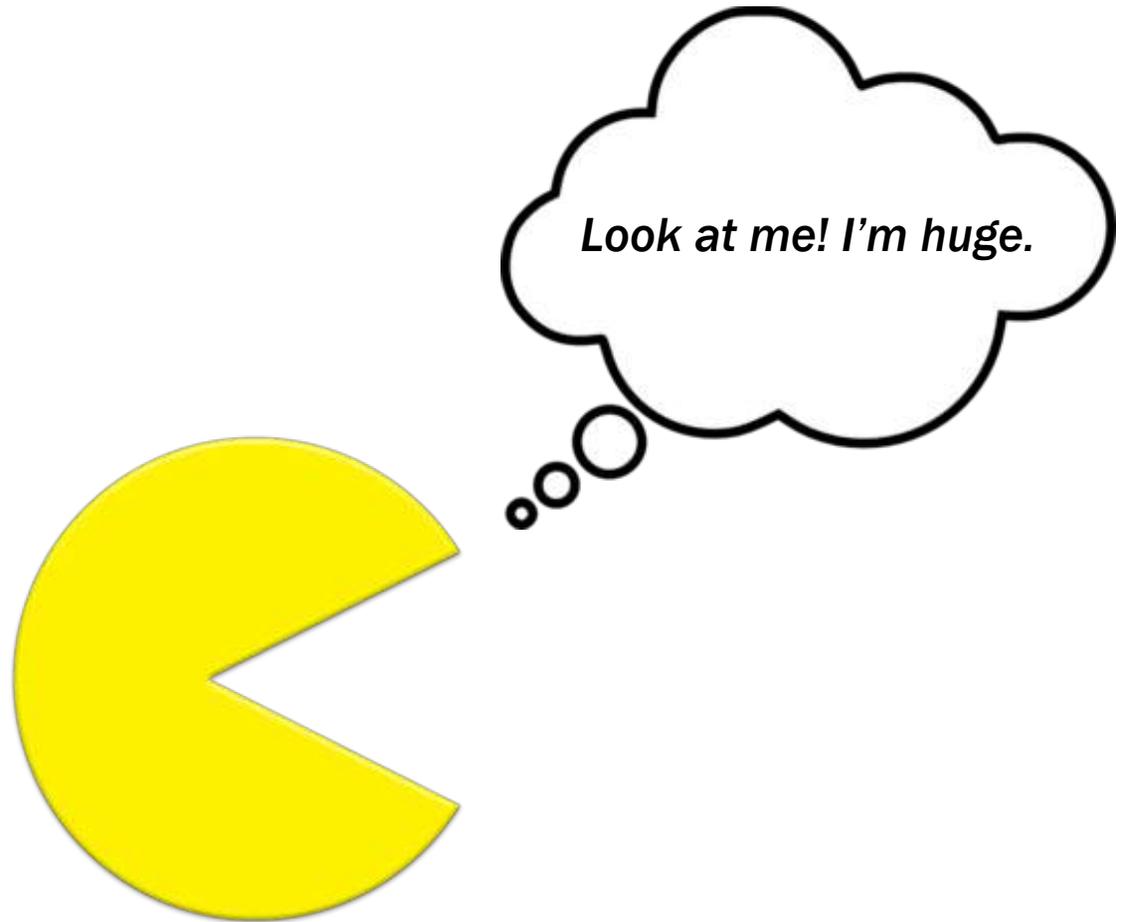


Startups and Innovation

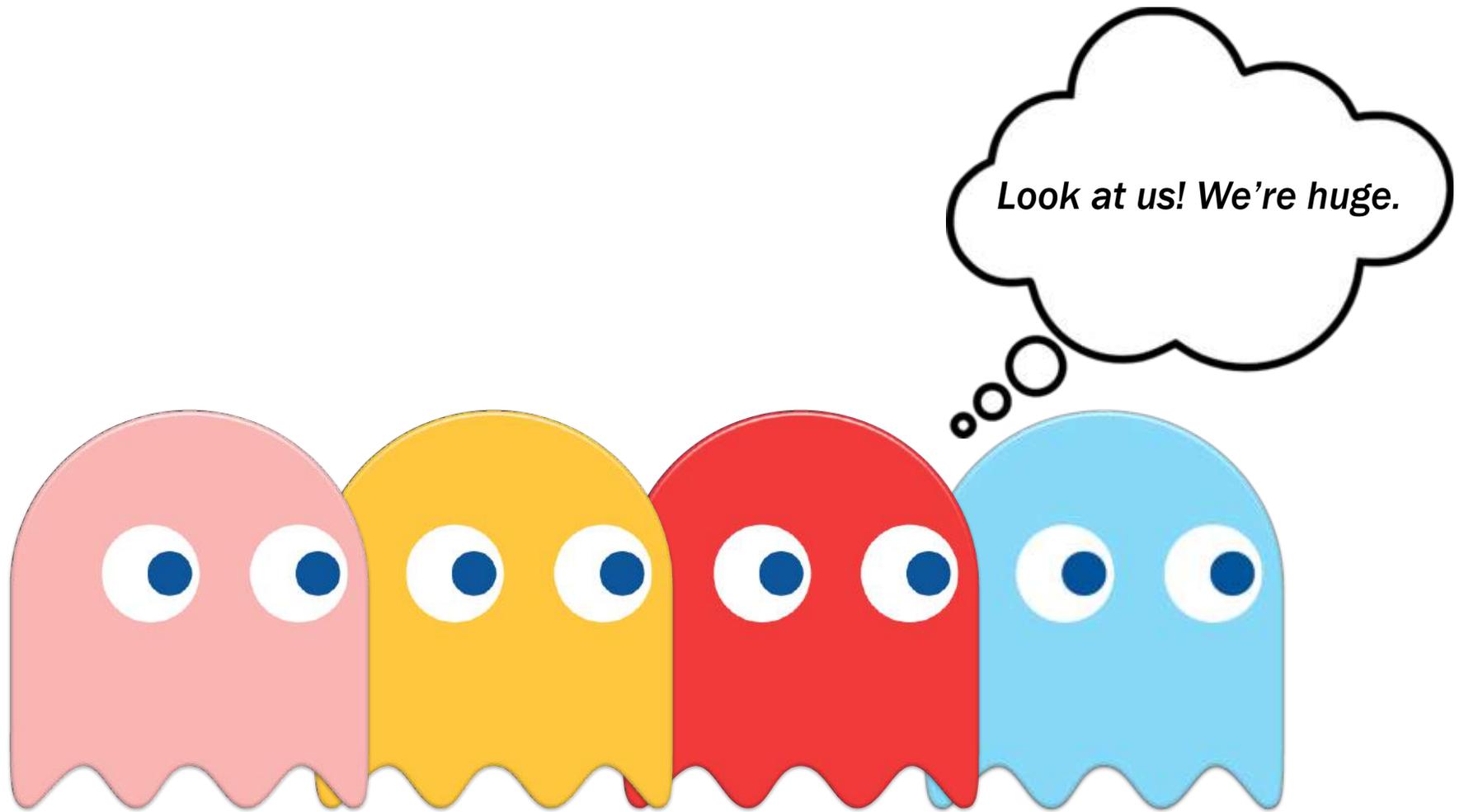
2.25.2016 Lean Startup NYC Enterprise Summit

Pac Man style

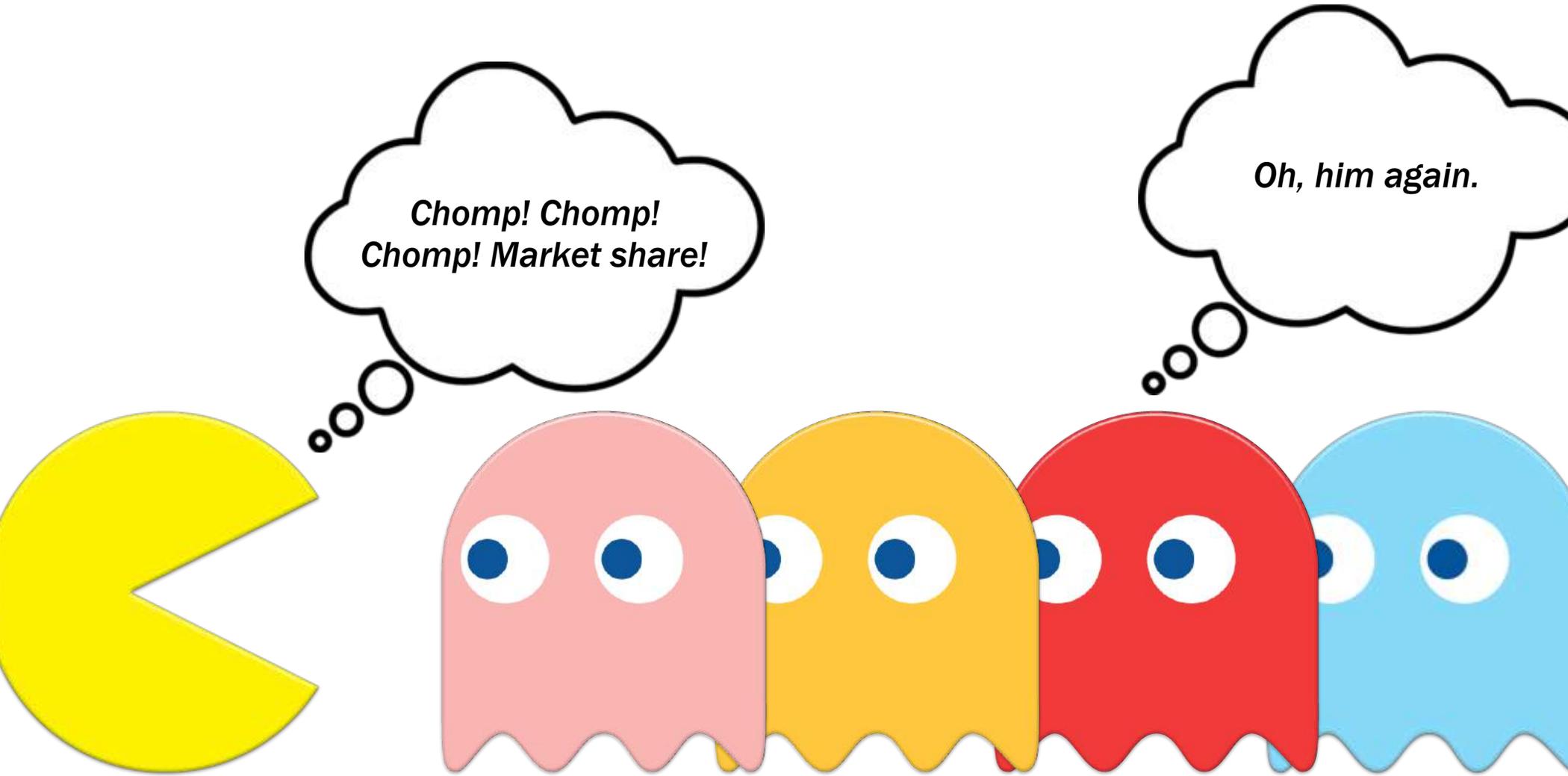
This is your company.



This is your competition.



This is you versus your competition.

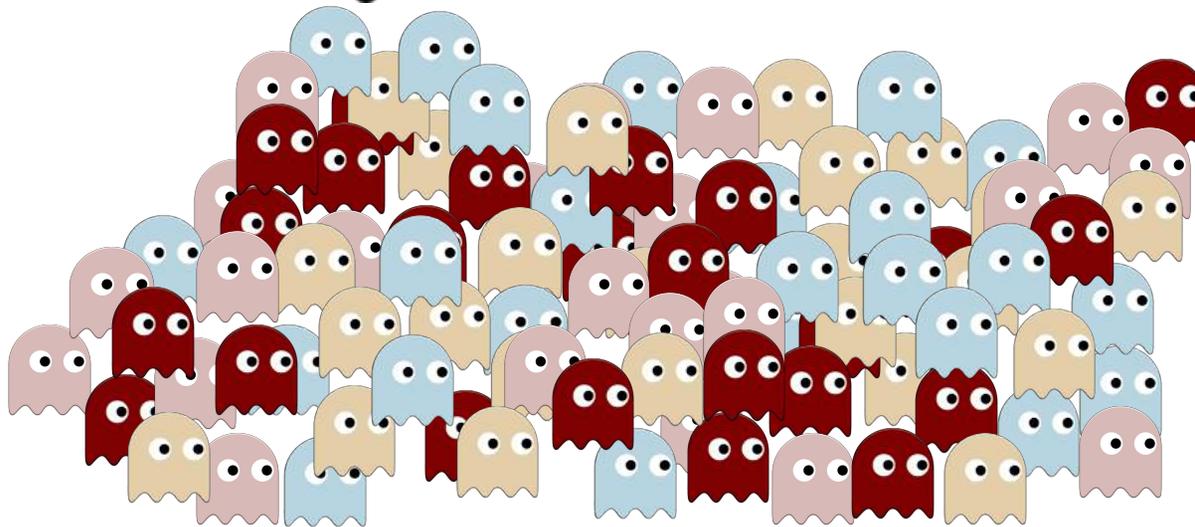


*Chomp! Chomp!
Chomp! Market share!*

Oh, him again.

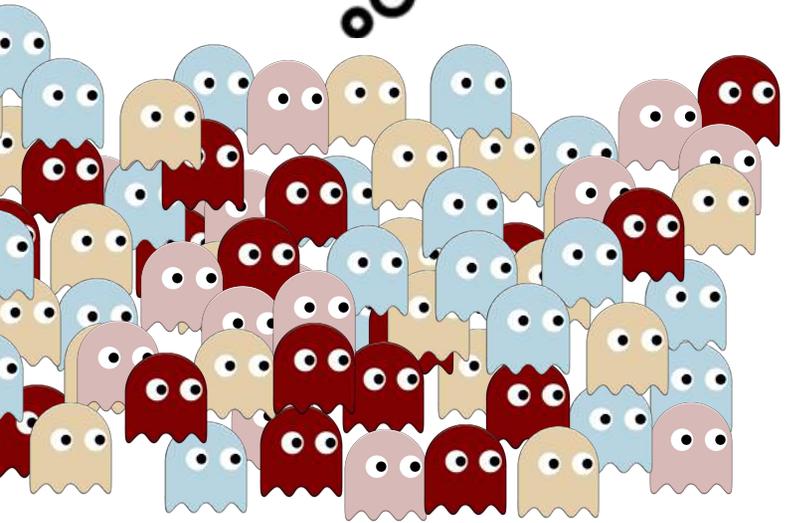
Meanwhile in startup land...

*Look at us! We're tiny.
And starving!*

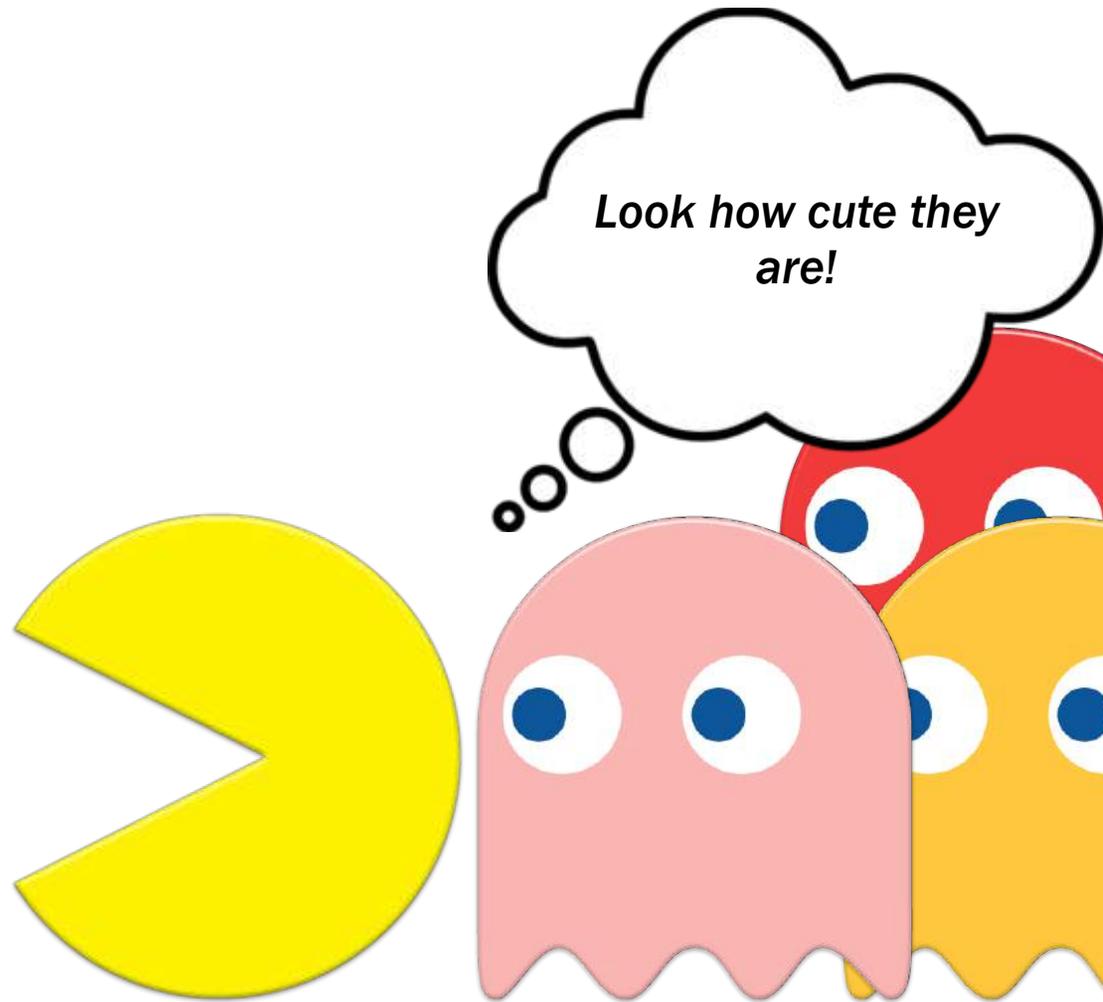


Startups come attacking!

Let's get 'em!!!



Look how cute they are!

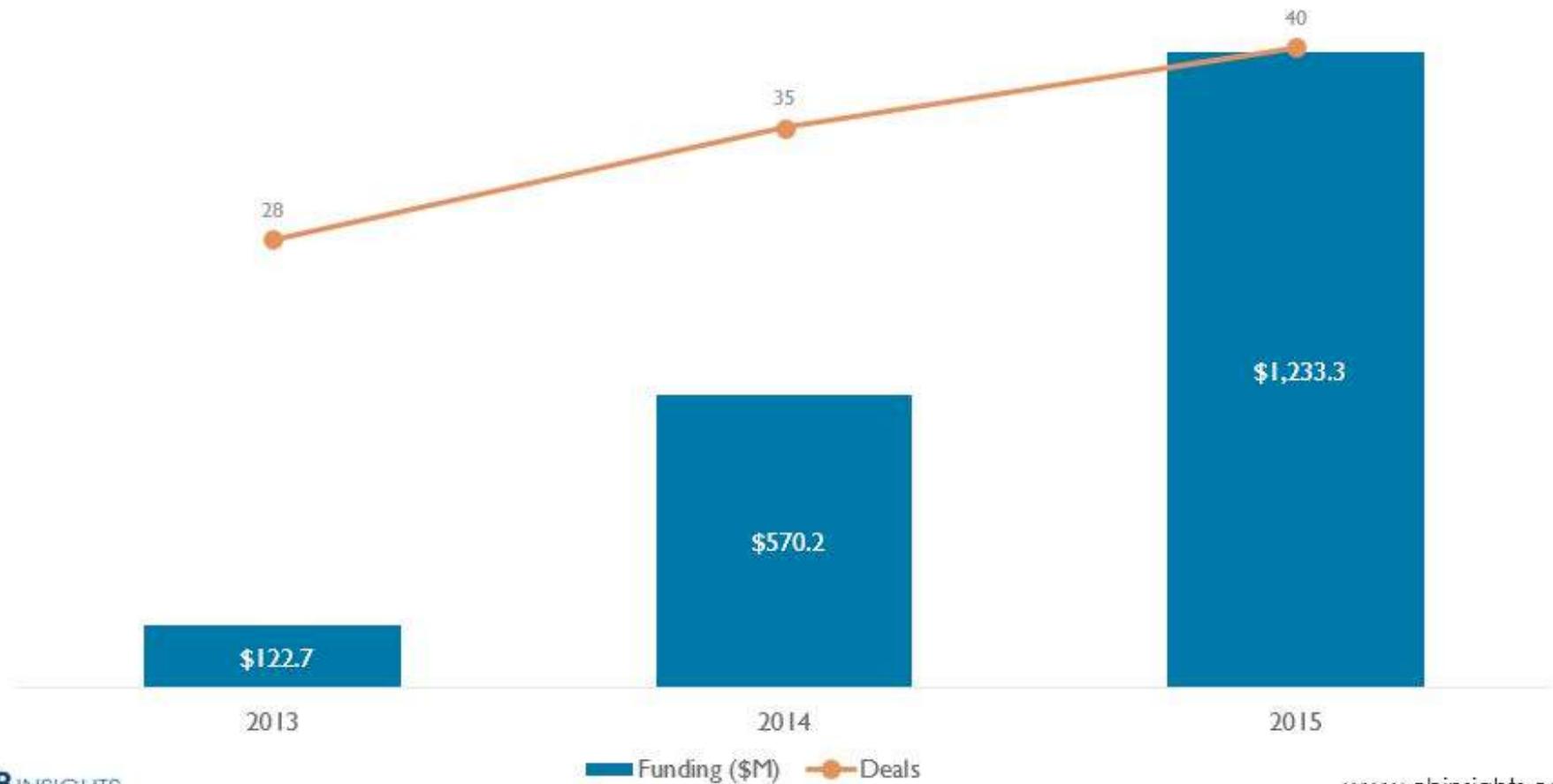


Annual Global Financing Trends to VC-Backed Companies

2011 – 2015

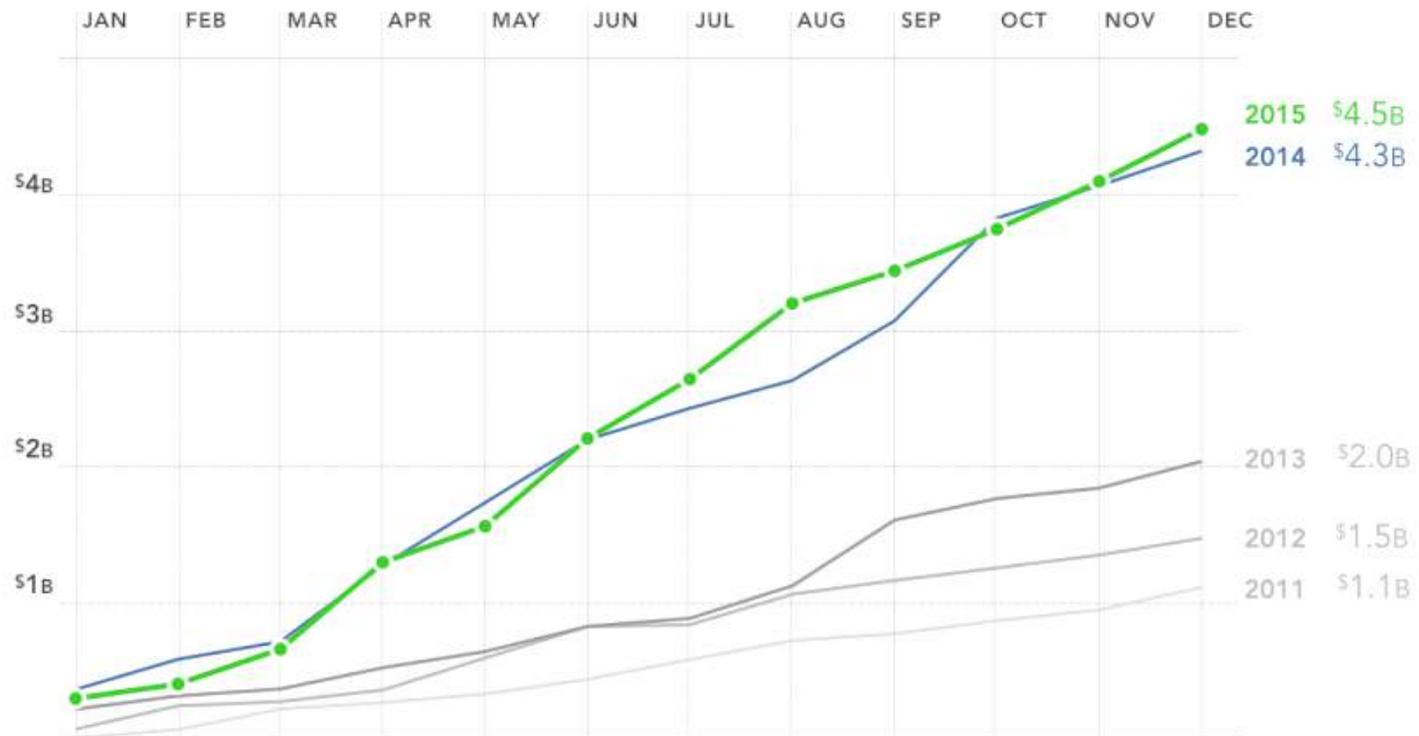


Health Insurance Tech Funding Trend US, 2012 - 2015



DIGITAL HEALTH FUNDING

2011-2015



But the battle is different.

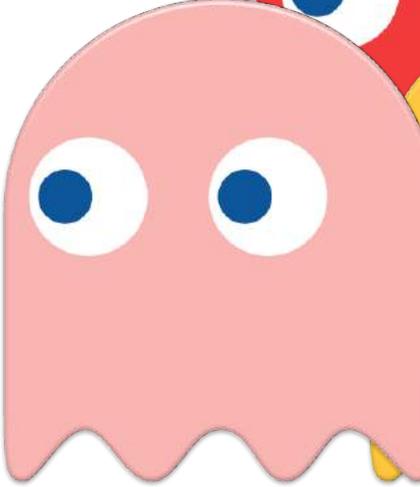
Traditional battle



*Look at my bloated
suite of products and
services.*



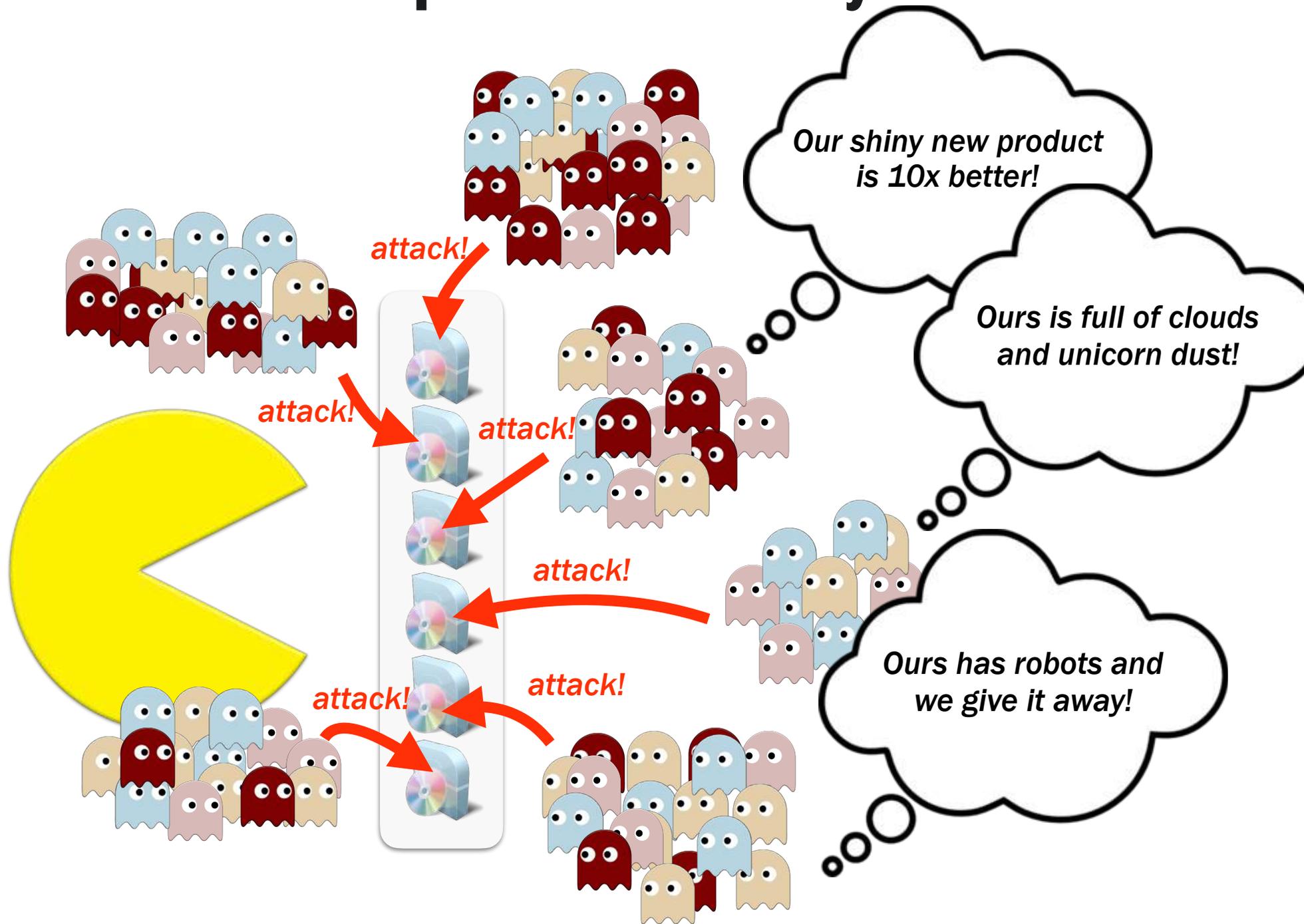
*Well our product suite
is even bloatier x2!*



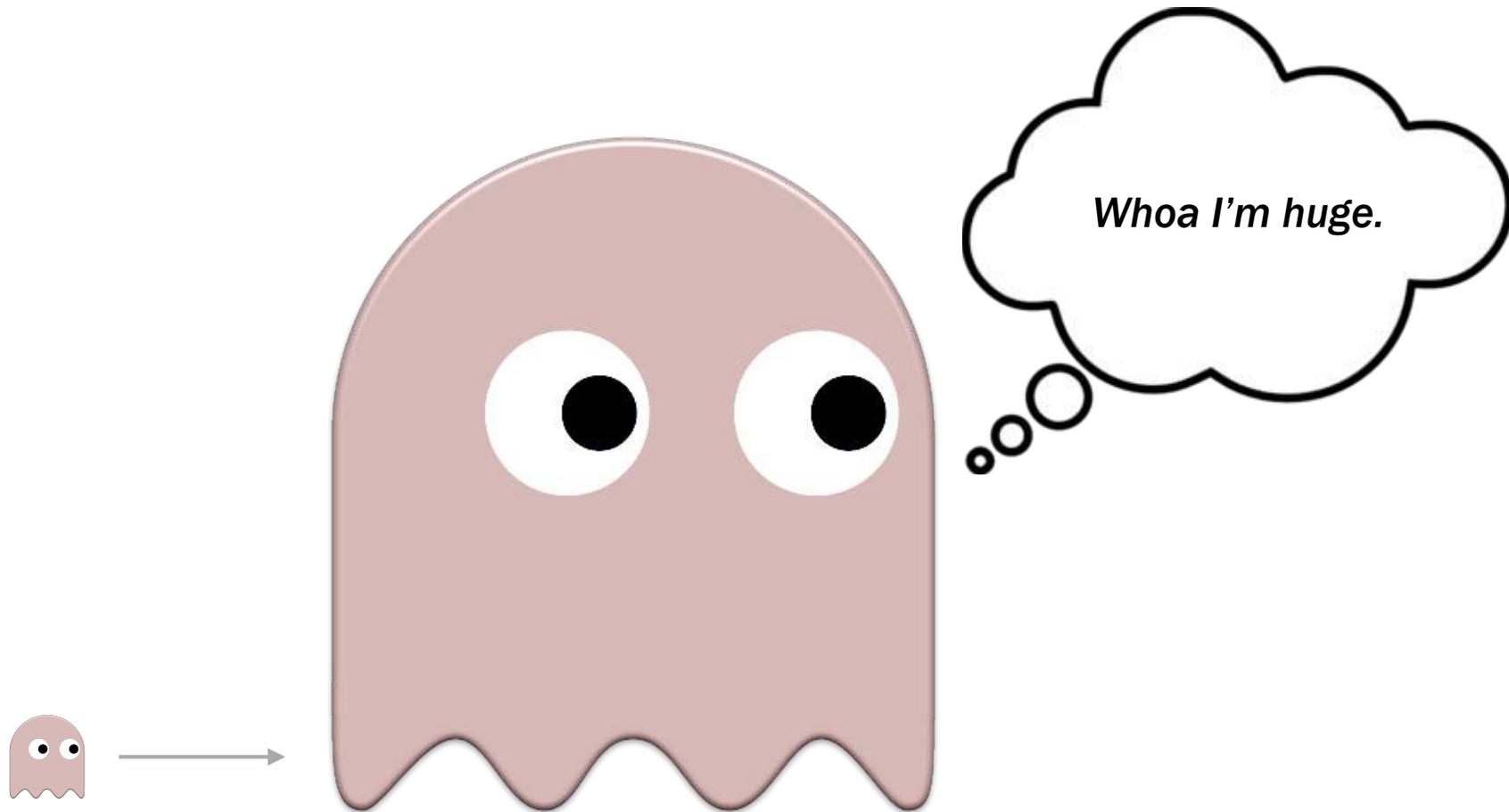
Crap.



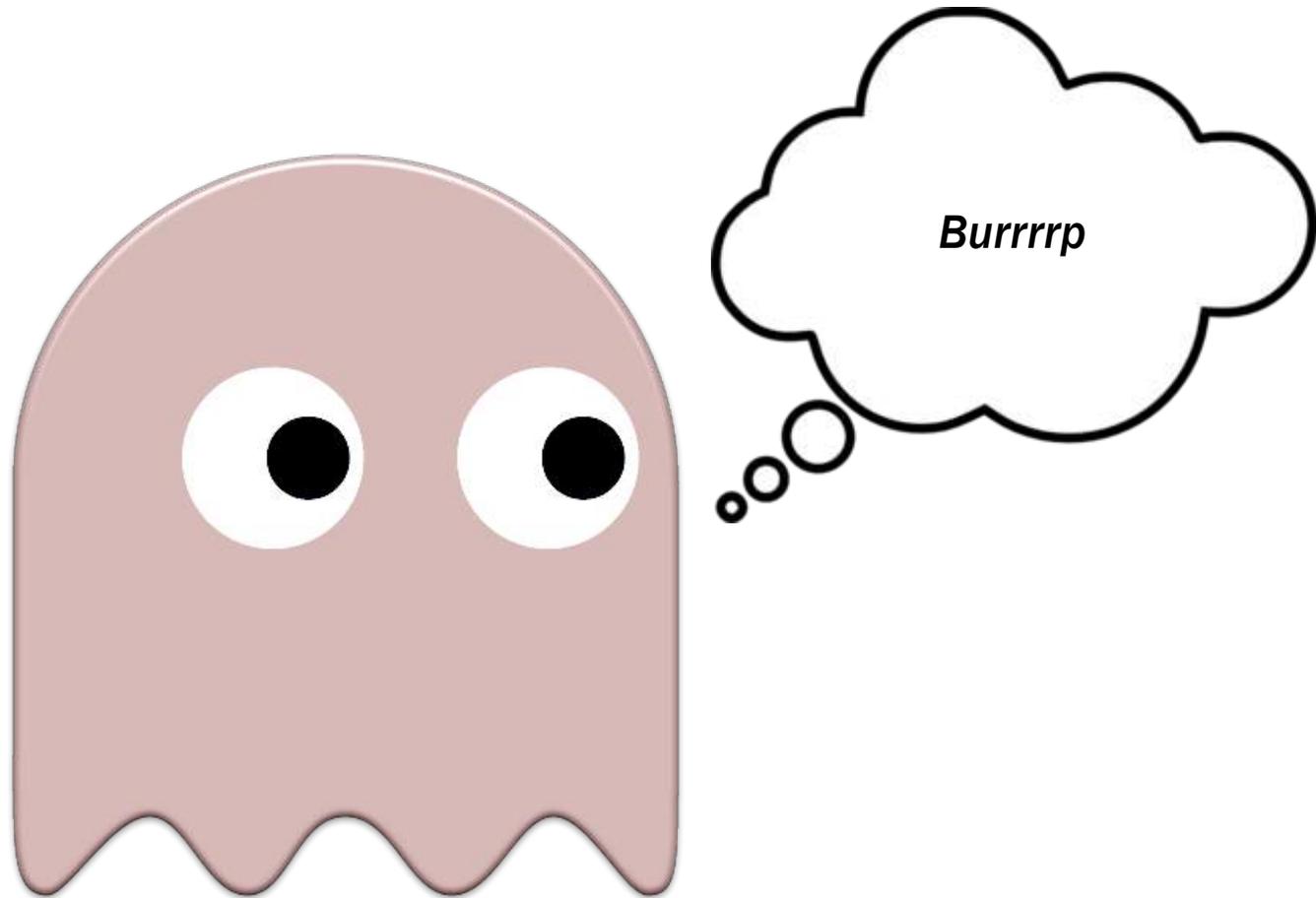
Startups attack bits of you.



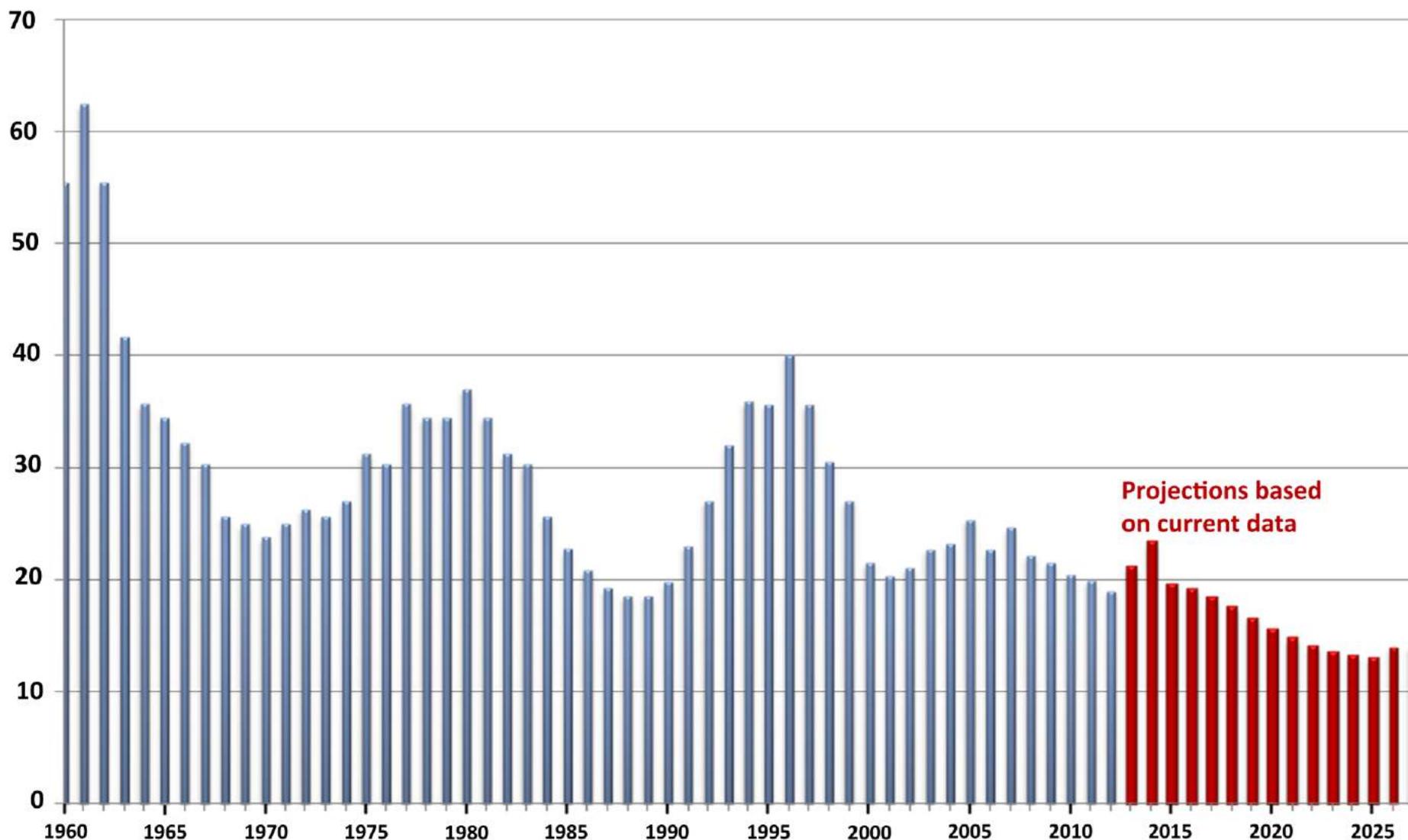
And then tiny little startup gets big. Fast.



And starts chomping your market share.



Average company lifespan on S&P Index in years (rolling 7-year average)



Year (each data point represents a rolling 7-year average of average lifespan)

DATA: INNOSIGHT/Richard N. Foster/Standard & Poor's

“There’s no chance that the iPhone is going to get any significant market share,” “No chance.”

Steve Ballmer, 2007

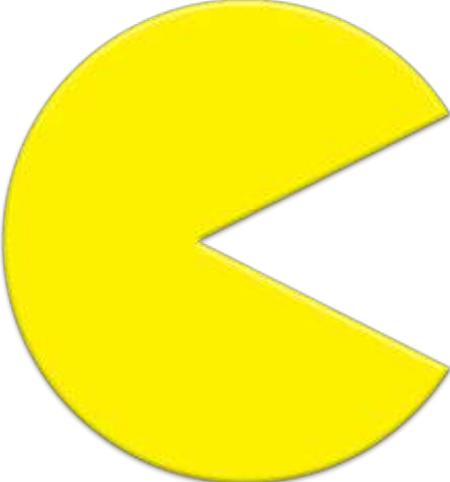
“Neither RedBox nor Netflix are even on the radar screen in terms of competition,” “It’s more Wal-Mart and Apple.”

Blockbuster CEO Jim Keyes, 2008

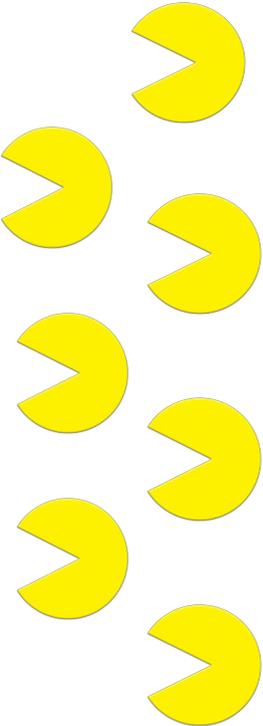
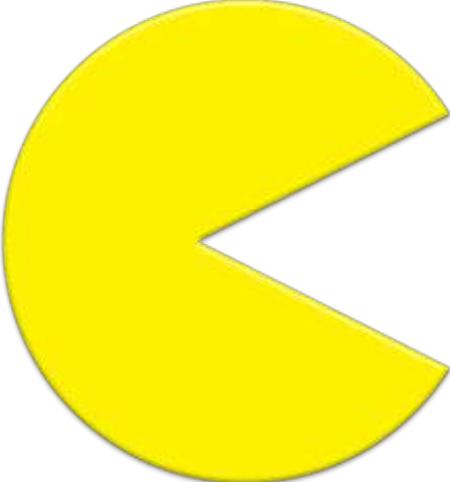
“An iPhone belongs in your pocket, not on the road”

Porsche CEO Oliver Blume

Big huge company needs innovation

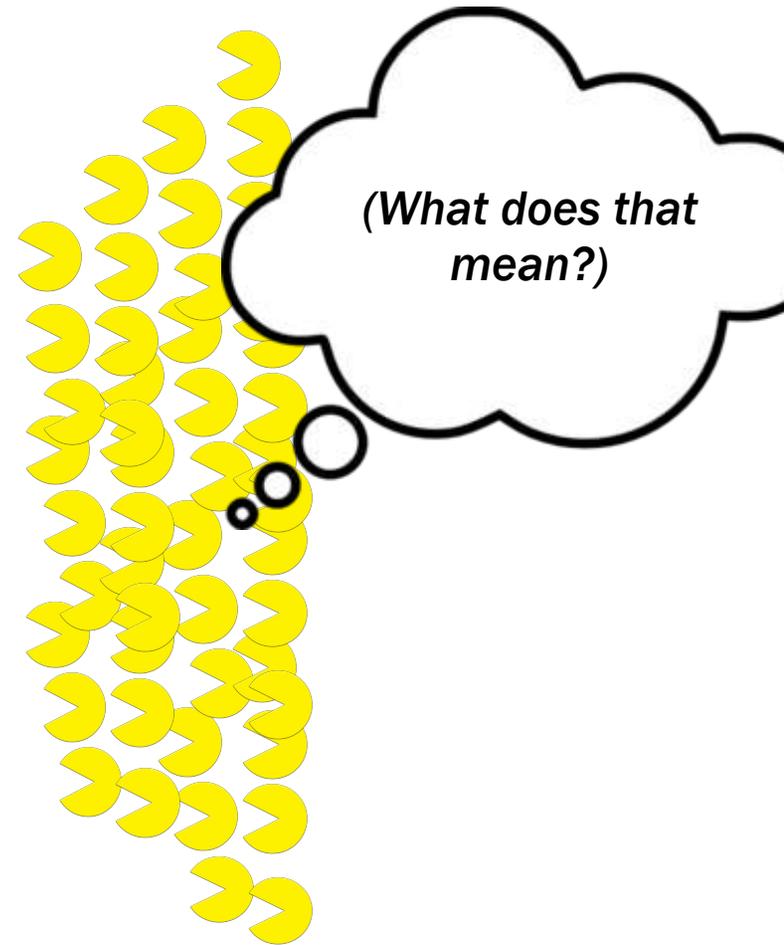
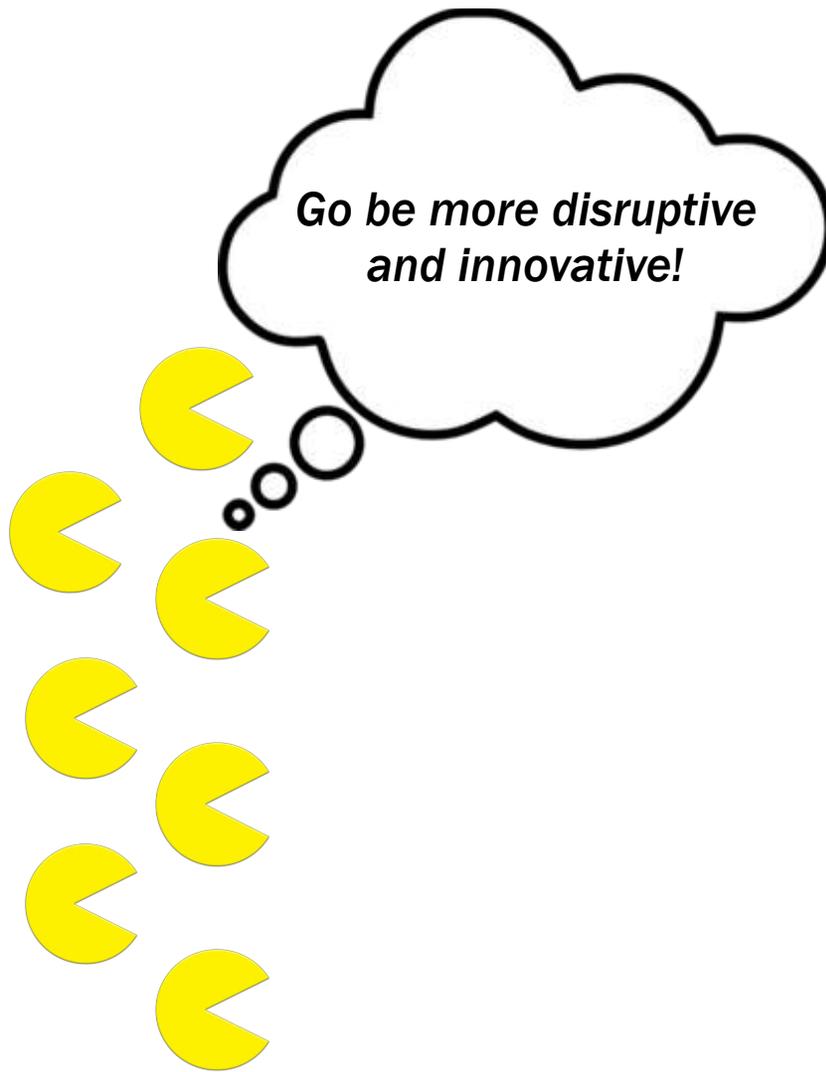


*Go be more disruptive
and innovative!*



*(What does that
mean?)*

And then...



Probably looks something like this.

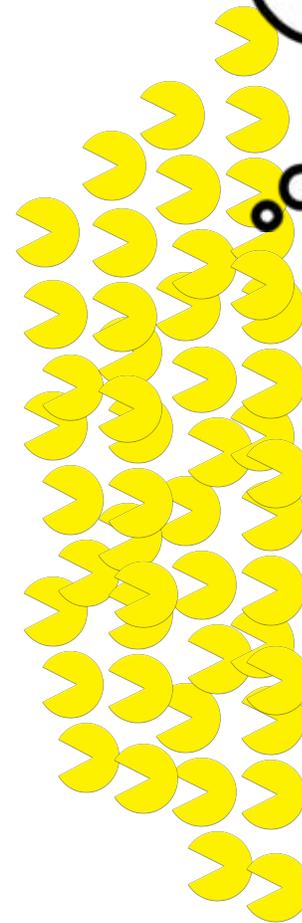
Strategy 1: Magic Ideas Box

*Submit all your ideas
and become a hero!*

*Sweet! We are so
innovative. What a
great company.*



MAGIC IDEAS BOX

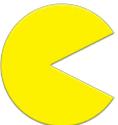


Strategy 1 FAIL:

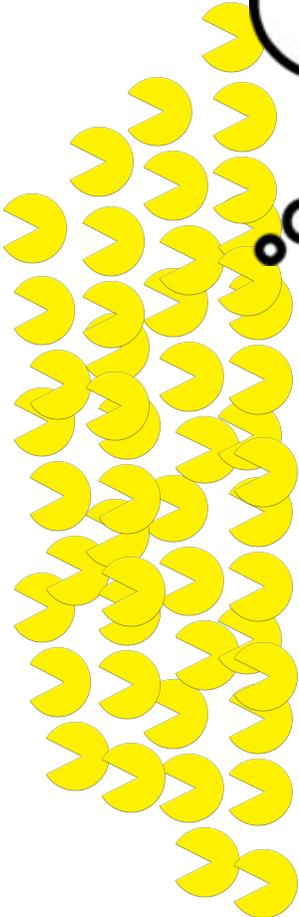
Process and procedures for magic ideas box:

All ideas submitted by employees, both foreign and domestic must complete Form 495b on our sharepoint site located at <http://intranetpagesfullofforms.company.net> and is only accessible if you are behind our company firewall or if you have completed Form 863z located at <http://intranetpagesfullofforms.company.net> and signed our waiver of rights and been approved by your manager to submit ideas. After submission, your idea will progress through our stage-gate process developed by our top process-driven experts. Stage-gates ensure that ideas conform to our idea-generation policy and that we don't go pursuing any crazy sounding ideas. After completing steps 1-6 of the stage-gate process, you may or may not hear anything back about your idea. If your idea passes step 7, it will then be reviewed by a committee of senior leaders who have all the qualifications for judging the merits and benefits of pursuing your idea. Step 8 is where the committee determines if the idea fits their business unit strategy, and if it doesn't your idea will be killed and you may or may not be notified. If your idea passes all 16 steps of the stage-gate process (we're not sure what the last 8 stages are for but they sure sounded right), you will be invited to pitch your idea to our executive panel. This will require a 40 page powerpoint and must include a full business plan and CBA of which we're confident you have all the expertise to produce. The executive panel will judge your idea based on its conformity to our business strategies of which we have hundreds of powerpoint decks that we can show you. If your idea is chosen, we will put your picture on our intranet site to make you a star among your peers and to let all other employees know how innovative we are being, and then you will have the privilege of working on this idea in any spare time you have while maintaining 100% of your normal work duties without any extra compensation.

Strategy 2: Upgrade

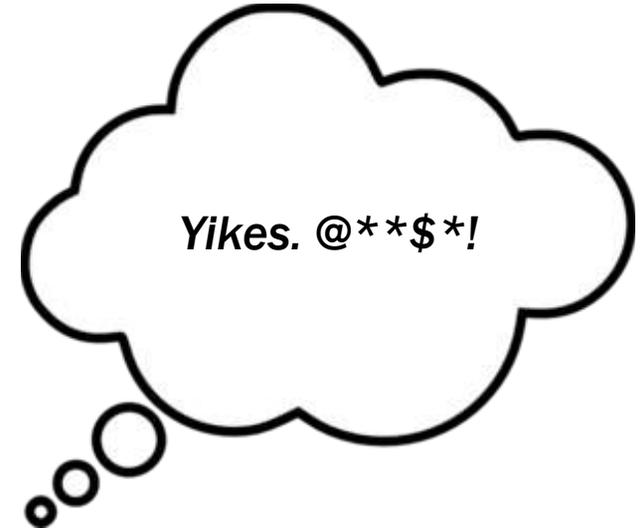
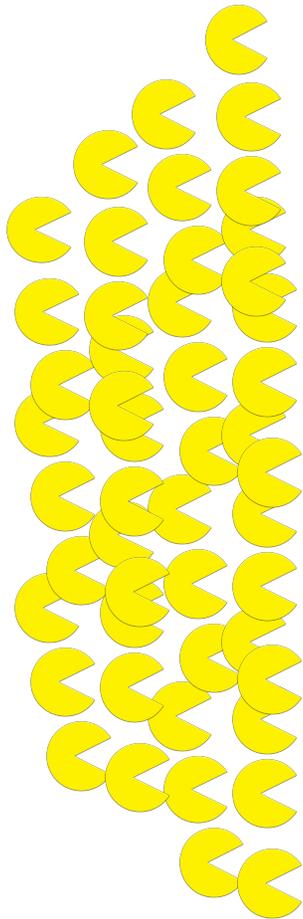


*Make your stuff more
cloud-like and digital
and sexier.*



That'll show 'em!

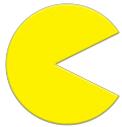
Strategy 2 FAIL:



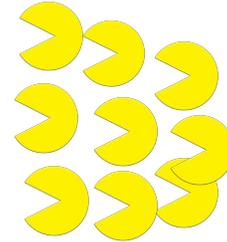
Strategy 3: Act like a startup



Act like a startup.



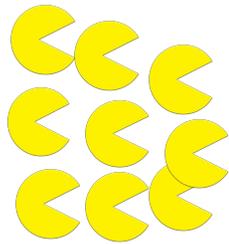
*OMG! We are so cool.
We get to be
entrepreneurs!*



Strategy 3 FAIL:

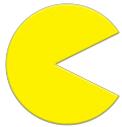
*We've done it! But it
might eat our own
business.*

*We can't have that. Try
to be more in-the-box.*

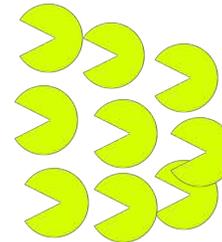


Strategy 4: Buy them

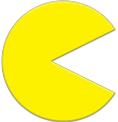
*Hi unicorn.com team,
we'd like to acquire
you.*



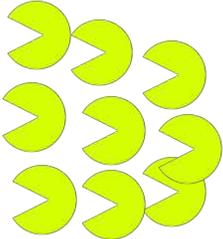
Cha-ching!



Strategy 4 FAIL:



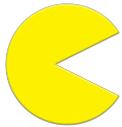
Try to be more like us.



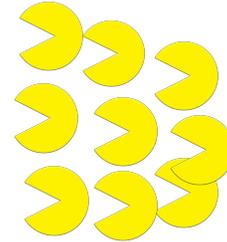
But our culture is what made us great. Now we're just OK.

Strategy 5: Do an accelerator

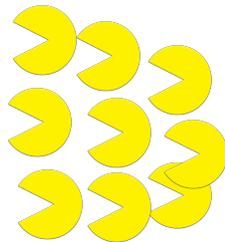
*Let's do an accelerator
so we can find cool
startups!*



Brilliant!



Strategy 5 FAIL:



These are not bad strategies.

Just sometimes poorly executed.

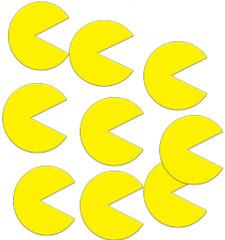
And often without the big picture in mind.

**Let's talk about Strategy 3:
"Act Like a Startup"**

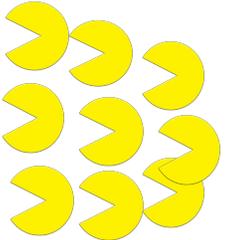
Some of the stuff you'll run into

(I've dealt with all of them)

Manager stuff



Innovators

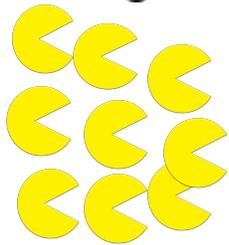


Management

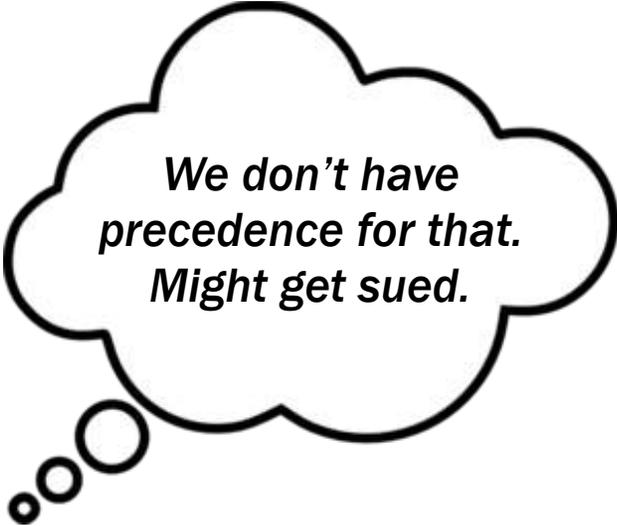
Legal stuff



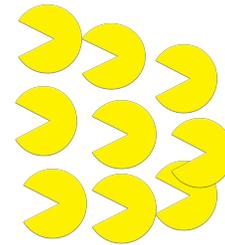
Totally brand new product!



Innovators

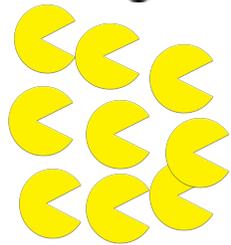


*We don't have precedence for that.
Might get sued.*

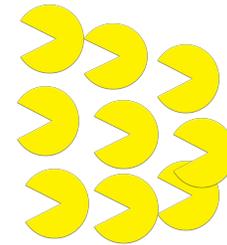


Lawyers

Procurement stuff

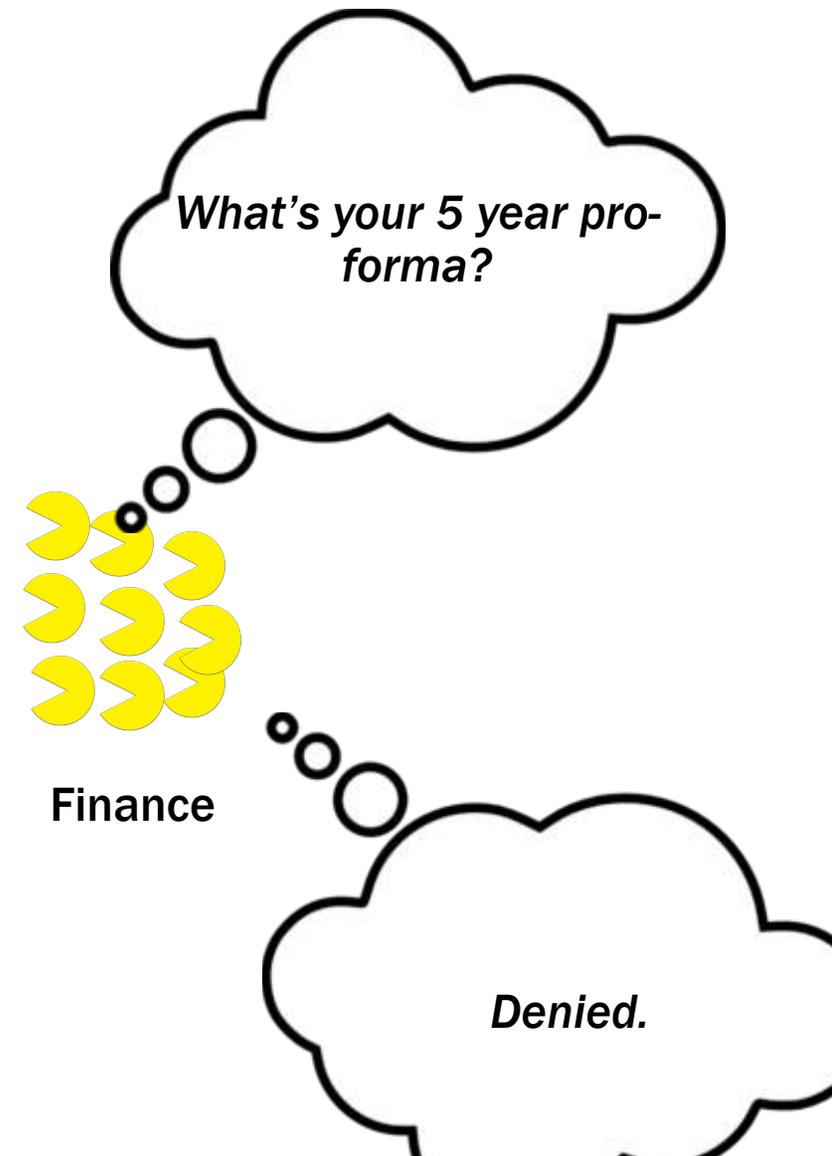
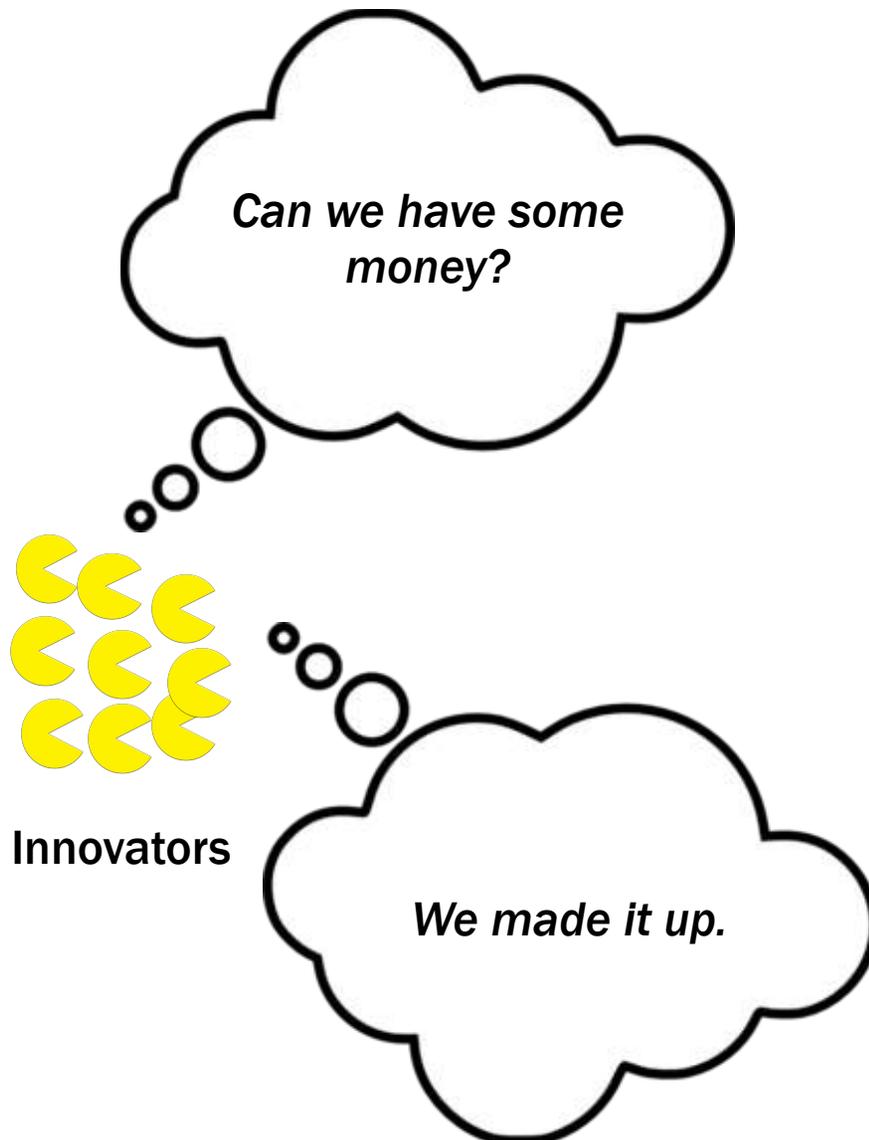


Innovators



Procurement

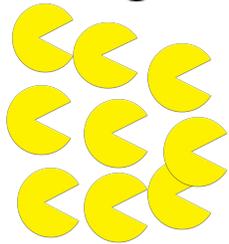
Finance stuff



PR stuff



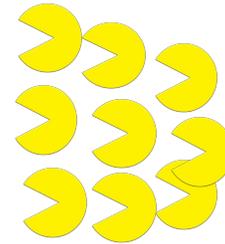
*We're going to explore
a totally new market.*



Innovators

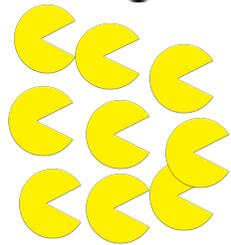


*No way! Our
competitors might
make fun of us.*

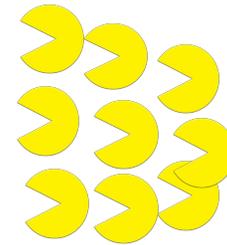


PR

Business Unit stuff



Innovators

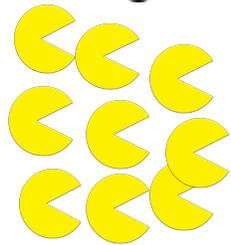


Business Unit

Marketing stuff



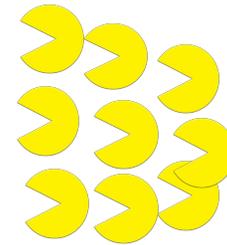
Check our sweet new product!



Innovators



Stop it. That might tarnish our sacred brand.

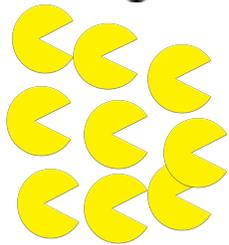


Marketing

Technology stuff



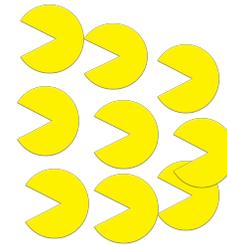
*Can we open-source
and do agile?*



Innovators



*We do big expensive,
lengthy IT.*

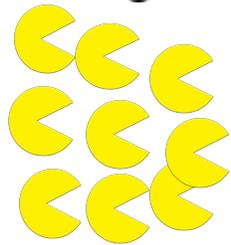


IT

Sales stuff



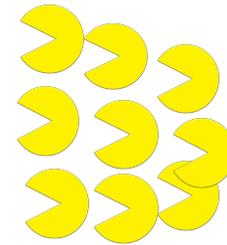
Will you help sell our new product?



Innovators

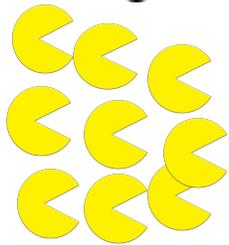


We don't get commissions for that.

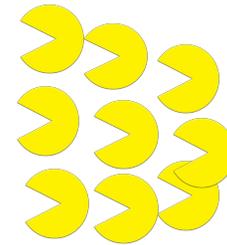


Sales

Account stuff

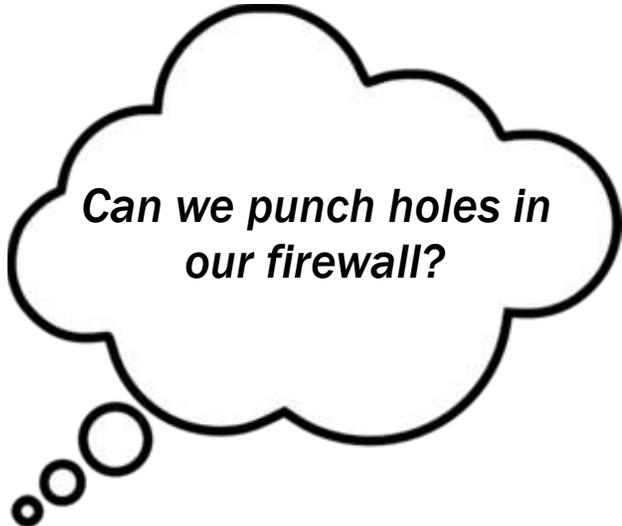


Innovators

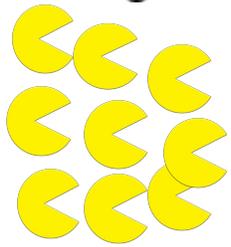


Accounts

Security stuff



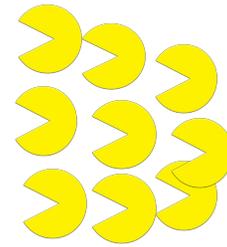
*Can we punch holes in
our firewall?*



Innovators



No.



Security

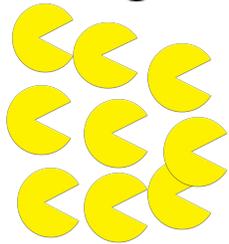


He's on our list now.

Recruiting stuff



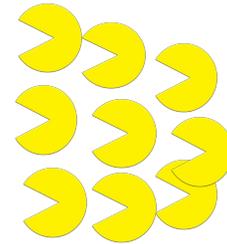
We need more entrepreneurial people.



Innovators



We don't know how to source those.

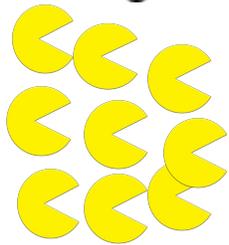


Recruiting

Human Capital stuff



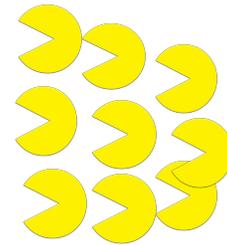
We have entrepreneurial people.



Innovators



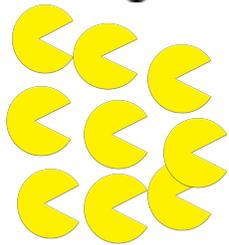
We don't have job codes or development programs for them.



Human Capital

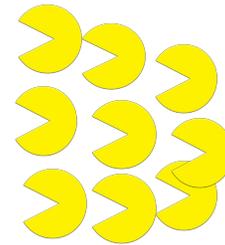
Real Estate stuff

We need collaborative space where teams can mingle.



Innovators

We have cubes so people don't have to see each other.



Real Estate

There are strategies you can take.

They just take some smarts.

And some work.

Management Strategies

Do some homework

Know your organization and what motivates it

Growth trajectory - declining or growing?

Gauge pressure from startups

Know how innovation has worked in the past

Have a plan

Create a PMT

Legal Strategies

Invite them to happy hours

Implement regular office hours

Create a playbook and framework

Get comfortable with a little risk

Procurement Strategies

Invite them to happy hours

Show them what cool stuff they can help with

Carve out a procedure for:

- non-vetted vendors

- new services/technology

Legal will definitely be involved

Finance Strategies

Understand your BU's financial goals and metrics

Build a tranche-based model

Start small

Add a team member to your PMT

PR Strategies

Don't talk to media

Be prepared to get into trouble eventually
(when someone does talk to media)

Damage control

Start off-brand if you can

Business Unit Strategies

Understand their 1-3 year strategies

Where are their gaps?

Know some failed initiatives

Where are the laggards?

Be prepared for politics

Marketing Strategies

Create market-listening sessions

Show them how big Lean Startup is

Help establish thought-leadership

Do things off-brand

Don't use focus groups

Do 1:1 interviews

Technology Strategies

Understand risk-level of your innovations

Don't invest in big IT until you have many customers

Leverage modern dev-stacks

Use kanban agile

Teach IT how to reduce waste with Lean Startup

Make them heroes for how fast you can go

Sales Strategies

Infuse your innovations in EBC/Experience Centers

Wow and impress clients

For more mature products, create incentives

Invite them to happy hours

Understand where they're getting beat up in market

Go along to client meetings

Account Strategies

Invite them to happy hours

Hire one of them

Showcase innovations for them

Provide regular updates of cool new stuff

Go along to client meetings

Security Strategies

Create a separate network

Don't flaunt data protection rules

Protect your data and customer's data

Recruiting Strategies

Invite recruiters to fun events

Work with them

Maintain your own network

Try to find and keep best recruiter each time

Human Capital Strategies

Use all the wrong job codes

Entrepreneurial comp is not easy

Create your own development plans

Use lean startup on your own team

Real Estate Strategies

Don't need anything too fancy

Have your team make it their own

Beg if you have to

Regularly invite C-Level clients to your space

Beg some more

Invite more C-Level clients to your space

Thank you

Let's connect!



kunjornchambundabongse



kunjorn