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# POINTERS



**CHECKLISTS & TIPS**  
**for Corporate Innovators**  
Expert Guidance on Innovation Strategy

## LETTER FROM THE EDITOR

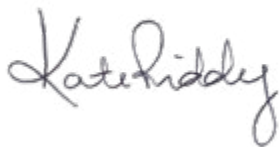
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Who doesn't love a nice numbered list? In this issue of Pointers, we wanted to serve up a collection of succinct and useful articles to help you move faster and deliver more impact. Our assignment to all of our contributors: pick a number — any number!

This issue's contributors, all from InnoLead's strategic partner firms, sent us their best advice on collaborating with universities, developing a healthy innovation pipeline, keeping technology projects on track, and more. The pages that follow are filled with actionable advice that can help you make change in your organization immediately.

We're grateful to our strategic partners for contributing to Pointers and supporting InnoLead's editorial mission — at our in-person and online events, in our website's Thought Leadership section, and in this series of PDF e-books. You can find prior editions of the Pointers series — covering topics like “Innovation Do's and Don'ts,” “The Corporate Innovation Toolkit,” and “Getting an Innovation Program Started” — on our website, at [innovationleader.com/pointers](https://innovationleader.com/pointers).

We encourage you to share this document with others who might find it useful. And if you have topics you'd like to see us cover in future editions of Pointers, I'd love to hear from you at the email address below...



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# Designing Your Newstream Capability: Eight Management System Elements Needed to Support Strategic Innovation

BY GINA COLARELLI O'CONNOR, PROFESSOR OF INNOVATION MANAGEMENT, BABSON COLLEGE

Picture this scenario: your company's stock price just took a dive, and a competitor leapfrogged your latest product. The CEO issues the clarion call for innovation: "We need to invent our way out of this. We need a breakthrough/moonshot/game changer!" Everyone scurries around to find one. They work overtime. You set up an idea portal. You hold contests for ideas. Everyone is jazzed. But ... nothing else changes. You still have to deliver on your current responsibilities. You're evaluated on the same metrics that you were evaluated on last year. Funding for those big ideas is fleeting. And, even though you now use the Lean Startup/Business Model Canvas/Agile method for executing those projects, the major gate reviews feel the same as before: it's the same gate review team employing the same criteria as every other new product development project to evaluate whether to continue.

**“Strategic innovation is not only a process and it's not only about setting a culture.”**

Versions of this scenario play out over and over again. We want breakthroughs. And, to get them, we may change to a new process, a new mandate, a new "culture change" program, or a new incentive system. But it's rarely a carefully-designed system of all of those elements at the same time. Here's what we know: If you don't change all of the elements of that management system, so that they reinforce rather than counteract one another, breakthroughs won't happen. Strategic innovation is not only a process and it's not only about setting a culture. It's a complete management system that is explicitly designed to support the objective of creating the company's newstreams of growth.

## Management Systems and Sub-Systems

Organizations are systems comprised of eight distinct elements. In a system, a change to one element affects the others and disrupts the equilibrium of the system. To be effective, the elements of a system must be designed to be aligned with one another. In addition, any complex organization is comprised of subsystems, each of which has a specific purpose that serves the larger organization's complete array of objectives. In the case of innovation, the mainstream and the newstream are two subsystems with drastically different purposes. Organizations that do not attend to the health of each of these suffer consequences over time.

## Eight Elements of a Complete Management System

Every organizational system is comprised of these elements:

1. A mandate, or objective. What is the purpose of this organizational system or subsystem? What is it supposed to accomplish on behalf of the company?
2. The leadership and culture. In order to accomplish that mandate, what leadership characteristics are required, and what cultural tone is necessary? For example, the culture and leadership style of a hospital emergency room must differ from those of its palliative care unit.
3. An organizational identity and links to other subsystems. Where does this group report in our organization, and how are its interdependencies with the other subsystems managed?
4. Governance mechanisms and decision criteria that support the mandate.
5. Processes that accommodate the nature of the subsystem's work.
6. A talent management system that attracts, develops, and retains people who have the knowledge, skills, and abilities to successfully execute on the subsystem's mandate.



Gina O'Connor  
Babson College

7. Resources that fuel the work of the subsystem, supplied at the appropriate level, with predictability and in the appropriate pacing to accommodate the work required of that subsystem.
8. Metrics that make sense for the subsystem's objectives.

To succeed, companies need to create distinct subsystems responsible for creating newstreams that eventually will become part of the mainstream. Each of these requires its own management system that is designed to support its respective mandate. For most organizations, the mainstream management system already exists — it's the newstream system that must be created.

The table below provides a contrast in how the elements of the management system are designed to support the mainstream and the newstream. Within each management system, the elements fit (i.e., they all support the subsystem's mandate). But also, the design of the elements in the two subsystems are dramatic contrasts with one another.

<b>COMPARING MAINSTREAM AND NEWSTREAM MANAGEMENT SYSTEMS</b>		
	<b>Mainstream Management Systems</b>	<b>Newstream Management Systems</b>
1. Objectives/Mandate	Efficient, effective management of current markets and operations	New business creation in new and adjacent markets.
2. Leadership and Culture	Planning and delivery oriented.	Learning and building oriented.
3. Organizational Identity/ Structures and Interface Management	Organized by strategic business units.	Organized by purpose of the new business creation portfolio (aligned with business units or unaligned/white space).
4. Governance and Decision Making	Hierarchical decision making. Go/kill criteria clear in advance.	Governance as strategic coaching rather than top-down decision making.  Decision criteria not clear in advance. Decisions made based on innovation intent and recognition of high levels of uncertainty.
5. Processes and Tools	Stage Gate, project management oriented. Avoid deviations from budget or schedule.	Learning and experimentation oriented. Allow redirection based on new insights.
6. Skills and Talent Development	Functional expertise.	New business creation expertise.
7. System Resources (competencies and funding)	Leverage current competencies. Annual budget allocation.	New competencies acquired through partnerships. Funding tied to learning-based milestones, real options reasoning, and a portfolio approach to mitigate risk, rather than to annual budget cycles.
8. Metrics/Rewards	On time delivery, satisfied customers, cost containment, profit contribution.	Portfolio health and balance, connection with company's innovation intent, new domains accessed, new resources garnered, new business starts.

Learn more about Babson College Executive Education at [www.babson.edu/bee](http://www.babson.edu/bee).

# Four Reasons Co-Creation Should Be in Every Innovator's Toolkit

BY BEA SCHOFIELD, DIRECTOR OF CUSTOMER SUCCESS, WAZOKU

Innovation practices can seem like they only exist at two extremes: one-off bolts from the blue or always-on discussions. What about the middle ground? Co-creation can operate in this gap, ensuring that your business has access to a space where stakeholders from across your supply chain can collaborate. It forms an important tool in any innovation toolkit — to prevent silos from forming and deliver personalized insights from groups you might not regularly communicate with. But what is co-creation, and why should you do it?

Simply put, co-creation is the collaborative development of new forms of value. These can range from concepts to fully-formed solutions, meaning that the outcomes or discussion points of any conversation are beneficial — whether for now or for later. Working from the outside-in, co-creation is a radical tool that turns market research and logistics reports into a dynamic and iterative exchange. This taps into the creativity of existing and potential customers, or stakeholders along your supply chain. The more formal insertion of customers into the product development process came about from a shift in the 1990s, when organizations realized that these insights were valuable, outside of targeted research and reports.

Running an effective co-creation method delivers four key benefits to an organization. We'll explore them in this article.

**“Unlocking the potential of a co-creation network could be the difference between outperforming targets or falling short.”**

**1. Time-to-Market:** Hearing from customers and suppliers gives you the fast track

The continuous user feedback loops that co-creation with your customers provide means that it is easier to get new products or services to market in a quicker time. You could also have a similar relationship with your suppliers, which would see this enhanced further.

In competitive marketplaces, any area in which companies can seek out advantages prove valuable. Shortening the time it takes to get your offerings to go live may be the difference between becoming a market leader and fading into the background.

**2. Creativity and Knowledge:** The wider you cast your net, the more diverse insights you receive

Adding a crowd to any innovation program is going to result in greater insights being available to resolve an issue. This diversified knowledge and creativity from a customer or supplier crowd is feedback directly from those who an organization is hoping to buy from, or sell to. It contextualizes the work you're doing — and therefore focuses the outcomes you're able to achieve.

In a [report from Hitachi](#), 51 percent of businesses surveyed said that co-creation improves financial performance. Harnessing the skills of supplier or customer crowds can refine your creative processes as well as boost the bottom line.

Unlocking the potential of a co-creation network could be the difference between outperforming targets or falling short.

**3. Improved Relations with Customers and Suppliers:** Think of it as networking for your network

Involving customers and suppliers in an innovation process contributes greatly to improved relations and loyalty. Enhancing this aspect of the customer relationship can help shore up any plans an organization has, while connecting with suppliers at this level builds deeper trust and can lead to future favorability. In a Bulbshare report from 2018, they discovered that 77 percent of people “favor brands that collaborate with their customers.”

It also functions as market research, as there won't be the same need to trial new products with suppliers or customers if they've been involved in the development process. The relationships forged between you and your customers or suppliers can help to determine where you go next.



**Bea Schofield**  
Wazoku

#### **4. Everyone Else Is!** Co-creation brings value that you shouldn't overlook

Approaching co-creation from a more business-minded perspective, this is the main reason why any company should consider co-creating with suppliers or customers. If the competition is leveraging this rich vein, then there must be some value to it.

Alternatively, if you look around at your competition and find that the majority of them are doing it badly, take time to understand the reasons why – maybe they kept asking the same questions and the tap ran dry. Learn from the lessons they're providing, and build a strong, engaged co-creation community.

#### **Conclusion**

Managing ideas from any crowd can be a daunting task, especially if it's the first time a business is doing it. This is made even more difficult if you're sourcing ideas from people who don't normally play a role in product development or process improvement.

Having said all that, it is surprising how quick crowds like customers and suppliers can be to pick up co-creation. Not only does it give a sense of purpose to their relationship with your organization, but it can also mean that they can raise pain points directly with you.

Co-creating works on several levels, depending on who you're working alongside at any given time. If you're doing it for the first time, the relatively risk-free nature of the practice makes it an easy first step in innovation — and one that can deliver results above and beyond what you previously thought possible.

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Learn more about Wazoku at [www.wazoku.com](http://www.wazoku.com).



# C-Suite Innovation: Seven Imperatives for Enterprise Success

BY MATTHEW HEIM, PHD, CHIEF REVENUE OFFICER, EZASSI

Throughout the early 2000s, we witnessed a series of disruptions across multiple industries, all due to small startups that offered a different way of doing business. These small companies completely changed the way we think about many of those products and services within a very short period of time, causing a major panic in many boardrooms. Large corporates soon realized they must innovate or die, so they began to focus more on innovation and eventually expanded their innovation efforts beyond the walls of the company, engaging more with universities and startups to seek new disruptive opportunities and create a pipeline of innovation initiatives.

Despite this new focus on disruptive innovation, collaboration between business units and departments, as well as with third-party solution providers, is still lacking, and the necessary structures between corporate entities and partners are often missing, causing breakdowns in the innovation process and missed opportunities.

**“It is one thing to demand innovation, but another to take an active role in enabling it.”**

Most companies today consider innovation one of their top five strategic objectives. However, instead of driving innovation from the C-suite, it is all too common to see innovation objectives be pushed down to the operational level, without first aligning these efforts at the top. This lack of top-level alignment can result in confusion and the breakdown of directives and vital processes throughout the rest of the organization. The C-suite holds the key to successful innovation, which can be realized through proper vision and alignment at the top, and then rolled out to the rest of the

organization, through a more coordinated effort.

Following are seven C-level innovation roles necessary for proper alignment and engagement, which will ultimately lead to a more successful and sustainable innovation program.

## **1. Executive Oversight: Vision, Sponsorship & Accountability**

It is one thing to demand innovation, but another to take an active role in enabling it. The CEO has the opportunity to facilitate the creation of a new innovation vision and bring together those members of the leadership team who hold the knowledge and skills in their respective areas to create an innovation strategy. The CEO can then take an active sponsorship role by removing those roadblocks that can impair the realization of the vision, thereby holding those accountable who can contribute to its realization. The CEO must conduct the orchestra, ensuring that all vital instruments are in sync, and all players are stepping up when needed to actualize the vision.

## **2. Research & Development: Discovering New Horizons of Disruptive Product Capability**

The CTO was traditionally the one held solely responsible for innovation, and can continue to play an instrumental role in researching the technologies and capabilities that will take the company's product to new heights. The CTO must expand research and development out beyond the laboratory walls and engage with the abundance of potential solution providers through open innovation.

## **3. Information Services: Digitizing Data and Providing New Means of Accessibility**

The CIO has the means of identifying and implementing new ways of enabling product-service integration, engaging the customer, and using the company's data to expand the product and service value to the customer. New apps and other means of customer engagement are disrupting entire markets in an unprecedented way, extending customer engagement beyond the initial product sale. Proactive IS integration with innovation teams can lead to more creative and expansive products and service capabilities.



**Matthew Heim, PhD**  
Ezassi, Inc.

#### **4. Finance: Creating New Business Models and Consumer Options**

CFOs today play a much more strategic role than ever before, ensuring that new, more creative business models are developed to enhance the life of the customer. New business models can provide higher value to the customer, while generating additional and more “sticky” revenue streams beyond the initial sale. Finance’s participation in the innovation process can lead to more creative solutions as well as higher levels of customer engagement.

#### **5. Sales & Marketing: Changing the Ways We Go to Market**

The CMO has the opportunity to find new partnerships and collaborations that would allow the extension and expansion of existing products and services into new domains, and to engage customers in ways that deliver more value. Maintaining a cross-industry perspective enables the rapid identification of new domains in which the company can participate as well new channel partnerships through which the company can sell at scale. The Chief Revenue Officer (CRO) can help identify new customer engagement models that can lead to increased and recurring sales opportunities.

#### **6. Operations: Adapting the Organization for Rapid Change**

Once a new product is conceived, the organization must be ready to deliver. The COO must be in lockstep with other teams to provide the proper re-tooling, material supply and personnel to quickly adapt to the changes necessary to realize the new products and services. The Chief People Officer (CPO) must also work in unison, ensuring that the proper reward systems are in place that will drive desired behaviors that underly the successful delivery of the new product or service.

#### **7. The Innovation Office: Bringing it All Together**

Most Chief Innovation Officers today have a challenging role, in that they carry the responsibility of one of the most strategic objectives of the company, yet they have very little staff, and virtually no responsibility over those whom they would need to realize key initiatives. With the proper alignment across the C-suite, and the engaged sponsorship of the CEO, the Innovation Office can become the glue that holds it all together, ensuring the proper coordination, engagement and execution across all functional areas and partners, to deliver the most impactful innovations possible. The CINO must have the support and power, granted and assured by the CEO, to engage with other corporate entities, and expect results based on KPIs and resource commitments agreed upon within the C-suite.

Once alignment and vision are achieved across the C-suite, other operational processes, resource assignments, and KPIs can be rolled out under a single unified innovation strategy. Innovation initiatives will become much more coherent, allowing the entire company to work in unison, achieving the most profound innovations imaginable.

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Learn more about Ezassi at [www.ezassi.com](http://www.ezassi.com).

# Five Ways We've Adapted our Corporate Innovation Programs to Succeed in the New Hybrid Workforce Reality

BY PATTI MIKULA, CO-FOUNDER AND CEO, HACKWORKS

The life and work reality of employees participating in innovation programs have significantly changed since March 2020, so the innovation programs we have designed have had to change as well. We have gathered our top tips on adapting your innovation programs to succeed in the new reality of hybrid workplaces.

## 1. Innovation Can Happen Anywhere

When businesses were forced to embrace remote work, many innovation programs were expanded to include global teams. Now that workplaces are opening back up, resist the urge to move back to in-person by default just because you can. We are continuing to design programs that include geographically distributed participants, even when they have all returned to their physical offices. In some cases that means all participants join virtually. In some cases that looks like multiple smaller, in-person programs. But, if you have moved to a distributed workforce, and you have a mix of in-person and remote innovators, don't treat the remote workers as second class citizens and be sure you aren't stifling the contributions of participants who aren't in close physical proximity to your central team.

In the olden days of working in an office, there were subtle and unequivocal indicators of hierarchy. Corner office: Big dog. Cubicle: Minion. Top floor: CEO's inner circle. But everyone's box is the same size on a zoom call. If nurtured, it can be a fantastic antidote to the HIPPO problem. Virtual (and asynchronous) can provide better, or even optimal, environments for underrepresented communities, introverts, neuro-divergent team members, and teams with mixed abilities to participate and contribute to innovation discussions.

## 2. Multitasking is the New Normal

We thought we had to be great multitaskers before, but now we are juggling work and life, often at the same time. Many organizations have embraced flex hours, and are focusing on results instead of hours worked. And this makes sense in

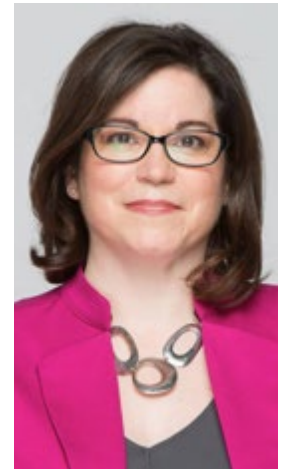
the innovation context as well. Brilliance doesn't happen on a 9 to 5 schedule. We have run a number of virtual and hybrid programs over the past two years, and what we have learned is that full-day programming is really challenging. Whether your participants are at home or in the office, whether they have kids or pets running around or not, participants just don't thrive when they need to be focused on a single task or objective for 8 hours straight.

**“Brilliance doesn't happen on a 9 to 5 schedule.”**

Programs we used to run as 1 or 2 day programs, are now run over the course of a week. Weeklong programs are being run over the course of a month. But be careful, there is a sweet spot, and we have found that if we draw out a program too long, participants lose interest and we have higher attrition. Results are best when participants are timeboxed, and feel a sense of urgency, but have sufficient time to effectively deliver and not feel overwhelmed by the ask.

## 3. On Demand by Default

Remember when you used to have to tune into your TV on Thursday at 8:30 to watch your favorite show? Yeah, me neither. Asynchronous is queen in our books. If you are going to incorporate synchronous programming into your agenda, make it worthwhile and meaningful, and most importantly, make it interactive. If your keynote, speaker session or workshop is a talking head (and your first question should be if that is the approach you should take), then allow participants to access it at the time and from the place that best suits their schedule. Now or never is a great concept for the Superbowl, but it is unnecessarily limiting to your innovating program. Create a community space for your participants to ask questions and share feedback, so even if they aren't interacting with the



**Patti Mikula**  
Hackworks

speakers, they can interact with and share the experience with each other.

#### 4. Leverage Tools But Don't Hide Behind Them

Organizations adopted various tools to facilitate remote work. But those tools don't necessarily facilitate remote innovation. Some leaders have tried to host traditional brainstorming over video conferences and found that they were unsuccessful, deciding that the alternative is to return to in-person brainstorming. That may work, but see points 1 and 2 above for why that may not be optimal. Some teams are limited by the tools that have been approved by IT. And while they have their place in the tool stack, we have yet to see one enterprise-scale communications tool that meets all of the needs of an interactive innovation programs. Try out new tools. And if you don't have the time to try them all out? Email me, there is a good chance we have them, and we're happy to share our critical or glowing reviews.

#### 5. Remote isn't Synonymous with Virtual

We have always promoted hands-on experiences in innovation practices because we know that activates the brain and boosts creativity in ways that can't be replicated in a virtual environment. So look for ways to incorporate physical experiences in your remote, distributed or hybrid programs. Instead of paying big bucks to rent out a conference hall for your meeting, or bringing in catering, take that same budget and send a kit out to each participant. It can include a gift card for a food delivery service, sticky notes and markers, static cling whiteboard sheets and Lego kits. You can create a lending library of technologies for your teams to try out and play with in their own space. Companies were

spending huge budgets on creating enviable (or at least marketable) workspaces. Instead of installing a new slide from the engineering lab to the cafeteria, that budget can be used to create in-person experiences for remote workers.

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**“Look for ways to incorporate physical experiences in your remote, distributed or hybrid programs.”**

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Work and innovation specifically shouldn't return to how it was pre-pandemic. We have all learned so much and have been forced to question the status quo. Treat the past two years like a prototyping activity. What worked, what didn't? Experiment, test and pivot. Practice what we have been preaching to build the most successful innovation program and team.

If you are interested in learning more about how we help our clients build innovative organizations, I'm always happy to share our best practices. Reach out to me at [patti@hackworks.com](mailto:patti@hackworks.com).

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Learn more about Hackworks at [www.hackworks.com](http://www.hackworks.com).

# Six Reasons to Partner with a Venture Studio

BY BEN YOSKOVITZ, FOUNDING PARTNER, HIGHLINE BETA

Venture studios are having a moment. More and more people within corporate innovation are talking about them — what they are, how to build them, how to work with them, and so on. A quick look at Google Trends for the term “venture studios” reveals a 280% year-on-year increase in search volume from April 2021 to today. The interest in venture studios is a good thing, but with it comes a fair amount of confusion. For starters, what is a venture studio?

**“An internal venture may find itself pulled into achieving the corporate’s more immediate goals, leading it away from net innovation and growth opportunities.”**

While corporations are building versions of venture studios in-house, I want to focus on venture studios that live outside large organizations. In my view a venture studio is both a builder and funder of startups. Many innovation consulting firms or venture builders may position themselves as venture studios, but if they’re not investing capital into the startups they create, I don’t think they’re providing the full benefits of a venture studio.

Venture studios that don’t work with corporate partners are really startup studios, but the semantics can get confusing between venture studios, startup studios, corporate venture studios, etc. Ultimately the question we want to answer today is this: Why should big companies partner with venture studios to build & fund spin-out/independent startups?

## **1. Your company is often constrained by legal, compliance, regulations, legacy technology stacks, security or other things designed to minimize risk**

Big companies have constraints. As operationally-focused organizations with longstanding products and systems, it’s not easy to explore new technologies or opportunity areas. Often big companies have legal or compliance risks that are too difficult to overcome. Startups win on speed and iteration, but corporate systems are designed for neither.

## **2. Your company needs to focus on shorter-term objectives**

Particularly true for publicly traded companies, everything is measured in quarters. When you’re focused on hitting quarterly sales targets, it’s difficult to invest time or money into a new venture that’s going to take years to hit any meaningful scale. Very quickly, H2 & H3 innovation — transformative and disruptive initiatives — look like cost center sinkholes with no potential for real ROI.

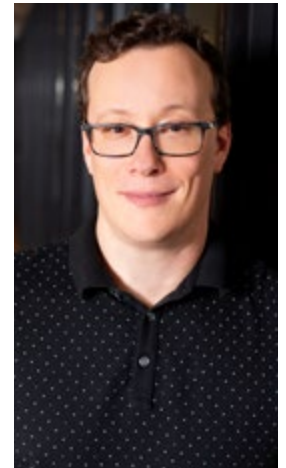
## **3. Your company lacks entrepreneurial resources**

Most companies are made up of smart, hard-working people that want their employers to succeed. But structurally, big organizations are not well-suited for entrepreneurs, those that paint outside the lines and don’t focus on traditional career paths. There are mavericks and hustlers in every company, but they’re hard to identify, empower, and incentivize.

Ultimately, big companies are not designed to foster rapid innovation outside their core — to build new ventures or startups that can one day be billion-dollar businesses. Venture studios help solve this problem.

## **4. Venture studios minimize gravitational pull of corporate**

By building startups on the outside, you can minimize the influence and focus on the core business. A startup is, technically speaking, an



**Ben Yoskovitz**  
Highline Beta

independent entity. It is incorporated separately with its own governance structure. While there are plenty of variables to consider, this typically enables that startup to chart its own path. In comparison, an internal venture may find itself pulled into achieving the corporate's more immediate goals, leading it away from net innovation and growth opportunities.

### **5. Venture studios share the financial risk creating aligned incentives**

By the definition provided earlier, a venture studio must also invest in the startups it helps create. While big companies often have a tendency to want to “own everything” it’s not necessary for the creation of scalable value. Instead, venture studios invest alongside corporate partners and other investors, sharing the risk and aligning incentives. When everyone owns a piece of the pie, everyone is motivated to grow the pie. Additionally, as a startup requires increased levels of funding, a corporate may not want to incur that expense on its own, especially if the startup is not helping to hit short-term targets, whereas other investors (i.e., angel investors and venture capitalists) are more comfortable making these bets.

### **6. Venture studios execute faster**

Startups win based on their ability to iterate and learn faster than the competition. As independent entities, startups can do everything more quickly from hiring, to building products, to pivoting, and so on. Startups do struggle with scaling, because the skillset, approach, and systems needed are very different from the earliest days — which is precisely what big companies are built to do. Venture studios, as creators and investors into startups, are a

great “tool in the toolbox” for going from zero to one, and bigger companies are better suited to scale. This is why the relationship between a corporate partner and venture studio is so important and can lead to genuine unfair advantage in the creation and growth of new businesses.

### **Is a venture studio the right option for your company?**

The short answer: maybe and it depends. Without question, the idea of incubating new ventures and spinning them out as independent startups may be seen as fairly radical, but it’s not. There are ways to build necessary controls and governance into the model around what the startup can and can’t do, or how it might get re-acquired, while benefiting from the externality of it — independent founders with upside potential, external capital (so your company doesn’t have to foot the full bill), and the ability to move incredibly fast.

If you’ve tried building new ventures in house, you’ll likely have faced most if not all of the challenges described above. This is not to suggest you shouldn’t keep trying. I believe big companies need internal venture building capabilities, but you can balance that with a venture studio model that creates new, spin-out startups as well.

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**Learn more about Highline Beta at [www.highlinebeta.com](http://www.highlinebeta.com).**

# Five Tips to Convince Your Boss to Invest in Innovation

BY LUKE BAUMBACH, MARKETING STRATEGY & OPERATIONS ANALYST, IDEAWAKE

As an innovator leading your team, you understand the myriad of benefits that are a direct result of using your innovation program to generate new ideas: increased employee engagement, reduction in turnover, new products, ideas for cost savings, etc. With countless benefits and high ROI, it seems like receiving leadership buy-in would be a walk in the park, but often it's not.

So, how can we demonstrate the value of investing more resources toward your innovation program and convincing leadership to act sooner rather than later?

Year after year, leading companies are investing more and more into innovation programs.

In 2020, Samsung, Intel, and Apple spent a combined **\$38.1 billion** on R&D.

- Samsung - \$14.9 billion
- Intel - \$12.5 billion
- Apple - \$10.7 billion

These are large organizations with large budgets, but even small and mid-sized enterprises (SMEs) can, and should, follow suit.

It's known that innovation is a key determinant of long-term growth, and because SMEs are smaller than larger firms, they're more likely to adopt cutting-edge organizational practices. As a result, SMEs have greater innovative potential than expansive organizations, from developing new internal processes to bringing new products and services to market.

Despite believing and even participating in radical innovation efforts, budget is the main concern about innovation within SMEs. SMEs simply lack the financial resources to enact real transformational change, or rather, have more fear about getting a return on investment from their innovation program and tools.

Some company leaders also believe that their employees don't have the necessary skills to make their innovation efforts successful, even with sufficient funding. While 77 percent of CEOs find it difficult to find internal employees with the creative and innovative skills they want, we consistently see and believe that the employee skills are there – it's just a matter of organizations providing the time and space to listen and explore their employees' ideas.

If you're an employee with some managerial oversight — perhaps you're a department head who recognizes your department's potential, or a mid-

level manager wanting to enact some large-scale change one step at a time — here's how you can prove the ROI of an innovation program to your boss and get the investment you need.

**“The employee skills are there – it's just a matter of organizations providing the time and space to listen and explore their employees' ideas.”**



Luke Baumbach  
Ideawake

## 1. Provide Success Stories

One of the best ways to prove validity is to provide historical context in the form of success stories.

Widely known products and services including Post-it Notes, Amazon Prime, and Flamin' Hot Cheetos were employee ideas that succeeded because each organization (3M, Amazon, and Frito-Lay, respectively) realized the potential of each project and explored it until proven viable.

No one wants to be the first to take a risk, so providing background on how the best of the best invested in innovation and came out on top is a solid first step to making the case for internal innovation.

If you're pitching a specific innovation tool or product, take a look at that company's case studies, see what their past and current customers have achieved. Find examples that are similar to your use case.

## 2. Demonstrate Short-Term ROI

Even after you share some success stories, you still might receive some pushback.

People may say, “These are the best of the best stories from mature organizations. There are no

short-term benefits for smaller organizations.”

The short-term benefits of innovation, though, are clear, especially concerning your organization’s culture. You receive:

- employee insights that management hadn’t considered;
- employee insights that management had considered, but needed validation on;
- spikes in productivity due to employees feeling greater ownership over their work; and
- higher employee engagement rates overall for the same reason.

Connecting with employees across your organization — from customer service to legal to marketing — through internal innovation strengthens your collective mission. After all, those closest to a product or service have the best insight on how to improve it.

### 3. Demonstrate Long-Term ROI

Reiterate that investing in innovation is investing in employees. Higher engagement rates mean greater productivity, which means greater (and higher quality) output in the things that directly improve your bottom line.

Your organization becomes more competitive when you start collecting and implementing competitive ideas. Fewer employees are leaving, because they feel validated, reducing turnover and training costs. The smoothness of your organization’s inner machinations becomes visible from the outside, building your brand.

The investment you make in innovation pays itself in the short-term, and you reap the benefits in the long-term.

### 4. Run the Numbers

For the analytical types, a numbers-driven ROI analysis will help your team to get over the fear of investing in your innovation program. Let’s look at an example.

“Sampcom” has 500 employees and currently collects 100 new employee ideas per year. On average, 5 percent of ideas are implemented, and the average value of the five selected ideas is \$20,000, or \$100,000 total per year. Not too shabby.

Sampcom’s innovation manager is approached about using a tool that can double their employees’ participation, meaning they could now collect 200 ideas per year instead of only 100. The tool costs \$30,000 per year. Sampcom has a smart innovation manager, who decides to implement the tool.

Now that Sampcom is collecting 200 ideas, they’ll have about 10 great ideas to implement with a value of \$20,000 each, for a total of \$200,000. After accounting for the cost of the tool, that’s a \$170,000, a 70 percent increase from the previous year.

The employees felt appreciated for having their voices heard, which prevented one employee with a \$50,000 salary, from leaving the company. The cost of replacing an individual employee is one-half to two times the employee’s annual salary, saving the company between \$25,000 and \$100,000. To be conservative, let’s call it \$25,000.

To recap, we started generating \$100,000, then brought on a new tool to double our number of ideas, bringing us to \$200,000. Then, by preventing a single employee turnover, we brought that number up to \$225,000. Subtract the cost of our tool, and we net \$195,000, nearly double the performance of the year prior.

“So boss, are you ready to invest in innovation?”

### 5. Put Together a List of Vendors and Start Demos

Now that you’ve set the stage for what your organization can accomplish, research vendors that offer what you’re looking for. Researching options on Capterra is a great place to start. The process will go much more smoothly if you’ve received buy-in for the idea and set a budget before starting your demos.

Bringing a complete list of effective tools to your boss will show them that you’re serious about making it work at your organization. Even better if you can get your boss and other stakeholders to attend a follow-up call with your top picks, so everyone can get a first-hand look.

Investing in innovation means investing in the unknown, but what is the greater risk: investing in the unknown, or doing nothing at all?

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Learn more about Ideawake at [www.ideawake.com](http://www.ideawake.com).



# Three Ways to Keep Your Technology Innovation Projects on Track

BY DAVID PESSAH, SR. DIRECTOR, KPMG LLP

ANDREW MATUSZAK, EXECUTIVE DIRECTOR, CORPORATE DEVELOPMENT, KPMG LLP

Across industries, companies today are facing increasing disruption and a breathtaking pace of change. Competition is emerging from all quarters, from traditional players to disruptors from other fields. And a focus on the consumer is as relevant in the B2B environment as it is in B2C.

In an ever-changing market, the most successful companies understand that failing to innovate could lead to a failure to thrive. In contrast, staying ahead of the curve is critical not only for maintenance or expansion of a given business, but also for its survival.

At the same time, it can be challenging to launch an innovation project only to have it shelved or deprioritized due to resource constraints, competing priorities, or an unanticipated change in the landscape. Therefore, we suggest that forward-reaching companies keep innovation projects on track by adopting the following three-part framework:

- Think like an enterprise
- Act like a startup
- Invest like a venture capitalist

## Four Underlying Considerations for a Successful Innovation Journey

Based on our experimentation work with clients, there are four caveats that should be considered at various stages of the innovation journey:

- **Feasibility:** Whether you can build something **should not** be the only data point you consider when deciding whether to greenlight an innovation project.
- **Desirability:** It is **not** enough to understand what customers desire; you also need to know how they want products and services delivered, and at what price points.
- **Viability:** If a project **does not** create sustainable economic value, it is not likely to survive.
- **Scalability:** A many-faceted innovation does not have to be built all at once, but can be approached in incremental steps.

## 1. Think Like an Enterprise: Have a plan for today, and a vision for tomorrow

An enterprise should look at emerging technologies in terms of not only how they can change the business today, but also how they will help the organization realize its vision for the future. Leveraging emerging technology will have the added benefit of forcing organizations to innovate their businesses and pricing models to demonstrate value, keep pace with the ever-changing environment, and remain competitive in the future.

It is critical to tie emerging technology projects to today's enterprise and business unit strategies; this is key to avoiding innovation projects being sidelined. This is where the concept of viability comes in. Innovation projects need to have sustainable economic value to the business, and you must be able to quantify how emerging technology investments are likely to impact the bottom line.

There is room for improvement at many companies when it comes to assessing viability. Nearly 70 percent of companies we surveyed reported that they either lack a clear set of criteria to help them prioritize the technologies that have the greatest potential to deliver value, or weren't sure whether these criteria exist. At the same time, the same survey respondents said that their senior leaders view the viability of innovation products through the lens of revenue generated (70.4 percent) or new efficiencies/cost reduction (72.8 percent).

It is also important to get the organization excited about a long-term vision; enthusiasm and understanding of how emerging technologies will enable growth can help infuse an innovation mindset across the enterprise and unlock resource constraints. When it comes to your vision, keep in mind that even if you can't imagine it, that doesn't mean it's not going to happen. To establish your enterprise's vision, ask yourself:

- What changes are already happening in my industry?
- Are these changes a result of a natural evolution or disruption?
- How are emerging technologies already impacting my industry and/or adjacent industries?
- Are these technologies offering competitive



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advantages to our existing peers, as well as potential new peers from adjacent industries?

### Bring Outside Innovation In

Most organizations look at emerging technologies from an inside-out perspective, i.e., is it feasible to build a project and what is the best way to approach it? Recent research shows that 72.6 percent of survey respondents use internal teams to identify emerging technologies for further exploration, and 58.2 percent tap into internal business units.

This approach can lead to a myopic view.

It's important to approach projects from an outside-in perspective as well by, for example, bringing in perspectives from academia, consultants, venture capital firms, startups, corporations in other industries, etc. The most common external sources of intelligence are interaction with startups and venture capital firms, as cited by 55.2 percent of respondents in a recent InnoLead survey.

All this intelligence should ultimately lead to a clearer view of customers and their changing needs and desires. Even if you're a B2B firm, today's customers are likely to approach their buying decisions from a consumer perspective.

InnoLead also conducted research into where innovation dollars are being spent in large companies. For example, are companies in certain industries more likely to invest in internal, organic creation of new and improved offerings, or do they choose to "buy" innovation or invest in startups?

Overall, most organizations today lean toward inside-out activity—including industries like energy, construction, and, surprisingly, technology. On the other hand, industrial manufacturing companies are most likely to fulfill their innovation aspirations through acquisitions and startup investments. (See Exhibit A below.)

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## EXHIBIT A

Do you build or buy innovation? Survey respondents were asked about the balance between investing in internal innovation or development activities, versus accessing innovation by acquiring new companies or investing in start-ups. Answers are broken down by industry. Higher numbers indicate more openness to external innovation, on average.

Balance of Internal vs. External Innovation Activities by Industry	
Industrial Manufacturing	6.1
Pharmaceuticals & Life Sciences	5.5
Consumer Goods/Consumer Products	4.4
Technology	3.8
Healthcare	3.7
Automotive, Transportation & Logistics	3.6
Professional Services	3.5
Financial Services	3.1
Engineering & Construction	2.5
Energy & Utilities	2.3

## 2. Act Like a Startup: Be Selective About Resource Allocation

When it comes to emerging technology innovation, startups are typically resource constrained. This means they must operate in a lean and agile style. Larger enterprises would be wise to take a page from this book by being selective about the innovation projects on which they focus. For example, organizations need to differentiate and prioritize between innovation to provide a competitive advantage, innovation to remain viable, innovation to explore new markets, and innovation meant to create totally new business models.

Projects that put the customer at the center should be prioritized. However, when you consider the desirability of an innovation, it is not enough to understand customer desires. Equally important are the specifics of:

- How customers want new products and services delivered
- What factors trigger buying behaviors
- How much customers are willing to pay for innovations

This strategic intelligence can be gleaned through customer surveys, questionnaires, face-to-face interviews, focus groups, etc. Taking this approach will help companies avoid the tech "toy lab" scenario where designers build shiny, cool products only to discover that customers don't want them.

### Don't Fail Fast, Learn Fast

Many companies embrace action and are eager to have their designers build prototypes before testing the hypotheses behind the innovations. In contrast to "failing fast," which is really a misnomer, companies have to adopt a culture of "learning fast."

This means first focusing on the hypothesis and testing it out as best you can before investing heavily in internal development. This may also mean talking to and surveying consumers, clients, suppliers, and others who may be able to deliver insights into whether your hypothesis is valid.

Managing an unpredictable future is a critical part of innovation, but it's important to remember that a prediction that doesn't come to fruition shouldn't necessarily be considered a failure. Success should be defined by whether the organization gained insights that can be used to inform and influence future behavior.

Learning fast also means acting fast. Organizations that can reduce innovation cycle times are able to create new knowledge by uncovering the unknowns. For example, instituting curbside pickup and curated meal models during the pandemic were critical innovations for restaurants that faced obsolescence during the height of social distancing.

The same could be said for food-delivery apps that increased their restaurant offerings or offered incentives for repeat customers. Finally, physician practices' rapid adoption of telemedicine technologies in the early days of the pandemic is a great example of the need to innovate in real time, in this case to save lives.

## 3. Invest Like a Venture Capitalist: Take a portfolio approach

Much as venture capital firms do, innovative companies don't put all their eggs in one basket. Instead, they take a portfolio approach, raising their odds of success by making smaller investments in a greater number of initiatives. Of course, this isn't a matter of just throwing ideas at the wall to see what sticks. Instead,

assessing experience, markets, areas identified for growth, and the risk/reward balance are critical to selecting the right investments.

A central tenet of the portfolio approach is proactively reducing or eliminating initiatives that don't meet certain metrics or are misaligned with the enterprise's overall strategy and priorities. Although a portfolio model can reduce the risks associated with innovation, projects must be actively managed and prioritized to ensure efficient capital and resource deployment.

To manage a portfolio, you need to start by defining success.

### **Define Success Metrics**

The most successful venture capital firms identify and track metrics for their portfolio companies. Within an enterprise, this means clearly and explicitly defining what the success of an initiative looks like up front, so that the portfolio can be evaluated in an objective and practical manner.

Success can be defined several ways; however, potential metrics could include:

- New revenue growth (expanding market share or creating new market share beyond legacy services and products)
- Increased profitability or productivity
- Insights that inform acquisitions and other inorganic efforts.

The key take-away is that innovation groups should define success criteria and use a VC-oriented framework to drive a continuous review of the portfolio and help allocate the firm's limited resources to the most promising new efforts.

### **Double Down on Success**

Just as venture capital firms use metrics to evaluate their portfolios, they often reinvest in successful portfolio companies. Enterprises can apply this same principle by creating a mechanism to evaluate their internal innovation portfolios and gain approval for additional funding based on specific milestones and achievements.

A key consideration for additional funding should be scalability, including how to quantify economies of scale and the degree to which a project must be scaled to create competitive advantage.

As an example, consider a large online retail company's "grocery experiment." When the company decided it wanted to get into the food business, it piloted a handful of different point-of-sale formats across the country, including small quick-serve markets, four-star stores, drive-through shops, and, of course, selling through large brick-and-mortar retailers.

After a year, the company reviewed and analyzed which formats worked best, whether certain demographic and geographic groups preferred one format over another, and what kinds of product extensions they might want to consider. Ultimately, the company discarded most of the piloted formats and doubled down on the partnership with one brick-and-mortar retailer.

### **Final Thoughts: A New Approach to Innovation is Essential**

Across industries, emerging-technology innovation has evolved from a practice relegated to the IT group to a company-wide mindset and a way of operating daily. The need for this shift is being driven by the inevitability of disruption — from peers, non-traditional competitors, and worldwide events like the COVID-19 pandemic and the current geopolitical situation.

In this climate, the companies that navigate most successfully into the future will be those that take a three-pronged approach to innovation — acting like an enterprise, thinking like a startup, and investing like a venture capitalist.

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# Seven Things You Should Know Before Partnering with a University

BY RANDALL S. WRIGHT, MIT

Over the past ten years, firms have looked increasingly to partnering with universities as a key element of their innovation strategies. After reducing R&D funding in their own organizations for three decades, firms now seek to outsource that role to universities. Firms have bought into the idea of “open innovation,” and have established teams of “technology scouts” and “technology entrepreneurs” with lists of needs, ready to negotiate deals with universities. It all sounds good and makes sense to firms. Yet, the scout may have gotten off to a false start before leaving the company parking lot. Here are the seven things they need to know before heading out to partner with a university.

## Adopt the Right Role: Don't Be a Customer—Become a Student

Most open innovation efforts cast firms' representatives in the role of a customer. The firm has identified needs, and is looking to contract with a university to act in the corresponding role of supplier. But by assuming the role of customer, a firm's representatives will be off-the-track in their goal to innovate. To innovate, one must learn. But learning requires hard thinking. For most, hard thinking is burdensome.

The mindset of a customer is not predisposed to learning. Rather, it's programmed to follow the path of least resistance. Customers like to buy things, but also want something for nothing, to be waited on, a whole lot for little effort, and to follow the crowd.

While it may come as a surprise to some, the reason to go to a university is to learn. In fact, the reason the value of the stock market keeps rising over time is because people keep learning new things. Rather than adopting the role of a customer, if a firm wants to profit from engaging with universities, then its representatives need to take on the role of a scholar eager to learn. Shopping is easy, but learning is hard.

## Enter the Discourse on Campus

Universities are acknowledged to be the beating hearts of nearly all centers of innovation. Still, in my experience, firms often have little understanding of what makes universities great engines of innovation. Like a firm working to understand the inner workings of a foreign country in which it seeks to successfully pursue business, firms need to

understand the inner workings of universities if they seek to successfully pursue relationships with them.

**“Without discourse there would be no great universities, no innovation.”**

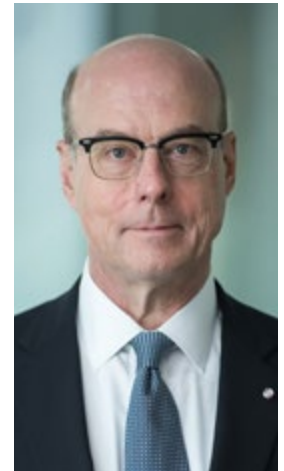
What firms need to know is that universities do only three things: they teach state-of-the-art coursework; they perform groundbreaking research; but the thing that makes this possible — the secret sauce — is discourse, the exchange of ideas and opinions. This discourse takes on many forms, from conferences and seminars, to scientific papers, to poster sessions, to informal conversations, to bumping into someone in the hallway and starting an unexpected exchange.

Without discourse, there would be no great universities, no innovation.

For a firm to profit from its relationship with a university, it must enter the discourse on the campus — not as a customer, but as would a scholar seeking to develop a thesis.

## Understand That Innovations are Arguments

Argument is discourse containing inference. All arguments can be stated in the form of a proposition (P) inferring a conclusion (Q): If P then Q. The discourse on campuses is argument because innovation is all about making inferences. Therefore, all innovations can be stated as arguments. The P's are inventions, and the Q's are paradigms of empowerment. For example, Henry Ford said: (If) “I...build a car for the great multitude (P)”...(then) “Everyone will have one and everyone will own one. The horse will disappear from our highways, and we will give a large number of men employment at good wages (Q).” The aim of innovation is always to empower humans, whether that means the wheel, gunpowder, light bulb, personal computer, or democratic government. Humans want power. Power sells.



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## Forget Megatrends — Find and Follow Movements

In truth, no one at universities studies megatrends. The reason is that megatrends are like horoscopes — they sound inevitable because they are vague. But, like horoscopes, megatrends are too nebulous to serve as a basis to take meaningful action.

What actually happens is that someone invents something that alters fundamentally how people live — that is, enables a new paradigm of empowerment — and that invention, by inferring a paradigm of empowerment, becomes the argument for a movement that spreads virally. This is true of every meaningful invention from the telegraph to the automobile to the smartphone to mRNA vaccines.

Not all movements begin in universities, but today, many do. The movements of the Internet of Things and RFID began at MIT, and MIT Media Lab played no small part in the invention of netbooks that were the forerunners of smartphones and the communications movement they spawned.

MIT research scientist Peter Gloor studies these movements and finds that at their cores are collaborative innovation networks — what he terms “COINS” — that are teams of self-motivated people who engage in a discourse containing inference, or create and discuss arguments, around a common paradigm of empowerment (“Q”) by sharing ideas, information, and work. Members of a COIN have a shared context and shared values that allows them to communicate without words, through unconscious non-verbal signals, body language, and shared action. Consequently, executives that wish to join with members of the COIN need to be uncritical and genuinely appreciative in their behavior, and in some cases adopt the same shared morals, characteristics, and outlooks of the COIN’s members, as would a scholar eager to learn by participating in the discourse. Hundreds of different COINs exist within the MIT/Kendall Square innovation ecosystem, each representing a unique vision to shape and change our lives. Firms need to seek out and engage with members of COINs to apprehend the potential consequences of proposed and new inventions to ultimately participate in the economic and societal movements they portend.

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**“Leading academics are like Monet, whose palettes, instead of being paints, are mathematics, physics, chemistry, and biology, who see in science that which escapes the notice of others.”**

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## Faculty Members Are Visionaries — They Do Not Do Benchmark

Impressionistic painter Claude Monet saw rays of light in his palette of colors that had escaped the notice of artists up to that point in time. While Monet was a painter, he was also an artistic visionary who participated with other impressionists in creating a movement in painting. Equally, leading academics are like Monet,

whose palettes, instead of being paints, are mathematics, physics, chemistry, and biology, who see in science that which escapes the notice of others. They also are visionaries who participate in creating movements. For example, in 1938, MIT graduate student Claude Shannon saw in mathematics that which had, up to that point, escaped the notice of others, and laid the groundwork for the digital communications networks that now lace the earth.

Still, some firm representatives only see faculty members as experts to become craftsmen on their firm’s “extended workbench.” Monet may have been an expert painter, but he did not paint signs or ghost-paint masterpieces for others from their sketches. Faculty members and research scientists may possess expert insights and skills, but they do not do a firm’s benchmark.

## You Need to Do Reconnaissance

No aircraft carrier would be put to sea without reconnaissance pilots to bring intelligence of existential threats and opportunities the ship is sailing into back to its commanding officer. Equally, no business can afford not to conduct reconnaissance into innovation movements on university campuses if it hopes to survive and prosper. To do otherwise would be like the commanding officer of an aircraft carrier captaining his vessel as if it were a cruise ship. Nicholas Negroponte, founder of MIT Media Lab, has said, “The best vision is peripheral vision.” Too often I see firms making investigations into “what’s new” that are much too narrow. Reconnaissance needs to be broad into movements that, while seeming peripheral, stand to undermine a firm if it fails to pay heed. Firms need to have a small team of executives who regularly visit universities to learn what leading researchers are doing and reconstruct, debrief, and assess the importance of the arguments being made at academic institutions.

## Get Organized — You Need to Report to the CEO

Many years ago, I recall saying to the former CEO of a firm that was a member of MIT’s Industrial Liaison Program that I thought the CTO of a firm should be visiting MIT, and not just its engineers. He replied: “Wrong. It should be the CEO who visits.” By that, he meant the advancements at universities are of strategic importance to the firm — not just in supporting the firm’s strategy, but to shaping a new strategy. Often, the difficulty firms have with university relationships stems from delegating the relationship to persons in the organization who do not report directly to their CEO. Strategies are dependent on means — and the advancements at universities not only create new means, but also change the character of markets. Firms’ university reconnaissance teams need to report to their CEOs.

Firms, of course, will want to sponsor programs of research with universities for the purpose of acquiring and developing new capabilities. Knowing these seven things before heading out to visit will give your firm the best opportunity to partner successfully with a university.

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Learn more about MIT Corporate Relations at [www.corporaterelations.mit.edu](http://www.corporaterelations.mit.edu).

# Seven Deadly Sins in Corporate Innovation

BY LUDWIG MELIK, CEO, **PLANBOX**

Corporate innovation is a discipline that could easily take a turn for the worse with improper, overdue, or undersized investments. Unfortunately, many organizations fall prey to the theatrics of innovation, which often amount to nothing more than an exercise in futility with little or no value generated for the business or society. Here are the seven deadly sins in corporate innovation, along with practices you should adopt to repent for each sin that your organization has committed.

## 1. Lust: Chasing After the Next Big Thing

A classic sin for organizations that chase after the next big thing too soon and too fast without proper planning. They often get hit hard by reality.

**Path to redemption:** Breakthrough innovation does not come fast or easy. Here, baby steps are the way to go; playing the long game means devoting a significant amount of time to discovering the right problems to solve and identifying possible solutions for said problems early on. This approach requires commitment and leeway, so don't be afraid to go slow and steady. Running a problem discovery session is an effective way to find new game-changing opportunities, an approach that consists of assessing what the future has in store and the impact it will have on your organization.

## 2. Gluttony: Losing Sight of What Lies Around the Corner

Organizations guilty of this sin are those that lose sight of the future because they remain too preoccupied with the core business.

**Path to redemption:** Regularly consider challenging the status quo and plan concrete campaigns that question conventional thinking. Look for alternative approaches and models to what may be considered as settled. Artificial intelligence (AI) innovation is still in its infancy, but it holds great potential according to Gartner's latest market guide on innovation management tools. A realistic first step in this direction would mean leveraging AI to scan internal and external data sources to alert innovators of emerging technologies or weak signals. In this case, efforts would be focused on what truly matters: transforming raw data into tangible insights that can be used to discover new opportunities, solve challenges, or deliver on working concepts.

## 3. Greed: Extracting Maximum Value from Existing Solutions

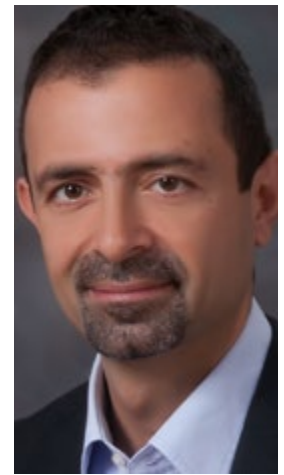
Like gluttony, an inordinate amount of attention misplaced and focused on extracting maximum value from existing solutions can come at the detriment of continuous improvements and sustainability investments required to modernize archaic approaches that have now fallen out of favor. Core business innovation shouldn't be shunned as unnecessary or limited to broad strokes that only produce an eye candy effect with small incremental design changes.

**Path to redemption:** Look to evolve the processes and experiences that surround how business gets done today and see what novel and creative ideas emerge to create the kind of change you need to implement to achieve those results. Business model innovation is a great practice to incorporate that allows you to consider new data points (the Business Model Canvas is an example of a common approach). Leverage technology that empowers crowd collaboration within digital whiteboard spaces to rebuild your go-to-market strategies or make your business more sustainable (with a Flourishing Business Canvas, for example).

## 4. Sloth: Turning a Blind Eye to Disruptive Forces

When it comes to innovation, sloth is the silent killer. Turning a blind eye to disruptive forces and future evolutions means almost certain death in today's hyper-competitive world. This sin is more prevalent among established businesses in which change-seekers and makers are often at the mercy of regulatory compliance.

**Path to redemption:** Today, there are clear mandates on what a business should look like and how it should operate by 2030 and 2050, which is why you should begin addressing your business' future immediately. Organizations looking to meet their Corporate Social Responsibility need to have a clear vision and defined outcomes by identifying technologies of the [Fourth Industrial Revolution](#) that can help meet the sustainability goals put forth by the United Nations' [2030 Agenda for Sustainable Development](#) — and such a challenge should include both your employees and the greater stakeholder economy in which businesses now operate. This means leveraging the collective brainpower of your community of customers,



Ludwig Melik  
Planbox

partners, suppliers, startups, academia, and governments to cocreate solutions that will lead to a more sustainable future for all.

## 5. Wrath: Punishing Failure

When actions don't follow words, innovation will stop dead in its tracks. Wrath occurs when innovation investments go awry, experiments flop, or promising concepts fail to bear fruit. Organizations talk a good game but often punish failure — and they do so with a heavy hand. This creates a toxic workplace where innovation is feared, and growth consequently stagnates.

**Path to redemption:** Gamifying innovation is often misunderstood. Tying innovation to employee performance objectives and evaluation criteria is paramount in fostering a culture of openness, creativity, and learning. Celebrating both accomplishments and lessons learned from failure means developing a psychologically safe environment that welcomes radical new thinking which in turn creates future dividends for the organization.

## 6. Envy: Emphasizing the “I” in Innovation

A culture of innovation is all about getting people to work together towards a common goal. There is no “me” in crowdsourced innovation because this practice, by its very definition, harnesses the collective knowledge and creativity of diverse crowds to realize mutually beneficial outcomes. The final solution will be truly impactful and far more likely to succeed if envy is kept in check, however — and how the organization rewards and recognizes those responsible for creating value is ultimately where this sin can rear its ugly head.

**Path to redemption:** Crowds, especially truly diverse ones, deliver much more value and actionable ideas when working in a collaborative setting. Innovation campaigns that bring people together also tend to drive higher levels of engagement and form new value creation relationships that would otherwise not easily actualize through other approaches. Business competitions such as Shark Tank/Dragon's Den and Pitchfest-type of events are perfect examples of campaigns that can help to eliminate silos and make innovation inclusive and fair for everyone involved. Additionally, allowing an idea to bounce around is critical to improving its value. As the Deloitte [Ten Types of Innovation](#) framework illustrates, developing an idea with others allows for new perspectives, experiences, and approaches to emerge. This creates the much sought-after snowball effect that allows organizations to unlock the true potential of a crowd, and by extension, the ideas that spawn from it.

## 7. Pride: Believing You're Too Big to Fail

Known as the original sin, pride is the primary reason innovators don't achieve what they set out to accomplish. Organizations that believe they are too big to fail, too wise to learn, too experienced to experiment, too entrenched to be creative, too agile to adapt, and too powerful to be resilient ultimately end up having to swallow their pride. Sooner or later, a pivot will be in order, but the maneuver will be excruciatingly difficult, or worse, impossible. This is a point of no return where the organization falls behind the competition as it is left to pick up the pieces.

**Path to redemption:** Embrace your inner child by establishing healthy business practices that encourage curiosity without fear of retribution. A Center of Excellence (CoE) for Innovation is a practical way to materialize your commitment to innovation. A purpose-built CoE creates a safe space that promotes the people, resources, activities, and success stories surrounding innovation. This level of transparency instills a sustainable culture of innovation, as it allows innovation champions to autonomously lead their innovation efforts without putting undue pressure on a central unit. If you want to make innovation the collaborative work of everyone in your organization, then a CoE for Innovation is your answer.

## The Biggest Sin of All

Let he who is without sin cast the first stone: when it comes down to it, no organization is perfect, but small steps can and should be taken to forge a path of redemption, because ultimately the biggest sin of all is to not even try. Innovation is not a one-and-done practice, and it often fails to produce the desired outcomes, but despite all that can go wrong, future-fit organizations keep at it because innovation is a cycle of betterment. As one of the principles of the [Future-Fit Manifesto](#) goes: “At all times, the organization reflects on how to become more Future-Fit, then tunes and adjusts its behavior and systems accordingly.” A growth mindset is the cornerstone of innovation: the vision, the culture, and the tools are what make it possible and repeatable.

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Learn more about Planbox at [www.planbox.com](http://www.planbox.com).

# Five Practical Principles for Developing a Robust Innovation Pipeline

BY JEREMY BROWN, CEO & FOUNDER, **SENSE WORLDWIDE**

This article is for business leaders, brand strategists, and innovators who are tasked with delivering business growth through innovation. These five principles will blend brutal commercial rigor with the art of innovation to de-risk your innovation pipeline.

1. **Humanize your strategic story.**
2. **Kill ideas that don't serve you.**
3. **Stretch, challenge, and optimize.**
4. **Size the prize. Manage the risk.**
5. **Place bets with confidence.**

Understanding and applying these principles across the organization will develop the openness, willingness, and curiosity to consistently push boundaries and challenge the status quo. To see things differently, think differently and innovate.

Each principle builds on the last to ensure you develop a robust, commercially viable pipeline that will survive in the ruthless world of consumers and competitors.

## **1. Humanize Your Strategic Story: Visualize your pipeline by creating an innovation war room**

Your pipeline needs buy-in if it is going to deliver on organization-wide success. So, involve people.

Your organization is likely big, siloed, and... full of great ideas. The first step in delivering a commercially successful pipeline is collaborating and collating. Dirty the page. Get all the pipeline propositions and innovation ideas from within your organization out on the table.

Once you have all the ideas out in the open the fun begins. Reframe your pipeline as an easy-to-understand growth narrative; tell a story. Ask yourself, "Which of these ideas are players in our growth story?"

**"Is there a disconnect between our business ambition and the current innovation pipeline?"**

You need to be honest and willing to cut ideas (see point #2). Make sure all your propositions ladder up to deliver on the business goals your organization has agreed upon.

Make it visual. Something special happens when you translate your pipeline into a visual medium. It helps you spot gaps. You and your team can zoom

out, stand back, and use fresh eyes to call out the BS. This is your war room.

In the global and post-COVID era it is possible to carry out this activity virtually. You can make your virtual war room with an online white board platform such as Miro.

You have mapped out your pipeline.

## **2. Kill Ideas That Don't Serve You: Innovation is not an innovation until someone buys it**

When we say "until someone buys it," we don't just mean your customers. We mean internal and external stakeholders too.

**"Innovation is not an innovation until someone buys it!"**

To deliver commercial success you need buy-in. Invite all stakeholders. Your organization is full of them, and they all have their own pressures, pain points, and perspectives. It might be your sales teams, leadership, innovators, brand marketers, insights teams, or customers.

Ask yourself, "Are we solving a problem that consumers are willing to pay for and stakeholders are bought into?"

**"Does this idea deliver against internal and external stakeholder needs?"**

As an organization you need to become comfortable with viewing ideas with brutal commercial rigor. Don't be afraid to kill ideas that aren't serving you, your customer, or your stakeholders. Nobody will thank you for letting a dud idea get to market.

Synthesize and map ideas against stakeholder needs and business strategy. Be cutthroat.

Your pipeline now contains only your best ideas.

## **3. Stretch, Challenge, and Optimize: If you are not creating with your future consumers, you are not creating for them.**



**Jeremy Brown**  
Sense Worldwide



Ideas are like your immune system. They become stronger with more exposure to external forces. Your pipeline will not survive in the wild unless it is exposed to external scrutiny.

Adam Grant, professor of organizational psychology at the Wharton School of the University of Pennsylvania, found that “Managers and focus groups are 55 percent more prone to major false negatives, undervaluing strong breakthrough ideas.” No matter how good your team, you are not equipped to assess a pipeline in isolation.

**“How might you elevate your innovation pipeline from incremental to breakthrough?”**

Grant found that “Creators are more open minded and can increase your accuracy, and the odds of betting on the best original innovations, by 65 percent.” If you can engage consumers who see things differently and think differently, what we call cognitive diversity, they will elevate your pipeline from incremental to breakthrough innovation.

By introducing fresh perspectives your ideas will be stress tested, developed, made more compelling, and confirmed as commercially robust. This approach will drive breakthrough innovation.

It is by embracing criticism and those with a different perspective that Charles Darwin was able to expand his Theory of Natural Selection to encompass his Theory of Sexual Selection.

Your pipeline has been strengthened.

#### **4. Size the Prize. Manage the Risk: Establish a pipeline that will deliver on revenue goals**

Your pipeline is only going to succeed if it can deliver on your commercial revenue goals. Therefore, you must develop a method for establishing an idea’s potential commercial value.

Score concepts from a consumer perspective. Forecast the addressable market and revenue potential. It is only through this top-down and bottom-up approach that you will land on a figure that is truly reflective of the market size.

**“Do you have a method for calculating the size of the innovation prize?”**

Create a concept canvas to equalize all your ideas and propositions. It can be easy to get swept away in an idea when it is viewed in isolation.

By boiling down ideas to a uniform structure and format you can compare them with more objectivity and see where the true winners sit and weed out the false winners.

You have measured your ideas to ensure they meet your commercial objectives.

#### **5. Place Bets with Confidence: Set yourself up to deliver breakthrough innovation**

Your innovation roadmap must build over time. If it is going to deliver beyond the current business year and provide long term security for your organization, you need to plan for breakthrough innovation.

**“What is the lifecycle of your innovations?”**

- NOW: Renovation? What can create new news for the brand and business today?
- NEXT: Incremental Innovation? What innovations will deliver top line growth?
- WOW: Breakthrough Innovation? What innovation will disrupt the category to make you the market leader?

You have elevated your pipeline beyond business as usual.

Watch ‘Logic and Magic: How the best innovators in the world build their innovation pipelines’ a webinar in which we demonstrate how to blend brutal commercial rigor with the art of innovation to de-risk innovation pipelines.

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Learn more about Sense Worldwide at [www.senseworldwide.com](http://www.senseworldwide.com).

# Four Ways to Enable Product Management Talent within Portfolio Management

BY OLIVIA KELLER, INNOVATION AND PRODUCT MANAGEMENT INTERN, SMARTORG

It's not uncommon to find a new product manager's (PM) search browser open and hunched over the Keurig, their lunch, or even the loo looking for answers to the challenges we face in our roles. Our search history may display useful results for tactical questions or strategic inquiries.

But resources for the connective, innovative thinking required for portfolio strategy often fall short. The resulting gap has left many product managers struggling to propel portfolio innovation efforts forward.

As the reader of this article, you may be the person most likely to 'get it' when innovation experts ask us to explore opportunities, make portfolios, and allocate talent to these issues. Outside talent with this skill is difficult to hire in, and existing talent is often still developing.

How can you ensure your people are better positioned to cultivate skills in the portfolio management process?

Here are four empathic techniques to grow product managers within the portfolio management process:

## 1. Acknowledge fear of failure to empower new innovators

The idea that everyone is already an innovator in some way has been widely spoken of, but your talent may still struggle to apply themselves because there are barriers keeping them from demonstrating it. When I speak to professionals in product and portfolio management, I find that many of them do not claim 'innovator' as a title.

Based on these conversations and 20+ interviews with innovation leaders, I've discovered that fear of failure and lack of clarity are persistent themes affecting product managers absorbing portfolio innovation responsibilities. Therefore, building innovation talent requires more than identifying the individuals who 'get it.' Fear of failure is a barrier due to uncertainty around innovation responsibilities and unclear expectations. Empower your product managers as portfolio innovators by vocalizing this uncertainty.

If you are experiencing resistance to portfolio thinking, could it be related to unresolved uncertainty? If your talent is jumping at the chance, do they feel prepared for the difference in responsibility?

The next three techniques expand on the 'how' of empowerment within portfolio innovation.

**“Fear of failure and lack of clarity are persistent themes affecting product managers absorbing innovation responsibilities.”**

## 2. Call out differences between portfolio goals and product goals

If product talent is empowered by reduced uncertainty, then start with a breakdown of your portfolio group's business and strategic goals. Many of the product managers I spoke to aren't coming from functions where they're expected to understand strategy, and the sheer amount that bring this up might take you by surprise.

There's also a priority conflict between the role of an individual product manager versus that of a portfolio innovator seeking second and third horizon opportunities. Essentially, you're asking these PMs to think more about shared strategic goals and less about winning products and satisfied customers; you're asking them to understand the language of the corporate investor.

To resolve this disparity, provide clarity on the differences between product and portfolio-minded thinking, even if you're early in defining how innovation serves your organization.

## 3. Communicate the boundaries of new expectations

Innovation leaders need to communicate what



Olivia Keller  
SmartOrg

they expect, contribution and outcome-wise, from product managers engaging in portfolio innovation. There are many expectations required of PMs — and strategy tends to make the least sense to novices.

When you bring product managers into portfolio innovation, it may be clear to you that their role is to inform strategy as subject matter experts rather than create it. But it's not clear to them. One of the most morale-sucking responses I received while tackling a new role and thinking I was on the right track was "Well, that's great, but you should really be focusing over there."

Remind product managers of their priority change, specifically, that — unlike their former expectations — the focus of portfolio innovation isn't winning products and satisfied customers. This remains an important outcome, but it's not the mindset. Then, re-direct their time budgeting within these new expectations. The next time your product manager comes around, she'll be happy to hear "You're on the right track, and let's also include this other idea."

#### **4. Provide repeatable, executable techniques that structure creative thinking**

When we mistakenly treat creative thinking as an epiphanous experience, teams can stagnate in frustration and lose the opportunity to uncover innovation value. Instead, creative thinking should be treated as a process, with its own proper tools and techniques.

That's easier said than done, since techniques to support strategic thinking are more readily available than those meant for creative processes.

Here's a technique that I've found helpful in correcting this and promoting divergent thinking:

##### **Provocation and Movement**

This idea generation technique promotes suspended belief and out-of-the-box thinking. First, take statements about the reality of your business, markets, products, etc. that are viewed as absolute. Then, reverse them, negate them, or stretch them to an exaggeration or visionary extreme. These are provocations. Next, upend your understanding with movement questions like "how might we make this feasible?" or "what concepts are being hinted at?"

When businesses create movement around provocations — such as veering from "we need dealerships to sell cars" to "we don't need dealerships to sell cars" — we end up with business models like those demonstrated by Tesla and by the Carvana Vending Machines.

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## **“Ensuring your product managers have the necessary support is key to identifying innovation opportunities that uncover value.”**

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This exercise can feel absurd at times but welcoming a bit of absurdity into teams goes a long way in building trust and generating innovative ideas. Whichever techniques you decide upon must prepare your team to leave behind the idea of epiphanous innovation, welcoming a readiness to engage in conflict and discomfort in its place.

While techniques aren't replacements for intuitive innovation skills, they foster observations and thinking patterns for leverage over time.

Your product talent may be struggling to advance portfolio innovation due to psychological barriers, poorly understood goals and expectations, or lack of insight into creative processes. Ensuring your product managers have the necessary support is key to identifying innovation opportunities that uncover value.

SmartOrg is working with corporate alpha trial participants to develop Innovation Navigator software which assists in creating repeatable processes that bridge innovation skill gaps and prioritize time spent. Take a look at your product managers' level of involvement in your portfolio innovation and consider how—or even if—that level of involvement is contributing to the team's progress. And in a few years, your promoted product managers just might be googling "What do other innovation leaders do for fun in their spare time?"

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**Learn more about SmartOrg at [www.smartorg.com](http://www.smartorg.com).**

Note: The idea generation technique discussed in this article is derived from the Engineering and Technology Innovation Management Master's program at Carnegie Mellon University, and The Innovator's Toolkit: 50+ Techniques for Predictable and Sustainable Organic Growth.

# The **Eight Innovation Skills** that Drive Repeatable, Real-World Results

BY SUZAN BRIGANTI, FOUNDER & CEO, **SWARM VISION**

Innovation leaders know that their work involves a high degree of ambiguity. Yet you are increasingly expected to produce tangible ROI. In an effort to drive better results, many organizations have been introducing processes like Design Thinking and Lean Startup. **But the focus on process leaves out the greatest predictor of results: the people.**

In most fields, we try to emulate successful people. We study great athletes, great CEOs. But in corporate innovation, are we really doing that? You may have heard the term “serial innovator.” Is this someone mysterious and rare, like the Loch Ness monster? Do they exist inside large organizations? What makes them repeatedly successful?

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**“Innovation talent trumps process, and even budget.”**

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I will make a bold statement here, but one I can back up: **Innovation talent trumps process, and even budget.** That’s right. The innovation talent in your people and on your teams is highly correlated with your business outcomes. And you can identify that talent with 99 percent reliability. **Your own talent can beat the odds.**

Make a guess: What percent of the workforce in large organizations is highly innovative? The cynic may say one percent. The highest guess I have heard is 10 percent. Both are wrong. The answer is 22 percent. **About one in five of your employees has the same high level of innate innovation talent as the most successful intrapreneurs and entrepreneurs in the world.** So, what are you doing about it?

Most big organizations today are not hiring for innovation talent, and not using knowledge of employees’ innovation talent to form teams, to assign people to projects, or to design their talent development programs. They are innovation talent BLIND. So we go around in circles chasing the next shiny process, and experiencing a high failure rate.

## The Research

I am making some confident statements, and you might fairly ask, “How do you know that innovation talent predicts business results?” Because we conducted the world’s largest scientific study of

serial, successful innovators, in four waves on four continents. No other study comes close.

The research found that:

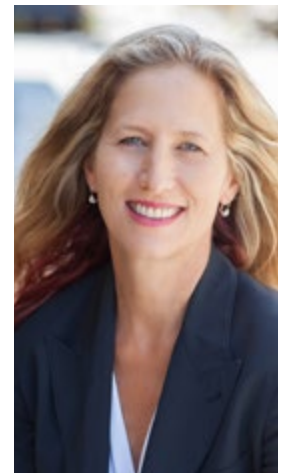
1. Innovation talent is highly correlated with positive business results. What kind of results? Profitability, hypergrowth (growing 100 percent+ 3 years in a row), international and global expansion, acquisition, IPO, and more.
2. Innovators have significantly higher Swarm Innovation Profiler scores than the general population.
3. Within the population of innovators, top scorers are associated with three times more positive business results than bottom scorers.
4. Intrapreneurs, while sharing many characteristics with entrepreneurs, tend to score slightly higher on innovation skills.
5. And the Swarm Innovation Profiler (the instrument) does not produce “adverse selection bias” with respect to gender, age, or ethnicity.

If you’re interested in the details, read the published research [here](#).

## The Eight Innovation Skill Clusters

Specifically, the research identified eight innovation talents, and 26 sub-talents, that are correlated with business outcomes at 99 percent reliability:

1. **Drive:** Ambition, Initiative, Intensity, Persistence
2. **Disrupt:** Boundary-breaking, Thriving in uncertainty, Self-confidence
3. **Create:** Novelty-seeking, Problem-solving, Uncommon connections, Growth mindset
4. **Connect:** Relating, Persuading, Teambuilding, Social intelligence
5. **Control:** 360-degree involvement, Competitiveness, Financial orientation
6. **Think:** Information Capacity, Rapid Pattern Recognition, Reflection
7. **Deliver:** Contextual, Goal-orientation, Resourcefulness, Adaptability
8. **Give:** Benefitting others, Making the world better



**Suzan Briganti**  
Swarm Vision

What does all this mean practically? It means **you can transform your business results by paying serious attention to and acting on innovation talent data**. One customer of ours started with Swarm in 2019, profiling their entire R&D staff. They used that data to reorganize teams, made key hires, and focused their training on developing the eight Swarm talents. Results? Their topline revenue from innovative new products has grown measurably, so much so that they expanded internationally, acquiring companies in Europe and Asia. And they are an old guard industrial company in the American South (founded in 1925), not some flashy tech startup. If they can do it, so can you.

## The Tools

As practitioners, we asked, “How can we make this research useful to our peers in corporate innovation?” We wanted to build something easy to use, scalable and affordable. So, we built the Swarm Innovation System which comprises four parts, which you can read about [here](#).

**Using the Swarm system, the human stories I get to hear some days move me to tears.** I got to meet Gerry, a scientist who had spent 10 years getting her PhD and 10 more in her field. She was near burnout. She had made three innovation proposals in a year and all three were rejected out of hand. She was dragging herself to work. She took the Profiler and enrolled in Swarm Innovation Training. Three months later, she submitted three new, even more transformational proposals. All of them were greenlighted. Why? She credited the Swarm training. Before Swarm, she had never learned the innovation skills that drive business results. It’s just not taught in universities. Don’t you think every employee deserves a chance at this knowledge?

This company would have lost a great employee and her business contributions would have gone to competitors. Avoiding business loss is important. Changing lives is rewarding. **Succeeding at transformational innovation is not only thrilling. It drives massive ROI.**

## The Significance

The significance of Swarm Vision’s research and system includes that:

1. About one in five employees in large organizations possess a high degree of these innovation skills. And about 75 percent possess at least one skill to a high degree.
2. We can form higher-performing teams leveraging these strengths.
3. We can design our culture to reward these behaviors that really matter.
4. We can systematically retain High Potential innovators just like we do our High Potential leaders.
5. We can develop the innovation talent in our workforce by 20 percent in about three months.
6. We can hire for innovation talent.
7. More employees can contribute to innovation than previously assumed. Even if an employee is not very creative, they may bring Give, Drive, Deliver, or Think.
8. We can share a common language about innovation behaviors, reducing the vagueness that makes innovation seem so foreign to business.
9. Leaders and managers can learn to recognize and support these behaviors, putting innovation culture into action day-to-day.

In short, **leveraging the innovation talent in or workforce, you can outflank your competitors and successfully compete with startups**. To learn more, please contact us at [inquiry@swarmvision.com](mailto:inquiry@swarmvision.com).

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Learn more about Swarm Vision at [www.swarmvision.com](http://www.swarmvision.com).

# Six Top VCs Helping Startups Get Clients

BY MICHAEL GOLDSTEIN, FOUNDER & CEO, SWITCHPITCH

Venture capitalists (VCs) are clamoring to provide startups with value in addition to their capital. Many VCs promote these ancillary services as part of their value proposition. Services include strategy, attracting talent, board member introductions, and customer acquisition.

The combination of these services is often referred to as a VC's "Platform." It is becoming a major focus in venture capital, due to Andreessen Horowitz popularizing services for portfolio companies. Now, all other VCs want in — differentiators to set their fund apart. In particular, VCs are focused on helping portfolio companies acquire new clients.

## Factors Entrepreneurs Consider When Choosing a VC

Below are just a few of the things that entrepreneurs consider before choosing the right VC to work with.

**“Picking startups that you truly believe in is key to creating a strong portfolio that will endear you to a lot of entrepreneurs.”**

**Partners** – One of the first things entrepreneurs consider is the kind of partners they have had in the past. If you have only helped one or two startups, you may not be a high-ranking business partner. Entrepreneurs often want to work with VCs that have supported a considerable number of startups. The higher the number, the more confidence you will inspire.

**Investment** – The amount of money a venture capitalist has raised to support other startups is another important consideration. Most entrepreneurs are likely to go for a VC that has shown the ability to raise a huge amount of money to support a business idea they believe in.

**Belief** – When someone comes up with a good business idea, they are likely to get offers from many VCs. But such entrepreneurs are not just

looking for capital. They are looking for someone that truly believes in what they want to do. Picking startups that you truly believe in is key to creating a strong portfolio that will endear you to a lot of entrepreneurs.

**Client acquisition** – It is not enough to provide capital. There are many things that go into ensuring that a startup is successful. One of those ingredients is the acquisition of new clients. As a VC firm, it is always a good idea to help your portfolio acquire new clients. This is one of the surest ways to keep the business running and profitable.

## Top VCs Helping Startups Get Clients

Here are some of the VC firms that help startups get new clients.

### 1. Aleph

Aleph is an \$850 million venture capital firm that has its headquarters in Tel Aviv. The firm prefers to work with startups in the information technology, SaaS, big data, and artificial intelligence sectors. It partners with startups right from the seed stage, early-stage up to later stages of growth.

Aleph was established back in 2013 and has therefore acquired enough market experience to know exactly what it takes to make a business successful. That is why it provides its partners with helpful advice, facilitates client acquisition, and gives financial support.

The company came up with an elaborate customer acquisition tool called Aleph connect. This tool utilizes the Ampliphy platform to connect portfolio startups to potential customers.

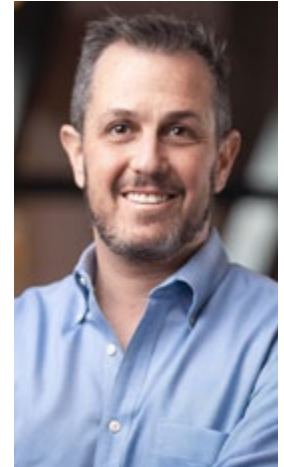
As a portfolio company, all you have to do is browse through the Aleph connect tool and choose potential customers you would like to connect to. Aleph's team will then review your request and act accordingly to ensure smooth interactions and possible customer acquisition.

### 2. NEA

NEA focuses on investment stages, ranging from seed stage through growth stage, across an array of industry sectors. With approximately \$25 billion in committed capital, NEA is one of the world's largest venture capital firms.

One of the reasons why NEA has achieved success is that it helps startups acquire new clients. This is done by way of introducing different partners within its network. It also provides financial and intellectual support.

NEA employs a team of business development



**Michael Goldstein**  
SwitchPitch

professionals to help startups find new talent, acquire customers, and attract new investment. NEA's Vendor Platform enables NEA portfolio companies to access to service information, exclusive discounts, and other benefits from recommended third-party vendors that provide valuable service(s) to support company growth.

Matthew Prince, Co-founder and CEO of portfolio company CloudFlare, says: "NEA stands out from other venture firms in two ways. The first is the breadth of experience brought by the entire team, and their willingness to collaborate."

### 3. General Catalyst

This particular venture capital firm was founded in 2000. The firm focuses on early-stage and growth investments. It is one of the most unique venture firms because it does not just go around writing checks for any startup.

Instead, it carefully selects startups that hold similar beliefs to its own. The company has a strong belief in building mutual partnerships. That is why it endeavors to work with entrepreneurs who share a similar passion, dream, and goal.

The company's capital investments span different industries, including consumer, enterprise, and mobile sectors. Some of the companies that have benefitted from General Catalyst include:

- Airbnb
- Cadre
- Classpass
- Gusto
- Datto
- Livongo
- Hubspot

It is worth noting that General Catalyst once invested \$10 million in Stripe's ecosystem. This was aimed at helping about 20 startups acquire new customers and achieve more success in general.

### 4. GGV Capital

GGV Capital is a global venture capital company that was founded way back in 2000. It partners with various startups from seed stage to growth. Some of its investment ventures span consumer, retail, enterprise, and technology sectors. It manages approximately \$9 billion in capital across 17 funds.

Not only does this company offer financial support, but it also endeavors to provide intellectual tools for companies to prosper. Training and consultations are among the things the firm offers to its partners. It also creates a conducive environment for its portfolio companies to build networks that can lead to growth.

Some of the companies that have partnered with GGV Capital include Thunes, WorkBoard, Grab, Nozomi, and Boss. **BigCommerce** is a particular example of a company that received funding from GGV Capital to help support new customer acquisition.

### 5. 8VC

8VC was founded in 2012 and had its headquarters in Austin, Texas. The firm is known to invest in seed-stage, early-stage, and later-stage companies. It has an affinity for working with entrepreneurs who have a futuristic approach to technology.

The firm manages approximately \$2.7 billion in investments. Some of this firm's portfolio companies include Wish, Illumio, Blend Labs, Oscar, Addepar, RelateIQ, and Oculus. The company believes in helping entrepreneurs achieve their ultimate goals, which is why it supports customer acquisition programs.

### 6. Redpoint Ventures

Redpoint Ventures was founded back in 199 and had its headquarters in California. It boasts of having about \$3.8 billion in assets. This firm invests in seed-stage, early-stage, and later phases of its portfolio companies. The firm strongly believes that supporting its portfolio to acquire new customers is key to ensuring overall success.

### The Takeaway

Venture capital firms that make it to the top of any list are those that do more than just provide funding. These companies walk with their entrepreneurs every step of the way.

They offer educational workshops, hire talented staff, provide management support, and even help startups build networks and acquire clients. The end result is not only the success of the startup but the venture capital firm itself. As a venture capital firm, you need to adapt to the changing dynamics of the world. Embrace technology and take advantage of resources such as those that are made available by SwitchPitch.

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Learn more about SwitchPitch at [www.switchpitch.com](http://www.switchpitch.com).

# 10 Ways to Improve Customer Loyalty

BY MIKE NELSON, VP OF GROWTH, VTEX

Let's talk about the critical role of customer service and user experience in the race to win loyalty.

Everyone in retail knows it's cheaper to keep a customer than get a new one (just not necessarily how). But we can take that a step further, from repeat customers to loyal customers. A repeat customer buys from you more than once. A loyal customer buys from you repeatedly and is also willing to pay more for a product when doing so. Plus, a loyal customer becomes a brand advocate on your behalf — which is priceless marketing for you. What does it take to turn a one-time buyer to a repeat customer to a loyal brand advocate? Quite a bit. Yet it boils down to two broad categories: customer service and user experience. Below, we'll take a look at ways to dramatically improve loyalty and experience.

**+5% increase in customer retention correlates with at least a +25% increase in profit**

## Six Ways to Use Customer Service to Earn Customer Loyalty

### 1. Recognize their loyalty

They will expect benefits as loyal customers. Exclusives, incentives, and discounts all work well in the offline retail world, and they are easily adapted to the online retail world too. If customers don't feel special to you, your brand won't be special to them.

### 2. Build a relationship

When customers shop online, you lack the opportunity for that face-to-face interaction with a real person that can start a brand relationship. In online retail, you must find ways to connect with customers without in-person contact.

Messaging apps can be beneficial when a customer wants to interact with an employee while shopping. VTEX's Suiteshare solution, for instance, allows for customers to get in touch with sales associates via WhatsApp through conversational commerce technology.

You can also nurture that relationship through segmented email marketing that speaks directly to a customer's interests or needs.

**“What does it take to turn a one-time buyer to a repeat customer to a loyal brand advocate? Quite a bit.”**

### 3. Excel at customer service

Research shows customers are willing to pay more for an item when they trust that the customer service will meet or exceed their expectations. As with relationship building, customer service is harder to excel at when you can't have that special in-person touch. However, you can make sure any customer service interactions via chat, email, or phone are done well.

You can also offer speedy delivery of purchases and a flexible return policy, two service elements of online shopping that matter to consumers.

### 4. Implement a subscription model

Whether service-, product- or content-based, subscription models are growing in popularity. Consumers like the consistency of this model, including smaller payments spread out over time. This model also creates stickiness with the customer, creating a “tie that binds.” You might wonder how to adapt your business to a subscription model if it's not obvious, but plenty of brands are out there creatively doing so.

### 5. Offer live shopping

Live shopping can make a huge impact in your ability to build online relationships with customers. When real salespeople or influencers showcase products in a livestream, customers can much more easily relate to those people and, by extension, your brand.

### 6. Pay attention to trends so you stay ahead of customer expectations

Consider Buy Now Pay Later (BNPL) as an example: This trend is quickly becoming the norm because it allows a customer to make smaller payments over time... and that's customer service!



**Mike Nelson**  
VTEX



## Four Ways the User Experience Can Earn Customer Loyalty

### 1. Implement a marketplace model to partner with third-party vendors

With a marketplace model, you improve the user experience by offering a much wider range of products at your retail site. You also overcome inventory and supply chain issues that can lead to a bad experience for the customer.

### 2. Make sure your website is optimized

That means fast load times (especially on mobile devices) and up-to-date information, targeted and high-quality content, excellent detailed photographs, an intuitive interface that's easy to navigate, clear calls-to-action, a streamlined checkout process, and obvious ways to ask questions or seek help. The better the user experience at your site, the more likely it is that they'll return.

### 3. Offer an intelligent search experience

When users can't find what they're looking for at a site, they'll quickly abandon that site and go to another. You want them to stay at yours by delivering a search experience that helps them find what they are looking for, even when it's not clear. This type of search capability is even more important if you're implementing a marketplace model with the inventory of your third-party vendors too.

### 4. Offer live shopping

Live shopping can make a huge impact in your ability to build online relationships with customers. When real salespeople or influencers showcase products in a livestream, customers can much more easily relate to those people and, by extension, your brand.

### Loyalty Matters

Loyal customers have always paid off. Now loyalty matters even more than before, because acquisition has gotten so expensive. So many retailers have been forced online due to the pandemic that the cost of auction-based ad buying has shot up. If your company's loyalty efforts could use a boost to keep customers coming back, put these ten tips to work and make your customer service and user experience irresistible.

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# Ideas are Worth \$0 (Unless You Can Validate and Execute on Them)

BY DAVE HENGARTNER, CO-FOUNDER AND CEO, RREADY

Ideas are worthless. Yes, they are when not validated. Let's start thinking about our daily morning routine. I get up in the morning, and while brewing coffee, the first idea pops up in my mind. I get distracted by a catchy headline in the newspaper. Ten minutes later, while riding my bike to work, the next idea. Within a few minutes, I forget about it again and in no time, my next "genius" idea for my company crosses my mind.

What do all these ideas have in common? They are worthless not because they have no potential, but because they have not been executed. No one will ever know if they are valuable, or if an iteration of these ideas could turn them into something interesting. There is no proof to show if they are feasible or viable. So, the last thing you should do with your idea is to drop it into software where it follows a workflow from A to Z, being passed on from one manager to another. Some people might comment on it, or even leave an upvote. But let's face the truth: I am not a single step closer to better insight on whether the idea is powerful or not, with that indication of support from a co-worker. An expert is judging the raw idea? Well, in most cases you will have a subjective assessment.

**"To me, ideas are worth nothing... unless executed; they are just a multiplier. Execution is worth millions."**

//Steve Jobs

## 1. Be the CEO of Your Idea

Consequently, it is all about execution. That means we cannot drop the idea into software and win badges for the "guy with the most ideas." Intrapreneurship should not be a beauty contest. Rather, submit an idea and follow-up on it thoroughly. Testing business ideas helps to prove the real market need and target audience's willingness to use and pay money for it. Ultimately, you should take ownership and become what we at rready call "the CEO of your idea."

As we all know, the life of a CEO ain't easy. There will be quite a few challenges along the way, but the employees will be rewarded by two achievements: First, they will de-risk their idea. They gather information where the riskiest hypothesis lies, and what next steps should look like. They might also say "no" to their own idea, or transform it based on the data they collected. Second, they will learn. A lot! It

is an exciting journey to validate a raw idea, de-risk the assumptions, and create a compelling story of a problem-solution fit to find a sponsor.

## 2. Implement Validation-focused Funnels

It is pointless to invest in an idea management workflow. You will clearly go on a wild chase over nothing. What brings real value is a tool which helps the employees to execute on ideas, at scale! Scalability is important, because only if the idea funnel is filled, we can be confident to be able to implement one or the other project later on. As a result, a validation-focused funnel that is oriented towards idea execution is needed. In such a funnel, the idea givers are accountable for their actions.

So, what about pushing it onto someone else's table, and he/she executes on it? Let's face the truth. Innovation experts know well that early-stage innovation is less about the idea and much more about the person. If the person has no passion for the idea, or is not experiencing the pain point herself, the effort put into the execution will be minor. Hence, nothing will happen. Additionally, employees are not empowered, and intrinsic motivation for innovation is missing. This is not the way to go if you wish to foster a long-lasting, bottom-up innovation culture.

The KICKBOX platform gives employees the option to not only submit ideas and see how they move through the workflow, but to validate them and push them forward. The gamified physical toolboxes make the journey fun and tangible, while the software component creates not only visibility (and admittedly a workflow) but is also action-oriented. This kind of employee empowerment gives the intrapreneur, a/k/a Kickboxer, the possibility to buy services on a marketplace to drive the idea forward, get actionable knowledge from the e-learning section, or reach out to experts.

As a result, idea management is a hygiene factor. We obviously need to know where the ideas are coming from, and where they are heading to. But the differentiator lies in execution while upskilling the employees.

Ideas are worthless, data-driven validation is key, and execution makes the difference.



**Dave Hengartner**  
rready

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# Corporate IT Teams Aren't Business Builders, But Here are **Three Keys** to Getting Them Working With You

FEATURING SEAN SHEPPARD, MANAGING PARTNER, U+

We want to help corporations innovate successfully — that's our raison d'être, and we do this very well. Our experience working with our clients' in-house software developers has given us deeper insights into their capabilities to build new ventures and enabled us to optimize our collaborations with these teams. Along the way, we've learned that listening to software engineers is as important as listening to customers. Corporate environments tend to limit or restrict product development input from IT teams, so you may need to look outside your organization for resources that can take your innovation from idea to revenue generator.

Corporate IT teams cannot build or create new businesses by design.

That's not as harsh as it sounds. Many, if not most, software engineers have the skills and know-how that enable them to innovate for large organizations. Many even have the start-up mindset that is vital to successful venture-building. However, when we look at the whole rather than its parts, one limitation becomes crystal clear: a corporate tech team is designed to support its organization's business, not to build new ventures.

Your company's internal IT team may be great at supporting internal customers — that is, colleagues and partners — but they're most likely twice removed from your end customers. Their scope of work consists of improving and optimizing platforms, products, systems, and tools for use within your company, like customer relationship management (CRM) or enterprise resource planning (ERP) systems.

**"Your internal IT teams are iterating on an existing working business model rather than supporting an invention."**

//Sean Sheppard, U+ Managing Partner, Americas

So, unlike product owners or business builders, your IT workers deliver to business units, not customers. "If you're an IT team," says Sean, "you're often being asked to, say, customize the CRM, optimize user interfaces, or connect the databases of disparate systems. You're not ideating, experimenting, iterating, validating, and testing with end customers who are actually going to pay your

business to use your product or service."

As their name indicates, business-oriented IT teams focus on solving business problems. Sometimes, the solutions to these problems actually require less technology, but when we're talking about internal support teams, the solution requires more time.

In our experience at U+, these teams typically scope the work and put the solution into their agile development process. Then we come in to collaborate with our clients' internal IT workers.

**"As we're usually facing a business problem, we have to find a solution that creates the simplest path to test our hypothesis about generating more value within a business context."**

//Jan Beránek, U+ Founder and CEO

**"The fundamental flaw is not with the IT teams — they're great at what they're hired to do."**

This is where timescales come into play. These differ considerably between startups and corporations — both look at how much more they can push a potential business to product-market fit within a sprint, but a startup's sprint is one to three weeks, whereas a large organization is typically looking at a three-month sprint.

"Before we start working with our clients," says Sean, "their release schedules are often something like three or four times as infrequent as ours. Sometimes it can be difficult for us to get them to compress these schedules in a way that allows us to progress."

We alluded to this at the top of the article, and we'll say it directly here: the fundamental flaw is not with the IT teams — they're great at what they're hired to do. But if you're a corporate leader who's



Sean Sheppard  
U+

trying to build a new venture within your organization and get the corresponding new business model to take off, you need a team that has the freedom to experiment. Your internal IT team most likely doesn't have that freedom, so you should operate outside of it until you need them to support what you've already validated. "When our clients operate this way," says Sean, "we can move a lot faster, and we get to the truth a lot quicker."

Here are three keys to getting them working with you:

## 1. Why You Need to Innovate, and How to Do It

Regardless of your company's size and successfulness, it must innovate to stay competitive in today's market. Not only are you up against your industry's other Goliaths, but you've also got to contend with its Davids — the small, ambitious, tech-driven startups disrupting your space. This means you need to build your own startup in the form of a business venture or innovation initiative within your company.

**"Innovation is the most important way to grow and protect your market share."**

//Jan Beránek

The revenue creation and cost savings that innovation can bring to your company is colossal, regardless of industry. For example:

**Energy**—AI applications will increase energy efficiency and improve power demand forecasting and flexibility, saving investors \$1.3 trillion over the next 30 years.<sup>1</sup> (Learn more in the U+ report [How AI Can Save the Energy Industry Billions in 2022 and Beyond](#))

**Finance**—Experts predict the fintech market will reach \$324 billion by 2026.<sup>2</sup> (Learn more in the U+ report [State of Fintech 2022](#))

**Automotive**—Analysts estimate the global automotive V2X market will reach \$2.25 billion in 2025.<sup>3</sup> (Learn more in the U+ report [Top Automotive Innovators To Watch List](#)) In his excellent [Failory blog](#) post about startup failures, Kyril Kotashev writes, "a startup is, in essence, a business experiment with potential."<sup>4</sup> To profit from that potential, startups need to test assumptions that are ideally based on market data, and they must account for the riskiness of their assumptions — the more innovative the business, the greater the risk of failure.

Failing early is cheap, failing late is expensive. Therefore, you want your venture-building team to build intelligently so they fail early and iterate quickly. This approach will not only help improve product-market fit, but it will also keep costs down. However, you'll have to increase demand on internal resources that are probably stretched thin. As your innovation initiative is most likely outside your IT team's scope of work, you should look outside your company for the startup-based expertise required to build your new digital business.

A key criterion when vetting any external innovation resource is, of course, its engineering team. Product-minded engineers will do more to help ensure your venture's success than software engineers.

## 2. Corporate Engineers Are Not Allowed to be Product Engineers

We're not generalizing here; many corporate engineers, especially those with a startup background, have the knowledge and skills to be product minded. However, large organizations operate in a way that hinders their IT teams from planning, developing, executing, measuring, and iterating innovations efficiently and effectively. Corporate software engineers traditionally complete assigned work and aren't expected to come up with solutions to customer problems.

**"In a large organization's highly structured environment, engineers are typically two or three layers removed from product decisions that get cascaded down to them."**

//Jamie Morgon, U+ Head of Scrum

With some exceptions, a corporate setting is not conducive to successful innovation. "Usually, along the way," says Jamie, "each individual manager that touches a product is going to put their own little spin on it, and their own agenda, and what their team can bring to the table. So quite often you start off with a recipe and then people touch it and fiddle with it, and what you get at the end of it is very often not quite what you need. The actual problem has been very often changed and diluted and reinterpreted. It can be a strength, like if you have a lot of people looking at it and touching it. Sometimes it can go very well, but the challenges of designing by committee are well established."

A corporation that wants to create and support effective and efficient product-oriented IT teams will most likely need to undergo a major organizational overhaul. This could easily impact the company's core business to the point where the costs of shifting to a product engineering mindset far outweigh the benefits.

A 2020 PMI survey revealed that 56 percent of projects use the [Waterfall development methodology](#) compared to 22 percent that use the Agile approach. It's not too much of a stretch to see the correlation between this statistic and the corporate innovation failure rate.

**"Large corporations traditionally create software in a very waterfall fashion. This means they plan a product for two years, build for two more years, then test it. By the time their product meets all specs, it's usually beyond obsolete."**

//Jakub Kovář, U+ CTO

## 3. How to Help your Corporate IT Team Innovate

Solving the corporate innovation problem internally requires considerable change that is most likely unsustainable in the context of a large organization. Nevertheless, Sean Sheppard believes that larger organizations have a distinct advantage over startups. "While we all see a lot of wonderful disruptive technologies come out of the startup world," says Sean, "Large organizations would generally have the same opportunity to disrupt themselves and their industries if they just had the right stage-relevant teams to execute on these concepts and ideas, because they have the subject matter expertise. They have the brand, they have the customers, they have the resources, and they have the ecosystem, but what they typically lack are the right teams organized in the right way to actually execute against these things."

So instead of trying to turn your corporate IT team into a startup IT team, you can partner them with external product engineers that can build and iterate on new ventures. Once your product is delivering real value to your customers, your partner should be ready to hand the project off to your internal engineers.

**“We intelligently design the handoff in a way that doesn’t impact either side of the business. It doesn’t have to be all at once — sometimes it makes sense for it to be all at once, and sometimes it doesn’t.”**

//Sean Sheppard

Above all else, bear in mind that your customers sit at the head of your innovation table. As important as product engineers’ voices may be, your product should solve customer problems. Ideally, you have data that validates these problems, but if you’re working with assumptions to get your product off the ground, you’ll need to run tests quickly and cheaply. The [Startup Graveyard](#) is full of ventures that grew out of their founders’ gut feelings.

**“Start listening to your users. Start prototyping. Start testing. Make sure you’re focusing on what is bringing value, rather than just developing something for the novelty of it.”**

//Jakub Kovář

Finally, your innovation projects will benefit from results-oriented engineers. “The basic thing you need to do in order to do what we at U+ do well is remove people from being given tasks and

try to give them outcomes,” says Jamie Morgon, “Inevitably, there will be tasks in any team, but you want to try and put a problem in front of the dev team — it doesn’t have to be just developers, it can be, say, designers — and tell them, ‘Hey we need to solve this.’ Then you give them the support that they need to go and do it. That isn’t unique to all startups but it’s very common in successful ones.”

## **U+ Can Help Your Company Become a Leading Innovator**

The U+ Method can successfully lead the development, implementation, and improvement of digital innovations in any industry, from fintech through automotive to health care. U+ takes a sector-agnostic approach to venture-building — specific products and markets matter less than the high-level process of taking a business somewhere new.

To date, we have used this method to bring more than 90 innovative ideas and products to market, creating over \$1 billion in value for Fortune 1000 companies.

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Learn more about U+ at [www.u.plus](http://www.u.plus).

### Footnotes

1 Seb Henbest et al., *New Energy Outlook 2021*, BloombergNEF

2 Carlos Dafaucé & Lourdes Lopez, *A View of Fintech Trends Post COVID*, Boyden

3 The Business Research Company, *Automotive V2X Global Market Report 2021: COVID-19 Growth And Change*, December 2021

4 Kyryl Kotashev, *Startup Failure Rate: How Many Startups Fail and Why?*, Failory Blog, January 2022

# Eight Pillars of Innovation Culture

BY JACK SELMAN, HEAD OF OPERATIONS & DELIVERY, EDISON365

No matter their size or industry, one key factor unites organizations that are successful at making innovation part of their everyday lives — culture. If you'd like to join them, here are eight areas you need to consider.

## 1. People/Champions

People are your most important asset. Each member of your organization holds a unique set of experiences. They are your competitive advantage; so, the empowerment of those people is crucial. Regardless of rank, each member of your organization must feel like they are not only permitted but encouraged to drive change.

People are also the roots of your innovative culture; the more roots you have, and the stronger they are, the better position you are in to resist external pressures and forces that threaten your efforts.

## 2. Process

There is a common misconception around innovation: that it is often sporadic, infrequent, and seemingly without cause or reason. But real innovation happens when it is structured. You must strike a balance between rigor and flexibility, science and creativity. It must be flexible enough to meet the ever-changing needs of your business, but consistent enough that credibility and trust are built.

Your innovation process should also be transparent. Be clear and talk with those involved about what they need to do, when they need to do it, and how they will do it.

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**“An intern on their very first day at work has just as much to contribute to ideation as your CEO.”**

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## 3. Divergence

Do your teams have the skills to look at challenges and opportunities from multiple perspectives? Maybe, maybe not. Regardless, you

need to constantly challenge yourself and any potential bias that may come into play here. Make sure you bring in a wide range of people with different levels of experience, skills, knowledge, and training. An intern on their very first day at work has just as much to contribute to ideation as your CEO — so don't waste the opportunity to leverage and combine different perspectives. What about your offline communities? This collection of experts have a wealth of hands-on experience to offer; and it's important to involve them even if engagement here presents a challenge in its own right.

## 4. Open Innovation Model

Why stop at internal teams? Your wider network of suppliers, vendors, alliance / joint venture partners, academics, and research facilities should be involved too. Pull innovation up through the supply chain and into your ecosystem to further diversify the process and develop novel solutions to your business problems.

## 5. “The Carrot”

How will you reward your teams for their input? How will you recognize those who are helping your organization strive towards success? Have fun with it! Be different, be creative. Live and breathe your innovative values of divergence and shake things up a little.

Maslow's Hierarchy of Needs frames this idea very well. In essence, we simple humans are motivated to “fulfill basic needs before moving onto other, more advanced needs.” Financial rewards largely address our safety needs — which are important, but sit low in the hierarchy and won't be addressed with an Amazon gift voucher (as lovely as they are).

Why not satisfy your teams' needs for appreciation, respect, and status? A message of appreciation goes a very long way. Addressing this need also provides you with some creative options; why not get your executive team involved to write letters of commendation to your key innovators? How about lunch with the CEO as a token of appreciation?

Finally, think about how recognition ties into your desired outcomes. It's not always so simple as rewarding the people with the most ideas. It takes a range of skills to create a culture of innovation. How about that innovation champion who always creates a healthy and challenging debate? Even if they submit no ideas of their own, they lead by example and deserve to be recognized.



**Jack Selman**  
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## 6. Legendary Leadership

For many, innovating is scary. Without a team of leaders that also show they're doing the same thing, many employees may be a little put off by the prospect of posting their ideas across a large network of strangers. So, get your leadership involved; capture their ideas, involve them in the decision-making process, bring them along to trials; be visible and truly sponsor this change.

It's also important to remember that engagement from the leadership should be consistent, to mitigate the natural cycle of effort and engagement that every business faces. As an innovation team, you can guide your leaders by setting clear expectations around communications, inputs, and needs.

## 7. Appetite for Risk

This one's related to the last point; you need to develop an environment where risk is treated a little differently. Your teams should be comfortable in accepting and working with degrees of ambiguity.

So, to really get people into this mindset, you need to think about how you set up an emotional, mental, and professional safety net.

Leadership can provide this comfort by taking an active role in innovation. Taking shared responsibility for ideation and execution can also help here. Even a dedicated, small budget can help take the pressure off teams who are concerned with utilizing their contract codes or team resources on projects that may not deliver the outputs expected.

## 8. Tenacity

Innovation is a blend of art, science, and luck. Capture the problem, propose a solution. Formalize your hypothesis, state your assumptions for test variables. You need to test in controlled conditions so you can validate the outcomes against your initial hypothesis. Failed? Look at the assumptions — which can we tweak to change the outcome? Go for round two. Keep going until you succeed. Don't give up. Why? Heart surgery was considered impossible until 1896. Now, look where we are!

## Summary

There's a lot to consider when creating and maintaining a culture of innovation. The seeds that you must sow take time, patience, care, and attention to nurture. They start off small and vulnerable, so they need your protection and vision to proliferate. By setting strong roots with these key pillars, these seeds will grow into strong, organic supports that underpin a transformative organization.

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