

# Press Release

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## ESMT publishes third Innovation Index - Electricity Supply Industry

- **ESMT Innovation Index 2014 examines 16 most important energy providers in Europe**
- **Companies from France and Spain lead ranking**
- **Researchers expect new technologies to disrupt current system**

ESMT European School of Management and Technology has published the 2014 Innovation Index of the electricity supply industry for the third time. The independent survey examines the innovation of 16 leading European energy providers. Electricité de France (EDF) and Iberdrola of Spain topped the index. The German companies RWE and E.ON both ranked in mid-field.

While total investments in research and development increased between 2012 and 2014, the study's authors [Christoph Burger](#), Shirish Pandit, and [Jens Weinmann](#) describe a bipolar situation: "While companies like EDF and Iberdrola have accelerated their R&D investments, many companies have kept their budgets stable or even reduced them."

The experts assess the situation of many companies as critical, especially in light of the rapidly changing energy environment: "The developments of recent years call into question the future role of energy companies. One of the biggest challenges that currently exists is to generate revenues in ways that go beyond the current business model." To meet this complex challenge and boost innovation, companies are increasingly investing in resources outside the traditional research and development department, such as startups and incubators.

The Innovation Index also examines the big changes facing the energy sector being caused by disruptive technologies such as the Internet of Things, low-cost innovation, and cryptocurrencies. The elaborate solutions that incumbents have developed in the field of smart technologies are less attractive to consumers than the lean innovations of smaller startups. American startup Envio, for example, developed a simple device to optimize energy use in buildings that is easier to use and much cheaper than alternatives by large, more established players.

Additionally, more and more consumers are connecting through the "sharing economy," producing and distributing their own electricity together with others. The proliferation of cryptocurrencies simplifies direct trade and makes consumers independent of the existing system. The authors of the study emphasize that it is up to the energy suppliers to shape these new technologies and business models in order to position themselves in this new, decentralized environment.

Download the study:

<https://www.esmt.org/esmt-innovation-index-2014-electricity-supply-industry-big-beyond>

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### **About ESMT**

ESMT European School of Management and Technology was founded in October 2002 by 25 leading global companies and institutions. The international business school offers a full-time MBA, an executive MBA, a master's in management as well as open enrollment and customized executive education programs. ESMT focuses on three main topics: leadership and social responsibility, European competitiveness, and the management of technology. Additionally, the business school provides an interdisciplinary platform for discourse between politics, business, and academia. ESMT is based in Berlin, Germany, with Schloss Gracht as an additional location near Cologne. ESMT is a private business school, accredited by the German state, AACSB, AMBA, EQUIS, and FIBAA. Since 2013 ESMT has the right to grant PhDs. [www.esmt.org](http://www.esmt.org)