Germany's SENovation Award — Innovation for the 50-plus

By Frank Leyhausen

Germany is among the "super-aged nations" of the world — in 2017, 21.4 percent of the population was 65 years or older — and the number is rising.

A large part of the population and many decision makers in companies are assessing this situation critically. Unfortunately, stereotypes toward age are being fostered.

The following are common preconceptions: Older people are not open to innovations and, consequently, not digital either; they have a lower income and, consequently, little buying power; they are ill and, consequently, cost drivers in health care. These perceptions are generally held against anyone who has celebrated his or her 50th birthday.

Along with the aging society, the startup community is developing very positively in Germany. Never before have startups received so much attention and support from investors, companies, the media, and politicians. Germany is supporting startups as an engine for growth and competition.

However, similar to established companies, stereotypes about aging are also fostered in the startup community.

Innovators do not focus on the baby boomers or even on the silent generation, but on generations X, Y, and Z. This is despite the proven higher buying power of the older cohorts and, at the same time, the lower number of competing companies. Apparently, the subject of age is interesting only to a few startups.

Due to these misconceptions, startups are missing their access to one of the largest German consumer groups.

People ages 60 and older have the highest buying power of all age groups in Germany, and almost 50 percent in the 65-and-older age group owns residential property. Their average net capital amounts to 55,000 euros.

Against this backdrop, the SIGNAL IDUNA Gruppe, one of the largest German insurance companies, and the Deutsche Seniorenliga e.V., an NGO which represents the 50-plus in Germany, initiated the SENovation Award in 2018 — Germany's first award for startups whose mission focuses on seniors. As the first accelerator program, the award focuses on a customer group and not on a technology or industry.

The objective of the collaboration is carrying the subject of an aging society and, coupled with it, the longevity economy to the startups community throughout Germany in order to do away with the preconceptions toward older consumer groups and motivate startups to develop innovations older people can use. In addition, the intention is to award startups who have already started a company with offerings for seniors, thereby making them visible to the whole community.

The application period for the SENovation Award was January 8 through June 30, 2018. Startups and teams providing a special offer for the elderly, or those considering this age group in particular in their strategy, were able to apply.

During this time, numerous presentations and workshops were offered by the SENovation Award team to challenge preconceptions in direct dialogue with the startups and to show the award's potential. The kickoff took place in the German Haus during the South by Southwest (SXSW) Conference in Austin, Texas, and, subsequently, more than 20 events were held throughout Germany by mid-June.

It was right and necessary to enter into personal dialogue, because this is the only way to change the established preconceptions towards age for the long term. We must carry these discussions into the startup world; the subject of seniors will not take place on its own. There are too many other topics clearly more interesting to the startups at first glance.

Aside from the onsite work, the subject and startup awards were communicated directly to the press with the help of a nationwide press campaign, which led to numerous publications.

By the end of the application deadline, 68 applications from all over Germany had been received — significantly more than the initiators had expected. Fifty newly founded companies applied, as well as 18 teams that will start new companies in the coming 12 months. Aside from the applications from Germany, there were also inquiries from startup teams in Austria and Switzerland.

Two awards for 5,000 euros each for further development of the business model and one individual coaching session were offered — one award for the batch of startups and another award for the pre-startups.

The winners were selected in three phases.

1. A team of experts compiled a short list based on the submitted pitch decks. Here, the degree of innovation, feasibility, and the presentation of the solution were given priority. Twenty-six teams were selected from 68 applicants for the second round.

2. A senior panel consisting of 300 individuals between the ages of 50 and 87 assessed the products and services according to their relevance to the participants themselves or to other individuals in the age group.
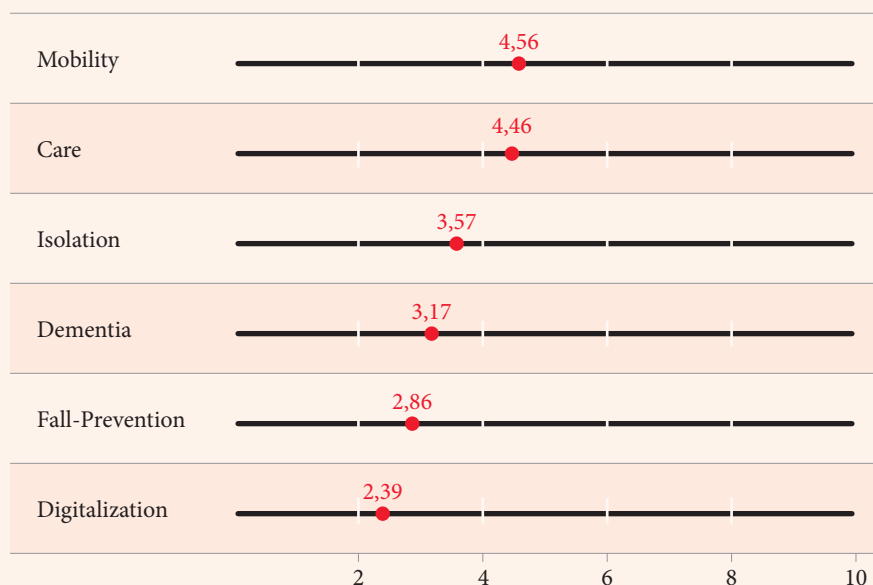
This panel was an important factor in having the applications assessed not only by experts but also by potential users and their family members as "experts on their own behalf."

The assessments of the panel were so close that four teams instead of the planned three per batch were invited to the finals, a pitch event similar to those seen on the television show Shark Tank.

The survey of the senior panel revealed yet another important insight. Before assessing the individual concepts, all participants were asked

Q1: First of all, a more general question: In which area do you see the greatest need for innovation for older people?

(Survey of a senior panel consisting of 300 individuals between the ages of 50 and 87)

Area	Value
Mobility	4,56
Care	4,46
Isolation	3,57
Dementia	3,17
Fall-Prevention	2,86
Digitalization	2,39

which sector most needed innovations for seniors.

Surprisingly, the number one answer was mobility, closely followed by the concerns in the areas of care and social isolation. (see chart above)

3. In August, the eight teams presented their concepts at the corporate headquarters of SIGNAL IDUNA in Dortmund.

The participants could not have been more different. They ranged from a developer who presented an adapter for a smoke detector with his 80-year-old mother to a team of college students who followed an interdisciplinary approach to develop a new, cross-generational mobility solution.

Prizes were awarded to the care platform Pflegix, in the category of startups, and the team ".spur," for its modular sensor set for dementia, was selected from the pre-startups.

The motives of the startups fall into two main groups. The first and much larger group discovered the need for age-related innovation through personal experience. In many cases, children and

grandchildren had developed a business model out of their solutions for problems their family members had experienced. The second group recognized the aging marketplace and engaged with the possible needs of the elderly.

If we want startups to proactively recognize needs, we have to continue to increase the focus on the aging of the markets, because the coming developments will comprehensively change demands for some time to come in Germany and across the globe.

Due to its great success, the SENovation Award will also be awarded in 2019. Ulrich Leitermann, CEO of the SIGNAL IDUNA Gruppe, made the following comment on this decision: "With the SENovation Award, there are more than two winners. Increasing awareness for the subject [of] aging and moving it into public focus will help many among the older generation as well as among startups." In the second year SENovation Award will also accept applications from Austria and Switzerland. ◆

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