

# Innovation at Constant Contact

Ideas to Design Sprints to MVPs



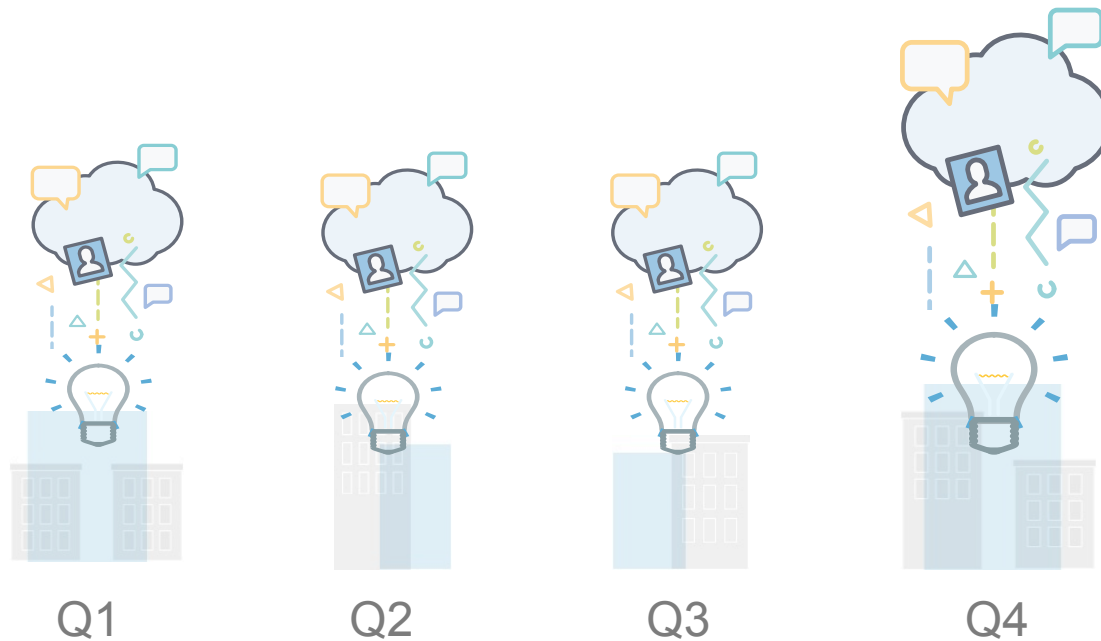
# Innovation Team Mission

To create value for our customers by building an innovative environment that enables proactive exploration, evaluation, and development of new opportunities quickly while learning from failure.

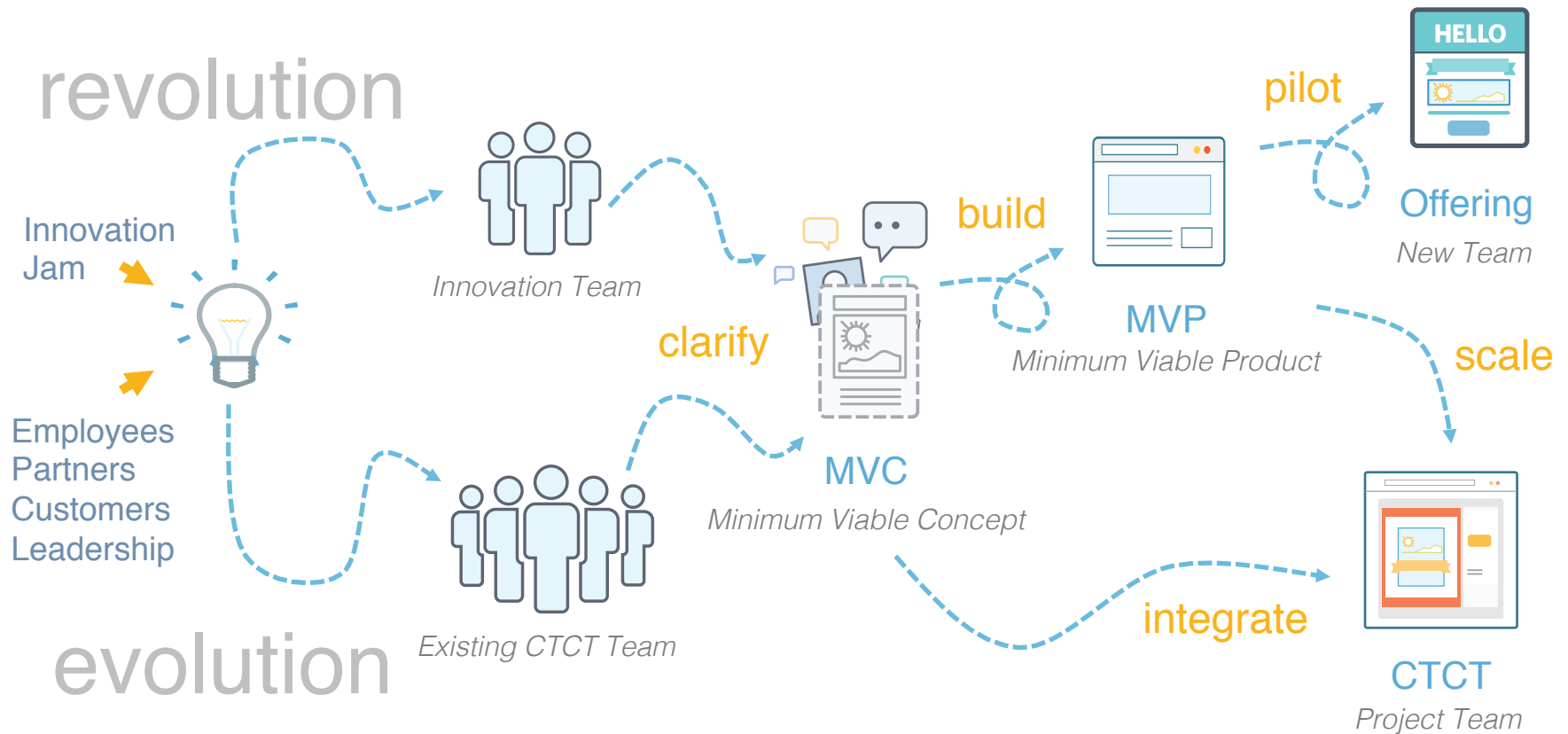


# Innovation Jam

Ideas can come from anywhere. The Innovation Jam serves as a platform to bring the company together to work on ideas they have to solve specific problems that our customers face.



# Integrating Design Thinking & Lean Startup



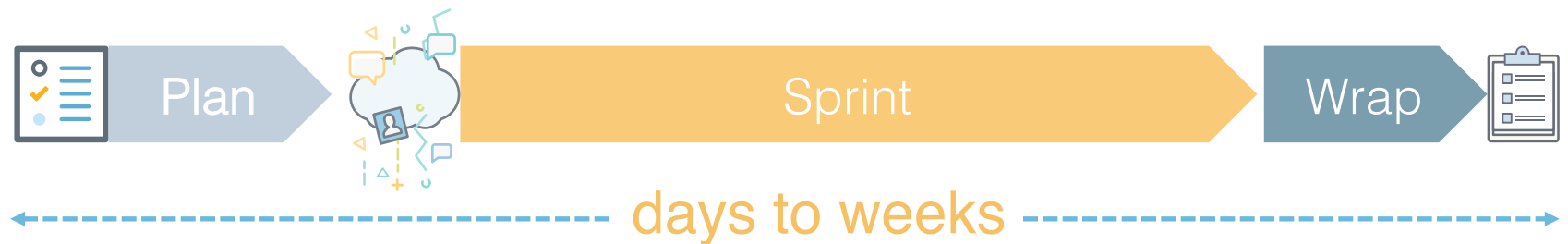
A **phase gate** process is used to take an idea through MVC to MVP, and onto a new offering. The project can be killed at any phase gate should the project team be unable to validate the proposed hypothesis.

# MVC: Design Sprints

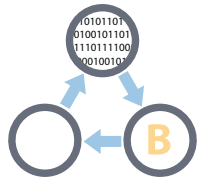
The Design Sprint is a focused effort to gain clarity and validate an idea by performing customer research, building an MVC: Minimum Viable Concept, then validating with real customers to get feedback that matters.

Often an Innovation Jam winning idea will go through a design sprint to test the validity and viability of the idea.

Design sprint projects have ranged from products, services, organization design and team alignment.



# Design Sprint – A Closer Look



## Data Exchange

*The sprint starts by focusing the problem that needs to be addressed, and what additional information is necessary. Sometimes this involves calling or visiting customers.*



## Insights

*Pulling the information together to uncover what the actionable insights from the research are and focusing the challenge to a specific problem.*



## Ideation

*Bringing in a cross functional team to generate ideas that solve the challenge derived from the insights.*



## Build

*Building out the concepts from the ideation to a form where validation (or invalidation) can be judged.*



## Test

*Where the rubber meets the road as the concepts are presented to a small number of users to learn how they actually use it.*

# Design Sprint Video



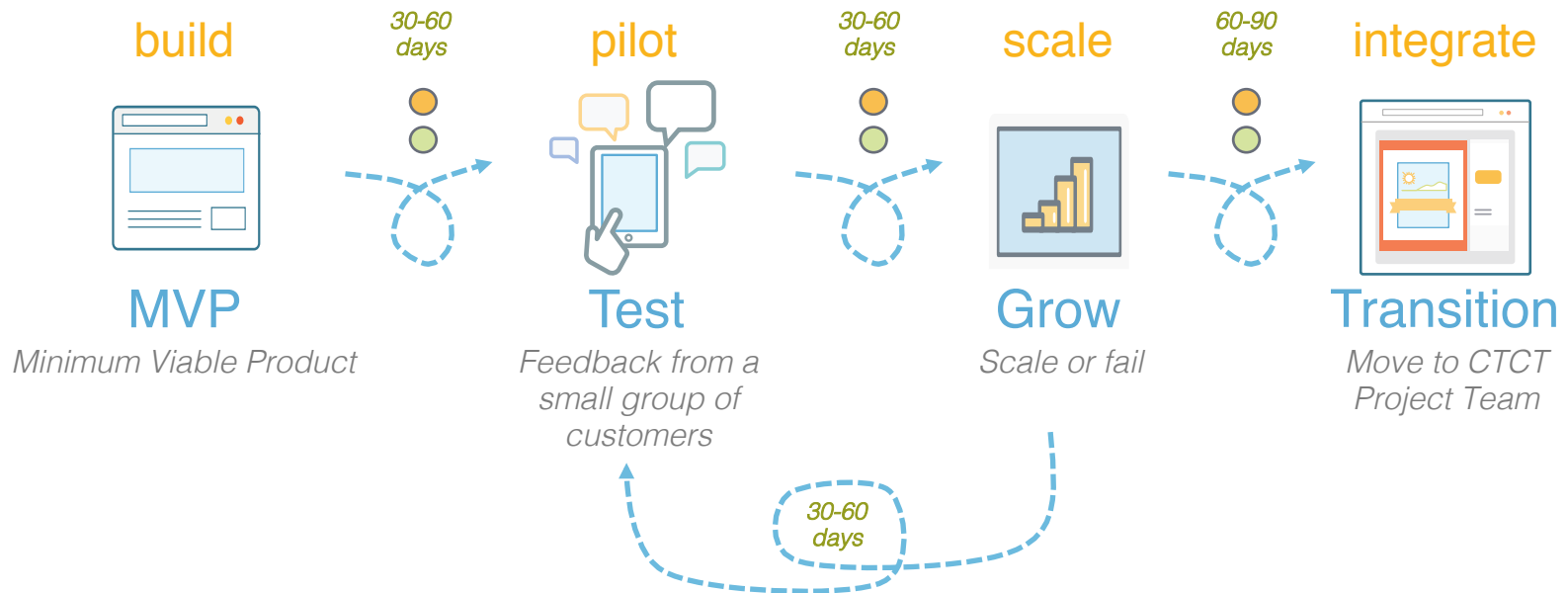
URL: <http://vimeo.com/68068003>

# Green Light Process

The green light process allows 60-90 day windows for teams to build, test, iterate and report their progress to a team of executives.

The time-constraints give project teams urgency and drive velocity.

Tools used to track progress are the Lean Canvas and the Validation Board.





# Lean Canvas Example

<p><b>PROBLEM</b></p> <p>A large portion of SMBs are failing at social media marketing (SMM) for a variety of reasons:</p> <ul style="list-style-type: none"> <li>• Lack of time to learn</li> <li>• Lack of time to execute</li> <li>• Lack of desire to learn and/or execute</li> </ul>	<p><b>SOLUTION</b></p> <p>Concierge: Maintains an engaged social presence Manages social promotions Measures results and deliver reporting</p>	<p><b>UNIQUE VALUE PROP</b></p> <p>High quality social media marketing services for small business, delivered at a very affordable price.</p> <p>Combine tools with human-beings to deliver an adaptable experience which Improves social success.</p>	<p><b>UNFAIR ADVANTAGE</b></p> <p>Low customer acquisition cost tapping into the in-place investment we have made in SMM for SMBs</p> <p>Trusted brand for SMBs</p>	<p><b>CUSTOMER SEGMENTS</b></p> <p>Customers who value SMM but don't have the time and expertise to do it well</p> <p>Failed trialers/ customers of Social Campaigns</p> <p>Visitors who are looking for help with SMM but aren't interested in Social Campaigns</p>
<p><b>KEY METRICS</b></p> <p>V:P Attrition NPS Fans, Reach, Engagement (absolute and growth)</p>	<p><b>CHANNELS</b></p> <p>Direct-to-Merchant In-Product (Social Campaigns) Cross-Sell Solution Providers</p>			
<p><b>COST STRUCTURE</b></p> <p>Sales / Onboarding / Account Management</p> <p>Social Ads</p> <p>G&amp;A</p> <p>Partner Rev Share</p>		<p><b>REVENUE STREAMS</b></p> <p>Subscription Revenue</p> <p>(Potential) Ad Broker Commissions</p>		
<p><b>PRODUCT</b></p>		<p><b>MARKET</b></p>		

# Validation Board Example

	CORE HYPOTHESES	SUCCESS CRITERIA	CURRENT TEST	METHODS	INVALIDATED	VALIDATED
MERCHANT	Multiple DIFM offerings for SMM can help us appeal to more SMBs and better meet their needs	Feedback during sales process and from customers who have churned suggests that we should move beyond 1-size-fits-all	Test different service offerings and pricing with customers	Present paper mockups to SMBs and solicit feedback	<p>Three pricing options are too many</p> <p>Concerns about what we post will be minor</p> <p>SMBs have fairly similar needs, concerns, and goals when evaluating an SMM service</p>	<p>Customers will pay more than \$150 for what we currently offer</p> <p>Concern exists whether someone else can represent the “voice” of the business</p>
	Customers want to see quantifiable results of the SMM progress and ongoing success	Active customers are asking for it, and some of them are also underestimating the value we are delivering	Test email-based reports with customers who understand SMM	Present paper mockups to SMBs and solicit feedback	<p>Set it and forget it is desired by majority of SMBs</p> <p>Customers are going to social networks to analyze metrics and don't need them from us</p>	<p>Reports that quantify success are really valuable</p> <p>Customers need proactive outreach by their Concierge</p> <p>There is an emotional component to SMM (need to feel like they are engaging)</p>

SMALL BUSINESS

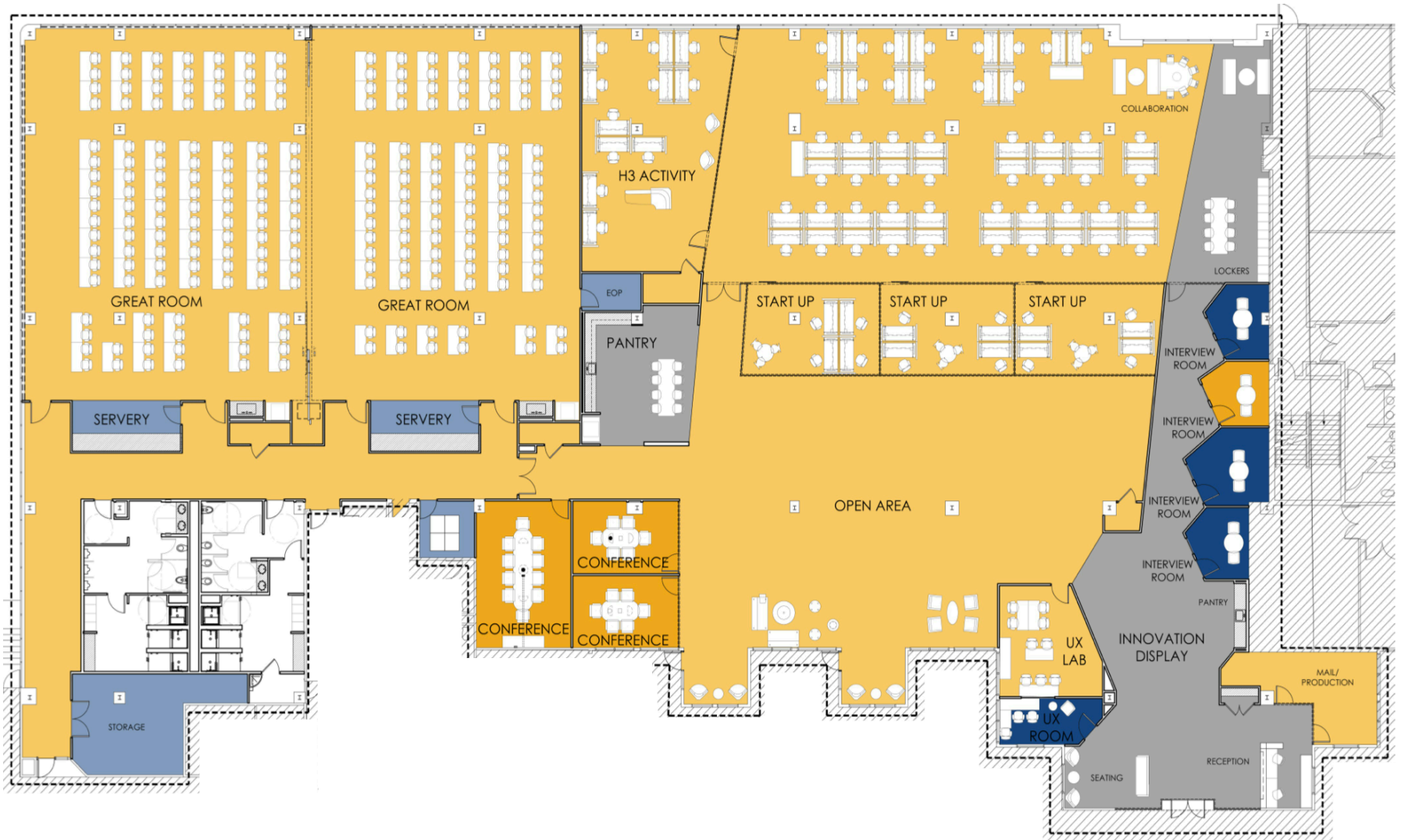
InnoLoft

*at Constant Contact*

The launch pad for SMB-focused startups to scale their business – situated in the brand-spanking new space at Constant Contact’s headquarters.

- 30,000 square feet of working and meeting space
- Home to Constant Contact’s innovation team
- The SMB Innovation Program – 3 to 5 startups “In Residence” twice a year
- Formal user experience labs
- Venue for conferences, meet-ups and various other events

# InnoLoft Floorplan



# First Year Challenges

While the first 12 months was a success for the Innovation team, it was by no means easy.

- Defining the team's identity and educating the organization on who we are, what we do and how we can help
- Operating with urgency and velocity – the team is not made of all “startup” talent
- Generating enough quality “revolutionary” ideas to pursue
- Defining success for MVC and MVP work – not everything will work
- Driving culture change throughout the organization

# First Year Learnings

Throughout the year the Innovation team gathered a number of very valuable learning to build upon in 2014.

- A well-defined process exists for running MVC engagements, but a tighter operating plan must be put in place to govern ongoing MVPs
- Huge internal appetite for “Design Sprint” consulting
- Need to staff like a startup and act like a VC-funded organization
- Process is essential, but execution is everything
- Even losers are winners; it’s all about the learnings
- Environment matters – top-to-bottom buy in, willingness to embrace change, physical space plays a role

# Thanks!

