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HOW DO THE BUSINESS MODEL INNOVATIONS OF ESTABLISHED COMPANIES IN
THE ENERGY SECTOR DIFFER FROM THOSE OF START-UPS/SCALE-UPS,
CONSIDERING THE ONGOING ENERGY TRANSITION?

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The energy transition creates a "Dual Logic," forcing organizations to navigate between legacy stability and renewable volatility. Using Constructivist Grounded Theory based on expert interviews, this thesis analyzes how incumbents and Start-ups structure their Business Model Innovation (BMI) differently. The study identifies Strategic Portfolio Management as the core differentiator. Incumbents employ a "Defensive Balancing Portfolio," utilizing structural ambidexterity to shield legacy assets, while Start-ups pursue an "Aggressive Focus Portfolio," leveraging organizational agility to target niche "Rational Pioneers." These findings extend the Exploration/Exploitation theory, offering strategic guidance for managing innovation barriers and scaling challenges in volatile markets.

Energy Transition; Grounded Theory; Business Model Innovation; Strategic Portfolio Management

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1. Introduction

Europe is currently witnessing a paradox. While the hardware of the energy transition, solar panels and home batteries, is being installed at record rates, driven by a massive "prosumer boom" (Bundesnetzagentur 2025), traditional utilities in Germany alone face a €535 billion financing gap and eroding margins in their classic business (KfW 2025). The energy transition has evolved from a technological challenge into a battle over business models. On one side, agile "unicorns" achieve billion-euro valuations in record time, on the other, established "tankers" struggle to protect legacy revenues while desperately seeking new growth. The decisive factor for survival is no longer technology, but the capability for Business Model Innovation (BMI).

This shift represents a fundamental change in market logic: from a centralized, predictable system to a decentralized, volatile ecosystem. This transformation creates massive strategic uncertainty and a distinct "innovation asymmetry." While the market demands radical change, incumbents and Start-ups appear to adopt diametrically opposing strategies to navigate this pressure. Current research explains which business models exist (Palmié et al. 2021), but lacks a deep understanding of the management dynamics, specifically how distinct organization types structure their innovation portfolios to survive this systemic disruption.

This thesis aims to uncover the underlying management dynamics that explain this divergent innovation behavior. The primary objective is to develop a theory demonstrating how Corporates and Start-ups differentially steer their resources and risks within this volatile environment. The central research question guiding this study is:

"How do the Business Model Innovations of established companies in the energy sector differ from those of Start-ups/Scale-ups, considering the ongoing energy transition?"

Scientifically, this work bridges Energy Transition Research with Organizational Theory. Practically, it offers actionable recommendations for Corporates regarding the management of innovation barriers and for Start-ups regarding the challenges of scaling. The findings are derived from a qualitative-explorative study using Constructivist Grounded Theory, based on nine expert interviews with decision-makers from major incumbents (e.g., EnBW, EDP) and emerging Start-ups and Scale-ups (e.g., 42Watt, Vilisto).

2. Conceptual Foundations

2.1 The Energy Transition as a Socio-Technical System

To understand the environment in which contemporary energy firms operate, the energy transition must be defined beyond mere technological substitution as a complex, long-term undertaking that requires the collective effort of multiple actors to drive deep-seated social change. These socio-technical energy systems represent dynamic intersections where human actions and technological infrastructures collectively determine how energy is generated and consumed. Consequently, the transition implies a fundamental restructuring of the market logic, forcing organizations to adapt to new institutional and behavioral norms (Hafner and Tagliapietra 2020).

2.2 The Fundamental Tension: Exploration vs. Exploitation

Within this shifting landscape, organizations face a critical trade-off. According to seminal management theory, “The basic problem confronting an organization is to engage in sufficient exploitation to ensure its current viability and, at the same time, to devote enough energy to exploration to ensure its future viability.” (Levinthal and March 1993, 105) Raisch and Birkinshaw (2008) define this duality precisely: exploitation refers to the refinement and implementation of competencies with a focus on efficiency, whereas exploration describes the

search, variation, and discovery of new competencies. Balancing these opposing forces is particularly challenging during industry upheavals.

2.3 Disruptive Innovation and the Innovator's Dilemma

The necessity of this balance becomes acute during periods of “discontinuous change,” where evolutionary convergence is punctuated by revolutionary transformation (Tushman and O'Reilly 1996). While successful organizations emphasize exploitation during stable periods, they must pursue radical exploration during such revolutions. Failure to do so leads to the "Innovator's Dilemma," exemplified by Kodak's inability to adapt to the digital photography revolution despite possessing the requisite technology (Lucas and Goh 2009).

2.4 Business Model Innovation (BMI)

To navigate discontinuities, firms rely on their Business Model (BM). The BM is an essential conceptual framework that details how a company creates, provides, and captures value. It outlines key operational components, including the Value Proposition itself, the specific market segment being targeted, the necessary cost structure and revenue mechanisms, and the firm's overall position within the value network (Chesbrough 2010). Consequently, Business Model Innovation (BMI) is the process of altering these fundamental components, recognizing that the economic outcome of a technology is determined more by the model than by the technology itself. BMI is critical because “a mediocre technology pursued within a great business model may be more valuable than a great technology exploited via a mediocre business model” (Chesbrough 2010, 355).

2.5 Organizational Responses: Ambidexterity, Agility Strategic Portfolio Management

Organizational Ambidexterity is the primary mechanism for incumbents. This refers to a firm's ability to implement organizational structures that support current optimization without

sacrificing the pursuit of radical innovation (Tushman and O'Reilly 1996). To achieve this, firms often employ structural ambidexterity, which involves the structural separation of exploration units from exploitation units (O'Reilly and Tushman 2004).

Concurrently, firms require Organizational Agility. This is defined as the capacity to respond with speed to environmental changes, characterized by customer responsiveness and operational flexibility. It requires an innovative mindset and the proactive exploitation of change (Teece, Peteraf, and Leih 2016).

While agility defines the speed of response, the direction of innovation is determined by how the organization manages its investment priorities to align with broader business goals. According to Cooper, Edgett, and Kleinschmidt (1999) strategic portfolio management is defined as a dynamic decision process wherein a business constantly evaluates, prioritizes, and selects active projects to ensure the optimal allocation of scarce resources. It serves as the primary mechanism for operationalizing business strategy, requiring management to make explicit investment choices regarding markets, products, and technologies to achieve strategic alignment and portfolio balance (Cooper, Edgett, and Kleinschmidt 1999).

3. Research Methodology

3.1 Research Approach and Rationale

3.1.1 Justification for a Qualitative Approach

The central research question of this thesis, “How do the Business Model Innovations of established companies in the energy sector differ from those of Start-ups/Scale-ups, considering the ongoing energy transition?”, necessitates a research design capable of exploring complex, dynamic processes rather than measuring static variables. Quantitative methods, while useful for testing existing hypotheses, are insufficient for capturing the nuance of how and why organizations structure their innovation efforts differently. Business model innovation (BMI)

in the context of the energy transition is not a linear technical procedure, it is deeply shaped by social, cultural, and regulatory factors. Therefore, an interpretive qualitative approach is required to elucidate the underlying motivations, structural constraints, and strategic rationales that drive decision-making in both Corporate and Start-up environments.

3.1.2 Rationale for Grounded Theory (GT)

Given the lack of an integrated process model comparing these specific cohorts of the energy transition, this study aims to generate a process theory rather than test an existing one. Grounded Theory (GT) is the ideal methodological framework for this objective. GT allows for the inductive derivation of theoretical insights directly from the data provided by the actors. By employing this method, the study can uncover the differing innovation strategies employed by incumbents and new entrants without being constrained by rigid, pre-existing theoretical frameworks that may not be applicable to the current transitional market reality. (Birks and Mills 2011)

3.1.3 Epistemological Stance: Constructivist Grounded Theory

This thesis adopts a Constructivist Grounded Theory approach, as articulated by Charmaz (2006). This stance posits that the reality of business model innovation is not an objective, external fact waiting to be discovered, but a social construction perceived and created differently by various actors. For instance, a regulatory hurdle might be perceived as a structural barrier by a Corporate manager but as a market entry opportunity by a Start-up founder. Consequently, the researcher is not a neutral observer but an active co-constructor of the theory, shaping the findings through the interpretive analysis of the participants' narratives.

3.2 Data Generation and Sampling Strategy

Data collection for this study followed the iterative principles central to Grounded Theory, where data generation and analysis occur concurrently.

3.2.1 Data Sources

The primary data consists of nine semi-structured expert interviews conducted with high-level representatives from two distinct cohorts: established energy companies (Corporates) and emerging ventures (Start-ups/Scale-ups). To provide a holistic market view, the sample also included a Corporate incubator manager and an independent market observer. To ensure confidentiality, all interview partners were made anonymous and labeled with 'E' for Expert, 'C' for Corporate, and 'S' for Start-up/Scale-up, numbered in the order the interviews were conducted along each cohort.

3.2.2 Initial Sampling

The sampling process began with Purposive Sampling. The first interview (Initial Sample) was conducted with a Consultant and Market Expert (E1). This interview was crucial for setting the direction of the inquiry. It illuminated the Dual Logic of the market, the tension between maintaining established structures and the necessity for disruptive change, from an internal perspective. This foundational interview set the course for selecting subsequent participants by highlighting the key themes of structural inertia versus agility.

3.2.3 Iterative Process and Theoretical Sampling

Building on the initial expert interview, the subsequent participant selection was guided by Theoretical Sampling. This method involves selecting participants based on their potential to clarify or expand upon emerging concepts.

- Cohort 1 (Corporates): To investigate the themes of "structural inertia" and "risk aversion" identified by the Market Expert, representatives from EnBW and later EDP were selected. These interviews aimed to explore these phenomena directly within the parent companies.
- Cohort 2 (Start-ups): To explore the contrasting category of "Organizational Agility," the study selected employees and managers from NWG, 42Watt, and Vilsto. These ventures served as a direct contrast, allowing for the analysis of rapid iteration and market creation strategies.

3.2.4 Data Management

All interviews were conducted digitally, recorded, and transcribed using Microsoft Teams. This ensured a high-fidelity textual basis for the subsequent detailed analysis.

3.3 Data Analysis: The Inductive Coding Process

The analysis followed a rigorous inductive coding process, moving from raw transcript data to abstract theoretical categories.

3.3.1 Core Principle: Constant Comparative Analysis (CCA)

The fundamental analytical principle employed was Constant Comparative Analysis (CCA). Throughout the process, data was continuously compared with data (e.g., contrasting a quote from a Corporate manager with one from a Start-up), codes were compared with codes, and emerging categories were tested against new data to identify robust patterns.

3.3.2 Phase 1: Initial Coding (Open Coding)

The first phase involved line-by-line analysis of the transcripts to fracture the data and generate initial concepts. Specific quotes were translated into action-oriented codes. An overview of the aggregated coding scheme is provided in Figure 1 in the Appendix.

The following examples illustrate how specific data points were translated into codes during this phase:

- Quote (Corporate): *"So we have, we could really offer a whole bundle of products around electricity for home customers."* (C1/EnBW)
 - Code: "Bundling & Cross-Selling"
- Quote (Start-up): *"So the Start-up began to to create a new market I would say... But some customers even before were not aware of of their own possibilities."* (S3/Vilisto)
 - Code: "Creating New Markets by activating latent needs"

3.3.3 Phase 2: Intermediate Coding (Focused / Axial Coding)

In the second phase, initial focused codes were condensed into abstract theoretical categories corresponding to the study's aggregate dimensions.

- Codes such as "Outsourcing Innovation" and "Risk Aversion/Inertia" were synthesized into the theoretical category: Corporate: Structural Ambidexterity (within the Degree of Innovation dimension).
- Conversely, codes like "Iterative Learning" and "Inherent Agility" were condensed into the theoretical category: Start-up: Organizational Agility (within the Degree of Innovation dimension).

Similar synthesis processes were applied to form the Value Proposition (e.g., aggregating "Bundling & Cross-Selling" vs. "Deep Specialization") and Customer Segments dimensions.

3.3.4 Phase 3: Selective / Advanced Coding (Theory Integration)

The final step involved integrating the three main dimensions (VP, CS, DOI) into one overarching Core Category: "Strategic Portfolio Management in the Dual Logic of Energy Transition."

This term was selected because it best synthesizes the story of the data: how Corporates (defensively) and Start-ups (offensively) manage market tensions. It meets key Grounded Theory criteria:

1. Process Focus: It describes a dynamic management process rather than a static outcome.
2. Duality/Tension: It directly addresses the "Dual Logic" of the energy transition (balancing legacy business vs. innovation pressure).
3. Integrating Force: It unites the three dimensions, where Value Proposition becomes the content of the portfolio, Customer Segments becomes the target, and Degree of Innovation represents the mechanisms used to manage the portfolio.

3.4 Rigor and Trustworthiness (Quality Criteria)

To ensure the scientific validity of the generated theory, this study adhered to established quality criteria for qualitative research (Lincoln and Guba 2006).

3.4.1 Theoretical Saturation

Theoretical Saturation is the point at which new data no longer yields new theoretical insights but rather confirms existing patterns. In this study, category saturation regarding the core phenomenon, was reached separately for both cohorts. For instance, the later interview with C3 (EDP) added no new dimensions to the "Corporate Risk Aversion" category, merely reinforcing the findings from the interview previously conducted with EnBW. Similarly, the interview with Vilisto primarily confirmed the "Organizational Agility" patterns already identified in 42Watt and NWG.

3.4.2 Criteria for Quality

- Credibility: This was achieved through the triangulation of perspectives. The theses of the incubator (Enpulse) were directly compared with the operational realities of the

Corporates (EnBW, EDP) and the counter-models of the Start-ups (42Watt, NWG, Vilsto) to ensure a balanced view.

- **Dependability & Confirmability:** An Audit Trail was established. This methodology chapter, combined with the archived transcripts, makes the analytical process, from raw data to the final theoretical model, transparent and traceable.

4. Empirical Results

4.1 Introduction to the Findings

This chapter presents the empirical findings derived from the nine expert interviews conducted for this study. As detailed in the Methodology, the analysis utilized Constructivist Grounded Theory (GT) and Constant Comparative Analysis to inductively identify the strategic logic separating established incumbents from emerging ventures. The findings are structured along three primary theoretical dimensions: 1) Customer Segments (CS), 2) Value Proposition (VP) and 3) Degree of Innovation (DOI).

During the iterative coding process, the framework was refined to prioritize Customer Segments over Value Capture. While initially explored as a key differentiator, monetization mechanisms proved to be secondary consequences of deeper strategic choices. The analysis revealed that the choice of whom to serve dictates the structural limitations of what can be offered. Thus, Customer Segments serves as the clearer antecedent for differences in both strategy and market offerings.

4.2 Core Category: Strategic Portfolio Management in the Dual Logic of Energy Transition

The central phenomenon emerging from the data is best conceptualized as "Strategic Portfolio Management in the Dual Logic of Energy Transition." The energy transition acts as a central external driver that splits the market into a "Dual Logic." On one side exists the proven, stable

world of legacy, characterized by centralized generation and security of supply, the domain of Exploitation. On the other side exists the volatile, decentralized world of Renewables, characterized by fluctuation and active prosumers, the domain of Exploration. The empirical results demonstrate that managing this duality requires an active Strategic Portfolio Management, which differs fundamentally between the cohorts based on their asset bases.

The Corporate Response: "Defensive Balancing Portfolio." Established companies operate a "Defensive Balancing Portfolio." Unable to abandon the legacy logic that funds their infrastructure, their imperative is to protect existing assets (Exploitation) while cautiously building positions in the new logic (Exploration). Innovation becomes a complex internal trade-off, serving primarily to modernize the legacy business without disrupting its cash flows.

The Start-up Response: "Aggressive Focus Portfolio." In contrast, Start-ups operate an "Aggressive Focus Portfolio." For them, the "Dual Logic" is not a balancing act but a binary choice. They effectively operate atop the legacy infrastructure while bypassing its commercial logic to concentrate all resources on a single, highly specialized solution within the new logic.

4.3 Dimension 1: Customer Segments (CS) – Managing Duality vs. Pioneering

The first dimension, Customer Segments, proved to be a pivotal variable in explaining the divergence in innovation strategies. The data indicates that the "Who" dictates the "How."

4.3.1 Corporate CS: The Ambidextrous Duality

Established energy companies are trapped in a Conflict-Ridden Duality. Historically bound to serve the masses, including a vast base of risk-averse legacy customers, they simultaneously face pressure to serve new digital customers. The need to defend the legacy segment acts as a structural brake on innovation.

The "universal service" obligation is ingrained in the Corporate self-conception. EnBW describes itself as a total integrator:

"Basically our company offers electricity as as a general product... And we are one of the last, we were the last total integrated energy company. So from the generation part, over the grid operation to the sales activities." (C2/EnBW)

While providing scale, this integration creates a dependency on traditional consumer trust. Radical changes are viewed as risks that could alienate this conservative base. As C2/EnBW noted:

"So because they have so much trust from the old consumer here, and if it's not made in a very conservative approach... Like the Stadtwerke (Municipal utilities) and so on. They're very conservative." (C2/EnBW)

This forces the organization to run two businesses with opposing logics. Maintaining a conservative approach for the legacy customers while deciphering the needs of the new digital customer leads to a split focus:

"The second challenge for retail is the customers, for example, to be honest... the typical customers that EnBW addressed in the past years is, you know, kind of old they are used to... This is like the second challenge for us to, you know, get to know these new type of customers (...)." (C2/EnBW)

This duality dilutes Corporate focus, preventing optimization for early adopters because systems must remain accessible to the majority of late adaptors.

4.3.2 Start-up CS: The Rational Pioneer

Start-ups circumvent this duality through Focused Niche Activation, explicitly targeting "Rational Pioneers" while ignoring the legacy mass market. These clients, whether B2B or prosumers, are motivated by external push factors like regulation or cost pressure to seek digital solutions.

Start-ups target high-information customers who value curated complexity. S2 (42Watt) describes their clients as active seekers of solutions:

"...most of the people that we reach come online. That means they already did some research on it and also are familiar with different hardware manufacturers. And because we can offer them a bright variety of hardware manufacturers ... I think we have a really unique position."

(S2/42Watt)

Crucially, Start-ups rely on exclusion. They rigorously filter out segments that do not fit their scalable models, such as complex historic buildings. 42Watt focuses strictly on single-family homes:

"Yeah, solely single-family homes, no older buildings and that, yes." (S2/42Watt)

Similarly, Vilisto restricts its to non-residential buildings to ensure their AI models work effectively:

"...and the niche (...) is only non residential buildings. So for example large office spaces, educational institutions... Building which is not used permanently..." (S3/Vilisto)

By ignoring undefined sectors, Start-ups maintain a homogeneous customer base, allowing for rapid scaling of standardized solutions, a luxury the Corporate universal provider does not have.

4.3.3 Comparative Summary (CS)

The contrast in Customer Segments is defined by Conflict-Ridden Duality vs. Focused Niche Activation. Corporates are trapped in a strategic split, needing to modernize without frightening the traditional customer. This duality dilutes their focus and slows down the rollout of radical innovations. Start-ups utilize "segmentation as a strategy," cherry-picking the high-motivation, high-knowledge customers (Rational Pioneers) who enable complex, data-driven business models to function immediately.

4.4 Dimension 2: Value Proposition (VP) – Exploitation vs. Niche Exploration

The second dimension analyzes what organizations offer, and the specific problems their business model innovations aim to solve. The data reveals a clear dichotomy between the breadth-oriented, retention-focused propositions of Corporates and the depth-oriented, efficiency-focused propositions of Start-ups.

4.4.1 Corporate VP: Defensive Portfolio Exploitation

For established utilities, the Value Proposition is defined by Defensive Portfolio Exploitation. Rather than seeking market disruption, Corporates utilize innovation as a tool for customer retention, leveraging their established position across the full value chain (generation, grid, and sales) to cross-sell adjacent services.

Corporates view their ecosystem breadth as their primary competitive advantage. As one interviewee from EnBW explained, the goal is not a standalone product but a comprehensive service layer:

"So we have, we could really offer a whole bundle of products around electricity to the home customer." (C1/EnBW)

This "one-stop-shop" approach aims to deepen the lock-in effect. However, this focus on the existing ecosystem creates a barrier to radical innovation. The data suggests that Corporate VP innovation is inhibited by the fear of cannibalizing profitable core businesses. Consequently, incumbents often adopt a reactive, "fast follower" posture to protect revenue streams rather than creating new ones. As C1/EnBW admitted:

"We are probably not at the forefront of innovation, as it is more or less we see what happens in the market and we more or less copy it." (C1/EnBW)

This confirms the defensive nature of the portfolio, innovation is adopted only when necessary to defend market share, prioritizing the preservation of existing customer relationships over the exploration of new value pools.

4.4.2 Start-up VP: Aggressive Niche Exploration

Start-ups, unburdened by the need to protect volume sales, exhibit Aggressive Niche Exploration. They identify specific market niches created by the complexity of the transition, offering technology-driven solutions for radical efficiency gains in areas incumbents deem too granular.

Start-ups succeed by activating latent needs, effectively creating new markets by addressing possibilities that customers had not yet recognized as solvable. By focusing narrowly on a specific pain point, they offer a depth of solution that generalist utilities cannot match.

"So the Start-up began to to create a new market I would say. With the method of engaging with customer and really stress on this problem and come up with solutions. But some customers even before were not aware of of their own possibilities." (S3/Vilisto)

This specialization allows Start-ups to build deep technological expertise rapidly. In the complex field of energetic renovation, the Start-up 42Watt aggregated knowledge faster than incumbents by focusing exclusively on that niche:

"We gained a very deep technological knowledge in a very short amount of time. And we also probably have in some cases even more knowledge than the hardware manufacturers by themselves, because we also now have a lot of data on the different heating solutions and PV solutions." (S2/42Watt)

Thus, the Start-up VP is defined by vertical depth, leveraging deep data to optimize specific processes where the Corporate offer remains broad and horizontal.

4.4.3 Comparative Summary (VP)

The comparison of Value Propositions reveals a core conflict of Defensive Breadth vs. Offensive Depth. Corporates design VPs to span the width of the customer's life, adding layers of service to prevent exit. Their innovation is broad but often shallow, constrained by the need to protect the core. Start-ups, conversely, design VPs to penetrate deep into specific niches. Their innovation is narrow but deep, solving complex technical or operational problems that incumbents find unattractive or threatening to their existing volume metrics.

4.5 Dimension 3: Degree of Innovation (DOI) – Structural Ambidexterity vs. Organizational Agility

The third dimension shifts the analytical lens from market positioning to organizational capability. It examines the structural mechanisms, ranging from protective isolation to inherent agility, that determine the organization's ability to execute radical business model innovation.

4.5.1 Corporate DOI: Structural Risk Shielding & Inertia

Radical innovation within the Corporate core is blocked by legacy systems and profound cultural risk aversion. The zero-defect mentality required for grid operations stifles experimentation. To solve this, Corporates resort to Structural Ambidexterity, outsourcing innovation to separate units (incubators) as a form of Structural Risk Shielding.

The interviews provide stark evidence of risk aversion embedded in the Corporate DNA. As C1/EnBW noted, the tolerance for failure is structurally lower than in the venture world:

"The, you know, the acceptance of mistakes is far below typical Start-ups. ... So we, you know, Start-ups can easily make mistakes and people will, you know, for sign. But the big company that is also owned by the state [Baden-] Württemberg. It's very risk averse..." (C1/EnBW)

This aversion is reinforced by the operational pressure of "keeping the lights on":

"It's hard to rank because I would say risk aversion is I would put it on top... I mean, it's normal when you're focusing on the day-to-day business, you don't want to fail all the time in that area..." (C4/Enpulse)

Consequently, Outsourcing Innovation becomes the only viable path. EnBW describes this separation as a deliberate strategy to bypass internal rigidity:

"In the end that was our that was our try. To create innovations, to put all the things outside of our Corporate structure." (C2/EnBW)

However, this separation introduces a significant pace and integration problem. The market moves faster than Corporate planning cycles. As EDP (C3) reflected, internal development cannot compete with the speed of the external market:

"Let's say after some five to seven years, we just understood that it was a better solution to look around. To define what we wish to have and to work all over the world to find the solutions... the offer in the market is so big... and the pace of transformation is so fast. That we cannot compete against that." (C3/EDP)

4.5.2 Start-up DOI: Organizational Agility as a Weapon

Start-ups do not need structural workarounds because their Degree of Innovation is organizationally inherent. Enabled by flat hierarchies and founder vision, they utilize Organizational Agility, specifically rapid iteration, to accumulate knowledge quickly, bypassing long approval processes.

The competitive advantage lies in Iterative Learning. The freedom to make mistakes is the primary mechanism for generating market knowledge. S2 (42Watt) articulates how this builds a knowledge advantage:

"But still, we made a lot of mistakes in the installations and correcting these... We gained a very deep technological knowledge in a very short amount of time... And I think this is something which is only possible within the Start-up to, yeah, make very fast iterations and learn very fast." (S2/42Watt)

This agility is rooted in the team structure. Unlike the Corporate hierarchy, the Start-up team is a highly adaptive unit capable of pivoting based on real-time feedback. S3 (Vilisto) emphasizes this Inherent Agility:

"I would say because it's a very young, adaptive, agile team, so they could really adjust in a in a short cycle to cycles and iterative manner adopt to specific client needs... they were very adaptive in this meta. And did not always stick to the default option." (S3/Vilisto)

This ability to not stick to the default option is precisely what the Corporate structure, defined by standardization and risk aversion, struggles to replicate.

4.5.3 Comparative Summary (DOI)

The core conflict in Degree of Innovation is Structurally Outsourced Innovation vs. Organizationally Inherent Innovation. Corporates struggle to innovate within their core due to rigid processes and risk-averse cultures, leading them to outsource BMI to peripheral units (Structural Ambidexterity). This solves the creation problem but complicates the scaling problem. Start-ups possess innovation as an intrinsic capability (Organizational Agility), enabled by flat structures, VC incentives, and a lack of legacy baggage, allowing them to execute radical pivots with speed.

Chapter 5: Discussion of the Theoretical Contribution

Having introduced the theory of Strategic Portfolio Management (SPM), this chapter positions these findings within the established academic canon. It confirms existing managerial tensions while articulating SPM's unique contribution, structured around the three core dimensions: Customer Segments (CS), Value Proposition (VP) and Degree of Innovation (DOI).

5.2 The Core Conflict: Customer Segments (CS) and Paradox Management

The dimension of Customer Segments proved to be the most potent structural variable, explaining why the VP and DOI differ. The findings on Ambidextrous Duality and Rational Pioneers anchor the divergence in the literature of paradox management and organizational design.

The SPM theory validates the concept that managing E/X tensions often involves navigating deep-seated paradoxes (Andriopoulos and Lewis 2009). The "Ambidextrous Duality" of Corporates, forced to serve the risk-averse legacy base while simultaneously addressing the

Digital Client Dilemma, is formally identified as the primary structural source of this organizational paradox. The empirical observation that the legacy base acts as a "structural anchor" due to its low adoption speed and "bounded rationality" (Simon 1955) confirms the strategic difficulty of serving heterogeneous markets with radical innovation.

The SPM theory's key divergence lies in highlighting segmentation as a strategic weapon. Start-ups achieve their aggressive focus by actively bypassing the Corporate paradox through the exclusive targeting of Rational Pioneers. These Pioneers, driven by compliance and clear return on investment (Horbach 2008), provide the homogeneity of demand necessary for complex, data-driven business models to succeed immediately. By applying these "Simple Rules" of market entry (Eisenhardt and Martin 2017) and ignoring the costly legacy logic, Start-ups operationalize a form of segmentation that fundamentally resolves the paradox by avoiding it entirely.

5.3 Theoretical Validation and Divergence in Value Proposition (VP)

This strategic choice of customer segmentation directly dictates the scope of value creation. The observed dichotomy between the Defensive Portfolio Exploitation of Corporates and the Aggressive Niche Exploration of Start-ups directly confirms the long-standing tension articulated in the Exploration/Exploitation (E/X) dichotomy (March 1991).

The Defensive Balancing approach of incumbents, characterized by leveraging the vertical value chain for bundling and incremental ecosystem extensions is a rational manifestation of Exploitation, primarily focused on refinement and execution of existing relationships. The empirical evidence of the cannibalization brake (Berlo, Wagner, and Heenen 2016) strongly validates the argument by O'Reilly and Tushman (2008) that an incumbent's success factors, their legacy assets and volume-based revenue models, inhibit radical innovation. The SPM theory validates the existence of the E/X tension but precises the nature of the Exploitation in

this context as Defensive Portfolio Exploitation, a strategy consciously employed to protect the cash flows that secure the basis of existing systems.

Conversely, the Start-ups' focus on Aggressive Niche Exploration represents a clear Exploration strategy, emphasizing search and risk taking (March 1991). The empirical willingness to tackle "messy" problems and target radical efficiency confirms that Start-ups' VPs are not merely different but operate under a different value logic. This divergence is conceptually anchored in the idea of Joint Value Creation (Porter and Kramer 2011), as the VPs deliver both economic savings and ecological/social value. Thus, the SPM theory's contribution here lies in identifying how the environment shift of the energy transition legitimizes and accelerates a purely explorative strategy that incumbents cannot match due to their defensive constraints.

5.4 Organizational Mechanism: Structural Ambidexterity vs. Organizational Agility

The dimension of Degree of Innovation (DOI) explains how the strategies are executed, confirming that structural solutions are required to overcome deep-seated organizational hurdles.

The SPM theory validates the necessity of structural separation to address inertia. The Corporate reliance on Structural Ambidexterity, creating physically and legally separate innovation vehicles (O'Reilly and Tushman 2013) like EnBW's Enpulse, is a necessary response to counter Structural Inertia (Hannan and Freeman 1984) and the rigid, risk-averse culture of the core business. The findings confirm the effectiveness of this mechanism as a structural risk shielding tool yet simultaneously identify its inherent limitation: the re-integration challenge and the clash between the incubator's culture and the Corporate's compliance culture (O'Reilly and Tushman 2004).

The SPM theory's primary divergence is the positioning of Organizational Agility as an inherent, non-structural capability used by Start-ups to execute their Aggressive Focus. This Organizational Agility (Teece, Peteraf, and Leih 2016), enabled by VC-driven financing and flat hierarchies, acts as a complementary or substituting mechanism to the Corporate's structural solution. The theory contributes by demonstrating that in the disruptive context of the energy transition, agility becomes an intrinsic strategic weapon that allows Start-ups to accelerate learning cycles and radical pivots, a capability that the incumbents' structural "Prosthetic Ambidexterity" struggles to replicate due to its inherent scaling friction

6. Conclusion and Implications

6.1 Answering the Research Question

This thesis aimed to transcend a purely technological view of the energy transition to decode the underlying management dynamics that explain the divergent innovation behaviors of established utilities and Start-ups. The analysis focused on answering the central research question: "How do the business model innovations of established companies in the energy sector differ from those of Start-ups/Scale-ups, considering the ongoing energy transition?"

6.2 Summary of Key Findings

The investigation identified "Strategic Portfolio Management in the Dual Logic of the Energy Transition" as the core differentiator between the two cohorts. Corporates operate a "Defensive Balancing Portfolio," utilizing innovation primarily for the modernization and protection of existing assets. This exploitation strategy is often inhibited by the fear of cannibalization, forcing them to bypass internal inertia by structurally outsourcing innovation into incubators, a mechanism identified as "Structural Risk Shielding." In contrast, Start-ups pursue an "Aggressive Focus Portfolio." They effectively operate atop the legacy infrastructure while bypassing its commercial logic, concentrating all resources on maximizing new technologies

within narrow niches. Unlike incumbents, they utilize agility not as a structural workaround, but as an inherent organizational capability for exploration.

6.3 Answering the Research Question

The core finding reveals that business model innovations are distinguished not by their technological nature, but fundamentally by the specific strategic function they fulfill within the organizational portfolio, a function that is fundamentally pre-determined by the choice of Customer Segments. For established companies, BMI serves as a structural shield designed to cushion the inevitable decline of the core business while simultaneously attempting to serve heterogeneous customer groups in an "Ambidextrous Duality." Conversely, for Start-ups, BMI serves as an aggressive market creation strategy. This approach is enabled by a radical focus on homogeneous early-adopter segments, termed "Rational Pioneers," and relies on deep specialization rather than the broad bundling strategies typical of incumbents.

6.4 Implications

Theoretically, this work validates the classical Exploration/Exploitation theory within the energy sector context. It extends the theory by demonstrating how the "Dual Logic" of the transition forces Structural Ambidexterity upon incumbents not merely as a strategic choice, but as a necessary survival mechanism against Structural Inertia.

Regarding managerial implications for Corporates, the critical bottleneck is identified not as ideation, but as the "Re-Integration Crisis." Managers must establish dedicated transfer teams to guide innovations from incubators back into the core business before they stall in the pilot phase. Furthermore, corporates must embrace cannibalization, shifting their role from "Fast Followers" to "Infrastructure Partners," leveraging their scale to provide the stable backbone for agile start-ups rather than futilely attempting to mimic their innovation speed. For Start-ups, the primary challenge lies in avoiding the "Niche Trap." While focusing on early adopters

secures market entry, mass scaling requires professionalizing processes to win over conservative "Legacy Customers" without losing cultural agility. Additionally, founders should leverage "Regulatory Agility," using their speed to translate bureaucratic changes into product opportunities faster than incumbents can react.

6.5 Limitations and Future Research

Several limitations frame these findings. A geographic bias exists as the results are heavily influenced by the German regulatory framework, such as EEG subsidies, and may not fully apply to liberalized markets, such as the USA. A sample bias is also present due to the focus on retail and grid players, with pure energy producers, especially in the Start-up/Scale-up cohort, underrepresented. Furthermore, these strategies represent a temporal snapshot in a high-velocity market where today's agile innovations may quickly become commodities. Future research should therefore quantitatively test the correlation between a Start-up's independence from Corporate incubators and its market success, additionally examining the financial gains and long-term implications associated with each strategic approach. Longitudinal studies are also needed to determine if successful scale-ups inevitably develop the same "Structural Inertia" as current incumbents as they accumulate assets over time.

6.6 Closing Statement

The energy transition will not be won by those who merely possess the best technology, but by organizations that master the strategic paradox of the "Dual Logic", whether through the structural renewal of the old or the disciplined scaling of the new.

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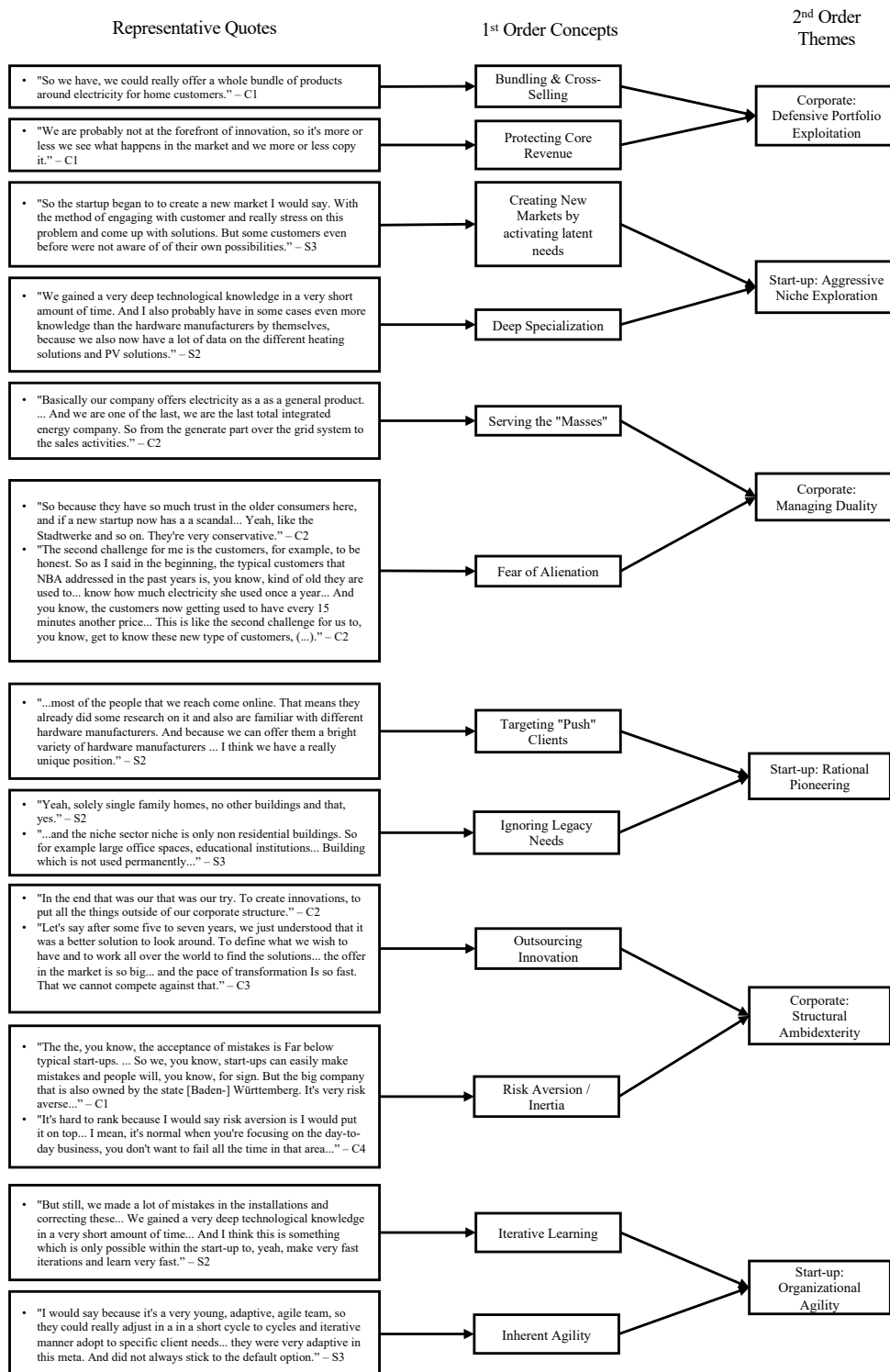
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Appendix

Figure 1: Data Structure (based on Gioia et al. 2012)



This figure illustrates the inductive coding process moving from raw data to theoretical categories. The structure aligns with the approach for qualitative rigor outlined by Gioia et al. (2012).

Interview E1

Attribut	Detail
Interview-ID	E1
Datum	29. September 2025
Typ	Market Expert
Dauer	ca. 39 Min.
Sprache	Englisch
Medium	MS Teams

[E1] [2:52] Mhm. Perfect.

[Benedikt Theodor Arno Grosser] [2:55] OK. So the first question would be, as I already told you, how would you describe the current structure and key characteristics of the energy market in Germany in this case? But this actually just leads into the second question, what changes or disruptions have you observed? Maybe you can answer. Both of them together.

[E1] [3:14] Mm-hmm. Yeah. So maybe just as a yeah, info at the beginning, I'm I have a more technical background. So in the questions of Start-ups and and yeah. Deeply economic side of of the energy system. I'm not too deep into it, but yeah, let's let's give it a a go and see where we're headed. Yeah, the structure of the energy system is, I don't know what you want to start we. We have an unbundling in Germany of the the energy generation and the energy transmission. So there are high voltage distributors of energy. We got four big. TSOS like 50 Hertz, Amprion, TenneT and so on and they distribute the energy within Germany and we have the generators also which are also like the the big four RWE, E.ON, Vattenfall and EnBW. And so these are the the major players and then besides the big, big grid and the the big capacities, we got the smaller distribution grids, I think there are 8 to 900 distribution grids and. Within those, yeah, on the distribution area we got municipal energy producers, Stadtwerker who who produce energy for their local communities. And except that we got the exchange, the the energy exchange, the EPEX spot and the EEX for day ahead deals and and intraday deals. Yeah, as one as well as futures where you can buy energy for the long term and besides that an over-the-

counter market for electricity and the key characteristics in the. Past couple of years is definitely the shift to more renewable energy. We had the phase out of nuclear energy in 2023, so a high percentage of stable base load are being. Off the grid and also the coal electrification will be phased out by the end of, yeah, the next decade, the latest. So this is replaced by. Renewable energy, mostly wind and PV. So the the generation profiles change a lot currently and we have more fluctuating energy we can't control directly as as well as it was before.

[Benedikt Theodor Arno Grosser] [6:27] Yes, definitely. Is that also the biggest disruption you would say?

[E1] [6:33] Yeah, this is, I would say, one of the the biggest major trends in the energy transition. And of course there are, yeah, also events like the war in Ukraine with Russia that. Yeah, led to a spike of gas prices, for example, in 2022. So these are unforeseen events and yeah, other events like, I don't know, trade deals with the USA of buying. Buying more fossil fuels again might also be, yeah, short term. Occasions that influence the the energy market, but the overall major trend is the trend towards renewable energy and hitting, yeah, 100% goals of renewable energy production by 2020, 2045, the latest.

[Benedikt Theodor Arno Grosser] [7:33] OK, perfect. Thank you. In this current landscape, can you characterize roles of established suppliers or established companies, as you just said, the grids companies and the suppliers or in Start-ups, do they have their own niche, their own corner in which they operate mostly or?

[E1] [7:54] Um, yeah. Maybe towards your question before with the disruptions. So these are like the external factors I I just listed and the the reaction from a from a business side would be things like. Yeah, that more flexibility, that there's more flexibility in the energy system or you need to react with more flexible production and also like gas power plants or battery electric storage systems. Yeah, we have higher fluctuation in energy prices as well. And in the future, things like hydrogen might play a stronger role where hydrogen is produced from electric

energy. So these are, yeah, ways to react and and things that accompany the energy transition in a more broader scale.

[Benedikt Theodor Arno Grosser] [8:56] OK, yes, all, but all rely on the energy transition in the 1st place, the fluctuations and the hydrogen. So this was the main driver and then you can split off different smaller issues that come with that topic.

[E1] [8:56] Um, yeah. Exactly, yeah. Exactly, yeah. And and another major driver is of course the electrification of of different sectors like the industrial sector in order to replace coal in the in the steel production, there's a shift to to electric. Electricity, energy and also in private households by changing heating systems to heat pumps and mobility towards electro mobility and we have an increased in electricity demand also.

[Benedikt Theodor Arno Grosser] [9:42] OK. Yes, interesting. Thank you.

[E1] [9:44] OK. Yeah, coming to your questions, the main roles of established suppliers and Start-ups, I would say the the big players still are like the backbone of of the electricity production. They yeah and distribution. I would say they they need to be there to to ensure that everything is working on the on the great scale and I think Start-ups have a good way of of coming into the niche at the. At the at the consumer level, especially on on the side or yeah, for private households, maybe in the case that they have their own PV system, their own home storage system, etcetera and or even on the side of industrial energy consumers. So to optimize their their electricity production there, these are the two main main entrance of Start-ups I would say. I'm I'm not aware of of the startup activity on the level of of energy transition for example. I don't know on yeah how how the TSOS and DSOS manage startup mentality on those levels. And on the production side, yeah, if it's, if it's from a prosumer perspective, I think there's a lot activity like Sonnen for example, the the startup and. Yeah and yeah and and maybe on the generation side virtual power plants is is something where OS Start-ups can can have a a way

to go like next Kraftwerke who who bundle different production assets and and sell them on the energy market in a bundled way.

[Benedikt Theodor Arno Grosser] [11:57] OK, interesting. Thank you. Then coming to the 4th question, which market segments or activities do you see as the most open to business innovation? Does this rely upon what you just said more on the consumer side or?

[E1] [12:12] Yeah, from my perspective, I would say so that there's at least that I'm aware of. There's, yeah, the prosumer tech, I would say smart home technology, E mobility.

[Benedikt Theodor Arno Grosser] [12:13] Course.

[E1] [12:27] By beat bidirectional charging of electric vehicles in the future, home storages that are smartly integrated in in smart homes and yeah, and the the integration of like PV. Production in the in the energy market or in the whole energy system in a time after the EEG. Yeah, the and all about energy because that's to to to promote the electricity production from. If those, yeah, those fees get get less and less and then then it makes more sense to to directly sell your electricity directly at electricity markets and. I guess there are plenty of Start-ups who are willing to help consumers in in selling their their electricity or storing it and selling it to a later point where the prices are more favorable.

[Benedikt Theodor Arno Grosser] [13:37] OK. Thank you. Then the next question, are the structural sectors such as capital intensity, regulatory complexity or legacy infrastructure fundamentally differentiate how Start-ups and Corporate innovate? But I think you already pretty much answered that one. Maybe you can just sum it up again.

[E1] [13:52] Yeah, yeah, definitely, definitely. I would say this is these are main hurdles of of Start-ups getting into the the realm of of big, heavy, heavy investments. Yeah, I mean. Electricity production, energy production is a highly regulated field and very capital intense. So yeah, I would say startup products are are good if they are scalable in a. Yeah, in a in a cheap manner and like like in in households for example.

[Benedikt Theodor Arno Grosser] [14:34] OK. Just thank you. Then we already to the next part, the trends and drivers and business model innovation. Do you know what business model innovation is in general? It's how Start-ups and Corporates innovate. So how do they change their business model? How have they adapted to the changing market pretty much?

[E1] [14:54] Mhm.

[Benedikt Theodor Arno Grosser] [14:55] And the first question here would be what are the most significant trends in business model innovation among energy sector companies right now? So do they have new offerings? Are they able to capture value differently? So energy has always been a service, but maybe it changed.

[E1] [14:56] Mm-hmm.

[Benedikt Theodor Arno Grosser] [15:14] The way that consumers pay for example.

[E1] [15:20] Yeah, I would say one major trend is uh, flexible electricity prices definitely. So if the the fluctuation on the market gets gets higher than um. Yeah, the and and the on the regularly and on the regulatory side, the the sellers of electricity were I think this year forced to offer or there was legislation to make a. Possible from consumer to get flexible electricity prices. So this is quite interesting topic that yeah, that really changes the business model if you don't sell to a fixed price but. Let the consumers participate in the volatility of the of the electricity market.

[Benedikt Theodor Arno Grosser] [16:20] OK, perfect. Any other trends maybe as you said, is it still a trend or has it been on ongoing for such a long time that you wouldn't call it a trend anymore to focus on consumers putting solar panels on their roof, the charging parts you just mentioned? Is this still a topic everyone talks about or?

[E1] [16:38] Um. Yeah, yeah, definitely. I mean the the, the answers are are quite close to to each other. But yeah, you can definitely count the things I said earlier to this like, yeah, maybe the the latest trend is like by Balkonkraftwerke, little modular PB. Systems you can put on your on your balcony and just plug them in to your to your household. This is maybe one of the the

latest trends, but yeah, the the reduced price in in PV panels is. Is definitely still a a major driver in, yeah, in in prosumer, um, in in the prosumer market, yeah.

[Benedikt Theodor Arno Grosser] [17:28] OK. But it sounds like that the broadening offer towards consumers is a big trend or is it only like a narrow perspective and the entire energy market, the energy suppliers are still way more focused on supplying the energy company, the energy? Or do you think they talk a lot about what else can we offer the consumers?

[E1] [17:49] Uh, the major energy suppliers, you mean?

[Benedikt Theodor Arno Grosser] [17:52] Yes, like Ian, Ian, baby and so on.

[E1] [17:57] Yeah, I don't have have. Great insights there, but.

[Benedikt Theodor Arno Grosser] [18:01] Or where do you think they innovate the most? That's pretty much what I'm trying to ask.

[E1] [18:06] Mm. Yeah, good question. Um. Mm. Yeah, I mean they are definitely also faced with with the same challenges and with the the energy transition. So I don't know if you would call it internal innovation or adapting to towards the outer forces. But but yeah, they they definitely have to deliver on on the the news standards and rising standards of share of renewable energy in the in the system. So this is where they have to, yeah, find the answers. Themselves.

[Benedikt Theodor Arno Grosser] [18:58] OK. Thank you. Um, that's, yeah, maybe we can touch upon that again. How are new technologies such as digital platforms, renewables, the decentralized storage with consumers, um, influencing business model innovation.

[E1] [19:13] Mm-hmm. Um. From the side of the Start-ups or the the um, the big Mm-hmm.

[Benedikt Theodor Arno Grosser] [19:22] In general, on a market perspective, I think if a startup wants to do it, the big companies might also think about offering it.

[E1] [19:29] Mm-hmm. Um. Yeah, I mean. Digital project platforms are, yeah, are are nice, nice to have, but they all rely on smart metering and smart meters are being deployed in in

Germany, but very, very slowly. And and at a slow pace. So until we really have a share of of consumers who have a smart meter, this will take some time, but it is definitely. Required for or building business models on on those smart meters. And yeah, the question is who will profit from that? Who? Who will be the company? Yeah, using it to the most. It could be the the regional municipal. Distribution companies like the in the area itself, but it also could be international or national Start-ups like who build their own smart metering systems and. A whole package for supplying and and selling the the electricity of the the prosumers. Yeah, so so at least.

[Benedikt Theodor Arno Grosser] [21:03] So then I I have a call lined up with them as well. And so you say they will directly compete with the traditional companies and smart metering and try to be the first mover by offering theirs. Well, what is the the advantage?

[E1] [21:19] Yeah, I don't know if they are actually competing. I think the the problem is just that that there are no smart meters available in in such in a big market. So they they came in themselves with their heartbeat AI and offered a full full package to them, to the to the consumers. And if they can reduce their electricity bill at the end of the month, then the consumers are happy now. But if the smart meters were an open standard and they have this this gateway. Protocol then it yeah, this opens the the market for a whole new wave of Start-ups I could expect.

[Benedikt Theodor Arno Grosser] [22:05] OK. Thank you. Now lastly, how do the industry cycles we already talked about again such as energy price fluctuations and declinization targets, impact innovations and dynamics between different types of companies. What I'm trying to get it here is. Our Start-ups maybe, as they are usually more agile, better prepared to have better offerings for the consumers with energy price fluctuations or regulatory changes. Just say that, yeah, go ahead.

[E1] [22:36] Um. Yeah, yeah, yeah. The the drivers you you named are definitely the main main drivers. Yeah, agility definitely plays a a major role in plays a major role in investigating or or in in being quick in in adapting to new new fields. I think both both players have have different strengths and and weaknesses. The the Start-ups are are capable of being way, way quicker. And and the agility being not so afraid of of new digital solutions. On the other hand the the more established companies they have have the infrastructure maybe at the capital and so on. So there are definitely different different strength and. And weaknesses on both sides.

[Benedikt Theodor Arno Grosser] [23:41] OK. I think, I think we'll touch upon it later again with a different question, but looking at a time we can go ahead and your experience how the established players and Start-ups differ in their ability to innovate and adapt their business models and. What advantages and disadvantages? Disadvantages do you associate with the business model and the ratings approach of each? As you just said, the Start-ups are maybe more, yeah, more willing to take risk on that, but have less experience or?

[E1] [24:03] OK, yeah, we. Um, yeah, yeah, yeah. I would say, yeah, capabilities such as or or having the capital there. I think they're the big players in in energy. So quite, quite wealthy and yeah, having having a lot of know how and navigating the the legislative areas is is definitely a strong suit of the established energy producers. And and both both players, the Start-ups and the the big energy generators, they also have incentives there that are not totally aligned necessarily if you. Built a PV on your own roof, then you might need less electricity from from the grid and so they are losing customers or or losing sold kilowatt hours. So there, yeah, there's definitely a question of of alignment of of interests here and I think established power providers might be hesitant to cannibalize their own own business model.

[Benedikt Theodor Arno Grosser] [25:38] So they pretty much forcefully stop their innovation process at certain points because or are more afraid of radical innovation than Start-ups.

[E1] [25:48] I don't know if you can say per se, but they might not look into into different solutions as deep as as some other startup would that has not has those conflicts of interests, yeah.

[Benedikt Theodor Arno Grosser] [25:51] Yeah, of course. Very interesting. Thank you. Next question would be how do you perceive the collaboration or competition between Corporates and Start-ups and driving the sector of information? For example, I also have an interview lined up with the head of HR from ENBW's Pulse, which is their venture builder and start up arm from ENBW. Do you think that's a major force in this area?

[E1] [26:26] Mhm. Uh, actually I don't have a lot of first hand experience in in this area, so um, I don't know how um. How the dynamics are are there. I can't. I can't tell you tell you a lot from my side. But yeah, I I guess there there there might be, yeah, with adventure arms like this, the chose shows an interest.

[Benedikt Theodor Arno Grosser] [26:54] OK.

[E1] [27:03] And I guess they they are definitely interested in in, you know, promoting things that that align with their own interests. You know, why not?

[Benedikt Theodor Arno Grosser] [27:14] OK, thank you. To what extent do organizational culture, decision making process or talent availability explain differences in innovation performance between these groups? The question was asked before I knew that maybe they.

[E1] [27:26] Yeah.

[Benedikt Theodor Arno Grosser] [27:30] Actually don't want to innovate on such a consumer focused pace as the Start-ups, but do you think it's also has a cultural aspect to it?

[E1] [27:40] Yeah, yeah, definitely. I mean we we touched on it earlier. I I can I guess the the improved agility on on startup side is is. Definitely undeniable in in some some cases. I mean, yeah, of course there's a cultural factor. There are young Start-ups fresh from from university trying to steer up the energy market. There might be more, more energy and drive than

compared to some people at at bigger companies that are, yeah, don't have the the urge of of innovating. And this this quickly.

[Benedikt Theodor Arno Grosser] [28:29] Yeah. OK. Second to last part, the broader perspectives and the persistent view, that's just an open question if you can think of another sector that had such a fundamental transformation undergone in the last couple of years or? Maybe also in history and more recent history.

[E1] [28:53] No.

[Benedikt Theodor Arno Grosser] [28:55] 'Cause I was thinking of the car industry, but it's also related to the entry transition again, the EVs and so.

[E1] [28:58] Yeah, I was also thinking about e-mobility. Yeah, I mean, sure in both cases it's these are big industries facing facing changes. Maybe it's not the. Yeah, maybe it's not the OEMs directly who are who are the best comparison, but maybe there are oil companies behind it who are more like the the energy provider behind it and. Yeah, maybe you can look into into those fields are they how Shell and BP are are adapting to stricter environmental targets. I mean they are also investing in in alternatives and and trying to hedge their risk to. Still be irrelevant in a in a post post fossil era by investing, I don't know, in synthetic aviation fuel companies, for example, E fuel, I don't know. Uh, exactly how how they are investing in E mobility, but those are, uh, definitely, you know, points of of entry for them.

[Benedikt Theodor Arno Grosser] [30:06] Yeah. OK. Thank you. I think the next question we already discussed pretty much with the competition or do you think maybe maybe one deeper question on that, that the big players are more willing to cooperate on the energy transition more than they used to?

[E1] [30:30] Um. I I can't, I can't tell but but I guess there are like those venues where where people or companies interact and I guess there are yeah points of contact maybe with the or the where. Yeah, where smaller companies and and bigger bigger companies. In fact, I saw that

BDEW has a market matching tool where they try to to match Start-ups and and established players with one another. You know.

[Benedikt Theodor Arno Grosser] [31:13] OK. Now the last couple of questions and the future outlook and recommendations, do you think there will be radical new developments in the energy market in the next five years? Just shot in the dark, will there the big maybe as you said the oil companies? Not be relevant anymore. Will Start-ups overtake the big players right now? So they could be totally different. Do you have any guesses?

[E1] [31:45] Um, I I don't expect uh. Take over by Start-ups and. At the moment, I don't know. I I guess the companies focusing on on on volatile prices, there's a lot of of. Um, of competition there? Um. Let me think about it. Um.

[Benedikt Theodor Arno Grosser] [32:24] She.

[E1] [32:26] So, so I I guess they they can definitely have a have a market share. When I was thinking about the the last question about other industries with major transformation, I was thinking also about. About the banking industry, where they are like new fintech, fintech companies starting up everywhere. But at the moment it seemed to me that there are financial services that are built by Start-ups who are agile, but they all. Still have a big bank in the in the background or connecting to the to the baseload services of big banks and I would say that it's similar with the energy market that there might be a lot of and new Start-ups on the on the top layer maybe to the consumer. Facing layer, but that the basic means of energy production on a greater scale is still dominated by by major players. But yeah, I could think that that they are definitely coming in there. And their revenue is in in different places, yeah.

[Benedikt Theodor Arno Grosser] [33:44] OK. Thank you. Are there emerging statements or early trends that you think researchers or practitioners are overlooking?

[E1] [33:52] Um.

[Benedikt Theodor Arno Grosser] [33:52] In regard to the energy transition, maybe it's focusing on consumers.

[E1] [33:58] Yeah, overlooking, I don't know, I I have friends who are who are working in in Start-ups and establishing their own Start-ups. I guess, yeah, more data-driven approach to to energy systems and energy system optimization is definitely. 11 trend I I observe coming from research directly into into the Start-ups, digital trends and sizing of of battery storages for example. These are these are some some trends I see spilling over from research into. Into Start-ups.

[Benedikt Theodor Arno Grosser] [34:40] OK. Now lastly, is there anything else you can discuss for understanding business and model innovation dynamics in the energy sector? I think one of the most important things I will take away from here is now is that Corporate players actually might don't want to. Innovate radically to not cut into the profits. I like I'm not going to quote you on anything, so don't be afraid of saying here, saying anything here, but yeah.

[E1] [35:03] Yeah, if it's if it's not not oversimplified, yeah, I I just I guess they are afraid of of self cannibalising in in some senses or trying to still wanting to control. Major parts of the supply chain. Yeah, I, I don't know. I guess a lot comes from from the market fluctuations and and how, how to handle those, those, yeah, fluctuating electricity prices. However, I mean those are market signals. Based on on the production of PV, if it's if the sun is shining at at noon, then the electricity production is is high and the prices go down and then you have might have negative electricity prices. This is. Bad because you have to pay for for getting rid of your electricity. But yeah, at the end these are just market signals and people have to to use those signals correctly. And in order for this to work, there needs to be a communication, a digital communication. Via smart meters and for example, home battery storages must be integrated in a smart way and they should not just fill up the electricity storages in the morning when the sun comes out, but maybe wait a little and fill them in the afternoon hours when the prices are.

Where there's a way higher risk of of prices getting negative. So yeah, digital communications, smart metering. This is the the boundary or like the foundation for other services to build on.

[Benedikt Theodor Arno Grosser] [36:46] Yeah.

[E1] [36:56] And yeah, I'm, I'm excited, yeah.

[Benedikt Theodor Arno Grosser] [36:57] I have a more personal question with regard because a friend of mine is writing his master thesis about solar panels on German rooftops and the ROI from them and he recently explained to me that the German regulatory systems actually.

[E1] [37:07] Mhm.

[Benedikt Theodor Arno Grosser] [37:15] Said that you always get 8 cent per kilowatt you feed into the system and regardless of it's mid-day. So they actually need to pay twice. They pay for the consumer to take his electricity and then need to pay Switzerland again to take ours.

[E1] [37:22] Mm-hmm. Mm-hmm. Mm-hmm.

[Benedikt Theodor Arno Grosser] [37:33] So do you think there's big inefficiencies in the regulatory environment which companies might be able to use or which understand?

[E1] [37:42] I mean, yeah, this is designed with a well intention to take the risk for for renewable energy producers in investing in their own PV. System. So in the beginning of the 2000 years, PV systems were expensive and you didn't know what to what to expect in revenues. So this is the EEG the. Renewable energy legislation which was super successful. So without this we wouldn't have this many PV systems or wind system in Germany at the moment and the the exchange fee that they got or the was way higher. It was like 50 Cent. Per kilowatt hours in the beginning and now it's down to 8 cents and now it's it's being phased out slowly. But yeah, the the market integration of PV systems and and wind systems of course too. This is the the major.

[Benedikt Theodor Arno Grosser] [38:35] Yeah.

[E1] [38:50] Task for for the next decade or the end of the decade to to really integrate it not only in the energy system, but also in the energy markets. The keyword is direct marketing, selling those.

[Benedikt Theodor Arno Grosser] [39:05] Yeah.

[E1] [39:06] At the markets and this is what, uh, I think is also uh doing and and yeah, offering as a service.

[Benedikt Theodor Arno Grosser] [39:17] OK.

[E1] [39:20] No. Welcome.

Interview S1

Attribut	Detail
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[Benedikt Theodor Arno Grosser] [0:03] Good. Yes. I'm in a master and my thesis is about energy transition and the focus is on Start-ups and Corporates like ENBW or EDP in Portugal so energy suppliers.

[S1] [0:16] Yeah, yeah. Mhm. Mhm.

[Benedikt Theodor Arno Grosser] [0:35] The topic is business model innovation and transformation. I can share my screen.

[S1] [0:35] Mhm. Mhm. Mhm. Mhm.

[Benedikt Theodor Arno Grosser] [0:51] So the first question is, could you describe in your own words what business your Start-up is in and what core products or services you currently offer?

[S1] [1:07] Yes. So first, it's not a Start-up anymore. So it's a grown up. We've been on the market for 10 years. We started as a energy provider, so trading like. Selling gas and electricity to the real estate industry and what we do since five years is that we mainly work with invest like real estate investors and asset managers and. We look at single buildings in the field of multi-tenant residential buildings, multi-tenant office buildings and we look at the electricity side and decarbonize. So what we actually do is. We have our own energy management systems. We work with the owners of the buildings or portfolio owners by. Providing smart metering and we do build PV systems, onsite PV systems and and we built.

[Benedikt Theodor Arno Grosser] [2:23] OK.

[S1] [2:28] Charging infrastructure. And so we built that, we run that and we provide electricity for all the meters which are run by us in the buildings.

[Benedikt Theodor Arno Grosser] [2:43] OK, very interesting. You provide your own electricity meters, kind of like Eins Komma 5, another big German scale up.

[S1] [2:51] No, we work with part like the meters are not from us. We work with the partner.

[Benedikt Theodor Arno Grosser] [2:55] OK. OK. Got it. Thank you very much. So you already touched upon it. Actually, I didn't think this question would fit, but it seems like it fits to your company. What significant changes or innovations have you made in your Value Proposition specifically in response to the energy transition? This part can be in brackets, but it seems. Like your startup already did a change within its business model.

[S1] [3:18] Yeah, yeah, yeah. So what we actually changed is that we are not a classical just energy provider anymore. So we really focus on the decarbonisation and energy efficient side of. The buildings and so that the newest transition I would say since one year as we have our own Bilanzkreis, I don't know the word in English right now, so.

[Benedikt Theodor Arno Grosser] [3:50] Mm-hmm. No, it's fine. I don't know.

[S1] [3:52] So what we what we do, we're starting with one customer at the moment. So we as I said we look at whole portfolios like for for for example an investment fund, real estate investment fund and if it's a fund which. Is by default meant to be very green, like an Article 9 fund for example. We provide the the green energy for the whole fund and we provide for the owner of the fund.

[Benedikt Theodor Arno Grosser] [4:18] Right.

[S1] [4:32] Kind of a virtual power plant. So we have these sub Bilanzkreis guys and like for example here you have like 100 buildings.

[Benedikt Theodor Arno Grosser] [4:39] Yeah.

[S1] [4:48] You have various onsite PV systems on some buildings, on others you don't. And then in that specific case you have an renewable investment in a in a wind, in a wind park. So what you do, we run the sub-Bilanzkreis price for for the for the for the owner and instead of like for example feeding the surplus PV power into the grid, like into the official grid. It stays in your in his own virtual power plant and he, for example, can use the PV power from Stuttgart in a building in Düsseldorf and by that has locally produced energy.

[Benedikt Theodor Arno Grosser] [5:33] Mhm.

[S1] [5:39] Everywhere, which is rated higher, yeah.

[Benedikt Theodor Arno Grosser] [5:42] Yeah. OK. Very interesting. I think just to save time and you already elaborated so good on the next second questions, you have new customer segments, which are these investment funds and the novel products or services you have introduced through that are the virtual power plants and the entire. Is it for these new customers, is that correct?

[S1] [6:02] That's correct. Yeah, that's correct. And yeah. And yeah, let let me see. Yeah.

[Benedikt Theodor Arno Grosser] [6:09] And maybe then for the last one, is this something that's already in the market or are you kind of the first movers here?

[S1] [6:21] Mhm.

[Benedikt Theodor Arno Grosser] [6:22] Or how do you differentiate or how does this differentiate yourself?

[S1] [6:25] So. Um. So our USP, so the combination of of having your own Bilanzkreis and like going really like having all the electricity. Like producers and consumers in the building like we can provide solution for every all the details of that. This is like kind of an USP like in combination of the Bilanzkreis for example Eins Komma 5 does that.

[Benedikt Theodor Arno Grosser] [6:59] Mm-hmm.

[S1] [7:02] True, but they they are mainly focused on a on single tenant houses, so they're not there yet and and so what we if you like if you cover all the aspects.

[Benedikt Theodor Arno Grosser] [7:09] OK.

[S1] [7:19] And you also trade energy on the on the on the stock, on the stock market, on the on the market then you can.

[Benedikt Theodor Arno Grosser] [7:28] Yep.

[S1] [7:31] Then you can use like flexible tariffs, like for example, yeah, you know, yeah, exactly.

[Benedikt Theodor Arno Grosser] [7:38] Yeah, I. Let the consumer participate in the volatility of the energy prices.

[S1] [7:43] Well, the consumer or the owner of the building?

[Benedikt Theodor Arno Grosser] [7:48] OK. Yeah, the customer is probably a better, yeah, yeah.

[S1] [7:50] The customer, yeah, actually you can decide. Actually the the the owner of the building can decide if, for example, his tenant profits or he himself profits.

[Benedikt Theodor Arno Grosser] [8:02] OK. Yeah, very interesting. I think there's another question later touching upon this, so we can move on already to the value capture. How do customers, how do you earn money? How do customers pay you? Have you done anything?

[S1] [8:03] Yeah. Hmm.

[Benedikt Theodor Arno Grosser] [8:17] I mean, energy always been pretty much a service, but you have it here again, exactly shifting price volatility to customers. Yeah, how do you monetize your business?

[S1] [8:29] So um. We do B to Band B to C business. So on the B to B side we first earn money by just like so you have to differentiate. So if we're working with like building projects. And we work on existing buildings. So these are two different things. So we. It depends if we install

the hardware. If we install the hardware, obviously we we have a margin on that and but the main like, yeah, the main income on the B2B side is really like. We we run, we run the for example the EV charging. We sell the electricity from the PV plant in the building. We sell the electricity from the grid to the meters where it makes sense and.

[Benedikt Theodor Arno Grosser] [9:31] Mhm.

[S1] [9:32] This is how we earn money on the B2B side and B2C. So it depends on the building, but we also provide electricity for the tenants, that we make. In the mostly in the housing sectors, we offers models like Mieterstrom, pv type Mieterstrom and then we have like classic B2C electricity customers and of course we.

[Benedikt Theodor Arno Grosser] [9:53] Mhm.

[S1] [10:02] Um. We have charging electricity like a charging plan. So, so we are like when it comes to charging, we have two market roles. We are a CPO charge point operator and an EMSP.

[Benedikt Theodor Arno Grosser] [10:10] Yeah.

[S1] [10:20] So we have our own. We have a so. The daughter I work for the NVG charging is a minority investment of share recharge. So we have a card together with them and then we have charging customers, so we sell the electricity and. To the end custom.

[Benedikt Theodor Arno Grosser] [10:42] OK.

[S1] [10:43] And um, right? And shifting price one. Yeah. Well, maybe that comes later. Yeah. Mm-hmm.

[Benedikt Theodor Arno Grosser] [10:52] OK. Yeah. Thank you very much already. May I have maybe just two words on this. How is your approach to contract partnerships or custom agreements evolved as part of your business development or scaling process you work? We have a lot of. Partners and different customers, is there anything? You're doing different now.

[S1] [11:16] Um.

[Benedikt Theodor Arno Grosser] [11:16] I mean.

[S1] [11:18] Well, yeah, I mean like the the charging business is the newest one. We do that too since 2 years. So obviously if you do that you new partners come on board, but it's mostly really like. Partnerships which we have is mostly like with installing businesses like basically so, so there are depending on what service or what hardware or whatever you provide different.

[Benedikt Theodor Arno Grosser] [11:41] Yeah.

[S1] [11:53] Kind of service level agreements you have with them and depending if you are part of a building project of a new house or an object in an existing one. It's always a different agreement of what installation comes from us or comes from the custom itself or is subcontracted.

[Benedikt Theodor Arno Grosser] [12:19] Yeah. OK, I totally understand. I think we can. Skip this question, maybe this one is more interesting. How do you assess the impact of these innovations on your Start-ups, financial sustainability and future growth? It seems like you shifted a lot. Maybe you can put it in numbers. So much business now comes from these revenue like in percentage, relative numbers, not actuals of course. These these funds and has this been helpful or is this just a step to another customer segment?

[S1] [12:54] From our customers.

[Benedikt Theodor Arno Grosser] [12:56] From you, if you would like your pivot towards these energy related funds or other innovations you have done, but I feel like this is the one of the biggest one you did, but maybe I'm totally wrong. So how do you assess the impact of innovations?

[S1] [13:04] Mhm. Yeah. Um, so um. So yeah, there are various aspects like, I mean like from our view is like really like, OK, so. So we sell on site generated electricity or like green electric electricity from the from the market. So what we measure is like we we can like we have as I said we have our own energy management system. So we can actually like for us and for our

customers. Like see how much CO2 we reduced. So this is like not a financial aspect, yeah, but a sustainable aspect and like what what we like.

[Benedikt Theodor Arno Grosser] [13:51] Mhm.

[S1] [14:04] What we basically aim for as I said earlier is like we want to deliver electricity to as many meters in the portfolios or or buildings we are operating in so. Especially like the the youngest product that the EV charging is just scales the the cells of electricity like kilowatt hours. And this is like our, yeah, that's how we measure our our core success like delivering more kilowatt hours to the meters run by us and we.

[Benedikt Theodor Arno Grosser] [14:46] Yeah.

[S1] [14:49] I don't have any numbers I can give you ready, but like right now, I mean I think two years ago we started and now we are at 3000 charging stations. I don't know the actual number of the kilowatt hours I had would would check but. The thing is like on a like how the market develops is and like so so the housing market in the EV charging. Yeah, sector is in Germany especially like we are in Belgium and Austria as well, but in Germany especially it's. As we focus on multi-tenant buildings, it's really expensive still for a tenant to to invest in our solution basically. So we're mostly doing that business in offices because they're not as price sensitive. And and so we once we start the project with only one single wall box for example, but you have 100 parking spaces, this parking space belongs to you so.

[Benedikt Theodor Arno Grosser] [15:52] Yeah.

[S1] [16:08] So because there's one meter for EV charging in the future, so all the charging stations in the future will be provided with electricity by us. So as the EV like EV quota. Is hopefully and everybody expect that it's growing. Our business will grow automatically.

[Benedikt Theodor Arno Grosser] [16:31] Yeah, yeah, totally understood. OK, thank you. I think that's the same topic, but maybe you can say it again. We can put them two together while

you're entering new markets, do you? Let go of other ones or do you just keep increasing the product portfolio you're offering? And is this incrementally or how do you approach this topic?

[S1] [17:02] Um, you mean new markets like? Um.

[Benedikt Theodor Arno Grosser] [17:07] Like the funds like you started with like or like the EV charging stations, you just keep adding new products or do you also get rid of some and say hey no, this is not the best model we have?

[S1] [17:10] Mhm, mhm. No. No. Um. No, we just keep adding products actually. Yeah, like which fits, which fit to our like our current products, which work well and which make, which gives us.

[Benedikt Theodor Arno Grosser] [17:34] That's correct. Yeah, that's correct. And yeah. And yeah, let let me see. Yeah.7:34] Mhm.

[S1] [17:37] Like as energy traders, more flexibility and the like, but this is from a business strategy side. The adjustments which are more likely to be like which we have to make are more from the regulatory side. So it might be that a business that has worked two years ago. Well, with the new government doesn't work anymore, so good like for example on site PP as are. Due to new regulations, probably.

[Benedikt Theodor Arno Grosser] [18:17] Onsite PPAs means there's solar panels on the roof and you sell the electricity to the tenants in the house?

[S1] [18:20] Exactly, yeah. Which, yeah, yeah, which is, which is never been our core business, but for example like but onsite PP as are probably if you depending on who you asked about to run out, yeah. Due to flexible due to the ability with for example a software or a service provider to trade.

[Benedikt Theodor Arno Grosser] [18:36] OK.

[S1] [18:48] And maybe in combination with a battery to to trade energy at the market. Yeah, so no need to make an investment in a solar center or no need to give your roof to someone who invests in a solar system on your roof.

[Benedikt Theodor Arno Grosser] [18:54] Yeah.

[S1] [19:05] And then um. Pay a fixed price in that market situation for the next 10 years because you might pay too much.

[Benedikt Theodor Arno Grosser] [19:13] Yeah, yeah, got it. OK. So then for all these new developments, how do you go about them? Is it go big or go home or do you start with like a pilot product and then scale up?

[S1] [19:15] Mhm.

[S1] [19:26] No, we like like as I said it's it's like we have a proof of concept and like the combination of services and products we have worked. So we were making pilots but was like.

[Benedikt Theodor Arno Grosser] [19:41] Mhm.

[S1] [19:47] Five years ago and and we were like just developing our own energy management system. So we just go big now. Yeah, we are in the phase of going big and yeah. Um. Um.

[Benedikt Theodor Arno Grosser] [20:14] New innovations.

[S1] [20:16] So it's all it's bootstrapped from the get go and like we have different GmbH and as I said and at the NVG charging share recharge is a minority.

[Benedikt Theodor Arno Grosser] [20:20] OK.

[S1] [20:33] Yeah, they they hold a minority of Nvigg charging and we are when it comes to private and semi-public A/C charging in Germany, we are basically. Um. Yeah. Shell is not operating in that business because of us.

[Benedikt Theodor Arno Grosser] [20:57] OK, yeah, I I have later some other questions about Shell because I know you used to work for a Shell daughter as well. But yeah, let's finish with this one first. OK, so all your innovations come from within. There's no.

[S1] [21:03] That's true, yeah.

[Benedikt Theodor Arno Grosser] [21:12] Big player or investor pushing you to say, hey, this isn't strategic market, we need to go into there. It's just what's best for the business of yourself, correct? OK.

[S1] [21:21] Yeah, yeah, yeah. I mean, so, so us as a company and especially one founder has a deep understanding of the energy market. So it all comes from within.

[Benedikt Theodor Arno Grosser] [21:33] OK, cool. Yeah. Now to the customers, how do customers, what's the customer feedback, adoption challenges or to customers once you have a new product, new innovation out there? Be like, oh, that's crazy. I also want to take my money. Or do you have to maybe push it onto them? Or it doesn't. That's this question not really makes sense because you have the B2B and B2C aspect, which are totally different.

[S1] [22:00] That makes sense. No, no, I mean it. So no, it makes sense. So, so like the. Like the the smart connection of all the electricity, electrical sectors of one building for example, or at the service, like all the services, if you connect them smart, yeah, this is usually something the customers. Doesn't know so so for like to stick to the example that you like. Real estate investors or have it or look at the PV strategy or look at like how we can get green energy for a portfolio or what's the strategy on EV charging. But someone who explains them if you combine these and have like a smart way to trade energy and. Use flexibilities. So they really value that because they increase, it increases their financial success with the measures taken so.

[Benedikt Theodor Arno Grosser] [23:13] Yeah.

[S1] [23:16] So the the feedback is really good and um, I mean. How? Why? Why do our customers even consider working with us? So it's mostly. Push factors because they have to, because they have to have a greener fund, a CO2, yeah, reduced fund or you have official regulations on. For example, as a State in Berlin or you have some European regulations on how many charge charging stations you have to have on a parking lot. So they mostly do it

because they are forced to, yeah. Very few customers act because out of, yeah, I don't know, future of our children or like pull factors as they said, OK, we have a like, a responsibility as actors in the real estate industry for our society or something like that, you'll find that really rare. So all the measures we do, of course it's good for them to have a CO2 reductions and the data they they need to have to prove that. But mostly they do it because of the financial aspect and like to to have the best value, you have to combine the different measures as we do.

[Benedikt Theodor Arno Grosser] [24:57] Me. OK, perfect. Thank you. Now as time is running out, I think one important question I still want to ask you guys, you already mentioned the founder which has very great knowledge of the energy market and what else shapes and facilitates the innovation at your Start-up and?

[S1] [25:14] Mhm.

[Benedikt Theodor Arno Grosser] [25:21] And maybe you can also comment on do you think this would also be able to happen at a larger scale at a Corporate companies such as Eon or ENBW or what's the what's the upside off of being a start up there?

[S1] [25:32] Hmm. Well, I mean, yeah, you have to have found the vision and you have and then you have to like, especially in the sector we are working in, you have to have as every team capabilities, you have to have people who are really rooted deeply in the energy sector. Um, like to see to.

[Benedikt Theodor Arno Grosser] [25:52] But it also might be something that a Corporate has, right? They also have people with 50 years experience, yeah.

[S1] [25:56] Yeah, that's that's true. Yeah, that's yeah, definitely, definitely, yeah. But. But I I mean, I work for big corporations and Start-ups and. That it's one thing to see a vision or to have a vision. It's the other one to to get it done or like to really get into at least a pilot phase or really to have a product with a market fit and. That is, I mean probably not the first to tell you

easier when you have like not a not a too big. Not too hierarchical structure you're working in. So you we we we are 35 people, so we get things done quicker when we want to get them done. [Benedikt Theodor Arno Grosser] [26:53] OK. So the organization is like flat hierarchies, flat hierarchies and just the agility of the startup, which is kind of the stereotype is actually very beneficial in your case and true.

[S1] [26:56] Yes. Uh, definitely. Yeah, it's definitely true and beneficial. Yeah, and the reason why I uh. I'm not working for a big corporation anymore.

[Benedikt Theodor Arno Grosser] [27:15] OK, yeah, yeah, more, more. Also coming to this one more risk tolerance as well at Start-ups, OK.

[S1] [27:21] Yes, definitely. Yeah, yeah, yeah. I mean, it depends. It depends on where your money is coming from, I would say. So I've been in Start-ups which were. Like Corporate Start-ups which had a lot of money to burn and they really they burned it by taking a lot of risks. Yeah, so we are like we at NWG as we mainly have our own money. We are taking risks, but manageable risks.

[Benedikt Theodor Arno Grosser] [28:00] OK. Maybe jumping into this question then coming back to what you said about being a Corporate Start-up, was this successful burning money at such a fast rate or would you say it's just? OK.

[S1] [28:13] No, but I think it's it can be like it's it's just like it's my it's it's that one one example I have right might be my I think it it depends on which fire you put your money into to burn it right. So we just like.

[Benedikt Theodor Arno Grosser] [28:20] Mm-hmm. Yeah. No.

[S1] [28:30] We were just didn't. The founders didn't understand the markets very well, so it doesn't exist anymore.

[Benedikt Theodor Arno Grosser] [28:42] OK. And was there a big Corporate shadow and influence of Shell in the Start-up or was it just a Start-up with much more money?

[S1] [28:49] I'm so I'm actually talking about. So I'm actually talking about the different startup I was working for. So this it's was not the startup of shell that's that's still exists.

[Benedikt Theodor Arno Grosser] [28:59] Uh, OK.

[S1] [29:02] And um. So, so.

[Benedikt Theodor Arno Grosser] [29:07] But maybe then just put Corporate blank Corporate name here instead. Um.

[S1] [29:10] Yeah, yeah, yeah. Um. Well, on the on the beginning it was like a parallel structure. Like also we had our own CRM, we used Salesforce, they used Microsoft Dynamics. So it was really like we built a parallel. Set up overall and. As the numbers like after two years didn't weren't as expected, then the Corporate started to pull the Start-up closer. Yeah, took a closer look and it ended in a fully integration of the business from the Start-up.

[Benedikt Theodor Arno Grosser] [29:47] OK. Yep.

[S1] [29:53] And like reducing the business and focusing the business on less business cases and then, yeah, that that that's how it died as a as a brand for itself.

[Benedikt Theodor Arno Grosser] [30:07] OK, maybe just for context, was this in part of some energy crisis, the war in Ukraine, COVID or?

[S1] [30:16] It was before that, like, I mean that was no, it had nothing. It has nothing to do with it, just to um.

[Benedikt Theodor Arno Grosser] [30:18] OK.

[S1] [30:24] It was a very highly regulated new business in Germany, like it was the the beginnings of PV meterstorm. So actually like the founders, they were very smart and had a plan, but they didn't understand 100% what it what it.

[Benedikt Theodor Arno Grosser] [30:31] Mhm.

[S1] [30:42] What it takes to be successful, yeah, like from the regulation side and also like the yeah, yeah, I mean, yeah.

[Benedikt Theodor Arno Grosser] [30:46] Yeah, OK. But. Do you also think that in light of then the energy transition or so on, many Corporate Start-ups were also not failed, but maybe the whole idea was scrapped by those big companies trying to take care of their balance sheet and P and L or it's it's a good thing in a in a crisis to be part of a Corporate overlord.

[S1] [31:09] I wouldn't say. No, I I cannot. I cannot say. It. I cannot it can be both. It's really like it's a it's a it's an individual case and like the like in the industry we are working. It's like there are so many different business models and ideas so you cannot generalise them.

[Benedikt Theodor Arno Grosser] [31:35] OK, yeah.

[S1] [31:35] Like it was really just uh. Yeah, I mean like for example in the PV like in the house and multi tenant housing PV industry where I worked back then there were a lot of companies, Corporate start up, big Corporates itself and VC funded. Start-ups which just didn't make it because the expectations were higher than than the market which developed. Yeah, that the cake was not just was just not big enough for everyone.

[Benedikt Theodor Arno Grosser] [32:12] OK, yeah. Um, let me see if there's one more interesting question here, but so far, thank you very much.

[S1] [32:21] Mhm.

[Benedikt Theodor Arno Grosser] [32:22] Oh yeah, maybe this one. Just throw out a guess. Which aspect of your business model has the highest priority for future and respect for future innovation? So do you think there's a new niche you're going into or? What do you think will the future hold for your company right now?

[S1] [32:45] Well, well, we are certified CPO. So, so we're actually like we see we are really focused on the on the EV charging business at the moment because it gives us. A lot of growth in the future. So that is our main focus at the moment and what we want to grow also is the virtual power plant and. And let's call it Bilanzkreis as a service model because I think like then

we just like grow the numbers of meters we can deliver electricity to exponentially and so this is.

[Benedikt Theodor Arno Grosser] [33:19] Mhm.

[S1] [33:32] Like as we we're making a pilot right now, so this is what we're focusing on next and yeah.

Interview C1

Attribut	Detail
Interview-ID	C1
Datum	17. Oktober 2025
Typ	Corporate - EnBW
Dauer	ca. 32 Min.
Sprache	Englisch
Medium	MS Teams

[Benedikt Theodor Arno Grosser] [1:26] OK. So my first question is just to start, could you describe in your own words what what business in ENBW in and what core products or services your company currently offers?

[C1] [1:26] Yeah. Yes, I can make this. I can. I tried to make the answer short, but it's where we we are positioned along the whole value chain of energy. Energy. So to start with, we produce energy in one hand side. So this is kind of different product compared to the inside of the where you change. So we do production of energy renewables, but also classic or traditional ones. Then energy distribution, the transportation as well as distribution grid. Then we do classical sales like gas and energy, electricity, but we also do some newer businesses. Like immobility for example.

[Benedikt Theodor Arno Grosser] [2:36] OK. Yeah, maybe that's in the direction of the newer businesses. What significant changes or innovations have you made in your value proposition, specifically in response to the energy transition?

[C1] [2:42] Yeah. I think the most important change would probably be the mobility market that we entered. I don't know, I have to look it up, but I don't know, 5 or 10 years ago. So the other stuff we all made. The last years as well, I mean renewables gained importance and so on, but E mobility I think has been the most significant change because we have a new business model and so on.

[Benedikt Theodor Arno Grosser] [3:14] OK. Can you, is it OK to say then the biggest changes have been on the consumer side directly offering a broader, broader value to the consumer, broader product portfolio?

[C1] [3:33] Um. In the last years, yes. I mean the the switch from nuclear to renewables in 2008 or so was also extremely significant. But first of all, it was before my time at NBB. And secondly, it's, I don't know, 20 years ago. So I think the companies used to do renewables. So I wouldn't say it's a big innovation. So yes, the last year's mostly on customer side.

[Benedikt Theodor Arno Grosser] [4:08] OK, that's interesting. Thank you. And can you describe any new Customer Segments or needs that you can now serve or is it just your old customers up upselling on new products or?

[C1] [4:18] Well, it. Yeah.

[Benedikt Theodor Arno Grosser] [4:23] Then you needs.

[C1] [4:26] No, I would say they're completely new customer segments. For example, if we compare to our traditional customers, which are mostly where we are not the cheapest energy or electricity offering in the market. So generally it was more the group of customers, mostly older people not caring about every euro that I used to have a a company where they know the name and are familiar with the company. And so on. And the new Customer Segments such as E mobility was mostly driven by tech, young persons that are also sustainability is a core value for them. So this is a rather new customer segment. And also like the the communication via app and digital offering was kind of new for MBB.

[Benedikt Theodor Arno Grosser] [5:31] OK. Yeah, very interesting. I think I have a question to touch upon this later again. We already talked about the new products or services you introduced.

[C1] [5:35] Mhm. Mhm.

[Benedikt Theodor Arno Grosser] [5:44] Yeah, maybe. Do you think these products or services differentiate you from the competitors in your field or maybe also from Start-ups which are trying to get a piece of the cake?

[C1] [5:57] Have to think about it.

[Benedikt Theodor Arno Grosser] [5:59] You can also say no if everyone's doing immobility the same.

[C1] [6:04] No, I think more or less the big energy companies, utility companies do it as well, but none of them do it as big as we do. So for example, Aeon.

[Benedikt Theodor Arno Grosser] [6:15] 2.

[C1] [6:19] Uh. They have a small offering right with the mobility and for for every energy company it's interesting, but none of them are so into it as we are and we also compete with different kind of companies, so for example. There is Ionity, which is OEM driven, so from automotive companies we compete with other energy companies, but also Start-ups like, I don't know, Fastned from. The Netherlands, for example. So we have to compete on different levels and yeah.

[Benedikt Theodor Arno Grosser] [6:57] And also above the scale of the immobility with the, as you just said, the apps, how customers now want to be communicated to, do you think there's anything different or could there be something to improve upon?

[C1] [7:12] No, I think more or less they're all the same between Start-ups and ourselves. They the customer expect and want the same no matter what company they are facing. So I would say similar there.

[Benedikt Theodor Arno Grosser] [7:25] Mhm. OK. Thank you. Then we can already move on to the value capture here. The first question would be what modifications have you implemented in your revenue model or pricing strategies, especially with a focus on, I've talked to some experts which say many companies now start offering the volatility in the energy. Market stock

market. So at the EFX to the customers, is that something in Vivitas or do you have other new pricing strategies?

[C1] [7:54] Yeah. Yeah. So yes, we do this the same, but then I have to switch from e-mobility. So in e-mobility we, I mean it's a digital offer and so on, but still in the end it's one price you pay more or less the whole year. There's no time flexibility also we think about this. This as well. So this will probably come in this market as well in the next coming years. But where we already offer this price volatile volatile tariffs is in the normal electricity market. So we have a home energy management system, for example, offering as well. This is also completely new to us. I'm Hems, yes.

[Benedikt Theodor Arno Grosser] [8:51] And just out of curiosity as well, for the e-mobility, do you pay a fixed rate per year and then you can charge your car unlimited times or do you pay per charge? How does that work and what's the market doing?

[C1] [9:03] You pay, yeah, yeah, you typically pay per kWh, so pay per amount. But there's also, so we have three different types of tariffs. So there's the smallest one. You don't have any regular fee.

[Benedikt Theodor Arno Grosser] [9:10] OK, yeah.

[C1] [9:21] You pay just per kWh, but the most expensive price and then you can, you know, do upselling with a monthly fee which starts quite low, but then you reduce your variable price and so on. This is also kind of different from from all things we did in the past.

[Benedikt Theodor Arno Grosser] [9:33] Mhm. But that's all just for the.

[C1] [9:42] It's more like the telecommunication market, so.

[Benedikt Theodor Arno Grosser] [9:45] OK, but that's the price for if you charge your car at the ENBV charging infrastructure along the highways or in the city centre, right? Or do you also offer something for if people charge have ENBV at for their home electricity and charge their car in their car port at home?

[C1] [9:54] This is the same. Yeah, so.

[Benedikt Theodor Arno Grosser] [10:01] And you just pay the house electricity price.

[C1] [10:04] Yeah. So this depends. So if so, OK, I started it at the beginning. So first of all all customers, so in the e-mobility market there are two ways that you can use or go into as a company. You can be the e-mobility provider with. Which is more like the software, the face to the customer part of the business model, right. And then you can be a charge point operator which is more like the infrastructure part and we do both and in in our EMP.

[Benedikt Theodor Arno Grosser] [10:30] Mm. Yep.

[C1] [10:40] Business model, it's like our customers can charge everywhere, so also at other CP OS for example, but they would pay an extra. So it's always the cheapest to charge at our own charging infrastructure, so.

[Benedikt Theodor Arno Grosser] [10:47] Mhm. Mhm.

[C1] [10:56] With regard to the second point, charging at home exactly, you can also you can simply charge with your, you know, home tariff, your normal electricity tariff. We also offer wall boxes, but I think it's rather small part. Yeah.

[Benedikt Theodor Arno Grosser] [11:14] But that sounds like something new in the market. Or do other competitors also do it, especially like the whole provider being the face and the infrastructure? Could could that be an innovation from ENBW?

[C1] [11:22] And now in the end. Yeah, no. Most of the big players do both. Um.

[Benedikt Theodor Arno Grosser] [11:32] OK.

[C1] [11:34] There are some some companies focus on the e-mobility provider part, so only software and face to the customer. But this is only most of these are companies that focus on white label solutions, for example big automotive companies. Um. But we think this will not be sustainable in the future. So in the end, the hardware and the infrastructure is the most important part, probably. And we have one addition maybe well we if you have a home

electricity tariff contract you will get there's a cross selling within the e-mobility product. So there is a called Vorteils tariff if you have both.

[Benedikt Theodor Arno Grosser] [12:08] OK, yeah, very interesting.

[C1] [12:27] It reduced prices when you charge your car.

[Benedikt Theodor Arno Grosser] [12:31] OK. Um, thank you.

[C1] [12:32] That's something, sorry, I I come from one point to the next, but that's something some competitors, for example, cannot offer. So we have, we could really offer a whole bundle of products around electricity for home customers.

[Benedikt Theodor Arno Grosser] [12:35] No, no, no. It's really interesting. Continue.

[C1] [12:48] And for example, Fastnet, which is a more or less Start-up in the charging business, cannot offer home electricity contracts, so there can be some cross-selling potential.

[Benedikt Theodor Arno Grosser] [13:00] Yeah. OK. Thank you. Now I think we can skip the next one, but the first question I would like to pose again, what challenges did you face in redesigning your revenue streams and how did you address them? And could you also talk about the flex, the volatility in the energy market there?

[C1] [13:07] Mm. Mm-hmm.

[Benedikt Theodor Arno Grosser] [13:20] Or just a comment on it.

[C1] [13:22] Well, there are two.

[Benedikt Theodor Arno Grosser] [13:23] So not people. No, go ahead.

[C1] [13:27] Yeah, well, there are two challenges, I think. So first is uh. It's boring, but it's kind of difficult process wise, especially if you're not a startup. So it's so true that we have a lot of, you know, we always call it Historische gewachsen, grown historically. So our systems, you know, they build upon each other. There's a lot.

[Benedikt Theodor Arno Grosser] [14:00] Yeah.

[C1] [14:01] So it's kind of hard to get very new products on the market and we need definitely more time in doing so in comparison to some new digital businesses that are used to build something from scratch and don't have any heritage to. To leave. So that's the first thing which we also see in the e-mobility market. So we want to give or at least we discuss giving volatile prices to the end customers, but process wise this is kind of difficult for us. So we need a lot of programming and.

[Benedikt Theodor Arno Grosser] [14:18] Yeah.

[C1] [14:37] The second challenge for me is the customers, for example, to be honest. So as I said in the beginning, the typical customers that NBA addressed in the past years is, you know, kind of old they are used to. You you know, you go to your um um.

[Benedikt Theodor Arno Grosser] [14:59] I'm from Stuttgart myself. My grandma also has ENBV. We have ENBV at home. I know exactly the type of people you talk about.

[C1] [15:04] OK. Yeah, you know, and she's used to get to know how much electricity she used once a year. She looks at it, maybe even on paper. And you know, the customers now getting used to have every 15 minutes another price.

[Benedikt Theodor Arno Grosser] [15:12] Yeah.

[C1] [15:24] It's a new customer segment. They want to have a seamless digital product and so on. So this is like the second challenge for us to, you know, get to know these new type of customers, but also to, you know, teach the the, the customer what this means.

[Benedikt Theodor Arno Grosser] [15:39] Mm-hmm.

[C1] [15:44] Yeah.

[Benedikt Theodor Arno Grosser] [15:45] OK. Yeah, very interesting. I think I want to get ahead with another question then. Do you feel like your innovations are more driven by customer demands or do you feel like there would be good for customers and you need to push them upon them? So can you like?

[C1] [15:50] Yeah.

[Benedikt Theodor Arno Grosser] [16:03] Some innovations like this, some like that. Or what's the hardest part here?

[C1] [16:05] E. And that's a good question. So I don't think that we want to push customers and. So mostly I would argue it's a customer's needs just by, you know, a generational shift. But more and more young people, they grew up that are used to have everything on their phone. That want to have, you know, we always say energy is transforming to a high interest product from no one cared before, like 20 years ago, no one cared about energy. Now it's getting more and more. And high interest product because of the war and the prices, but also because of sustainability and the generational shift. So I would argue it's a it's a customer demand more or less, but. Maybe not our customers right now, but we are preparing, you know, as we know this, the amount of new customers will increase in the future and we want to play a role there. So we prepare to enter this market without losing our traditional customers.

[Benedikt Theodor Arno Grosser] [17:35] OK.

[C1] [17:36] Yes.

[Benedikt Theodor Arno Grosser] [17:39] Yeah, I think then I have another follow-up question for that. If you have innovations, do you do it like maybe Start-ups do it fail big and fail fast or do you push them incrementally and learn from your mistakes? And how does ENBW go about that innovation process?

[C1] [17:44] Yeah. Well, it's funny that you asked because my master thesis I wrote in a Start-up and I experienced a difference more or less every day, so.

[Benedikt Theodor Arno Grosser] [18:09] Yeah.

[C1] [18:15] We are probably not at the forefront of innovation, so it's more or less we see what happens in the market and. We more or less copy it.

[Benedikt Theodor Arno Grosser] [18:28] Mhm.

[C1] [18:28] And try to make it fit to our customer segment. So we will never be the most digital, the fastest company just because Start-ups have. Yeah, have a easier way to be there, right? So we always try to copy it and make it as an additional offering to our customers. Exactly and. Also it's not really incremental. We try to be incremental and you know we also have, you know, version one, version 2 and so on. But the the the, you know, the acceptance of mistakes is.

[Benedikt Theodor Arno Grosser] [19:18] Yeah.

[C1] [19:20] Far below typical Start-ups. So we often go with products later than the market, but most of them would be technically and everything should be completely fine.

[Benedikt Theodor Arno Grosser] [19:25] OK.

[C1] [19:36] And yeah.

[Benedikt Theodor Arno Grosser] [19:38] OK. So you could also say that managing risks and uncertainties is one of the main hindrance at in the the compared to Start-ups when it comes to business model innovation and innovations in general.

[C1] [19:53] Yes, I would say so. So we, you know, Start-ups can easily make mistakes and people will, you know, forgive. But the big company that is also owned by the state Baden-Württemberg. Back and. It's very risk averse, so I would say this is one reason. The second one, as I mentioned before, in another context, the the system landscape in our house isn't that fast. OK.

[C1] [20:29] Yeah, that would be.

[Benedikt Theodor Arno Grosser] [20:32] Some other companies also like Shell for example, they just take a big bunch of money, throw it on 10 different ideas. Maybe one turns out right is in doing something that because they have the resources more than the Start-ups do. They could burn through cash.

[C1] [20:45] Hmm.

[Benedikt Theodor Arno Grosser] [20:50] Better, I would say, but you you feel like the risk sensitivity comes from the household name. You don't want to F up in the market and ruin that name and put the state ownership or why do you think that's not happening?

[C1] [21:01] Um. OK, so three parts of of an answer I have to give. So first of all, the comparison with shell doesn't really perfectly match as shell for example there. Yeah, yeah, yeah, I just want to say why.

[Benedikt Theodor Arno Grosser] [21:16] It's not a utility company, I don't know.

[C1] [21:21] Why? So yeah, let me just quickly say, so Shell, you know, their traditional business is more or less dying and they've vast amount of money left that they can spend on a lot of things. It's turning a little bit. Bad now, but more or less that's that's a short story of the energy market. We have completely different difficulties. So for example, the energy market is growing in each sector of the value chain. So take for example generation we have to completely. Change the generation of electricity, which needs a lot of money. We completely have to rebuild the transportation and distribution grid, which needs a lot of money as well. And we have the customer segment. The the sales department more or less, which doesn't need a lot of money to be honest, but also a lot of change. And then we have e-mobility part of the sales department, but which also needs a lot of money. So our problem is more or less. How can we distribute enough money to each stage of the value change and still play an important role in every part of the value change? So we want to be a big play in in in in generation. We are and we.

[Benedikt Theodor Arno Grosser] [22:42] Yeah.

[C1] [22:47] Be will be forever a big player in the the grid network and also in sales. We want to, you know, keep up with competitors. So this is our biggest challenge for now at the moment and will be for the next 10 years. Money is a very limiting factor for us. So there is no gambling money for us left. You know, we cannot just, you know, throw money at 10 Start-ups and see

what happens. But we still have all part of, you know, we have venture scaling department, we have a. A small, you know, department that builds Start-ups their own, but we do it on a very small base, I would say.

[Benedikt Theodor Arno Grosser] [23:33] OK. Yeah, that would be my next question 'cause I also have a call lined up with Lina Gulla from Npulse.

[C1] [23:39] Mhm. Also a former trainee.

[Benedikt Theodor Arno Grosser] [23:41] This is your venture unit or is it incubator? So just so I know already about that and why? Why do you think in Vivian does that? Why? So they feel like the need to compete in the startup scene because they can't mirror it within their own house or? Can you comment on that?

[C1] [24:04] Yeah, I think she will. She may be the better explainer because I'm not really into the department so far. So Npulse tries to. I think they are venture builder. So they want to build Start-ups their own on their own and. The reason is just, you know, similar to what I said before you try. So innovation in a Corporate setup has a lot of hindrance, structures, regulatory, but also from the employee. Point of perspective to be honest, so. You know, Betriebsrat (work council) you have this extremely strict regulation. No one wants to hire new employees, so it's easier to put some innovations out of the company, but still try to link it closely to yourself. I think this is the main idea.

[Benedikt Theodor Arno Grosser] [24:52] Yeah. Yeah.

[C1] [25:07] But as I said, I would argue we do it compared to other things in the company on a very small scale.

[Benedikt Theodor Arno Grosser] [25:16] OK. Um.

[C1] [25:18] Yeah.

[Benedikt Theodor Arno Grosser] [25:20] Thank you very much. Now I only have two more questions and we're only running also running out of time. Maybe this one is wrong to be posed to MBV, but I talked with some others and they felt like the big players maybe.

[C1] [25:27] Yeah.

[Benedikt Theodor Arno Grosser] [25:36] Don't want to be as innovative as the Start-ups because if NBV start selling PVS panels to their customers, what they put on the roof, they buy less electricity from NBV so they will cut into their own flash with new innovations and they would rather have it as it is. Do you think something like this could be true? Maybe not for your company, but could other companies feel like that?

[C1] [26:00] Well, it's so generally, generally it's true.

[Benedikt Theodor Arno Grosser] [26:10] Nothing. Thank you.

[C1] [26:15] So generally it's true. So there are two conflicts, you know, opposing, opposing forces, but.

[Benedikt Theodor Arno Grosser] [26:24] Yeah.

[C1] [26:30] For me, there are two possible ways to react to that. First of all, you can try to hinder it. And do nothing more or less. But what will happen that I mean change will happen with or without your contribution. So I would every time argue let's rather try to play an active role. And try to win there as well. Right now I would say we do both things. So we have somehow a mixed strategy strategy. We try to keep the traditional customers because you can earn more there to be honest.

[Benedikt Theodor Arno Grosser] [26:58] Yeah.

[C1] [27:15] And um. And don't play an active role or we are not the forefront from our innovative fields, but always stay close to the leading company. So in the case the big shift happens, we are already good positioned there.

[Benedikt Theodor Arno Grosser] [27:30] Mm-hmm.

[C1] [27:35] And don't lose everything to new customer, to new Start-ups as well. One exception probably is immobility, so we are we are far from there. So we don't, we are not in follow up position there but in in a in a leading position there and I don't know it's it's just a decision that has been made some years ago.

[Benedikt Theodor Arno Grosser] [28:02] OK, so. People think about this and it could be that maybe we don't want to push those innovations harder because if it fails, we lose our core business. That button, but let's say you're at here and if you don't want to say that, but.

[C1] [28:23] Well, I would at least say. I don't know if they try to actively hinder it or slow it down, but.

[Benedikt Theodor Arno Grosser] [28:35] But don't pursue it.

[C1] [28:36] Exactly. So you're there's no big interest to favour, you know, it's so there's probably will won't be any lobbying towards the new products. I would, I would argue that, but no one wants to, you know, go into public and say, I don't know.

[Benedikt Theodor Arno Grosser] [28:48] Yeah.

[C1] [28:55] Let's forbid private photovoltaik (PV). This will not happen, but yeah.

[Benedikt Theodor Arno Grosser] [28:59] Yeah. OK. Now maybe after all that not so great innovative stuff, can you tell me what actually facilitates innovation at big Corporates right in BV per SE and what they actually have where where's the edge up against Start-ups so they have the public face and name trusted? More capital maybe, but can you think of they have to know how political connections? Would you say all those are true?

[C1] [29:23] Yeah. Yeah. So, so what facilitates, I would say more or less it's a pressure from outside that facilitates innovation. So there I think large corporations have a lot like they're a big tanker, you know, there is no real drive from inside. To completely rethink the business model. So mostly it's reaction. I would argue probably that innovation is in reaction to outside

pressure. What we can do better than Start-ups for sure is capital on the one hand side, but as I said, it's somehow constrained within our company.

[Benedikt Theodor Arno Grosser] [29:50] Mhm. Yeah. Yeah.

[C1] [30:18] There's a lot of interconnection between different parts. For example, time variable tariffs are interconnected with trading, and trading is somehow connected to generation. So I think we are at least we should try to, you know, use this advantage to build the best product in the market in the end, because from time and dynamic dynamic acting, we are not positioned better than Start-ups.

[Benedikt Theodor Arno Grosser] [30:54] Maybe just one more. I'm so sorry, but this can be a quick one. Some experts said that they see the same in the fintech industry where the small Start-ups, they build consumer facing platforms, but they're always backed by a big bank in the end. Do you think the same could be happened for the energy market so that?

[C1] [30:56] Yeah.

[Benedikt Theodor Arno Grosser] [31:13] My firm for something that has a lot of consumer facing products will be bought by a big energy supplier because they prove have a proof of concept and work. They have the customers and now they just. That's why some Corporates might don't just lean back and buy the Start-ups later.

[C1] [31:23] Mm. Hey.

[Benedikt Theodor Arno Grosser] [31:31] On the consumer side at least.

[C1] [31:31] Yeah. And I don't think so, to be honest, that the same will happen. At least not on a large scale, because I think the big new players like Octopus, Einsicom of Finfgard and PAL, I would argue they are already too big and too successful to be bought.

[Benedikt Theodor Arno Grosser] [31:47] Mhm.

[C1] [31:57] And I'm also skeptical if it would work. What I can see happening maybe is, you know, this white labeling of software solutions from Start-ups towards big companies.

[Benedikt Theodor Arno Grosser] [32:15] OK.

[C1] [32:15] So more or less more a partnership or maybe even B2B offering, but I don't see.

Big buying of Start-ups in the next years. Yeah.

[Benedikt Theodor Arno Grosser] [32:30] OK, that's it. Thank you very much.

Interview C2

Attribut	Detail
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Datum	17. October 2025
Typ	Corporate - EnBW
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[Benedikt Theodor Arno Grosser] [0:04] So to start, I always want to ask, how do you feel or what do you see your company in ENBW? What business are they in? What are the core products or services they offer?

[C2] [0:23] Yep. Basically our company offers electricity as a as a general product. For example, our core business is to generate electricity to. To maintain the the grid, so that the electricity grid and we have also in our whole in our whole. Portfolio as well the sales of energy and services. So we generate power from renewable resources. That's our our main main work. And we are one of the last, we are the last total integrated energy company. So from the generate part over the grid system to the sales activities. Um, yeah, that's our main, um, main service as a energy company.

[Benedikt Theodor Arno Grosser] [1:48] OK, perfect. Yeah. And maybe as you just said, the last totally integrated, where do you think most innovation has taken place or will take place in the future? Probably not as being the grid provider digital grids, yes, but.

[C2] [2:02] Yes.

[Benedikt Theodor Arno Grosser] [2:03] Um, on the consumer side or on the?

[C2] [2:04] Yeah, exactly. We are currently in a situation that we we focus on our on our strength, so at the generation part and totally renewable.

[Benedikt Theodor Arno Grosser] [2:08] Back sides.

[C2] [2:23] But I believe the most innovative part in in our system will be at the consumer part and and I don't know how it will develop, but we see also some transition in. And management systems at the consumer at the B to C consumer part and there we see a lot of innovation from from some competitors, for example Tibber, they have a totally full integrated digital solution as a. Sales company I would say and there there we see also some innovation at our house that we have more personalized and digitalized products for for our customers.

[Benedikt Theodor Arno Grosser] [3:19] OK, interesting. Thank you. I think for yeah, yeah.

[C2] [3:22] And as well that the the last thing at the for example the best best example is the charging hub situation or the charging hub development. So this is one one of our key pillar.

[Benedikt Theodor Arno Grosser] [3:32] Hmm.

[C2] [3:40] To be, yeah, to be the face to to our customers.

[Benedikt Theodor Arno Grosser] [3:46] Yeah, the whole total E-mobility thing we already talked about with, that's because do you feel like those innovations have brought you new Customer Segments or did you just upsell existing customers on new products?

[C2] [3:49] Exactly. It's more so there are, there are things we have to do like the digital part at the B to C services that we can hold our customers, but we see a lot of where we can. When new customers is really the mobility, the mobility pillar because there are customers around all Germany for example because our main customers are placed in Baden-Württemberg and with mobility, with our mobility pillar. We generate new customers for example in Pantenburg or at Hamburg. So our mobility is the most increasing, increasing department or increasing our portfolio.

[Benedikt Theodor Arno Grosser] [5:02] OK. And do you also feel like, especially this innovation differentiates yourself from the competition and gives you an edge on being an energy provider?

[C2] [5:15] It. Gives us an edge because we were, we were one of the first competitors at the market and we are and that we were really aggressively to to push to push the solution into the market. But that doesn't separate us from from other companies. But like I said, we are the the only fully integrated energy provider and there's a different a difference between us and other companies because. Yeah, you can see we have competitors at the mobility pillar, but these are not 100% at also energy generations company. They have some some subsidiary subsidiaries who are dealing in in the market. So there's a bit difference.

[Benedikt Theodor Arno Grosser] [6:20] OK. Thank you. For the value capture, I thought maybe that's the part where you can talk about the least. So I just want to focus on one question because maybe you also know about this topic here and. That is, how has your approach to contracts, partnerships or customer agreements evolved as part of innovation in the company? So do you feel like now with the entry transition and the need to change the company? There's more B2B businesses offering their services to you if you don't have them in house or has it always been the case?

[C2] [7:00] It's interesting because at the B to B market we are, we are going out of this. So we are, we're just involved in the B to C market and we are gaining some partnerships with.

[Benedikt Theodor Arno Grosser] [7:16] It's the direct. Um. Is that the direct consequence of the energy transition and innovation forced to innovate or?

[C2] [7:27] Not really, because this business cases are not that scalable. So you need a lot of human human resources to to generate products with which are really perfect.

[Benedikt Theodor Arno Grosser] [7:37] OK.

[C2] [7:47] Match to our customers and so they are they are not a big don't come marginalize it but we we also have partnerships especially in the innovation parts so we. We have a venture capital department which are making partnerships with with innovations in the energy system, for example. It depends. We're seeing, OK, we have, we have a landscape where we can say,

OK, management, sorry, energy companies could take place in the future in it and so we. We are orchestrating some partnerships, but in the end it's not really said that we integrated some Start-ups in in our in our business. It could also just be some financial partnerships, but on the other side we have an incubation. Department and they are really trying to generate Start-ups and innovation in our market and there we are creating also partnerships with for example there are not Corporate Start-ups but it it's. It's kind of a Corporate Start-up. We are, we are pushing some new, some new Start-ups to a certain degrees and then they are really valuable or when gaining some some revenue. Then it depends to to bring it back into the company and integrate it in some Corporate structure.

[Benedikt Theodor Arno Grosser] [9:38] OK, that's very interesting. Just for me to catch up. There's one innovation department, the incubator. Is this Enpulse?

[C2] [9:48] Yeah.

[Benedikt Theodor Arno Grosser] [9:49] OK. And the other one is a solely financial VC department buying selling Start-ups for financial gain, OK.

[C2] [9:53] Exactly.

[Benedikt Theodor Arno Grosser] [10:10] Mhm.

[C2] [10:11] Any innovation?

[Benedikt Theodor Arno Grosser] [10:13] I've seen this at other companies for some reason in the insurance industry I've known best and but it's always a mismatch. The VC department or the incubator one is way more important to the head office. Is this the same here or has way more funding than the other?

[C2] [10:32] Yeah, I I have put more information about the VC department because they are totally unrestricted. They are independent because they they gain X amount of money and and that's the only only funding them.

[Benedikt Theodor Arno Grosser] [10:47] Yeah, independent.

[C2] [11:01] They get from from us, but they can spend it how they want to and they just have a Value Proposition that they have to bring in the future X amount of money and so they are really complete independent. They have, I would say they have free hand to to generate or to to act and the incubator it's more like they have, yeah they're they're also cost centre and they. Um, I have a specific budget and. And when it's not really, I would say when it's not really valuable as a as a asset, then it could be also integrated in in some years in in the whole Corporate structure. But I don't see this with the venture capital department.

[Benedikt Theodor Arno Grosser] [12:00] OK. Yeah, interesting. Thank you. I didn't know about the BC department so far, but maybe going to the incubator more, why do you think in BVS what it's necessary to have an incubator or start up? Uh, corporations and don't just innovate in house.

[C2] [12:19] Oh, that's that's easy to answer because our our cost structure is too high that innovation really can can increase for example Enpulse. Is they they don't uh set in our personal cost structure, so they don't have uh. So, yeah, and so they can and they are not really under, I would say under the Corporate strategy and they don't have to use the, for example, the communication design things and they don't have to to to talk about with lots of. Other departments in house, for example marketing or sales or what else. So they're really free to to create innovation and with this with the structure they can really operate more. As Start-ups. So they are. I don't know if you have to talk to Lena and I you have or you had and they really they they have another another mindset as so they are specially really. Young talents, creative talents, they come from outside. Bring your ideas, then you bring them together with with some in a way to. Young employees or also entrepreneurs or intrapreneurs and so they are creating something now, but you just you just hear something from inside of the of the company when they have success.

[Benedikt Theodor Arno Grosser] [13:58] Mm-hmm.

[C2] [14:07] So that's a good thing because we tried it once in the past to generate Corporate Start-ups, really Corporate Start-up which are within the cost structure of the company and they have to use the marketing and sales funnels.

[Benedikt Theodor Arno Grosser] [14:11] No.

[C2] [14:25] It was a whole mess because it was too expensive and too slow.

[Benedikt Theodor Arno Grosser] [14:32] Yeah, going with that. Sorry, where's the question? So it's, but it's not seen as necessary already by the whole Corporate strategy side to just change the cost structure for the entire EnBW. To be more innovative because the core business still works so well.

[C2] [14:59] I would say that's a cultural thing because I I don't see our. Our market as that innovative driven. So as you see that the most innovative companies in the energy sector are coming from outside like Tibba and they're they're thinking completely different and differently to us. And I don't see any movement to to restructure the the personal cost to gain more innovative out of the company. So in the end that was our that was our try. To create innovations, to put all the things outside of our Corporate structure.

[Benedikt Theodor Arno Grosser] [15:52] Mhm. OK. And are those innovations, maybe also not all the innovations from Start-ups and from the incubators, but also the big innovations in-house, do you feel like they're driven from within or by customer demands?

[C2] [16:12] Mm mhm.

[Benedikt Theodor Arno Grosser] [16:12] So hey, we have this new technology, maybe the customer will love it or is the customer asking for it?

[C2] [16:19] That's a good question. Maybe I have to call the the sales department. Um. I would, I would guess for this specific question, so I can guess. I we we see there are there are needs from our customer and how the market is developing. So we realize in-house that for example. Some customer which are which are living in in their own house and wants to have some solar

panels on on the rooftop. They they are driving electric vehicles so they they. Want to use a wall box and to complete all those things. We give them a storage and electricity storage in the basement and management systems all the all these things with. For energy management system. So we see this development, but I think it's it's a chicken egg thing if the customer asks for it or if you're giving the solution to the customers.

[Benedikt Theodor Arno Grosser] [17:38] OK. OK. And you talked about the wall box and the PV panels on the roof. Do you think that maybe big culprits, maybe not in the V per SE, but others are actually shy of pushing such innovations because it cuts into their own flesh if the customer produces its own electricity? You can't sell them yours anymore.

[C2] [18:07] Yeah.

[Benedikt Theodor Arno Grosser] [18:07] Or is it just maybe we don't push for it, but we not hinder it actively?

[C2] [18:13] I would say the second thing because we also bought some some innovation Start-ups, for example DZ4 Start-up from Hamburg. Which sells some of that solution to to customers and. After we bought them, they went bankrupt, so um. We we see this at a as a. As a competition in the future, because you said it right, when they're using their own energy, then we can't sell our energy to them, but. Someone has to manage all the systems and there we see our place in this particular market. So when you're when you think about OK, you have a household with 7. With seven departments or seven flats inside of the house and everyone wants to use their own electricity, someone has to manage it and. And there you can be a platform provider, so and you can use some fees for it. So there there are some ideas of but in the end right now the energy system is is more of the side. To create the big large generation out of wind offshore of solar farms, often onshore farms and that's right now in our current phase, the focus point and maybe I know exactly this. This question won't go away. So in 10 or 15 years we have to think about, OK, how can we generate some revenue streams from the B to C part

when 80% of the houses in Germany have solar panels on the rooftop? Yeah, but we have right now, uh, not a strategic focus. Yeah.

[Benedikt Theodor Arno Grosser] [20:37] OK, regarding the in 10 years, I I talked with one colleague of Carla from the consulting firm for the energy practice and he said he feels like the energy market could become like the fintech market where? These Start-ups build consumer facing products, but will always be backed by a big bank in the end. Do you think something like this could happen for the energy market so that one of the large Corporates buys Eins Komma 5 Grad, let's say, or Octopus if they're not too valuable already? To not innovate right now on the consumer side that much, but actually let the others do it and then buy them off.

[C2] [21:23] I can see this, especially for for the other big ones like RWE or Eon. Um. I see our. Our development is more that we have our own solution in house. So and I don't see this that we can that we will buy one of the Start-ups because you said it and it's come off from card. I don't know what's the value are. But I think it's it's it's too expensive for us and. I think really I believe Eon or RWE. I don't know if they have something also in the in the making in the house that they can buy something but Tibor or Octopus they are too big to buy so. It's it's more or less a question. Will they? Be that valuable that they're pushing us out of the B2C consumer market and we are just for the generate and for the grid part. And this will be our place in the future or? Or there will be also a market where 3456 market player share all the cake between each source so. I won't say it that dramatically that behind every B2C phase or B2C company will be a Big Bang like you know every it could be, but I don't see that it's really written in stone.

[Benedikt Theodor Arno Grosser] [23:20] OK, so you mean like Octopus becomes one of the big five players without the grid infrastructure?

[C2] [23:27] Yeah, just one of the sellers.

[Benedikt Theodor Arno Grosser] [23:32] Can you throw a guess where in we will stand push back out of B2C or?

[C2] [23:39] It depends where we making enough money. When we are making enough money with the with the grid and the generation part, then we can we can go back just to these two pillars. But I would guess especially for our customers at the South of Germany, we will be there because we are making, we have make our stance in the market with the mobility thing, so.

[Benedikt Theodor Arno Grosser] [24:11] Yeah.

[C2] [24:14] And but you. You can ask me in 10 years. I I will guess we will be there, but I'm not 100% sure if we are fast enough.

[Benedikt Theodor Arno Grosser] [24:19] The. OK. Perfect. Then maybe just one last question, because I know you're also on the digitalization side of things or I think you are. So what do you think? What a role do new technologies or digital tools play in enabling?

[C2] [24:36] Yep.

[Benedikt Theodor Arno Grosser] [24:44] Shifts in the entire business model, so offering new products, new revenue streams.

[C2] [24:50] Mm. I had a call this week where we are talking about how to to connect all the AI agents we are creating right now in the company so. You see really fast development at this side so that that you have agents and every department and solving a lot of problems and I would guess on the customer. Side you won't see any direct communication between between the customers and the providers. So there will be agents which are which are making the communication and also some sales process. So there I see a bright future where we can save a lot of of our savings. Ons. Yeah, it depends. Some some departments will be will be flourishing and some departments won't be won't be there because you see a lot of.

[Benedikt Theodor Arno Grosser] [26:07] But not just focusing on saving costs with AI, but really new like smart meters.

[C2] [26:13] Mhm.

[Benedikt Theodor Arno Grosser] [26:16] Some Start-ups already built their own because the regulatory ones aren't pushed out fast enough. Do you think like those innovations type things will have big impact?

[C2] [26:28] Yeah, OK. Smart meters is a thing that we are so, so slow in Germany. So that's really a thing, but also at the management system side, which I said a few minutes ago.

[Benedikt Theodor Arno Grosser] [26:35] Yeah.

[C2] [26:45] There will be some disruptive innovations with especially how to deal your own energy, energy consumption for example and I will and I guess you have some agents on your phone which.

[Benedikt Theodor Arno Grosser] [26:58] Mhm.

[C2] [27:03] Which gives you a push to now clean, clean the dishes or make your. I don't know. So there are there I see lots of new business cases and it's it's really on the customer side how to how can we change the behavior of the customer.

[Benedikt Theodor Arno Grosser] [27:28] And who do you think is developing these technologies?

[C2] [27:32] Depends some I think some of the the system side we are creating on our own and but there are some developments we will we will buy in the future. From some startup, so yeah.

[Benedikt Theodor Arno Grosser] [27:48] OK.

[C2] [27:51] That that could be also really um they are living beside each other to the point where our company says, OK, now maybe it's one of our ventures and one of our own Start-ups that we say, OK, now you're big enough or you're.

[Benedikt Theodor Arno Grosser] [28:07] Mm.

[C2] [28:12] Then you're big enough to that we will pull you into the company.

[Benedikt Theodor Arno Grosser] [28:19] OK, but it's still more like we don't put all our effort into doing it ourselves. We have some Start-ups here and otherwise we just buy.

[C2] [28:27] Exactly our really our strategic focus right now is is pushing hard the generation side to gain enough generation power and not on the on the innovation part.

Interview C3

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Dauer	ca. 34 Min.
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Medium	MS Teams

[Benedikt Theodor Arno Grosser] [0:06] It has now muted you and stopped your video. Because of the nova policy.

[C3] [0:25] Um.

[Benedikt Theodor Arno Grosser] [0:26] There we go. Yes, I can hear you and see you again. Perfect. Thank you. So first of all, thank you again so much for taking your time today. And we have half an hour, so let's jump right in. And my first question is about the Value Proposition at EDP, but.

[C3] [0:26] 3. Yeah. OK. OK. OK. Nice. You are welcome, welcome.

[Benedikt Theodor Arno Grosser] [0:42] Can you start? First of all, what do you think? What business is EDP currently in and what are the core products or services it offers?

[C3] [0:50] So EDP is an utility, a power electric utility. We let's say we generate power, we distribute and we sell. OK. We also do some complementary business on selling energy solutions, let's say devices or or services connected to. Electric power, let's say chargers for electric cars and so on. And we are spreadout nowadays.

[Benedikt Theodor Arno Grosser] [1:27] Mhm.

[C3] [1:40] Along 21 or 22 countries, OK, and we operate in two different models. One is only based and this is an historical issue or an explanation.

[Benedikt Theodor Arno Grosser] [1:46] OK.

[C3] [1:59] Will be. In 17 countries, let's say we just build up farms, renewable farms and we sell the electricity. But for Spain, Portugal and Brazil, we have a distribution.

[Benedikt Theodor Arno Grosser] [2:11] Mhm.

[C3] [2:20] Also and the conventional generation, namely power dams. OK, we still have important gas to power plants, to gas power plants.

[Benedikt Theodor Arno Grosser] [2:29] OK.

[C3] [2:38] And in Spain, we still have a converted coal to gas power plant, OK.

[Benedikt Theodor Arno Grosser] [2:47] OK. Yes, that's a lot. I think you already touched upon. I think the main topic of today's discussion will be the energy products we currently offer, but maybe you can say it again because my next question would be what significant changes or what new products or services have you introduced? In the last couple of years.

[C3] [3:06] Uh well. Probably we'll need to to enlarge the time frame, let's say, just to cover last 30 years where we moved from conventional.

[Benedikt Theodor Arno Grosser] [3:16] It should, yeah.

[C3] [3:27] Utility just based on Portugal to business model where we invested abroad first on Spain and Brazil and then United States. Till we reached Australia and Singapore, OK and the the change was always based or fundamentally based on investing on wind farms. And lately on solar farms, OK, but the the core, the core of the business model is still the same.

[Benedikt Theodor Arno Grosser] [4:03] Mhm. OK.

[C3] [4:14] OK, what changed is the technology.

[Benedikt Theodor Arno Grosser] [4:18] We will talk about it later as well. I guess I read that EDP has committed to net 0 in coal till 2030 and off gas till 2040. So you still have 15 more years till you're entirely renewable in Portugal. Is that still the case?

[C3] [4:37] Yeah, the the reason we we nowadays we have no coal production apart apart power plant in Spain, OK. And we are keeping the power plant just for.

[Benedikt Theodor Arno Grosser] [4:51] OK.

[C3] [4:57] Business continuity, OK, even we don't produce very much there, OK, we have gas.

[Benedikt Theodor Arno Grosser] [5:00] Mhm. Yeah, yeah.

[C3] [5:12] As a backbone in Portugal, backbone to the system and we need to understand that.

[Benedikt Theodor Arno Grosser] [5:19] Yeah.

[C3] [5:22] In our sector, producers are not free to open and or to close power plants. OK, that depends on governments. OK, so it is.

[Benedikt Theodor Arno Grosser] [5:34] Yeah.

[C3] [5:39] A dependent business, OK, but we still have gas power plants, Portugal and we have the the converted system which which is the. Innovation, let's say in Spain, but nowhere more, OK, it's just Portugal and Spain and our commitment is based not on closing the facilities.

[Benedikt Theodor Arno Grosser] [6:03] Yeah.

[C3] [6:14] But is on switching production as much as we can. To renewable energy, OK. And when we say as much as we can is because renewable production is not stable.

[Benedikt Theodor Arno Grosser] [6:36] Yeah.

[C3] [6:37] And we we need to have backbones and some stability on the grid and you know very much everybody now knows about the need for stability. So we are a part on the resilience of the system, OK. But we believe that on that time frame we will achieve the the goals without any sort of complications. OK, differently we have we.

[Benedikt Theodor Arno Grosser] [6:57] Yeah. OK, perfect.

[C3] [7:11] Sell gas to customers, OK, we don't produce, we don't distribute, but as we have bundling offers to customers, we still have that.

[Benedikt Theodor Arno Grosser] [7:15] Mhm.

[C3] [7:27] That offer and we'll see for how many years now. We are not sure because it depends very much on the the global market, on the national markets, on policies.

[Benedikt Theodor Arno Grosser] [7:41] OK.

[C3] [7:45] And we don't want to disrupt the business, so we just want to be prepared to do that, OK.

[Benedikt Theodor Arno Grosser] [7:56] OK. Yes, thank you very much. Now to talk again about the innovation part, would you say the largest innovations are happening on the producer side towards renewable energies? Because I talked with big energy providers here in Germany and they said in the last 10-15 years, yes. They invested most of their money towards renewables, but now it's more coming to the consumer side, so putting PV panels on consumers rooftops.

[C3] [8:19] I I don't. I I follow. I follow them. Let's say we follow the the comment you you received, the opinions received, but it's not the full picture, OK?

[Benedikt Theodor Arno Grosser] [8:34] Mhm.

[C3] [8:37] Because one thing is to concentrate the strategy on renewables. Another thing is how much renewables changed in recent years. OK, so the the core of the technology is the same.

[Benedikt Theodor Arno Grosser] [8:50] Yeah.

[C3] [8:56] Now and 30 years ago, but the mix is completely different because now we have a lot of PV, a lot of solar energy and.

[Benedikt Theodor Arno Grosser] [9:07] Mhm.

[C3] [9:11] The the business there is a bit different, OK, but mainly wind energy and solar energy and many other technologies are changing a lot. OK. The pv panel that we are investing on now is not the same panel we we we had 10 or 15 years ago, the same with wind. So the the innovation, the technological innovation is core to the system. OK, with that we have a huge change on grids.

[Benedikt Theodor Arno Grosser] [9:56] Yeah.

[C3] [9:57] Now grids are, let's say for for a couple years now and we'll kept, we'll keep the the pace will be the core of the system. Grids will be the core of the system. And the grids will be transformed into a by. Directional bidirectional grid like who we learned from radio or Internet communications from the communications so.

[Benedikt Theodor Arno Grosser] [10:21] Mhm.

[C3] [10:34] This change demands a huge amount of innovation on technologies, from inverters to any anything about controlling.

[Benedikt Theodor Arno Grosser] [10:42] Mhm.

[C3] [10:53] The current and the fluxes and so on and the digitalization and digitation of the system are now core to the the the innovation on the sector, OK.

[Benedikt Theodor Arno Grosser] [11:07] I think my question is more focused on is EDP more focused on innovations, not technological innovations, but on strategy changes regarding new renewables or on decentralized grids and putting PV panels on consumers roofs and charging stations in their garages.

[C3] [11:18] Well. No, that's that's business as usual that for us. We are on the renewable sector for 30 years now, OK.

[Benedikt Theodor Arno Grosser] [11:26] OK. Mhm.

[C3] [11:33] Every, every expansion we did outside Portugal. Let's say outside the Iberian Peninsula and Brazil is based on renewables. So we enlarge the business through a new business model.

[Benedikt Theodor Arno Grosser] [11:49] Yeah. Yeah, I know that EDP, they have a pretty strong venture arm. I did my bachelor's degree in Austria and the big Energy companies of Austria, 5 to 10 years ago, they flew to Portugal to learn from EDP how to collaborate with Start-ups, how to put Start-ups close to the business.

[C3] [11:54] OK. Hmm.

[Benedikt Theodor Arno Grosser] [12:13] Usually focused more on the consumer side, at least in Germany and Austria. Is this the same with the Start-ups EDP currently collaborates on? And so do you think that's the main hub where the innovation with EDP making it future-proof is happening?

[C3] [12:26] No, no, I don't. I don't think. I don't think what happened.

[Benedikt Theodor Arno Grosser] [12:29] Or not.

[C3] [12:35] On the, let's say, customer side was not really innovation. Even we can't speak like it is innovation, it was just buying solutions.

[Benedikt Theodor Arno Grosser] [12:44] Mhm.

[C3] [12:53] And incorporating solutions that were already tested. So it's a limited approach to innovation because of course now we have some battling services.

[Benedikt Theodor Arno Grosser] [13:06] Yeah.

[C3] [13:08] OK, this is new, let's say, when looking only to the utility traditional business, but with the changes on legal, on legal frames. Our frameworks, the the changes are concentrated on the pricing models. What commands the services is fundamentally pricing models.

[Benedikt Theodor Arno Grosser] [13:36] Mhm.

[C3] [13:46] OK. And there we really don't have collaboration from Start-ups because Start-ups really don't understand normally don't understand the. The customer side in terms of services, OK, normally they understand in terms of devices or physical solutions, OK. And there we can say that our approach is based on scanning.

[Benedikt Theodor Arno Grosser] [14:09] Mhm.

[C3] [14:20] Permanently scanning Start-ups, ideas or innovations. OK, and then after that scanning we select what may create value to us. OK. But it is always, always or 99% based on technological solutions, not on services, OK.

[Benedikt Theodor Arno Grosser] [14:51] OK, yeah, very interesting. And do you think you could also replicate those technological solutions? Not replicate, but innovate them in house so you don't need to buy the Start-ups, you just get a team of.

[C3] [15:02] No, we we had a different approach years ago when the critical mass on on the let's say the sector was not so developed and we tried to develop. Devices but. Let's say after some five to seven years, we just understood that it was a better solution to look around.

[Benedikt Theodor Arno Grosser] [15:41] OK.

[C3] [15:42] To define what we wish to have and to work all over the world to find the solutions that will be more productive and more interesting than producing our devices, OK.

[Benedikt Theodor Arno Grosser] [15:49] Mhm.

[C3] [15:57] Even we have done that, OK, but our core business is not devices, OK.

[Benedikt Theodor Arno Grosser] [16:05] Yeah, yeah, that's very interesting because I heard the same from the German engine providers, but they did you. Can you give me the reasons why it wasn't as good to do it in-house as out as just buying these Start-ups?

[C3] [16:18] Because because we cannot inCorporate. So much as the whole market can inCorporate. In earlier times we had, we had no market for this and that time it was more or less obvious that we should develop some tools or devices or solutions.

[Benedikt Theodor Arno Grosser] [16:29] Mhm.

[C3] [16:44] In-house, but as the decarbonisation path gain momentum and spread all over, we start to have a lot of ideas and contributions and. New solutions and approaches and the offer in the market is so big and so scrutinized, so much scrutinized by the market itself that we can't measure the pace of transformation.

[Benedikt Theodor Arno Grosser] [17:09] Mhm.

[C3] [17:18] Is so fast. That we cannot compete against that. OK, so it will be better. We have we understood it was a better option to focus on go after what the market asking for.

[Benedikt Theodor Arno Grosser] [17:21] Yeah.

[C3] [17:36] Well, offering programs to to interest people to to to show up with the solutions. We financed a lot of projects from Start-ups. OK. But not really investing directly, OK.

[Benedikt Theodor Arno Grosser] [17:57] OK. Yeah, that's very interesting. It's also.

[C3] [18:00] Let let me explain one thing. For instance, how can you move some instruments or or tools from?

[Benedikt Theodor Arno Grosser] [18:02] Yeah.

[C3] [18:15] From inland infrastructures to wind float system that is kilometers away from shore. OK, some time ago.

[Benedikt Theodor Arno Grosser] [18:26] And.

[C3] [18:31] We just pick up a boat, a team to the boat, looking to the weather to the OK, just to arrive to the platform. Now we have a drone to do that, OK? And this is the sort of devices.

[Benedikt Theodor Arno Grosser] [18:38] Yeah. OK.

[C3] [18:48] That we can transform or ask for transformation and that that has a huge return on lowering the resources that we need to mobilize to to achieve the same goal.

[Benedikt Theodor Arno Grosser] [18:53] Mhm.

[C3] [19:06] The same effect. So we are looking for innovation inside the process.

[Benedikt Theodor Arno Grosser] [19:15] Yeah.

[C3] [19:16] OK. It's not a umbrella innovation. It's on the daily, on the daily business. What how can we improve, for instance, automation, OK, on building up farms?

[Benedikt Theodor Arno Grosser] [19:21] OK, yeah, yeah.

[C3] [19:33] Now we are automating the the building up. OK, so we have people controlling with the device, the machine that is picking up the the panel, the solar panel and mounting the solar panel on the. On the structure, OK, stuff like that, that is very nice for safety reasons, for timeframes, for cost and so on. OK, this is the sort of innovation that we are looking for.

[Benedikt Theodor Arno Grosser] [19:56] Yeah. Yeah. Very interesting. However, in Germany it's the innovation is not much focused also on processes, but there's new incumbents now, newcomers which are already incumbents now like Enpal or Eins Komma 5 Grad which put solar panels on consumers houses to make them less reliant on the big energy providers, creating decentralized grid infrastructure. And the big energy providers are scared now to lose out on business with new homeowners, younger consumers which are focused more on energy than the older generation was. So energy. It's not just something uninterested, but you actually get actively participate in the energy system. So they really try to innovate on that end to stay fit for the future. Is that something EDP thinks about?

[C3] [20:59] But well, let me explain. We do do the same for years now and the the the approach has a huge and relevant output and outcome that is. Mobilizing society and customers to renewable energy, say in terms of cultural approach and mentality, and it is very much connected with the electric cars and so.

[Benedikt Theodor Arno Grosser] [21:23] No. Mhm.

[C3] [21:34] Electric vehicles and so on. So it's very, very relevant, OK. But let's say this is not innovation, OK, this is business as usual.

[Benedikt Theodor Arno Grosser] [21:43] OK.

[C3] [21:49] From the marketing perspective, OK, really, really, we may say that the the. The most important outcome of that is putting everybody under the decarbonisation pathway, not in terms of direct value for a company. Let me explain one thing.

[Benedikt Theodor Arno Grosser] [22:15] Yeah.

[C3] [22:24] When we buy a panel. OK. And when we contract service provider to install a solar panel on a roof, we don't really have margin for a company. Like ours?

[Benedikt Theodor Arno Grosser] [22:48] Mhm.

[C3] [22:49] That is that is based on large farms. It's a large utility. So this is a business for small companies. Local companies that can fulfill the management and the ongoing maintenance of the the system. It is we do that, but this is not a business model.

[Benedikt Theodor Arno Grosser] [23:07] Mhm. Yeah, I totally understand. But let's think this through. And in the end then let's list, which is not realistic, but let's assume that in the end, 90% of all households in Portugal have been contacted by these local businesses and have their own solar panels on the roof and are not not reliant on buying electricity from EDP anymore.

[C3] [23:22] OK.

[Benedikt Theodor Arno Grosser] [23:42] That would hurt your profits and margins.

[C3] [23:42] That's, that's, uh, that's, uh, let's say, um, a huge.

[Benedikt Theodor Arno Grosser] [23:48] It's not realistic, but yeah.

[C3] [23:50] That's a huge dream. Why? No, no, no. Even in even for a country and even for a country like Portugal, let's be specific, which is a country with a lot of individual houses, family houses, not in a.

[Benedikt Theodor Arno Grosser] [23:53] But not for EDP, right? It hurts like for. Yeah. Mhm.

[C3] [24:13] Departments. We have 3 million vendors. OK, we have 3 million. But the point is what? What is the amount of energy that we shall produce?

[Benedikt Theodor Arno Grosser] [24:19] Yeah.

[C3] [24:29] Not only to provide the electricity to light and domestic appliances, but also at the hours you need to do that and also for charging the electric car.

[Benedikt Theodor Arno Grosser] [24:43] Yeah, of course, yeah. Mhm.

[C3] [24:49] OK, but apart that we have a different problem, which is when we have a building, the rooftop is not enough for covering the needs of the people living in the building.

[Benedikt Theodor Arno Grosser] [25:01] Yeah.

[C3] [25:04] OK, so it is a a fake, a fake or well, let's say a not a not correct perspective to put the. The the the vision. On rooftops. But more than that, rooftops are very, very expensive, OK, are very expensive to maintenance to, let's say to keep on with the innovation to to.

[Benedikt Theodor Arno Grosser] [25:32] Yeah.

[C3] [25:42] To to substitute when the production decline. OK, so it's it's a very relevant approach, but it is not it.

[Benedikt Theodor Arno Grosser] [25:50] Mhm.

[C3] [25:59] It is not really, truly is not good. It's not the the return on the business, let's put in terms of financial, the return on the business really doesn't scale up, OK, but we shall do that.

[Benedikt Theodor Arno Grosser] [26:14] Yeah. Yeah, yeah, OK. Mhm.

[C3] [26:24] OK.

[Benedikt Theodor Arno Grosser] [26:24] No, interesting. Thank you very much, I think. Then I relating to to your what you said about you need the electricity when you need it. So if the solar is in the day, do you already offer the price volatility towards your customers so if energy is cheap and. The at noon.

[C3] [26:48] Yeah, and batteries where we we cover all the possible. Let's say models. OK, we are selling wind towers.

[Benedikt Theodor Arno Grosser] [26:58] Yeah.

[C3] [27:03] OK. For factories, for instance, we have every business models you can imagine, OK. But the question for a company in terms of global business model.

[Benedikt Theodor Arno Grosser] [27:04] Mhm. Yeah. Mhm.

[C3] [27:19] Is what? Format will provide you the return that you need to cover the investment.

[Benedikt Theodor Arno Grosser] [27:31] Mhm.

[C3] [27:32] OK. And for a company as we are with let's say relevant scale. We cannot operate on minimum.

[Benedikt Theodor Arno Grosser] [27:44] Yeah.

[C3] [27:49] Offers OK.

[Benedikt Theodor Arno Grosser] [27:52] What do you mean by that?

[C3] [27:53] Like small offers to small customers, we are very much based on big, on big customers, OK.

[Benedikt Theodor Arno Grosser] [27:59] OK. Mhm. OK. But you also sell electricity to the consumer end market, so the households in Lisbon for.

[C3] [28:11] Yeah, yeah, yeah. Because it was the traditional business, OK.

[Benedikt Theodor Arno Grosser] [28:16] For them, do you offer price volatility to them? Because in Germany it's gotten more interesting that people actually want to have the lower prices when it's lower, but they also of course have to pay the higher ones in the winter when there's less sun. Is it something EDP is doing?

[C3] [28:29] Yeah, well, not not so much as in Nordic countries because our, our. Our in general, in general our. Legal system already accommodates those changes for years.

[Benedikt Theodor Arno Grosser] [28:52] OK.

[C3] [28:53] OK, and the changes price changes on each 10 minutes. Let's say, consumers consume. We are not so much there, but to be there we shall have a legal approach, OK and the much develop the.

[Benedikt Theodor Arno Grosser] [29:06] Yeah. Mhm.

[C3] [29:23] Domestic, domestic, OK, so in in in terms of national approach, we are not so developed or evolved like Nordic countries, OK or northern countries.

[Benedikt Theodor Arno Grosser] [29:24] Yeah. OK.

[C3] [29:38] But that will happen.

[Benedikt Theodor Arno Grosser] [29:41] Mhm, yeah.

[C3] [29:41] OK, but from lessons learned from past, that will be in a way that will be negative for the majority of the consumers. This is the problem because.

[Benedikt Theodor Arno Grosser] [29:57] Good, yeah. OK.

[C3] [30:01] Because, you know, we have a big myth on the renewable sector, which is that power from renewables will be cheaper.

[Benedikt Theodor Arno Grosser] [30:14] Yeah, but only during certain times. Yeah, yeah.

[C3] [30:15] OK, but that's not true. They are cheaper now.

[Benedikt Theodor Arno Grosser] [30:19] Yeah. OK, we're already over time. Maybe one last question. What do you think is the most important internal driver at EDP, which will help it stay relevant, stay ahead of the game in the energy industry? Worldwide where they perform.

[C3] [30:40] And and. A market to framework. Answering your question, we need a market framework with more freedom, namely from the the distribution area.

[Benedikt Theodor Arno Grosser] [30:57] OK.

[C3] [31:05] Because what is critical now is the management of every energy, electric energy that is produced around the the the market and you will need to.

[Benedikt Theodor Arno Grosser] [31:16] Yeah.

[C3] [31:22] To change the marginal cost approach, marginal price approach, that is the base of the system. OK, we have a legal base of the system.

[Benedikt Theodor Arno Grosser] [31:29] Mhm. Yeah, yeah. Mhm.

[C3] [31:38] So this is a very complicated subject, but to be the more intelligent grid, probably we will discover new formats, business formats. And that will be very nice for our company because we can modeling the offer to the market and the demand levelizing the prices and so on.

[Benedikt Theodor Arno Grosser] [32:01] Mhm. Yeah.

[C3] [32:10] So I think the the most relevant question is grids and also what we can say the the pre definition of spots. To build up farms.

[Benedikt Theodor Arno Grosser] [32:28] OK.

[C3] [32:29] Because we spend too much time looking for, let's say, land to build up farms and we keep on working for two years to put everything in order.

[Benedikt Theodor Arno Grosser] [32:40] Yeah.

[C3] [32:49] To start investing and two years is too much, so we need to simplify that process and I I personally believe that licensing must be upfront and not.

[Benedikt Theodor Arno Grosser] [32:52] Yeah, yeah.

[C3] [33:06] In the end of the the process.

[Benedikt Theodor Arno Grosser] [33:06] Mhm. OK. No, I think that's it already. It was very interesting hearing it from the EDP perspective because it's a lot different than what's happening in Germany on the consumer side at least and on the energy provider side. So thank you very much for that.

[C3] [33:14] If you are happy. You are very welcome and there is something that you you you'll feel that you shall come back to me to make it more clear or just feel free to to call me again.

[Benedikt Theodor Arno Grosser] [33:40] Perfect. Thank you very much.

[C3] [33:42] OK.

[Benedikt Theodor Arno Grosser] [33:44] OK, then have a good rest of the week and rest of the day.

[C3] [33:44] So Benedict.

[Benedikt Theodor Arno Grosser] [33:50] Thank you. Bye.

Interview S2

Attribut	Detail
Interview-ID	S2
Datum	26. October 2025
Typ	Startup – 42Watt
Dauer	ca. 28 Min.
Sprache	Englisch
Medium	MS Teams

[Benedikt Theodor Arno Grosser] [0:28] Easy. OK. So I think then we can start. So my first question would be just generally in which area is your business or Start-up and what core products or services do you currently offer?

[S2] [0:29] Oh. Yes. So 42 Watt is in energy efficient renovations for single family homes and like the core products are installations of sustainable energy solutions and heating solutions. For single family homes like heat pumps, photovoltaic system, battery storage and energy management systems, as well as renovation and subsidy consulting. Yeah, through state qualified subsidy agents and digital distribution channels.

[Benedikt Theodor Arno Grosser] [1:23] OK, but focus on single family homes 'cause I already had a call with someone else on multi OK.

[S2] [1:27] Yeah, solely single family homes, no other buildings and that, yes.

[Benedikt Theodor Arno Grosser] [1:33] OK, maybe we can skip this. Oh, maybe how old is your company currently or to start up?

[S2] [1:38] It's founded in 2022.

[Benedikt Theodor Arno Grosser] [1:44] OK. So less than five years. Have there been any significant changes to the business model or do you offer more products or services now than you used to in 2022?

[S2] [1:47] Yeah. Significant changes. Yeah, we started as only energetic renovation and subsidy consulting and solely and like in the last year build out the integration of a partner

network in which we like realise all the. Energetic renovation stuff, so like heat pumps and PV systems and so on.

[Benedikt Theodor Arno Grosser] [2:23] OK. So you would say you broadened your offering towards the consumer?

[S2] [2:30] Yes, yeah.

[Benedikt Theodor Arno Grosser] [2:32] And maybe this is one of the most important questions now. How does your Value Proposition address problems that established suppliers like ENBW, Eon and Vattenfall and so on don't focus on or are not focused on enough?

[S2] [2:52] This is wait, you had it in the survey, so compared to like the big energy.

[Benedikt Theodor Arno Grosser] [3:06] Because a trend I've noticed is that big energy suppliers are more focused on the entire value chain and the Start-ups focus on the consumer side of things. So would you say it's like the same here, the big energy suppliers just not focused on the consumer side like this?

[S2] [3:13] Yeah. Yeah, the big energy players, I mean, there are basically two things like back then like this business was solely to local crafts business and this was nothing of interest for like the big energy players because. They solely shipped like gas and oil and other stuff to their to their customers and didn't really care about like heating solutions or PV plants and since everything got. Cheaper and more economic viable for the customers nowadays. This probably changed a little bit, but since now we can serve customers that produce their own energy and everything.

[Benedikt Theodor Arno Grosser] [4:17] You can you throw out a guess just from your experience or what do you think? Why is it that the big energy suppliers are not doing that? Why is there the niche for Start-ups to come in? Is it they scared of cannibalization? So if you put enough solar panels on the roof, you can't sell them energy anymore? Or is it just they're too slow? In the market.

[S2] [4:39] I think they're first of all probably too slow, but as well they don't even have the knowledge for the crafts business because all these solutions are built by local crafts business which are like very. Niche and very small and also not very easy to scale and I think that's all.

[Benedikt Theodor Arno Grosser] [5:03] So you mean like Sunny Teh and Werker?

[S2] [5:05] Yeah, yeah. And you also have different, I mean just to integrate renewable energies for single family homes, you need also different kind of business crafts businesses, for example, electricians. Then you need some Landschaftsbau, Dachdecker or Kältetechniker. And these are like very separate businesses. And yeah, I think it's very hard to scale or yeah, see.

[Benedikt Theodor Arno Grosser] [5:30] Yeah.

[S2] [5:41] Or yeah, come in as a big market player.

[Benedikt Theodor Arno Grosser] [5:44] And how are you doing it as a startup? Where's your USP.

[S2] [5:52] The the Start-up, I mean this like more focusing or they they make use of the local crafts businesses. So they don't want to like come into like competition with the local crafts businesses.

[Benedikt Theodor Arno Grosser] [6:10] Mhm.

[S2] [6:12] And they make use of them and also maybe help them to grow and scale in this kind of industry, but on local base.

[Benedikt Theodor Arno Grosser] [6:19] But I mean more like ENBW could do the same as you and just call the local craft businesses and be like, oh, you want to do this? Why do you think they're not doing it? Why do you think the Start-up is better able to do it?

[S2] [6:34] Because I mean this maybe also relates to your failure or failing fast question because to like first of all get the knowledge of the technology and get all the yeah.

[Benedikt Theodor Arno Grosser] [6:41] Mhm.

[S2] [6:51] Yeah, how how you build stuff, how you communicate with the crafts business. This is very individual and you also have to make a lot of mistakes to first of all like build up the knowledge and I think also these big companies don't really.

[Benedikt Theodor Arno Grosser] [7:08] Mhm.

[S2] [7:11] Really see like what it takes first to like, get up the knowledge and then you probably have to, yeah, because you're such a big brand already, like your reputation and you're probably not into the culture of.

[Benedikt Theodor Arno Grosser] [7:28] Yeah, yeah.

[S2] [7:31] Yeah, first of all, learning and failing.

[Benedikt Theodor Arno Grosser] [7:36] My interestingly talked about it, because that's exactly what some of the NBW people told me. Like they're scared of the the. The head of departments are kind of losing face and the good ENBW household name with the older clients. But yeah, thank you. I think we'll talk about this later again and we can skip those two. Now coming to Customer Segments because as I said, I feel like Start-ups are more focused on the consumer side and different customer segments. So can you?

[S2] [7:50] Yeah. Mhm.

[Benedikt Theodor Arno Grosser] [8:03] Describe your ideal customer, segment or customer and why this specific segment was chosen by the company you work for.

[S2] [8:06] Oh. I think we didn't chose it in the beginning. We kind of figure it out what the exact customers are, but our customers are single family home owners, mostly in the age between 40 and 60. Mostly male and the houses we serve are mostly older, older than 30 years. So it's all renovation and new, no new house builds and the current heating of the houses, of course oil or gas.

[Benedikt Theodor Arno Grosser] [8:44] Mhm. And do you feel like those people are not the big energy suppliers, don't serve them with enough solutions to provide their own energy?

[S2] [8:59] I mean, they're.

[Benedikt Theodor Arno Grosser] [8:59] That's why you're able to sell to them.

[S2] [9:02] Yeah, I mean we are offering some very digital experience where already people can type in their basic data from their homes and then also get like first offers and like first price ranges where they know, OK, this could be. This would cost me like, I don't know, 30K for a renovation of the heating and also offer different manufacturers, which is also a big plus when it comes to like your local craftsman, because your local craftsman is probably.

[Benedikt Theodor Arno Grosser] [9:27] Mhm.

[S2] [9:41] Very close to one or two main hardware manufacturers and we are able to serve the customer more than that and maybe act like as a more neutral party in which we can serve really the best solution.

[Benedikt Theodor Arno Grosser] [9:58] Mhm.

[S2] [10:01] For the customer, no matter which manufacturer.

[Benedikt Theodor Arno Grosser] [10:02] Yeah. OK, I understand. Thank you. I have to the next question. I think it's pretty self-explanatory. It's all pull driven. No one is forcing the homeowners to work with you to update their system. They just want to save money or have personal conviction towards a sustainable. Energy transition and green future, right?

[S2] [10:27] Yeah, I mean like external, I don't know. External factors are of course that there are some places where like the local gas supplier maybe is cutting their pipelines. So you have to think about if I'm getting like the. Fernwärme or the OR a heat pump. So and also like regulatory, there are some, yeah, regulations where you have to think about CO2 neutral heating solutions.

[Benedikt Theodor Arno Grosser] [10:47] Mhm.

[S2] [11:01] But it's not that someone is forced to work with us, no.

[Benedikt Theodor Arno Grosser] [11:08] So people come to you because of a sense they. They can profit from it.

[S2] [11:15] Yeah, yeah. I mean, they come to us because we offer a digital solution and most of the people that think about that, first of all, go to the Internet and yeah, yeah, do some research. And that's where most of the people then come to us because they don't even get this experience from their local crafts business.

[Benedikt Theodor Arno Grosser] [11:33] Mm. Yeah, that also jumps into the next question. Now this is focused on the price volatility in energy markets and the big energy suppliers are now starting to let the consumer participate in it. So you don't pay a fixed rate at the end of the year, but if you if electricity is expensive.

[S2] [11:44] Mm-hmm. Mm-hmm.

[Benedikt Theodor Arno Grosser] [11:59] At the night today because all the solar panels are out, you pay a higher price. So the consumers think about maybe I charge my car during the day where this electricity is usually cheaper. Do you think that's also affected this price volatility that people start to?

[S2] [12:10] Yeah.

[Benedikt Theodor Arno Grosser] [12:16] Modernize their home equipment with the company you work for.

[S2] [12:20] Yeah, I mean if PV for example is if they already have PV installed or installed PV on their home, they mostly like to 70 or 80% autarky on their own, so.

[Benedikt Theodor Arno Grosser] [12:37] And even like over the year or average day, 'cause in the winter, probably less OK, yeah.

[S2] [12:37] Over the year, yes, over the year if they also have installed some battery storage for example. So you can already have some quite high rates for auto key and then it also makes sense for them to.

[Benedikt Theodor Arno Grosser] [12:47] Mhm.

[S2] [12:57] Change for like a dynamic energy tariff. Yeah, so that we definitely, we also have like a own product where we offer dynamic tariffs as well directly when we sell the.

[Benedikt Theodor Arno Grosser] [13:01] Mm-hmm.

[S2] [13:13] Uh, renovation solution.

[Benedikt Theodor Arno Grosser] [13:16] OK. But then other question would be, I talked for some people about that energy is starting to become more of a thing people care about. It used to be, oh, I don't want to care about it, I just want my water to run electricity to be on.

[S2] [13:33] Mm-hmm.

[Benedikt Theodor Arno Grosser] [13:33] And now it's people actually think, how can I optimize my electricity usage, my price, how can I participate it in way more actively? And those are mostly the customers you cater to, right?

[S2] [13:45] Yeah, right. I mean, it's most of the people start with maybe installing PV or having a heat pump. But if you go deeper into that rabbit hole, I I would say you maybe get an EV or have a home energy management system.

[Benedikt Theodor Arno Grosser] [14:00] Mm.

[S2] [14:03] And then of course, the people get really interested into like tracking what they're doing with their PV and what is going into their car and whatever, yeah.

[Benedikt Theodor Arno Grosser] [14:16] Do you believe this customer segment is going to grow or will you need to expand to a new customer segment in the future for your company to continue?

[S2] [14:25] I think because there are, I think I looked it up yesterday, there were like there's a statistic that 16.3 million single family homes are alone in Germany and only 8.5% of these homes are. Younger than 25 years. So there's a lot of old infrastructure and old stock. So and most of these homeowners are also older and not in their 30s, for example. So I think there's

already a really big market to serve. And we also are going to expand into other countries, so yeah.

[Benedikt Theodor Arno Grosser] [15:12] So this customer segment is pretty much future proof 'cause at one point most people will run it, but.

[S2] [15:18] Yeah, I mean always depends on regulation as well because right now we have in Germany a very good funding of if you change your heating pump, you change your heating to to a heat pump. And you get very good subsidies. So therefore it's also very attractive and makes a lot of sense if you think from the monetary side. But yeah, this, this is of course, yeah, I think there's still room to grow, yeah.

[Benedikt Theodor Arno Grosser] [15:33] Mhm. OK, perfect. Thank you. Now we're already at the last part, the degree of innovation.

[S2] [15:57] Mhm.

[Benedikt Theodor Arno Grosser] [16:01] And yeah, we talked about it earlier before, but can you provide a specific example where organizational speed allowed you to beat an established utility market? But.

[S2] [16:11] Yeah, I mean, we gained a lot of knowledge in the installation by simply working with different craftsmen working our we were, we are connected with a lot of hardware manufacturers. But still, we made a lot of mistakes in the installations and correcting these and also, yeah, still fulfilling customer satisfaction, everything. We gained a very deep technological knowledge in a very short amount of time. And I also probably have in some cases even more knowledge than the hardware manufacturers by themselves, because we also now have a lot of data on the different heating solutions and PV solutions. And I think this is something which is only possible within the Start-up to, yeah, make very fast iterations and learn very fast.

[Benedikt Theodor Arno Grosser] [17:21] OK, perfect. Regarding to that, the next question really complicated, but in the end, could you just name why do you think you're able to fulfill or to serve this market niche better than the Corporate?

[S2] [17:26] Mhm.

[Benedikt Theodor Arno Grosser] [17:36] Is it only the fat hierarchies? Is it the? I don't know.

[S2] [17:38] Mhm.

[Benedikt Theodor Arno Grosser] [17:43] Can you just name a few?

[S2] [17:45] Yeah, I mean, flat hierarchy, of course. And like, yeah, there's a lot of responsibility on every single employee. So yeah, a lot of people can act very fast because they have their responsibility. On themselves and don't have to talk for everything to the lead or to the CEO. So this is quite good I think for or the very big advantage. Um.

[Benedikt Theodor Arno Grosser] [18:21] You're also more risk tolerant, would you say?

[S2] [18:24] Yeah, I mean, we constantly are testing hypotheses and everything. So there's also a willingness to take risks, which is probably for Corporate. Not a thing to do, yeah.

[Benedikt Theodor Arno Grosser] [18:42] Hmm. And one thing I heard or which brings me to a different question at big Corporates, they innovate along the whole value chain. So there's usually not much money left over for it to scale a new business or to try out a new business like this.

[S2] [18:55] Mhm.

[Benedikt Theodor Arno Grosser] [18:59] Is the startup you work for VC backed? And if yes, do you have capacity to burn for money to test hypothesis as you just said?

[S2] [19:08] Yes, the companies we see backed, I think it was some middle million, single-digit million value and this was just a seed round. So we had a lot of capital to like. Figure out the idea and figure out like our market fit. And this gave us a good position to test and iterate and also try out new things which probably a normal Corporate wouldn't have.

[Benedikt Theodor Arno Grosser] [19:46] OK. And would you say the VC has a lot of? I don't know how to say it. Are you really independent or is the VC trying to control you when it comes to those business model innovations?

[S2] [19:57] Um. I think the of course the VCs want to see that we are doing good in the market and we are able to sell. But I mean these there were a lot of hypotheses where we proved that. That so I don't think the VC got too much in our way.

[Benedikt Theodor Arno Grosser] [20:23] OK. But if you have hypothesis, so you innovate incrementally, you start with the hypothesis and then you build a proof of concept and from, yeah, OK.

[S2] [20:27] Yeah. Yes, yes.

[Benedikt Theodor Arno Grosser] [20:34] And only then you go in big and fail faster if it happens.

[S2] [20:38] Yeah, I mean right now we are like the last year we had a really good phase of really testing out what we are good at, what are our ideal crafts business we want to work with together. And now it's becoming more into like a scale game. So now we figured out what the market is, what we are capable of and that we are also able to sell to the customers and prove that we have a competitive edge. And now it's about making the startup scalable and also, yeah, to scale it out through whole Germany.

[Benedikt Theodor Arno Grosser] [21:24] Perfect. And how do you measure this, the success of the hypothesis? Is it only financial returns or is there also coming from the VC market penetration or something?

[S2] [21:28] Such a change would require significant investment and a major organizational shift for the energy giants.

[Benedikt Theodor Arno Grosser] [21:37] It's it's mostly sales we can make like or like from the leads we get in, how much sales we can make and how much leads we also get in, you know?

[S2] [21:45] OK.

[Benedikt Theodor Arno Grosser] [21:45] OK. Thank you. Do you plan or do you think it's possible to have a partnership with an established energy supplier?

[S2] [22:00] I think we already had some partnerships with big energy suppliers where they were mostly acting like a lead generator for our business, so.

[Benedikt Theodor Arno Grosser] [22:12] Mhm.

[S2] [22:16] They had some, I don't know, landing page on their website for like heat pump installation or PV installation and then they deletes were referred to us and we did the installations with them.

[Benedikt Theodor Arno Grosser] [22:33] Do you think it's possible that one of those large energy suppliers will buy up your startup and put them under their roof in the future if they sense that this segment is coming way too important and they were they missed out on the first innovation part?

[S2] [22:49] I mean, it's still, yeah, there is of course a possibility, but I don't know if it's still too niche for the. Big energy suppliers. There are also bigger competitors than us with different.

[Benedikt Theodor Arno Grosser] [23:10] Of course, but some of them are already too big to be bought, like EMBW can't afford a and Enpal anymore, they told me.

[S2] [23:17] Yeah, yeah, yeah, could be. I don't know.

[Benedikt Theodor Arno Grosser] [23:22] OK. And yeah, this is also interesting one is how do you sell to your customers? Is it driven by technological advances or is the market asking for the services and products you offer?

[S2] [23:37] I mean, since I think two or three years, there's a lot of movement within the heating sector in Germany because of laws and regulation and. Also a lot of fear from customers that they have to change to a new heating solution and we are now, yeah, just focusing on like making. Very neutral information on on, yeah, in the Internet, on our YouTube channel and everything. And a lot of people come to us because we have this very neutral approach to different technologies. Or like different manufacturers, because most of the people that we reach come online. That means they already did some research on it and also are familiar with different hardware manufacturers. And because we can offer them a bright variety of hardware manufacturers and also can make arguments why we think this hardware manufacturer would fit the customer best, I think we have a really unique position. And as well, like the cost structure of us, because we have a very big craftsman network we can rely on and already have a lot of crafts business that are doing great work. I think we can, yeah, also. Get a really nice experience rather than customers reaching out to their local crafts business that only serves one manufacturer and where you also just have to accept one price, yeah.

[Benedikt Theodor Arno Grosser] [25:29] Mhm. OK. Thank you. And maybe second to last question, you talked about it before, but do you see regulatory changes as a barrier or opportunity? You told me about the funds made possible by the government for people to upgrade their system which which probably profits. Your company more than it hurts, but is there anything else that may be barriers as acts as a barrier?

[S2] [26:02] Yeah, I mean we already like always try to make a really economical case for the customers, but for example, the subsidies, they really like, I mean a lot of people don't have like 30K for their heat pump or the heating renovation lying around. So subsidies make it easier to sell the product, but in the other way you also have. The hardware manufacturers that of course know that there are subsidies and they price hardware components differently in Germany than, for example, other European countries.

[Benedikt Theodor Arno Grosser] [26:53] OK.

[S2] [26:55] So yeah, it's two-edged sword, I guess.

[Benedikt Theodor Arno Grosser] [27:00] Yeah, of course. OK. Thank you. And maybe now the last question I'd like to ask is looking ahead, which aspects of your business model are your highest priority for future innovation and what are your thoughts on the future of the energy market? Do you think Start-ups will become more important than the Corporate energy supplies because they innovate much? Better and they will replace them or will it just be bought off in the future?

[S2] [27:25] I think Start-ups have a lot of potential because they can go into some niche. One big energy supplier is maybe not even seeing or which is not profitable for them. And they also have a very competitive edge because they can adapt very fast to new technologies and also develop them by themselves. For example, if you see Eins Komma 5, they are developing their own energy management system and so on.

[Benedikt Theodor Arno Grosser] [28:02] Yeah.

[S2] [28:03] And also trying to build up on their customer base for like virtual power plants and so on. Yeah, I know.

[Benedikt Theodor Arno Grosser] [28:18] OK. Thank you. Um.

Interview S3

Attribut	Detail
Interview-ID	S3
Datum	27. October 2025
Typ	Startup - Vilisto
Dauer	ca. 22 Min.
Sprache	Englisch
Medium	MS Teams

[Benedikt Theodor Arno Grosser] [0:03] OK, you know it was to be muted and camera off. OK, I'm back. Perfect. And we can start. Do you have them open or do I share the questions on my screen as well?

[S3] [0:16] I have them open too.

[Benedikt Theodor Arno Grosser] [0:18] OK, perfect. I'll always start with, could you describe what business your company or your X company is in and what are the core products and services currently offered?

[S3] [0:28] So, so the company is called Velisto and they're active in the market since 2016. So close to 10 year anniversary now and they had come came up in the market with a digital heating platform. So this is kind of the value proposition, what they are offering for for their clients and the niche sector niche is only non residential buildings. So for example large office spaces, educational institutions, when you think of universities, schools, every. Building which is not used permanently and this is the case. So the normal yeah like to say I would say the default option or the default execution when you think of heating is that building is heated. 24/7, 365 days a year. But you do not use it all the time, and this is where this system comes in. It automatically kind of manages the heat in your whole system, and via 3 sensors it can anticipate if a room is used or not. And also put an algorithm on on it to predict when a room will be used. And for example if windows are open, how many people are in a room. And with this application you can kind of save up up to 20 to 30% of heat energy and in the end it's costs.

[Benedikt Theodor Arno Grosser] [2:05] OK, very interesting. I've had a talk with one from 42 Watts which is doing heating solutions only for residential single family homes. So it seems like kind of the counterpart to it and is it?

[S3] [2:17] Yeah, maybe. Maybe. Do you know Tado from Munich?

[Benedikt Theodor Arno Grosser] [2:21] No, I don't think so.

[S3] [2:21] Yeah, so the core product is they are producing thermostats, right? And these automatic intelligent thermostats can in the end regulate your room.

[Benedikt Theodor Arno Grosser] [2:29] Mhm.

[S3] [2:37] With, yeah, like how how is it used and therefore you come up. So normally you have this free rider problem, right? In a in a school, in university you use the room, but you do not pay for the heat.

[Benedikt Theodor Arno Grosser] [2:53] Mhm.

[S3] [2:54] And with this with this system you can kind of get around this free rider problem and and save costs in the end because it's only heated when it's really used.

[Benedikt Theodor Arno Grosser] [3:04] OK. But so is it, it's a technological driven innovation, there's a new product or is it a product or a software that the company manufactured or innovated and that's how they built the business case or that's what they built the business case around?

[S3] [3:21] In another sense, it's both. So first they came up with a real hardware product, the thermostat itself, with all the sensors and the electronics inside, and then afterwards they put on a a digital platform.

[Benedikt Theodor Arno Grosser] [3:38] Thank you.

[S3] [3:38] So kind of in between software and hardware and now they refocus a bit more on the software side and to scale this platform optimization algorithm.

[Benedikt Theodor Arno Grosser] [3:53] Interesting. Do you know how it started? Was it a customer demand that led to the development of this product or was it researchers out of university which found founded this product and then found the market fit?

[S3] [4:05] It was the second point of starting, so all of them were PhD students and they had a research project and thought, OK, this might be an interesting idea and then they tested it in real world. The world, yeah, and came up with this solution, but it took quite a while of time until they had a market ready solution, so close to even 2 years or something like this.

[Benedikt Theodor Arno Grosser] [4:31] Mm-hmm. OK. And do you think this customer segment you described was underserved by big Corporates such as EnBW, Eon, Vattenfall and so on? Or why were they able to find this niche, this profitable niche?

[S3] [4:51] When you think more of big companies in the sector, it might be more like a Siemens, for example, Siemens building automation, something, something like this. So, so not very the major utilities.

[Benedikt Theodor Arno Grosser] [5:00] Mm yeah, mhm.

[S3] [5:06] But definitely they were not aware of this segment. And lastly also they had product outside, but they did not really serve the customer needs and they were also kind of quite pricey compared to what they could save in the end on on your. Monthly bill.

[Benedikt Theodor Arno Grosser] [5:39] OK, that brings me to the last question of the Value Proposition part here. Do you have an assumption why this niche was underserved by big Corporates or what are the are there weaknesses behind it? Or was it the focused decision not to serve this market by the big companies?

[S3] [6:04] I thought first they were not aware of it, but there's really a market need for it.

[Benedikt Theodor Arno Grosser] [6:08] Mhm.

[S3] [6:13] And also sometimes even the customer themselves were not aware of it. So the startup began to to create a new market I would say.

[Benedikt Theodor Arno Grosser] [6:17] OK.

[S3] [6:24] With the method of engaging with customer and really stress on this problem and come up with solutions. But some customers even before were not aware of their own possibilities. I I would say how to. Save heat, how to save costs and in the end emissions. Yeah, and this market model really accelerated with all this ESG debate. So because you can very easily increase your ESG score with this solution, which is applicable and this is also very.

[Benedikt Theodor Arno Grosser] [6:52] M.

[S3] [7:00] Competitive edge in a fast way. So when you think of normal renovations of a building, changing the windows, changing the surface, it takes quite a lot of time, up to six months or even more. And with this system you can applicate it in two days, for example a whole building with 600 thermostats.

[Benedikt Theodor Arno Grosser] [7:25] Yeah, that makes sense. But something interesting you just said that the customers were not aware of it. Do you do, do you know if the company had any challenges in market adoption and pushing? It sounds like you had to push the product onto the customers. There was not a pull factor from them.

[S3] [7:43] I would say one negative point for the product is that they also charge you on a monthly service fee for each thermostat thermostat. So so you have kind of recurring costs. And some customers don't like it. They want to have one complete investment amount and that's it. So this kind of distracted some of the customers or potential customers. Yeah, so they could evaluate on this. But from an VC point of view, the business model was more attractive if you have recurring revenues.

[Benedikt Theodor Arno Grosser] [8:28] Of course, yeah.

[S3] [8:30] Yeah.

[Benedikt Theodor Arno Grosser] [8:31] OK. Maybe to present also the same thing, but a bit differently. To what extent is your customer base driven by the push factors such as regulatory

compliance as you mentioned with the ESG now or pull factors such as personal conviction towards a sustainable future or so on?

[S3] [8:49] I would say again, it's the second point, so more the the internal motivation to optimize your own building. And in the end, often it's the the cost factor which was kind of satisfying the customer in the end.

[Benedikt Theodor Arno Grosser] [9:12] OK, yeah, of course. Money talks.

[S3] [9:13] Because you can start right away. So you put the system on, it takes two or three days for a large building and then it starts off right away. So you see it already one month after application in your heating bill. And then it takes a bit of time, so three to four months until the algorithm find its way and and find the optimal solution. And but then you can achieve quite quickly 20 to 30% in savings.

[Benedikt Theodor Arno Grosser] [9:47] OK, um. Just on a more meta level, would you agree that energy has become more a topic of interest? It used to be like your phone bill. I want to pay once a year and it's done and now people really try to optimize and the Start-ups focusing on these niche consumer offerings which give these consumers the possibility to participate more and. Active more actively in the energy market and their energy bill in the end.

[S3] [10:15] Definitely, and especially. Since 2022 I would say and when you have seen the soaringly increasing gas prices for example and the majority of heat is created through gas heat stations in in Germany up to now, but you have also this heating shift, so a lot of a lot of more heat pumps.

[Benedikt Theodor Arno Grosser] [10:44] Mhm.

[S3] [10:52] It comes in the so you have definitely the shift from gas traditionally to electricity nowadays, but still both resources of energy are increasing in price. So the incentive gets more urgent and urgent. Or becomes more feasible or more customers think about it because it really matters in the end.

[Benedikt Theodor Arno Grosser] [11:13] Yeah. Yeah, totally agree. No more back to the topic. Did Villisto ever change its business model or expand into new Customer Segments while you were there or and how were these innovations happening?

[S3] [11:37] So in core, I would say they stuck to the whole process, the whole story to their core value proposition, which kind of is like we save your heat emissions and costs. By a relatively low cap ex innovation which you can apply quite quickly. So this was and still up to now is the core Value Proposition and but they changed the go to market clusters so they're really focusing. Now on what are the specific needs of a real estate asset manager with a very large portfolio of 200, 400 buildings and then what are kind of more the needs from a public? Public service perspective and you think of all the public buildings in Germany. So the cities and municipalities are the largest real estate owner in Germany. And they have different needs compared to institutional clients. But this is what they changed so.

[Benedikt Theodor Arno Grosser] [12:52] OK. So the, yeah, the covering is the same, but they have a new customer segment identified now or maybe it's been the same customer always, but now they created segments to better address the problems of it.

[S3] [13:04] Precisely, precisely. It was more from an internal perspective, but then also from a marketing perspective to adapt a bit and to the specific needs of each segment.

[Benedikt Theodor Arno Grosser] [13:06] OK. OK. And did this happen incrementally or was it at one point? Oh, there's two different Customer Segments and now we have two different proposals or offers towards each?

[S3] [13:29] It it was incrementally because this shift I would say from the institutional clients, this started a bit later because regulation was kind of forced in.

[Benedikt Theodor Arno Grosser] [13:39] Mhm.

[S3] [13:46] And you think of ESG and so they were incentivized a bit later compared to public institutions.

[Benedikt Theodor Arno Grosser] [13:55] OK. Thank you. Very interesting. Now one question you already answered, but maybe you can just say it again. Do you actively position your innovations to exploit gaps or inefficiencies created by the current or impending regulations such as the slow smart meter rollout? Because if there would be a smart meter in every. Building or in every room, maybe the business model would be obsolete.

[S3] [14:21] Definitely. So if I had have understood your question correctly, then it was like if or regulation in general is supporting innovation, right? Yeah, in this sense, definitely.

[Benedikt Theodor Arno Grosser] [14:34] Yes.

[S3] [14:37] I don't know what the English word is, but so you you kind of balance your heat system. When you think you have a boiler which is closer to your heat pump, this will be heated first and then this heat circle.

[Benedikt Theodor Arno Grosser] [14:43] Oh, OK.

[S3] [14:54] So it makes it in the end very inefficient when you do not a hydraulic and this is what they could serve now additionally with they already applied new thermostats. So this is now since one year.

[Benedikt Theodor Arno Grosser] [14:57] Yeah.

[S3] [15:12] A real innovation which is also driven by regulation because it's mandated by large facility owners to do this. So it kind of became of necessary. And yeah, so there was a real need.

[Benedikt Theodor Arno Grosser] [15:33] Yeah.

[S3] [15:33] To do it from an institutional perspective and Villisto could serve this need right away with their existing products.

[Benedikt Theodor Arno Grosser] [15:45] Sorry, my dog was annoying me. That's why the camera was shifting now. But now he's she's outside and I'm back focusing on you. But I got the answer. Thank you very much. Maybe now back to why the company is successful. Do you think it's just because of um? Founders vision. Perfect market fit at the right time? Or is it also

the Start-up cliches? You're much more agile than the big Corporates. You are able to burn from money more quickly if you are VC backed. Are you VC backed, by the way?

[S3] [16:19] It's VC backed by one large one from the Netherlands.

[Benedikt Theodor Arno Grosser] [16:24] OK.

[S3] [16:25] And this VC is on board since 2 years. I kind of supported the finance A series and the VC was very helpful to accelerate the growth story.

[Benedikt Theodor Arno Grosser] [16:29] Mhm.

[S3] [16:43] Not only with capital, but explicitly with their network they could offer and and bring on experts on this business model. So the VC was definitely an enabler for the whole growth story. And coming back to your success question, I would say it's still, it's still pending if the whole story will be successful or not because up to now they are burning more and more.

[Benedikt Theodor Arno Grosser] [17:09] OK.

[S3] [17:13] For cash every year, they're growing in terms of revenue, in terms of customer base, in terms of monthly recurring bills or revenue too. And but still they are not cash positive yet.

[Benedikt Theodor Arno Grosser] [17:36] OK. But just maybe focusing on the growing side, not on the sustainably growing side, maybe they seem to have a good market fit and the right offer for consumers which are not served by other customers. What do you think is the main reason why Villista is able to to serve them better than others can?

[S3] [17:59] I would say because it's a very young, adaptive, agile team, so they could really adjust in a in a short cycle to cycles and iterative manner adopt to specific client needs. So in the end, it's still the same product, but you need to organize all these installations and how to set up the platform and every building is a bit differently or different. And yeah, so they were very adaptive in this meta. And did not always stick to the default option.

[Benedikt Theodor Arno Grosser] [18:39] OK, yeah, heard that a lot before. Seems like one of the main reasons that Start-ups.

[S3] [18:44] So you have to be very quick, agile and you of course in the end need a highly motivated team to support the story.

[Benedikt Theodor Arno Grosser] [18:54] Yeah, yeah.

[S3] [18:54] And this also starts and ends with the founder's vision, of course.

[Benedikt Theodor Arno Grosser] [19:01] OK, perfect. Thank you. Um. Let me see. Yeah, maybe just for the last question, what do you think also now in your new role as consultant in the energy market, the future holds for the energy transition and also the entire energy market? I heard some. Maybe you start and then I give you something new.

[S3] [19:26] Should I focus on something like power generation, distribution networks or where should I start with?

[Benedikt Theodor Arno Grosser] [19:33] Another consultant said that he has the hypothesis that in the future Start-ups which are serving, most Start-ups are serving customer needs. There are some other ones energy producing like Octopus, they might be bought by the big energy suppliers nowadays. Once they have a proof of concept until they become too successful. So an ENBW is not able to buy Enpal anymore, they've become too valuable, too big in the market. But also ENBW said that they will focus on innovating along the whole value chain, be a fast follower on the consumer sections and if there's something successful, they will more likely buy the Start-up than do the innovation internally. Do you think this will be the case for the future or will there be Start-ups such as Enpal outpacing the big Corporates nowadays?

[S3] [20:27] Interesting question. So I would say in the end both tracks will persist in the future because there are still up to now some market needs or real world opportunities. When you think for example of storage or energy storage in a in a broader sense and electricity or power storage in a narrow sense, umm which are currently so underserved from from the market,

still Eon for example is making a lot out there. Currently, but I would say the pace of innovation. From from the product side, so battery sales etcetera is currently so fast that you need a very fast agile entity that can hold on this pace and and a very big entity might not be the right fit for this. So I would argue there's still some market opportunities where you have this hyperscaler which will grow very, very fast and then become too large to be bought. But there might be also some incremental. So every everywhere where it's incrementally innovative, I would still think that innovation is then be bought by large entities. In this regards, they are buying Start-ups. Yeah, to innovate or kind of keep on track with market needs.

[Benedikt Theodor Arno Grosser] [22:11] OK, perfect. Thank you.

Interview C4

Attribut	Detail
Interview-ID	C4
Datum	24. October 2025
Typ	Corporate - EnBW
Dauer	ca. 28 Min.
Sprache	Englisch
Medium	MS Teams

[Benedikt Theodor Arno Grosser] [0:21] OK, perfect. So let's start. So my first question would be, could you describe in your own words what the core mission and focus areas of your Corporate incubator are? So with Enpulse and how do they complement the traditional business units?

[C4] [0:33] Yeah. OK, let's see. So we are or we call ourself or understand ourselves as an venture studio. So we combine all the innovation activities and we have like 3 main areas. So we are focusing on building new business models internally. So we do it like we have a building team which is focusing or looking for trends or pain points for specific customer groups and based on the findings we start on developing or exploring new business business models.

[Benedikt Theodor Arno Grosser] [1:12] Mhm.

[C4] [1:13] And we aim to found them as own Start-ups in the end. So that's the main goal that they become like mostly independent Start-ups. Then we have the area of venture clienting, which means that we connect Start-ups with E&BW, so we are. Like. Yeah, how to say like a connector. So we or like a translator, we try to try to translate the needs of the Start-ups and the needs of the big Corporate companies so that they can set up a good. Yeah, can send up their their pilot project. So usually they start by with a small pilot project and the aim is also to get in the end a a long-term relationship, a long-term contract. And we also invest in Start-ups in in early stage Start-ups within the energy sector. So these are the three main areas we have.

[Benedikt Theodor Arno Grosser] [2:18] OK, thank you. I have two follow-up questions to this. I heard from Moritz Lindemeyer that you also have a VC at EnBW, so that only invests for the purpose of accumulating money. You're investing in Start-ups with the purpose of getting them under the roof of NBB at one point or what's the?

[C4] [2:20] Yes.

[Benedikt Theodor Arno Grosser] [2:36] Purpose of investing in early stage Start-ups.

[C4] [2:39] Yeah, compared to that, we see we are more like a more strategic investor. So we try to make sure that these Start-ups are more strategically aligned with the long-term strategy of ENBW. And they're also more early staged, so compared to the ones that we see invest in. So maybe we could also say they may be a bit more risky because they're at an early stage and then we try to help them by also coaching them a bit.

[Benedikt Theodor Arno Grosser] [2:59] OK.

[C4] [3:15] In becoming successful.

[Benedikt Theodor Arno Grosser] [3:20] OK. And the second question would be, can you put numbers into perspective? How much is the focus on venture clienting, on investing or on finding new business models?

[C4] [3:30] It's hard to say it in numbers, so I can tell you that we started, we found that. So Enpulse was found that as a, how do you say it, a subsidiary of ENBW in 2002.

[Benedikt Theodor Arno Grosser] [3:45] Oh, so long ago, OK.

[C4] [3:45] 2020, no, no, 2022, so three years ago. And then I would say the main focus was on developing new business models, so founding Start-ups and during the time I would say, well, during the last year.

[Benedikt Theodor Arno Grosser] [3:49] Uh, OK.

[C4] [4:02] The rise of venture clienting started so a lot. We realised the advantages for the Start-ups but also for the in BSW as a companies. So I would say it shifts a bit more now towards venture clienting.

[Benedikt Theodor Arno Grosser] [4:21] OK. And maybe one last question before we move on here. How do you find new business models? Do you sit around the table and brainstorm and then get a proof of concept or?

[C4] [4:22] Um. Yeah. We have an we call it energy and market and trends team. So they what they are doing is they have or set up trend trend radars. So they scan the market for new trends starting with like micro signals and come aggregating them to bigger trends and.

[Benedikt Theodor Arno Grosser] [4:42] 5.

[C4] [4:51] Then they try to gather deep dive into that the trends they see by doing interviews with the specific, how do you say it, take up a focus group within this area. They talk to experts and we also are now setting up.

[Benedikt Theodor Arno Grosser] [5:04] Yep.

[C4] [5:11] A foresighting tool or strategy, which means that the trends are more like in the next couple of years and foresighting aims to give an give an idea or give a vision like for the next more like 10 to 15 years. And based on that, the team hands their findings over to the building team and then they start digging deeper into a specific like trend or pain point which is related to the trends they saw or see.

[Benedikt Theodor Arno Grosser] [5:46] OK, very interesting. I've never heard of such a thing before. Nice. Maybe then you can also talk about what are significant changes or innovations in the Value Proposition that the incubator specifically developed in response to the engine transition. So touching upon what you just said.

[C4] [5:49] Uh.

[Benedikt Theodor Arno Grosser] [6:06] Do you have a concrete example or?

[C4] [6:09] You mean like a specific setup we founded or like because I wouldn't say we that we didn't do any specific changes because we we were founded with the aim of developing new business models for the energy transition so.

[Benedikt Theodor Arno Grosser] [6:26] Mhm.

[C4] [6:27] We are for really focusing on that aspect or that area. So what whatever we do, it's come focused on like supporting or boosting the energy transition.

[Benedikt Theodor Arno Grosser] [6:40] Is that on the consumer side, on the producer side, on the grid side? I know ENBW does everything along the value chain, but.

[C4] [6:48] Yeah, that's like what we do too. So we have like the area of smart grid connected customer. So I would say that are the main focus areas for us, but they like the areas we look for new Start-ups or business models is always aligned to the. Strategy of in BW.

[Benedikt Theodor Arno Grosser] [7:10] OK. Maybe we can skip the next one because I've already heard a lot about the new customer segments, especially with the younger generation, which is trying to be more active in the energy sector. So energy is not a passive thing anymore and also the car infrastructure.

[C4] [7:24] Yeah.

[Benedikt Theodor Arno Grosser] [7:29] Charging stations. But yeah, you also already said it, but maybe you can repeat it. How does the strategic goal of the incubator's Value Proposition differ from that of the parent company? It doesn't really, right?

[C4] [7:30] Mhm. Mhm. Not really. So like the like I said, the areas in which we try to get Start-Ups setup and connected are the same, but I would say we are, I mean we have we have found were founded as a subsidiary. With the aim or the realization that when we are more independent, we can act faster or make more tests more easy or test new products more easily than within a big Corporate company which has has its specific processes which need to be followed or.

[Benedikt Theodor Arno Grosser] [8:10] Mhm.

[C4] [8:18] Usually a lot of people want to be involved, which make the whole thing a lot slower. So I would say that's why we have this role or a more separate unit.

[Benedikt Theodor Arno Grosser] [8:32] Yeah, that's one of the most common topics I discussed so far with other Corporates as well. Maybe we're going to talk about it later again. But one thing, especially for the ENBW, I found interesting is how do you ensure that the new products are not cannibalizing the core business. So the specific sample is if.

[C4] [8:37] Mhm.

[Benedikt Theodor Arno Grosser] [8:51] Everybody got now a solar panel on their roof. E and BW won't be able to sell them energy anymore.

[C4] [8:54] Mhm. Yeah, whenever we reached a point at which we would say, OK, this is a business model of which. Um. The market wants or customer wants which solves the specific pain and we then say OK we want to found it as a own like company. Then there's we have a board which we will present our ideas usually a lot earlier during the process. So they are. So that we keep them up to date. And one requirement for founding a set up is that we talk to business units with EMBW and got their commitments so that they say, OK, that's something we want, that's something we see in the future as important. And this usually implies that at some point a startup might be integrated or working as a close partner within BW. So that's how we make sure it's not working against it. It's more like supporting the business improving. Moving it, boosting it.

[Benedikt Theodor Arno Grosser] [10:08] OK, has it happened that they shut the idea down before?

[C4] [10:13] Not really shut it down, but what we experienced is that the business units are somehow a bit conservative and like more skeptical and. Find are finding it hard to really say,

OK, that's what we want. It's more like they don't know yet, so they're more like precautions, so.

[Benedikt Theodor Arno Grosser] [10:31] Yeah. Yeah, yeah. Never change a winning team.

[C4] [10:41] Yeah, like that. Or it's not the not invented here problem at some point, yeah.

[Benedikt Theodor Arno Grosser] [10:48] Yeah. OK, perfect. Now to the next section, the value captured. I'm not really sure if I'm going to include it in the end of my thesis anymore because no one has ever had a new revenue model because energy has always been a service and what you see with the other sectors.

[C4] [10:57] OK. Mhm.

[Benedikt Theodor Arno Grosser] [11:05] As a service, it has always been the case in energy, but do you have anything new or can you talk about anything?

[C4] [11:07] Yeah. Actually no. And because we also are not a business unit who like makes money, we are more like the part we spend it. So we get money from the Corporate from NBW which we can spend.

[Benedikt Theodor Arno Grosser] [11:22] OK. Yeah.

[C4] [11:27] For like creating those new ideas.

[Benedikt Theodor Arno Grosser] [11:32] OK. Yeah, thanks. Yeah, maybe this one we already talked about it, but what autonomy does the incubator has in choosing its value capture models or in choosing the Start-ups it pursues and how they capture value?

[C4] [11:36] Mhm. I'm not sure if I got it right. So what where we are in which areas we can act independently? Yeah.

[Benedikt Theodor Arno Grosser] [11:53] For example, a new trend. The only trend I've figured so far in value capture is having the consumer be a participate in the ups and downs of the energy market, so that it's not.

[C4] [12:06] Mhm.

[Benedikt Theodor Arno Grosser] [12:09] A flat rate per year? And is any of your Start-ups or any of your business models doing that? And if so, did you choose it by yourself?

[C4] [12:11] Yeah. What do you mean? What added? What are they doing?

[Benedikt Theodor Arno Grosser] [12:25] So the energy prices since the attack on Ukraine and so on have gone up and down and everyone at the end of the year was really concerned. Oh no, my energy bill is 1000 euros over what it used to be.

[C4] [12:32] Yeah. Mhm. Mhm. Yeah.

[Benedikt Theodor Arno Grosser] [12:42] And now many Corporates or I think ENBW is also doing this is having the consumer participate in it. So today you pay one EUR 30 per KW hour and tomorrow it's 2 euros and you don't have a flat rate, but now you are able to.

[C4] [12:53] Mhm.

[Benedikt Theodor Arno Grosser] [13:00] Ss any of your Start-ups doing this?

[C4] [13:01] Flexible prices. Not like that's their main or sole business. I mean they some of them use it like a side factor or developed like a system where customers can more like. Yeah, profit from, yeah, profit from the flexible prices. So they more like developing services to help use the OR get the most of flexible prices. It's more like an indirect.

[Benedikt Theodor Arno Grosser] [13:27] Yeah, profit.

[C4] [13:45] Use of that effect, I would say.

[Benedikt Theodor Arno Grosser] [13:48] OK. OK. Thank you. And then we're already on to the last part, probably the most interesting part. We already talked about the first question question, so we can skip it. But secondly, yeah, that's the most important one. Is the outsourcing of radical innovation to a separate unit and necessary?

[C4] [13:56] Mhm.

[Benedikt Theodor Arno Grosser] [14:05] And if so, because of what I've heard so far is hierarchy, risk aversion, cost structure within ENBW.

[C4] [14:06] Mhm.

[Benedikt Theodor Arno Grosser] [14:15] And so on.

[C4] [14:19] From my perspective, I would say yes, because as I mentioned before, we are more like, I mean at first we have the time to like focus on radical innovation. The business units usually have to focus like on the usual day-to-day business. Let's make that work. So there's not that much time to think, think ahead or make the time to experiment or explore new innovations. So it's good to have someone within the Corporate focusing on that. I would say we also have a more flexible and agile structure to do so. We have we are like a small, super small team with different skills and an innovation, more innovative mindset compared to the other company. Um, but I would.

[Benedikt Theodor Arno Grosser] [15:18] Maybe. What does that mean? The innovative mindset of?

[C4] [15:21] Mm. I would say from the worlds we have, we are like more and the way that we want to, we really want to explore new things like that's our main business. We want to find something new and this also means it's OK that we don't know everything, we just going to try it. And it's OK for us to fail fast and often because that's when we learn again. And I feel like in a big Corporate or, I mean, it's normal when you're focusing on the day-to-day business, you don't want to fail all the time in that area, so.

[Benedikt Theodor Arno Grosser] [15:58] Yeah.

[C4] [16:00] But that's our our aim. And yeah, we don't have to follow every strict Corporate process like for example, the, how do you say it, procurement or data privacy. I mean, we also want to make sure that everything is like how it's supposed to be. By law, but still we can use like smaller like, yeah, not this big complex with thousands of documents. We can do it faster. We can test things without asking like compliance to the.

[Benedikt Theodor Arno Grosser] [16:26] Yeah. Mhm.

[C4] [16:41] We have like an agreement with them then it that it's OK with that we can use like a fast track and of course for the unit business units, it's also a more safer version if they know OK a separate unit is testing it, it's not attached.

[Benedikt Theodor Arno Grosser] [16:46] OK.

[C4] [16:59] To our directly attached to our name, our our business thing. Um. That's gives them security, I would say.

[Benedikt Theodor Arno Grosser] [17:11] OK. Thank you. Just because you're the last Corporate interview partner I have, maybe could you rank these factors why the incubators or Start-ups are better than? Then doing it with the Corporate. Do you have anything else that might be maybe, yeah, those four other main ones I've heard so far?

[C4] [17:34] Mm yeah. OK. It's hard to rank because I would say risk aversion is I would put it on top, but closely followed by cost actually because usually they have the business units have to plan their budget quite early on. And that's also a factor that like during the year though they don't have any money like planned for innovation and or of course when we are in a phase like that where you have to save money and be more efficient then.

[Benedikt Theodor Arno Grosser] [18:01] Mhm.

[C4] [18:10] Those are the things which are first cut out. Um.

[Benedikt Theodor Arno Grosser] [18:15] So you mean cost structure in the sense of no money available to innovate, OK.

[C4] [18:19] Yeah, yeah. And of course, when you talk about radical innovations, they usually also, yeah, that usually means that it's more cost intensive.

[Benedikt Theodor Arno Grosser] [18:39] Yeah.

[C4] [18:40] Um. Hierarchy and losing. Yeah, we'll leave it like that.

[Benedikt Theodor Arno Grosser] [18:48] Losing face is specifically from ENBW because I've heard from other industry partners that ENBW doesn't want the stamp on them if a business

fails. So it's easier to have a total different unit company without even maybe ENBW in the end.

[C4] [19:02] Yeah. Now.

[Benedikt Theodor Arno Grosser] [19:05] So because they have so much trust from the older consumers here, and if a new startup now has a a scandal.

[C4] [19:09] Yeah, yeah, like the Stadtwerke and so on. They're very conservative. Yeah, yeah, maybe you need to switch it, losing face and hierarchy.

[Benedikt Theodor Arno Grosser] [19:17] Thank you.

[C4] [19:26] Depends on who's on the upper, upper level. I mean, there are also a lot of people who are quite supportive, but we also experience that there often, of course, is a gap between those who like working.

[Benedikt Theodor Arno Grosser] [19:32] Mhm.

[C4] [19:41] I don't want to say on the lower level, but the ones who like working with the process, the product and which have the deeper knowledge and usually they are like, yes, let's innovate in that area and then we talk to the management level and of course they are not that deep into it and then they are more skeptical and that's.

[Benedikt Theodor Arno Grosser] [19:50] Yep.

[C4] [20:01] Sometimes make it makes it also a bit difficult.

[Benedikt Theodor Arno Grosser] [20:04] Yeah, with hierarchy, I also meant that a longer command chains, so it's takes way longer to push a product onto the market.

[C4] [20:08] Yeah, that's. Yeah, for sure. Yeah. So: 1. Risk averison 2. Cost structure – no money available to innovate 3. Losing face 4. Hierachry

[Benedikt Theodor Arno Grosser] [20:12] OK. Perfect. I think we're almost done. Let me check my last question. Yeah, have you already reintegrated or start up into the Corporate group?

[C4] [20:26] Not that like it's owned fully owned by ENBW, but we like connect them with different business units via venture clienting that's that's absolutely a thing that Enpluse is doing first pilot projects and then follow up.

[Benedikt Theodor Arno Grosser] [20:39] Mm.

[C4] [20:44] Project. So yes, Zilla Fund is one example. Matundo, if you want to look them up, yeah.

[Benedikt Theodor Arno Grosser] [20:56] OK. And the reintegration process is smooth or are there any friction points maybe also cultural?

[C4] [21:00] It's like it's, I would say it's not a typical reintegration process. It's more like we connect them to become like partners or using integrating or yeah, using the software of them for a product they already have.

[Benedikt Theodor Arno Grosser] [21:10] OK.

[C4] [21:18] It's it's move when the business unit is fully into it. In the beginning it always takes a bit of convincing them and I would say the functional processes of in BW makes it sometimes a bit hard like the long procurement processes. So if you want to. Of course we need to pay to start up and or buy the product and there are quite long. So checking the startup as which is a if it's a valuable business partner or not or. Then of course again they have to check, make a compliance check and they often forget that the startup is early stage. Startup is of course depending on money and they need the money fast. And if these processes take too long then it's pretty tough for the startup and that's.

[Benedikt Theodor Arno Grosser] [21:59] No.

[C4] [22:13] That's the things that doesn't make the process so smooth. So we always need to talk to different people, explain again and try to facilitate a process.

[Benedikt Theodor Arno Grosser] [22:23] Yeah, definitely. OK. And yeah, sorry. No, you go ahead.

[C4] [22:26] But of course, yeah, sorry, I just wanted to add that like of course the Start-up also benefits from the knowledge from the Corporate and so on. So yeah, on the other hand, they're also a bit more open to wait, but. Yeah, shouldn't be the case.

[Benedikt Theodor Arno Grosser] [22:45] Yeah, yeah. OK. Then maybe second to last question, how do you measure the success of Start-ups and with those Start-ups? Is every startup a business model innovation we could say?

[C4] [22:49] Mhm. Hmm.

[Benedikt Theodor Arno Grosser] [22:59] And in the end, how is it measured if it's not a business model innovation?

[C4] [23:04] You mean the business model innovation for ENBW, I guess?

[Benedikt Theodor Arno Grosser] [23:07] Mm-hmm.

[C4] [23:09] Right now it's hard to say because we are, I would say we didn't reach the point in which we fully reintegrated a Start-up into in ENBW and which could lead to that effect. Um, it it takes a couple of years to until they have like the Reifegrad to be reintegrated. So I would say it's could mostly that takes up to five years.

[Benedikt Theodor Arno Grosser] [23:36] Yeah.

[C4] [23:44] OK, and now I forgot the first part of the question. How do you? Yes.

[Benedikt Theodor Arno Grosser] [23:46] How do you measure the success?

[C4] [23:51] We have like the short-term KPIs in which they like where would where one is named going concern. So if they keep living, don't go insolvent.

[Benedikt Theodor Arno Grosser] [24:02] Yeah.

[C4] [24:07] Sorry, that's why I don't know the English words and whether they can increase their their their value like and then for venture clienting we are honestly we had the pilot phase so for the whole program.

[Benedikt Theodor Arno Grosser] [24:07] Yeah, it's insolvent. It's the same, yeah.

[C4] [24:27] So we not yet have settled on certain KPIs, but we talked about them and they're probably going in the direction and which means how time efficient the business unit became. Did they save money during the? Integration of the startup or did they increase their profit? So that's probably the KPI's we will set on.

[Benedikt Theodor Arno Grosser] [24:55] OK. And and now maybe one last question. As you're head of HR or people and culture, how important is the different culture? Because of course old large energy providers are probably pretty stiff. I've never worked for one, but I feel like it's more like a governmental agency. And how how big is that to have a client, a venture client unit to overcome these cultural aspects to innovation?

[C4] [25:13] Yeah. Yeah. Speaking from the venture clienting perspective, we learn it's very important to have someone in the middle who understands both sides, who like speaks the language of the Corporate but also the Start-up to like. Provide a prevent or yeah, like prevented this kind of culture clash. Speaking for for ENBW in general, what I experienced working with the team there is that like. We are very hands on, purpose driven and that it's, I would say the things that keep us always going even if we fail like we know what what we are working for and we have the freedom and responsibility to like exploit. Things and create something new and then it's I feel like that that are aspect aspects that are quite motivating. But what we also see when we are like founding Start-ups is that's very important. What kind of founding team you have like most of the early stage setups fail because of the team. Either they don't fit because due to their competencies or they stop stop talking like.

[Benedikt Theodor Arno Grosser] [26:37] No.

[C4] [26:45] And start, yeah, come and yeah, reach a state where they don't talk anymore. And that's something we also developed a program to facilitate or to test them on to see whether they can can be a successful team even in like hard or stressful times.

[Benedikt Theodor Arno Grosser] [27:07] Regarding to that, would you say that talent availability is better in the Start-up sector? So people with the bright ideas, with the right mindset, rather work for a Start-up than for the Corporate?

[C4] [27:21] It's a good question. I mean, it depends of the personality type. Of course we are looking for those people who want to work in a Start-up and during these three years I saw that we actually got a lot of applications for our founding founding roles as a. Startup founder, but another aspect and which you don't, you shouldn't underestimate is the aspect of the risk. So not everyone. And that's where it comes to like a split is like willing to take the risk of founding a startup. Maybe losing a lot of money. So that's where not everyone is built for it. And that's what we want to make sure that they know what they are going into it, even if we can facilitate a process by giving them. A more, yeah, almost. Um. How do you say it? Oh, a business model which is ready so they don't have to start by zero.

[Benedikt Theodor Arno Grosser] [28:25] Mm-hmm. OK. Thank you. We're already over time and I think that was it.