CORPORATE INNOVATION AT THE HUB.

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MY CONTEXT

25 YEARS EXPERIENCE PUSHING NEW DISRUPTIVE IDEAS FORWARD USING CUSTOMER INSIGHTS & DESIGN AS MAIN TOOL, DISRUPTIVE TECHNOLOGY AS THE ENABLER

ACTED AS A DESIGNER, TECHNOLOGIST, MAKER, PRODUCT OWNER, TEAM LEADER, BUSINESS ARCHITECT, FOUNDER, MENTOR…

WORKING IS NOT WORK: DARRYLFELDMAN.COM

INNOVATION - WHY BOTHER?

To pursue bigger, bolder initiatives instead of the safer, smaller ones littering your portfolio

To look beyond the core for new growth opportunities, toward new segments, markets or industries

To stay attractive & relevant for the next generation of customers

To survive.

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WHAT IS INNOVATION?

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INNOVATION HAS BECOME A MEANINGLESS & OVERUSED BUZZWORD...

I *try* not to use it as it is too general and can lead to misaligned expectations when describing initiatives, try to use more specific phrases or goals:

We want new ideas (that achieve X)
We want better ideas (that improve things by factor of X)
We want big changes (that move us to place X)
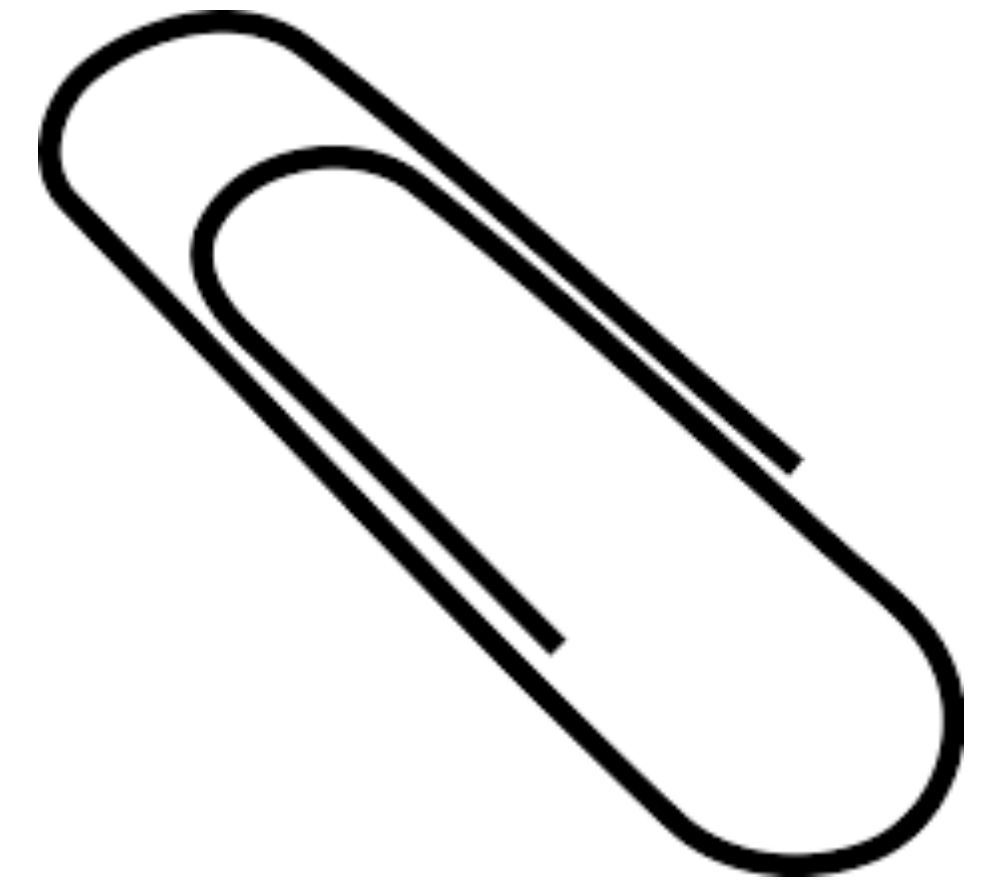*We want to make a lot more money* (that creates X sum of cash)

However I will use it throughout this talk ;)

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Innovation means different things to different people…

An everyday, disposable object
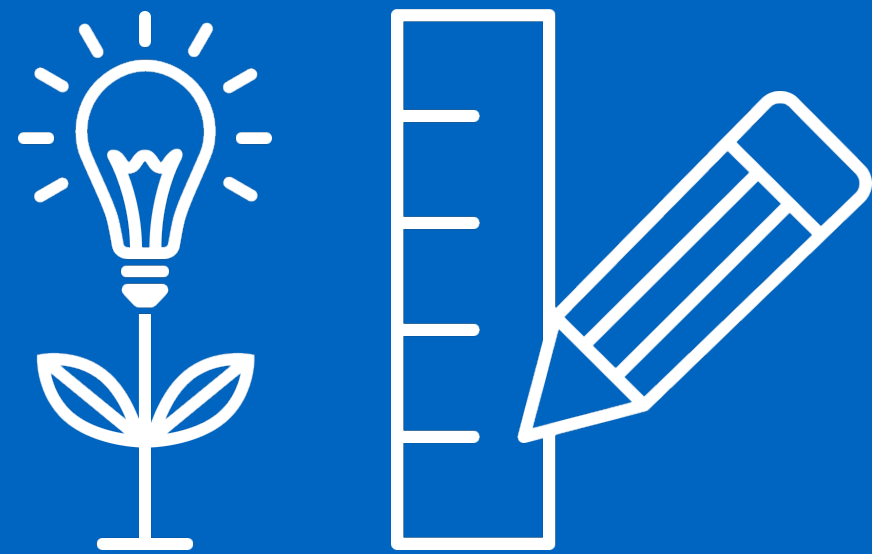
A masterpiece in Norwegian minimalist engineering

"Purposeful and focused changes that create new or enhanced potential for creating wealth."
Peter Drucker

INNOVATION SHOULD BE ABOUT SHIFTING THE NEEDLE...

SO HOW DO YOU MEASURE IT?

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More than 70% of corporate leaders tout innovation as a top three business priority, but only 22% set innovation performance metrics.
McKinsey

It's a challenge due to the sometimes fuzzy nature of innovation, lack of focus and varying expectations of outcomes.

Also purely numbers based measurements don't always reflect customer desirability factors and can be hard to derive action from.

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EXAMPLE INNOVATION METRICS

NEW REVENUES STREAMS
Revenues from new products or services introduced in the past X year(s)

ADOPTION
Revenues from products or services sold to new customer segments

CUSTOMERS
Number of customers that help test and refine new ideas

LEADERSHIP
Percent of funding for game changers versus small tweaks to existing products or services

EMPLOYEES
Number of ideas turned into innovation experiments by employees

ECOSYSTEM
Percentage of new initiatives that involve third parties such as partners, suppliers or customers

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As a simple and single metric to use…
% of innovations that create value by returning their cost of their investment

Caveat: monetisation potential may only be realised after handover!

BEFORE
STARTING
TO
INNOVATE
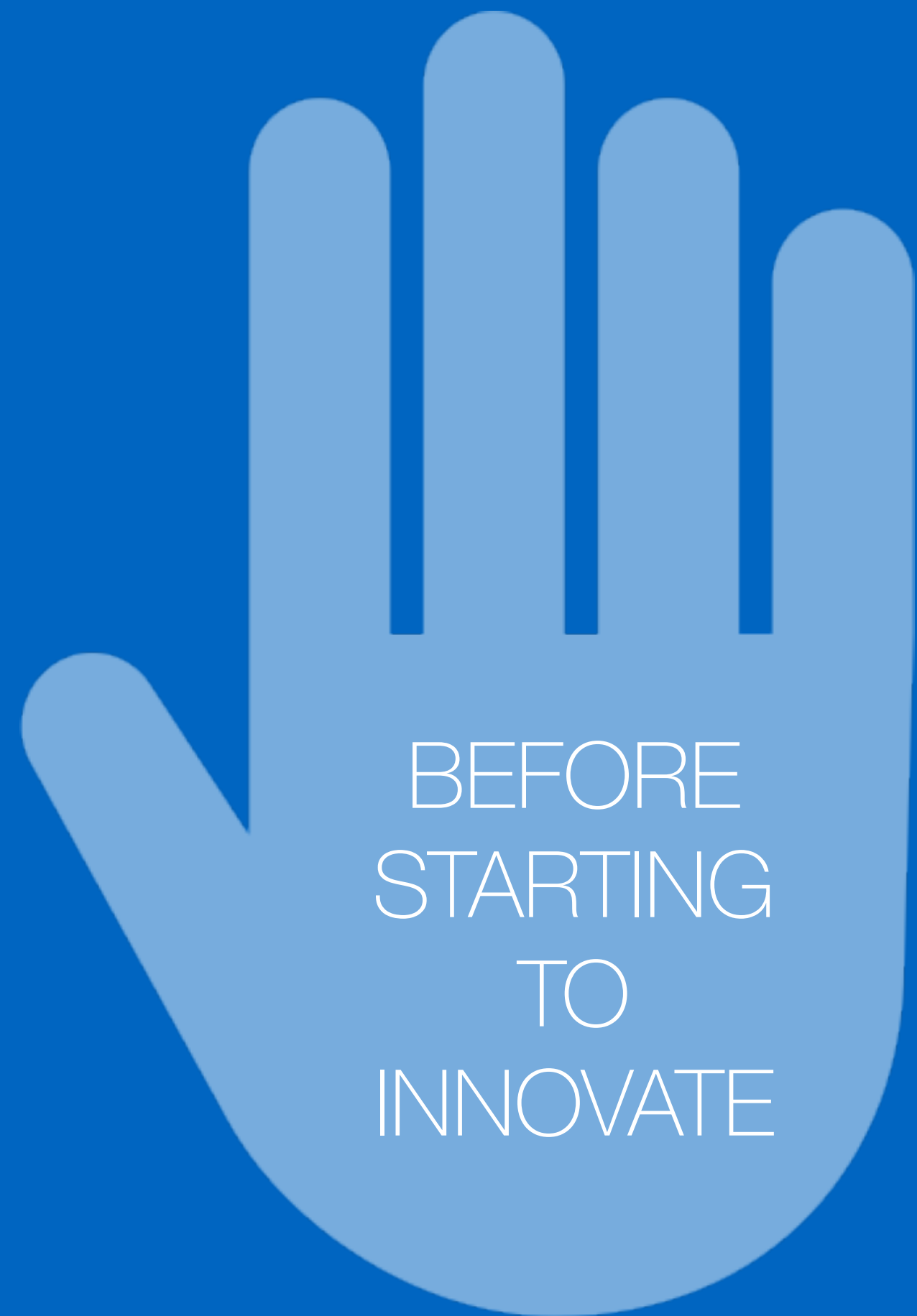
Clarify what innovation means to stakeholders.
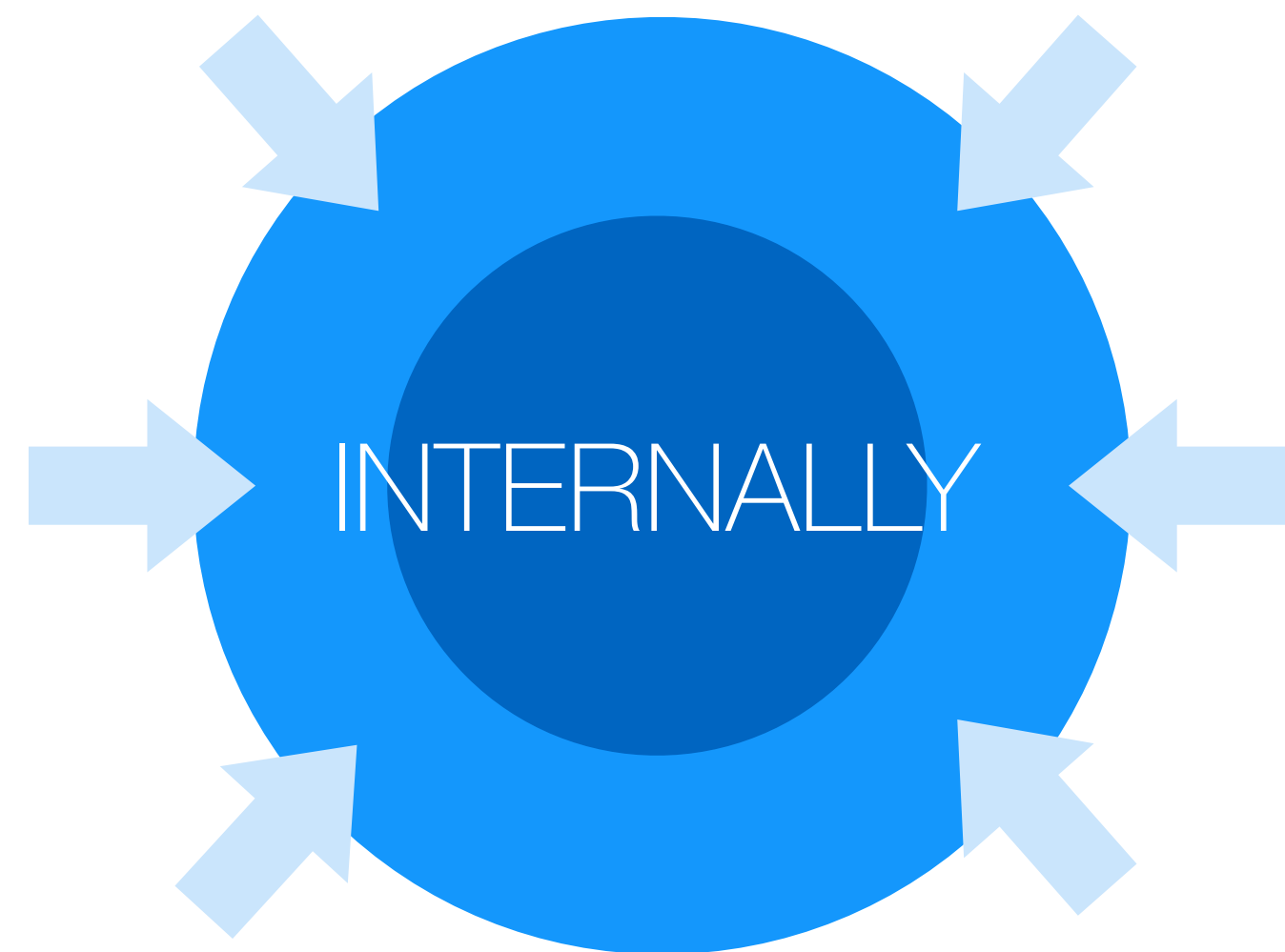
Agree on goals, gates & success criteria.

Define innovation metrics that make sense.

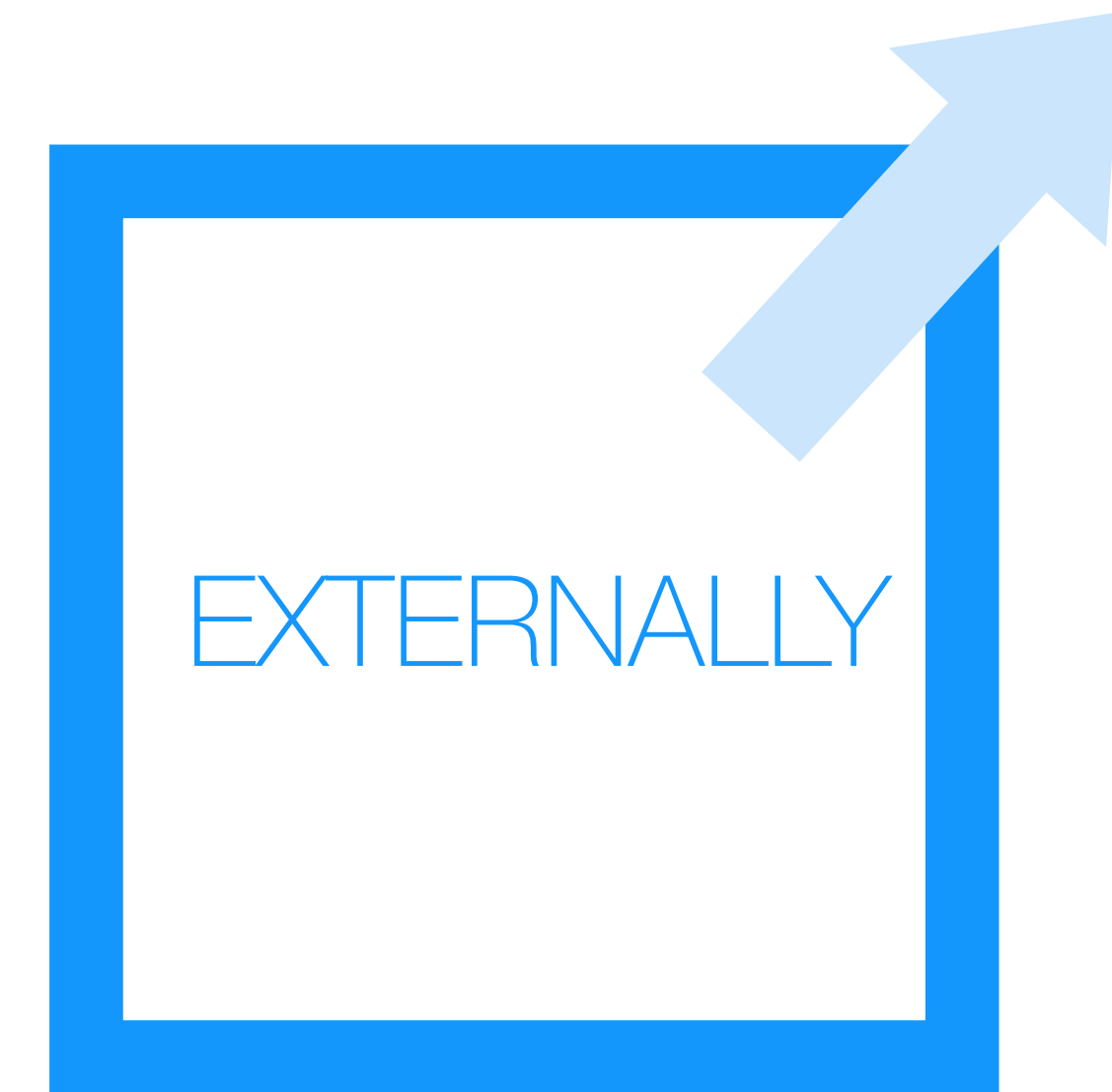Agree on scope & outputs to avoid disappointments.

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SO HOW DO YOU DO INNOVATION?

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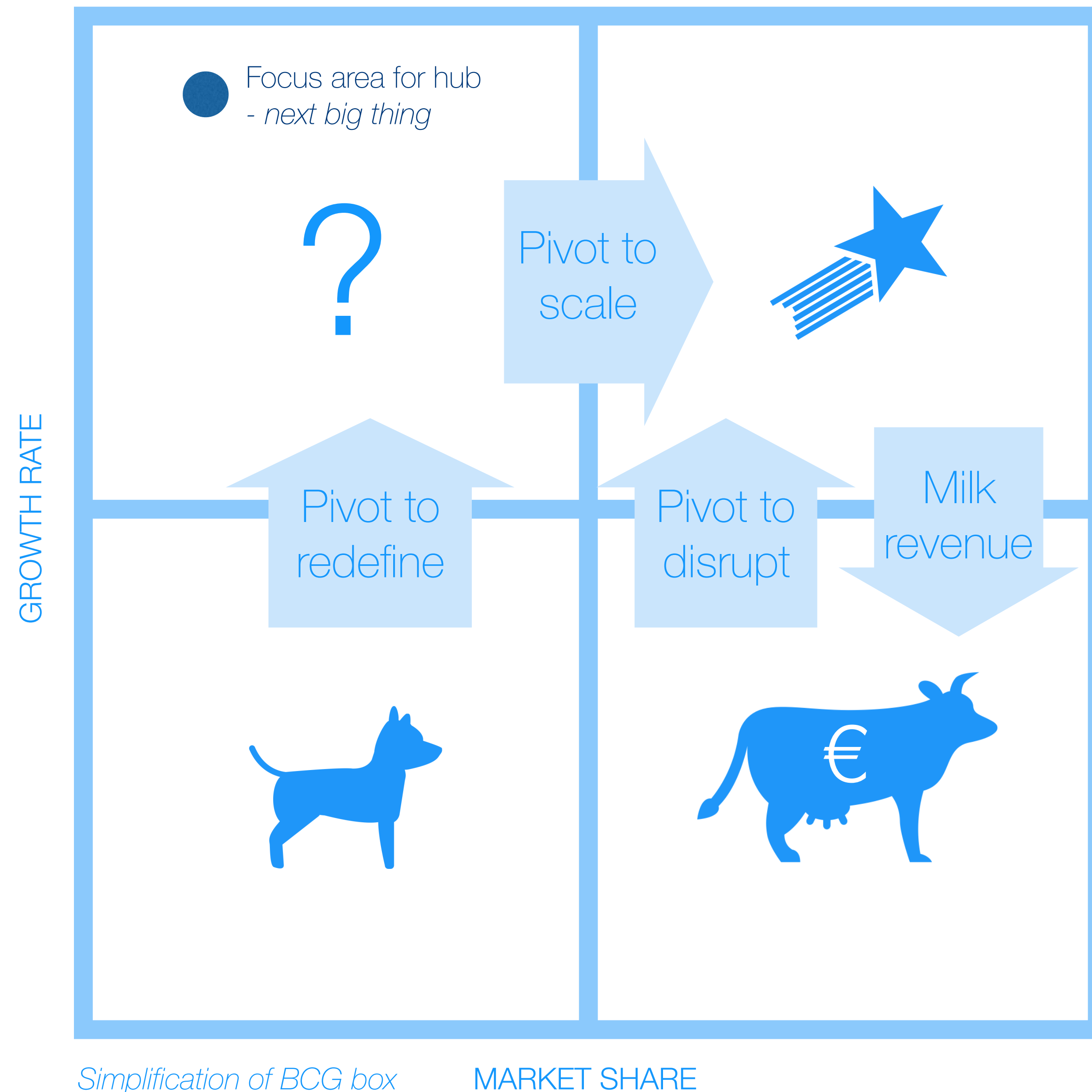# APPROACHES TO INNOVATION - INTERNAL OR EXTERNAL?

INTERNALLY

VS

EXTERNALLY

✓ Possible to leverage & extend internal domain knowledge
✓ Easier to find alignment between initiatives and company
✓ Better way to get innovation embedded into culture
✓ Develop competitive edge in-house

✓ Fastracking with an agency / consultancy / acquisition
✓ Get fresh outsider perspectives looking in

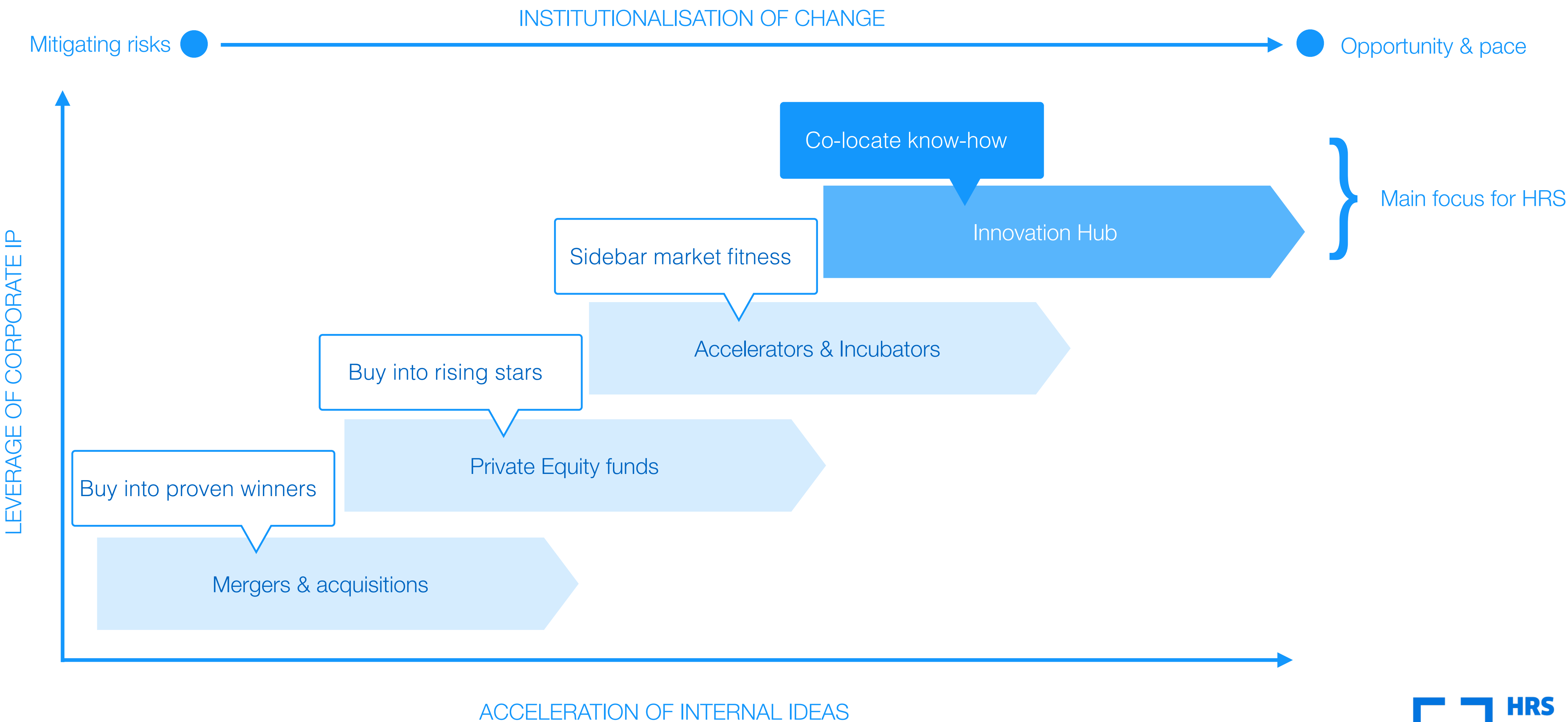RECOMMENDED APPROACH

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DIMENSIONS OF INNOVATION - WHERE TO INNOVATE?

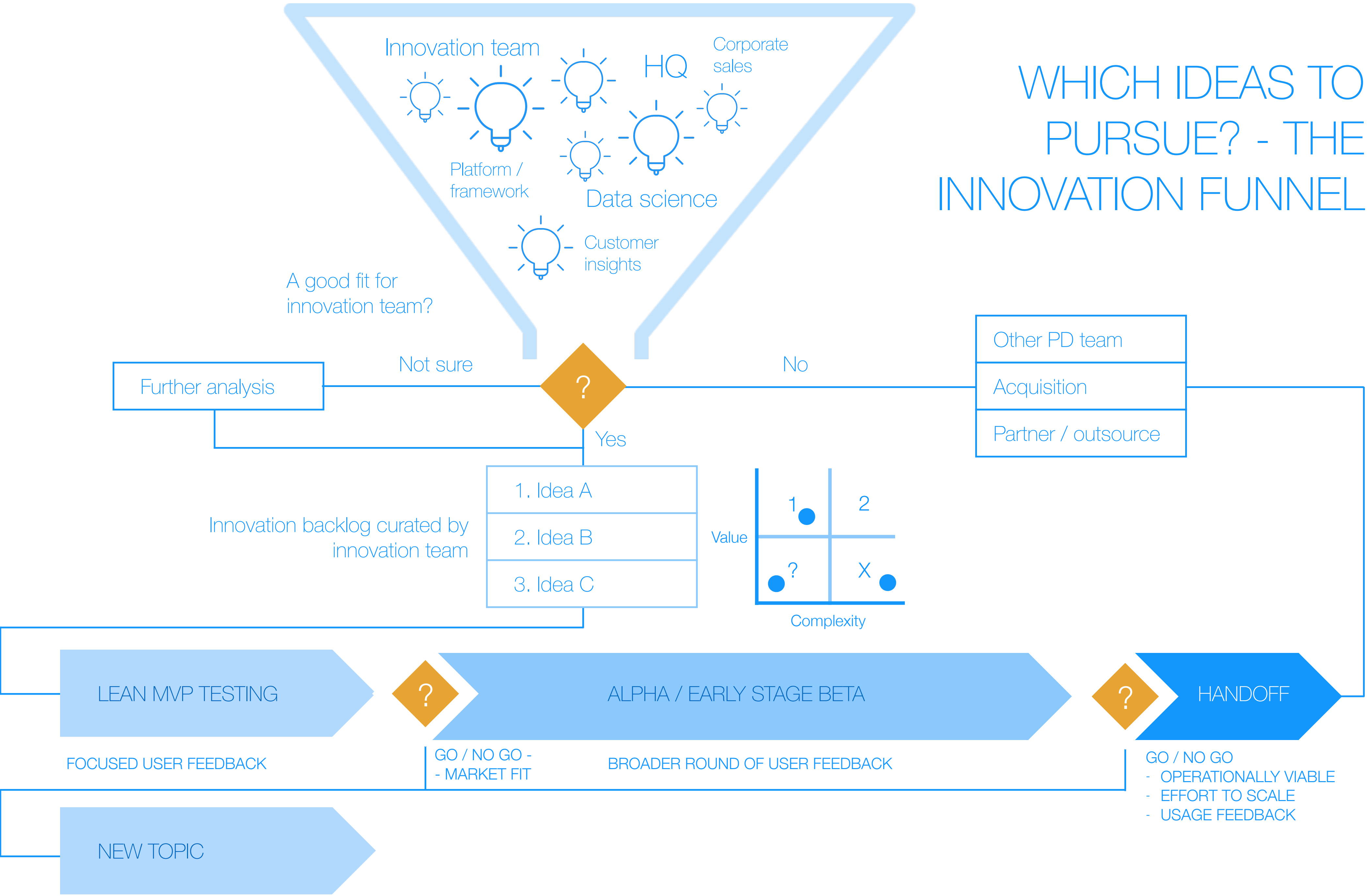"If you're trying to change a company, you're either trying to **create a new product** (hopefully in a growing market) or you're trying to innovate to **revitalise an existing product** with the addition of new features, markets, or services"
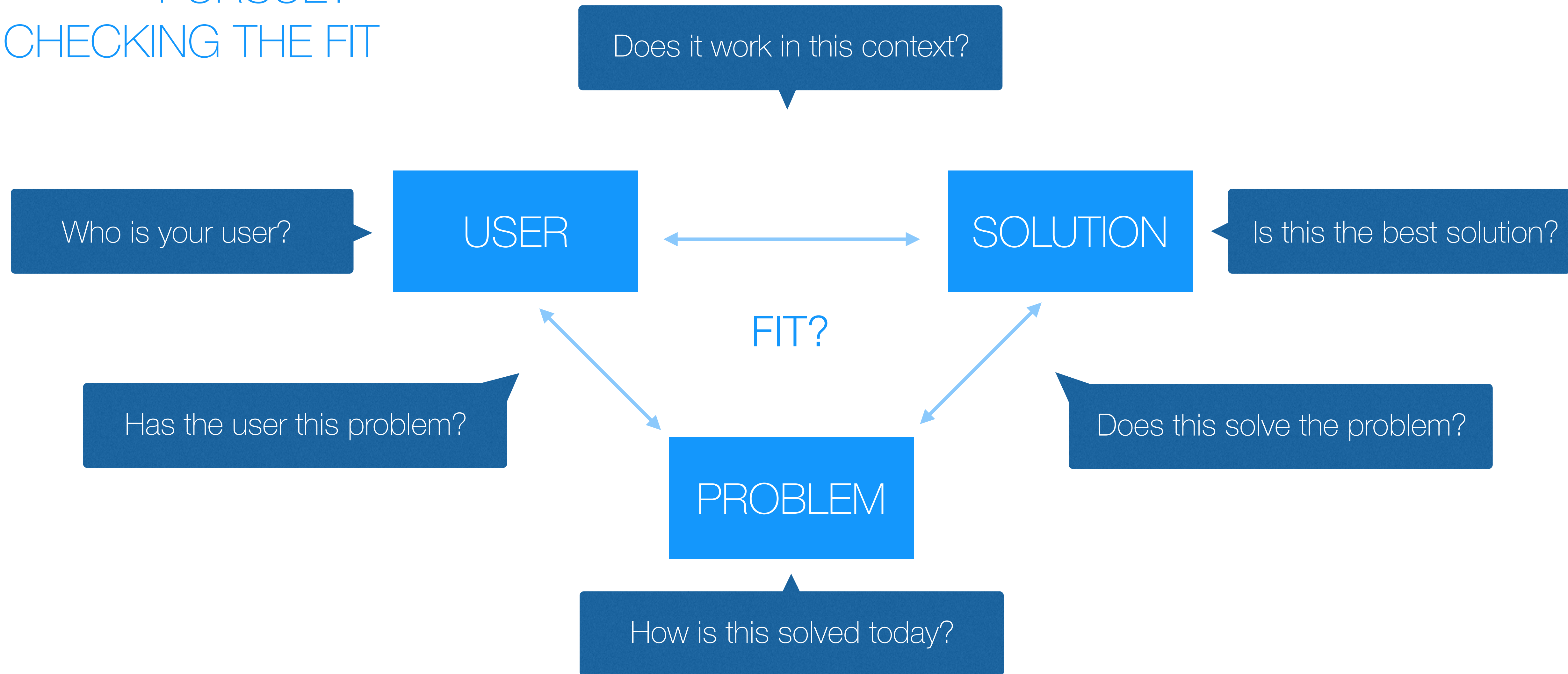
● Focus area for hub
  - next big thing

GROWTH RATE

?

Pivot to scale

Pivot to redefine

Pivot to disrupt

Milk revenue

€

Simplification of BCG box   MARKET SHARE

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APPROACHES TO MAKING INNOVATION HAPPEN

WHICH IDEAS TO PURSUE? - THE INNOVATION FUNNEL

Innovation team
HQ
Corporate sales
Platform / framework
Data science
Customer insights

A good fit for innovation team?

Further analysis

Not sure

?

No

Other PD team
Acquisition
Partner / outsource

Yes

Innovation backlog curated by innovation team

1. Idea A
2. Idea B
3. Idea C

Value

1
2
?
X

Complexity

LEAN MVP TESTING

?

ALPHA / EARLY STAGE BETA

?

HANDOFF

FOCUSED USER FEEDBACK

GO / NO GO -
- MARKET FIT

BROADER ROUND OF USER FEEDBACK

GO / NO GO
- OPERATIONALLY VIABLE
- EFFORT TO SCALE
- USAGE FEEDBACK

NEW TOPIC

WHICH IDEAS TO PURSUE? - CHECKING THE FIT

Does it work in this context?

Who is your user?

USER

SOLUTION

Is this the best solution?

FIT?

Has the user this problem?

Does this solve the problem?

PROBLEM

How is this solved today?

Volker Gersabeck @thinkingUX
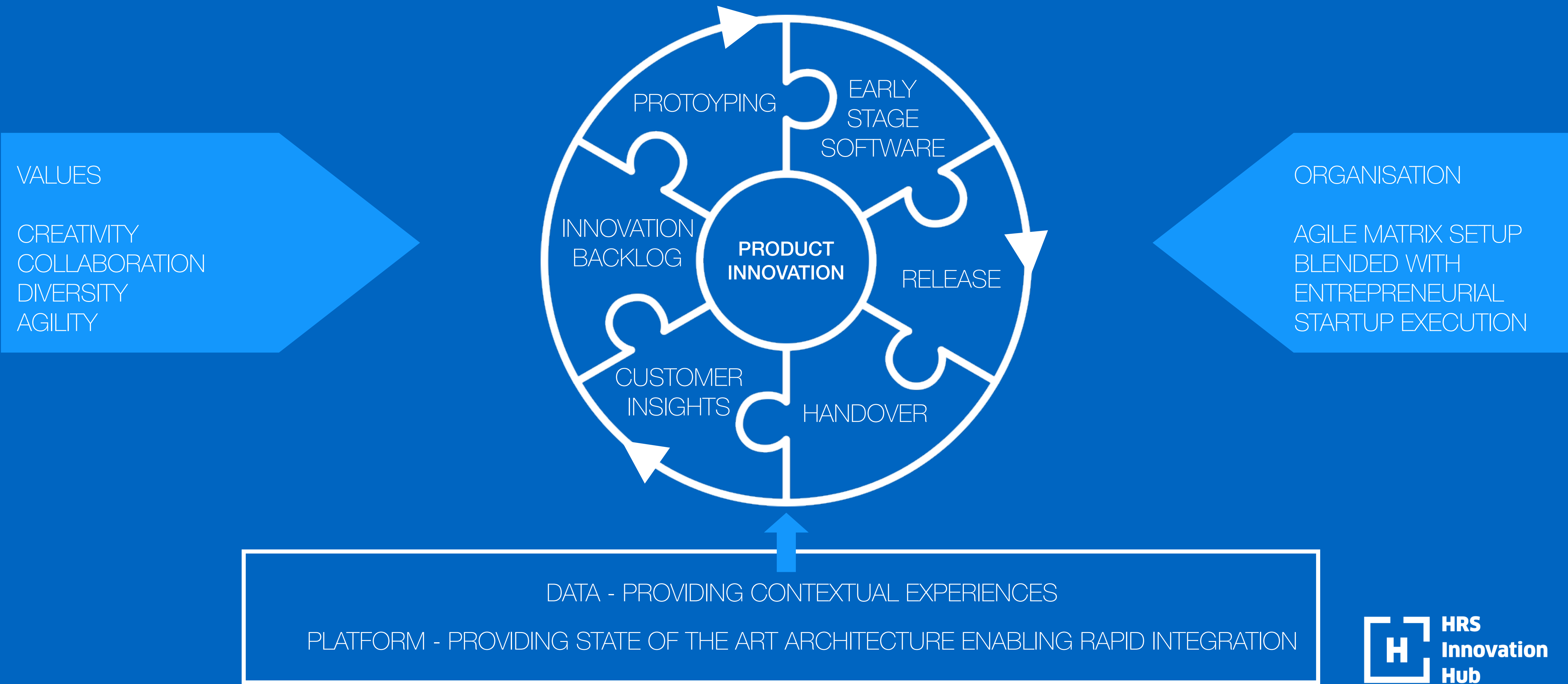
Where do new ideas come from? The answer is simple: differences. Creativity comes from unlikely juxtapositions. NICHOLAS NEGROPONTE

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(HARD) LESSONS I HAVE LEARNT FROM THE LAST 12 MONTHS IN THE HUB

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2.

You need to find the balance between autonomy & alignment

Leadership needs to be open-minded and willing to take risks

It's a matter of give & take - ensure innovation portfolio mix

Use creative freedom wisely & respect those in the daily grind

It's OK to break the rules but you need to quantify results

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3.

Mindset is everything

Eliminate fear
Encourage curiosity, reward learning
Look at the host business from an outsider looking in
Avoid the 'nay sayers'
Failure is OK
Pillage & plunder

Be pirates

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4.

Build a team that can do the magic required to transform

Create a highly attractive innovation storyline

Go for diversity - the juxtaposition of different mindsets, a jazz band that can improvise together

Empower the team to have freedom to explore - coach confidence

Let developers decide on frameworks & tools that make sense

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5.

Avoid bureaucracy & things that will slow you down

Decouple from processes & technologies that will slow you down
Protect the team from too much outside interference & negative vibes
Skip meetings where possible
Provide simple reporting, keep it consistent

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The contribution and value of the team is more than shipping software products - the symbolic nature of innovation and hope it brings to the company is immeasurable.

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Thanks, & hopefully time for some questions…

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