox of methodological tools, the responses from the participating companies are positive, but only just. Just under a third of the responses fall in the middle with "somewhat" (29.3%), slightly less than half are on the positive side (44.4%), and in about a quarter of the participating companies, little or no strategic support with suitable methodological tools to support innovation appears to be available (26.3%).

When asked whether an open and learning-oriented innovation culture is practiced, just over half of the participating companies agree or strongly agree (56.1%), while only a small proportion disagree (17.6%). At the same time, a quarter (26.3%) of the participating companies fall between the two extremes with the response "somewhat".

5.4 Characteristics of Innovations

The targeted nature of innovations is a key factor in determining innovation capability. The degree of novelty/performance advancement, time horizon, risk, and the balance between market and technology determines where within the corporate environment relevant developments and innovation potential are sought, who should be involved in innovation processes, and how innovation activities must be structured. An overview of the nature of innovations in the participating companies is shown in Figure 8.

Figure 2: Distribution of responses to the question
"How would you describe your company's innovation behavior with regard to the dimensions mentioned?"



In addition to embedding innovation into corporate strategy, a practice that appears to be widespread, the use of key performance indicators and a methodological toolkit remains an area with considerable room for improvement.

5.3 Innovation Culture

Innovation culture is often cited as one of the most important influencing factors for innovation capability. A practiced innovation culture can render strategic orientation obsolete in both positive and negative senses. The challenge is the fact that a company's cultural characteristics are difficult to influence directly but instead are shaped over the long term through a wide variety of activities that can be affected by behaviors and measures.

■ Progress in performance/degree of novelty

When assessing the degree of novelty or performance progress of innovations compared to previous reference solutions, approximately 40% (42.3%) of the participating companies describe it as relatively high, and a quarter (25.6%) of the participating companies as relatively low.

■ Time horizon

When asked about the time horizon of innovations, slightly more than a third view it as relatively long-term (36.2%) and, in contrast, just under a third view it as relatively short-term (29.7%). A third of the responses fall in the middle range (33.7%).

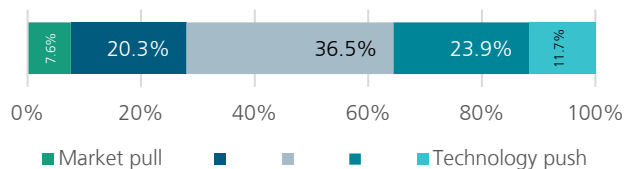
■ Risk

The question regarding the risk of innovations is answered by a clear majority of participants (85.0%) in the lower third of the spectrum, indicating low to moderate risk. Only 15% of participants (15.0%) describe their own company's innovation behavior as involving above-average risk.

■ Market vs. technology orientation

Regarding the classification of innovations with the classic categories of "market pull" and "technology push", slightly over one third (35.6%) of the participating companies tend to classify themselves as technology-driven, while, in slightly more than a quarter (27.9%) of cases, innovations are classed as market-driven (see Figure 9).

Figure 9: Distribution of responses to the question "How would you describe your company's innovation behavior in terms of the origin of innovations?" (n=197)



To clarify the distinction between "technology push" and "market pull", participants were asked separately to assess market/user orientation and technology orientation (see results in Figure 8). In response to this supplementary question, the classification is somewhat clearer, with just over half of the participants (51.3%) rating their company's market/user orientation as high to very high, and slightly over a third (39.7%) rating their technology orientation as high to very high.

The degree of innovation is strongly correlated with the size and industry affiliation of the participating companies. The comparison of industry affiliation and innovation level across the most heavily represented industries, shown in Table 1, illustrates the diversity here.

Table 1: Cross-tabulation of the most heavily represented industries and the respective majority innovation intensity according to the assessment of the participating companies.

(●: high | ◐: medium | ○: low | n=90)

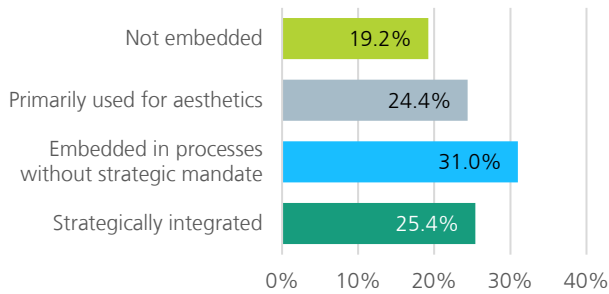
Industry	Newness/perf. increase	Time horizon	Risk	Market pull	Technology push
Mech. engineering (C)	○	○	◐	◐	◐
Automotive (C)	◐	◐	◐	◐	●
IT/software (J)	●	◐	●	◐	●
Consulting (M)	●	○	◐	◐	●
Electr. systems (C)	●	●	●	◐	○
Publishers/media (J)	●	○	◐	○	●

With regard to company size, the survey results show that innovation in small companies generally exhibits higher levels of novelty and performance improvement than in larger companies, and that user orientation is also higher in small companies, whereas larger companies tend to focus their innovation activities on technology. One difficulty is the high degree of subjectivity in comparing industries and companies; therefore, this should serve solely as a starting point for reflecting on one's own level of innovation.

5.5 Innovation and Design

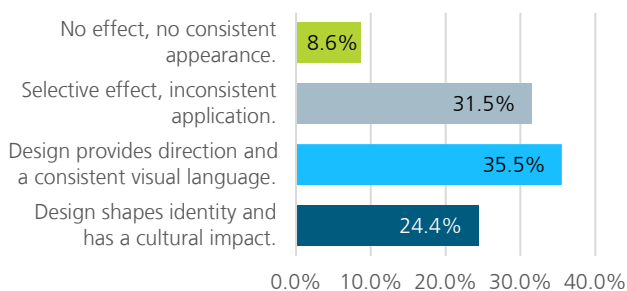
The question of whether design is embedded in processes or strategically integrated was answered affirmatively by just over half of the participating companies (56.4%). In about a quarter (24.4%) of the participating companies, design is used primarily for aesthetics, and in just under 20% (19.3%), it is not embedded (see Figure 10).

Figure 10: Distribution of responses to the question "What role does design play in your company?" (n=197)



To clarify the role of design in innovation, specific questions were asked about its function in shaping identity and providing orientation. For just under a quarter of the participating companies (24.4%), design is firmly established, shapes identity, and has a cultural impact. For slightly more than a third (35.5%), design helps shape identity through a consistent visual language (see Figure 11).

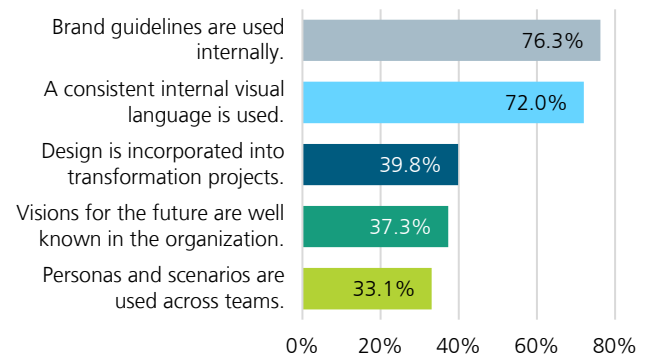
Figure 11: Distribution of responses to the question "What role does design play in shaping identity and providing orientation in your company?" (n=197)



In just over 30% (31.5%) of cases, design plays a rather inconsistent role with a rather selective effect. In less than 10% (8.6%) of cases, there is no effect or no consistent visual identity.

Among the companies where design plays an important role in identity and orientation (n=118), the majority use a consistent internal visual language (72.0%) and apply brand guidelines internally (76.3%). As shown in Figure 12, the cross-team use of personas and scenarios is less common (33.1%), as are company-wide visions of the future (37.3%) or the integration of design into transformation projects (39.8%).

Figure 12: Distribution of responses to the question "Which of the following statements regarding the role of design apply to your company?" (n=118, follow-up question, in cases where the design provides and shapes identity.)



The role of design varies greatly across the industries represented. The IT sector, the media and publishing industry, and consulting firms have the highest degree of integration and a more strategic anchoring. In the manufacturing sector, the automotive industry and electrical equipment are positioned in the middle, with design primarily integrated into processes without a strategic mandate. In contrast, design is not very firmly established in mechanical engineering and energy supply.

6 Digitalization and Artificial Intelligence

Increasing digitalization and the resulting use of machine learning and artificial intelligence are among the technological trends that have developed over decades and today shape companies' innovation capabilities more than ever. In the context of innovation capability, this applies both to their use in innovations themselves and in the innovation process. The basis for this is the respective data foundation, which is surveyed separately in a third section.

6.1 Digitalization

Digitalization is the foundation for the use of machine learning and artificial intelligence. When asked to what extent the participating companies have already implemented digitalization projects, a large majority (94.0%) state that they have implemented them partially or completely. In contrast, only a small proportion (6.0%) state that they have not yet started digitalization projects or are still in the planning phase.

The key areas of digitalization are listed in Table 2 in descending order according to frequency of mention.

Table 2: Distribution of responses to the question "Digitalization primarily affects the following in your company..." (n=199, multiple responses allowed)

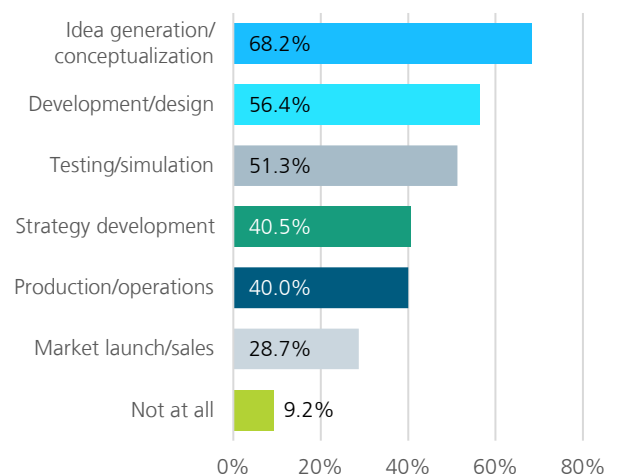
Key areas	
Processes	91.96%
Products	56.78%
Services	54.77%
Communication/Sales	54.27%
Business models	44.72%

The extent of digitalization in the key area of processes indicates a generally high level of awareness regarding digitalization in this area. However, feedback from approximately half of the participating companies in the other key areas indicates significant potential for improvement in digitalization overall.

6.2 Artificial Intelligence

There is a clear disparity regarding the phases of the innovation process in which artificial intelligence is used. In strategy development, usage stands at just over 40% (40.5%). In all other phases, the frequency of mention decreases gradually (see Figure 13). In idea generation and conceptualization, the use of artificial intelligence stands at nearly 70% (68.2%); in development/design and testing/simulation, it is slightly over 50% (56.4%; 51.3%), in production/operations it stands at 40% (40.0%), and in market launch and sales it is less than a third (28.7%).

Figure 13: Distribution of responses to the question "In which phases of the innovation process is artificial intelligence specifically used in your company?" (n=195, multiple answers allowed)



Just under a tenth of the participating companies (9.2%) do not use artificial intelligence in their innovation process.

6.3 Data Availability and Accessibility

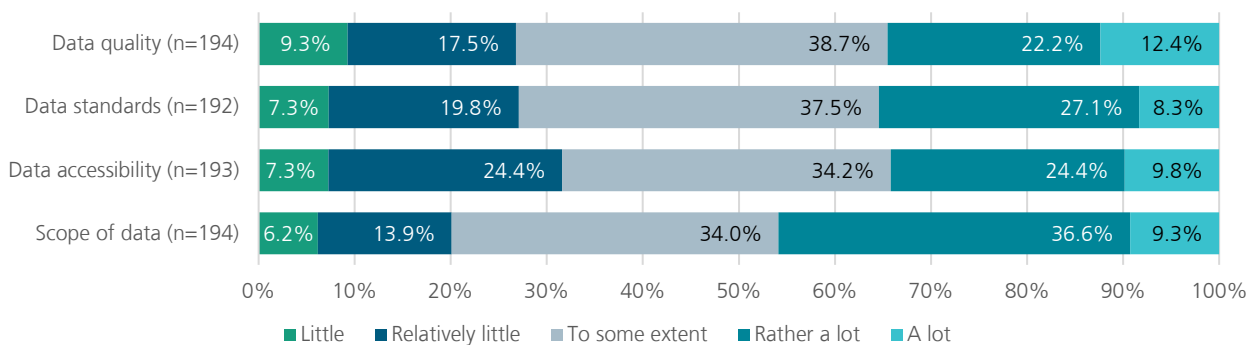
The data available serves as a central foundation for digitalization and the use of machine learning and artificial intelligence. The following section presents the responses regarding the dimensions along which the data available in companies can concretely support innovation (see Figure 14).

■ Data quality

Regarding the question of the extent to which the quality of data supports innovation in companies, a third of the responses fall at the upper end of the scale at “rather a lot” or “a lot” (34.6%), while slightly more than a quarter (26.8%) fall at the lower end with the responses “relatively little” or “little”.

Across the board, it can be observed that supporting innovation through data offers significant potential for improvement. With only a third on the positive side regarding support and the response that data being available to a relatively extensive extent, there is significant potential for improvement in terms of quality, accessibility, and data standards. Moderate correlation can be observed between company size and the level of digitalization. With the exception of the IT sector, larger companies generally have a higher level of digitalization than smaller companies.

Figure 3: Distribution of responses to the question
“To what extent does the available data support innovation in your company with regard to the following dimensions?”



■ Data standards

The distribution of responses regarding existing standards roughly matches that regarding data quality. Slightly more than a quarter of participants view their company as below average (27.1%), while slightly more than a third (35.4%) view their company as above average.

■ Data accessibility

Regarding the support of innovation through data accessibility, the proportion of participants who perceive “little” or “relatively little” support is slightly higher at just under a third (31.7%) and, in line with the previous dimensions, on the positive side of the scale again comes in at just over a third (34.2%).

■ Scope of data

Over 40% (45.9%) of participants answered the questions regarding the support of innovation through the scope of data on the positive side of the scale, with an assessment of “a lot” or “rather a lot”, and only about 20% (20.1%) answered “little” or “relatively little”.

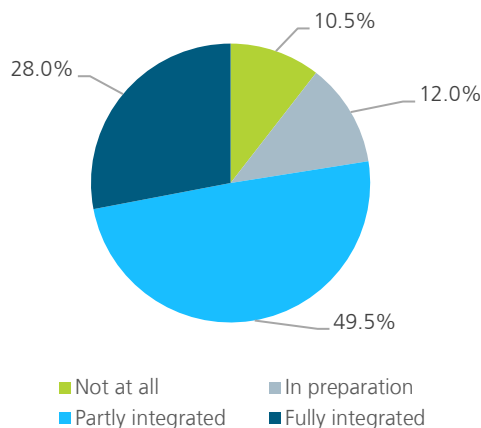
7 Sustainability

For several decades, sustainability has been gaining in importance as one of the central megatrends. By linking ecological, social, and economic criteria, it is also considered a driver of long-term innovations.

7.1 Sustainability Goals

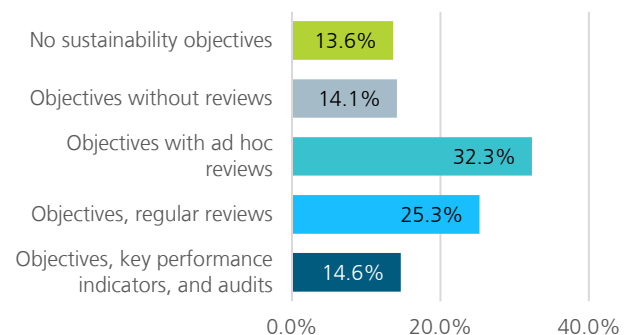
When asked to what extent sustainability goals are an integral part of the innovation strategy, half of the surveyed companies (49.5%) fall in the middle range with partial integration. For just under 30% (28.0%), sustainability goals are an integral part of the innovation strategy, and just under a quarter (22.5%) of companies have not—or have not yet—integrated sustainability goals into their innovation strategy (see Figure 15).

Figure 15: Distribution of responses to the question *"To what extent is sustainability an integral part of the innovation strategy?"* (n=200)



Regarding the existence of measurable sustainability objectives for innovations at the operational level, just under 40% (39.9%) of participating companies have clear objectives and regular reviews or use key performance indicators and audits to evaluate innovations. A third of companies (32.3%) apply objectives and ad hoc reviews, whereas just under 15% (14.1%) use objectives without reviews, and slightly more than a tenth (13.6%) do not use sustainability targets for innovations (see Figure 16).

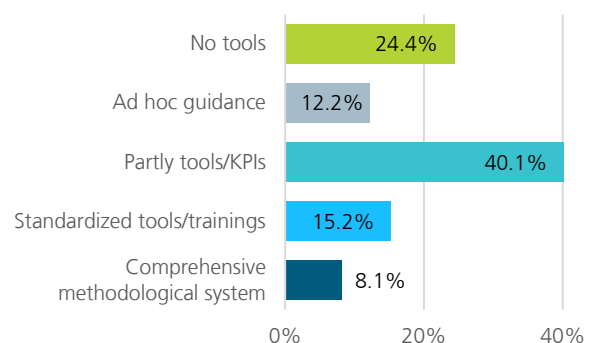
Figure 16: Distribution of responses to the question *"Please estimate, for your company, to what extent measurable sustainability goals exist for innovation."* (n=198)



7.2 Methodological Support

Consistent methodological support for incorporating sustainability goals into innovation projects is used by just under a quarter (23.3%) of the participating companies in the form of standardized tools and training or a comprehensive methodological system. In just over half (52.3%) of the participating companies, ad hoc guidelines are available, and projects are partially supported by tools and metrics related to sustainability goals.

Figure 17: Distribution of responses to the question *"To what extent is methodological support available for incorporating sustainability goals into innovation projects?"* (n=197)



As shown in Figure 17, just under a quarter (24.4%) of the participating companies have no methodological support regarding sustainability goals in innovation projects.

The results show that the integration of sustainability into innovation strategy and processes increases with

company size. This applies to strategic sustainability goals in the innovation strategy, the embedding of measurable sustainability goals for innovations, and support through methodological approaches. There appears to be potential for further improvement and support in this area for companies with fewer than 250 employees.

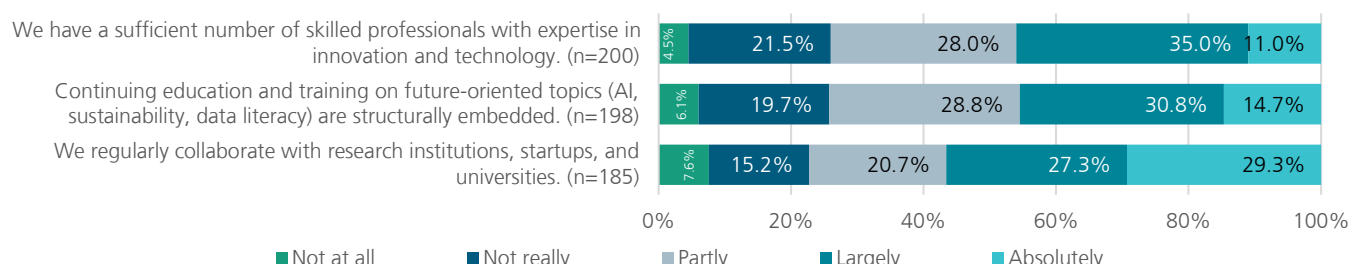
8 Skilled Workers, Qualifications, and Collaboration

Innovations are becoming increasingly complex due to the integration of different disciplinary fields and technological areas. The speed at which new innovations are implemented is also increasing. Both of these factors indicate that the demands in terms of skilled workers, lifelong learning, and collaboration with other companies or research institutions are rising. The results of the questions are presented as an overview in Figure 18.

a quarter (25.8%) of companies that have little or no structural integration of continuing education and training, which means that future-oriented topics pose a challenge.

While half of the participating companies provided positive feedback regarding skilled workers, continuing education, and training, the other half appears to have significant room for improvement, particularly in continuing education and training on future-oriented topics such as AI, sustainability, and data literacy.

Figure 4: Distribution of responses to the question *"How would you describe your company regarding the availability of skilled workers, the integration of continuing education and training, and cooperation with research institutions, startups, and universities?"*



8.1 Skilled Workers

When asked whether the participating companies have sufficient skilled workers with innovation and technology skills, just under half (46.0%) of the participating companies answered positively with "largely" or "absolutely" and only slightly more than a quarter (26.0%) answered negatively with "not really" or "not at all".

In times when the shortage of skilled workers, particularly in information and communication technologies, is a critical factor often highlighted by companies, this appears to be a relatively positive sign with respect to innovation capability.

8.2 Education and Training

Just as with skilled workers, the question of structurally embedding continuing education and training on future-oriented topics is answered positively with "largely" or "absolutely" by just under half (45.4%) of the participating companies. This is contrasted with

8.3 Collaboration

The question of whether collaboration with research institutions, startups, or universities takes place regularly is answered positively by just over half (56.6%) of the participating companies and negatively by just under a quarter (22.8%). Regarding the question of what proportion of innovation projects is carried out jointly with partner companies, the average response is nearly 45% (44.2%), indicating that only slightly more than half of innovation projects in participating companies take place without partner companies. The frequency of collaboration is highest among medium-sized companies. For companies with fewer than 250 employees, it falls in the lower mid-range; for companies with more than 5,000 employees, however, the responses vary widely, ranging from a share of innovation projects in cooperation with partner companies of less than 10% to over 70%.

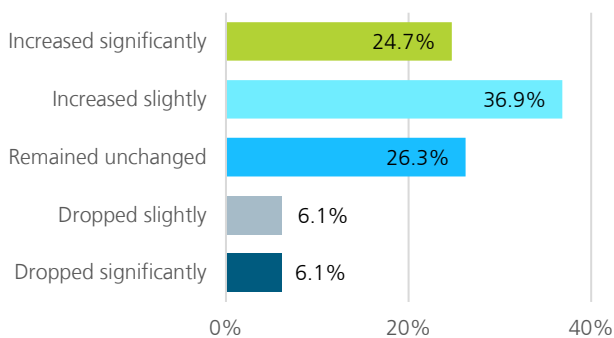
9 Implementation Speed, Decision-Making Processes, and Industry Structures

In addition to factors that companies can directly influence, numerous external factors play an important role in innovation capacity. This section of the survey addresses the direct market environment, specifically the speed at which innovations occur from the initial identification of innovation potential through to implementation, and the associated innovation performance of the company itself.

9.1 Speed of Implementation

A trend that has been observed in innovation processes for many years is the continuous acceleration of innovation cycles. Accordingly, it is little surprise that only just over a tenth (12.1%) of the participating companies reported that the implementation speed of innovation projects has decreased slightly or significantly over the past three years (see Figure 19).

Figure 19: Distribution of responses to the question "How has the implementation speed of innovation projects developed over the past three years?" (n=198)

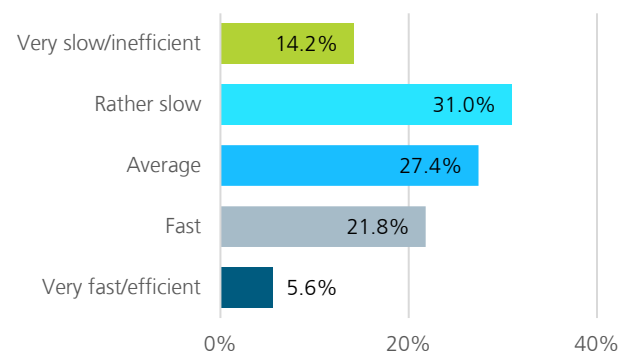


For just over a quarter (26.3%) of the participating companies, the implementation speed has remained unchanged, while for over 60% (61.6%) it has increased slightly or significantly.

9.2 Decision-Making Processes

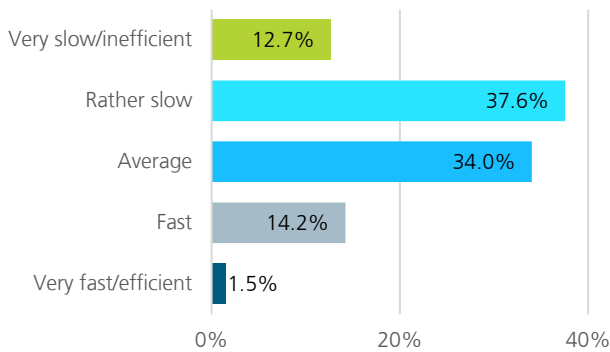
In contrast to the increasing implementation speed, decision-making processes for innovation projects are significantly slower and less robust among the participating companies. Nearly half (45.2%) of the companies rated these as rather or very slow, and just under a third (27.4%) as fast or very fast (see Figure 20).

Figure 20: Distribution of responses to the question "How would you describe the decision-making processes for innovation projects in your company in terms of speed and decision-making capacity?" (n=197)



The framework conditions in the respective industries of the participating companies paint a similar picture. As shown in Figure 21, half (50.3%) of the participants assess the framework conditions for innovation processes in their industry, in terms of speed and decision-making capacity, as rather or very slow. One-third fall in the middle range (34.0%), while the response "fast" accounts for just under 15% (14.2%) and "very fast" for less than 2% (1.5%).

Figure 21: Responses to the question “How would you describe the framework conditions in your industry for innovation projects in your company in terms of speed and decision-making ability?” (n=197)



A consistent negative correlation between company size and decision-making speed is observed. The larger the participating companies are in terms of employee numbers, the slower their decision-making processes are. Companies with 250 to 1,999 employees fall in the middle range, at the tipping point between fast, efficient decision-making structures and slow, inefficient ones.

9.3 Industry Structures

The question on speed and decision-making ability was followed by an open question on industry structures for the implementation of innovation projects. With respect to the open question in the respective industries of the participating companies, the answers were grouped into clusters and prioritized by frequency of mention. Three of the clusters were mentioned most often by approximately 15% of the participating companies, namely: the clusters “formalized innovation processes”, “lack of / insufficient innovation structures and governance”, and “regulatory and normative frameworks as an obstacle”. These are followed by the cluster “agile/flexible team structures and methods” mentioned by 10% of participants. Given the open nature of the question, the clusters may contain partially contradictory focuses, which can be explained by the industry distribution within the clusters. (n=72)

■ **Formalized innovation processes**

First and foremost, regarding the question of structures for implementing innovation projects, the most frequently cited factor is formalized innovation processes in structured, multi-stage process models with standardized, sometimes iterative phases and decision points. In this cluster, the energy supply sector, for example, is represented with above-average frequency.

■ **Lack of /insufficient innovation structures and governance**

The second cluster includes descriptions of a lack of strategic direction, missing formal processes and roles, and innovation approaches largely driven by individuals. This appears to apply particularly to the public sector.

■ **Regulatory and normative framework as an obstacle**

In this cluster, a higher-than-average proportion of feedback comes from the manufacturing sector, specifically the automotive and mechanical engineering industries. Standards, government regulatory bodies, compliance requirements, and Legal frameworks are described as defining characteristics or barriers to innovation activities.

■ **Agile/flexible team structures and methods**

The descriptions of industry structures in this cluster are characterized by product-oriented, interdisciplinary teams and lean working methods using agile approaches. This cluster includes a disproportionately high number of small and medium-sized enterprises from the IT and media sectors, as well as from management consulting.

Following with a slightly lower frequency of mention are the clusters “conservative/sluggish industry structures and long product lifecycles,” “customer- and market-driven innovation approaches,” “centralization versus decentralization of innovation organization,” and “heterogeneity/no uniform industry standard,” each with just over 8%.

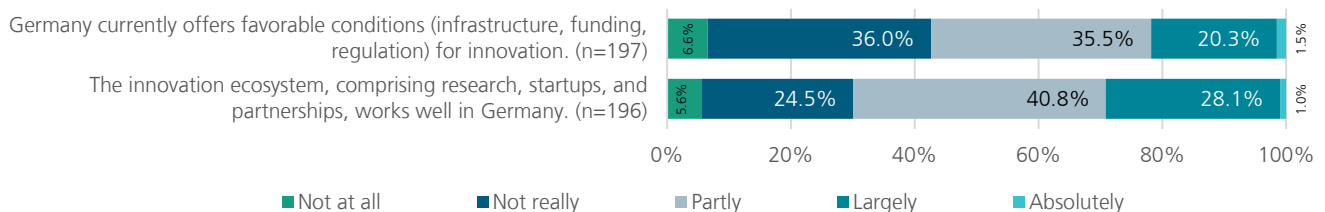
10 Location, Framework Conditions, and Development of Innovation Performance

The location and framework conditions within Germany's innovation ecosystem are essential prerequisites for the high level of innovative capacity of German companies. Quantified metrics for comparing innovation systems across different countries are provided, for example, by the Innovation Indicator, which is updated annually by the Fraunhofer Institute for Systems and Innovation Research ISI in collaboration with the ZEW – Leibniz Centre for European Economic Research, the Federation of German Industries (BDI), and Roland Berger. In 2025, for example, Germany ranked twelfth here, with a decline in the innovation performance of German companies and, at the same time, a top ranking of fourth in the assessment of the development of future fields through key technologies.¹

innovation ecosystem comprising research, startups, and partnerships function well in Germany. A similar proportion do not really agree or do not agree at all (30.0%).

The final question regarding the development of the participating companies' innovation performance is, overall, somewhat more positive. A clear majority of just under 60% (57.0%) of the participating companies state that their own company's innovation performance has improved slightly or significantly over the past three years.

Figure 5: Distribution of responses to the question
"How would you describe the framework conditions for innovation in Germany from your company's perspective?"

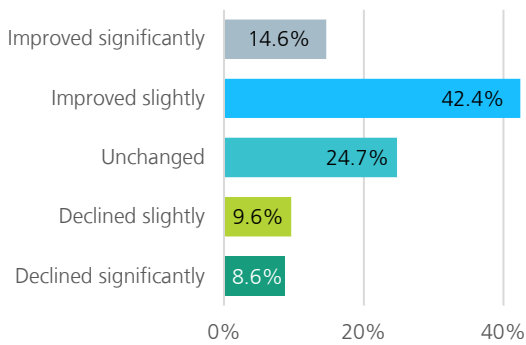


In the section on location and framework conditions, participants were asked how the participating companies perceive the framework conditions and the ecosystem for innovation (see Figure 22). Contrary to the ranking in the innovation indicator, a significant proportion of participating companies tend to disagree or strongly disagree with the statement that Germany currently offers good framework conditions for innovation (42.6%). Only slightly more than a fifth (21.8%) assess the situation positively.

A slightly higher proportion, just under 30% (29.1%), largely or fully agree with the statement that the

¹ <http://www.innovationsindikator.de>

Figure 23: Distribution of responses to the question
"How has the innovation performance of your company developed over the past three years?" (n=198)



About a quarter (24.7%) assess their innovation performance as unchanged, and just under 20% (18.2%) see a decline in their own company's innovation performance over the past three years (see Figure 23). It is interesting to note that company size correlates with changes in innovation performance. The smaller the participating companies are in terms of employee numbers, the more positive their responses are regarding the development of innovation performance over the past three years. Among companies with more than 500 employees, about a third assess their innovation performance as unchanged or worse. With regard to sectors, innovation performance in the manufacturing industry is assessed as stagnant to declining, whereas the trends in the ICT, media and publishing, and transportation and logistics sectors are assessed as positive to extremely positive.

11 Study Participants

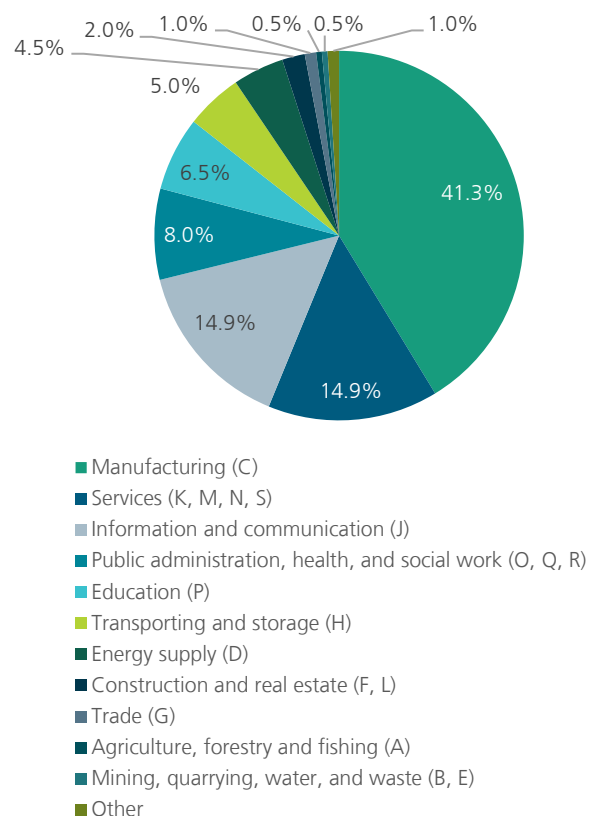
The study included 433 participants. For the analysis, 201 of the data sets could be included. In some of these, not all questions were answered, which is made transparent in the individual analyses by providing the size of the respective sample (n). The correlations mentioned refer to the number of responses in which both questions were answered.

11.1 Industry Affiliation

Just over 40% (41.3%) of the participating companies are from the manufacturing sector, followed by the service and the information and communication sectors, each with just under 15% (14.9%). The further breakdown of participants (by NACE) is shown in Figure 24.

Within the manufacturing sector, mechanical engineering (26.5%) and vehicle manufacturing (20.5%) are the most frequently represented industries, followed by manufacturers of electrical equipment (13.6%). In the service sector, consulting firms (50.0%), financial service providers (20.0%), and other business services (10.0%) are the most frequently cited categories. In the information and communication sector, the largest groups are IT service providers and software developers, accounting for half of the participating companies (50.0%), as well as publishing and media, accounting for one third (33.3%).

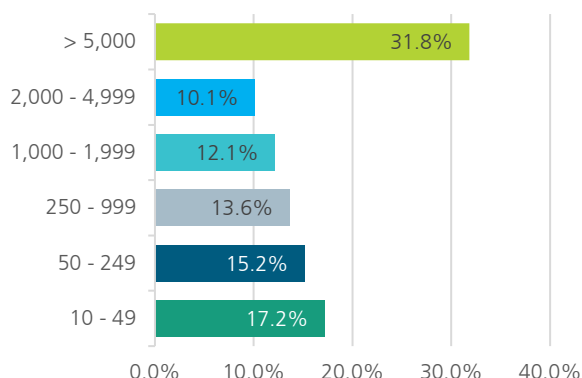
Figure 6: Industry affiliation of participating companies according to NACE (n=201)



11.2 Organizational Size

In terms of participants' assessments with respect to company type, the most frequently cited group is "SMEs" (37.3%), followed by "corporations/large enterprises" (35.3%) and "start-up/small business" (12.9%). In addition to the participants' classification of the description that best applies to their company, the distribution of the respective number of employees is shown in Figure 25.

Figure 25: Distribution of responses to the question "How many employees does your company have in Germany?" (n=198)

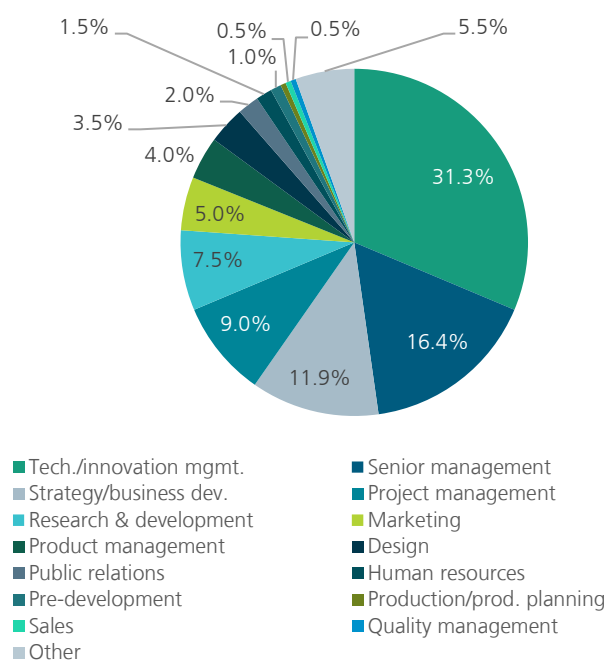


The proportion of small businesses is noteworthy. Since over 90% (90.6%) of the participating companies not only conduct business activities but also have their headquarters in Germany, the high proportion of small and medium-sized enterprises with fewer than 250 employees is a particularly interesting aspect of this study.

11.3 Roles of the Participants

The largest share of participants comprising nearly a third (31.3%), work in technology and innovation management, followed by executive management (16.4%) and strategy/business development (11.9%) (see Figure 26).

Figure 26: Distribution of responses to the question "What is your role in your company?" (n=201)



Functions that primarily deal with internal processes, such as production and production planning, sales, and quality management, each account for less than 1% of the responses.

11.4 Survey Sample

Due to its size, distribution, and methodological approach, the survey sample does not claim to be representative of either a group of organizations or a specific industry. It is intended to shed light on the current state of innovation capacity in German companies to identify opportunities for action and improvement. Likewise, insights into current practices enable policymakers and academics to identify challenges and needs.

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Fraunhofer Group for Innovation Research

Five Institutes of the Fraunhofer-Gesellschaft

With its clear orientation toward applied research and its focus on key technologies relevant to the future, the Fraunhofer-Gesellschaft is the leading organization for applied research in Europe. Under its umbrella, 74 institutes and research facilities operate at locations throughout Germany. More than 30,000 employees generate an annual research volume of 3.6 billion euros. International collaborations with outstanding research partners and innovative companies ensure direct access to the most important current and future scientific and economic hubs.

Understanding the complex interrelationships within innovation systems is crucial to success for business, politics, research, and society. Together, the five member institutes of the Fraunhofer Group for Innovation Research have committed themselves, as though leaders and competent partners, to the following mission: “We provide guidance, offer strategic positioning, and support the shaping of the future within innovation systems for business, politics, science, and society.” Under the guiding principle “Understanding Change, Shaping the Future,” the following areas of focus and service form the core of the network’s joint strategic orientation:

Understanding change

Understanding innovation systems is key to shaping them in a targeted manner. This specifically includes:

- Identification, analysis, and development of innovation systems
- Futures research and technology foresight
- Integration of socio-economic and socio-technical research

Shaping the future

Accompanying support to shape innovation systems specifically comprises:

- Strategic innovations, R&D, and technology planning
- Supporting product, service, and solution development
- Policy development, consulting, and evaluation
- Corporate, industry, and organizational development
- Analysis, planning, and support for transformation processes

The Fraunhofer-Gesellschaft has been conducting scientific and application-oriented research in the field of innovation for over 50 years, currently through the Fraunhofer Group for Innovation Research, which comprises a total of 1,200 employees across five Fraunhofer Institutes:

Fraunhofer Institute for Industrial Engineering IAO, Stuttgart
Fraunhofer Institute for Systems and Innovation Research ISI, Karlsruhe
Fraunhofer Information Center for Planning and Building IRB, Stuttgart
Fraunhofer Institute for Integrated Circuits IIS, division Supply Chain Services SCS, Nuremberg
Fraunhofer Institute for Communication, Information Processing and Ergonomics FKIE, Wachtberg

Stay informed and learn more about the network

You can find the latest news from our member institutes and about the network on our website, as well as in our newsletter. We also offer a wide range of innovation methods and an overview of the member institutes’ publications.

Website: <http://www.innovation.fraunhofer.de/en.html>

German Design Council

German Innovation Award

German Design Council

The German Design Council is the central non-profit organisation dedicated to strengthening design as an economic factor in Germany. Established in 1953, after being approved by the First German Federal Parliament, it now connects over 300 companies and experts from business and design through knowledge transfer, collaborations and awards. Programmes for emerging talent, such as German Design Graduates and the German Design Award Newcomer, specifically support young talent.

The institutional infrastructure includes the Design Library – one of the most comprehensive collections of international design literature in Germany, with approximately 20,000 books, audiovisual media and some 40 international trade journals – as well as a historical photo archive containing around 40,000 images of modern design. Through the German Design Museum Foundation, the German Design Council supports an institution that offers nationwide educational programmes for children, young people and teachers to promote design literacy.

As a platform for dialogue between business, research, politics and design, the German Design Council serves as a central intermediary between design practice and economic impact.

German Innovation Awards

The German Innovation Awards annually honour B2B and B2C solutions that stand out for their degree of innovation, market relevance and successful implementation. An independent jury evaluates the submissions based on a comprehensive set of criteria, ranging from utility and functionality to sustainability and cost-effectiveness, as well as future viability and regional potential.

The awards highlight how innovations emerge across industries and the contributions they make to competitiveness, transformation and social progress, particularly in Germany, a hub of innovation.

Whitepaper *Design x Innovation 2030*

In autumn 2026, the German Design Council plans to publish the white paper *Design x Innovation 2030*, based on an exploratory study on the future role of design in the innovation process, led by Dr. Christopher Stillings and Stephan Ott.

The aim of the white paper is to provide recommendations for concrete approaches to how design, as a systemic competence, can support innovation emotionally and structurally, productively shape the ambivalences of digitalisation and artificial intelligence, and improve the measurability of design impact. To develop these recommendations, in-depth interviews were conducted with innovation leaders from industry, design, science and institutional contexts.

The white paper can be downloaded or pre-registered via the following link:

<https://gdc.jotform.com/261163218692862>

Website: <http://www.german-design-council.de/en>

Imprint

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