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The ATM of Photoprinting (circa 2000)

- **Business: 46B 4x6 prints annually**
- **Technology: Delivers Instant print satisfaction**
- **Customer: People thrilled with idea!**

Work vs. proof: HP's idea for the "ATM of photo printing."

- **What is the biggest source of risk?**

- **Supply Chain**
  - Very difficult to set up, very complex
  - Large source of schedule and budget variance.

Work vs. proof: HP's idea for the "ATM of photo printing."

- **What is the biggest source of risk?**

- **Supply Chain = needs work**
  - Very difficult to set up, very complex
  - Large source of schedule and budget variance.
  - HP is world class at this!
- **Behavior change = needs proof**
  - Will someone encountering a station on the street pull out their camera card and print?
  - To get evidence, saturate an area with prototypes.

Fast 4x6 Print Engine

Addressing the needs of incumbents

Print Engine

"Dry" Photofinishing lab
Semi-Attended Environs
Low Volume Stores

"Can I get the printer part
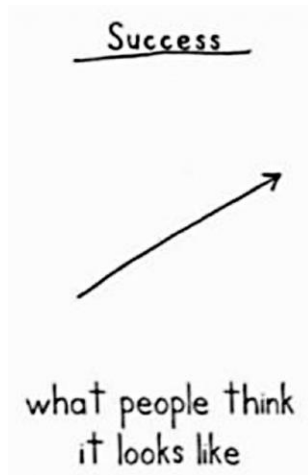 of the kiosk"

"Just chop the head off,
 add an Ethernet, and
 I'll write you a check!"

What is between you and success?

Think of an innovation project you are involved with.

Drop into the chat an issue that is on the "straight" path to its success.

Success

what people think
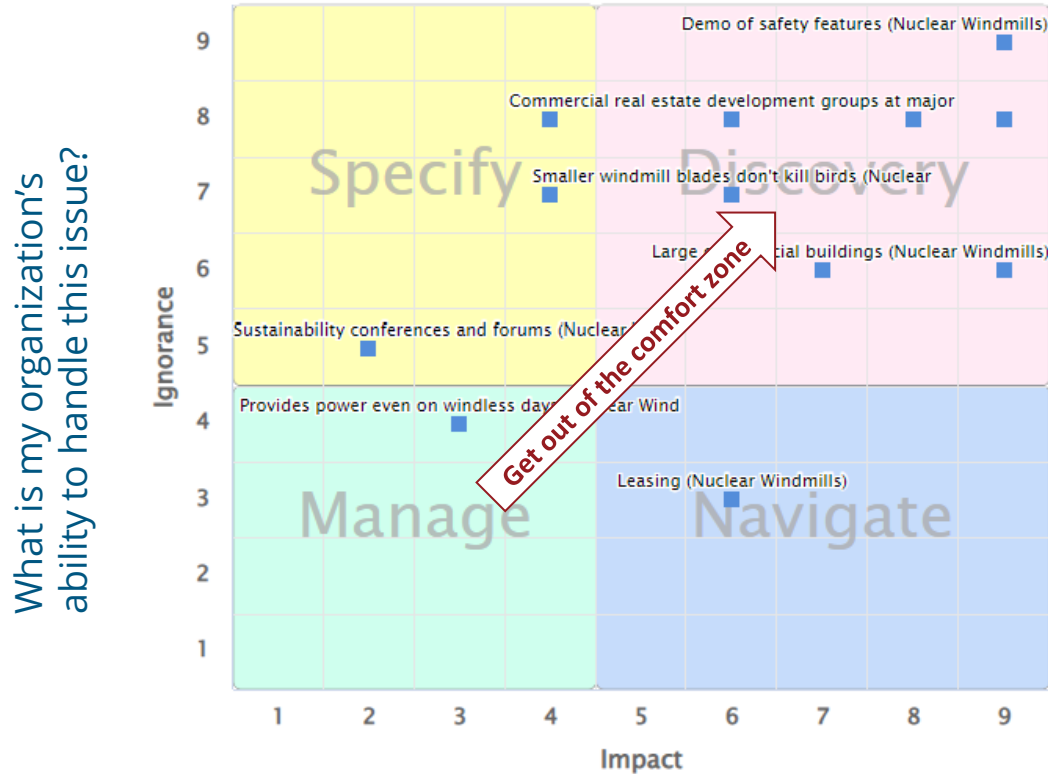it looks like

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What is between you and success?

Think of an innovation project you are involved with.

~~Drop into the chat an issue that is on the "straight" path to its success.~~

Success

what it really
looks like

Now drop into the chat an issue that might send you off in a weird direction.

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The best learning comes from the Discovery Zone

What is my organization's ability to handle this issue?

Ignorance

- Demo of safety features (Nuclear Windmills)
- Commercial real estate development groups at major
- Smaller windmill blades don't kill birds (Nuclear
- Large ___cial buildings (Nuclear Windmills)
- Sustainability conferences and forums (Nuclear
- Provides power even on windless day___ear Wind
- Leasing (Nuclear Windmills)

Specify **Discovery**

Manage **Navigate**

Get out of the comfort zone

Impact

How much will resolution of this issue improve the business case or probability of success? (Top of the tornado)

10

Get the wiggles out in Incubation with Learning Plans.

LEARNING PLANS   EXECUTION PLANS
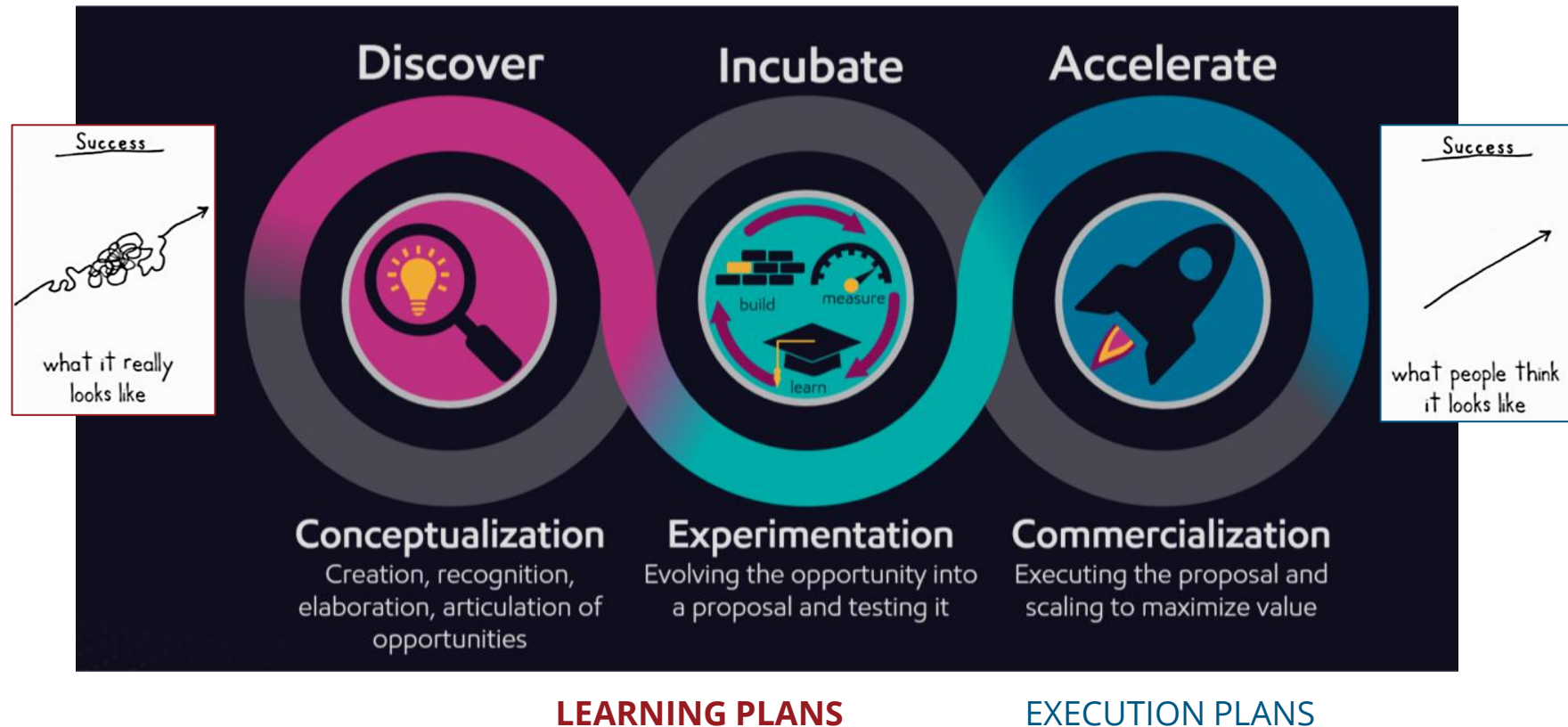
What do you need to learn before committing?

	Execution Plan	Learning Plan
Objective	Get it done	Figure it out
Deliver	Progress	Evidence
Focus	Tasks	Discovery Issues
Milestones	Progress Checkpoints	Pivot Decisions
Strategy	Align & Build Momentum	Pursue decisive experiments
Uncertainty	Eliminate / mitigate / avoid	Seek, explore
Measure	Budget and Schedule	Improve readiness

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Understand the new terrain

Write a few issues about your project on a piece of paper.

(Go ahead and steal from the earlier chat log)

Issue 1				
Issue 2				
Issue 3				

Drop one or two into the chat log to get a sense of the group.
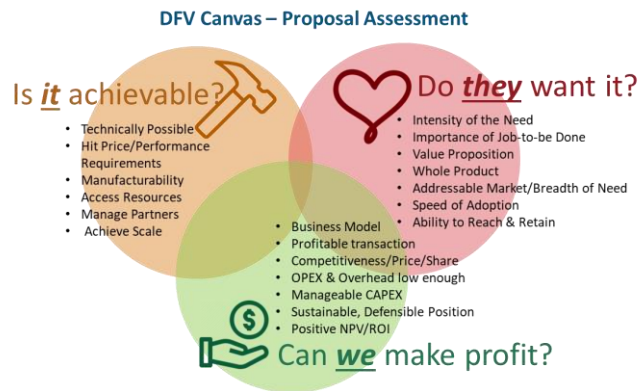
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Structured brainstorming can help.

Help make sure you have everything covered

Involve stakeholders and skeptics so they know you are listening.

Here are two well known canvases that work well:

DFV Canvas – Proposal Assessment

Is *it* achievable?
- Technically Possible
- Hit Price/Performance Requirements
- Manufacturability
- Access Resources
- Manage Partners
- Achieve Scale

Do *they* want it?
- Intensity of the Need
- Importance of Job-to-be Done
- Value Proposition
- Whole Product
- Addressable Market/Breadth of Need
- Speed of Adoption
- Ability to Reach & Retain

Can *we* make profit?
- Business Model
- Profitable transaction
- Competitiveness/Price/Share
- OPEX & Overhead low enough
- Manageable CAPEX
- Sustainable, Defensible Position
- Positive NPV/ROI

SWOT – Situation Assessment

Strengths ?
What are we good at?
- What can we leverage from our core organization?
- Where do we have capabilities or skills that are highly relevant?
- What about the situation puts us in an advantageous position?
- What unique insights, position or asset gives us an advantage?

Weaknesses ?
What are we bad at?
- What inhibits our organization in this new space?
- Where do we have gaps or blind spots?
- What about the situation puts us at a disadvantage?
- Where will our assumptions or momentum get in our way?

Opportunities ?
What good might happen?
- What trends are working in our favor?
- What events will give us openings or set back our competition?
- What unique maneuvers or strategies can we use?
- How could things work out in our favor?

Threats ?
What bad might happen?
- What trends are working against us?
- What events might set us back or aid our competition?
- How might we be distracted or take a defensive posture?
- How could things work out against us?

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Ignorance: ability of core organization to deal with this issue on a 1-9 scale

SPECULATIVE 9 – **8** – 7	UNCOMFORTABLE 6 – **5** – 4	ROUTINE 3 – **2** – 1
High levels of surprise likely	Range bounded but challenges core organization	We will get there
Little basis for the assumption, unground or unfamiliar area for the organization, well outside our competence zone.	A range of uncertainty perceived as too large for the organization or on a topic outside the expertise of organization.	Within narrow estimation error or a kind of uncertainty in the organization's wheelhouse.

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Rate your issues on Ignorance

SPECULATIVE	UNCOMFORTABLE	ROUTINE
9 – **8** – 7	6 – **5** – 4	3 – **2** – 1

High levels of surprise likely

Range bounded but challenges core organization

We will get there

	Ignorance			
Issue 1	9			
Issue 2	6			
Issue 3	3			

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What is your big idea?

Defining the Impact of an Issue

How much will the resolution of this issue change your confidence in the business case or its upside?

How do these Issues Impact the business case?

Can we make a go of it?

How far can we go?

Potential showstoppers in the near term that could stop us from even launching **probability of success**
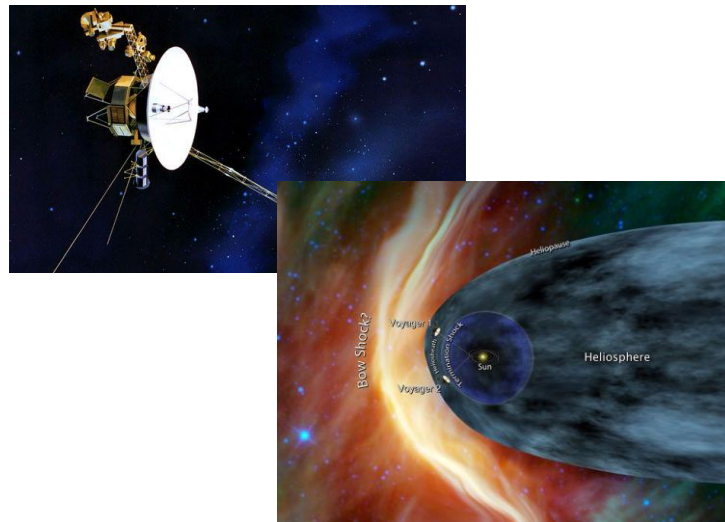
Drive longer term assumptions in business case around market, economics, timing, etc. **upside**

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What drives the upside of your opportunity?

Different assumptions about TAM could swing business case by 10x = High Impact (9)

Different assumptions about SG&A only swing business case by +/- 50% = Low Impact (1)

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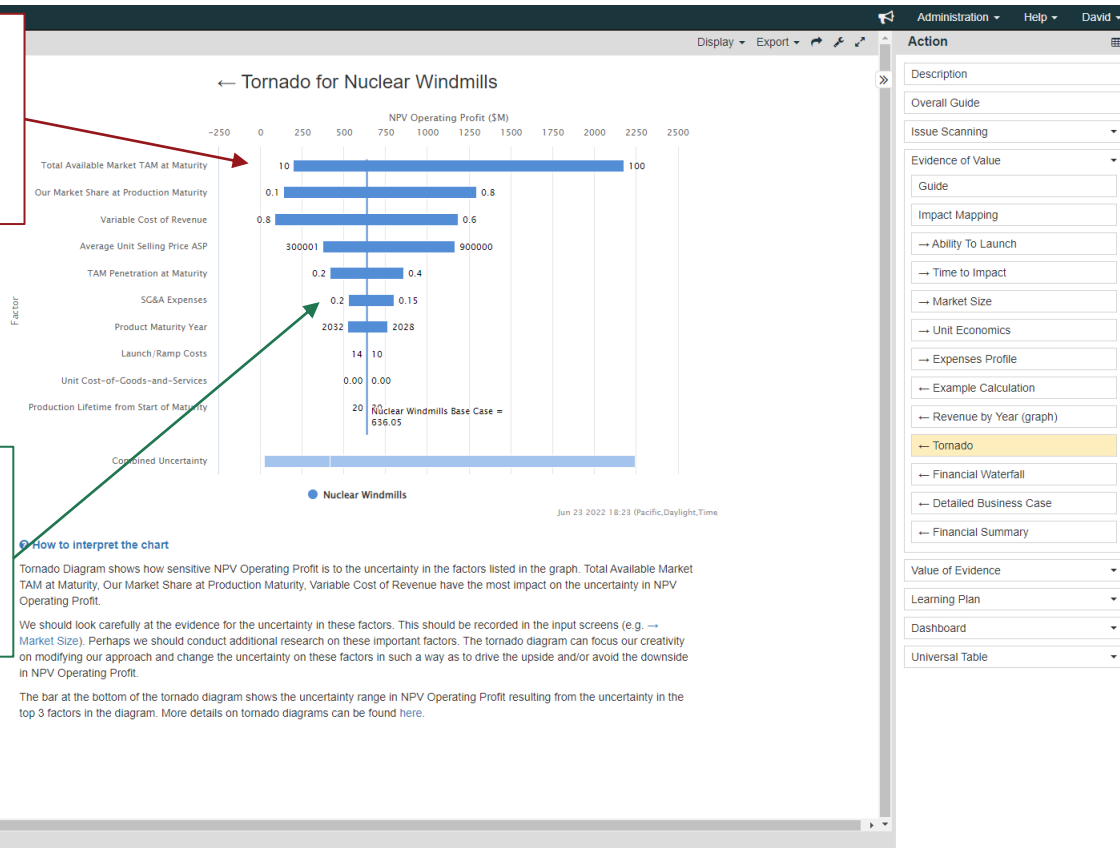
Wing-it method: assess impact for each issue using guidelines

Showstopper issues

Upside Issues

Focus on chance of failure:
Hard = 75%+ chance of failure = 8
Medium = 25%-75% chance of failure = 5
Easy = 25%- chance of failure = 2
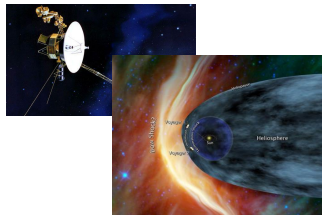
Focus on how much different assumptions swing business case:
High = Swing business case by 10x = 9
Low = Swing business case by +/- 50% = 1

	Ignorance	Impact		
Issue 1	9	9		
Issue 2	6	7		
Issue 3	3	4		

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Demonstrate it

Get out of the Comfort Zone and into the Discovery Zone
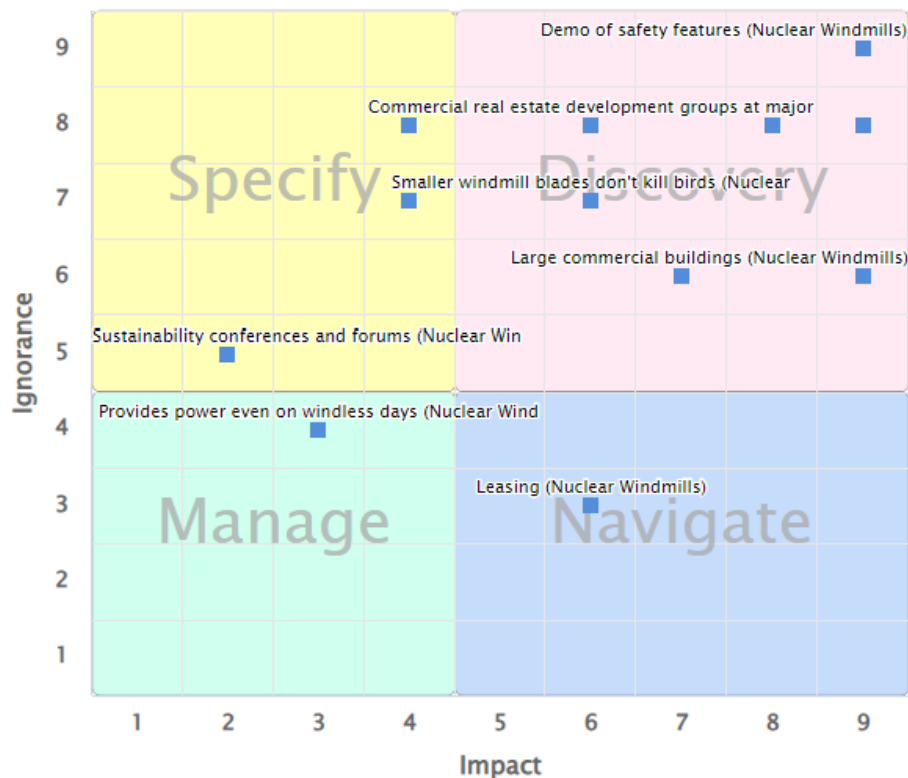
Create a learning plan based on experiments that help you learn / influence Discovery zone issues.

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What zone are your issues in?

Specify:
High Ignorance (5+)
Low Impact (4-)

Manage:
Low Ignorance (4-)
Low Impact (4-)
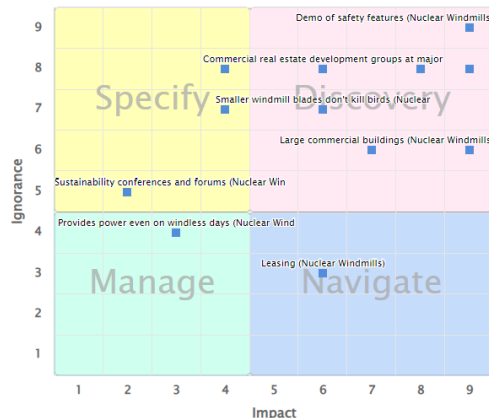
Discovery:
High Ignorance (5+)
High Impact (5+)

Navigate:
Low Ignorance (4-)
High Impact (5+)

	Ignorance	Impact	Zone	
Issue 1	9	9	Discovery	
Issue 2	6	7	Discovery	
Issue 3	3	4	Manage	

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Readiness – countdown to investment grade proposal.

High-readiness issues are likely to send you in a weird direction. Learn about these first.

Low-readiness issues will move you down a predictable path. Defer these for execution.
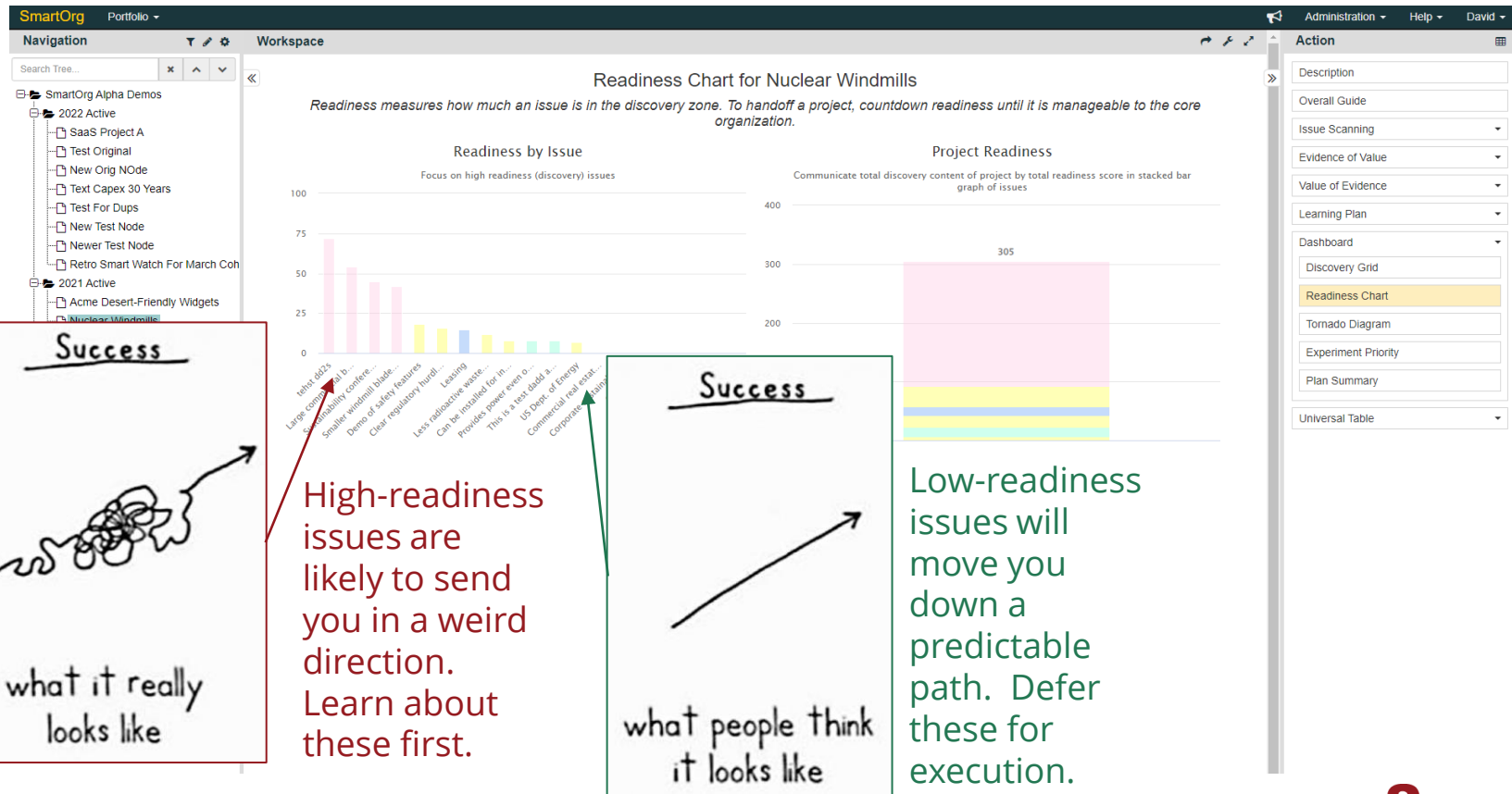
Readiness score = Impact x Ignorance

	Ignorance	Impact	Zone	Readiness
Issue 1	9	9	Discovery	81
Issue 2	6	7	Discovery	42
Issue 3	3	4	Manage	12
Total				135

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Focus experiments for high readiness issues.

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dmatheson@smartorg.com

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Provide feedback on software.

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