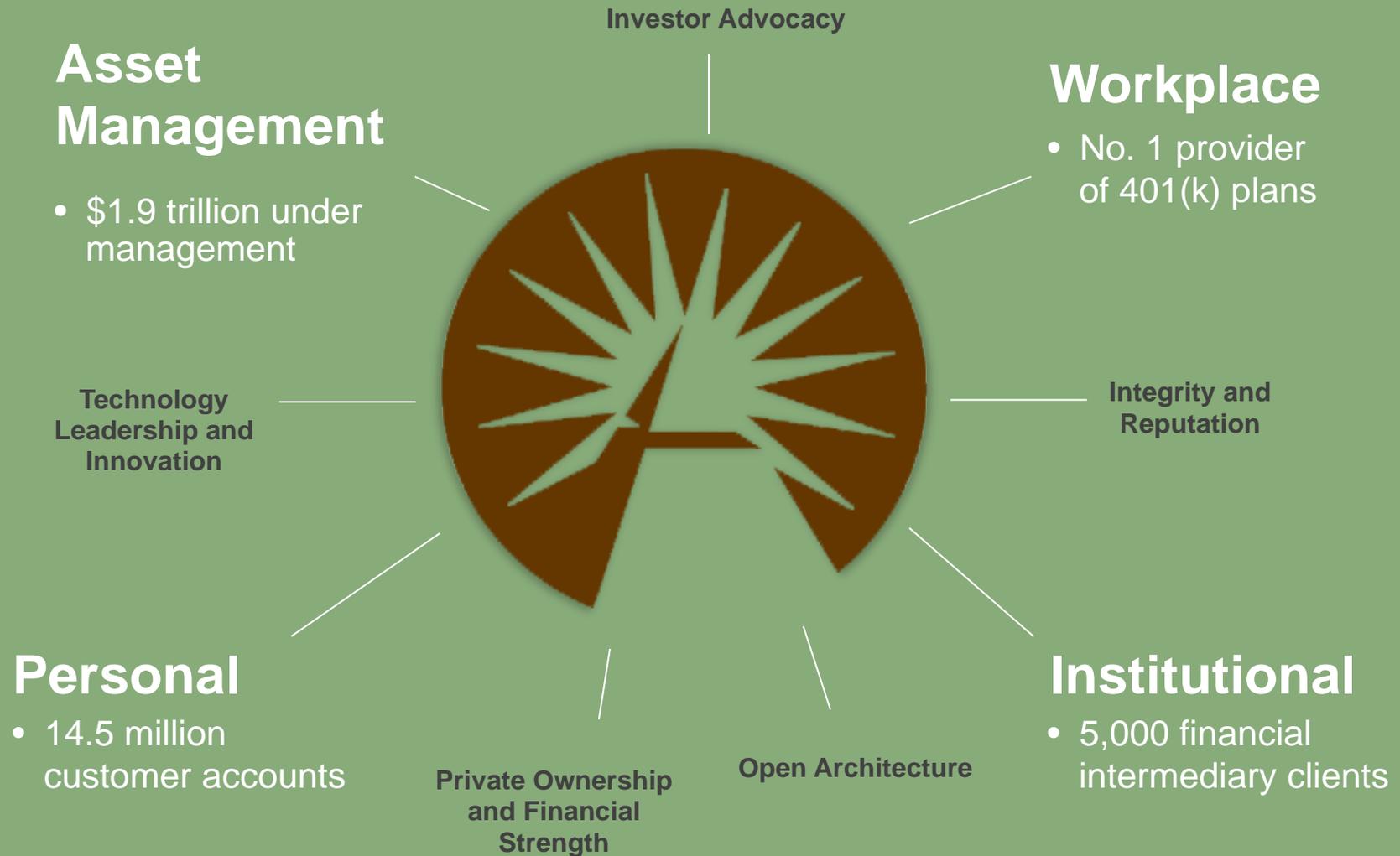


# Building a Toolkit for INNOVATION



Rick Smyers  
Fidelity Investments

# About Fidelity Investments



# A Long History of INNOVATION



## A Fidelity First

Fidelity offers Fidelity Daily Income Trust, its first no-load fund and the first money market fund to offer check writing.



## A Fidelity First

Fidelity becomes the first mutual fund company to have a home page on the Internet.



1970s

1980s

1990s

2000s

2010s



## A Fidelity First

Fidelity installs its first Wide Area Telephone Service (WATS) 800 number and establishes the Investor Information Center to answer calls from prospective investors. Fidelity becomes the first company to sell retail mutual funds over the telephone.



Fidelity Brokerage offers computerized trading through Fidelity Investor's Express. This software allows customers to trade directly on their PCs.



Customers can stay connected with Fidelity Investments by following Fidelity on Twitter and, a year later, by becoming a fan on Facebook.



Customers are now able to stay connected to stocks, market news and their account directly from their smart phone.

Let's go mountaineering!

(What's wrong with this picture?)



# Many companies approach INNOVATION the same way

- Let's innovate!
  - Cool new stuff!
  - Great attitude!
- Questions that are rarely asked
  - Where are we actually going on this expedition?
  - Is that the right gear for this type of trip?
  - Do we have the right people involved?



**How about a more methodical approach?**

# STEP 1

What is your objective? What are your resources?

## Strategy questions for senior leaders

### Strategic Frameworks

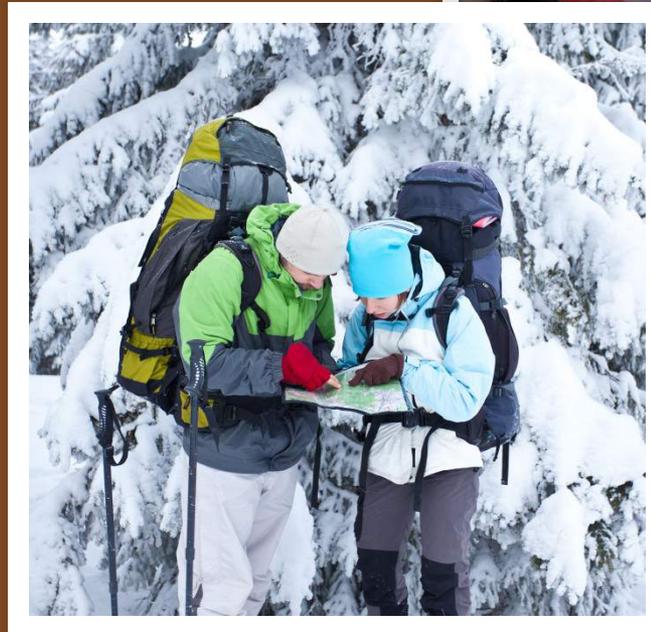
- Horizons of Growth (McKinsey)
- 10 Types of Innovation (Doblin)
- Disruptive Innovation (Christensen)

### Resourcing Models

- Strategic Funding
- Organizational Design
- Employee-Driven Innovation



Photo credit: andrewskurka.com



# STEP 2

What tools and techniques do you need?



## Execution questions for team leaders

### Innovation Tools

- Traditional Customer Research
- Design Thinking
- Idea Management
- Open Innovation
- Lean Startup
- Patent Program

# STEP 3

What people do you need?  
What attitudes and experience should they have?



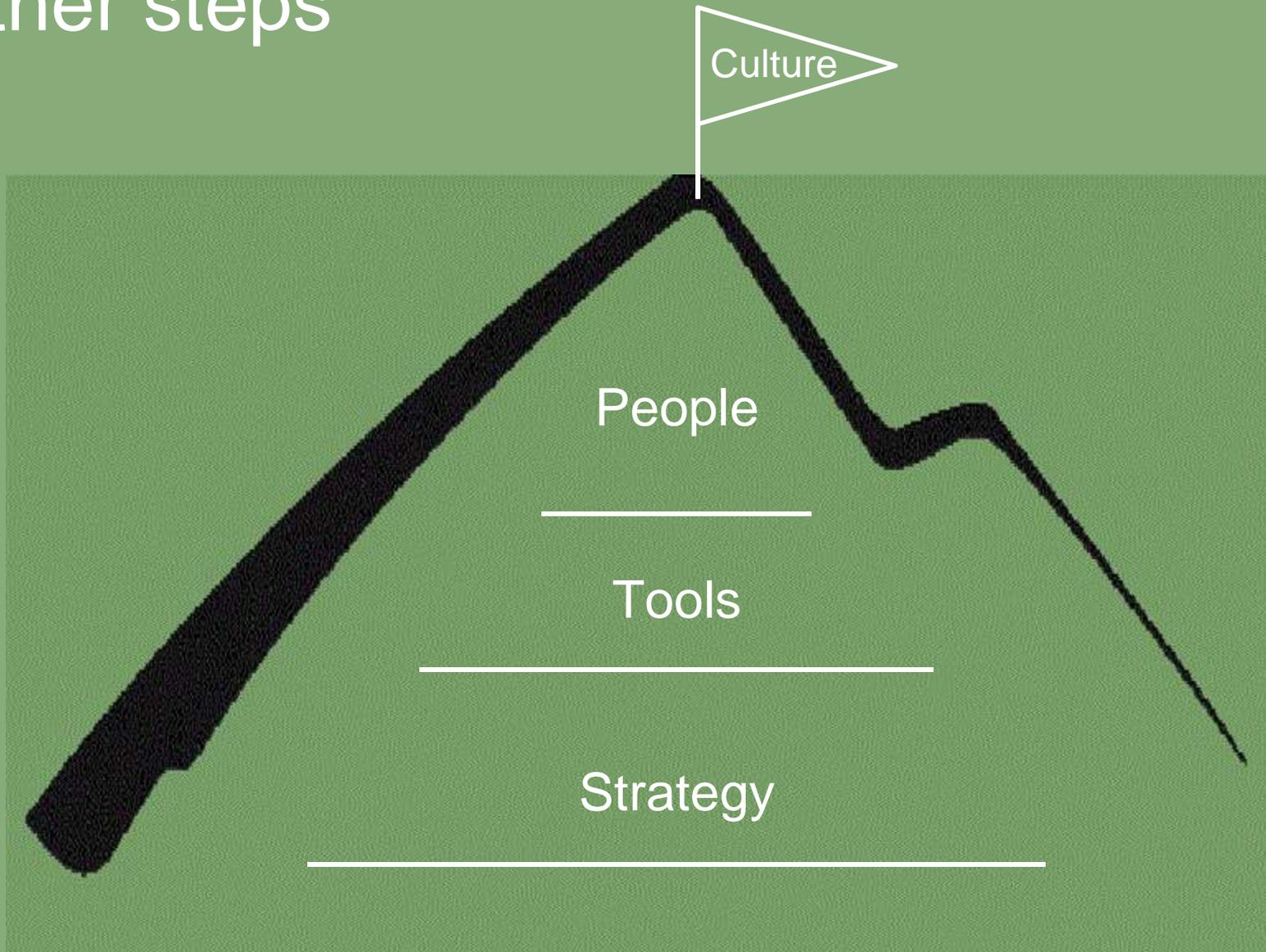
Photo Credit: [www.mtnprofessionals.com](http://www.mtnprofessionals.com)

## People questions for Human Resources

### People Initiatives

- Recruiting Plan
- Rewards & Recognition Programs
- Training Programs
- Innovation Ecosystem Development

CULTURE is (mostly) an outcome of the other steps



## Example: When to use...Idea Management

### Use when...

- Your sponsor has a real business problem
- He or she wants help solving it
- Employees can leverage first-hand experience

### Don't use when...

- Your sponsor is an “Innovation Cheerleader”
- He or she is solving someone else's problem
- Employees need specific technical knowledge

Fidelity example: “FireWire”

# The "FireWire" story

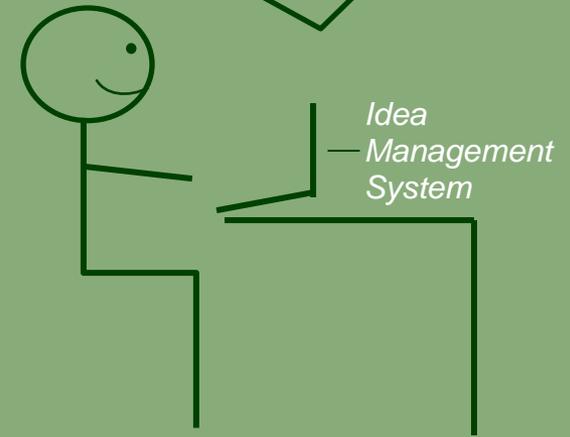
How might we... provide a "WOW" customer experience for segment XYZ?



wire transfers...the moment of truth...



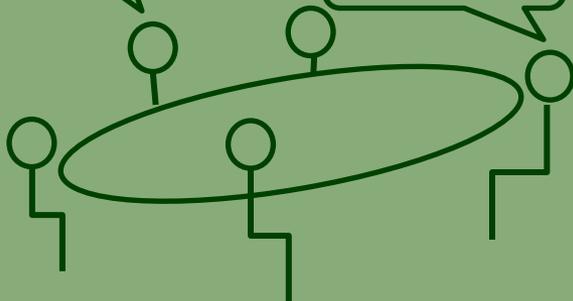
Wire transfers are urgent but require numerous internal reviews... I propose a simple low-tech solution...



**Idea Review**  
"FireWire"

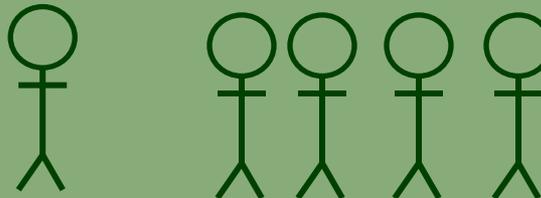
It's so easy!

Approved!



So when a "FireWire" comes through, drop everything and process it...

Got it!



Ops Risk Security Compliance

## Result

High-value wire transfers that used to take hours...now routinely done in under 10 minutes!

## Example: When to use... Design Thinking

### Use when...

- Your problem involves people
- Your problem involves emotion and unarticulated needs
- The people involved are willing and able to help

### Don't use when...

- Yours is purely a math, science, or logistical problem
- The answer is already evident

Fidelity example: “8X”

» LIVE  
BOSTON



*THE RETIREMENT (EQUATION)*

**FIDELITY INVESTMENTS LAID OUT NEW  
BENCHMARKS FOR RETIREMENT SAVINGS**

WTI CRUDE(Oct)

-1.15 -1.19%

95.47

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# Example: When to use...Lean Startup

## Use when...

- What customers DO is more important than what they SAY
- You are ready and willing to “pivot” based on market results

## Don't use when...

- You fully understand customer needs
- Your solution needs to be perfect at launch

Fidelity example: “Pebble WatchApp”

Fidelity Labs Pebble WatchApp video...



## Conclusion

- Be methodical about innovation
- Build a well-defined toolkit
- Know when to use each tool