



Brainstorming in Hamburg's Schanzenviertel district: Risk Ident CEO Roberto Valerio (left) and Liquid Labs co-founder Paul Jozefak exchange ideas on the further development of the online fraud protection software.

Success through trial and error

Investing in innovation: the Otto Group opens up a new ideas factory – Liquid Labs

Straight out of the starting blocks. In January 2012, Michael Backes and Paul Jozefak gave their pitch to the Executive Board of the Otto Group. One month

later, the two entrepreneurs started work. In the pair's innovation laboratory – christened Liquid Labs and housed in Hamburg's bohemian St.Georg district – developers are given six to twelve months' time and a budget of 250,000 euros to implement an idea. The one condition: something novel has to emerge for the Otto Group or one of its existing assets be improved. In this strategically-aligned incubator, it quickly becomes apparent which ideas thrive, which do not. The results are highly promising: two projects are already operating as spin-offs.

These include an innovative self-storage concept Send & Store (Hermes), which makes it possible to put unused objects into storage – delivery service included. And Risk Ident (Finnovato), whose technology can, amongst other things, identify computers and mobile phones that have been used in attempted theft and fraud.

"Risk Ident alone saved the Otto Group a considerable six-digit figure in 2014," says CEO Roberto Valerio. For Paul Jozefak, Risk Ident is a fine example of the Otto Group's transformation to becoming a tech enterprise. "Of course, you can wait to see if an idea works and then try to buy into it. But that is expensive and also likely to generate dependencies. We're doing it the other way round." Yet another company launch is planned for autumn 2015 – the idea of which was spawned in the Liquid Labs.