

## Values-based innovation using design patterns for sustainable business model design\*

Innovative companies with commitments to strong core values are also more successful economically in the long term than those driven by market opportunities [1]. So how can we ensure that new products and services not only create added value by meeting short-term needs, but are also aligned with what different stakeholders such as company employees, customers, suppliers and societal stakeholders value in the medium and long term?

Values-based innovation management makes the values of stakeholders—their systems of priorities and notions of what is desirable—the basis of innovation projects. Values provide a heuristic for opening up new areas of business, orientation for their design, and even starting points for integrating conflicting interests. They help formulate visions for shaping the future, a mission and a purpose worth working for—in other words, an organizational identity—especially when it comes to developing new processes, products, services, business models and new business ecosystems. If such values are not merely announced on corporate websites, but actually shape a lived culture of innovation with guidelines for action, then innovations will lead to desirable results, even when developments take an unexpected turn [2]. This is especially true for companies realigning their business models and offerings in a sustainability-oriented way.

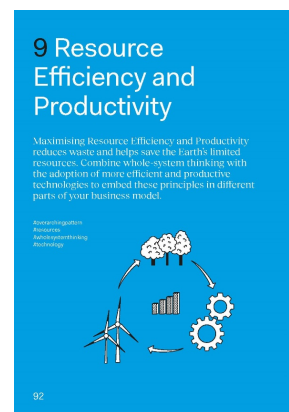
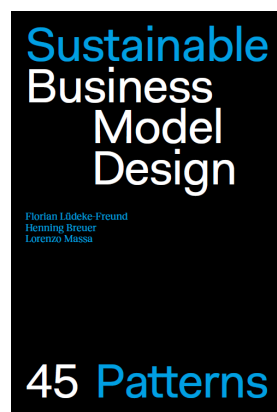
A classic example of this is provided by Interface—a global manufacturer of carpets and floor coverings on which most readers will have spent time in their offices. Back in the 1990s, its founder Ray Anderson began to transform the company into a values-based and sustainability-oriented enterprise. And, along the way, Interface developed a number of sustainable business model design patterns from which we can learn today.

In 2006 Interface officially declared that the elimination of any and all negative environmental impacts as its ‘Mission Zero’—and by 2020 this values-based mission was largely achieved. To this end, they implemented numerous innovations, such as the nature-inspired and material-saving aesthetic design of carpet tiles (a pattern called *Sustainable Product Design* [3]), a radical reduction of energy and material costs through energy-saving processing and recycling, and cooperation with energy-efficient logistics partners (a pattern called *Resource Efficiency and Productivity* [3]), and changing the revenue model from selling carpet to offering flooring as a service (a pattern called *Result-Oriented Service* [3]), including a take-back service for used carpet tiles.

When a company makes sustainability a core value for innovation, it gives itself a fundamental orientation for business model development. Fortunately, you can learn from such pioneers as Interface, who have already paved the path.

\* This is an adapted translation of: Breuer, H. (2022). Values-based innovation using design patterns for sustainable business model design [Wertebasiert mit Gestaltungsmustern zur Geschäftsmodellinnovation]. In: ServiceToday 3/22, 44-46.

**Additional materials** on values-based innovation and sustainable business modelling are available at [www.uxberlin.com](http://www.uxberlin.com). If you would like to dive deeper, see the books by Henning Breuer & Florian Lüdeke-Freund on [\*Values-Based Innovation Management\*](#) (left) and the recently published book by Florian Lüdeke-Freund, Henning Breuer & Lorenzo Massa (middle) on [\*Sustainable Business Model Design—45 Patterns\*](#). Each one of the 45 patterns has a concise summary, the sustainability challenge it addresses and the business model design solutions it stimulates, as well as examples from practice; image on the right). Each provides science-based and practice-proven strategies for transforming your company into an ecologically, socially and economically sustainable business [4].



[1] Breuer, H. & Lüdeke-Freund, F. (2017). [\*Values-Based Innovation Management. Innovating By What We Care About\*](#). Palgrave Macmillan: London.

[2] We are currently investigating how this is done and which methods and practices help in this process in the European Innovation Alliance with the project name [IMPACT](#).

[3] Lüdeke-Freund, F., Breuer, H. & Massa, L. (2022). *Sustainable Business Model Design—45 Patterns*. Berlin: Self-Published. (For a free 75-page preview of the book see [www.sustainablebusiness.design](http://www.sustainablebusiness.design)).

[4] Lüdeke-Freund, F., Carroux, S., Joyce, A., Massa, L. & Breuer, H. (2018): The Sustainable Business Model Pattern Taxonomy – 45 Patterns to Support Sustainability-Oriented Business Model Innovation, *Sustainable Production and Consumption*, Vol. 15, 145-162. <https://doi.org/10.1016/j.spc.2018.06.004>