

# Challengers to Watch 2023: Northvolt

By [Niclas Norström & Jude Bliss](#), issued by [eatbigfish](#)

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The world remains uncertain, and businesses must adapt to new and unpredictable economic, geopolitical and environmental realities. Against this backdrop, it's important to pay attention to the new (and renewed) challengers emerging and primed to disrupt categories in 2023. These companies are finding opportunities in the uncertainty, breaking with expectations, and not just meeting the needs of a fast-changing world but shaping its future.

In the 10th instalment of our annual 'Challengers to Watch' feature, we identify 20 rising companies from around the world and explore the broader trends, opportunities and threats to the status quo they represent.

Our roundup covers an expansive range of categories, markets and geographies, but all these companies share a firm rejection of 'best practice' and an understanding of the imperative to make their own rules.

## Northvolt – for making oil history



The ongoing transition to electric has created a dramatic change and power shift in the automotive industry. Demand for batteries is growing at a rapid pace, with the global EV battery [market forecast](#) to grow from \$17bn dollars in 2019 to \$95bn in 2028.

Asian manufacturers entered the market early and today account for the world's top ten battery companies, leaving the US and Europe a long way behind. China is now the undisputed leader, with Chinese companies making up 56% of the EV market, including the leading battery manufacturer CATL providing one-third of the world's lithium-ion batteries.

The story in Europe has been very different. Ten years ago, there was little conversation about Europe establishing its own battery industry to support the shift to EVs. But during the last few years, everything has changed. Europe and its industry is now determined to develop its own production of batteries and provide its many legacy automotive brands with a local alternative.



Founded in 2015, Northvolt is a Swedish battery manufacturer, with a mission 'to build the greenest battery in the world'. Last year, the company made its first delivery of battery cells to a leading European car company from Northvolt Ett - Europe's first homegrown gigafactory and the company's flagship plant.

To deliver on its commitment to producing the greenest battery, Northvolt uses only clean, locally sourced renewable energy (the world's largest battery exporter China, [produces 56% of its energy](#) from coal) and has developed its own fully automated recycling process to recover up to 95% of materials from EV batteries and become fully circular. It's this rigorous commitment to sustainability that is setting a new standard for the category and attracting key customers, such as BMW, Volvo and Scania, that share the same approach and mindset.



Last year, Northvolt raised \$1.1bn to support factory rollout plans in Europe and meet the rapidly increasing demand for batteries. The raise brought the company's total fundraising to date to \$7.1bn but the sudden injection of finance also increases pressure to rapidly find new talent and expand the team.

'Northvolt right now is hiring about 200 people every month,' head of strategy, Patrik Andreasson, told BCG. 'That's super hard to do, and it requires hiring from outside of Sweden. That is one of the big bottlenecks in the industry. We know there's a global war for talent already in a lot of different industries, but that's definitely hitting the battery industry'.

One way Northvolt is attracting top talent from around the world is through its brand, which breaks the expectations of many B2B businesses with brand and media behaviour more befitting of a creative and digitally-native B2C startup than a large engineering company.

'Mixtapes' is a YouTube video series profiling the roles and personalities at Northvolt and the films, using slick cinematography and accompanied by a lo-fi electronica soundtrack, provide real insight into the people behind the company and their lives in a way that feels authentic and three-dimensional.

In September, Northvolt staged 'Voltchella', a festival in Borlänge with music, dancing and a 6.5km obstacle course for over 2,200 employees in another example of the leadership's intention to develop a strong and collective culture that helps attract and retain talent.

And of course, there's Northvolt's mission - powerfully encapsulated in just three words that are impossible to ignore: 'Make oil history'. The statement adorns much of Northvolt's merchandise and media, making Northvolt's stance clear for anyone coming into contact with the brand and a badge of pride for employees.

'For us, one key enabler has been the very strong mission to have an impact', CEO Peter Carlsson told McKinsey. 'People have almost uniformly joined because they want to be part of building the most sustainable battery in the world'.

Finally, Northvolt has also made its employees shareholders, with staff owning almost 10% of the business. 'The



combination of a mission, having a great working environment, and that shareholding has been a big success factor for us,' said Carlsson.

2023 is set to be a breakthrough year for Northvolt when clean, green batteries from the company will power clean automobiles from BMW, VW, Volvo, Polestar and Scania and perhaps put Europe back in the driving seat of the transition to a low-carbon society.

## ABOUT THE AUTHOR

Niclas Norström is a strategist at M&C Saatchi Stockholm and Jude Bliss is research director at eatbigfish

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