



# Customer-Centric Innovation

## The Challenge

For over 50 years, Parker GSFE have remained instrumental in the development of filtration technology, even shaping several of the international standards. However, new price-based challengers were threatening their market-lead position, and the company knew it needed to find new sources of product innovation and distinctiveness. But how do you create added-value and distinctiveness in a very crowded market sector? Parker had already been working with Northumbria's Design School, on a consulting basis, when they described their ambition to establish a new, accelerated approach to innovation in the business.

## Solution

The University worked closely with Parker GSFE's management team to define the knowledge they would need to achieve their growth ambitions. Together, a Knowledge Transfer Partnership (KTP) proposal was developed, to help the company access expertise in Design Thinking, Industrial Design and Strategic Marketing. The proposal won significant funding from Innovate UK, and focused on building a design-driven approach to innovation, beginning by focusing on understanding real customer needs. This new approach gave Parker's clients a say in future product-ranges, creating a mutual interest and opening a new channel for sharing market intelligence.

## Impact

For the first time in 40 years, Parker overcame legacy colour preferences from its three EMEA filtration plants, and proudly launched a unified family of gas filters, enjoying an overwhelming response from customers. NITROSource, the first product relaunched, generated a 30% jump in sales when the new model was released. Through the new investigative methods, Parker GSFE defined an entirely new, high-value market-sector (in beverage gas filtration) and are currently working with key customers and agencies to define new standards. The KTP established the facility at Gateshead as a thought leader on product and marketing innovation, helping to secure its future within the Group. Corporate HQ in Ohio recognised several of the tools and methodologies as 'best practice', jointly presenting the work at a key global design conference in 2016. Their new responsive approach has already helped Parker secure business in major export markets and in May 2018, the company was awarded their first ever Red Dot International Design Award. Parker estimates that the impact of their KTP will be to boost annual pre-tax profits by £1.5 million within three years.

## Company Overview

Parker Hannifin Manufacturing

Parker Hannifin is a US headquartered, Fortune 250 global leader in industrial technologies across a variety of motion control and aerospace sectors.

Parker Hannifin's Gas Separation and Filtration Division EMEA (Parker GSFE) is based in Gateshead, UK and was the original innovator of compressed air treatment technology, which is still the benchmark today.



"The complementary strands of strategic marketing with industrial design in the KTP mean the business is now closer to its customers, with multiple benefits including a strong financial performance."

Neil McPherson, Division Marketing Manager, GSFE, Parker Hannifin Manufacturing Limited

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