

MetLife



MetLife Innovation Program

Surviving the Innovation *Danger Zone*

December 2015

For discussion purposes only. Not for further distribution.

One enterprise-wide innovation program

METLIFE Innovation Program

*Driving performance through
innovation*



MetIP is an **enterprise-wide strategic program** established our Executive Group in 2011.

It serves as a **catalyst organization**, focused on creating a culture and a set of processes that drive innovation. MetIP is **not an R&D Lab**.

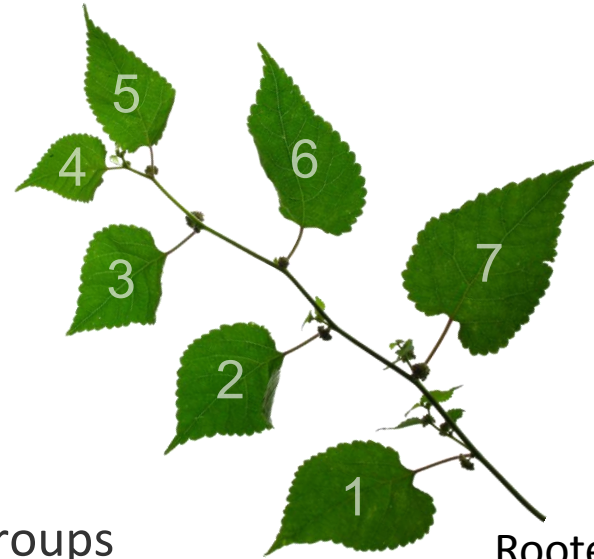
We **keep the business at the center of innovation**. MetIP engages regularly with creative people full of great ideas and help them identify and advance the best ideas.

**at MetLife,
Innovation means Reinvention...**

Our process for continuously reimagining how we create and deliver new forms of value for customers, associates and business partners

Seven design principles support MetIP's tools & processes

1. Keep **business units** at the center
2. Tightly link innovation efforts to **strategy**
3. Pick topics that **move** the needle
4. Get as many **associates** engaged as possible
5. Promote **frequent** interactions of disparate groups
6. **Invest** in ideas with solid business cases
7. Learn how to **fail fast** and inexpensively



Rooted in
**Targeted
Innovation
Campaigns**

MetLife's innovation math

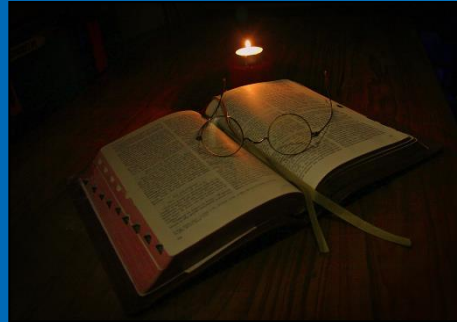
CREATIVE + MATURE + SUPPORTIVE
PEOPLE + PROCESSES + CULTURE
= INNOVATION



Our Process & Tools

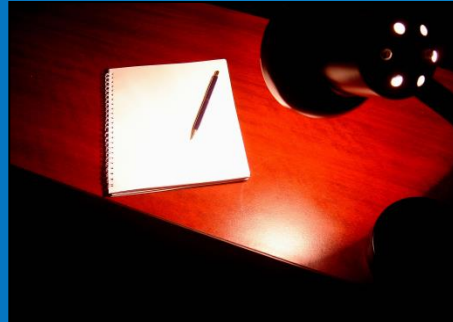
The “Four i’s” of the innovation process

Investigation



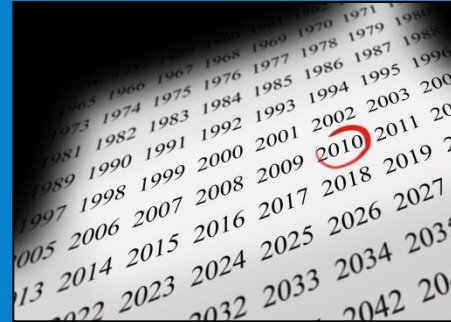
~30 days of thoughtful pre-work...

Ideation



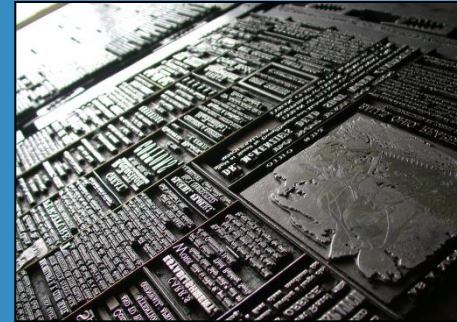
... followed by 1 day to 4 weeks of intense brainstorming and prioritization...

Incubation



... followed by 100 days of rigorous experimentation...

Implementation



... followed by one day of tough decisions.

Three approaches to ideation to meet business needs



- Online community of associates and/or customers
- Collaborating and prioritizing the highest value opportunities

linus.metlife.spigit.com



- High energy live sessions (30-150 associates)
- Focused on brainstorming and aggressive prioritization

Programs run for 1 - 2 days



- Collaborating with business partners
- Speeds implementation of new solutions

Leverages VC relationships

Innovation Danger Zone



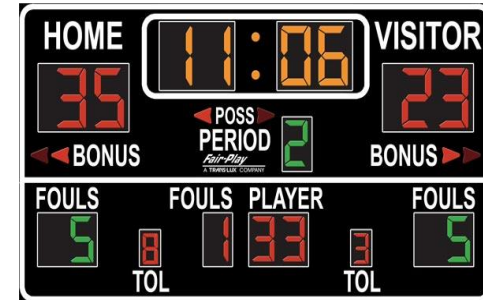
Driving the right activities generates meaningful results

Activity



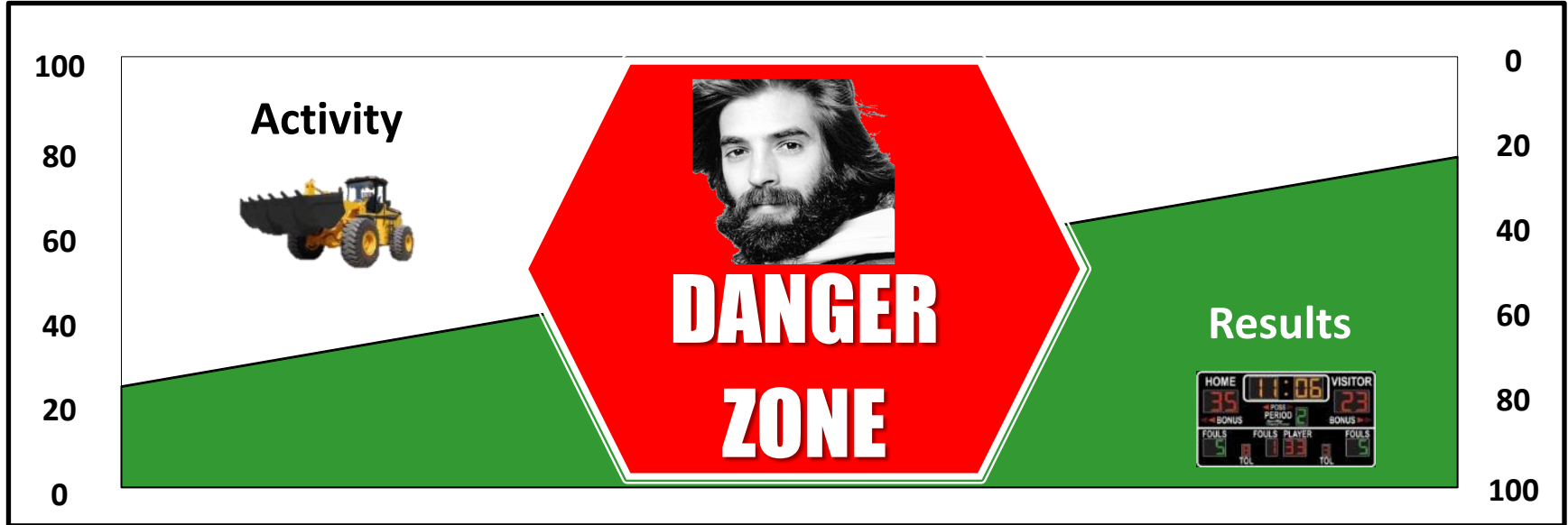
Generation/ Yield	# of Campaigns
	# of Ideas
Participation	# of Associates
	# of Management

Results



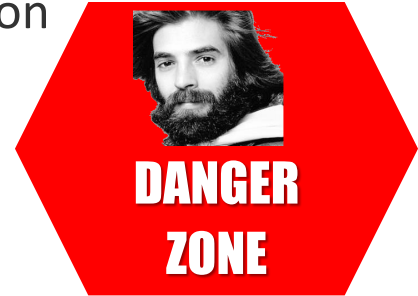
Hard Benefits	Revenue Generation
	Expense Savings
Soft Benefits	Customer Satisfaction
	Employee Engagement

Understanding the Innovation Danger Zone



Five keys to surviving innovation Danger Zone

1. **Stay Relevant:** Tightly link your innovation efforts to your strategy
2. **Work with Friends:** Target the right people in your organization
3. **Speak in Business Terms:** Present your "Portfolio"
4. **Get Better Every day:** There are no failures, just opportunities to learn
5. **Small Tests Avoid Big Failures:** Follow an incubation methodology

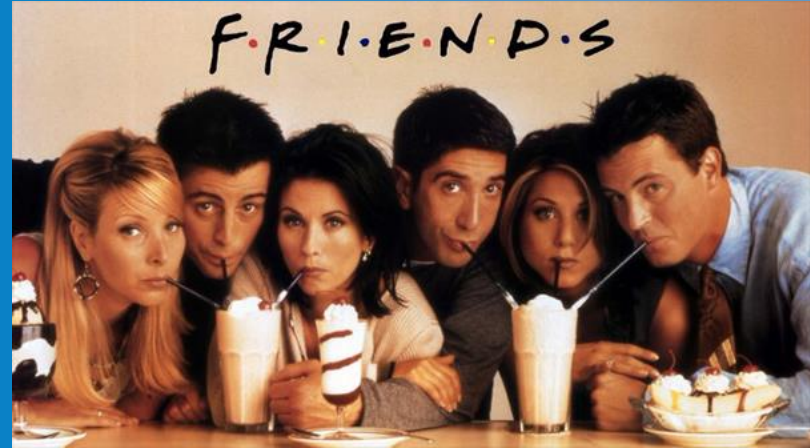


1. Stay relevant: tightly link your innovation efforts to your enterprise strategy

What is the enterprise strategy?	How can you directly link innovation?
<p>Example: Increase sales to the XX segment by 20% in three years</p>	<p><u>Social Innovation</u>: Run two campaigns directed at understanding customer needs and missed sales opportunities</p>
<p>Example: Reduce attrition by 30% over the next 2 years</p>	<p><u>Facilitated Innovation</u>: Lead an innovation event with new hires and tenured associates to identify key trouble spots</p>
<p>Example: Enter the XX market within the year</p>	<p><u>Co-Innovation</u>: Partner with firms already in the market to identify introductory opportunities and launch points</p>

2. Work with friends: target the right people in your organization

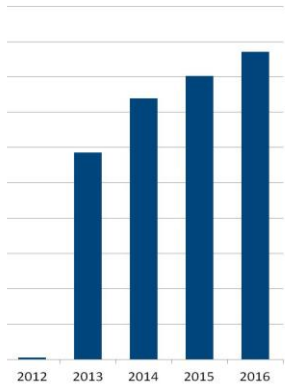
- It is easier to help an innovative leader be more innovative than to convince a non-believer
- Find a committed sponsor who can drive change
- Help them accelerate their business opportunities through innovation



Time is a precious resource... Don't waste it with non-believers

3. Speak in business terms: present your “portfolio”

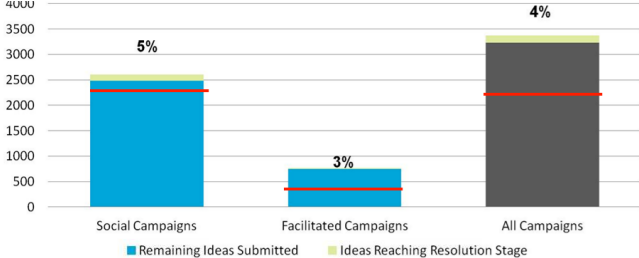
PROJECTED REVENUE



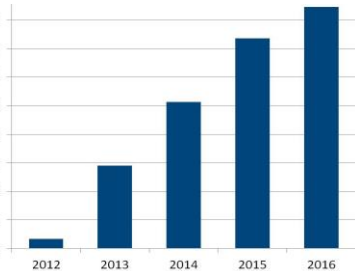
IDEA IMPACT BY CAMPAIGN



IDEA GENERATION BY CAMPAIGN



PROJECTED EXPENSE SAVINGS



Goal of **10x** return per year

4. Get better every day: there are no failures, just opportunities to learn

- **There are two kinds of failure***
 - **Mindful Failure** occurs based upon continuous questioning and testing of hypotheses and learning where you were wrong in your assumptions
 - **Mindless Failure** occurs because you failed to really question and think before you leapt off and started your venture
- Key point about failing is that it **forces learning in powerful ways that leads to new actions that are generally more successful**

Out of every 100 new consumer products that come to market, the failure rate is typically between 80% and 90%.

<http://www.ey.com/GL/en/Industries/Consumer-Products/Eleven-risks-for-consumer-products-companies---3--Speed-and-success-of-innovation>

* Dr. Chris Wasden, EdD Sorenson Center for Innovation at the University of Utah

5. Small tests avoid big failures: follow an incubation methodology

- **Confirm understanding of idea scope**

- Value proposition to the company
- Initial thoughts on implementation approach

- **Identify and Rate Assumptions**

- Identify assumptions and unknowns (e.g. around customers, markets)
- Rate assumptions on level of importance and uncertainty

- **Test Assumptions**

- Develop a test for each assumption focusing on the most important/critical first
- Measure the process in days/weeks and NOT months and years



Some nuggets to take away

1. In every company innovation runs in peaks and valleys – know where you are
2. Measure activity and results tied to enterprise strategy
3. There are only four potential yields from innovation - *everything else is noise!*
4. You get much farther working with friends
5. Present performance through a portfolio view
6. Be clear and disciplined when executing pilots
7. Failure is part of innovation, learn from it to achieve greater success



Thank you

METLIFE
Innovation Program

*Driving performance through
innovation*



© PNTS