Strategic Tech Transformation: Lean Startup Approach Saves Industrial Giant €54.75M

A global industrial giant focused on transition into a technology-driven organisation needed an effective strategy to optimise R&D investments. Denis Oakley & Co delivered a Lean Startup-based innovation programme that not only addressed evolving customer needs but resulted in an estimated annual saving of €54.75M.

THE CHALLENGE
Traditional innovation processes fail to deliver value

Innovation drives progress, but traditional ways of directing innovation efforts can slow it down. When shifting to tech-driven business models, many companies struggle with a common issue: outdated processes that allow speculative or misaligned projects to consume significant resources without delivering value. Companies can invest heavily in ideas before validating them, resulting in wasted time and money on initiatives that fail to deliver expected returns.

To avoid falling into the trap of costly trials and errors in their tech transformation, the company approached Denis Oakley & Co to help improve their existing innovation programme.

OUR SOLUTION
A Lean-Startup approach for streamlined, cost-effective tech transformation

To ensure that innovation efforts were aligned with the company's strategic goals and customer needs, we designed (and continue to deliver) a programme largely based on Lean Startup principles. The programme framework focuses on validating customer problems before any investment is made in solution development.

Programme highlights

Each year, approximately 450 ideas for new products and solutions are submitted within the company. Around 100 teams are selected, each comprising 3 to 4 employees to explore and develop those ideas. The programme's focus is to make sure that ideas solve real problems for customers. This meant reaching out to customers to understand a problem before taking any

ideas further, interrogating the market and finding out if customers are willing to pay for a solution.

Application ~450 ideas submitted annually	Selection ~100 teams participate	Team size 3–4 employees per team
Focus Customer discovery validate real-world problems and test willingness to pay		

The programme was broken down into three phases where ideas were gradually tested and evaluated. If an idea didn't meet certain criteria, it was eliminated. In the first phase, about 70% of teams did not progress further because the problem identified did not cause significant pain for customers, or due to insufficient engagement in the project. In the second phase, 50% were eliminated after interrogating the problem and market more deeply. In the final phase, 67% of the ideas were dropped after failing to demonstrate that customers were ready to pay for the proposed solution.

Phased approach		
Phase 1 ~70% of teams eliminated due to insufficient problem or lack of discovery	Phase 2 ~50% of teams eliminated due to lack of validated problem	Phase 3 ~67% of teams eliminated due to inability to find paying customers

The phased approach helped the company test ideas early to make sure teams were solving real problems that were financially viable. By the end of the process, the company had honed in on the high-potential projects that would fuel their transformation.

THE RESULTS
Deep insights translate into massive impact

Our programme did more than help the company avoid costly mistakes; it set a framework for assessing innovation projects, ensuring decisions are always driven by validated customer needs rather than assumptions or internal bias. It also delivers financial and strategic value that aligns perfectly with the company's goal to become a technology-first organisation.

1. Substantial cost savings

Through our structured approach, the company saved an estimated €54.75M each year. Significant spending on speculative or poorly validated projects is avoided. In fact, we terminated a €28M speculative project after confirming there was no customer demand. The company also saves an estimated €1.75 million a year in employee retention and recruitment from increased transparency in the innovation process,

€17.5M/year	€7.5M/year	€1.75M/year	€28M

savings from avoiding speculative projects	savings from preventing poorly validated projects	savings in recruitment and retention	savings from a high-profile project intervention
Total tangible savings: **~€54.75M annually**			

2. Higher employee engagement and retention

The revamped business model empowers teams to make decisions and self-cull unviable projects. Instead of passive participants in the innovation process, employees now play a direct role in shaping the company's future. This shift creates a sense of ownership and agility in a traditionally bureaucratic environment. With employees feeling more empowered and connected to the company's success, engagement and retention rates have steadily increased.

3. Strategic alignment

To align with the company's long-term goals, a programme focused on solving real customer problems helped accelerate the shift from traditional business to a technology-driven organisation.

4. Enhanced R&D efficiency

Our programme provides an objective process to evaluate and prioritise projects. This ensures that the company's R&D spending is allocated optimally to initiatives with the highest potential for impact.

ROI that speaks for itself

Since its implementation, the programme has consistently delivered a multi-thousand-percent ROI and the company saves tens of millions annually - proving the efficacy of a structured, customer-first innovation process.

ROI (provide data if available)

THE RATIONALE
Why it works

Four key elements contribute to the success of the Lean Startup-based innovation programme for this company.

{icon} Customer-first focus	{icon} Venture capital-inspired evaluation	{icon} Cultural transformation	{icon} Transparency and fairness

1. Customer-first focus

By validating customer needs early, the company ensures that every project is grounded in real-world problems that customers are ready to pay for. It also ensures that resources are allocated to high-potential ideas.

2. Venture capital-inspired evaluation

Inspired by venture capital principles, we weed out bad ideas early, cutting further at each stage. This allows only the most promising projects to survive.

3. Cultural transformation

Teams not only gain critical skills in customer discovery but also become more involved in the decision-making process for the company's growth. A culture where employees feel valued and empowered fosters innovation and agility across the organisation.

4. Transparency and fairness

By focusing on customer validation, the programme depoliticised decision-making and created a fair process to evaluate all projects. This makes sure that every idea, regardless of its champion, is assessed based on its true market value.

CLIENT FEEDBACK
What our client said

"This programme was a game-changer. It not only saved us millions but also equipped our teams with the tools and mindset to drive our transformation into a technology company. It ensures our R&D spend is aligned with real customer needs, improving both efficiency and impact."

— Senior Innovation Leader

WHO WE ARE
About Denis Oakley & Co

Denis Oakley & Co specialises in helping organisations innovate smarter and align their transformation efforts with strategic goals. We bring the frameworks and expertise you need to optimise innovation processes, drive transformational change, and accelerate your path to success.

Contact us today to learn how we can help you achieve your innovation goals.