The Innovator's Handbook

The Best & Latest in Corporate Innovation

2021

Our role is

more important than ever. Yet I'm hearing back from our community members that they need to do more, with less, faster.

As corporate innovators, we're tasked to respond to the Covid19-crisis, and prepare for bounce back and growth at the same time. Whilst we're still facing the many challenges from before Covid, these dynamics present new, different and more challenges for us to solve.

We've hosted a 10-week collaborative learning program Innov8rs Connect Unconference, designed for participants to learn what's working now across industries, and to work their challenges guided by experts and supported by peers.

In this Handbook, we've summarized what's been discussed in the 100+ sessions throughout the program, offering you a comprehensive overview of the best and latest in corporate innovation.

A big shoutout and THANKS to all the experts who volunteered their time to share best practices, offer practical guidance and solve shared challenges. You'll meet all of them in this Handbook.

In the months and years ahead, we can and should lead our organizations through this uncertainty- balancing short and long term efforts, and creating tangible value internally, and in the market.

At Innov8rs, it's our mission to support you on that journey. If you'd like to stay on top of what's working now across industries, and if you're keen to connect and collaborate with peers and experts to further improve your outcomes, I invite you to join our community and our upcoming online events.

Stay safe and see you soon- for now, happy reading and implementing!

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SOLVE CHALLENGES. CAPTURE OPPORTUNITIES. ACHIEVE RESULTS.

You Don't Need To Go Alone.

Leading innovation in large organizations can feel like an island. There's a place where there are others like yourself, who "also get it".

Join Innov8rs Community to connect and collaborate with peers and experts, to address actual issues and get actionable insights.

JOIN WEEKLY LIVE SESSIONS
Talks, workshops and conversations, covering everything corporate innovation from A to Z

ON DEMAND ACCESS TO CONTENT
Session recordings from our past online events and conferences plus other practical resources.

PEER SUPPORT AND EXPERT GUIDANCE
Get open and honest feedback by hosting a challenge call. Go deeper and address key issues in topical workshops.

FACILITATED PEER CIRCLES
Closed-door conversations with others in the same role and/or in the same industry.

ENGAGE AND EXPAND YOUR NETWORK
Ask questions, join discussions and connect with other members via our social learning platform. Whatever your question, simply tap into the experiences and expertise of others for answers.

FOR MORE INFO AND TO APPLY TO JOIN, GO TO

INNOV8RS.CO/COMMUNITY

Covid19/Crisis Response

CHECK RECORDING

JOIN DISCUSSION

The Winners of the Low Touch Economy

How To Navigate The Future By Focusing On The Now

Expert

NICK DE MEY
Insights Lead & Founding Partner at Board of Innovation

The low-touch economy refers to the way businesses and consumers have responded to Covid19. It's easiest to think of the low touch economy like a feedback loop. Health measures put into place to combat Covid19 (e.g., social distancing, restrictions leads to economic disruption (e.g., budgetary changes, supply chain changes), which both lead to behavior shifts (e.g., new needs emerge, consumers shop differently).

The question is: will these changes last? Will consumer purchasing behaviors return to what they were before the pandemic spurred once we get a reliable vaccine? Can companies simply hold their breath, or should they really be tearing down the pipes and re-plumbing? And how long will the "low-touch" economy last once social distancing is unnecessary?

Don't get caught in this thought loop. It's easy to second-guess innovation towards the low touch economy – especially if you're scared that you'll be "sacrificing liquidity on innovation that won't be necessary in two years." Chances are, things aren't going back to "normal." And things aren't staying the same as they are during this crisis. Profound global changes like Covid19 create cultural, environmental, and personal changes to each of our lives that impact all of our movements going forward. The winners of the low touch economy have been the companies that responded and innovated rapidly.

6 Areas To Find Value and Opportunity In The Low-Touch Economy

There are six areas of opportunity in this new economy.

> "Profound global changes like Covid19 create cultural, environmental, and personal changes to each of our lives that impact all of our movements going forward."

1. Industry Shifts

Almost every industry has shifted during Covid19. Major retailers are opening dark stores to shorten shipping and pickup times, and restaurants are quickly becoming ghost kitchens for delivery services. Nearshoring and the gig economy have quickly become de facto workplace strategies for on-demand talent generation. And office redesigns and remote work has completely shifted the way we interact, operate, and engage with our talent and our customers.

Opportunities in this space are vast. The way we operate has fundamentally shifted. Retailers like Bath and Body Works are shifting 25% of their stores into dark fulfillment centers for local orders. The explosion of on-demand delivery, new tech requirements, and remote work has energized the gig economy. From opportunities in on-demand talent to digital venture partnerships, industry shifts are creating plenty of room to carve out innovation.

Example areas of opportunity to consider:

- Nearshoring
- Virtual migration
- Dark stores
- Local automated warehouses
- Digital venture partnerships
- Local distributed businesses
- Office redesigns

2. New Regulations

The weight of regulatory bodies is crushing during normal years. During this pandemic environment (and very likely during the post-pandemic bounce-back), regulations are flying at the speed of light. Social distancing guidelines are converging with sanitation guidelines in the physical world, and remote conditions are colliding with data privacy guidelines in the digital world.

In the nooks and crannies of the regulations is some serious opportunity. How can you leverage the right data privacy and authentication services to solidify your data privacy policies? What can you do to streamline customer flow in a socially distanced space? Applying innovation to in-the-moment challenges yields rewards in an atmosphere where everyone is trying to wrestle the same regulations.

Example areas of opportunity to consider:

- Remote court services
- Private remote diagnostic services
- B2B admin tools sensitive data
- Authentication services
- Risk profile calculators

3. New Consumer Behavior

We all know that consumer behaviors have changed during Covid19. But what are the long-term implications? According to McKinsey, "many of the longer-term changes in consumer behavior are still forming, giving companies an opportunity to help shape the next normal." We're in a business environment where there are suddenly thousands of new, unopened doors. This isn't the slow-to-scale SaaS projects of the last decade. You can put out an innovation today and see results tomorrow. People are craving new experiences.

For example, many people are ditching the germ-filled gym in favor of home workouts. There's some real opportunity in health-and-wellness at home. At the same time, almost every business is shifting to remote conditions. So, rental equipment for businesses and workers is an area of renewed opportunity. From optimizing eCommerce to finding ways to scale in a digital box, consumer (and employee) behavioral changes are sparking innovation.

Example areas of opportunity to consider:

- Informal video communication
- Health/wellness at home
- Optimize eCommerce
- Rental equipment at home
- B2B tools scaling services

4. Societal Changes

Applying consumer behavioral changes to a larger scale, you get societal changes. What's happening in a broader sense? Nick pointed out some examples like elderly IT support and alternative family gatherings. Traditionally, we've always dealt with digital holdouts. Older generations didn't necessarily want to pick up an iPhone and order from an app. But during Covid19, they're in a vulnerable category, and digital tech is their lifeline to the outside world. Many have been converted. So, how can your business assist them in using your apps?

There are plenty of these societal opportunities popping up. In fact, entirely new industries have spawned out of this pandemic. On the B2B side, supply chain frictions and remote activity monitoring are other examples of white-space value in the low-touch economy.

Example areas of opportunity to consider:

- Remote health tracking
- Personal security services
- Elderly IT support
- New niche industries
- Remote activity monitoring
- Supply chain transparency
- Alternative family gatherings

5. New Resources/Assets

Covid19 has created new assets. A good example of this is the available workforce. In the past, the gig economy and nearshoring drew sights of hesitation. After all, supporting those emerging work models requires some level of tech facilitation and collaboration. But now that most of us have built (or are building) remote facilitation stacks, on-demand talent is easier to imagine. While these aren't "new" resources, they are newly available to you. Implementing the right systems or innovating the right solutions can help you make the most of them.

Mergers are another new resource or asset. You may be considering new M&As during this time for scale. This is an opportunity for resilient and proactive companies to scoop up crippled businesses and jumpstart them with innovation. M&A and partnership opportunities are a core pillar of how businesses are shaping the new normal going forward.

Example areas of opportunity to consider:

- Available workforce
- Local tourism partnerships
- Mergers for new scale

6. New Technology

Nick considers this the "lowest impact" white-space opportunity in the low-touch economy. But that doesn't mean that there's no opportunity here. Most of the technology we're using existed pre-Covid. Of course, we're all moving around our tech stacks to facilitate remote conditions, but most of us aren't putting significant resources towards tech R&D during the pandemic.

However, there are some areas that stand out. Telehealth, new data modeling tech, and remote surveillance tools all come to mind. Alternatively, using existing tech intelligently can be a differentiator during this period. Being flexible and agile enough to onboard new tools and resources rapidly can put you at a serious competitive advantage.

Example areas of opportunity to consider:

- New health tech
- Data modeling
- Surveillance tools

CHECK RECORDING

JOIN DISCUSSION

LEAP: Thriving After A Crisis

Expert

HOWARD YU
LEGO Professor of Management and Innovation at IMD

In times of financial crisis, it can be difficult for companies to recover. Consumers are less likely to spend their discretionary income, which means companies are making less money.

However, companies that are well-prepared for the future can recover, and even thrive after a crisis.

How Technology Can Help Your Business Prepare For The Future

Typically speaking, older companies that have not exposed themselves to the age of digitization are less prepared for the future than companies that have embraced digitization, artificial intelligence and various conductivities.

Organizations that thrive in times of crisis have leaped ahead in the technological world and moved away from traditional core competencies.

For example, it is not enough for a bank to run a first-class retail branch using human judgement to make loans. It must also offer mobile payment services and mobile advisory services. Likewise, it is not enough for a fashion retailer to sell a large quantity of product to a big retailer.

To be successful, companies must reach the consumer directly, and one of the best ways to do that is through the use of innovative technologies.

> "Organizations that thrive in times of crisis have leaped ahead in the technological world and moved away from traditional core competencies."

How To Measure If My Businesses Is Well-Prepared For The Future

IMD conducted a study in December 2019 – well before Covid19 hit the United States' radar – that determined how well large corporations were prepared for the future.

The companies that recovered the quickest and are now thriving following the effects of Covid19 all had the following assets:

Healthy Core Business

For a company to recover from a financial crisis, its core business needs to be strong. If a core business is already on a decline before a crisis, it's almost impossible for it to adequately prepare for the future and recover after a crisis.

Strong Budget For IT And R&D

Companies that spent more on IT and research and development had a greater understanding of the needs of their consumer and their consumer base. This means that after a crisis hits, they are easily able to understand the troubles and concerns of their customer and address those concerns directly.

A Diverse Management Team

Companies that have management teams from the same background tend to get stuck in a box. Companies that had managers outside the traditional sector were able to widen their ideation funnel and attack their issues in a variety of ways.

CEO Tenure

Although it won't affect the entire business, a tenured CEO tends to promote more innovative ideas. CEO's that are about to retire likely won't engage in big innovation projects and CEO's that are just starting tend to lack the credibility necessary to instigate a large change.

CHECK RECORDING

JOIN DISCUSSION

Innovation Lab Excellence: Innovating In A Downturn

Expert

RICH TURRIN
Consultant and author. Prior innovation lab fintech head at IBM. Author of *"Innovation Lab Excellence"* and *"Cashless – China's Digital Currency Revolution"*.

Innovation labs are loved and hated by companies that run them. They are loved because companies love the concept of innovation, but they are hated because innovation is fundamentally hard. It challenges people, and leaders in companies want the lab to do more and to do different things. They don't understand how innovation works.

Currently, Covid19 is what is driving digital transformation for businesses. All sectors have had their digital transformation requirements ramped up in order to handle work from home requirements. Covid19 also has brought about an economic downturn. Even in times of digital transformation, innovators are vulnerable in a downturn. There are a number of things innovators can do to lessen the fear and concern raised by a downturn.

Solve The Strangest Problems

The concept of "this is not my job" does not apply to innovators in a downturn. If an innovator sees a problem, it is their job to solve it – regardless of whether the problem touches the normal projects being handled by the innovator. Don't be fixated on the existing product schedule for planned innovations. If there are unusual problems within your company, the innovation team needs to be on deck to solve for these problems.

> “If an innovator sees a problem, it is their job to solve it.”

Bring Technology Forward

Many innovation teams have a schedule of rollouts for different technologies they are working with. Bring technology forward. If you are working on a chatbot that isn’t perfect, launch it now. Don’t wait the additional three to four months it might take to perfect the chatbot. If you have technology that can benefit your company, it is better to launch it before it is perfect as long as it isn’t unprofessional. Technology that is 75% plus complete, they should be rolled out now. Your company needs the innovation, and the project will still help the consumer even if it isn’t complete.

It’s Not Just the Customers

During this time, you need to think beyond the client. While clients remain important, innovators need to focus on the people in the organization who are stressed by the “new normal.” Everyone’s roles are shifting and changing. If you can help a colleague overcome the stress created by these shifts, this will create added value for the role of the innovator within the company.

CHECK RECORDING JOIN DISCUSSION

To Innovate for "Real", You Must Disrupt The Core

Expert

BRANT COOPER
Brant Cooper. NYT Bestselling Author; Keynote Speaker; The Startup Bluebook, CEO, Moves the Needle

We are facing massive uncertainty, especially at times like these. We, as innovators, can and should lead our organizations forward. To do so, we need to leverage the five "E's" of disruption poetry: Empathy, Experiments, Evidence, Execution and Ethics.

The trick here is that we need to stop thinking that the core business does not understand innovation. Rather, maybe we need to focus on why innovators do not get the core business. And ultimately, we need to learn how to balance execution and learning throughout the whole business.

Disruption Poetry

The innovation industry for a while has been selling a concept that we need to divide the organization into an execution side, and an exploration, a learning side. The pandemic is really driving home this feeling of disruption that we are having.

Even before the pandemic, there was a tremendous amount of uncertainty in the world. The world is moving incredibly fast, and disruption seems to be happening all around us. If we look at startups like Uber, Airbnb, or even going back a few years to Instagram or even a lot of what Amazon does. It is not about technology invention. It is really about how we provide this different type of experience and value to end-users, such that markets have changed.

If you think about it in that way, technology disruption tends to start in the core parts of the economy, driven by large technology and chemistry driven companies or major university programs. Therefore, if you were a technology company, what you needed to do was to invent, and you gave a significant amount of budget to R&D. Part of the problem today is that we are still using this same method of innovation, even though the real change is out on edge. The real change is out there with individuals – it is almost like having seven billion market segments.

Disrupting the Core

What the innovation team can teach the core business is how do they separate what is known from what is unknown. Specifically, where is the gap that they face? For example, pre-pandemic commercialization teams have faced the following situation.

> "We need to help the core business articulate where their unknowns are, and then we apply our skillset and toolset to close that gap."

We know how we will hit our numbers this year, but we may be 5% short. We also do not know how we will close that 5% gap?

That is referred to as an uncertainty. To solve this, the teams need to use empathy, experiments, and evidence to close that 5% gap. Innovators already take these steps natively. The innovation teams just need to learn how to express it in a way that the core business gets what they are talking about.

What Keeps a Leader Up at Night?

In order to get leaders on board, we need to focus on what they're worried about. A solution to their problem is what they are going to fund. Especially in these times, leaders aren't worried about what their breakthrough innovation is going to be five years from now.

As innovators, we need to help the core business articulate where their unknowns are, and then we apply our skillset and toolset to close that gap, moving those "unknown" items to the "known" side.

During the pandemic, that can include very fundamental market questions and customer questions that seemed "known" six months ago, but are currently unknown. However, it also can be issues like: how do we manage remote people? This is an uncertainty that core business executives might have, and it's our job to close that gap applying lean innovation, including empathy, experiments, and evidence.

CHECK RECORDING JOIN DISCUSSION

What Corporate Innovators Need to Do to Ensure Post-Crisis Growth

Expert

FRANK MATTES
Founder and CEO
at innovation-3.
Author of Scaling Up
Corporate Startups

Corporate innovation has always been a tough job. It is now even tougher by budget cuts and working from home. At the same time, corporate innovators are asked to do new things from a smaller base: they are supposed to help navigate uncharted territories (the "New Normal") and to set up the company for post-crisis growth.

It is easy to view these circumstances as overwhelming and disheartening, but there is a way to move forward and ensure post-crisis growth.

Companies Unprepared For Fundamental Shifts

A recent study by McKinsey with 200 global CEO's provided some great insight into how corporate innovation's key stakeholders view the state of innovation in the current situation.

90% agreed that the Covid19 crisis will fundamentally change clients' needs and business operations over the next 5 years. 7 out of 10 CEO's say that the situation provides opportunities for growth– but only 2 out of 10 see their companies prepared to seize them.

The Need For A Tangible Action Plan

Consequently, corporate innovators must take the initiative. Since in most companies, innovation budgets have been cut, it is of uttermost importance to have a clear, actionable and communicable plan. There is simply no budget, no time and no space for taking the wrong turns.

Your plan should consist of five steps:

1. Understand the New Normal
2. Explore the opportunities
3. Align Innovation and Digital
4. Select the right corporate startups / ventures
5. Accelerate and scale them up, based upon Best Practice

> "Corporate innovators should be crystal-clear on what they focus on to make sure that precious resources are spent wisely"

Step 1: Understand The New Normal

We all experience many changes in our lives. Some of these changes will stick and become the norm in a changed world, the "New Normal". One aspect which is clearly emerging is a "low touch economy". This describes a business environment in which customers will be hesitant to have physical contact with things and people (i.e. "high touch") and prefer a low touch solution to their jobs-to-be-done.

Consequently, customers will have different decision criteria and prefer a different customer journey. Corporate innovators need to understand what this will mean in practice in their respective business environments so that they can catch New Normal customers where they want to be caught.

Step 2: Explore The Opportunities

Every crisis – also the current one – brings new opportunities. Some of them may come from understanding New Normal customer expectations deeper and/or faster than the competitors. Other opportunities lie in re-designing the channels to customers (e.g. omnichannel with a re-defined physical touch point) and the value proposition / offering.

The most interesting opportunities will be in new business models. As we have seen from the last crisis, changed fundamental assumptions provide a fertile ground for new business designs. For instance, after the last crisis the common view on asset ownership changed. This led to new, "Sharing Economy" business designs, such as e.g. Airbnb and Uber.

Corporate innovators need to understand which fundamental assumptions are changed by the Covid19 crisis, generate ideas and validate them to seize the opportunities.

Step 3: Aligning Innovation And Digital

In many companies, Corporate Innovation and Digital have been two separated, siloed units. Both are asked in the current situation to support the core and contribute short-term to the company's top line.

This is now a good time to join forces. By doing so, the current offering to existing clients may be extended or existing solutions adapted to new target groups.

Corporate innovators should align with their colleagues from Digital, compare the agendas and identify short-term opportunities that may arise from joining forces.

Step 4: Select The Right Corporate Startups

Smaller innovation budgets require corporate innovators to be very selective about which adjacent or even disruptive innovation activities should be kept alive, accelerated and scaled. Cuts that are made free resources which could be directed at accelerating the innovation journey of the precious few, right corporate startups/ventures.

The first step is to spot and kill the “zombies”. These are initiatives that are alive but should not be. Some criteria to identify zombies are for example (a) slow speed in their innovation journey, (b) unfavorable relation between expected size and time of business impact or (c) missing alignment with the New Normal.

After the zombies have been killed, the portfolio should be pruned even more: Only the startups with a clear strategic alignment and with fit to the New Normal should be in the “bounce forward” portfolio.

Corporate innovators should be crystal-clear on what they focus on to make sure that precious resources are spent wisely and that the right startups ventures are accelerated as fast as possible.

Step 5: Accelerate And Scale Up The Right Corporate Startups

Historically, companies have not been good at achieving business impact from their corporate startups. Statistics show that 85-90% fail after the “Minimum Viable Product” stage.

The current situation does not allow failures. The odds for success must be increased. Improving the quality and speed of validation and scaling are key levers for achieving this goal. This requires using the best thinking tools and frameworks. One of these is the Lean Scaleup, which has been co-created and is used at more than 20 leading companies already.

Corporate innovators should familiarize themselves with this framework and upgrade their innovation management accordingly so that they can increase the odds for success.

Although these are challenging times for corporate innovators there are also opportunities to support the core business and to re-establish the value of corporate innovation.

Strategy, Leadership & Governance

CHECK RECORDING JOIN DISCUSSION

Making A New Rule Book for Innovation

Expert

ESTHER GONS
Founder and CEO at GroundControl by NEXT Amsterdam and Author of The Corporate Startup

One factor in professionalizing innovation is having a clear definition of what innovation is within the company. If you have a clear definition, it will help everyone within the company understand what to do with an innovation project and how to approach it. They'll know whose door to knock on to take it forward.

Every company has a rule book. That rule book is rooted in principles like cost reduction, growth, ROI, and increasing efficiency. All the processes created within the company are linked to what's in the company rule book. That rule book is a good thing; it's what got the company to where it is today and it's the system that is earning money.

But as soon as you start dealing with innovation, you have to approach things differently. That's because innovation cannot and will not succeed within the systems defined by the company rule book. You need to create a second system, a start-up rule book. This rule book needs to contain things like:

- Exploration of new ideas
- Taking a systemic innovation approach
- Learnings from previous innovations
- Validating and de-risking business models
- Defining Innovation Based On Business Goals

Defining Innovation Based On Business Goals

It's easier to define innovation if you look at it from a slightly different perspective. Instead of lumping innovation into core or adjacent, or using the horizon model, think of innovation as fitting into these three categories:

> "Innovation cannot and will not succeed within the systems defined by the company rule book."

1. **Sustaining innovation.** This innovation contributes to the current business model and has a high certainty factor. This is still innovation, though a lot of companies want to call it improvement or sustainability. But it's important to define what it is so everyone within the company can identify it.

2. **Startup innovation.** This type of innovation is about finding new models for the near future. There is uncertainty. The innovation's business goals won't line up with the current business goals. That's because this type of innovation is asking what models will exist seven to ten years from now. While these innovations might contribute to the current model eventually, their main focus will be on the future. This kind of innovation will need new KPIs and new ways of working.

3. **Basic research.** This is the type of innovation that people are most afraid of because it has the most uncertainty. This innovation is all about new discoveries, new technology, and new science. You'll have different goals for this kind of innovation.

A good definition is the first step and the most important condition for professionalizing innovation within a company. If definitions stay fuzzy, people don't know what to do, how to approach innovation initiatives, and there will be no way to professionalize innovation company-wide. When you clearly define innovation within your organization, it empowers people. They will know what to do when they encounter that type of innovation and what to do with it from there.

CHECK RECORDING

JOIN DISCUSSION

The Innovation Illusion

Expert

CAROLINA WOSIACK
Managing Director
EMEA at CI&T

When it comes to implementing successful innovation programs in a company, there is no one-size-fits-all approach. The process can be difficult because there are several approaches necessary to ensure success.

However, executives that are driving the innovation within a company often find themselves searching for a silver bullet or a "quick fix". This is what is known as the innovation illusion: the idea that all innovation problems within a company can be solved by doing one thing. This can fall in a variety of areas, as listed below.

Take A Tour Of Silicon Valley

Taking a tour of other innovative companies allows you to discover new ideas and benchmark where your company sits. However, it is important to remember that the tour is not just about getting information or inspiration. You must return to your company and implement change.

Train Teams In Design Thinking

Design thinking refers to the strategic, cognitive and practical processes by which new concepts are developed. It is important to rethink the way your company gets ideas, and teaching employees ways to upscale their thinking can help build your company's ideation funnel. However, you must also find ways to implement those ideas.

Acquire Startups

Acquiring a startup can help your large company speak to a new market or disrupt the way a corporation runs. This has proven successful for many companies, but it can be hard for both your company and the startup to exist harmoniously.

Revamp your office

We've seen this done all over: offices get rid of cubicles in favor of open-concept desks. Others get rid of the office altogether. Revamping an office can encourage collaboration and enthusiastic employees, but this step affects the process of innovation, not the outcome.

Although these initiatives may help as part of a broader program, compounding their impact, they will not be effective by themselves.

> "The innovation illusion: the idea that all innovation problems within a company can be solved by doing one thing."

CHECK RECORDING JOIN DISCUSSION

How To Get Leadership On The Side Of Innovation

Expert

RITA MCGRATH
Columbia Business School Professor. Thinkers50 top 10 & #1 in strategy. Bestselling author of The End of Competitive Advantage & Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen

I suggest you approach your leadership through the lens of your portfolio activities. When discussing innovation with your CEO or CFO, you will have to address two levels of uncertainty:

- Uncertainty about the market, which encompasses who your customer is, how you get to them, and what products and services they want.

- Uncertainty about technologies and capabilities, which takes into account feasibility, execution, scaling, and critical mass.

When you think about it, you have three different levels of business to consider when driving innovation:

1. **Core Business,** which is your established business. You know what you to do and who you're doing it for, and that can be very innovative, but it has low uncertainty

2. **Near-Field Businesses,** which are your candidates to be your next generation core. These are your innovations with 8-months to 2 years generation that you might be planning for today.

3. **Strategic Options,** which are small investments you are making today that open up opportunities for the future.

It is interesting to note that it is easier to measure and quantify your ROI with your core business than with strategic options, but the options have much higher ROI potential. This is largely because by definition the core already has a lot of uncertainty driven out of it, so you're not going to get those types of venture capital returns from investing in your core business.

This is a conversation I often have with CFOs because they talk about options as a license to loot. On the contrary, you can be disciplined in your pursuit of options, but you have to have them in your portfolio because that's where your future returns are.

The Case For Investing In Innovation

Once you have your audience with the CEO or CFO, you need to provide them with reliable evidence that your company needs innovation, and ways that innovation will help. I usually follow these three steps:

Survey

I use a survey to find indicators that your existing business is in decline. Examples of a failing business may include investing the same amount, but not getting the same return, customers purchasing the same product for less elsewhere, customers not paying more for added features, and inability to attract new talent you want to keep. I walk leadership through each of these factors, and if the answer to many of these situations is "Yes", then they're on the wrong end of a fading competitive advantage.

At that point there is no choice but to invest in what the next competitive advantage is or the business is going to become irrelevant. To make your case, you have to make them feel that dissatisfaction, that all is not well in the core business.

Process

Then, you need to encourage them to understand that innovation is not magic. There's a systemic process where you can look at metrics for investment and progress, so you can reassure them that this isn't license to just go crazy. It is an actual process that you follow.

Imagination Premium

For publicly traded companies, I use a metric called the "Imagination Premium". It is a metric that shows how much of your market capitalization can be explained by operations; in other words, what you're delivering today, versus your growth aspiration. If you take the value of growth divided by the value of operation, you get what I call the Imagination Premium or TIP.

This is an interesting number, because it says that the operations are valued at the current state of your company. If you're a highly innovative company, however, your investors are willing to pay more for your shares than if they were just looking at what you generate on a cash flow basis.

> “We have allowed forces that favor the near term to overwhelm forces that favor the longer term. ”

If you are very high on Imagination Premium, it means that very high expectations are baked into your share price, so being too high in Imagination Premium can be very risky. If you’re too low on Imagination Premium, you begin to attract activist investors, you start to become takeover bait, your board is under questioning, and your CEO may lose their job. So, you want to be somewhere in the middle. You want a balance between what you’re doing today and what you’re planning on doing tomorrow.

The Effects Of Timing

In a crisis of survival, it is very difficult to think in the long term. When discussing innovation and the current crisis, there is often a lot of discussion about shareholder returns and pressure, but what I actually think we have is a crisis of timing. We have allowed forces that favor the near term to overwhelm forces that favor the longer term. The Business Roundtable, this time last year, made a point that business has to be run for the benefit of all stakeholders, and I think that is directionally correct. However, the problem in my view is not necessarily that we run businesses for shareholders, it is that we run businesses for short-term payoffs to shareholders.

After all, given a long enough time horizon, the interests of all stakeholders necessarily align – if your workers are impoverished and your communities are languishing, that is not going to be an environment of generous returns in the long run. Reframing this discussion from a timing perspective can help you to encourage the C-team to support your innovative efforts.

CHECK RECORDING JOIN DISCUSSION

How to Become an Invincible Company

Expert

ALEXANDER OSTERWALDER
Co-Founder at Strategyzer and Author of The Invincible Company

When we say "invincible" we understand that no company is actually invincible. All companies are at risk of failure in one way or another; however, there are things that your company can do to stay ahead. In my experience, there are three primary factors that help make your company invincible:

1. Constantly reinvent yourself
2. Compete on superior business models
3. Transcend industry boundaries

Successful companies are no longer classifiable within industry boundaries. That's 1985 thinking, and the world has changed since then. These days, companies need to think beyond their tried-and-true core business in order to remain relevant in a changing business world.

Challenges Facing Existing Companies

For established companies, the biggest challenge is trying to encompass both Explore and Exploit mentalities. Doing both at the same time is very hard for most organizations, because managing what you have and inventing the future require fundamentally different mindsets, and most of us are not very good at focusing on both. So, how can we incorporate both the Explore and Exploit mentalities to enhance innovation? First, we have to define innovation.

3 Types of Innovation

I believe that the word "innovation" alone is nonsense, because there are different types of innovation:

> “These two very different cultures need to find a way to coexist in harmony and collaborate in order to facilitate transformative innovation.”

1. **Efficiency Innovation** entails improving the existing processes and business model. This can include the addition of very sophisticated technology, but the challenge here is that you can mistake advanced technology for advancing the company when you’re really just making the current processes more efficient. At worst, that could mean that your company is just going to more efficiently die with a dying business model. So, what we really need to do is work on sustaining and transformative innovation.

2. **Sustaining Innovation** refers to new value propositions but with the same business model.

3. **Transformative Innovation** is the most difficult for established companies. This type of innovation focuses on inventing the future. It can be especially daunting because people believe that when creating growth engines involves the cannibalization of existing business. Sometimes that’s true, but it’s not always the case. In fact, it’s one of the most prevalent innovation myths. You can create growth engines that either build on the strengths of your existing business model or extend it into new ares.

Although all three types of innovation facilitate change, only sustaining and transformative innovation fall under the Explore mentality necessary to facilitate true change. Efficiency innovation, while important, focuses only on the improvement of existing processes, and falls solidly within the Exploit culture.

The Portfolio Map

In order to bridge the gap between Explore and Exploit mentalities, we created a tool to harmonize both, the exploration of new ideas and the management of the existing. What we came up with is the Portfolio Map, which makes the two different portfolios explicit: your Explore Portfolio and you Exploit Portfolio:

1. **Explore Portfolio:** This portfolio incorporates transformative and sustaining innovation where you create, test, and adapt ideas, and new business models until some emerge that can become new growth engines. .

2. **Exploit Portfolio:** This portfolio focuses on ways to detect and prevent disruption and improve your existing business model and operations. This can include advanced technology for more efficient physical operations or a new business model that adjusts the process flow. These ideas may be innovative, but they are not necessarily transformative.

These are two different worlds, with different cultures. The Exploit approach incorporates a professional consultant mindset reason and logic, while the Explore approach is more like pirates, opportunistic and unpredictable. These two very different cultures need to find a way to coexist in harmony and collaborate in order to facilitate transformative innovation.

Ideate, Pivot, Kill

Data from early stage venture capital shows that you'd need to invest in approximately 250 projects to produce one mega-success. About 162 of those projects will fail outright, 87 will produce some level of success, and only that one 1 will be completely successful. In short, you can't pick the winner, and you will never know which project will succeed until you've invested. It's great proxy data for corporate innovation.

To this end, it is especially important to remember that failure is normal in a healthy innovation process. It's a well known fact with successful companies that in innovation, you fail all the time. In the beginning "winners" and "losers" look virtually indistinguishable, and sometimes, a bad idea will get a lot of traction because it has a charismatic champion. You still can't know how successful an idea will be until you test it. This is why portfolio management is the biggest next wave in innovation that we need to get right in order to succeed in transforming a business.

> "Avoid big failures, or you're dead.
> Embrace small failures or you're dead."

The lesson here is that you can't pick the winner without investing in the losers, and this is the fundamental basis of Exploration logic:

Rather than betting on one big project, invest in many smaller projects, but be prepared to embrace the small failures, because that is what will allow the successful projects and teams emerge.

Power Behind Innovation

I do believe that those who invest in innovation will win; however, the key to success is not the people, the project, or the money. It's the power. Leaders need to personally allocate time and money into innovation every week, if they want innovation to be taken seriously at their organization. In companies where you have co-CEOs – one focused on Explore and one on Exploit – or with one CEO who is at least 40% focused on innovation, you will see innovation emerge, and you will see companies succeed. Without more than 40% focus from leadership, there will be no innovation in the company, because there will be no power behind it. Convince leadership to focus on innovation, and the money, resources, and people will come.

How To Coordinate Efforts For Coherent Innovation Strategies

Something we see a lot is a lack of coherent overall strategy for innovation. When innovation is missing from your company's overall goals, it's never going to happen. Your strategy needs to incorporate both the Exploit and Explore portfolios. We call this Portfolio Guidance. The strategy should inform how you are going to manage both your Exploit and Explore portfolios. With your Exploit portfolio, consider which businesses are at risk, which businesses are you going to get rid of, and which businesses you may want to acquire. For your Explore portfolio, your portfolio guidance should focus on which areas of business you want to explore and what technologies you want to invest in. Finding the right exploration direction depends largely on how you define your corporate identity.

Define Corporate Identity

Defining your corporate identity gives you the portfolio guidance that allows your teams to know what to do in both Exploit and Explore portfolios. With both of your portfolios working together, you can facilitate sustainable and transformative innovation that will keep your company relevant in our changing world.

In order to create a corporate identity, you need three things:

1. Strategic Direction, in order to reallocate resources to innovation.
2. Organizational Culture, in which you redefine your internal culture and hire new talent.
3. Brand Image, which you can craft through investment in new arenas and platforms.

CHECK RECORDING JOIN DISCUSSION

How To Choose And Lead The Right Innovation Strategy

Experts

PETER GLASHEEN
Head of Faculty, Managing Director at Innovation 360 Australia

AJ KENNEDY
Director, Innovation Management & Ideation Specialist at Innovation 360 Australia

Innovation works even in the worst of times. According to a recent McKinsey report, those who take on this challenge during adversity outperform other companies by 10% during the crisis and 30% post-crisis. Realizing those returns requires a sound innovation strategy, and the capabilities required to deliver it.

Choosing and communicating the right innovation strategy for your company's needs begins with your company's aspirations. Aspirations can be the type of innovation you want to undertake: incremental or radical. It could also be an aspiration for profit or growth, as driving technology, seeking the real needs of users or having an intimate knowledge of the current market, trends, customers and competitors.

A balanced approach between the extremes makes your company more adaptable across its business horizons and helps you 'build the now' and 'search for the new' at the same time.

Types Of Innovation Strategy

The answer to 'why are we innovating' comes from the mixture of strategies that your company employs. There are three different types of innovation strategies we commonly encounter:

- Need seekers
- Market readers
- Technology drivers

> “Your innovation strategy and corporate strategy need to be aligned, as well as coherent.”

Technology drivers strive for breakthroughs and incremental change aided by new technology. Market readers take advantage of proven, data-driven market trends and an understanding of customers and competitors. Need seekers look for new opportunities by understanding the end-user and rapid, go-to markets. A number of top companies employ a mix of these strategies. Apple is an excellent example of a company that employees the need seeker mentality. Samsung excels at reading the market, while Google is, without surprise, a technology driver.

Innovation Strategy Design

Your innovation strategy and corporate strategy need to be aligned, as well as coherent. To be successful, an innovation strategy must contain the following:

- A clearly articulated and concise corporate strategy that outlines your overriding goal, scope of activities and competitive advantage
- A 360 assessment that covers what management, employees and externals perceive
- A clear purpose, vision and mission
- Identified goals for innovation
- Capabilities identified and strategies aligned

Together, these factors form a coherent innovation strategy from which you can establish strategic initiatives as necessary. It is also important to understand how to manage your innovation across different business horizons:

- Horizon 1 is your core business, the ‘’Build the now’ part of the organization
- Horizon 2 is growth, meant to create new products and solutions in the coming years
- Horizon 3 is the future, learning and gaining insights that help you change the status quo of your industry

Leadership For Different Horizons

Your organization may need to ‘build the now’ by continually improving your existing business, or ‘search for’ and create ‘the new’ business with either short-term or long-term goals. On that sliding scale, 5 distinct innovation leadership styles tend to succeed, as we’ve learned from Pierre Loewe, Peter Williamson and Robert Chapman Wood.

1. The Spiral Staircase

Under this umbrella, the focus is on the customer and satisfying current needs. Using an internal existing team, you are gradually and in small steps climbing upwards without losing sight of the overall goal. The strategy will be defined by steady movement and regular incremental innovation successes. When added, these can have large impact, so this style is more than continuous improvement, and when taken to a very high level could end up in the creation of a new business – think of how well Amazon got at some internal functions that then turned into AWS.

British Airways is another perfect example of this leadership style. The airline gained an edge in a hyper-competitive market by leveraging its internal brand managers to improve customer satisfaction, including the innovative option of customizing seats for each customer.

2. The Cauldron

In many ways, the cauldron is the opposite of the spiral staircase. In this scenario, common especially for startups and entrepreneurial leadership styles or where transformation is required.The business model is under constant challenge by new ideas that might disrupt the core. Anytime something bubbles to the surface, it's examined, leading to change and innovation at potentially rapid pace.

Think about Google's approach to gaining market leadership and continually disrupting a number of industries today. You'd expect nothing less from a company whose business model is as ambitious as 'organizing the world's information'.

3. The Fertile Field

Within this style and strategy, the organization attempts to use its existing capabilities and resources in new and innovative ways – rather than investing dramatically by pushing significant funds and time into new resources and capabilities. It's a process that lends itself to consistent growth due to the limited risks involved in using 'existing resources' and a tendency to focus on adjacent innovation or exploitation of the core.

Shell has distinguished itself in the oil and gas industry through this type of approach. Especially it's recent history is full of case studies showcasing how good executives and decision-makers are at leveraging the resources they have for innovation and future growth.

4. The PacMan

This style is, in many ways, self-explanatory. It's an acquisition strategy at heart. Innovation occurs through outsourcing innovation, financing and acquiring startups, and other ways to acquire new resources and capabilities in the marketplace to drive future growth and the next big thing.

Cisco is one of the most famous examples of growth using this approach. After its founding in 1984, it famously grew out of a number of small tech acquisitions that kept it at the cutting edge of innovation and technology. Its acquisition of BabbleLabs in August 2020 to improve the audio quality of its own virtual meeting solutions is just the most recent example.

5. The Explorer

We end with the explorer, a strategy in which we're constantly looking at future possibilities. Under this leadership style, the organization explores possibilities and invests time and money into them without the demands or expectations (and limitations) of short-term profits.

Smartphones are common these days, but they weren't when Motorola began its research into mobile telephones. In fact, that company spent 10 to 15 years developing its first mobile phone when the market didn't even exist. It's the perfect example of a conglomerate leveraging the Explorer model to prepare for long-term market leadership.

Leading Innovation Across Horizons

In an ideal world, every organization can invest resources into each of the above five leadership styles for innovation. But with limited resources and funding, you need to make the right choices.

Most organizations will leverage a similar mix of leadership styles to manage and encourage innovation. That typically fits into one of three horizons:

- **Horizon 1: Spiral Staircase.** You're looking to build and improve on the now, within your existing core business.
- **Horizon 2: Cauldron, Fertile Field, and/or PacMan.** You're looking to search for the new, with a focus on growth.
- **Horizon 3: Explorer.** The search for the new is more long-term, focusing on future business rather than immediate growth.

Within these styles, and with the right mix, you're well on your way to successfully innovating within your unique environment.

CHECK RECORDING

JOIN DISCUSSION

Innovation Now: Be Prepared To Accelerate Out of the Turn

Expert

PAUL HELLER
Chief Technology Officer at Sopheon

Coming out of the COVID-19 pandemic, everyone is wondering what the new normal will look like. With disruption comes opportunity. It gives innovators the chance to rethink organizational goals, models, and tools to accelerate innovation.

Companies operate on varying business models, and have different approaches to adapting to COVID-19. For every business, however, there should be three primary considerations:

- What's the right pace?
- What's the right investment?
- What's the right focus?

The answers to these 3 innovation questions will be determined by the corporate business model(s).

Innovating Responsibly

Being agile as an organization means being able to reconfigure strategy, structure, processes, people and technology quickly towards value-creating and value-protecting opportunities. Focus on the following to place your business in the best position to respond with agility:

- Accelerate best practices around collaboration, flexibility, inclusion and accountability
- Accelerate the transition to agility – focus on agility as priority
- Accelerate investments in innovation, partnerships and reporting
- Have good discipline in the company around data and how it is used
- Be willing to move earlier, faster, and more decisively

Don’t confuse activity as productivity. It is often beneficial to hit pause and re-evaluate existing products, business assumptions, and business cases. Consider redoing the financials and implementing or adjusting scorecards to the new reality. You may need to push a project back to an earlier gate if feasibility and business case have changed, based on the shifting business landscape.

A portfolio review should be a constant part of your business practice, including analyzing short term and long-term plans. It should not be a one-time activity, but should instead be a continuous process. Review frequently, so you can make small adjustments and correct your course at the soonest point possible.

> “Placing your innovation into the framework of the business model shows the executives that you have considered the business viability of the project.”

Executive Buy-In

One critical component to bringing innovation to market is to get executive buy-in. No matter how great the innovation, it won’t make it to market unless the company executives are on board. Keep in mind each of the following considerations for securing executive buy-in.

- **Understand the corporate business model.** A company’s business model will dictate critical decision factors, including assumptions around go-to market, sales, distribution reach, manufacturing, finance, and innovation. If it isn’t clear where innovation sits in a business model, you will need to do the work to determine the company mindset around innovation.

- **Map innovation alternatives to business models.** Come prepared to the meeting with different types of business models that will serve your innovation. Take your knowledge of the pipeline and portfolio and apply that to possible business models. This allows you to align your terminology of innovation to those business models.

- **Speak the business model language.** Make sure you are speaking the same language as the executives. Placing your innovation into the framework of the business model shows the executives that you have considered the business viability of the project. It will also help the executives see the innovation as core to the business model that they live day in and day out.

Pepsi Cola shows how considering the business model allows for successful transformation. Pepsi Cola's business model focused on salty sugary snacks. They knew they needed to pivot into a business model with healthier alternatives. If they couldn't pivot their portfolio, they would be severely challenged.

Pepsi had to think about innovation within a business model that prioritized both salty and sweet snacks as well as healthy alternatives. It was easy to make decisions on products they were familiar with because they knew all the key considerations for customer demand, distribution, packaging, and marketing. For a new, healthier product like sparkling water, all these were unknowns. They had business models that allowed them to bring the desired balance to their company portfolio and to remain successful and competitive.

- **Bring facts to the conversation with executives.** Executives don't want to hear about what you think will happen if it is not backed up by data. You need to be able to present the innovation, the numbers, and how that aligns to strategy. Consider using scorecards and allow an executive to perform the scoring. This brings the executives into the conversation in a way that is tangible.

- **Bring alternatives to the conversation.** There is no one size fits all model. If you come to the table with alternatives, it allows executives to consider different types and pace of innovation. It also shows you have done your due diligence into different business models. Presenting alternatives shows that you understand how innovation will be part of the success of the business model.

- **Establish innovation flexibility and adaptability.** When you think about your organization and investment, you need to be able to speak about different scenarios and how you can shift resources to adapt to new and changing circumstances.

If you approach conversations with executives focused on the business models and prepare it with facts, it enables them to give the right innovation for the company the green light to move forward.

CHECK RECORDING JOIN DISCUSSION

Building Your Innovation Capability: The Importance of Structure

Experts

JENNIFER ELFTMANN
Innovation Manager at Plug and Play

SIMON MAWER
Innovation Strategist Consultant

There are many factors that influence successful innovation. We have defined five key elements that make up your innovation capability: Strategy, Structure, Resources, Processes, and Measurements. Innovation performance flows from the alignment of these five interrelated elements, each representing a separate and essential component of a successful open innovation program. Strong alignment across all dimensions indicates a strong ability to innovate.

One critical factor for success is a company's structure. Structure determines how power works in an organization and who makes the decisions. The key element here is how our organizational structures empower us to effectively deliver on the innovation agenda. There are several business structures that may be utilized for innovative success, and many hybrid versions in between. A key distinction is that between centralized and decentralized structures.

Centralized Structure

In a centralized structure, a single group handles all innovation activities, and it's the responsibility of the business units to execute the innovation plan as opposed to engaging in innovation activities.

Apple is a great example of a centralized structure – most of its innovative activities and idea generation are handled by a singular group. Those ideas are then passed on to the business units to create the products and generate marketing campaigns.

> “Structure determines how power works in an organization and who makes the decisions.”

Decentralized Structure

In a decentralized structure, a lot of innovation happens “right at the front line.” For companies like Toyota, this type of structure may be optimal in helping it achieve its innovation goals. The decentralized structure is appropriate when competitive advantage is built on efficiencies in operations.

Meanwhile, some companies leverage a hybrid approach to structure. No structure is necessarily right or wrong. Each model has its pros and cons, which is why it’s so important to understand the strengths and weaknesses of the structure you have and to be sure it aligns with your innovation goals.

CHECK RECORDING   JOIN DISCUSSION

Identify and Build the Right Capabilities for a 90-day Innovation System

Experts

PETER GLASHEEN
Head of Faculty,
Managing Director at
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AJ KENNEDY
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The Minimum Viable Innovation System (MVIS, as introduced by Scott Anthony, David Duncan and Pontus Siren) is a type of innovation management system that sits in the middle between 'ad hoc innovation' with no real system or management and an 'elaborate, large scale innovation factory'.

The four key parts of an MVIS are:

1. Idea Buckets

- Core ideas look at enhancing existing offerings and growth ideas to reach new customer segments or new markets

2. Strategic Opportunities

- Identify new areas to explore that customers want and that can be delivered, ensuring that these ideas are strategically aligned and laid out

3. Small Teams

- The list of strategic opportunities should be divided between smaller, appointed innovation teams. This requires elimination of other projects to free up resources.

4. Shepherds

- Select senior leaders that have the autonomy to make decisions and direct new growth projects and act like venture capitalists
- Use a digital platform to manage the innovation portfolio by strategic opportunities with a view of how projects are being developed
- Establish a threshold for investment that teams can spend without asking for approval

> “Effectively implementing a MVIS will allow companies to efficiently manage innovation.”

The four MVIS areas can be broken up into days over as little as a 90 program and accompanied by specific actions:

1. **Days 1–30:** Define your idea bucket, separating core and new growth ideas

2. **Days 20–50:** Zero in on a few strategic opportunity areas, focusing on new areas to explore for customers than can be delivered

3. **Days 20–70:** Form small teams to develop ideas by appointing small, dedicated innovation teams

4. **Days 45–90:** Create a mechanism to shepherd innovation projects, including assigning executive sponsors to manage the innovation portfolio

Our tool called the Wheel of Innovation allows 66 capabilities (grouped into 16 aspects) to be mapped for any organization, highlighting strengths, weaknesses, and opportunities for improvement.

Data from InnoSurvey has shown that there are six capabilities that are most important to a successful MVIS. The top capabilities required for success are:

- Technology watch
- Evaluation of competitors’ products
- Market research
- Reverse engineering
- Market regulation insights and
- Customers’ behavior insights

Focusing on these six key capabilities allows a company to best utilize its limited resources, including time, money, and people, to enable efficient and impactful innovation growth.

A MVIS is a powerful tool for creating a workable lean governance structure for innovation within a company. Effectively implementing a MVIS will allow companies to efficiently manage innovation throughout a crisis and to close the growth gap.

CHECK RECORDING JOIN DISCUSSION

Honor Your Sponsors

Expert

DAMIAN DUGDALE
Lead Consultant at
WDO Innovation

Innovation success can rarely be achieved without high-level corporate sponsorships. If you are entering a new market or making big internal changes that usually means that you have to capitalize on the existing operations in one way or another. Taking this kind of action is usually too much to ask from individual intrapreneurs, who generally don't have that kind of mandate.

One of the most essential priorities for any innovator is convincing sponsors to help them get the resources they need to pursue innovation: money, connections, competencies and much more. You will need the support of a network of people that can push the right buttons.

A tricky scenario to navigate is to find yourself accidentally impinging on someone else's turf. Sponsors can help you identify when you're treading on someone else's toes and what is the smart way to manage it. These insights are incredibly valuable because you need to know about all these potential sources of conflict as early as possible.

Once you have found the right sponsor, work on building a strong relationship and leveraging their knowledge and connections. You should also open and humble to the fact that you don't have the full picture of what's happening in the business. There may be situations that you don't understand because you don't have access to those underlying reasons. Your sponsor may have a much better handle on things and it's important to listen. Honor your sponsor and build a close relationship with them.

> "You will need the support of a network of people that can push the right buttons."

CHECK RECORDING

JOIN DISCUSSION

The Disruption Mindset

Expert

CHARLENE LI
Senior Fellow at Prophet. Author of The Disruption Mindset

Though the term disruption often has a negative connotation, it is the pinnacle of innovation in business. It is important to view strategy, leadership, and culture from the perspective of disruption if you're hoping to affect change. First, however, you must understand the Four Disruptive Leadership Archetypes: the Steadfast Manager, the Realist Optimist, the Agent Provocateur, and the Worried Skeptic.

All four bring unique and necessary qualities to the team, but the Worried Skeptic may be the most difficult to win over to disruptive change.

The Worried Skeptic Profile

Worried Skeptics have a fixed mindset. They view change as dangerous and are often afraid to step into the unknown.

Analytical and intuitive, Worried Skeptics want to study the data and carefully weigh the risks before making decisions. They recognize a potential mess in the making – primarily because they're good at cleaning them up and are typically called upon to do so when disaster strikes.

How to Take a Disruptive Approach with the Worried Skeptic

Of the four archetypes, Worried Skeptics will be most resistant to disruptive change. They tend to see it as an unnecessary risk with many potential downsides.

When trying to convince a skeptic, it isn't helpful to focus on profitability, market share, or competitors: those things won't change a Worried Skeptic's mind.

> “Disruptive organizations that are the most successful have clear processes and rituals that provide structure and stability. ”

Instead, the only way to motivate a Worried Skeptic is to focus on customers. Talk about what’s best for customers, what they want, and how they can be better served. Essentially, the only way to change a Worried Skeptic’s default stance is to go back to the reason for why you exist as an organization.

Disruptive organizations that are the most successful have clear processes and rituals that provide structure and stability. They remove uncertainty wherever possible. So, the team feels safe in taking bold risks, knowing that they have a strong foundation to fall back on.

This stability will be comforting to everyone, particularly Worried Skeptics, during periods of disruption.

You don’t have to distract or avoid your Worried Skeptics. They’re as valuable to your organization during disruption as they were prior to it. Put them to work doing what they do best: risk management.

Disruption is rewarding, but there’s uncertainty involved. Worried Skeptics are already looking for worst case scenarios, so they may be best equipped to identify potential roadblocks that your team can devise creative solutions for.

CHECK RECORDING JOIN DISCUSSION

Pirates In The Navy

Expert

TENDAYI VIKI
Associate Partner at Strategyzer. Author of The Corporate Startup and Pirates In The Navy

Innovation teams provide an important function to every company's progress and evolution. But they are much easier to disband than core functions like legal, finance, or HR. In fact, innovation teams might be viewed as expendable as external consultations. So innovation teams find themselves fighting for the right to survive.

Here are some of the strategies innovation teams can take to step out of the survival stage and establish themselves as key functions to any business.

Structure The Innovation Team

An innovation team cannot pick a winning idea on day one. The team makes multiple small bets that are put through the stages of (1) discovery of customer value, (2) validation of the business model, and (3) acceleration in scale. Not all ideas will succeed, but the goal is to find a successful idea that will enter the business portfolio.

To build a thriving innovation ecosystem, you must have a pipeline of ideas. The only way to ensure a pipeline is to build an innovation program designed to meet the corporation's core needs. This requires the innovation team to be authentically deliberate about delivering value. The number one job for innovators is to create the innovation ecosystem that drives new revenue and growth and changes the culture so that the growth can be created in a repeatable way.

Establish Key Relationships

Innovation teams often operate outside the core functions of the company, but it is actually very important to establish key relationships. Understand the different departments in the company in addition to product teams, like legal, marketing, and finance.

> “While data is helpful, it does not mean anything without a clear process for making decisions.”

These teams will be important as you strive to take innovation products to market. Finance controls the purse strings – not only for initial development but also to take a product into the primary portfolio. If an innovation product enters the business portfolio, marketers will need to understand the purpose and benefits of the product and how it fits into the portfolio.

There are a number of things innovation teams can do to develop relationships and deliberately structure their programs to establish these key relationships. One successful strategy is aligning with legal and compliance on a collaborative process for review of innovation projects.

As an example, the innovation team at a large European airline arranged a meeting with legal and compliance. They asked legal and compliance to advise them on what criteria must be met across the organization before a product or offering is allowed out into the world. The legal and compliance team wrote each requirement on a sticky note. The innovation team then walked legal and compliance through the stages of discovery, validation, and acceleration. Each sticky note requirement was placed at the stage where the validation must occur.

This exercise allowed the innovation team to develop a product lifecycle map for legal and compliance. The team was able to create a process that allowed them to turn to legal and compliance only when they were going outside the established guardrails. Not only did this streamline the process for the innovation team, but it also established legitimacy for the innovation team across the organization.

Alignment on Decisions

Innovation teams are constantly collecting data from experiments throughout the development and validation stages of the innovation process. While data is helpful, it does not mean anything without a clear process for making decisions.

To establish an effective innovation process, the team should have a clear understanding of how decisions will be made within the corporation on innovations. While no process is flawless, outlining an understanding with stakeholders on what data points will drive acceleration will (1) help guide the innovation team’s decisions, and (2) allow the team to quantify success.

Also, consider addressing failure with company leaders. Failure is inevitable in innovation, and this needs to be understood and embraced before an innovation team can thrive. Otherwise, the team is crippled by the fear of failure.

Focus on Intentionality

Whether your innovation team is brand new or an existing team within an organization, take a step back and evaluate whether you have taken the necessary steps to establish your team as a core function in the company. Think about the values of the company, the business goals, and the gaps in the portfolio.

Innovators often find passion and excitement from the ideas, but you must remember that companies are focused on revenue. Not all innovation projects need to drive this revenue, but it will never disappear as a goal. The innovation team should be able to speak to how it contributes to the overall aims of the company of either growth or transformation.

Make sure your team has a clear process for tackling innovation, validating results, and vetting recommendations. Nothing will set your team back more quickly than a string of bad recommendations that are not supported by data.

CHECK RECORDING

JOIN DISCUSSION

Governance Best Practices

For Effective Innovation Management – Re-balancing Powers

Expert

HUUB RUTTEN
VP Research & Application Development at Sopheon

A company cannot implement an innovation management process without clear, unambiguous governance. In order to succeed in innovation, companies need speed. In the words of the former CEO of GE Jack Welch, "If the rate of change on the outside exceeds the rate of change on the inside, the end is near." The rate of external innovation, especially in the time of Covid19, is faster than ever.

The rules of governance tell you what management information and data you need, and how the processes should be adjusted for effective innovation. Governance rules need to include:

- What decisions will be made?
- Who will make them?
- What decision rules will be followed?
- What analyses must be available to the decision-makers?

Governance is especially important in the time of Covid19, where the rate of change is extremely fast. Companies must be able to analyze product road maps, reprioritize investments, and reanalyze the balance of investments between market development, market penetration, product development, and diversification. These decisions drive significant organizational impacts, including shifts in resource buckets, smaller or reallocated budgets, products put on hold or canceled, movement of employees between projects or out of the company, stressful deadline management, and stricter steering, decision-making and governance.

One of the most important steps to establishing clear governance rules that drive for innovation is to create an environment of streamlined decision-making.

> “Having a clear, top down decision-making structure will ensure each person is held to their accountabilities and there are no gaps in the chain. ”

Coordinated Decision Making

In order to make decisions, it is important to understand how innovation is or should be managed in a company. Innovation management happens long-term (annually) and short-term (monthly), and it involves stakeholders from cross-functional teams, to business leaders, to C-Level executives.

The following should all be phases of decision-making:

- **Innovation Planning:** A long term effort, innovation planning defines strategic product road maps, sets innovation targets and KPIs, and defines buckets of resources including the number of employee resources and time.

- **Front End Development:** Also long term, front end development requires cross-functional teams and business leaders to analyze market requirements and insights, candidate features and ideas, research, studies, and prototypes, and new technology platforms. This work does not go into the market directly but feeds into portfolio management, which are the more short term phases described below.

- **Portfolio Optimization:** This should be done continuously over shorter terms and involves business leaders and C-Level executives to plan product road maps, select features, prioritize resources, and manage product and feature records.

- **Process and Product Management:** Based on portfolio optimization decisions, cross-functional teams and business leaders must manage product release development, feature development, assembly development, resource allocation, and time.

The above phases of decision-making must all act together and form one data set. The team performing innovation planning must provide those decisions to the employees who manage front end development. Without feedback from front end development, there can be no meaningful decisions on portfolio optimization or process and product management. If all stakeholders communicate through the above phases, it enables a company to proceed to product concept development and product development and launch.

Clear Decision Hierarchy

For successful innovation, there must be a clear top-down decision-making structure.

1. It is a best practice to establish an Innovation Management Council. This is not the board, though there should be people from the board on the council. The council should meet at least twice a year to set priorities, review strategies, ensure correct process and consider changing governance. This council owns governance on behalf of the CEO.

2. Define the mandates per role, without possibilities of veto. Common mandates by role are:
   a. **CEO** – Strategic target setting, strategic road maps, global resource buckets.
   b. **Product Line Owners/Business Leaders with Commercial Targets** – Product road maps, portfolio prioritization, backlog prioritization, feature selection.
   c. **Product Directors with a Commercial Target** – Gatekeeping for new product releases, including accountability for investment decisions for the next stage, data quality, team resources and budgets, and setting expectations and success criteria.
   d. **Engineering Directors** – Operational backlog prioritization.

There must be one named individual for each accountability.

Defined meeting structure

1. Define the structure of meetings, including portfolio meetings, cross-portfolio meetings, new product meetings, and new feature meetings. Most meetings should not require more than two people. These meetings should include:
   a. Agendas, chairmanship, participants, information packs, and decision alternatives
   b. Scorecards, checklists, uncertainties
   c. Decision criteria in accordance with KPIs
   d. Decision implementation

2. Define escalation rules for cases of conflict

3. The role and responsibilities of the development teams and their leaders. Development teams are not responsible for decisions beyond day-to-day decisions that do not influence strategy.

Having a clear, top down decision-making structure will ensure each person is held to their accountabilities and there are no gaps in the chain. This leads to effective and efficient innovation decision-making.

A focus on decision-making will allow companies to adapt with flexibility and agility in times of great change, maximizing their ability to innovate as demanded by the market.

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The Two Biggest Pitfalls in Corporate Innovation Are Not About Innovation

Expert

ARENT VAN 'T SPIJKER
Founder at Continuous Innovation Framework

The Continuous Innovation Framework is a blueprint for the organizational process that allows corporations to innovate faster, with less waste, and with a faster time to market. Companies are currently quite effective at optimizing by doing what they always do using more or different technology. Where companies struggle is moving from optimizing to transforming, such as creating new processes in the existing business. This makes reaching the disrupt phase incredibly difficult.

Managing The Organization

Innovation is as much about managing innovations as it is about managing the organization. The introduction of new technology or processes is about making sure that your organization adjusts to the new standard even at the cost of being inefficient. Innovations do not succeed because assumptions are made about the outcome.

When innovations are introduced to the business, the introduction is often accompanied by a number of assumptions that have not been verified. The following assumptions are common but problematic:

- Further development of the innovation is aligned with business objectives
- There is capacity, in both time and money, for further development when there is in fact always competition on capacity for further development
- Line management is enthusiastic about the change which is often not true because change brings costs and disruption putting targets at risk

> “It’s about making sure that your organization adjusts to the new standard even at the cost of being inefficient.”

- Senior leadership is interested in gradual growth when in fact they often want fast results. In the experimentation phase, innovations show big promise, making them interesting to senior leadership. In the scale-up phase, things slow down and become tedious and require fine-tuning. This movement from exploding potential to gradual growth often loses the interest of senior leadership.

As innovator, you should take stock of your assumptions in order to determine how best to transition a product to the business. Collectively, as innovation function, it’s important to create a supporting infrastructure for continuous innovation that does include a proper transition from the innovation teams to the business.

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Intentional Innovation

Expert

JONATHAN BERTFIELD
Transformation Practice Lead at Modern Accelerator

Innovation cannot happen by accident. We can't continue to make the mistake many organizations have in thinking that innovation happens simply because we come up with a few interesting ideas. Those epiphanies in the shower, the inspirations that emerge while on our morning commute, or walking in the forest are not replicable and so can't support a program of sustainable innovation.

Ideas are not innovation; instead, innovation inside of large organizations in particular is the process of translating a steady pipeline of opportunities into growth drivers for the organization as a whole. That's an intentional process, and that's how you can turn innovation into a reliable revenue driver.

Pipelining the Innovation Ecosystem

Making innovation reliable is all about getting ideas into the innovation pipeline. Rather than shooting for the moon, you need lots of small but specific ideas at the beginning of the funnel. Through the pipeline, an organization makes decisions on which opportunities to pursue, with a small number of those opportunities continuing through the funnel and resulting in meaningful revenue.

In other words, an effective innovation ecosystem focuses on establishing a high quantity of opportunities rather than focusing only on supposed high quality ideas. We can't rely on predicting the million dollar opportunities. Instead, we need to create a wide entry point to the innovation funnel – lots of small bets – with a decision making process that efficiently reduces the volume of opportunities being supported. The effect is to establish a sustainable flow of ideas maximizing the chances that a small fraction will deliver value to the organization.

> “The effect is to establish a sustainable flow of ideas maximizing the chances that a small fraction will deliver value to the organization.”

Growth Boards as Intentional Innovation Drivers

Organizations who believe in intentional innovation drive it in a number of ways. They may establish ad hoc teams managed through an accelerator framework, or set up dedicated teams that are grounded in an innovation strategy and 100% focused on innovation opportunities.

Regardless of the team structure, growth boards are a powerful driver of intentional innovation.

The concept of a growth board is simple. It’s a team of leaders from across different sectors of the business, coming together on a regular cadence to review potentially innovative ideas to fund. Set up the right way, they’re specifically designed to make binding decisions that will increase the chances of getting high value, strategically aligned businesses emerging on a consistent basis .

Best Practices for Innovation Growth Boards

Not every growth board can or should function in the same way. Growth boards have to be a reflection of the organizational and political dynamics of which they are apart. But they do reflect a new mindset and new ways of working, and so for them to be successful new approaches to decision making are necessary. A few best practices can help to make sure they are successful:

Decisions made are timely and binding. They should happen at the meeting, and be final by the time the meeting is complete. Some growth boards embrace democratic voting principles, while others defer to a leader making the final call or use a scorecard. Each method works, as long as it reflects the goal of a binding decision.

Meetings should allow for crisp decisions. One formula we’ve successfully followed is the 15-15-15 rule: 15 minutes dedicated to the startup team making their case, 15 minutes of Q&A, and 15 minutes of deliberation amongst the board members.

Membership should be cross-functional but limited. The most effective growth boards I have seen have no more than five or six members who are decision-makers in different functions across the business unit. Once membership rises into double digits, the growth board becomes far less effective.

The growth board culture should be consistent and disciplined. It should have a written charter that guides all meetings, including a specific definition on what constitutes a binding decision. Membership should be consistent over time. Decisions should focus on the evidence being presented and the balance of the existing portfolio where the startup opportunity sits.

Growth board members should have skin in the game. At least some of them should have regular roles on the 'execute' side of the business, so that if the opportunity is successful there is clarity on which P&L will manage the business moving forward and any technologies, platforms or systems the business needs to integrate with are well informed

Growth Board Learnings

I've been working with 16 growth boards over the last 18 months, in 5 companies, all in very different industry sectors.

One of the biggest challenges is how often growth boards tend to say yes. When asked to pivot, persevere, or kill, persevere ends up being the default decision far too often. As a result, funnels don't tend to narrow, every opportunity gets funded.

The first effect is that there is less money available to fund truly breakthrough opportunities later in the funnel. The second is that many of the initially approved ideas disappear organically but much later than they should have because they didn't meet the evidentiary burden. Essentially spending weeks and months pursuing traction and spending valuable resources on ideas that should have been killed earlier.

That's especially the case in less mature boards, who say yes to 90% of ideas coming in. As boards become more mature, they realize the value of saying no and overcoming that cultural habit.

More mature boards averaged about 70% yes's. That's closer to the balance you can reach for as you build that intentional innovation pipeline.

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Dedicated Growth Governance

Expert

MISHA DE STERKE
Senior Partner Venture Building @ Innoleaps & Author of the 10x Growth Machine

The Innovator's Dilemma taught us that resources are always allocated to projects with the clearest ROI. But, despite lofty statements about innovation, most companies invest their resources in the core business. As an innovator, the key to success is going where those resources are already invested. Launching new products with the potential to scale through existing channels could solve this famous dilemma once and for all.

To systematically build ventures from idea all the way up to scaling in multiple markets, corporations should have six pillars in place, which together form what I call the 10x Growth Machine operating system. This system allows companies not only to compete on scale which is insufficient, but also on speed. The challenge corporates need to solve is how they can launch ventures with speed and be first to scale by using their assets and resources.

The Six Pillars

The six pillars that define the operating system are:

1. Aligned senior management vision on where to play and what the boundaries of innovation are? Also having in mind which power does innovation have in our company? Is it part of every leadership meeting?

2. Clear understanding of who, how and when investment decisions are made. Why? Most problems are around the resource allocation in big companies, since people and money are driven by short term accounting metrics that leads to investments with the highest ROI and the short term.

3. End to end innovation process from idea all the way to deployment in the market. Most of the time it is unclear till what point of maturity the innovation should grow to be of interest to the business. If you let the innovation go too soon, it will die because of underfunding. If you let it go too late, the business would not accept it because it is difficult to integrate. Or a simpler explanation is the (in)famous 'not invented here syndrom'.

4. Growth accounting, to measure and evaluate the progress an innovation is making we need to implement a new set of metrics. Instead of focusing purely on 'ROI' we need to measure leading indicators of customer behavior that gives us a better idea if we reach our business goals. Then if we are successful, do we have capital allocated to actually scale or do we need to wait for the annual budget cycle? In case of the latter we can better stop.

5. Innovation management: how do we manage our innovation efforts? Do we set up a central organization? Or decentralize in the business? Depending on what we want to achieve with innovation the organizational setup is crucial. How do we arrange legal and regulatory and financial support for our new ventures?

6. Talent: To make innovation happen, you need entrepreneurial talent and you need an incentive system to attract and keep entrepreneurial talent.

Lets deep dive a bit more in a couple of elements mentioned above.

Dedicated Growth Governance

How can companies systematically innovate and scale beyond the core business? The answer is to create a dedicated growth governance system. Beneath the executive board should be a venture board, whose sole responsibility is beyond-the-core ventures. It should be made up of a limited number of executives, ideally 1 C-level (CEO/CFO), one from R&D, one from the category involved, and one or two external challengers.

What Does The Venture Board Do?

The venture board sets goals and strategy, secures financial and talent resources, and supplies metered funding based on milestones. They also manage the portfolio of initiatives by determining which bets are going well, which ones should end, and when to reallocate people and assets to a more promising initiative. The venture board should meet every 6 to 8 weeks for 2 hours and be available for immediate decisions requested by ventures. The venture board has end-to-end accountability from scouting to scaling of new ventures. They find thematic ideas linked to strategic guidelines, validate certain initiatives, and, if successful, they can be built and spun off or embedded within a business unit.

How Is Progress Measured?

There are several milestones where the venture team makes progress. In the first five weeks, the goal is to validate idea potential. The team needs to find a problem worth solving, one that is big enough for the venture board to invest in. KPI's include:

- Identification of clear pain points of target customers
- A proven match between the idea and that pain point
- Discovering the rough size of the opportunity

From there, the team can start building a Minimum Viable Product. This phase can take 12–15 weeks, plus time to produce a sample product. The goal is to acquire the first customers and KPI's include:

- Creating an MVP with a clear proposition (target, USP, price, channel)
- Acquiring first customers through eCommerce and test stores
- Identifying the total available market
- Drafting pro forma profit and loss

If the product is getting good traction, it's time to launch it in a pilot market. This business model fit phase takes 18–24 weeks, plus time for refining the product/tech. Recurring revenue is the goal, with KPI's of:

- Customer acquisition (through e-channels and retail)
- Recurring revenues
- Cost of acquisition
- Cost of goods sold
- Customer retention

The final stage is to scale in multiple markets. There is no timeline for this phase. The goal is to create a profitable business with a sustainable and repeatable business model.

The venture board needs to support and develop an organization around the front line. Which means give people closest to the customer more responsibility so employees can solve customer problems faster and build the next business. The venture board needs to empower the innovation team to make decisions quickly. Venture building is not a pure marketing exercise, and decisions can't wait to be made with 100% of the information. Decisions need to be made every day, with more strategic decisions made every 6 to 8 weeks.

> “Beneath the executive board should be a venture board, whose sole responsibility is beyond-the-core ventures.”

Patience Is Key

If we want to launch a product successfully, the possibility of revenue needs to be understood very quickly. But it takes patience to build a business. So we want to forecast how fast we can grow while managing expectations with senior managers. Leaders need to demonstrate how to make problems smaller by solving the specific, instead of debating the ideological.

They must also support the teams by listening, coaching, giving, and celebrating milestones and achievements. They should explore what the teams are learning without judgment, and shift the focus away from micromanaging. Instead, leaders should facilitate peer-to-peer learning and collaboration across silos and business units.

Funding, Accounting & Metrics

CHECK RECORDING

JOIN DISCUSSION

Innovation Accounting

Expert

DAN TOMA
Author of The Corporate Startup & Co-Founder of OUTCOME

Innovation accounting must involve three different sets of KPIs: reporting, governance, and global. Reporting KPIs are designed to measure the process from ideation through product-market fit for incubated new ventures. Governance KPIs are great because they help you see the big picture on whether or not the investment is still a good one. Global KPIs examine the innovation department's overall performance in consideration of the larger business.

An innovation accounting system will not replace the standard accounting (financial) that companies are doing. It is there just to complement and mitigate some of the shortcomings:

- Financial accounting recognized assets are getting commoditized
- Financial accounting is only tracking the outcome of assets deployment not the value creation system
- Valuable assets are not accounting recognized (example: process, culture etc.)
- Financial accounting can't track something that hasn't happened. This is particularly detrimental for lean, design thinking and agile teams whose work is to avoid large mistakes by doing some well thought through experiments.

Reporting KPIs

Reporting KPIs need to be unique for each enterprise based on challenges, industry, and business maturity. The goal of reporting KPIs is to understand the innovation your company is engaged in, such as how many prototypes, how many research activities, or how many ideation plans are in progress. Common reporting KPIs are cost per learning and time-cost per learning. The focus of both of these is learning. Thus, minimizing time-cost per innovation cycle is critical, leading to a state of continuous learning. In this state, market input can be transformed into a deliverable for the customer immediately.

> “Minimizing time-cost per innovation cycle is critical, leading to a state of continuous learning.”

Governance KPIs

New ventures must show progress in order to have continued investment. In this case, management is given tools to making decisions on investments. These KPIs, like the ones prior, aren’t about finances and are not financial, but are designed to show progress. Two common KPIs in this category are problem-solution fit and product-market fit. Problem-solution fit KPIs require that ventures demonstrate a real market need and a solution to the need for which customers will pay. Product-market fit KPIs are to show that the right product has been built to satisfy a demand and is acceptable to customers. Under this KPI, a business model must be shown where customer behavior fuels growth.

Global KPIs

Global KPIs help you see how a venture performs or if further investment is needed. It helps you to see if the innovation department has been successful. Thus, global KPIs are financial in nature, but aren’t financial KPIs per se.

Essentially, the financial element is to show that a return is occurring by the continued investment in the innovation. One of the best ways to do this is through the innovation contribution, which examines the percentage of successful venture launch by the innovation department, as compared to the corporate revenue or profit, during a specific time period.

Innovation accounting isn’t just financial. It involves seeing the company as a whole, instead of parts.

CHECK RECORDING

JOIN DISCUSSION

Tracking and Measuring Innovation for Better Decision Making

Expert

ESTHER GONS
Founder and CEO at GroundControl by NEXT Amsterdam and Author of The Corporate Startup

If your internal innovation process is maturing, you understand that you need to start making decisions based on data rather than on gut feelings or some pretty pictures. This ensures that you make innovation manageable, measurable, and visible for everyone.

To make this happen, you need to understand how to evaluate your innovation process by plotting stage relevant assumptions as well as how to make decisions based on real data.

Innovation Lab and Innovation Accounting: How To Set it Up

For disruptive innovation, you need a different system. A system that does not contribute to your current business models or operations, but rather a second system that allows you to find new business models in the future. This is called a startup rule book, and you need it if you want to set up an ambidextrous organization. That second system also needs innovation accounting so that you can replace all the processes and KPIs from the current system, which are hurdles for your disruptive innovation.

> “Using existing stage gate frameworks for innovation makes data-driven decisions for disruptive innovation really hard.”

To set up this system, you need to consider that there are multiple layers to data-driven innovation accounting:

- Your teams (how they are doing)
- Accumulated data from all of your teams (can you help the teams do better, what do you need to ensure that the funnel is filled with good projects), and
- The whole strategic ecosystem (does this contribute to your strategic goals within the organization)

Systematic Approach to Innovation

It is essential to understand that all of this starts with your projects or startups, that’s where all the data will be coming from. By getting their data, you can figure out:

- How are they doing on a weekly or monthly basis?
- Can you help them?
- Are there any hurdles preventing them from learning with evidence? Because that is what you need when you do data-driven decision-making, actual evidence of what your initiatives are learning

To accomplish these goals, the first thing you want is some kind of talking point with real data to understand how they are doing on a continuous basis. Not just every year or quarter. You want to know on a deeper level within a startup: what they are learning, how they are learning, and what experiments they are doing to provide you evidence, so that you can get the data you need to make decisions. Also, you want the teams to approach this in the same way so that you can compare them.

This data is always connected to the experiments that your initiatives are doing, and it is backed up with evidence that is coming out from these experiments. Even though the evidence may appear fuzzy in the beginning and data-driven at the end, all of it will help shape your decisions.

Once you have the first layer down, you can see how your teams are doing, if they are performing well, if you can see all the teams and where they are in the different stages. In the level above that, you will also want to see how your portfolio is doing. Are the startups proceeding fast enough to the various stages, how much have you invested, how much time did you spend in these different stages, and do you have an invalidation rate?

The Framework

The next big question is, how do you set up a system that helps you make these data decisions? First, you need a framework. It seems quite logical that you need a stage gate or framework to make decisions on. However, many companies end up creating such a framework taken from their current system.

Most traditional stage gates models from product development are borrowed from the current system. These models were contrived from twelve stage gates because they needed to decide based on actual strong criteria and risks.

Most of these stage gates are borrowed from the IT department or the digital department where, apart from some sort of discovery phase, the framework is based on a non-risk rollout that will give you some indication of how long the rollout will take.

Using existing stage gate frameworks for innovation makes data-driven decisions for disruptive innovation really hard. The criteria are still KPI's, based on what the current business wants to see and based on business cases and models, which means you still have to guess or project.

Instead, I suggest you take a conscious effort in thinking about how different this stage gate association is if you look at startups and apply those learnings to your stage gate framework.

It is crucial to understand that most startups fail. Based on this mindset, you need a lot of initiatives to have some results in the future, and that can take a couple of years. So, for example, if you want two initiatives to be successful, you need a lot of initiatives from the beginning. That is why stage gates are so important in setting up data-driven decision-making, and if that is not done right with the right mindset, then all the other things relating from that will be difficult as well.

To succeed, you need a VC mindset for investing because we are looking at high risk, high return. As a result, it is not a controlled rollout. Instead, it is about betting on many small bets to have some developments in the future. That is why you need to start with a lot of initiatives to have potential later on. Making sure to save for a few bigger bets of those that prove their potential along the way.

CHECK RECORDING   JOIN DISCUSSION

Impact vs Vanity – How the Right Metric Makes or Breaks Your Big Idea

Expert

BRANT COOPER
NYT Bestselling Author; Keynote Speaker; The Startup Bluebook, CEO, Moves the Needle

In the current context, uncertainty is the only certain thing we have. It's our job as innovators to teach our colleagues in the core business how to balance execution and learning throughout the whole organization. The pandemic is a ripe opportunity to do this, as many things that used to be "known" six months ago are now "unknown" again.

In order to get this into the core business or get this across the organization, we have to eat our own dog food. We have to behave like startups ourselves and understand where we need to go to develop empathy and how to run experiments internally, in order to bring this mindset to the rest of the organization. By action, we must teach people how to balance this search and execution.

Evaluating Uncertainty

This starts with evaluating where uncertainty is. The goal is to understand where the level of uncertainty is in existing products and projects (both internal and external). Based on those findings, how you deal with these products and projects will differ.

To evaluate, create a simple 2 x 2 with "low confidence" on the left side and "high confidence" on the right side, and "low impact" on the bottom and "high impact" on the top.

- For scoring "confidence", use questions such as:
- Do we understand the stakeholder?
- Do we understand the need?
- Do we understand the desired outcome?
- Do we have the right capabilities?
- Do we have access to the right resources?

> "Fundamental to dealing with uncertainty versus execution, is how we measure the progress that we're making."

For scoring "impact", use questions such as:

- Does it align with company objectives?
- Is there a near-term benefit?
- Is it positive financially?
- Is it positive on other strategic levers?

If you score a product or project on "high impact" and "high confidence" it's very likely you already have an organizational structure that should be able to execute. For example, you can send projects into a project management group with high confidence that you will achieve your desired outcomes.

However, if you evaluate items that lack confidence with lots of unknowns, you'll need to apply more of these entrepreneurial skills in that endeavor. Then, we need to systematically move items from the unknown over to the known side.

Measuring Progress With Behaviour-Based Metrics

Fundamental to dealing with uncertainty versus execution, is how we measure the progress that we're making. Value Stream Discovery helps us to draw straight lines from product development to performance. We measure the seven states a customer goes through from becoming aware to becoming passionate about a product or service.

KPI's and OKRs are outcome-based metrics, great for execution, not very helpful for learning. Instead, we need to track behaviour-based metrics that indicate that we're making progress towards the desired outcomes. The Value Stream Mapping helps to think through what is the desired behaviour. This applies to products but also to your innovation program.

Who are your stakeholders? Your sponsors? Your coaches, your team members? You can think of them of market segments. Each one of those groups goes through a value stream with respect to the products and services that you're offering in your innovation program. What is the promise I'm making, and what must I deliver for them to be satisfied? What's the behaviour that indicates that they're satisfied?

The trick is that you need to start in the middle, as you can't start focusing on making them aware only. Instead, you actually start with getting them satisfied. What is the promise I make to my stakeholder and what must I deliver such that they are satisfied? What's the behaviour that indicates that they are satisfied?

We're asking them to change their behaviour, so we can measure change by measuring their behaviour. That's why we need to be careful not to come up with vanity metrics, as they can be gamed and aren't linked to actual behaviour change.

CHECK RECORDING JOIN DISCUSSION

Financial Modeling: From Fuzzy Early Stage Project To Scaling Up

Expert

TRISTAN KROMER
Innovation Coach & Founder at Kromatic

Financial modeling is a core element to major business decisions, from early stage startups to large corporations. The primary goal of financial modeling is to represent the economic performance of a business or project at present and into the future. Financial models predict business success, signal business risks, and enable educated business decisions.

A financial model is based on historical performance and assumptions about future performance. Financial modeling is particularly complicated at the beginning of an innovation project because the company has limited or zero historical data.

Early Stage Financial Modeling

At the beginning of a project, there is no data, only guesses. Early stage market research and experimentation rarely provides a straightforward financial model. Generally teams are only able to provide qualitative insights, and some qualitative data with very large margins of error. Even after a small Proof of Concept, sales data will be minimal.

If the limited data is entered into a linear projection, the future projections and ROI calculations are unimpressive because the project is not yet off the ground. What a linear model fails to account for is the growth stage of the business, where its financial numbers may rise exponentially.

Modeling is also complicated if a project is approaching or in its growth stage. Modeling at this stage will be equally inaccurate because the project is unlikely to continue on the same growth trajectory forever. Once the market matures, the growth is likely to slow down and smooth out.

> "A successful financial model acknowledges the uncertainty, takes quantitative and qualitative data, and translates it into a projection that realistically represents the uncertainty."

What Not To Do

A pitch for an innovation project often provides information that is not helpful for financial modeling, such as:

- A customer persona, including information like a description of the target customer, with demographics, facts, behaviors, needs, and goals
- A value proposition canvas
- A business model canvas
- A description of the user experience

This fuzzy information is not useless… in fact, it is critical to product development. But none of these frameworks answer the basic question sought after in financial modeling: how much money will the project actually make? This is the key piece of information required when someone is deciding whether to fund a project.

What Information Does An Investment Board Need?

When thinking about a successful financial model, think about a weather chart where the meteorologist tries to predict the path of a hurricane. A hurricane chart begins with information that is definite, like the hurricane's current location. As the predicted time period extends further into the future, the hurricane's predicted path widens because the level of uncertainty increases.

The same thought process should be applied to financial modeling. A successful financial model acknowledges future uncertainty. It takes the available qualitative data (customer persona, user experience, etc.) and translates that information into a projection that realistically represents user uncertainty.

A successful financial model acknowledges the uncertainty, takes quantitative and qualitative data, and translates it into a projection that realistically represents the uncertainty. The financial model can project results from a range of highly unlikely to very likely. This allows the potential investor to understand the general range of possible results and helps narrow expectations on the most likely outcome.

How to Create an Uncertain Financial Model

At its simplest, a financial model needs to represent the business model as inputs and outputs. Customers come in and revenue comes out.

Even in the case of a mission impact model (a nonprofit), there are inputs and outputs. Money comes in and lives get saved. It's the job of the financial model to predict the future, based on the data of today. To do this, companies can use a few basic principles in their approach:

- **Start Simple, Build Complexity** – Your first model doesn't need to account for interest rates and the global economic environment. Starting with five variables is sufficient for a first version.

- **Customer Centricity** – Don't center the financial model arounds assets and COGS. Structure the financial model around the user journey, using conversion rates from step to step as variables in the financial model.

- **Think Visually** – A financial model isn't just about numbers, and spreadsheets are hard to think through. Draw the model as a conversion funnel and remember to draw loops for how customers return again and again and also invite others.

- **Use Variables as Hypotheses** – Don't enter a guess for how many customers or how much revenue you will have four years from now. Estimate the conversion rate of visitors-to-customers and customers-to-revenue. Then use the variables to calculate what happens during each time period.

- **Embrace Uncertainty** – Don't pretend to know the exact value of any variable. Early stage startups don't know that their conversion rate is 10% or 20%. Use a range 10–20%.

- **Use a Monte Carlo Simulation** – If using ranges, employ a statistical approach with a Monte Carlo simulation. This is an approach that uses ranges to produce a large number of simulations of the results of your model. The output is a likelihood of any given financial result, instead of a static prediction.

- **Get Data** – If the range is very large, gather more data to narrow your prediction. When you don't know much, even a little data can improve your predictions radically.

- **Use Output to Set Success and Fail Conditions** – The financial model isn't just a tool to predict the future. Use it to identify your minimum success criteria for future experiments and research.

Although some of these terms and tools such as a Monte Carlo simulation can be intimidating, there are some basic templates that can be useful. Start with a visualization, move to a basic financial model, then move to a Monte Carlo simulation. Even a basic visualization and quantification will help early stage corporate startups have a meaningful conversation with finance.

A Critical Tool For Success

It is important for early stage projects to put time and effort into financial modeling. It does not need to be a major investment of time. A simple model using simple tools can deliver a lot of information. When the startup has more data, the model can improve. But the financial model must represent uncertainty and not fall into the trap of linear projections.

The financial model is a key tool in raising capital as a startup. Investors and corporate executives will place a critical eye on the financial model, looking to understand the sustainability of the business.

In addition to raising early capital, financial modeling will provide value throughout the life of the project. Financial modeling will help in decisions around user acquisition, making decisions about business growth (such as expanding into new markets), budgeting, and valuing a business for sale. Putting the time and energy into understanding and preparing an accurate financial model in the early stages of a product not only enables meaningful financial conversations, it also forces critical and thoughtful conversations about the success of the business early on.

Foresight, Trends & Startup Scouting

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Inflection Points (And How To Deal With Them)

Expert

RITA MCGRATH
Columbia Business School Professor. Thinkers50 top 10 & #1 in strategy. Bestselling author of The End of Competitive Advantage & Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen

Inflection points are shifts in the environment that have a 10X impact on one or more elements of your operating model. If you see them early and anticipate them, or if you have the capability to react quickly, your business can reach new heights. Specifically, an inflection point causes the assumptions underlying your business to no longer reflect reality. As it unfolds, the assumptions in the business start to get more disconnected from reality. If you miss it or don't see it coming, it can cause your business to decline.

One of the reasons executives develop blind spots with respect to inflection points is that it is very difficult to look at the world differently when you've been running your operation for a long time in a given way. Now something has come along that's changed the constraints or opportunities that you have. This change shifts what's possible and what you want to be doing within your business, and can easily catch you unawares.

What I would observe in this Covid-period is that the whole world has been pushed into a high uncertainty world, one that most of us within innovation have been living in for a long time. This is the world of high assumptions that you have to make relative to knowledge that you have. Many of the tools that we associate with innovation, like discovery-driven planning, business model canvas, investment readiness, those kinds of tools are actually useful across all our businesses, because we are now engaged in significant reinvention.

> " Changes don't occur in C-suite, they occur where the business is operating."

There are three steps to handling inflection points successfully:

1. See the issue
2. Decide what to do
3. Figure out how to move the organization with you

In order to accomplish these three tasks, I recommend you place yourself in a position where you can see these things happening. That often requires that you go to the outer edges of your organization, where the customer service and interaction is happening. Changes don't occur in C-suite, they occur where the business is operating. You have to get out to the edges to see for yourself what is really going on.

Once you have seen what is happening, you have to decide what to do about it. Many people say to be bold and leap into the unknown, but I think that is a mistake. Most of the ways that we plan in corporations, assumes that we have more knowledge than we do.

Instead, I recommend a reasoned approach in which you articulate your hypotheses, and then plan with great rigor up to your next checkpoint or milestone. At that point, you stop and assess your risks to determine whether you should redirect, change something, accelerate, or exit the strategy.

CHECK RECORDING JOIN DISCUSSION

The Rebels Have Arrived at the Palace Gates:

Bringing the Tools of the Innovator to Business Strategy

Expert

BRIAN CHRISTIAN
Managing Partner at
The Inovo Group

It's important to forecast the future of any business. Forecasting the future needs of a business involves framing the future in two distinct categories.

The Forecast Zone is often the sole strategy of businesses looking for new product or service development. They leverage the experience of the past to develop a model for what the future might look like.

The Foresight Zone, on the other hand, is the second path that is often ignored. This is where the traditional tools of the strategist become less useful, as it requires developing a much more complex model of future conditions. This is the key fresh element that strategists need to embrace, in conjunction with forecasting.

The tools of the innovator are crucial for building a strategy around foresight.

Different Systems for Different Approaches

Planning for the future from both the forecast zone and the foresight zone– the dual-path approach– requires entirely different systems.

Today-for-Today strategies mean fast responses to disruption, focusing on projects with a high certainty of success, and relying on sales as the core business emphasis.

Today-for-Tomorrow strategies mean leaving open space for the creative process, diving into projects where uncertainty is high, and attempting to anticipate coming disruption to have a response ready.

> “The dual-path approach leverages both forecasting and foresight, rather than only forecasting.”

How a Dual-Path Strategy Could Have Saved a Major Corporation

The dual-path approach leverages both forecasting and foresight, rather than only forecasting. This approach might have saved a famous company: Blockbuster. Blockbuster had robust brand recognition and national presence in the United States. But it dragged its feet on reacting to the disruption of newcomer Netflix.

Blockbuster forecasted its future based on its past. Meanwhile, the company ignored:

- Hastings predicted 50% video streaming penetration by 2002.
- Netflix launched a fledgling DVD mail-order rental service as early as 1998.
- Netflix grew that business and completed an IPO at a $300 million market cap in 2002.

Instead of reacting to that input and leveraging foresight to develop a response, Blockbuster:

- Declined a direct offer to buy Netflix in 2000, because its own market position was secure.
- Ended an early video streaming partnership in 2001 because it was not yet profitable.
- Launched an online DVD rental business in 2004, long after Netflix solidified its own market position.

Blockbuster closed its remaining stores in 2014. Meanwhile, as of 2020, Netflix has a $200 billion market cap and $20 billion in revenue. Forecasting wasn’t enough. A foresight strategy could have saved Blockbuster from oblivion.

CHECK RECORDING JOIN DISCUSSION

Reverse Engineering The Future:

How to Ensure your Innovation Portfolio is Truly Aligned With Market Needs

Expert

ANDY WYNN
Founder at TTIP Consulting

Traditional technology roadmaps show how the technology of that business evolves over time and essentially form a summary of a company's R&D program, but miss what is happening in the market.

Other types of roadmap exist, usually published by industry trade organizations or government trade departments. These roadmaps tend to be huge reports on market trends and are difficult to navigate. The third, and most useful, type of technology roadmap is essentially a mix of the two, including both the market trends and technology evolution.

In theory, this last type of technology roadmap is the best for a business, because ultimately, a good roadmap should include an understanding of what trends are happening in the market and an interpretation of what that means in terms of future products for your business. This defines clearly what technology you need to create to be ready to serve the future needs of your customers, and what R&D projects you need to start working on to have those new products ready in time.

Problems With Technology Roadmaps

The problems with most technology roadmaps tend to be:

- They are too high level and broad to be useful
- They are too complex and too comprehensive
- They try to cover too much ground
- They only include summaries of what is going on
- They are led by the technology lead in a business and not by the market facing lead

> "A good roadmap should include an understanding of what trends are happening in the market and an interpretation of what that means for your business."

How to Make Technology Roadmaps Work for You

A technology roadmap should be a strategic exercise to help point businesses in the right direction. A roadmap should add value to your business. That is why they need to be market-led.

What happens with the Market-led Technology Roadmap approach is that we change ownership and change mindset, so it completely alters the way you run your roadmaps.

The biggest issue with traditional road mapping is it does not look to the future, and it does not look to the trends. These conventional roadmaps are just trying to fit what a business does today with what they think the trends are, instead of looking to the future and working backwards. If done correctly, a roadmap should be a fantastic source of new ideas that can fill the innovation funnel.

CHECK RECORDING   JOIN DISCUSSION

Consumer Behavior Shifts in a Low Touch Economy

Expert

VINCENT PIRENNE
CEO at Board of Innovation USA

The worldwide lockdown forced consumers and companies to adopt new habits and adapt the way that they operate. We've been monitoring the changes brought about by the low touch economy and what's happening around the world. What we've noticed is that the low touch economy is ultimately a trigger for new opportunities.

The low touch economy is here to stay, too. Because of that, society is taking the first steps to change behavior, and we're starting to see the changes that might stick.

These changes aren't going to go away with the development of a vaccine. There are many surveys and reports available telling us that, for example, only 50% of Americans plan on getting a Covid-19 vaccine. Survey results are similar in the UK and other areas of the world. So while there are multiple pharma companies working to develop a vaccine, the adoption of it will be slow. The behavioral drive of consumers will continue to be an important factor in the changes within society. So brands have to adapt.

Shifts In Behavior Will Happen On Many Fronts

Shifts on many fronts will influence human behavior and will generate ripple effects that are hard to predict. Consumer behavior is changing due to health measures, economic disruption, and technological advancements. Every new shift is a possible opportunity. We've outlined six of those new opportunities. Some of which were born out of the Covid-19 crisis, while the state of the economy accelerated some of the others. The big shifts include:

> “The behavioral drive of consumers will continue to be an important factor in the changes within society. So brands have to adapt.

- Increased willingness to share personal data
- Wellbeing-centric lifestyles
- Rise of telemedicine
- Digital buying is the norm
- Escaping the madness
- Transparency and corporate citizenship

How brands capitalize on these shifts in behavior will be a big factor in determining whether they are winning in the low touch economy.

What Brands Are Winning In A Low Touch Economy?

Certain brands are making the right pivots. We took a closer look at the winners, those brands that are making lots of progress or increasing their revenue in these uncertain times. While life sciences and pharma companies are clear winners, we excluded them from our ranking of the top 40 industries. Once we did that, there are clear winners thriving in industries such as:

- Digital infrastructure, including cloud computing, cybersecurity, and automation
- Virtual creativity, including digital creation platforms
- Low touch living, such as eCommerce and facility management
- Investing in yourself, including healthier lifestyles, makeup brands, and personal treats
- Disconnect from reality, such as entertainment, gambling, and gaming

How You Can Adapt

What brands are prepared to meet the demands of a low touch economy? We developed a set of parameters to help us determine who is adapting and how they are doing it. These parameters include:

- What value do you provide?
- Offering, audience, and engagement
- How do you deliver value?
- Location, employees, workplace, supply chain
- How do you capture value?
- Revenue streamz

You can evaluate a product or a brand based on these parameters and start to see winners emerge.

For example, let's look at Peloton. This New York-based brand develops at-home exercise equipment and home fitness classes. They mainly targeted luxury customers where people will exercise at home. But due to the pandemic, they anticipated and developed solutions that are fit for the low-touch economy. One small pivot they did was going towards the masses. Because of the huge growth in demand, they managed to develop cheaper bikes. They looked at ways to reach their customers through different channels. In this case, through collaboration with AppleTV, which isn't something they did prior to the pandemic.

Another example is the US and Canada-based restaurant chain Panera Bread. They offer "good 'clean' meals served fast-casual," targeting American families during lunchtime. They've changed their way of working to include low touch services like curbside pickups and contactless one-hour delivery. They've also changed their in-store dining through a complete redesign for a low touch economy.

The final example is the brand Beyond Meat. They launched a few years back, developing plant-based meat substitutes. They were mainly focusing on restaurants and fast-food dining. As they saw a huge uptake in the fast-food experience, they developed large campaigns to better supply their fast-food chains. They also changed their revenue model by making aggressive pricing strategies to compete with traditional meat. It's an interesting approach because originally they positioned themselves as a more luxurious product. But it's working.

How Is Your Product Or Brand Capturing These Opportunities?

What can you take away from all this for your own brand? Start by looking at the parameters above. Then ask yourself if your brand positions itself to make a move and adapt to the low touch economy. You'll need to develop an approach that will make it happen. Because Covid-19 probably won't go away quickly, but these new opportunities will.

Ideation, Incubation & Business Design

CHECK RECORDING   JOIN DISCUSSION

Why Innovation Fails & How To Fix It

Expert

TONY ULWICK
Founder & CEO at Strategyn

Innovation is a top priority for nearly every company. Yet, it is still a highly unpredictable business process. That is why we want to focus on the root cause of this—specifically, why does innovation fail?

Innovation is the process of devising solutions that address unmet customer needs. The way to win at innovation is to separate the innovation process from the product development process. The goal here is to exit the innovation process with a product concept that, before you even develop it, you know it is going to win in the marketplace.

Two Different Innovation Approaches

Companies use two different innovation approaches:

- **The Ideas First Approach:** Companies either ask the customer for solutions they want, brainstorm ideas, iterate, and pivot, or have a limited understanding of customer needs. When you approach innovation this way, the innovation and development process are intertwined. This means you do not know if you have a winning product before you start developing it. Consequently, it is an inefficient way to learn about customer needs.

- **The Needs First Approach:** In this approach, the company first comes up with all the customer needs, figures out which ones are unmet, and then decides on a solution. This approach has the company separating the innovation process from the development process. This means that the output of the innovative process is a solution that the company knows addresses the unmet needs because they tested it. From there, the company will create a product that they know is going to succeed.

> “We cannot blame the customers for not knowing their needs.”

The Problem With Innovation

The problem with innovation is not that the customer does not know their needs. Instead, the problem is that companies do not know what a “need” is. We cannot blame the customers for not knowing their needs. The real issue is that a company needs to do a better job of defining what a need is.

This sets up an interesting paradox- somewhat comical, yet tragic. In a typical customer interview, neither the researcher nor the customer understands what inputs are being sought. Even worse, they do not know what information, if discovered, will lead to successful innovation. As a result, these researchers do not ask the right questions, and the customers do not provide the right inputs. These researchers end up gathering an extensive amount of information, including thousands of inputs. But they still fail to discover the inputs that take the guesswork out of innovation. Why? Because the need has not been defined.

What Should A “Need” Be?

A need is a statement that tells a business where there’s a lack of customer value. Needs are just the problem or lack, not the solution. It’s the task of the innovation team to identify potential solutions based on what customers actually want to achieve, not what’s failing in their interaction with the current product.

The “job” is the process the customer is using a product to achieve. This shift of focus aligns product design with the customers’ needs. Instead of making the product more desirable, it’s better to focus on how users want to get their job done. Companies can do this by creating a job map that captures the entire “job” to obtain a full understanding of the steps.

After creating a solution, innovators can ask customers about what factors of the new solution are (i) important and (ii) satisfactory. The area for growth is where product performance is important but not currently satisfactory. That’s the best area to address in nearly any market.

How To Fix the Innovation Problem

What we want to do is flip this around completely. Making sure that both the interviewer and the customer know what a need is. This way, when both understand precisely what piece of information they are looking for, they can then create a complete set of needs.

CHECK RECORDING

JOIN DISCUSSION

How to Find Problems Worth Solving

Expert

ASH MAURYA
Author, creator of Lean Canvas, and founder of LEANSTACK

How do you build a better product? More importantly, how is "better" defined? Problem-solving is challenging because the innovator needs to understand what improvements are required before a better product can be built.

Start With The Problem

Starting with a solution is like building a key without a door. One step to building a better product is embracing problems before developing solutions. Instead of simply making a product "better," identify whether it needs to be faster, more efficient, more user-friendly, or another characteristic in which the current product is failing.

Love your problem, not the solution. Innovators tend to see a problem and quickly gravitate to a solution. Statistically, however, most solutions fall flat because there is not a complete understanding of the problem. The innovator rushes straight up the pyramid to the solution world, not devoting sufficient time to understanding the problem. Time is spent getting funding and building a product that might not address the issue.

The Customer Doesn't Know What They Want

A customer cannot successfully identify their need. As Steve Jobs once said, "It is not the customer's job to know what they want." Customers do not serve up problem statements but instead focus on solutions statements and feature requests. Traditionally, customers do not introspectively understand the root cause or are not innovators capable of providing a solution.

> “Most solutions fall flat because there is not a complete understanding of the problem.”

Think about taxis. If you had asked customers what is broken with taxis ten or twenty years ago, they would have complaints and suggestions, but the idea that a customer would propose a rideshare solution is unlikely. Instead, you need to aggregate data about problems, identify which problems are a priority, and have a group of innovators pose solutions, not just resolutions.

Talking About Problems Is Hard

It takes skill and practice to talk about problems in a way that initiates results. In the corporate world, innovators tend to be more protective and defensive of problems. Corporate leaders are only likely to open up if they know you, like you, and trust you.

You can’t approach a leader and say, “You are doing innovation all wrong; here are all your organization’s problems.” You will be viewed as aggressive, and no one will be open to listening to your suggestions. People’s first reaction is to react negatively to feedback on problems.

Only when you get to the heart of the problem can you create a solution built to address the problem. The art is to uncover issues without running into the pitfalls that come with discussing problems. The result is building a better product.

CHECK RECORDING

JOIN DISCUSSION

How to Take Lateral Shortcuts

And Transform your Challenges into Tangible Opportunities

Expert

NADINE MEISEL
Founder at Strategic Design & Innovation Consulting – Beyond the Box. Author of Lateral Shortcuts

In any business venture, crises will inevitably arise. But how do you tackle tough challenges and turn them into non-obvious opportunities in an innovative, effective and easy way?

Lateral Shortcuts is a powerful methodology for overcoming difficult challenges and transforming uncertainties into tangible opportunities. It leverages non-obvious needs, markets and resources beyond the box.

Let's look into the example of a Spanish furniture company. For over 30 years they had created bookshelf systems primarily for Spanish libraries and other public institutions, and were faced by the challenges of digital books and media, and a lack of demand and funds in their primary target market. By utilizing the Lateral Shortcuts mindset and approach they were able to find innovative solutions that eventually saved their business.

Using Lateral Shortcuts

This meant looking at every resource they had, especially the non-obvious ones. They used strong materials, yet these were easy to modify and combine. They run a simple and manual production system. And because they were a family company, the decision-making chain was shortened, and they could quickly implement changes. They were able to recombine these existing elements to create non-obvious applications for new needs and markets.

> “Lateral shortcuts leverage non-obvious needs, markets and resources beyond the box.”

By changing the arrangement of simple elements of the bookshelves that were currently being produced, the company could easily create shelving units that would fit into residential settings and beyond. They could create designer shelving systems for different spaces such as living rooms, kitchens, workspaces, bars, bedrooms, and closets.

As a result of identifying and utilizing their resources differently, the company expanded outside their current market. Not only did this open up new target markets in Spain, but it also gave them the opportunity to expand into international markets. They were able to utilize the Lateral Shortcuts approach to turn the crises of facing bankruptcy into an opportunity to build and expand their business.

CHECK RECORDING JOIN DISCUSSION

How to Solve Big Problems Faster With Remote Design Thinking

Expert

ADAM BILLING
Founder, Treehouse Innovation and Sprintbase

Remote design thinking can help you find fast, innovative solutions to big business problems. In fact, running design projects on virtual platforms can actually lead to better results than face-to-face innovation projects.

Why Design Thinking?

In order to solve problems with innovation, you must have the ability to rapidly and consistently respond to new challenges with innovative solutions that make a real impact. This is where design thinking comes into play.

At its most basic level, design thinking is a human-centered problem-solving approach that uses creative tools and mindsets of design to help all kinds of organizations find innovative solutions to the challenges they face. It seeks to balance what is desirable with what is technologically feasible, financially viable, and ethically sustainable.

- **Desirability:** Design thinking considers the problem to be solved, the ways that it can be solved, and the ways in which the solution will cater to human needs.
- **Feasibility:** Design thinking takes into account whether the solution to the problem is feasible given the organization's resources and available technology.
- **Viability:** Design thinking includes financial projections, including initial investment, projected revenue, and growth.
- **Sustainability:** Design thinking must take into account the effects of the solution, both socially and environmentally.

> "With remote design, you can greatly expand your pool of resources and more easily share ideas with stakeholders and team members."

Design Thinking Process

The design thinking process outlines the way that organizations go from defining the problem to designing and creating a solution. By its nature, the design thinking process is very hands-on, and typically incorporates three steps:

1. **Empathize:** Members of the organization go out into the field to interact with and understand the user in order to gain insight into their needs and desires.

2. **Ideate:** Once the problem has been identified, the innovation team delves into the creative process with designs, sketches, and idea development.

3. **Prototype:** From the ideas created in the previous step, designers create a prototype of the suggested solution.

All of these are very hands-on activities that require face-to-face interaction that is not possible in a remote work environment. It is therefore necessary to consider ways that we can overcome the challenges of working remotely in order to reproduce the magic of in-person design and innovation.

Challenges Of Going Remote

Going remote presents a variety of challenges for design and innovation teams who are used to working closely with others. Some of the primary challenges designers experience when going remote include:

- Reproducing "face-to-face magic" and group creativity
- Keeping people on track
- Maintaining individual and team accountability
- Achieving tangible outputs
- Using the right methods effectively
- Making it as fun and engaging as a face-to-face workshop

These challenges can stifle the creativity of the team and result in less effective solutions, not to mention increasing time and expenses on the project. Fortunately, remote design thinking offers a number of advantages that can help organizations surmount these obstacles.

Advantages of Remote Design Thinking

Despite the difficulties organizations initially face, going remote actually offers numerous advantages over more traditional face-to-face methods. For each step in the process, the main advantages are as follows:

Empathize

- You can engage the right team members with needed skill sets, regardless of geography.
- Remote communication allows you to collect input and inspiration from more diverse sources, as you can connect with people around the world.
- You can invite users and stakeholders into "your virtual studio" to participate and co-create with you, which allows for a more productive interactive experience.

Ideate

- Remote communication provides for synchronous and asynchronous working, to facilitate greater idea diversity.
- You have the ability to use digital media to bring your ideas to life.
- It is easier to run remote brainstorms with diverse user and stakeholder groups outside the team.

Prototype

- You can create more convincing digital prototypes to share and learn quickly.
- Remote access allows you to get instant feedback from a wide range of stakeholders regardless of location.
- Remote design makes it easier to incorporate the creative visions of others.

With remote design, you can greatly expand your pool of resources and more easily share ideas with stakeholders and team members. The design process can be enhanced through the use of digital tools and media, and you can more easily meet with individuals and groups regardless of their geographic location.

Mistakes And Lessons Learned From Going Remote

The team at Treehouse worked directly with various companies to create an effective remote design experience. During the process, two major mistakes provided opportunities for learning.

Mistake #1: Trying to Just Replicate the Face-to-face Experience Virtually

Although it seemed at the time to be logical to simply set up a virtual version of the office, designers discovered that it was impossible to replicate the face-to-face experience. Instead, they found innovative ways to incorporate remote technology to make the process more effective.

What They Learned:

- Valuable voices get heard.
- Introverts are unleashed.
- There is greater individual accountability.
- Flexible teams and timeframes facilitate greater creativity.
- Newly-trained leaders get results.

Mistake #2: Assuming People Would Be Gradually Moving to Remote Design Thinking

With the COVID-19 pandemic, remote workplaces became a reality quickly. What may have been projected to be a gradual, steady transition became a necessity practically overnight. Companies found themselves adjusting to remote design thinking at speed, which produced quite a few challenges.

What They Learned:

- Focus on what you can do, not what you can't.
- Use remote tools and platforms that complement each other (Slack, Zoom, InVision, etc.).
- Use time zones to your advantage.
- Keep people at the center of the experience.

As more companies adopt remote design thinking, they are beginning to discover the many advantages that remote technology offers over traditional face-to-face design methods. The ability to connect remotely with customers, team members, and stakeholders around the globe allows for the introduction of more ideas, while digital media tools allow for more efficient design input.

Overall, the benefits of remote design thinking ensure that it will remain a necessary means of innovation long after the current crisis has passed.

CHECK RECORDING   JOIN DISCUSSION

How to Plan and Run a Successful Online Employee Ideation Challenge

Expert

COBY SKONORD
Co-Founder & CEO
at Ideawake

Brainstorming new ideas and new ways to solve central business challenges is core to the innovation process. But COVID-19 has disrupted that process, taking away options like hackathons and design thinking workshops. Instead, work is shifting online, bringing with it a few changes that are crucial to continuing success.

The traditional way of collecting new ideas from your employees is through open suggestion boxes or forums. But, that tends to fall short of the goal, as 70% of ideas collected are typically related to HR improvements. Compared to that method, a well set-up innovation challenge has a few distinct advantages:

- **You'll receive more ideas.** Innovation challenges provide employees with thought starters, making it easier for them to ideate. That, in turn, results in a higher quantity of submissions.

- **You'll receive higher-quality ideas.** Providing the context of the ideas sought (more on that below) helps employees submit suggestions that are more closely aligned with organizational objectives.

- **You'll achieve long-term engagement.** New challenges, run through the same system but on a more regular (monthly or quarterly) basis, continue to engage employees over time. That's especially true if submissions are time-limited, adding scarcity as a motivating factor to the equation.

- **You'll control the influx of new ideas.** You can decide when to run each challenge. That, in turn, allows you to space out challenges enough to implement ideas from prior challenges before moving towards ideation in another area.

How To Create A Great Challenge Statement

An ideation challenge is only as good as its prompt. Get this piece right, and the quality of ideas you'll receive will increase drastically. Here is a three-step process for creating engaging, actionable challenge statements:

1. Define your goals, objectives, or obstacles. This is where you explain exactly what you want (and need) to achieve out of this challenge. Where possible, tie the challenge to a broader strategic objective for the organization, which makes the ideas you receive more actionable.

2. Ask why you've not currently achieved the goal or overcome the obstacle you're focusing on. That simple question will help you:

3. Uncover the drivers behind your core goal or obstacle. If you're seeking to increase efficiency in the sales department, this means asking why it isn't being run efficiently today.

At this point, you have the opportunity to narrow and prioritize your drivers. Instead of highlighting sales inefficiencies, you might benefit from specifically discussing your CRM or a higher-than-expected appointment no-show rate. Getting specific allows you to prioritize your drivers in order to better focus each challenge.

Broad or Narrow Challenge Statement and Drivers: Which Works Better?

The final choice you'll need to make for your challenge statement is whether to keep it broad, or get specific. There is no perfect answer; instead, it depends on your priorities and your front-line employees' experience with this type of exercise.

A broad challenge statement will almost necessarily result in a higher engagement rate. It's easier to think of ideas to submit. But those ideas will most likely be lower-quality than if you focused on a more narrow statement designed to improve and solve a very specific driver.

Most organizations start with a broader challenge statement to maximize engagement. Over time, through ideation challenge iteration, the team adds more narrow statements over time, once employees are more used to the platform and process.

Long-term, narrow challenge statements are best. It pays to get specific. Including a specific KPI, a percentage increase for that KPI, and a timeframe for that increase helps employees experienced in the process ideate in ways that are both actionable and likely to succeed.

> "An ideation challenge is only as good as its prompt."

CHECK RECORDING JOIN DISCUSSION

We Can't Build Tomorrow Using Yesterday's Tools:

The Evolving Face of Change

Expert

SCOTT MCDONALD
Co-founder at Modern Accelerator

It has never been easier to make change in organizations than it is today. The barriers to exploring new ideas and reading the market in real-time have never been lower.

So much has changed in the worlds of product design and innovation. Many leaders are not fully aware of the new possibilities. New teams, tools, and techniques are now available to come together to create a new world of possibilities for organizations.

For example, a Fortune 500 company in a highly regulated industry to launch a new offering for a new audience in just five months. Farmer's Insurance was able to attract millennial renters to a new renter's insurance offering in about 1/3 of the time it would have taken them using traditional methodologies.

Ideas are Built on Assumptions

One major pitfall to positive change is falling in love with ideas during brainstorming sessions. There is no such thing as a good idea or a bad idea. Ideas are simply clusters of assumptions. Rather than falling in love with an idea, a company must dissect ideas into their underlying assumptions. Fall in love with testing those assumptions, not the idea associated with the assumptions.

All, none, or some of these assumptions could be correct. The accuracy of these assumptions will guide the product development process.

Example of assumptions include:

- Millennials want personalization
- Millennials don't have anything worth insuring
- Millennials don't know about renter's insurance
- Millennials think renter's insurance is too confusing

Validate Assumptions

Going to market without validating the underlying assumptions of an idea is a costly mistake.

- **Successful ideas:** Where products go to market with underlying assumptions have some degree of evidence and validation

- **Unsuccessful ideas:** Where products go to market with invalidated assumptions and validation occurs in real-time in the market. This is the most expensive way to learn that you built the wrong product

Make validating assumptions a part of your process. Get out every assumption behind an idea. In the Farmer's example, the team explored everything they believed to be true about millennials, renting, insurance, what millennials might want, their attitudes, and any other assumption associated with the idea. The team then ran experiments to test and validate whether the assumptions are true. If the assumptions are not true, significant funds will be spent on something the market doesn't want.

The new playbook for moving forward with successful ideas is to validate assumptions with real humans continuously. Once you're confident in your validation, that's the time to start putting things into production.

> "Fall in love with testing those assumptions, not the idea associated with the assumptions."

CHECK RECORDING   JOIN DISCUSSION

Lean Experimentation

Expert

NARJEET SONI
Product Strategist and CEO at Lean Apps

Let's take a look at the journey from idea to revenue-generating products, as well as building out an innovation portfolio for new business models and value propositions.

Managing Your Innovation Portfolio

Innovation is hard in all companies, large and small, and this is largely because change is difficult. In order to create and manage a stable innovation portfolio, it is important to establish a culture of both exploration and exploitation.

Explore + Exploit Cultures

Innovation and growth require both exploration and exploitation. Exploration culture cultivates creation, discovery, validation, and acceleration of completely new ideas that are foreign to an organization, while exploitation culture values the management, systematic improvement, and growth of existing business. Most companies are better at exploiting current systems than exploring new systems and business propositions, largely because exploration includes a great deal of uncertainty. On the other hand, once the value and method of an idea have been established, companies are good at growing from there.

Structuring Your Innovation Process

In order to facilitate growth and innovation, it is important to establish a solid structure. In fact the lack of structure is one of the primary reasons that the explore culture fails in many organizations.

Why Do Most "Explore" Setups Fail?

- Lack of structure
- Lack of mentoring
- Lack of experimentation
- Over-investing in one "Build Trap"
- Lack of scalability

In order to avoid falling into the same traps, organizations must consider the way that they structure the entire innovation journey.

Typical Innovation Journey

The typical innovation journey can be summarized as follows:

1. **Idea Management:** Idea creation and team selection

2. **Discovery:** Opinionated research

3. **Incubation:** Build a fancy product

4. **Launch:** Enable marketing and sales

5. **Scale:** Put more money into acquiring users

In reality, people spend too much time on ideas and incubation. They become emotionally invested in the product, due to the amount of time and resources they put into it, and are not willing or able to move on when something isn't working.

Lean Experimentation Innovation Journey

Rather than depending on outdated design and innovation methods, Lean Experimentation provides a balanced approach to increase your idea output and encourage growth.

1. **Ideation (2 months):** Introduction of disruptive ideas, team building, and problem hunting

2. **Discovery (4 months):** Development of problem solutions and conducting lean experiments

3. **Incubation (6 months):** Product market fit, design sprints, and agile data analytics

4. **Launch (6 months):** Sales traction, growth hacking to keep users active and acquire new users

Rather than focusing the majority of time and resources, Lean Experimentation encourages innovators and designers to invest time in analyzing the market for growth potential and tailoring your product to ensure that it is something people want.

Going All-In with Experiments

Investment of time and resources is critical to innovation. However, you should be aware that failure is the most likely outcome of your idea. No amount of experience and competence in a given field will shield you from market failure. In fact, even industry leaders like Google and Microsoft have entire virtual graveyards full of failed ideas.

For this reason, it is important to consider the impact of your project from an impersonal perspective. Basing your innovation and development on hard data allows you to determine when to continue a project and when to let it go before it becomes a build trap.

Data Beats Opinions

Opinions regarding whether people think or hope the product will be successful are largely based on desire, experience, and related knowledge, but have no basis in fact. Data, on the other hand, can be quantified and used to provide you with actionable insight into your project.

How to Obtain Data

1. **Rough Idea:** Project number of users, demographics, and expected usage.

2. **XYZ Hypothesis:** Use formula X% of Y will do Z to create a better idea of your potential market.

3. **Hypozoom:** Scale down XYZ to small-scale, localized usage.

4. **Decide on Experiment:** Test your hypothesis based on scaled-down numbers.

5. **Skin in the Game:** Obtain email, phone number, customer calls back, customer books demo, customer reaches checkout, customer pre-orders, customer orders. Using a points system, you can calculate the effectiveness and marketability of your product based on this data.

6. **Run Your Experiment:** Execute the experiment, collect the evidence and insights, and decide next steps

Using these testing and validating methods allows you to produce ideas at scale and at speed. Lean Experimentation will help you to enhance your innovation portfolio by reducing the cost investment and allowing you to reliably track the success of your ideas throughout the process, so you can invest in the best ideas for your company

> “Opinions regarding whether people think or hope the product will be successful have no basis in fact.”

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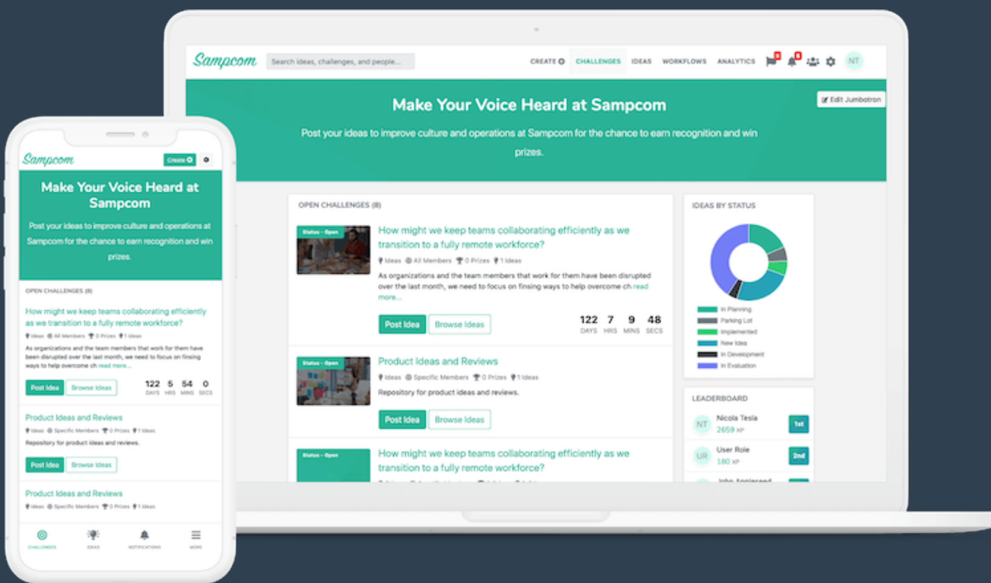
Transform Employee Ideas into Repeatable Growth

Ideawake's innovation platform enables employers to build a culture of innovation by engaging employees in crowdsourcing, evaluation, and validation of ideas focused on growth and savings.



"The structured programming Ideawake provided has proven essential."

- Brent Cross,
Strategic Program Manager at OSF HealthCare

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Experiments as a service

We help **de-risk ideas via experiments** - at SPEED & at SCALE

1 Problem we solve?

Most innovation teams struggle to execute experiments. They struggle with:

» **Which experiments** to run for their idea?
» **What data** to measure?
» How to deal with internal **legal and marketing nightmares**?
» How to **make decision using data**?

2 Who is it for?

Anyone who wants to **de-risk their idea** by validating their hypothesis

1. Innovation teams
2. Product teams
3. Innovation Agencies

3 Our solution?

We have a pre-defined experiments menu - with 20+ handpicked experiments - and an experiments team with all the skills required to execute experiments - **FAST and at SCALE**.

Designers | Developers | Marketers | Videographers | Data Analysts | 3D designers

Experiments (both digital and physical) are put in front of the customers **within 24-48 hours.**

4 Data vs Opinion

We only believe in collecting real "**skin in the game**" from your customers. Something they value - like their email, their phone number, their time or their money.

Data collected will clearly tell you **whether to make further investment** on product development

5 Already used by

BAYER | AIRBUS | SIEMENS | Allianz | BMW

Lean Apps

www.theleanapps.com/innovation | berlin@theleanapps.com

Venture Building & Portfolio Management

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JOIN DISCUSSION

The Acorn Method

Expert

HENRIK WERDELIN
Author of The Acorn Method. Founding Partner at Prehype. Founder at Bark

To learn how to create sustainable growth, it's unnecessary to compare yourself to fast-growing unicorns. Instead, look out your window and take inspiration from the humble oak tree and its acorns. Trees have been thriving on our planet for hundreds of millions of years, so they are the perfect example of growing in uncertain times. Oak trees, in particular, have much to teach us about cultivation, opportunity, and progression.

Acorns are fascinating organisms. They are a small unit, but they are chock full of resources and DNA. Each acorn comes with a specific mandate: grow quickly, and grow up. If they fail to accomplish these commands, they will die. Oak trees have incredible root systems that allow them to find the most fertile ground. Here is where they drop their acorns to give them the highest likelihood of success. Acorns that do manage to sprout and develop into mighty oak trees will eventually reach the limit of how high they can grow. To regenerate, they grow wider. Instead of building a taller tree, they become a forest.

Businesses can learn a lot from the acorn and the oak tree. Just as an acorn has different DNA within it, all working toward the same goal, it's important to realize that there needs to be different DNA within an organization. The people who are making sprouts are different from those who are creating branches, which are different from the ones making sure the tree gets bigger. It's equally important to make sure the structure built around this talent is the right environment for them to reach their highest potential. Solitary trees that aren't part of a forest grow faster, but they also don't live as long. So businesses must branch out from within, creating their very own forest of different products or services. Like the mother tree, strong systems must be in place to support all of these new initiatives.

> “Oak trees, in particular, have much to teach us about cultivation, opportunity, and progression.”

Interestingly, trees accelerate their ability to regenerate when they feel they’re about to die. When the mother tree is in danger, oak trees will deploy more acorns to the most fertile ground.

Most businesses do the opposite when they see failure on the horizon. In many cases, if a company knows a product has disappointing sales, they throw even more resources at it. But what they’re actually doing is wasting time, effort, and capital on a lost cause. They should look for the acorns sprouting the tallest and strongest, and support them instead. Businesses need to find ways to regenerate and branch out, or they risk disappearing for good.

CHECK RECORDING JOIN DISCUSSION

Venture Pivoting

Expert

SEBASTIAN MUELLER
Co-Founder
MING Labs

Pivots are fundamental changes in how an organization operates. Currently, the global pandemic and the resulting uncertainty are two of the biggest factors impacting how businesses operate and plan for the future.

The three ways a venture can tell when they should pivot – or the three most common types of "triggers" – are:

1. If there is a significant shift in the industry
2. If their current strategy is underperforming
3. If there is a megatrend in the industry or society

When any of these major events impact a business, it's important to respond quickly. However, it's just as important to plan and choose the right pivot. To start, organizations should utilize this four-step process to finding a pivot.

Four Steps To Pivoting

1. Identify The Trigger

The first step is to identify what has changed to impact the business and why there was a change. Focus on any important data points in both the business's short-term and long-term strategies. A trigger could be either internal or external from the organization.

2. Identify The Anchor

An anchor is the set of core assets of a business. The company should think about what makes them valuable and stand out from the competition. Then it can determine what is working and what needs to be changed when creating

> “A trigger could be either internal or external from the organization.”

a new strategy. If something is not working at the core of the business, it has a ripple effect on the rest of the company.

3. Examine Options

There will always be multiple options or pivot points. So, it is essential to determine what will work best for the company. A business should carefully examine each of the proposed pivots and the effect they would have on the business. It is necessary to think about the current situation and anticipate any future changes that would affect the new strategy.

4. Try The New Angle

After deciding on plausible options, they should be run through testing before full implementation. Testing beforehand will determine if a pivot will work for the business. It allows to go back to the drawing board or make any needed adjustments for the best solution to grow the business.

CHECK RECORDING   JOIN DISCUSSION

Lean Scaleup: Set Your Corporate Ventures Up For Success

Expert

FRANK MATTES
Founder and CEO
at innovation-3.
Author of Scaling Up
Corporate Startups

As outlined in my other article here in this handbook, corporate innovators must start with four things that help to adapt to budget cuts, to set up the company for post-crisis growth and to maintain corporate innovation's role within the company:

- Understand the "new normal"
- Spot the opportunities coming from changes in customer needs, customer journeys, shifts in the channels and from new business models
- Align with digital units to identify where a collaboration could provide short-term benefits to the company
- Select the right corporate startups and ventures that will be the basis for post-crisis growth

After these actions have been done, the Lean Scaleup framework will be helpful in accelerating and scaling the selected corporate startups and ventures. In the current situation, the aspects mentioned below are of particular importance.

Pre-Scaling Up Cornerstones

Typically, the models companies are using to judge whether a particular innovation initiative is worth to be scaled, are not specifically designed for the corporate context.

In the current situation, in which so much is shifting (customer needs, customer journeys, value chains, ecosystems, etc.), a thorough 360° validation is needed, investigating quite a few aspects, asking questions like: do we have a superior value

> “There needs to be a distinct phase in which the corporate startup switches from ideation/validation mode into scaling up mode.”

proposition? Do we have an unfair advantage?

The Lean Scaleup framework arranged the boxes to be checked in a clear procedure. It is important to add however that validation is not just a checkbox exercise; it requires a non-confirmation-biased, open mindset and an effective, sprint-based work style.

A second cornerstone of the Lean Scaleup that is of particular importance in the current situation is determining the right scaling up pathway. Scaling up can be done inside the company (in an existing business unit or in a separate unit) or outside the company, with own staff or via a venture builder. There are generic pros and cons for every alternative but in the light of the current situation they need to be discussed carefully.

A third cornerstone from the Lean Scaleup toolbox is scaling up planning. Generically, this refers to what needs to be done during scaling up, arranging metered funding and establishing an effective governance.

In the current situation, it is imperative to have a hard look at the growth strategy of the corporate startup/venture which is to be scaled. Pre-crisis, the mission was often to “build a new business” and/or to “support corporate transformation”. Now, many companies have changed priorities– the mission has become to “support core short-term and then build it into a business”.

Transition to Scaling

The companies that have co-created the Lean Scaleup all underline that there needs to be a distinct phase in which the corporate startup or venture switches from ideation/validation mode into a hypergrowth scaling up mode. In the current situation it is even more important than ever to get this right.

We have identified six actions in this transitional phase:

- Pressure test key assumptions on “ready to scale” – bring in outside-of-the-team experts to eliminate bias

- Ensure proper funding and governance. Earmark the overall funding for scaling up and set milestone for metered funding (i.e. release the funding pro rata as scaling up milestones are achieved)

- Build an outstanding execution team. Scaling up requires a different skill set than exploration, ideation and validation.

- Establish product ownership – the approach to define, to develop and to market product features that was used in the ideation and validation phases (Minimum Viable Product, Minimum Marketable Product, etc.) will not work in scaling up anymore

- Arrange a collaboration model between core and scaleup. Provide access to corporate assets, create a formal alignment and support for practical work.

- Support preparations for post-scaling up pathways-to-growth. Depending on whether the initiative is going to be reintegrated into the business, remain a corporate entity, spun out, JV'ed with another company, etc. additional activities may be needed in the scaling up phase

Dual Leadership

Dual Leadership, i.e. balancing the optimization of the core while simultaneously building new business, is one key pillar of the Lean Scaleup framework. With smaller innovation budgets and an increased pressure on managers and functional experts, it is even more important.

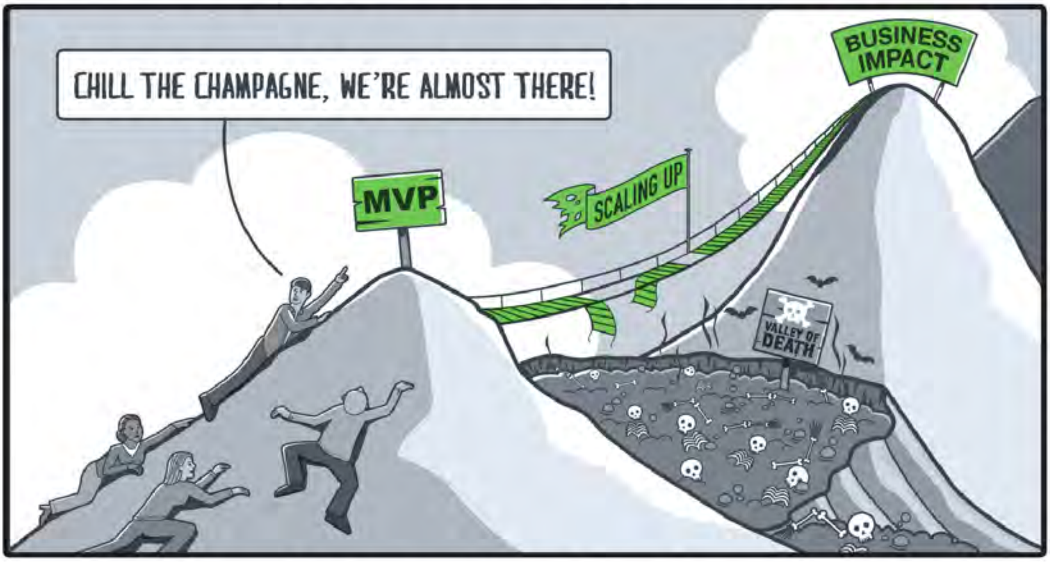
Top management needs to be prepared to make tough decisions if they want to see their company set up for post-crisis growth and not just only in survival mode. These decisions will certainly center around budgets but also around whether mission-critical managers and functional experts should support the day-to-day business or accelerate the journey of the corporate startup / venture.

Culture And Collaboration

The third key pillar of the Lean Scaleup framework is culture and collaboration between the core and the corporate startup/venture. Define roles as specifically as possible to avoid confusion later. Specify what the benefits are (for core, for startup/venture and for customers), who does what and who will collect which part of the rewards.

In these challenging times, corporate innovators need a clear map and effective tools for navigation. The Lean Scaleup, a best practice framework co-created with more than 20 leading companies is one of these tools. It will be publicly available in the next few months.

85% of corporate startups/ventures fail



The solution to this problem is coming...

Ecosystem Engagement & Startup Collaboration

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JOIN DISCUSSION

Built for Speed: Why the Fast Not the Big Will Dominate the Future

Expert

NATE NASRALLA
Head of Global Partnerships at GAN

Coronavirus has reshaped supply chains, consumer behavior, and the global economy in a matter of months. Business and product cycles are accelerating at dizzying rates, forcing executives to predict, plan, and react within a moment's notice. If they can't, they're eliminated, as evidenced by the fact 50% of S&P 500 companies have disappeared in the last 20 years.

As Ralph Waldo Emerson once said, "In skating over thin ice, our safety is in our speed," so innovators are being pressed to deliver faster innovation results with ever-thinning resources. That's a near-impossible job description, but it's the job embraced by every startup in history.

All Innovation Requires Speed

Genuine, breakthrough innovation is marked by addressing unsolved problems, defining new markets, and navigating unfamiliar contexts. It has little, if anything, to do with optimising, cost cutting, or releasing new product features within well-established markets. What's more, the evidence supports the reality that fast innovators are far more likely to be strong innovators, by getting products to market more quickly and scaling revenue before competitors.

Therefore, the number one job to be done by every corporate innovator is learning as much as possible, as fast as possible, for the lowest cost possible, inside new and uncertain markets.

> “Fast innovators are far more likely to be strong innovators.”

Why Startups Have The Speed Advantage

Speed is the essence of startups, and it’s the fundamental differentiator between them and the enterprise. There’s a certain swiftness knit into how they build and deliver their products. Startups have a finite amount of capital, or “runway,” as it’s called, so if they’re unable to reach their next milestone, get a product to liftoff, or generate enough revenue, they crash. That crash creates a mindset and level of speed that just doesn’t exist inside large corporates.

Becoming Both Big & Fast

By engaging startups and harnessing their approach to rapid, low-cost learning, innovators can build a roadmap into new markets and release new products one small step – or one “pivot” – at a time, allowing cheap failure to correct their course.

Practically speaking, this looks like structuring a series of small bets – investments, pilots, and commercial agreements – with startups who can change course quickly and inexpensively, adapting according to customer feedback.

The reality is speed can be harmful if you’re headed in the wrong direction.
By developing a startup engagement portfolio, corporates can identify early successes before putting their full weight in support of them. And once they do, this combination of mass (the corporate) and velocity – speed in a given direction – (the startup) is deadly to competition.

Corporates who embrace the startup’s speed unlock:

- **Focus:** a laser-focus on reaching their goals faster to avoid depleting capital before scale
- **Customer Intimacy:** closer contact with customers builds trust quickly
- **Rapid Learning:** developing critical, early-stage learnings quickly reduces risks and costs
- **Culture:** a radical openness to change results in forward momentum to reach goals
- **Decision Making:** act on learning and execute decisions in a fraction of the time
- **Agility:** pivot and adapt to learnings quickly, moving in any direction

A startup-corporation partnership will help your innovation team dominate the future with the both speed and size.

CHECK RECORDING JOIN DISCUSSION

Collaborative Innovation: Real, Efficient and Impactful

Expert

MANUEL TANGER
Co-founder & Head of Innovation, Beta-i

When it comes to implementing innovation in a company, there is no single way to success. However, there are ways that make success easier. One such way is through collaboration with startups.

When a company is just starting to implement startup collaboration programs, it can be difficult to know how to successfully run such programs. An easy way to break into the innovation game is by first joining a collective of corporate companies who are engaging startups together in a program. This will allow your company to easily learn the successes and challenges other companies have faced.

What Is A Coalition?

A collective is an association typically composed of several companies that provide different services in a given market and start collaborating together. Take, for example, New York City's tourism market. Typically, one would find hotels, airports, restaurants, museums, Broadway shows and more that are all trying to corner a portion of the tourism market. These companies are not competing, but rather working toward the same goal: bringing tourists to New York.

When these companies get together and engage collectively in one framework (program) with startups it is known as a value-chain program.

A value-chain is the full range of activities needed to create a product or service. In this example, the product is New York City. So in a collective, rather than one company alone providing every service needed to bring tourists, each company provides one specific service to help reach the overarching goal.

> "An easy way to break into the innovation game is by first joining a collective of corporate companies who are engaging startups together"

How Can A Collective Open Innovation Program Help?

Such a framework is better for companies just starting to implement innovation programs than going it alone, especially if your company is able to join a collective with experienced corporate companies. Joining an experienced collective allows your company to see the way corporate companies manage their innovation and engage with startups in all dimensions of the collaboration (innovation transfer, IP, contracts, data management etc). You will be able to see the muscle of the innovation program already in action, which can greatly influence the way your innovation program runs. You will be able to see the successes and challenges of other programs and implement what will work best for your company in your own program.

Are There Downfalls To A Collective Open Innovation Program?

As with any program, there can be downfalls to a collective. For example, for a collective to run properly, the programs each individual company runs has to benefit from the common goal of the entire collective. This means that each company in a collective has to use the mechanism that is of common interest to the collective as a whole, so as an individual company, you may be limiting your opportunities.

Although collectives may be the best method to get your innovation program started, once you learn the ropes, your company can go switch over to a single-interest program.

CHECK RECORDING

JOIN DISCUSSION

Ecosystems: Dreams & Details

Expert

BILL FISCHER
Professor of Innovation Management at IMD. Author of Reinventing Giants

Changes within the global marketplace have caused businesses to rethink everything they've taken for granted. Value chains, for example, have historically been linear and sequential and built for dependability. But they only flourish in familiar territory, where the rules of the game are understood, and customers are well-known. Organizations can overcome new and unexpected challenges by implementing a network of ecosystems.

Ecosystems are an external approach to accessing skills and talent, because of their ephemeral nature, they can move fast, without fixed costs and generate spontaneity and imagination along the way. One company using ecosystems to transform and reinvent their business model is Haier, the world's largest household appliance manufacturer.

The smart home revolution changed everything for Haier, including its customer base. They realized they needed new content to engage customers in a way they'd never thought of before. So, they decided to be radically open, engaging with a series of partners that operate cohesively, collaborate, co-create, and share revenue. They created microenterprises, reorganizing from a traditional organizational structure to a profoundly outside-in collection of small businesses.

Haier has platforms within their organization, designed around shared interests to make scalable learning possible and take bets on the future. Using this ecosystem strategy, Haier began relationships with new partners, like recipe producers and organic farmers, to reach a variety of customers to which they historically had no connection. Haier's use of an ecosystem made it possible for them to co-create new customer experiences, rather than continuing to only focus on new solutions.

> “Ecosystems can move fast, without fixed costs and generate spontaneity and imagination along the way.”

Changes outside an organization have to be complemented by the changes inside the organization. For an ecosystem to thrive, it’s important to think big and be incredibly accepting. When attracting a different group of partners, it can be easy to fall into the trap of stereotyping them as strange. However, these co-creators might have a secret that gives a business an edge over its competition.

Value capture is often top of mind when it comes to innovation. In an ecosystem, there must also be value sharing. That is, fair and equitable sharing of the value created from the endeavor. There also must be a willingness among partners not to try to run the show. A centerless ecosystem is more likely to generate spontaneity than directed ecosystems. Trust partners to make the ideas work. If they work, they can become part of the platform. If they don’t work, pull the plug quickly, so there’s no significant risk to the involved organizations.

Ecosystems often exist in plain sight. Once they’re recognized, they can be nourished in a way that encourages real innovation and sustained growth.

CHECK RECORDING

JOIN DISCUSSION

Platform Strategy: The Critical Enabler for Success in the Digital Economy

Expert

SIMON TORRANCE
Senior Advisor & Presenter, the New Growth Playbook

Most companies try to compete in the digital economy by investing resources on digitizing their existing products and services. While this goal is critical, it's not a strategy that fundamentally changes your business model. It leaves businesses racing against their competitors to try to stay relevant.

If we look at the five digital business model archetypes, creating a digital interface for products is the most traditional route. If you want a new way to grow, you'll need to be applying more powerful digital business strategies. Understanding the other four models is crucial for helping companies exploit different aspects of platform economics. Take a look at what we can learn from the successful application of these alternative strategies.

The Digital Tools Platform

Companies utilizing this approach focus on innovating niche digital solutions that their customers need. There are many successful examples of this model in the banking sector, where banks can invest to create their own fintech businesses instead of letting startups and venture capital firms find these solutions. This same approach can be seen in the industrial sector, where General Electric created software platforms that allow them to monitor and manage their machines remotely. They were also able to develop applications that they could offer to third parties.

> "The ultimate model is one in which you can orchestrate multiple ecosystems including multiple platforms and multiple audiences."

The Developer Enablement Platform

Companies with this type of platform expose their assets and capabilities to third party developers, who will then embed them in their own products. A classic example in the Telco space is Twilio, which provides Uber with chat and messaging functionality. Customers of the ride sharing app have a much better experience because they don't have to call their driver. Developer enablement can also increasingly be seen in banking, with embedded fintech that allows third parties to create financial services for their customers.

The Marketplace Platform

When most people think of platforms, eBay is probably one on the first companies that will come to mind. The bidding giant is one of the most prominent examples of a type of platform, which is the marketplace. This model involves being a pure intermediary that connects people who have something with people who want something. There are even very successful examples of traditional companies that adopted this model. Naspers was a 100-year-old print publishing company in South Africa that entered the digital space. They set out to create the next generation of classifieds and were able to create a whole portfolio of marketplace businesses across many different verticals.

The Ecosystem Orchestration Model

The ultimate model is one in which you can orchestrate multiple ecosystems including multiple platforms and multiple audiences. Your goal is to solve problems that can be adjacent to your core business or even farther away. For example, Ping An Insurance created platforms and ecosystems in spaces like real estate, buying and selling cars, and remote telemedicine. These disparate industries are not related to insurance but allow the company to participate in more aspects of their customers lives. By doing so, Ping An creates a much richer engagement with a broader number of end users and customers. This model, which Alibaba also follows, puts the company in the center of a rich ecosystem that they can monetize in several ways.

What these models have in common is that they're all programmable, and they all utilize open software, data and AI. But they have different characteristics, different levels of complexity and also different levels of impact.

Culture

CHECK RECORDING

JOIN DISCUSSION

The Basics For An Innovation Culture

Expert

ALF REHN
Professor of Innovation, Design, and Management at the University of Southern Denmark. Author of Innovation For The Fatigued

Too often, the conversations about innovation projects and changing a company's innovation culture are only open for a limited amount of people.

In every company, there is never a lack of ideas, entrepreneurial potential and innovation capabilities from a wide range of employees. However, it is typically just the managers and so-called creatives that are invited to the table. In this way, innovation culture at many companies has become an elitist discussion.

Common Misperceptions About Innovation Culture

Innovation culture is at its most successful when entire companies are offered a seat at the debate. Too often, companies get stuck on the idea that innovative ideas have to come from people who look or act the part of innovators.

The truth is, it doesn't matter if there's a perceived sense of creativity, entrepreneurial mindset or innovation propensity in a person – everyone is capable of an innovative idea. Opening the conversation up to more people allow for more ideas and for your employees to feel more respected.

How Do I Know If My Company Has A Good Innovation Culture?

When it comes to a successful innovation culture, the success of a company starts with two questions: Is there respect for my employees? Is there psychological safety for my employees?

> “If your company doesn’t have a solid foundation of respect and psychological safety, it will never have a truly innovative culture.”

Is there respect?

Does everyone in your company know everyone? This may be a hard goal to achieve in large corporations, but companies where the managerial staff knows everyone by name have a much more welcoming work environment.

A welcoming work environment means employees feel much safer bringing their ideas to the table. Employees need to know that it doesn’t matter what their background, education, age, sex, or race is – everyone can have a say.

If you look around at your company’s innovative team and it is composed of a few people who look and act the same, then your innovative team is not successful.

Is there psychological safety?

Now that you have invited everyone to the table, every employee needs to feel safe sharing their ideas.

Too often, companies have longtime employees who have had an innovative idea but are too afraid to share them because they were repeatedly shot down earlier in their career. If a person’s ideas get shot down or looked over seven years in a row, it shoots a message that the company doesn’t care what they have to say. If an employee feels the company doesn’t care for their ideas, they stop engaging in the innovative process.

Managers should examine whether everyone in the company is treated with civility and respect. Does someone who looks the part get more attention than someone who doesn’t?

Those types of microaggressions can kill creativity in a company. It won’t matter what workshops or retreats you run, if your company doesn’t have a solid foundation of respect and psychological safety, it will never have a truly innovative culture.

CHECK RECORDING JOIN DISCUSSION

Eat, Sleep, Innovate:

How to Make Creativity an Everyday Habit Inside Your Organization

Expert

SCOTT ANTHONY
Senior Partner at Innosight. Author of Eat, Sleep, Innovate and Dual Transformation

While innovation drives success, organizations aren't actually built to innovate. Their inherent structure is about discipline, replicability, and efficiency; they're designed to keep doing what they're doing. This can be considered an "institutionalized inertia" or the "addiction to business as usual."

Although human beings are naturally curious and creative, something happens to that creativity when people are grouped in an organization. Without inclusive diversity – where everyone feels their opinions are valued, and they can call on their unique backgrounds to provide insight – people will naturally try to find a common ground. They want to get along and keep everyone happy, and they may not feel safe stepping outside this pattern. This eliminates disruptive ideas and prevents innovation and growth.

For organizations who recognize this issue, consider these four questions you need to ask to outline your plan for change.

What Is the Culture We Want to Create?

For many organizations, the need for innovative growth inspires this process. But some companies may want to create a culture of safety, fun, excellence, or environmental responsibility. The first step is defining the type of culture you want to have and why it's important to the company's success. For established companies, you might be choosing a culture that is vastly different from the one you have now.

> “Changing culture requires consistent focus on the day-to-day habits that bring it about.”

For This Culture to Exist, What Do People Need to Do Every Day?

What habits do employees and managers need to adopt to create your desired culture? This list of behaviors and routines may be unique to your organization. For a culture of innovation, consider these five elements:

- **Curiosity:** Keep wondering if there’s a better way. Ask questions, research, and experiment.
- **Obsession With Customers:** This is why you do what you do. How can you create the best possible experience for your customers? What do they need, want, and not yet realize they need and want?
- **Collaboration:** Inclusive diversity is essential for coming up with innovative solutions. Diversity is about making sure you have people from a variety of backgrounds at the table, and inclusivity is about making sure they all feel safe, welcome, and free to share their ideas.
- **Adept in Ambiguity:** Give space for possibility. Get comfortable with the idea that there is more than one solution to many challenges. Be ready to pivot as circumstances change.
- **Being Empowered:** The team feels empowered to speak up and act on new ideas because they know they’re supported by their managers and the organization as a whole.

What actions do people need to take every day to bring those elements to life within your company?

Instead of the Behaviors We Need, What Are People Doing and Why?

Identify the daily habits that are blocking you from the behaviors and routines you want to see, and consider why it’s happening that way. Many organizations will say it’s a matter of time or resources, but those are excuses that don’t get to the heart of the issue. Dive deeper – a closer look will reveal the true blockages.

Meetings are one example. You may feel you're promoting teamwork and being collaborative when everyone comes together to brainstorm, but is everyone actually speaking up and sharing ideas? Does everyone know why they're there, or are they resentful about their time being wasted? Is someone dominating the discussion? Is the meeting starting late or dragging on too long? Does the meeting end with a strong conclusion and assigned action steps?

What's the BEAN?

BEANs are based in behavioral psychology. What is it that makes people change their behavior, and how can it be encouraged? This is the plan you need to develop to go from where you are as an organization to where you want to be.

BEAN stands for Behavior Enabler, Artifact, and Nudge:

- **Behavior Enabler:** Use direct encouragement to change a behavior. This could be a routine or a ritual – or something as simple as a checklist. The intentional effort to make a change is the hard work in the BEAN process.

- **Artifact:** This is the link between the enabler and the nudge, and it's some kind of digital or physical reminder of what you're doing and why.

- **Nudge:** A nudge is an indirect encouragement to change a behavior. The idea is to make the change as natural and pleasant as possible by encouraging people to do it without thinking about it. For example, you might redesign your office to encourage communication or gamify the process to make it more fun without calling direct attention to it.

BEANs attack behavioral blockers and give you a path to your new culture. They will look different in each organization.

Case Study: DBS Bank

Over the course of a decade, DBS Bank has managed to transform from a slow-moving organization rooted in regulations and business as usual into a "digitally-enabled innovation powerhouse." They did it by taking a close look at daily behaviors and developing a program to attack the behaviors that were blocking their success.

DBS wanted to be the world's best bank and be thought of in the same way consumers think of Google, Amazon, or Apple. They wanted to function with the excitement and innovation of a start-up. This meant being agile, data-driven, and experimental, as well as devoted to their customers and their own internal learning and growth.

They asked the big question: what's stopping us from doing this? They realized it was in their meetings, which were dominated by the speaker, poorly-organized, and ended without definitive conclusions. DBS knew collaboration was an important part of agility and their overall success, but only 40 percent of people actually thought those meetings were truly collaborative.

DBS created a BEAN they called MOJO to create better collaboration within the team meetings. They assigned a Meeting Organizer (the MO) to call the meeting to order and lead the discussion. The MO chose a Joyful Observer (the JO) to watch the meeting and evaluate the MO's performance. The JO was also tasked with encouraging people to stay focused and present if he or she noticed the participants were getting distracted. After the meeting, the JO gave public feedback on how the meeting went.

It worked. After experiencing meetings that included the MOJO hack, 90 percent of participants said meetings were collaborative.

Bringing Innovation Culture to Your Organization

It's not easy to change the culture of an organization, which has often taken hold over the course of years or even decades, especially when many employees who have been there just as long. But it can be done. It requires a leadership commitment to the change and consistent focus on the day-to-day habits that bring it about. Those small changes, repeated over time, will transform your organization.

DBS offers an inspiring story, but that's only a glimpse into the changes they made within their organization. They identified and implemented numerous BEANs and other changes, and it wasn't an overnight success story. These types of changes can take a long time, but they're worth it.

CHECK RECORDING JOIN DISCUSSION

How The Most Innovative Companies

Empower Their Employees to Work on Their Own Ideas

Expert

HUGH MOLOTSI
Author of The Intrapreneur's Journey

Most companies have under-utilized one of their most important assets – the ideas inside their employees' heads.

Frontline employees by virtue of working with customers and products every day are bombarded with insights that can have a significant impact on the company's bottom line. However, in most companies, these employees don't have a voice and their ideas become hidden assets.

For example, Steve Wozniak was an HP employee and begged management five times to make what eventually became the Apple I after he left to start Apple Computers. On the other hand, because Google encouraged its employees to work on their own ideas, engineer Paul Buccheit was able to create Gmail.

The point is this: companies that don't leverage their employees' ideas risk losing out on disruptive innovation that could drive tremendous growth.

Six Facets For Empowering Employees

Imagine a workplace where every employee feels they can do the best work of their lives. They are encouraged to autonomously develop insights as they work with customers and products. Those insights lead to ideas which they share with their fellow employees, with corporate partners, and even customers, refining and improving them along the way.

> “In most companies, frontline employees don’t have a voice and their ideas become hidden assets.”

Such a workplace is not some imaginary utopia. We’ve observed many aspects of this vision in several innovative companies that empower frontline employees. We developed the Intrapreneurship Empowerment Model as a framework to bring these best practices to your company.

This model consists of the following six facets:

- **Time & Freedom** – Employees are given self-directed time, carved out from their day jobs, to work on their own projects.
- **Dedicated Innovation Team** – All employees are supported by a central, internal team of supportive coaches who provide the tools, mindset and guidance needed to accelerate the company’s innovative progress.
- **Design Thinking** – Employees use Design Thinking principles to be effective innovators.
- **Open Collaboration** – Employees can easily find out what other employees are working on in their self-directed projects, provide feedback, and form teams across organizational and geographic boundaries.
- **Lean Experimentation** – Employees are provided the tools and infrastructure to test their ideas. Decisions are driven by data instead of the leader’s opinion.
- **Align for Yes** – Employees are given resources, tools, training, and senior leadership mentoring to develop their self-directed projects. A formal process is in place allowing projects to “graduate” to officially funded initiatives.

Empowering employees to work on their own ideas gives them a boost in intrinsic motivation, which in turn leads to increased job satisfaction. And when employees have high job satisfaction, retention is also high. Increased intrinsic motivation also leads employees to do more creative work which results in more innovative outcomes. When a company becomes more innovative, revenue and profits increase.

CHECK RECORDING JOIN DISCUSSION

Engage Employees in Your Innovation Journey: Readiness Checklist

Expert

CELINE DEGREEF
CEO at Yumana

One of the key challenges for companies that want to innovate is knowing how to engage employees. Every organizational context will require a different approach in order to successfully create a culture of innovation.

One essential first step will be assessing how ready your company is to innovate. Your resources, culture and values will also inform which innovation style would be most appropriate. Understanding this context will help you identify the key drivers to leverage as well as the main obstacles to overcome in your company's innovation journey.

Here are some key elements to consider when you are about to design your program.

- What are your goals for the program?
- What type of organization are you?
- How is your organization managed- centralized or decentralized?
- What's the management style?
- What makes up for the core business today?
- What's your innovation lifecycle?
- What's your risk sensitivity?
- What's the geographical scope?
- How would you describe the organizational culture?
- What about financial capabilities and resources?
- What different groups of employees would you be working with?

> “Every organizational context will require a different approach in order to successfully create a culture of innovation.”

There are various innovation models, for example intrapreneurship, open innovation and collaborative innovation. Analyzing your context through these particular elements will help you to know which type of innovation program you can launch and will help you to globally evaluate your company’s readiness to innovate.

CHECK RECORDING

JOIN DISCUSSION

Overcoming the Execution Gap

A 3 Step Framework to Create an Intrapreneurship Movement Inside Your Organization

Expert

COBY SKONORD
Co-Founder & CEO
at Ideawake

In order to build a scalable innovation program, you need to start with less complex, lower risk ideas, and increase their complexity and risks as you build buy-in and internal capabilities.

Walk, Run, Scale

The three stages to this scalability include the following:

1. **Walk- Incremental (Horizon One):** Improvements to existing products, services, or processes inside your organization.

2. **Run/ Scale- Disruptive (Horizon Two):** Offer new products and services to existing markets, or offer current products and services to new markets.

3. **Run/ Scale- Transformational (Horizon Three):** Offer new products and services to new markets, tapping into new business models.

The biggest issue corporate innovators generally have in terms of going from where they are to where they want to be, is how it is communicated and certain enabling events. In fact, there is a huge gap between how you get there, and how you communicate the steps to get there, to leadership.

> “There is a huge gap between how you get there, and how you communicate the steps to get there, to leadership. ”

Often, innovation teams think they are being tasked with doing more disruptive or transformational (Horizon Two/Horizon Three) innovation, and that is the reason the program exists. However, even if you are tasked to do disruptive or transformational innovation, going back and looking at Horizon One innovation first can end up benefiting you most. When you first achieve success there, and you can do it quickly in year one, especially right now during Covid19, you build the capability, the buy-in, and the justification in order to expand and get the resources that you are going to need to go to the disruptive and transformational state.

The Frontline Challenge Process

Putting the Walk, Run, Scale framework into practice can be difficult. But you can succeed by using the Frontline Challenge process and engaging employees across the organization through questions and invitations to add their voice to new ideas or initiatives. Each challenge should go through these stages:

1. **Plan & Promote:** At this stage, leadership can pose the challenge and promote employee participation. A lot of thought should go into creating the right type of challenge with the right parameters to create ideas that both benefit the organization and excite employees.

2. **Ideate:** In the ideation stage, employees start submitting ideas and comments. They also select ideas at this stage that will go through the remaining stage. The steps after the ideation stage help promote a more entrepreneurial way of thinking beyond just making suggestions.

3. **Validate:** Employees validate or test ideas during this stage. They analyze the customer personas the business targets (or new customer personas for the business to reach) and start to see the market potential for their innovations. This stage can take between four and eight weeks depending on the depth of the process.

4. **Leadership Pitch:** Employees pitch to the person in the organization who owns the budget or other key decision makers who can weigh in on the product or idea. Employees may go through several pitches as they seek funding and resources or simply sponsorship so they can more readily approach leaders higher in the organization.

5. **Prototype:** Before a product or service can be launched, the group must create or organize the creation of a prototype to establish proof of concept. Working through this stage can give employee groups the in-depth understanding of the process to refine their ideation stages in future challenges.

6. **Pilot:** This is the final stage of the Front Line Challenge process. Here, the groups market test the critical elements of the business and delivery model for the new product.

Throughout the process, employee groups learn how to collect ideas and collaborate. Employee knowledge is leveraged to improve the ideas and address real needs in the business. Thought leaders and decision makers can make the final selections from a wide pool of ideas.

This will build a culture of entrepreneurship by changing how employees approach challenges and customer needs. This is more than just coming up with ideas – it's a structured way for employees to test ideas, think about the product process, and become more critical thinkers. It's important to start this challenge process in the Walk stage to build up employees' knowledge and skills, but challenges can quickly ramp up to transform the whole organization.

CHECK RECORDING   JOIN DISCUSSION

The Future Ready Mindset

Expert

NICK DAVIS
Book Author – "Future Ready"

In order to navigate to the future successfully, organizations must develop advanced capabilities across the following four categories:

Strategy: Vision – Map – Narrative – Create and map your long term vision that accounts for exponential technologies and change and then communicate that to your customers or stakeholders in a compelling way.

Innovation: Speed – Expo Tech – Leap – Speed is critical to remaining relevant in the market, and it is important to have the tech to move forward and not be afraid to leap from a failing idea to something new.

Culture: Impact – Diversity – Exploration – Technology now allows us to have a tangible impact on the environment and provide sustainable operations while still making a profit. Diversity of talent, varied approaches, curiosity, and exploration are necessary for successful innovation.

Leadership: Robots – Meaning – Mindset – Technology is advancing quickly, and must take into account the effects of automation and robotics in our business models. In addition, finding meaning in our roles and shifting mindsets in the organization will help to guide change.

When organizations focus time and resources and only one or two of these categories, it can really slow down the process. It is important to remember that innovation is about both technology and people. For this reason, it is particularly

> “Innovation requires diverse teams that lean into the complexity and nuance of the world around us.”

important to focus on the overall mindset of your organization, dream big, and allow for meaningful innovations. People want to work on big problems that they feel will affect the world on a larger scale.

Exponential Innovator Mindset Framework

To establish an exponential innovator mindset, it is important to establish a cultural framework that focuses on INnovation rather than UNnovation. Unnovation refers to the traditional mindset common in many organizations, in which there is little to no growth and difficulty managing change. Innovation, on the other hand, encourages risk taking, diverse ideas, and speedy growth.

Unnovation vs. Innovation

- **Incremental vs. Exponential:** Small feature improvements are fine, but you need to use technology for exponential growth in order to stay ahead of the curve.

- **Tech-Focused vs. People Focused:** Playing with toys is fun, but it is important for teams to understand that they are creating for people. Technology can get really overwhelming, and the people can get lost, which results in a loss of value. Focus on the human problem that you are solving, and let the technology work into the process naturally. In short, don’t just create tech for tech’s sake.

- **Activity vs. Achievement:** Rather than focusing on inputs and investment, pay attention to which ideas have the most output and ROI potential. This allows you to focus on the ideas that have the most impact on your market.

- **Theoretical vs. Experiential:** Conceptual discussion is useful, but should move from concept phase into hands-on prototyping and experience as quickly as possible. Get used to learning as you go, so you can work through any problems and complete your development phase more rapidly.

- **Idea Negative vs. Idea Positive:** While there may be naysayers in your organization who insist that any new idea is bad until proven good, it is important to create a culture and mindset that allows for a more positive “good until proven bad” perspective.

- **Prediction vs. Exploration:** Predictions are simply confident guesses. Instead of trying to judge the outcome before you start, facilitate curious action and explore the possibilities. Open-minded experimentation is critical to ensuring a valid outcome without bias.

- **Conservation vs. Ideation:** Many organizations have a conservative approach to risk taking. Shifting your cultural mindset to positive ideation will help you move forward in the innovation process.

- **Fiscal Impatience vs. Fiscal Patience:** Rather than focusing on getting an immediate, if low, return on your investment, provide a high level of clarity for your future vision so investors are comfortable with the progress of your project and can envision the higher return possible with a more patient approach.

- **Innovation as a Garden vs. Innovation as a Jungle:** While organizations tend to be more comfortable with the idea of orderly, safe idea growth, the fact is that innovation is chaotic and dangerous. No matter how much you prepare, there will always be unexpected bumps in the road to innovation. If you are doing innovation right, you are doing something that has never been done before. Trust in the process, and keep to your plan, and you will succeed.

- **Siloed Thinking vs. Systems Thinking:** It can be easy to fall into an atomized, self-centered approach when trying new things, but innovation requires diverse teams that lean into the complexity and nuance of the world around us in order to provide innovation that is timely and relevant.

Modifying your organizational culture to reflect an exponential innovation mindset will go a long way toward helping you to create new products and ideas with the utmost speed and efficiency.

CHECK RECORDING JOIN DISCUSSION

Digital Shifts Requires A Culture of Customer Centricity And Data Obsession

Expert

CAROLINA WOSIACK
Managing Director
EMEA at CI&T

Life sciences companies are in a moment of transition for their sales and marketing efforts. Historically, sales have been a personalized process with a sales team that briefs healthcare professionals, including explanation of the underlying science. The sales team has been more like a consultant for the healthcare professionals. The sector is moving from face-to-face interactions to digital interactions.

As the sector pivots from face-to-face to digital, it must consider the customer journey in a digital world. This transformation has been sped up due to the COVID-19 pandemic. Consumer behaviors haven't shifted this profoundly in recent history which has created related monumental shifts in digital behaviors and innovations.

Ready To React

COVID-19 has shown that the ability to pivot a plan is a key competence for companies seeking to innovate. The ability to react quickly is something that needs to be part of the organizational structure. The mindset of the leadership and the entire organization needs to be geared to maximizing on unexpected opportunities.

The pandemic has shown that companies able to pivot to digital quickly were better able to adapt to and take advantage of the resulting change in consumer behavior. If the business is unable to adapt, they would be stuck and unable to deliver on the customer need state.

> “Companies that are data driven in their decision-making are going to have a distinct advantage.”

Customer-Centric Innovation

Understanding consumer behavior is critical to successful innovation within a business, no matter the sector. Innovation must take into account the customer need state and the customer journey. One of the most important things in boosting internal innovation is to bring business impact and value to the consumer. Whichever customer journey is being innovated upon, it needs to be clear what benefit will be delivered to the customer and the company.

Data is the new currency. Companies that are data driven in their decision-making are going to have a distinct advantage. The more information gets digitized, the more insights become available. Companies and innovators that don’t make the investment in thinking about how to create value from data systematically will have a more difficult time meeting and adapting to consumer preference.

Customer experience and the available consumer insight data must be the focus of every innovation process. All employees, from front to back of house, should be aware of the importance of a customer centric approach. If customer obsession and data obsession are embodied in company ethos and ways of working, this will drive successful innovation.

CHECK RECORDING   JOIN DISCUSSION

The Missing Middle: How to Spread Innovation to the Rest of the Organization

Expert

PAULA CIZEK
Chief Research Officer
at NOBL Collective

As innovation leaders, we're often frustrated when staff functions, business leaders, and middle management don't engage in innovation initiatives. If that's the case in your organization, ask yourself the following questions.

Am I The Right Person For This Role?

Perhaps your strengths lie in finding new areas to explore, rather than persuading others. In which case, invest in training on persuasion, or enlist other people in your company who are better suited. If your goal is to ultimately scale innovation throughout the organization, it often makes sense to delegate the work to those with the right skill set. Who are the strongest "intrapreneurs"? If you do not have the political connections you need to get others on board, who does? Utilize those people for that role, so that you can focus on what it is that you do best as an innovator.

What Do I Really Need From People?

Do you need everybody to "engage"? What does engagement look like? Do people just need to be excited about innovation? Is innovation a shiny object to inspire people? Or, do you really just need to be left alone to come up with great ideas that then get integrated into the organization? Do you just need resources and to convince somebody to write a check? This is a completely valid option. Think hard about what it is you need from engagement, and what you need from other people.

> "Think about what it is that you want and that they also want, and how you can work together to achieve common goals."

What Is The Smallest Change You Can Make To Their Existing Routine?

Everybody is busy within organizations—nobody is sitting around, waiting for work to come to them. Everybody thinks what they are doing is the top priority in the organization. HR thinks that D&I should be a bigger priority and everybody should be working on it. Operations thinks that nothing is more important than production. Marketing thinks that the long-term brand value is the number one priority, and making cuts would be damaging in the long term.

People are already working on what they think is important. If you want them to engage with you on innovation, make it small. Maybe you can modify what it is they are already doing, instead of introducing a major new initiative on top of existing work.

How Will It Get Them What They Want?

You can't make people want what you want, and you can't make them want something they don't want. So instead, offer a win-win solution. How is what you are doing going to help them? How will it move the organization closer towards its goals? Think about what it is that you want and that they also want, and how you can work together to achieve common goals.

Talent & Teams

CHECK RECORDING   JOIN DISCUSSION

Psychological Safety for High Performance

Expert

LAURA DELIZONNA
PhD – Executive Coach, International Speaker, Author

2020 has introduced a whole new reality, with a pandemic, natural disasters, and social upheaval around the world. In fact, VUCA, an acronym first introduced in the 1980s as a way of describing the post-Cold War world, has become increasingly relevant:

- Volatile
- Uncertain
- Complex
- Ambiguous

As the world continues to grow more dangerous and difficult to navigate, it is more important than ever that everyone works together. An African proverb states"If you want to go fast, go alone. If you want to go far, go together," but this is easier said than done.

The difficulties that the world is facing on a large scale also apply to the smaller scale interactions in personal and professional relationships. This in turn affects the way that companies handle their work culture and interactions.

According to a 2017 Gallup poll:

- 85% of global employees are disengaged, 8-31% in Europe and 51% in the U.S.
- 29% (almost 1/3) nearly constantly experience conflict
- 49% of conflict results from personality clashes or egos
- 27% of employees have seen personal attacks arise from conflicts

These numbers show that it is time for us to take a step back and reconsider the way that our organizations work internally. What can we do to work together, so that we can all go far?

Research on High Performing Teams

In a recent study of Google's highest performing teams, experts established that the following characteristics were critical to high performers:

- **Psychological Safety:** Teams knew that they could explore and innovate without fear of punishment or retribution in the event of an error or mistake. This was the most important indicator for high performers.

- **Dependability:** Team members and leadership shared a level of dependability that allowed them to work freely and rely on each other.

- **Structure and Clarity:** Team members had a clear understanding of the structure, their role, and the roles of others within the project.

- **Meaning:** Individuals working on high performing teams felt that their work would have a meaningful impact for the greater good of the world.

- **Impact:** Team members felt that their individual skills and contributions made an impact on the project and the organization as a whole.

What is Psychological Safety?

Psychological safety, as defined by Amy Edmonson of Harvard Business School, is "a climate where people feel it is safe to take risks and be vulnerable." Basically, psychological safety allows you to present your full self without fear of negative consequences. It answers the fundamental question of "Are you with me or against me?". If we want to go far, then we need to go together with a positive answer to this question, because trust is the foundation of all relationships.

Research into psychological safety has shown that it is a motivator in both professional and personal arenas. In the workplace, psychological safety affects:

- Overall Organizational Performance
- Innovation and Creativity
- Individual Employee Engagement
- Personal Employee Well-Being

Research has further shown that high psychological safety correlates with lower error rates and reduced turnover intention.

Although it may seem counterintuitive, psychological safety is not the same as "being nice." It is not about job security, making everyone feel good, or sugarcoating feedback. It is the answer to the question: "Are you with me or against me?" The answer to this question has a strong influence on individual behaviors, both personally and professionally.

Universal Principles of Human Behavior

In order to understand the ways that psychological safety affect our interactions, it is important to understand the universal principles of human behavior. Trust, positive-to-negative interactions, negativity bias, and social exchange theory.

- **Trust is the Foundation:** Trust is the greatest predictor of successful relationships, both personal and professional. When individuals trust, they are more willing to take risks and show vulnerability, which allows for a healthier and more creative environment.

- **5:1 Relationship Ratio:** All relationships follow a mathematical design, and psychologically safe relationships should exhibit a ratio of five safe/positive/trusting interactions for every negative/tension/conflict interaction. The ratio is established based on our natural inclination toward negativity bias.

- **Negativity Bias:** Due to our natural negativity bias, we tend to overestimate threats, underestimate resources, and we overlook opportunities and potential benefits. This is why the 5:1 relationship ratio is critical to ensuring psychological safety in human interactions.

- **Social Exchange Theory:** The basis of Social Exchange Theory is "what's in it for me?" It is essentially a cost-benefit analysis used to determine actions and reactions.

All of these principles together allow us to build the foundation for psychological safety, which requires trust and positive interactions.

4 C's of Psychological Safety

Whether you are a leader in your organization or a contributor, psychological safety is critical for all healthy relationships, both personal and professional. A high level of psychological safety creates trust between individuals, which is key. The four C's below outline behaviors that you can use to help build psychological safety:

Courage

Courage is choosing the vulnerability of uncertainty, risk, and transparency by admitting mistakes, revealing imperfections, and taking personal responsibility. While making mistakes can be unpleasant, it is important to consider them in a positive light as a means of improvement.

In short, it is important to remember that it is okay to make mistakes, but it is not okay to not make amends. Keeping yourself adaptable encourages growth beyond your current capacity. Adaptability gets you out of "prove" mode and into "improve" mode:

- **Prove Mode:** Who's wrong or right?
- **Improve Mode:** Develop new skills and find solutions.

If you find yourself in a situation where you are wrong, ask yourself: do you want to be right or do you want to be effective? Use courage to take the path toward improvement. Admit your errors and learn from them.

Curiosity

All adventures start with "I don't know." Innovation and growth are adventures that require uncertainty and releasing control, because otherwise we are following the same path that has already been traveled. Rather than maintaining the status quo, ask yourself "How can we?" as in, "How can we accomplish our goals? How can we get there from here?"

One of the key components of establishing psychological safety is diversity. Low diversity and high psychological safety result in comfortable stability without innovation, while low diversity and low psychological safety result in "Groupthink," or adherence to the status quo. With diversity and low psychological safety, there is a high level of self-censorship and fear. Team members don't feel comfortable suggesting new ideas, because they know they will be dismissed, ignored, or talked over. They stop speaking up. This is a dangerous place for teams to be in, and it is where startups often fail.

Diversity does not just mean demographic diversity, but that people often bring different life experiences. It can also mean age diversity, or even diversity of expertise and experience. With high diversity and high psychological safety, innovation can occur because people feel safe taking risks, and the focus is on learning behaviors. It is okay to make mistakes, and everyone can learn and improve the process. Psychological safety makes it less scary to make those mistakes.

Psychological safety unlocks the benefits of diversity. It is not enough to just bring diverse teams together; they must exist in an environment of psychological safety in order to create complexity and engagement.

Numerous studies have shown that diverse teams:

- Make better decisions and are more creative and innovative
- Are more uncomfortable. There is greater conflict and less social integration, but you are bringing in different perspectives and ideas that are critical for innovation. There are going to be difficult conversations and hard questions, and that is good.
- Do not guarantee inclusion or belonging.

If we want to harness the power of diversity in our high performance teams, we need to ignite intrapersonal diversity by:

- Considering multiple perspectives and embracing complexity
- Understanding that everyone has bias
- Soliciting input and feedback to overcome inherent bias
- Resisting categorical thinking and increasing complex understanding

> “Psychological safety is the answer to the question: are you with me or against me?”

Care

The key to embracing complexity is speaking human-to-human. We all want to be seen and heard. We all want to be respected. We don’t just want a seat at the table, we want to be part of the conversation. Caring leadership helps to ensure this inclusiveness. People follow a leader because they feel that leaders are working in their best interests and in service to them. As a leader, you are not just an authoritative figure, you create a genuine sense of care and connection by seeing, listening, and feeling.

See another’s strengths, vulnerabilities, and insecurities.

Listen to what’s not being said. Hear the emotion and intent between and behind the words. Feel the other person’s pain. This is also uncomfortable. This is where the bonds of a relationship are built.

This concept goes back to the 5:1 ratio and negativity bias. Negativity is stronger than positivity and will always have a greater effect because people overestimate threat, underestimate resources, and overlook opportunities.

Commitment

Finally, commitment is crucial to psychological safety. In a psychologically safe setting, integrity is venerated and fakes are disdained. Individuals are valued for standing up for themselves and their ideals, and the organization gains integrity by remaining whole and undivided. Commitment is acting with integrity and remaining dedicated to your priorities. It is also choosing priorities that are important to creating well-being in yourself and others, elevating others around you, listening to others, and experiencing their feelings.

If you can bring the four C’s with a learning and growth mindset, then we will be better together. That is something we need today more than ever.

CHECK RECORDING

JOIN DISCUSSION

Innovation Ability Predicts Growth

Expert

SUZAN BRIGANTI
Founder, CEO &
Head of Product
at Swarmvision

Across the board, innovation efforts aren't yet yielding enough results. The missing piece is the human aspect of innovation – the raw innovation ability or innovation talent of the workforce.

Is Everyone An Innovator?

Delving into the question of innovation ability, you will also soon pick up on a widespread belief that everyone is an innovator. It's true that "to innovate is human." We humans are the only species that rearranges our environment and realizes ideas from our imaginations. The belief that everyone is an innovator underpins employee innovation challenges where anyone can post a suggestion or idea.

We are all for democratization. But after a decade of involvement in such internal employee challenges, we have found they often lead to lots of incremental ideas, and many poorly expressed ideas. Yes, great ideas can come from anywhere, but that does not mean they are equally likely to come from everyone.

The fact that few employee ideas are implemented is partly because little thought is given upfront to funding for winning ideas, or the "not invented here" syndrome exists in which business units do not adapt to outside suggestions. But it is also because most employees lack the business skills, influencing skills and delivery skills required in innovation. So while innovation CAN come from anyone, it takes a lot more than creativity. And there are different degrees and flavors of innovation talent and skill in different individuals.

Moreover, innovation talent is not a binary "yes/no" thing. Once you know a person's specific innovation abilities, you can better match them to projects, pair them up with complementary teammates, and offer them training to develop where needed.

> “Innovation talent is statistically predictive of business results.”

And if you measure innovation ability at scale, you can also predict, on aggregate, your workforce’s readiness to innovate.

The Four Elements of Innovation Ability

A large-scale study by Swarm Vision found that innovation talent is statistically predictive of business results. At the firm level, innovation capability closely predicts growth. McKinsey compared innovation proficiency for 183 companies against economic-profit performance. Their analysis showed a strong, positive correlation between innovation performance and financial performance. So being able to predict your workforce’s capacity to innovate is very valuable indeed.

Innovation ability consists of four elements: (a) motivation; (b) proclivities (an inclination or predisposition toward a particular behavior); (c) skills; and (d) preferences.

Here are the differences between the four elements of innovation ability:

Motivation

Human motivation is often contextual and ebbs and flows, and that makes it hard to assess. A person may be very unmotivated to mow their lawn, but very motivated to toss a ball with their kid. I may not be very motivated at 4:00 in the morning, but I’m firing on all cylinders at 11:00 am. You may be able, but not willing, to innovate for your specific employer because you have lost faith that your discretionary effort will be rewarded.

Proclivities

Proclivities are either inborn or deeply conditioned behaviors that, by adulthood, are quite stable aspects of the self. In addition to personality, these include attitudes, beliefs, values and behaviors. We know that innovators are not motivated by the same things as ordinary employees. For example, they may prefer a challenging assignment creating a new product or business vs. a corner office that comes with a staid routine.

Skills

The main difference between proclivities and skills is that skills are easier to develop. A person can have little inborn talent for a given activity, and with extended effort, they can develop their skills. But a high proclivity can make learning a related skill much easier. At the same time, seeing yourself succeeding at a new skill can make you feel more positive about it, and alter your sense of yourself. Over time, that positive experience of a new skill can feed back into your proclivities and sense of self.

Preferences

Your preference is what you enjoy most. Preferences and skills are not the same thing. For example, you may like brainstorming but are not very prolific at it.

The Eight Behaviors That Distinguish Success Innovators From Others

A large-scale study by Swarm Vision revealed eight behaviors or innovation talents that distinguish serial, successful innovators from the general population. These eight behaviors are highly predictive of real-world innovation outcomes such as profitability, global expansion, acquisitions and IPOs.

In order to thrive, innovation teams need to be made up of individuals with a sufficient degree of these skills:

- **Drive** – The ambition to tackle big opportunities, the initiative to instigate new ventures, to pursue them with intensity, and to persist through setbacks.
- **Disrupt** – The self-confidence to dissent from inherited approaches, to break boundaries, to thrive in uncertainty.
- **Create** – A fascination with novelty, obsession with problem-solving, ability to make uncommon connections, the mindset to continuously grow.
- **Connect** – The ability to relate to diverse stakeholders, to navigate a complex organization for resources, to persuade, and attract a team.
- **Control** – Interest in all aspects of a venture, the drive to beat the competition, a comfort and facility with the financial aspects of innovation, including managing risk.
- **Think** – A large capacity for information, ability to recognize emerging patterns, and to reflect on underlying systems.
- **Deliver** – Resourcefulness, adaptability, and the ability to pivot your approach to reach goals, based on the changing context.
- **Give** – The motivation to benefit others and to make the world better through innovation.

The good news? It is now possible to assess this talent in individuals and organize it into stronger teams using Swarm. It's time to close the gap between innovation aspirations and actual results.

CHECK RECORDING JOIN DISCUSSION

Cracking the Code to Better Cross-Functional Collaboration

Expert

JANICE FRANCISCO
Founder & CEO at
BridgePoint Effect

On a large scale, innovators are often the employees within an organization that, when met with a problem, find an idea to help solve it. However, there is more to the problem-solving process than just the idea.

When it comes to problem-solving, there is a universal creative process based on the basic steps of:

- Clarifying the challenge
- Generating ideas
- Developing solutions
- Implementing action

However, everyone engages in the process in a different way, and there is a necessary shift in understanding that process to ensure successful problem-solving.

Cross-functional Collaboration Relies On People Solving Problems As A Team

When an organization or business is faced with a problem, different departments within the organization generally look at the problem differently, which causes confusion when everyone gets together. For example, when announcing a new product, the research and development department would describe a product as "full-fat yogurt in a 2.25 oz (ca. 85 g) tube." The operations department, however, would see the product as 50,000 cases per month, while the consumer sees it as food in their refrigerator.

> "Our thinking preferences influence how we like to engage in the various parts of the problem-solving process."

These differences in perspective mean collaborators are engaging in an uphill battle every time they work together because everyone is fighting against their natural preferences for problem-solving. The solution, then, is to figure out how to get everyone on the same page, focusing on the part of the problem you are trying to address.

Research shows that these thinking preferences influence how we like to engage in the various parts of the problem-solving process. We tend to skip over the steps where we don't have a preference and spend more time in the areas where we do have a preference.There are four thinking preferences in the problem-solving process: clarification, ideation, development, and implementation, which each match up with the different stages of the creative process.

When you have awareness of these thinking preferences and understand their underlying behaviours you can use them as a framework to guide collaboration and a way to keep everyone focused on the thinking that's needed; regardless of thinking preferences.It brings clarity to how people can contribute, and helps them flex beyond their typical mindset so everyone can find their place in the innovation process. The four thinking preferences are:

1. Clarifiers

Clarifiers think strategically and question ideas, problems, and new developments. These thinkers focus on facts and information as they search for opportunities.

2. Ideators

Ideators, which are most innovators, focus on creating new ideas and the big picture of an organization or project. They're great at brainstorming and imagining possibilities.

3. Developers

Developers can transform ideas into actionable possibilities. They refine suggestions and tweak big ideas until they're a great fit for specific applications and problems.

4. Implementers

These are the action-focused tacticians in an innovative group. They focus on the 'how' of testing and rolling out an idea to get results and more insight.

Different people within an organization may have a higher preference for different stages and, as a result, will have different thinking profiles – in fact, there are 15 thinking profiles you may come across when you're collaborating.

For example, an innovator may develop a new idea for a product that an organization lacks, but someone in operations doesn't want to hear about the concept. They want to know how they can implement the product. An engineer would want to know how to develop the product, while the finance department would focus on clarifying data for the product.

This isn't to say that every employee in each department thinks the same way, but it allows collaborators to have a basis of understanding. Therefore, it is imperative to understand which type of problem-solver you are working with at any given time. This way, you can be sure to have conversations that meet them where they are in the problem-solving process and bring them to where you want to be.

CHECK RECORDING   JOIN DISCUSSION

Innovation Leadership Habits

Expert

NICK NOREÑA
Innovation Coach and Advisor at Kromatic – Lean Coaching & Innovation Ecosystem Design

Teams are made up of habits, both good and bad. Leading a team of innovators can sometimes feel like running in circles. Often entrepreneurs will have a clear vision or goal, but struggle to bring it to life. There is a lot that comes into play when leading a team, but by taking two elements into consideration, leaders should be able to seamlessly guide their teams to meaningful success.

There is a simple 2x2 quadrant created from David Marquet's Intent Based Leadership and adapted by Barry O'Reilly's Unlearn that helps people understand the correlation between clarity and capability when it comes to leadership and teams.

Incorporating clarity and capability into the work environment may seem like common sense, but it is even more essential to understand how these two factors are connected. By looking at the 2x2 matrix you can see the four different ways to categorize teams. Ideally, teams want to be in the high clarity and high capability quadrant.

Asses Your Team

In terms of clarity and capability, there are a few things to take into consideration when assessing a team. First off, identify the symptoms to have a better understanding of where your team is. How will you know if a team lacks clarity but has capability?

Then take a look at your actions. How do you respond when you find a team in a less productive quadrant? What unproductive behavior do you find yourself participating in as a result of seeing the symptom?

> "Clarity and capability go hand-in-hand and when implemented correctly they will undoubtedly benefit a team."

Finally, address how your team typically reacts to your own behavior. Hopefully, by doing this, you will have a clear idea of what quadrant your innovation team lands in which is essential in understanding how to achieve the ultimate amount of success.

Taking Action

Behavior is an undeniable factor of the work environment, but by understanding it you can better take action. Define good habits and be as specific as possible. On the opposite end of the spectrum, you also need to define and identify the bad habits as well. Now, you will begin replacing those bad habits with the good ones. It might sound easier said than done, but by using the same cue, providing the same reward, and changing the routine, any habit can be changed. Create a plan for collecting feedback on these behaviors to help follow-through with plans and motivation. The symptoms, actions, and reactions must all be observable. Clarity and capability go hand-in-hand and when implemented correctly they will undoubtedly benefit a team. Changing habits can be daunting, but it is absolutely possible.

Assess Your Team Members

To make strong decisions that help your team, you need to assess where your individual team members are on the scales of capabilities and clarity. Using the aforementioned 2x2 matrix, you can map out the symptoms of your teammates to try and understand where each person lies. Once you know that, you can take a principled approach to how you act to support them.

You can use the same approach to recognize what you do incorrectly when you make snap judgments in stressful situations. You need to always ask yourself: what behaviors am I exhibiting that detract from the environment I want to build with my team?

Taking Action

Understanding how habits take hold in a work environment will help a leader make decisions and take action. It allows leaders at all levels to promote good habits and attempt to replace bad habits. Again going back to the 2x2, those snap judgments made in stressful situations might have instilled bad habits.

For example, if you have a team member who you recognize has the capabilities needed to do their work, but is lacking clarity on what the vision is they are contributing to, then you might be inclined to micromanage that team member and control the outcomes of their work. Perhaps that has become a habit that you rely on day to day whenever your colleague asks you a question. That question prompts you to micromanage, and all of the sudden you are spending more time doing other people's work and less time doing your own.

If you consider how to replace that habit, you might think of a new reaction to the same cue of your colleague asking you a question. Trying to explain your team's vision or strategy and having them explain it back until everyone is crystal clear is a way you can break that negative cycle.

Recognizing and changing habits takes a lot of disciplined work, but it can be done with great effect.

CHECK RECORDING   JOIN DISCUSSION

Our Intrapreneurial Journey To Save Babies' Lives

Expert

ROELOF BERG
Serial Intrapreneur

When it comes to developing an innovative idea within a company, it may be beneficial to have one or more intrapreneurs on staff. An intrapreneur is an employee who is tasked with developing an innovative idea or project into a profitable product. Although an intrapreneur may not face the same risks or reap the same rewards as an entrepreneur, they do have access to the resources of an established company.

Intrapreneurship is very different from entrepreneurship and those shifting into intrapreneurship should be ready to be patient and make compromises because the need of a company may be different from the need of an individual. Likewise, companies that are considering adding dedicated intrapreneurs should be willing and ready to make changes.

Dedicated Roles

When considering adding innovators or intrapreneurs to a large company, it is important to make dedicated roles for them. Rather than having several employees focus half their time on innovation and half their time on implementation, it's best to have dedicated innovation managers to help facilitate innovative projects within the company.

At Roelof's organization, it didn't take many — there were three dedicated managers in a company with 15,000 employees — but those three managers were able to facilitate several new projects. The company also carved out dedicated roles for intrapreneurs. Offering this flexibility allows a better work environment for the employees and more ideas to the company.

Awareness and Permission

The next step to creating a successful innovative environment is building awareness throughout the company to ensure employees know innovation is not only allowed but encouraged. When working in a traditional company with a hierarchy structure, it can be difficult to get fresh ideas because it is hard for new employees to get their ideas to the top. However, if a company actively asks for volunteers to come up with new projects, they will get more enthusiastic employees and therefore, better ideas.

> “Companies that are considering adding dedicated intrapreneurs should be willing and ready to make changes”

Big Innovation Funnel

When participating in intrapreneurship or innovation, it is important to cast a wide net. Ask many employees for ideas, send out surveys, scout for recent trends to find the best ideas. Accept everything that has even the slightest connection to the company strategy, and don’t judge too soon, most ideas will change within the first weeks of customer research. Then, workshop your ideas outside the company with real customer contact and allow heavy pivoting towards the newly identified customer pain points.

If you put a lot of ideas into the proverbial funnel, you can be sure that a successful one, or two, or three will come out.

CHECK RECORDING JOIN DISCUSSION

The Five Habits of High-Impact Intrapreneurs

Expert

DAVID GRAM
Co-Founder of
Diplomatic Rebels

Intrapreneurs who try to make change from the inside out are often met with resistance, which either makes them give up and get in line or burn out and leave the company.

Challenging the status quo with disruptive ideas requires balancing the rebel spirit with diplomatic tactics. These diplomatic rebels are successful in inspiring change because of five habits/behaviors.

Understand People Will Hate Your Project

You have to accept that there will be resistance. It's like being a politician: they're met with resistance the entire way, yet they persevere. It's part of being an intrapreneur, and you should focus on what causes it, where it comes from and how to move around it rather than trying to fight it head-on.

To get through this, you need resilience and endurance to move against the current. Trust your confidence in the project to work with the given conditions.

Only Break The Rules You Understand

Make sure you know why the rules were put in place—and who put them there so you know whose toes you're stepping on before you put your foot forward. Master the rules before you try to break them.

This requires you to stay humble, respectful, and curious. Question how the rules came to be and what risk you're taking by breaking them, then leverage the system. Create clear opportunity spaces and a strong narrative: tell the stakeholders a compelling story about why the rule needs to change.

> “Challenging the status quo with disruptive ideas requires balancing the rebel spirit with diplomatic tactics.”

Build A Tribe

To create a community and make people want to follow you, you have to be passionate about what you’re doing and show others how interesting it is. People need to feel like they’re a part of it, that it’s happening with them, not to them. Use clear communication and compelling storytelling, along with demo days and artifacts and symbols to create a strong identification with what you’re doing. This is how you create a movement and change the organization.

Write Love Letters – Lots of Them

Be proactive and reach out to others, humbly and respectfully, to try to understand their resistance. Stay kind and curious, and approach this project with patience and empathy. Send emails to the people you hope will join you and be transparent about what you’re doing.

Encourage “hot desks”: invite key stakeholders to have a desk in your office or other work space, so they can watch what you do and feel included.

Make People Shine

This is the best part! Make everyone look good, even those who tried to shut you down at first. Be generous, and empower others to give to the project. Keep track of who gets involved; praise their efforts and reward them with gifts and celebrations. This encourages people to come back for more, and helps ensure that what you’re doing isn’t a one-off experience.

Climate, SDG’s & Positive Impact

CHECK RECORDING

JOIN DISCUSSION

Progress In A Post-CSR World:

How Businesses Can Rethink Their Impact In This Moment

Expert

SHERRY RAHMATIAN
Managing Director at
Sylvain Labs

Companies may feel like they need to bring a stronger social impact to the world in a very challenging time. Corporate social responsibility (CSR) as it was once known is dead. Now companies should open up to rethinking their business models to demonstrate impact in the world.

Times are different today from the days of CSR being nothing but company ostentation. With consumers and commerce having new powers thanks to technology (plus the ability to reach out digitally to make change), both should work together.

Companies need to find this balance to help consumerism and business intertwine into something more powerful.

All of this becomes predicated on the times we live in and the technologies available to bring culture and commerce together toward a greater good.

Mindset, vision, action, commitment, and communication are the five fundamentals to achieve impact in a Post-CSR world. Mindset is one of the most important areas since it means looking at opportunities to strengthen the business while also doing something to benefit society.

Vision and action work together in this case, including keeping a commitment to enact this new business vision long-term, for more than mere financial benefit. Communication is the final step, where the company should express its motivations beyond financial gains, and take 'credit' for the larger impact it has in the world.

> "CSR is dead. Companies should open up to rethinking their business models to demonstrate impact in the world."

If your company isn't already ready for this conversation, find the opportunity for positive impact in current business challenges. You know the big challenges your organization faces, and you can link them to solutions that can benefit society.

The WNBA is a good working example of how this works in tandem. Bringing together culture and commerce, the organization solved their business challenges while also helping the players and society in general. It all starts with looking together at societal and business needs first, then finding the opportunities to solve both together.

CHECK RECORDING

JOIN DISCUSSION

How is Covid Testing Companies' Social Missions

(And What Can Innovation Leaders Do About It?)

Experts

ANTHONY FERRIER
National Innovation Consulting Lead at KPMG Australia

PATRICK MCINTYRE
Executive Director at Sydney Theatre Company

Leadership teams are talking about their organization's social impact. Within many organizations, though, there is a paralysis of the leadership when it comes to taking action on their social mission. They are unsure what to do to both drive social impact and respond to growing pressure to respond to human rights and broader social issues.

Yet, change is happening Just take a look at annual reports of today's biggest organizations and note the amount of references to social impact issues. Beyond making generic comments around social issues, companies are repositioning themselves around driving societal change as a central part of their business strategy. It's a marked and evolving shift for many organisations and their leaders.

Who Is Leading Social Change Within an Organization?

The area of social impact is relatively new for many corporations, though. While they know it's something they need to take on, there often isn't someone who is helping drive social changes forward in an impactful way. This is where innovation leaders have an opportunity. They are uniquely positioned to lead the charge of social missions within their organizations in a real and meaningful way.

> “Innovation leaders are uniquely positioned to lead the charge of social missions within their organizations in a real and meaningful way.”

Innovators Have The Experience And Know-how To Create Change

Innovation leaders are ideally qualified to lead the charge because there are parallels between the innovation experience and broader social change. Both require a balance of strategy and tactical action. They both also need to create an impact instead of merely creating activity.

It’s the way innovation leaders are positioned within the organization, though, that gives them the most significant advantage. Their position is what makes them the right people to take control of an organization’s social mission. Innovators understand how to operate in a strategic, action-oriented manner. They also know how to operate successfully in an environment where they don’t control the resources. Innovators can act as alchemists and redirect resources and tools towards the area of impact.

Innovators Must Gain Leadership Support to Make Meaningful Impact

In part, the innovator’s role should also be to educate upwards. Within a lot of large organizations, innovation isn’t actively supported at the top. However, increasingly social impact is a senior executive topic of interest. Significant changes in an organization need leadership ownership, but also need a pathway to create impact.

As innovators we need to ask ourselves what our role is in starting and facilitating a conversation around how an organization can drive social impact. When we can gain the leadership’s support, we’ll be able to lead the charge on creating lasting social impact as an organization.