

Letter from the Editor

Struggling for profitability: not necessarily new, but challenging

In 2007 the chemical industry will face old and new challenges alike. Whereas the search for levers to increase profitability through cutting costs will continue, new regulations like REACH and a slowing growth of the whole sector are likely to increase the need for new solutions as well. In this issue an exciting mix of possibilities to meet these challenges is presented.

New markets and new products are getting more and more important as product life cycles get shorter and already interdisciplinary sciences converge further. Next to biotechnology, nanotechnology is a perfect example for such an interdisciplinary science. Virtually every day new discoveries are announced in nanotechnology, but the question remains: how to transform ideas into products? One important aspect is providing space and infrastructure and the organizational framework for the coming entrepreneurs. The CeNTech, one of the first such centres in Germany, is a very good example for such a successful incubator. In the commentary the concept of this creative institution is described.

The second article of this issue is focussing on Open Innovation as a new way for knowledge transfer. Although firms are realizing that they need to improve their innovation ability to foster growth and profitability, only few show a sufficient organizational capacity for generating “really new” innovations. This is especially the case in the chemical industry, which is developing fewer really new molecules that often only show incremental changes in properties, compared to existing materials. Against this background, it can be observed that more and more companies shift to an open innovation mode, but the pitfalls of this concept should not be neglected.

Even if the right, knowledgeable and innovative individuals are brought together in the right setting, the next challenge is just around the corner. How can people from completely different backgrounds share their knowledge and efficiently and effectively develop new products? This issue is being analyzed in the context of biomedical engineering in the third article.

Whilst most companies look at developing new products and reducing costs through cutting staff and increasing productivity only few look at one of the most powerful levers: the price for their products and services. In the light of this fact the Practitioner's Section is presenting a means for chemical companies to get what they deserve. Value Pricing means changing the perspective from the seller's side to the buyer's side – what is the value to my company for a product bought?

We would like to thank all authors and reviewers for their contribution to this selection of highly interesting themes. Now enjoy reading the first issue of the *Journal of Business Chemistry* in 2007. If you have any comments or suggestions, please send us an e-mail at contact@businesschemistry.org.

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