

INNOVATION STEPS ANY ORGANIZATION CAN PUT INTO ACTION

FEBRUARY 23
Webinar starts at noon CT

CONTINUING EDUCATION CREDITS AVAILABLE

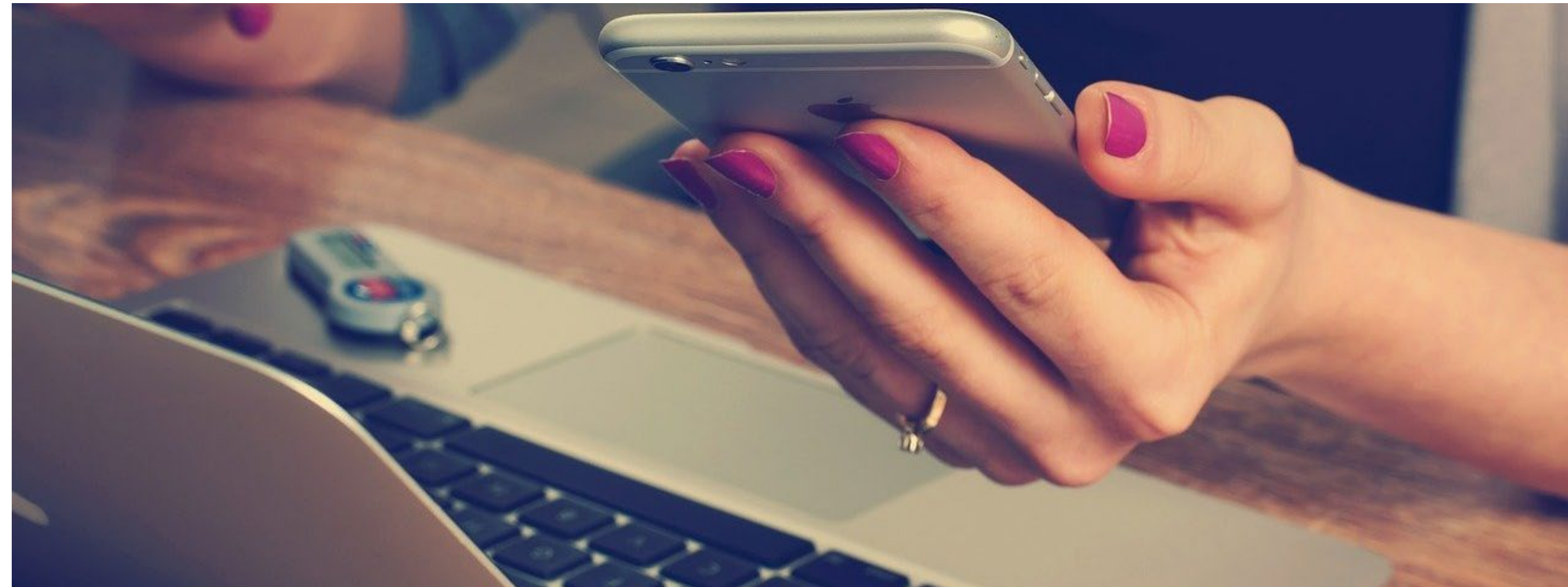
Please answer at least three polling questions.



RECORDING & SLIDES
WILL BE AVAILABLE



FOR BEST AUDIO QUALITY,
CALL IN BY PHONE



QUESTIONS? ASK AWAY!



DON'T FORGET OUR SURVEY





DANIEL WHITE

DANIEL HELPS ORGANIZATIONS WITH THEIR STRATEGIC AND OPERATIONAL PLANNING, LEADERSHIP DEVELOPMENT, AND EMPLOYEE ENGAGEMENT EFFORTS.

WORKS WITH COMPANIES IN CONSTRUCTION, HEALTHCARE, MANUFACTURING, BANKING, NOT-FOR-PROFIT, AND GOVERNMENT INDUSTRIES.

PUBLISHED IN FAST COMPANY AND SEVERAL ACADEMIC JOURNALS. PRESENTED AT A NUMBER OF NATIONAL CONFERENCES.

TODAY'S LEARNING OBJECTIVES

1

Learn to think differently about your business

2

Understand proven techniques for creative innovation in business

3

Practice applying tools to real-life situations



POLLING QUESTION #1


CONTEXT





“NEITHER REDBOX
NOR **NETFLIX** ARE
EVEN ON THE
RADAR SCREEN
IN TERMS OF
COMPETITION.”

Jim Keyes,
Blockbuster CEO

A night cityscape with a network overlay. The background shows a city skyline at night with many lit-up buildings. Overlaid on this is a blue, glowing network of dots connected by lines, forming a dome-like shape over the city.

COMPANIES OF THE FUTURE

1

Listen

Be in tune with changing customer demand

2

Meet demand

Maximize their current products & services

3

Nimble

Be able to adjust quickly (“pivot”)

4

Create

Develop new products & services

POLLING QUESTION #2

HOW TO INNOVATE

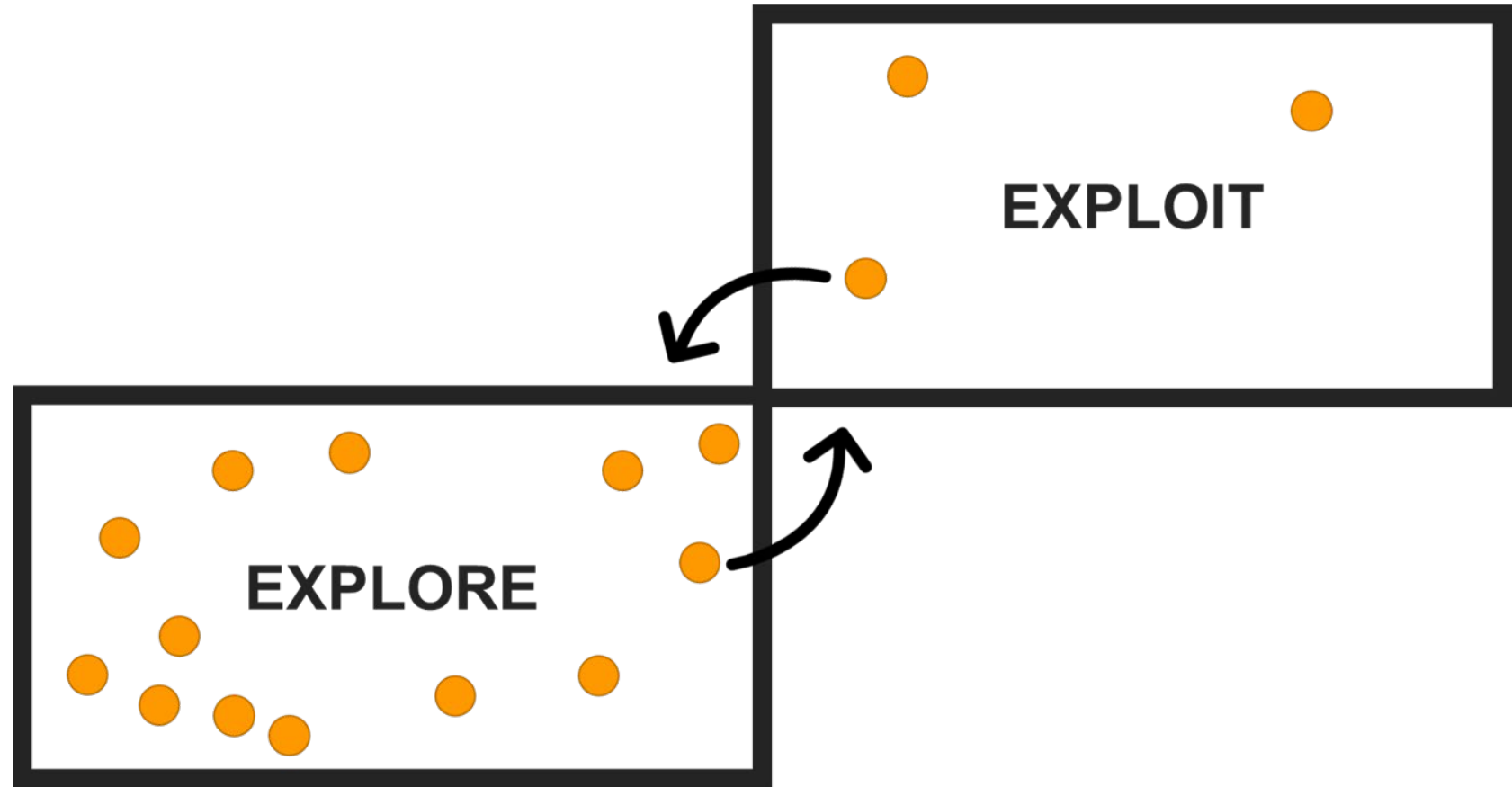


CREATIVITY INVOLVES
BREAKING OUT OF
ESTABLISHED PATTERNS IN
ORDER TO LOOK AT THINGS
IN A DIFFERENT WAY.

-Edward de Bono



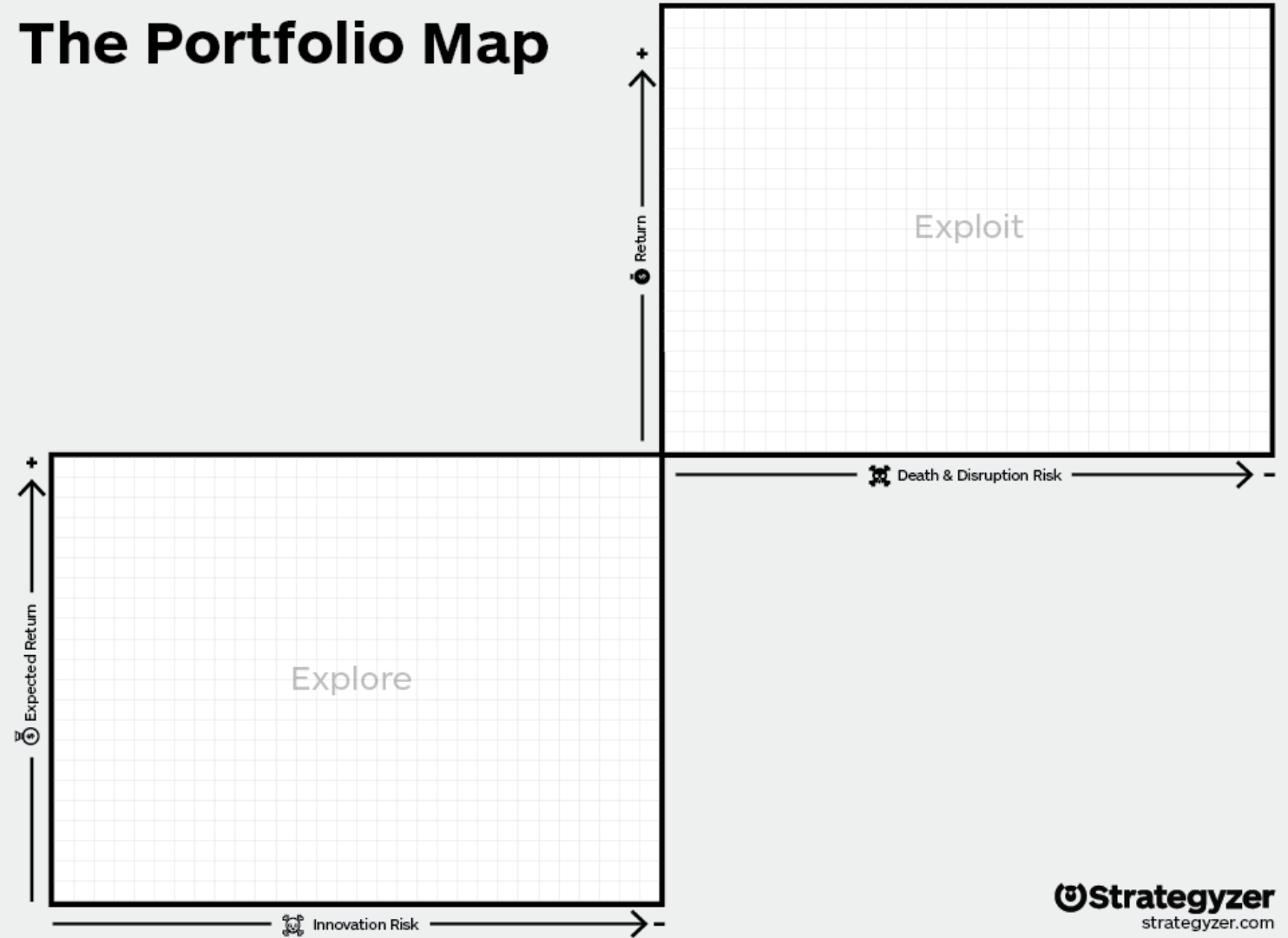
EXPLOIT VERSUS EXPLORE



THE PORTFOLIO MAP

Source: strategyzer.com

The Portfolio Map



POLLING QUESTION #3



HOW?

How can you improve your existing products & services?

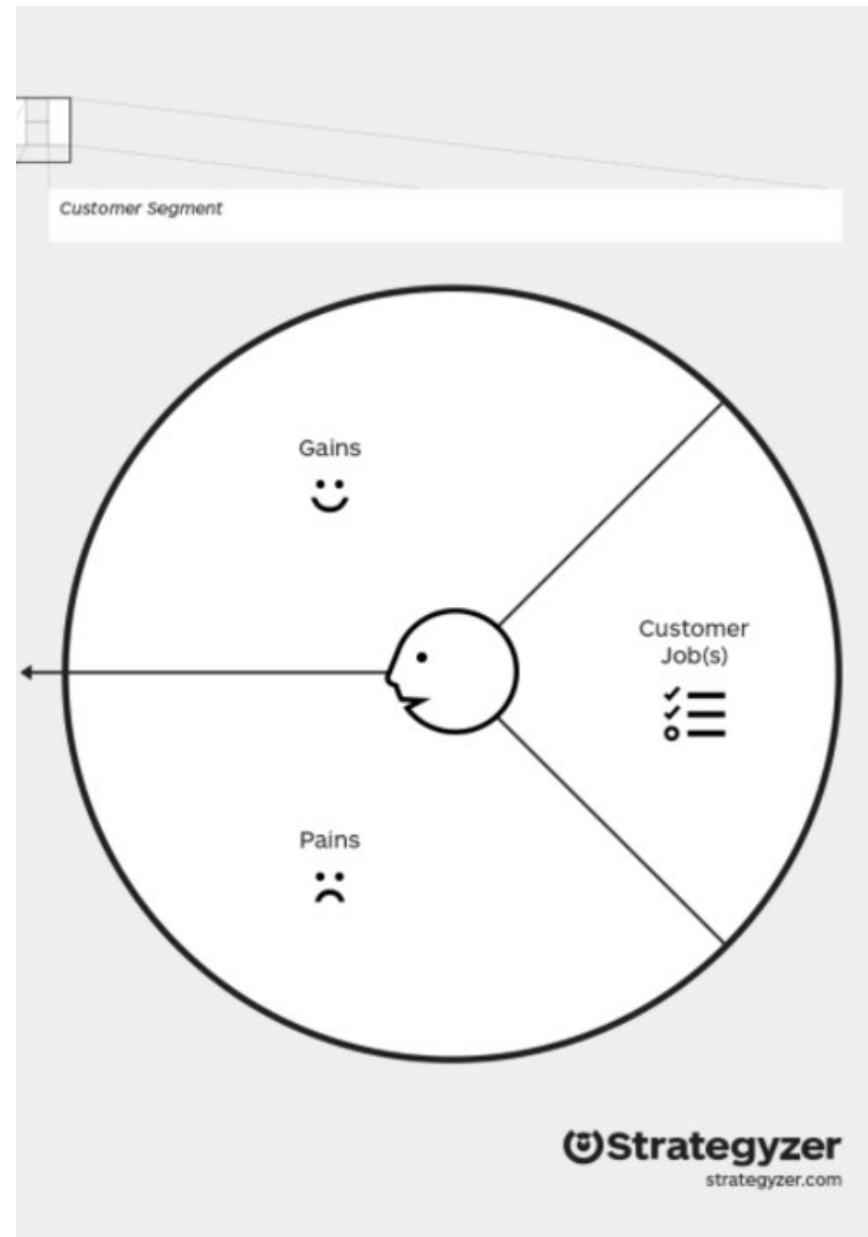
How can you explore new products & services?

THE PROCESS

THINK
OUTSIDE
THE BOX

KNOW YOUR CUSTOMER

Source: strategyzer.com



WAYS TO KNOW YOUR CUSTOMER BETTER



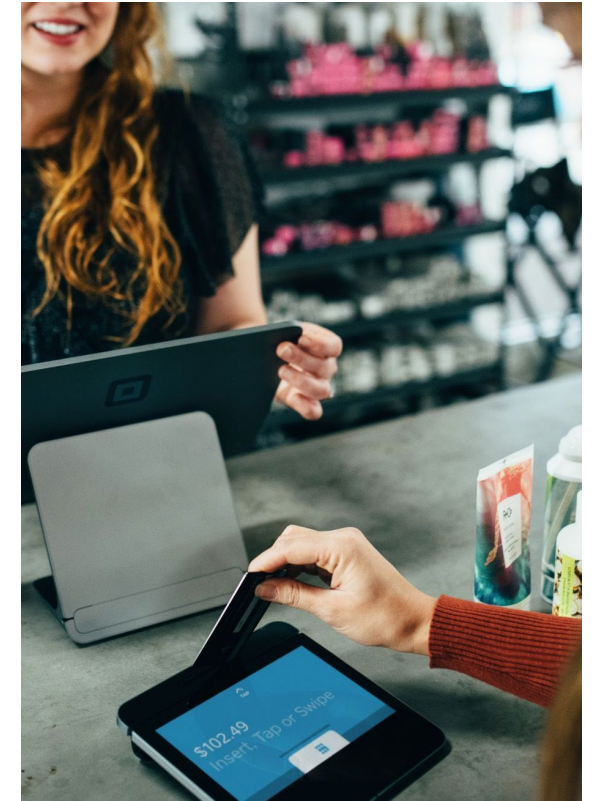
Customer interviews



Customer surveys



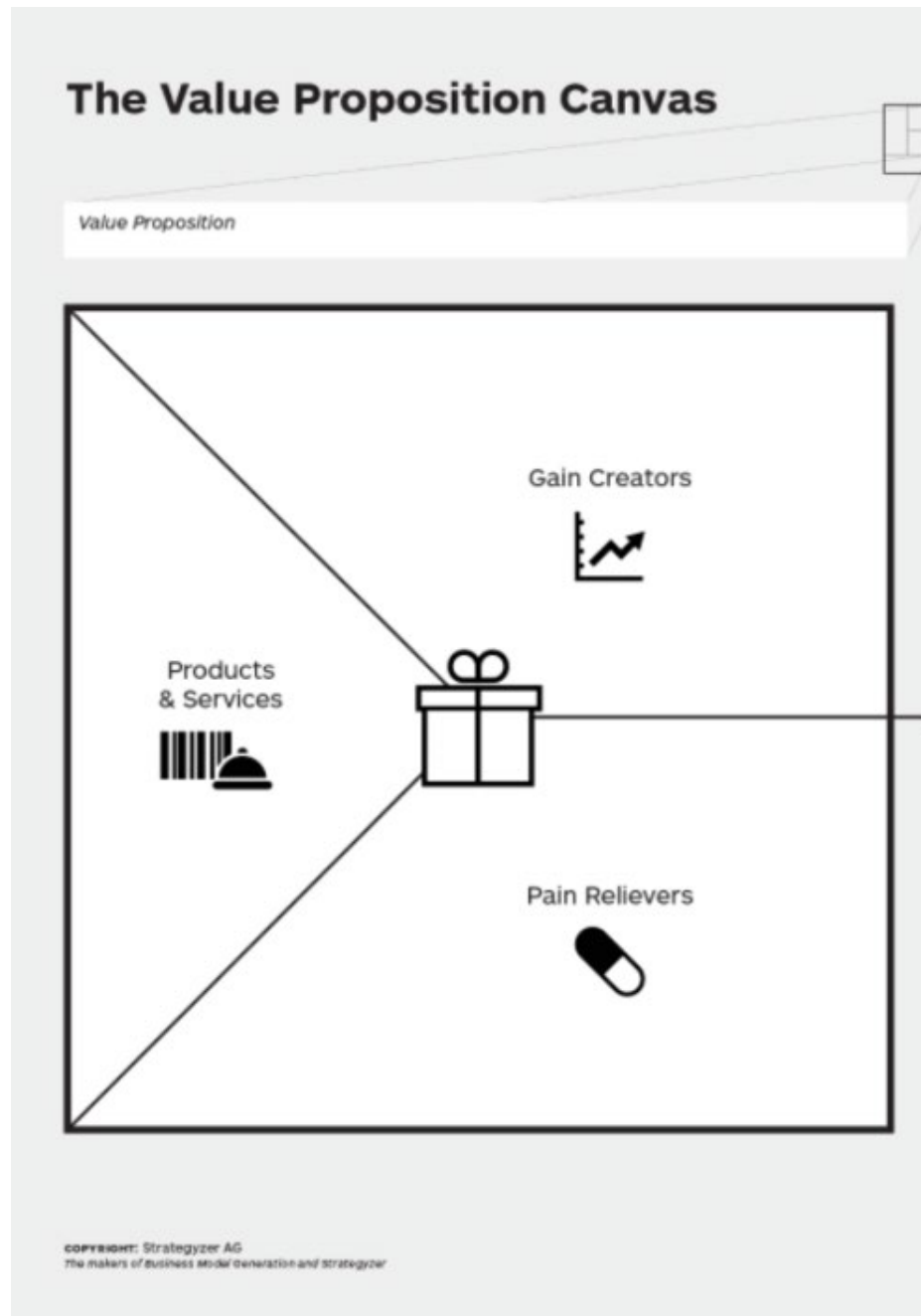
Data mining



Shadow your customer

KNOW YOUR VALUE PROPOSITION

Source: strategyzer.com



GENERATE IDEAS



Improve existing products & services



New products & services



Changes to business model










BUSINESS MODEL CANVAS

Source:
businessmodelgeneration.com

The Business Model Canvas

Designed for: _____ Designed by: _____


On: _____ Iteration: **1**

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 		Revenue Streams 		

www.businessmodelgeneration.com

Yellow denotes current items, **Blue** denotes future items, **Pink** denotes sub-points

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IDENTIFY YOUR HYPOTHESES



In order for this to be **successful**, what must be **true**?



What is the **fastest**, **cheapest** way we can **test** this hypothesis?

MINIMUM VIABLE PRODUCT (MVP)




A product with just enough features to satisfy early customers and to provide feedback for future product development.

TESTING THE HYPOTHESIS

Source: strategyzer.com




Test Card



Test Name	Deadline
Assigned to	Duration







STEP 1: HYPOTHESIS

We believe that

Critical:   




STEP 2: TEST

To verify that, we will

Test Cost:    Data Reliability:   

STEP 3: METRIC

And measure

Time Required:   

STEP 4: CRITERIA

We are right if

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SHIFT YOUR MINDSET

FAILURE IS OKAY.

SHIFT YOUR ATTITUDE AND CULTURE
TO ENCOURAGE EXPERIMENTATION.



HOW TO SHIFT YOUR MINDSET

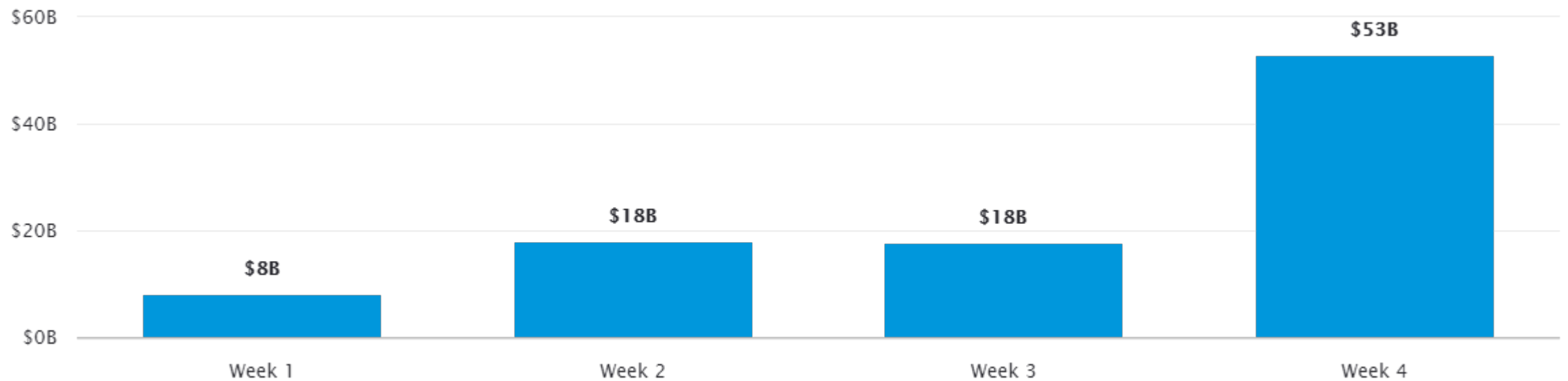
CHANGE YOUR LANGUAGE.

LOOK AT YOUR REWARD SYSTEM.

GO FIRST.

METERED FUNDING

Source: [openthebooks.com](https://www.openthebooks.com)



Federal agency spend:
Use-it-or-lose-it spending by week in Sept. FY2018



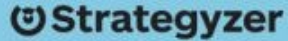
METERED FUNDING

- 1 Clear goals and milestones
- 2 Given specified amount
- 3 Little to no day-to-day oversight
- 4 No more funding unless goals are met

LEARN & MAKE DECISIONS

Source: strategyzer.com

Learning Card






STEP 1: HYPOTHESIS

We believed that

STEP 2: OBSERVATION

We observed

Data Reliability:



STEP 3: LEARNINGS AND INSIGHTS

From that we learned that

Action Required:

☒☒☒

STEP 4: DECISIONS AND ACTIONS

Therefore, we will

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LEARN & MAKE DECISIONS

1

Re-test the hypothesis

2

Shelve the proposed change

3

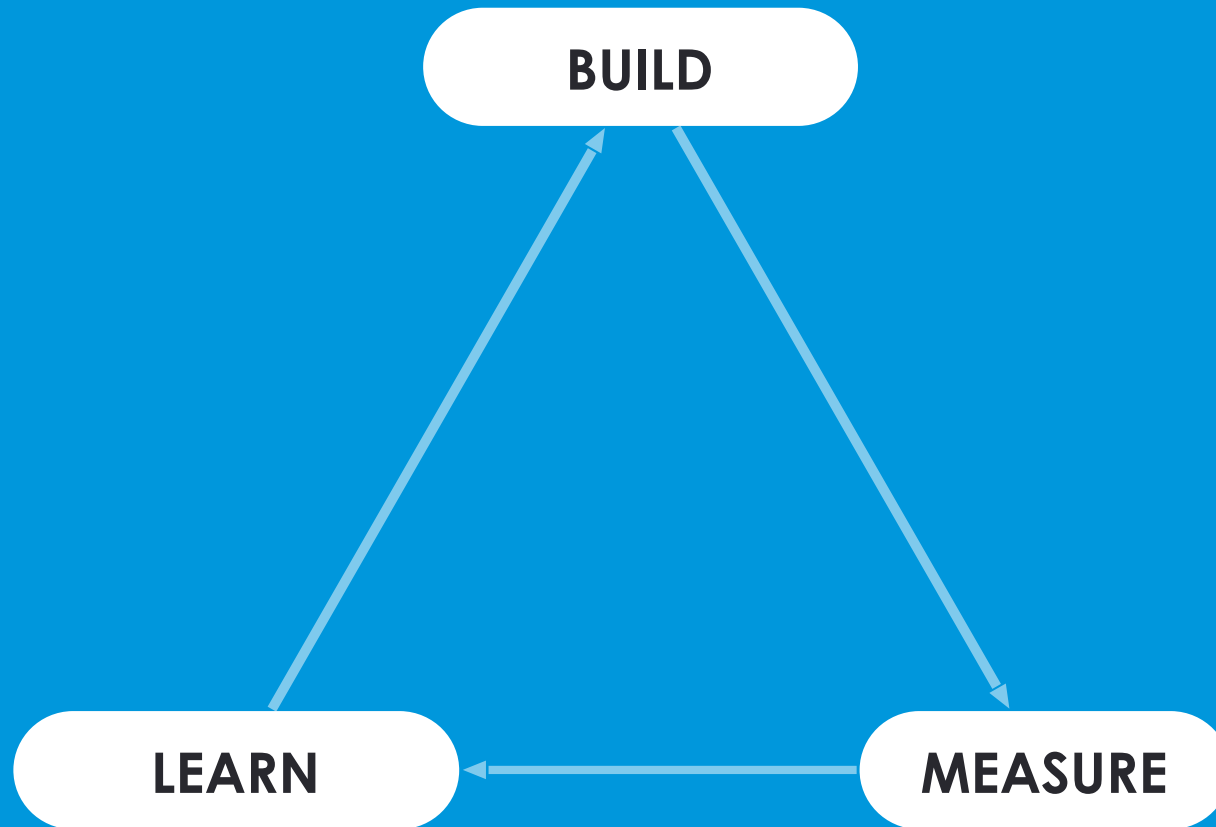
Persevere with the change

4

Pivot to something different



REPEAT & TRACK



REPEAT & TRACK

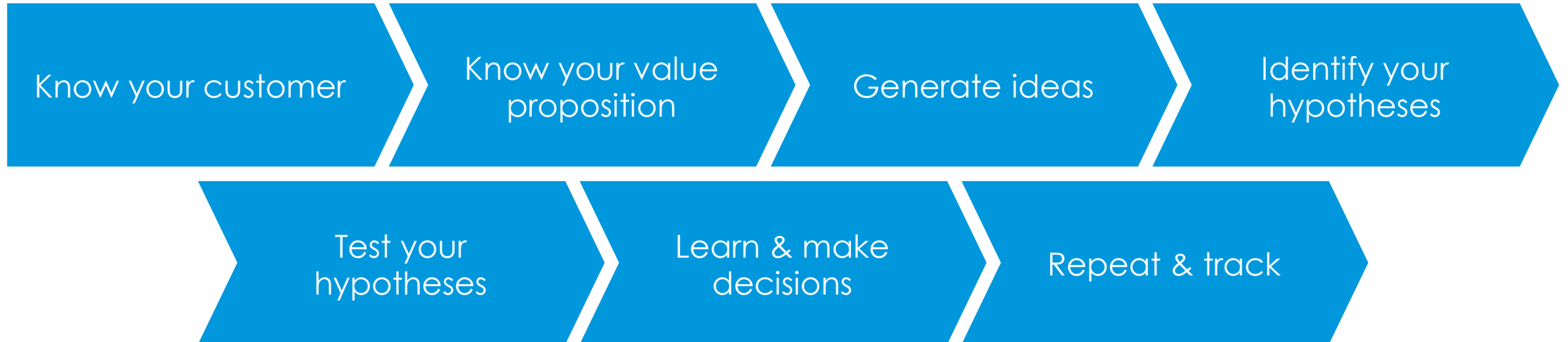
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Contact me for the template!

Hypothesis Testing Log

	Hypothesis	Experiment	Learning	Action		
				Support / Unclear / Refute	Confidence Level (1-10)	Pivot / Shelve / Persevere / Test Again
1)	We believe people will buy shoes online	<u>Experiment:</u> Landing page	<u>Evidence:</u> 15%	Support	7.5	Persevere
		<u>Measure:</u> % of clicks on "Buy Shoes" button	<u>Evidence Strength:</u> High			
		<u>Success:</u> % of clicks on "Buy Shoes" button > 10% of visitors	<u>Number of data points:</u> 10,000+			
		<u>Cost:</u> \$200	<u>Resulting evaluation quality:</u> Strong			
2)		<u>Experiment:</u>	<u>Evidence:</u>			
		<u>Measure:</u>	<u>Evidence Strength:</u>			
		<u>Success:</u>	<u>Number of data points:</u>			
		<u>Cost:</u>	<u>Resulting evaluation quality:</u>			
3)		<u>Experiment:</u>	<u>Evidence:</u>			
		<u>Measure:</u>	<u>Evidence Strength:</u>			
		<u>Success:</u>	<u>Number of data points:</u>			
		<u>Cost:</u>	<u>Resulting evaluation quality:</u>			
4)		<u>Experiment:</u>	<u>Evidence:</u>			
		<u>Measure:</u>	<u>Evidence Strength:</u>			
		<u>Success:</u>	<u>Number of data points:</u>			
		<u>Cost:</u>	<u>Resulting evaluation quality:</u>			
5)		<u>Experiment:</u>	<u>Evidence:</u>			
		<u>Measure:</u>	<u>Evidence Strength:</u>			
		<u>Success:</u>	<u>Number of data points:</u>			
		<u>Cost:</u>	<u>Resulting evaluation quality:</u>			
6)		<u>Experiment:</u>	<u>Evidence:</u>			
		<u>Measure:</u>	<u>Evidence Strength:</u>			
		<u>Success:</u>	<u>Number of data points:</u>			
		<u>Cost:</u>	<u>Resulting evaluation quality:</u>			

PROCESS OVERVIEW



POLLING QUESTION #4



CASE STUDY

ACME MANUFACTURING



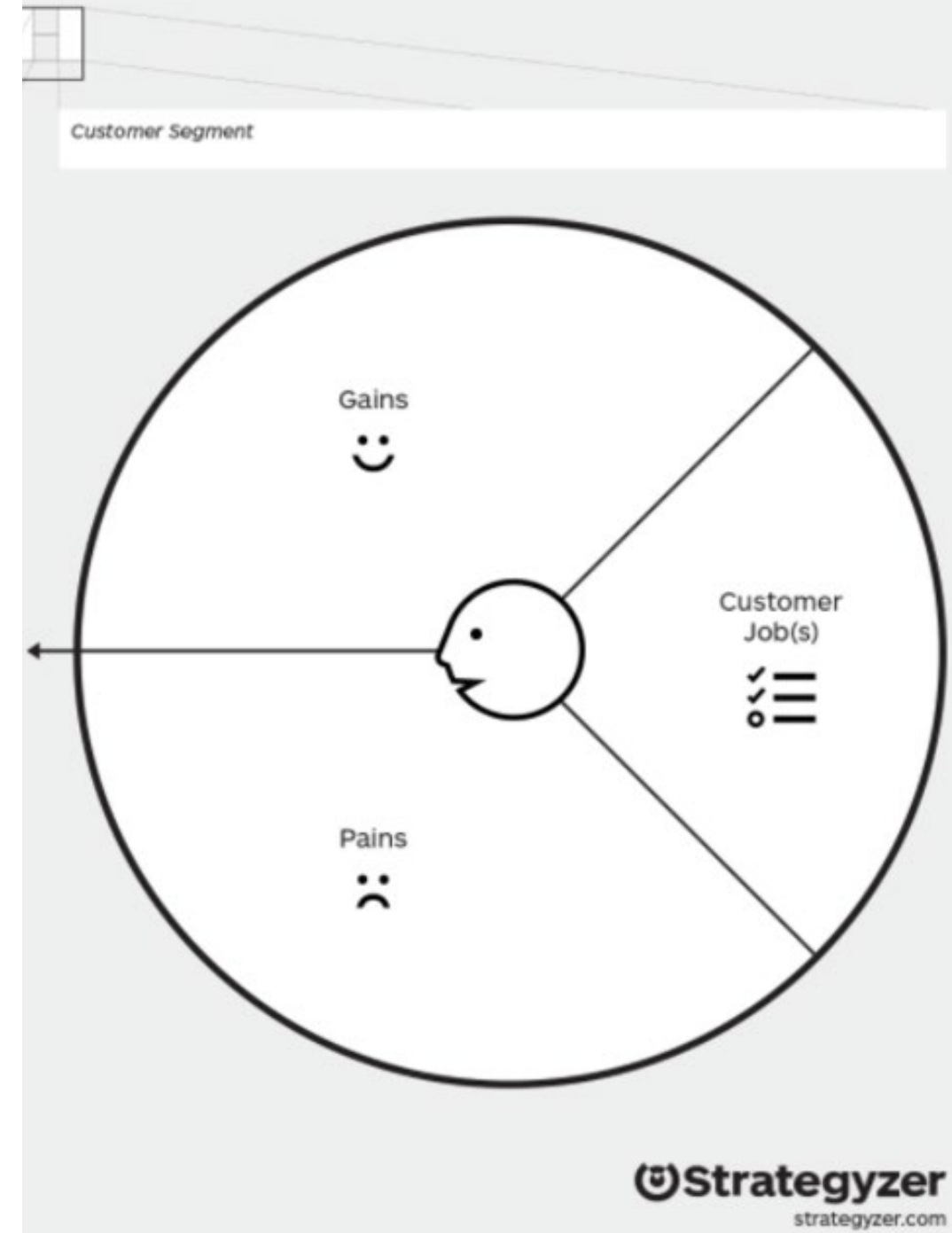
KNOW YOUR CUSTOMER

- Year: 2021
- Context:
 - Continuing world-wide pandemic
 - Mask use will continue to be a need for the foreseeable future



KNOW YOUR CUSTOMER

- Jobs
 - Not getting COVID
- Gains
 - Safe
 - Comfortable
 - Cheap
- Pains
 - Glasses fogging up
 - Can't see others' faces
 - Must wear it all day

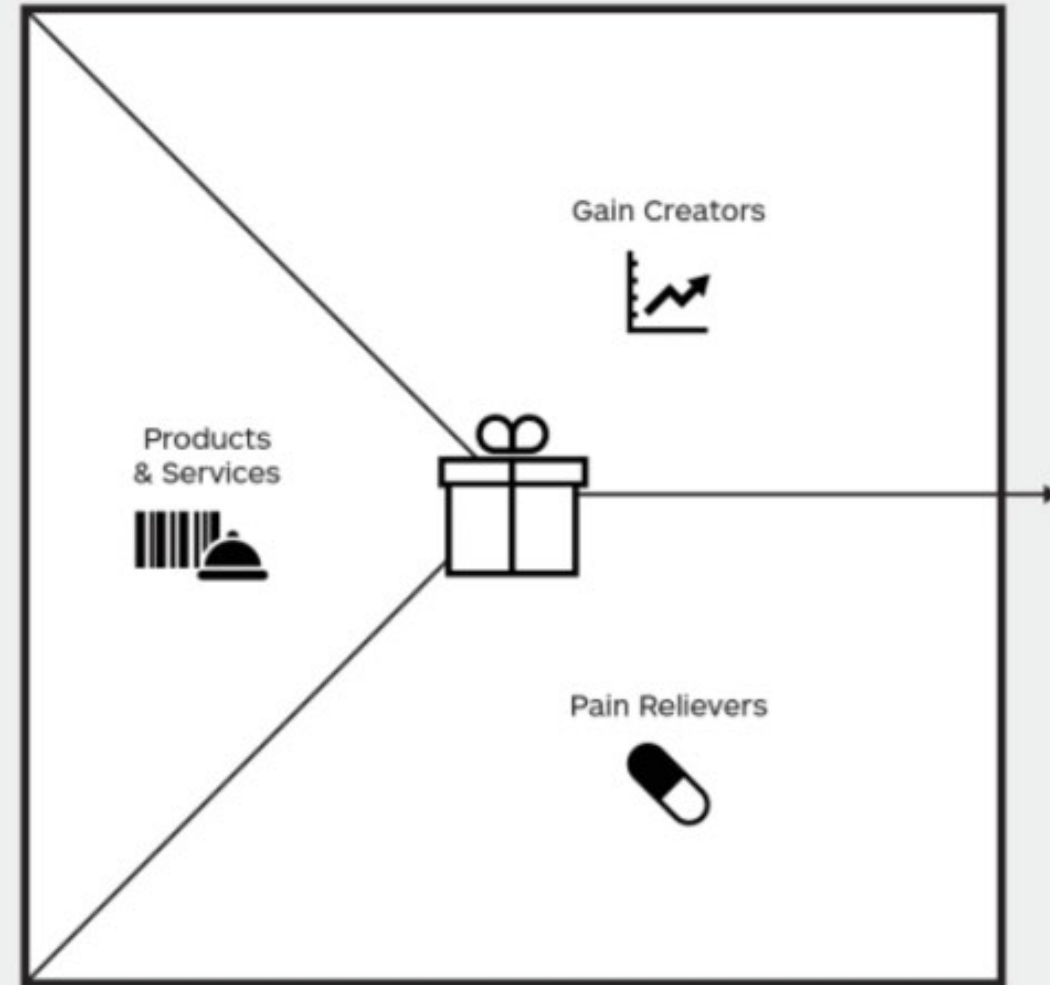


KNOW YOUR (CURRENT) VALUE PROPOSITION

- Product
 - Masks
- Gain creator
 - Cheap
 - Relatively safe
- Pain reliever
 - [Don't have any...]

The Value Proposition Canvas

Value Proposition



GENERATE IDEAS

A collage of various patterned fabrics and a ruler, suggesting a sewing or crafting project. The fabrics include a blue floral pattern, a green and brown floral pattern, a blue and white floral pattern, and a yellow fabric with dark blue polka dots. A red ruler is visible in the bottom right corner. The background is a dark green surface with a yellow grid pattern.

COMFORT MASKS

(SUPER COMFORTABLE MASKS)

IDENTIFY YOUR HYPOTHESES

“IN ORDER FOR THIS TO BE SUCCESSFUL,
WHAT MUST BE TRUE?”

1 The new masks are comfortable

2 The material is safe

3 People will pay more for a very comfortable mask

4 The mask will look good



TEST YOUR **HYPOTHESES.**

“WHAT IS THE **FASTEST**,
CHEAPEST WAY THAT WE
CAN **TEST** THIS HYPOTHESIS?”

MINIMUM VIABLE PRODUCT

HYPOTHESIS: THE NEW MASKS
ARE COMFORTABLE.

Create 25 prototype masks
with our proposed material

Have 25 retail workers wear
a mask for their shift

Interview workers for
feedback

Test Card



Test Name

Deadline

Assigned to

Duration

STEP 1: HYPOTHESIS

We believe that the masks will be comfortable

Critical:



STEP 2: TEST

To verify that, we will create 25 prototype masks

Test Cost:



Data Reliability:



STEP 3: METRIC

And measure satisfaction of retail workers

Time Required:



STEP 4: CRITERIA

We are right if a Net Promoter Score of 50+

METERED FUNDING

**\$250 for creation of masks;
\$500 for gift cards**

Funding for MVP


1 week of funding

Can't take the check back, but
nothing is promised.



LEARN & MAKE DECISIONS

Learning Card




Insight Name

Date of Learning


Person Responsible

STEP 1: HYPOTHESIS
We believed that the masks would be comfortable

STEP 2: OBSERVATION
We observed Net Promoter Score of 65

Data Reliability:


STEP 3: LEARNINGS AND INSIGHTS
From that we learned that the masks are comfortable

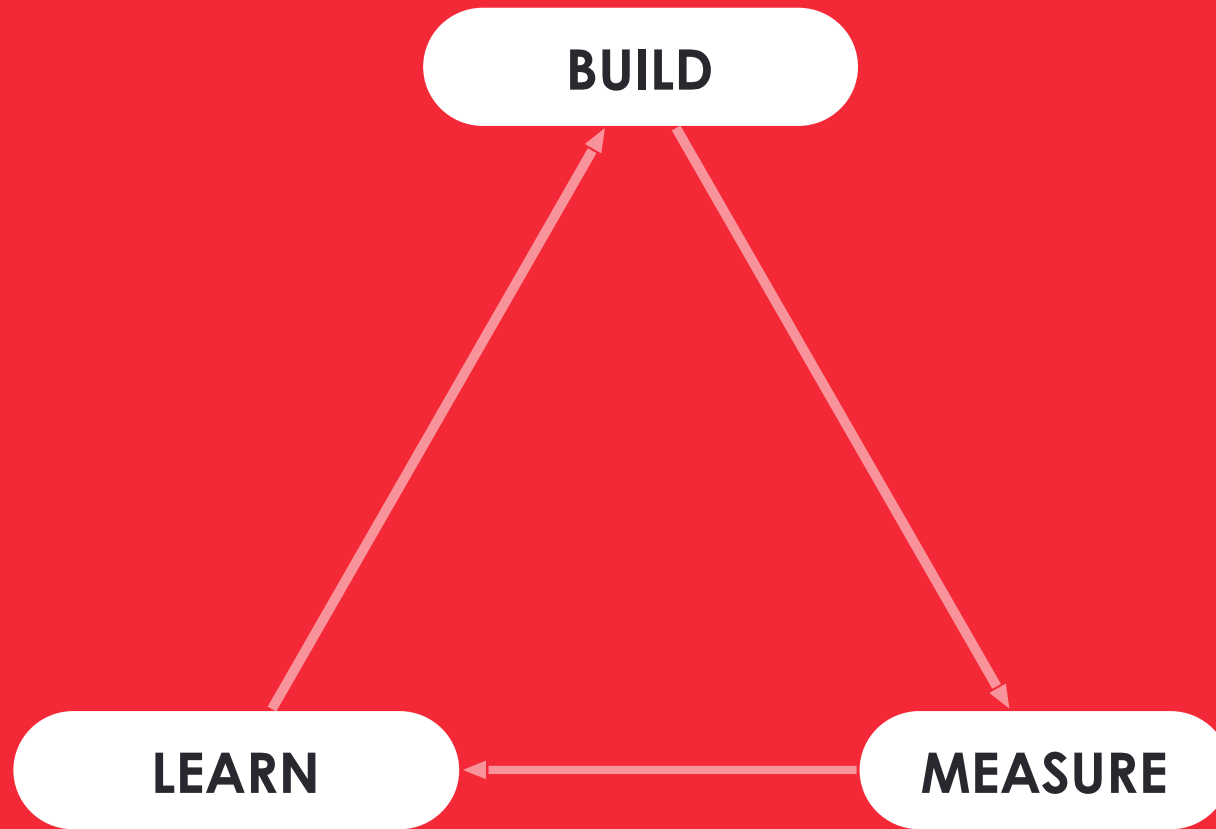
Action Required:


STEP 4: DECISIONS AND ACTIONS
Therefore, we will use this mask material.

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REPEAT & TRACK



MINIMUM VIABLE PRODUCT (MVP)

Hypothesis: The mask will look good.



Create three mask designs
and create prototypes



Take pictures of the three
designs on a volunteer
model



Create online survey and
have the targeted customer
segment vote

TEST OUR HYPOTHESIS

Test Card

@Strategyzer

Test Name

Deadline

Assigned to

Duration

STEP 1: HYPOTHESIS

We believe that the masks will look good

Critical:



STEP 2: TEST

To verify that, we will create three mask designs

Test Cost:

Data Reliability:



STEP 3: METRIC

And measure satisfaction of look of retail workers

Time Required:



STEP 4: CRITERIA

We are right if one design will have a Net Promoter Score of 50+

METERED FUNDING

1 \$500 for design and construction

2 \$250 for survey set up

3 \$1,000 for incentives

4 2 weeks



LEARN & MAKE DECISIONS

Learning Card

@Strategyzer

Insight Name

Date of Learning

Person Responsible

STEP 1: HYPOTHESIS

We believed that the masks would look good

STEP 2: OBSERVATION

We observed Net Promoter Score for Design 2 of 54

Data Reliability:



STEP 3: LEARNINGS AND INSIGHTS

From that we learned that Design 2 looks good and is the best design

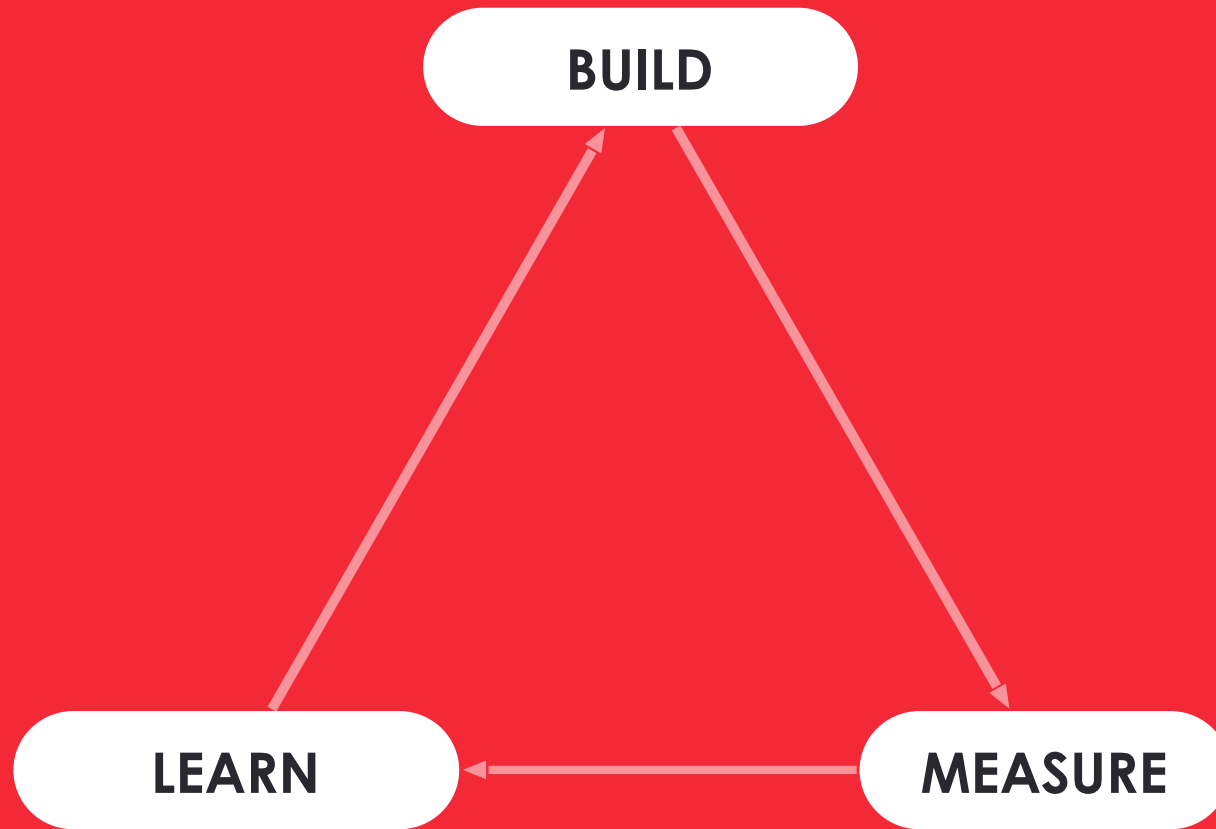
Action Required:



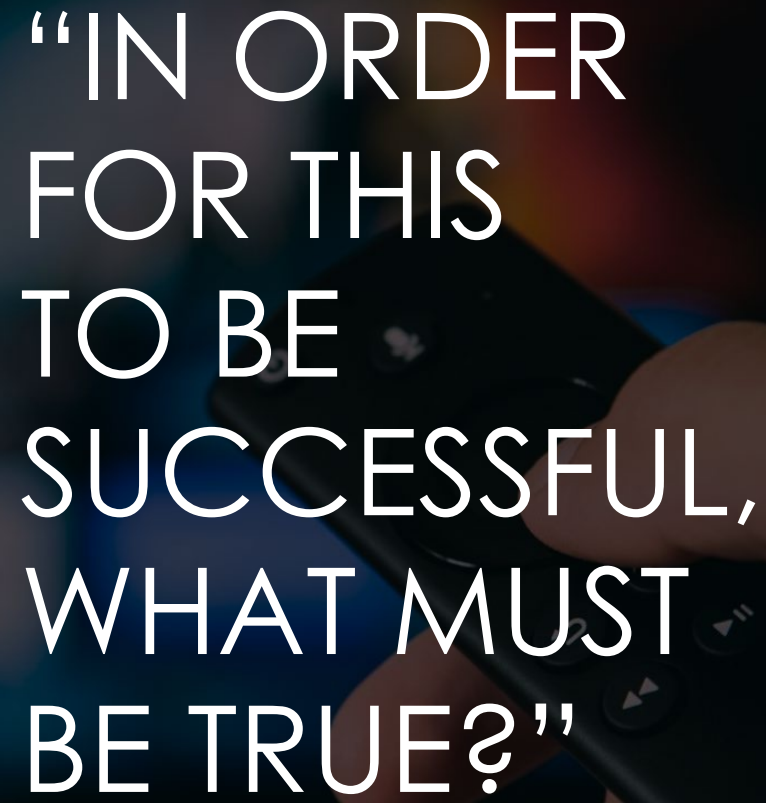
STEP 4: DECISIONS AND ACTIONS

Therefore, we will use Design 2

REPEAT & TRACK



ADDITIONAL HYPOTHESES



“IN ORDER
FOR THIS
TO BE
SUCCESSFUL,
WHAT MUST
BE TRUE?”

- 1 People will pay more for comfortable masks
- 2 People want multiple colors and designs
- 3 People will buy more masks this far into the pandemic

LEARN & MAKE DECISIONS

The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year

Iteration: 1

Key Partners



Key Activities



Value Propositions



Comfortable

Looks good

Customer Relationships



Customer Segments



Retailers

Hospitals

Medical
staff

Key Resources



Channels



Web

Stores

B2B

Cost Structure



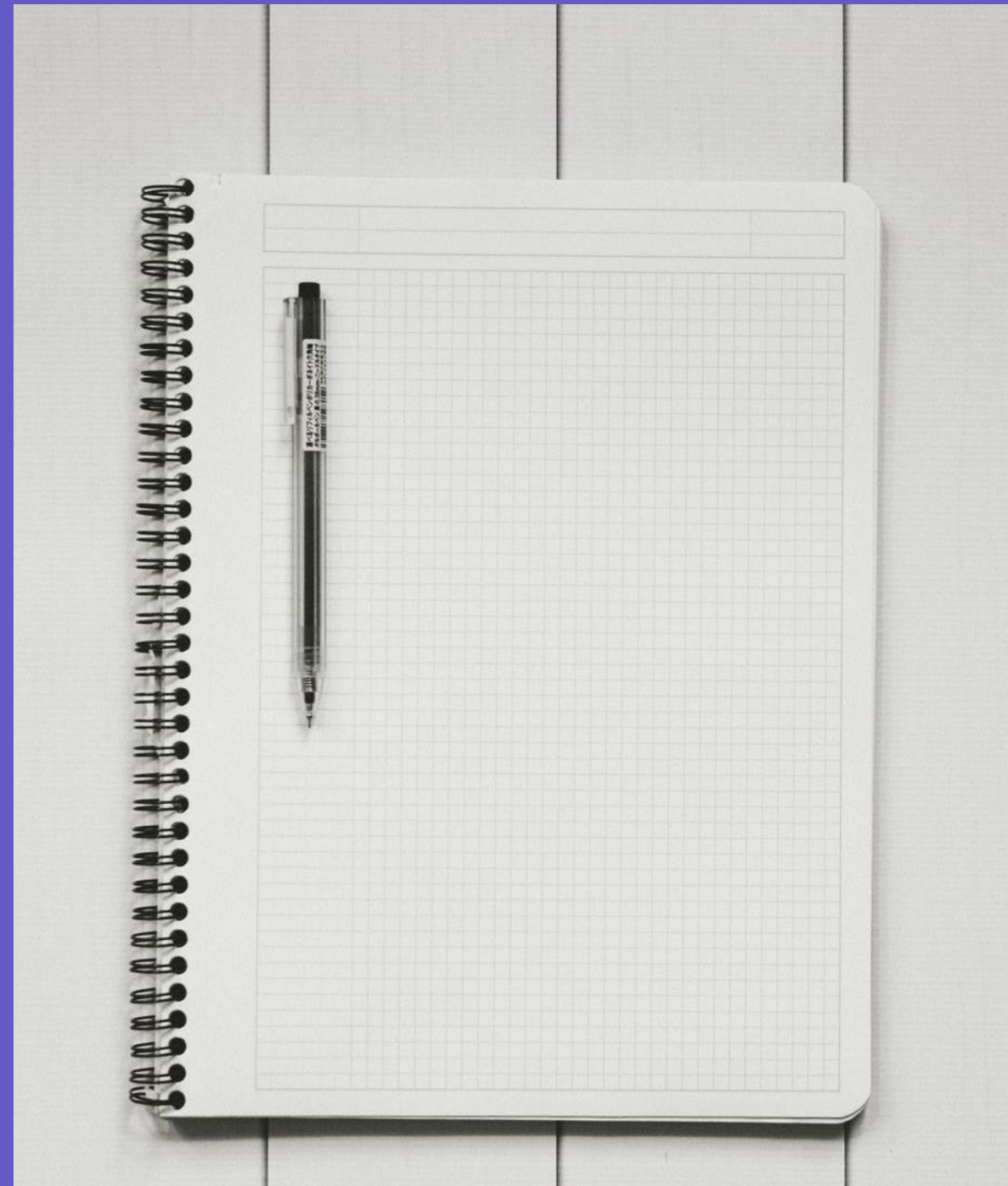
Revenue Streams



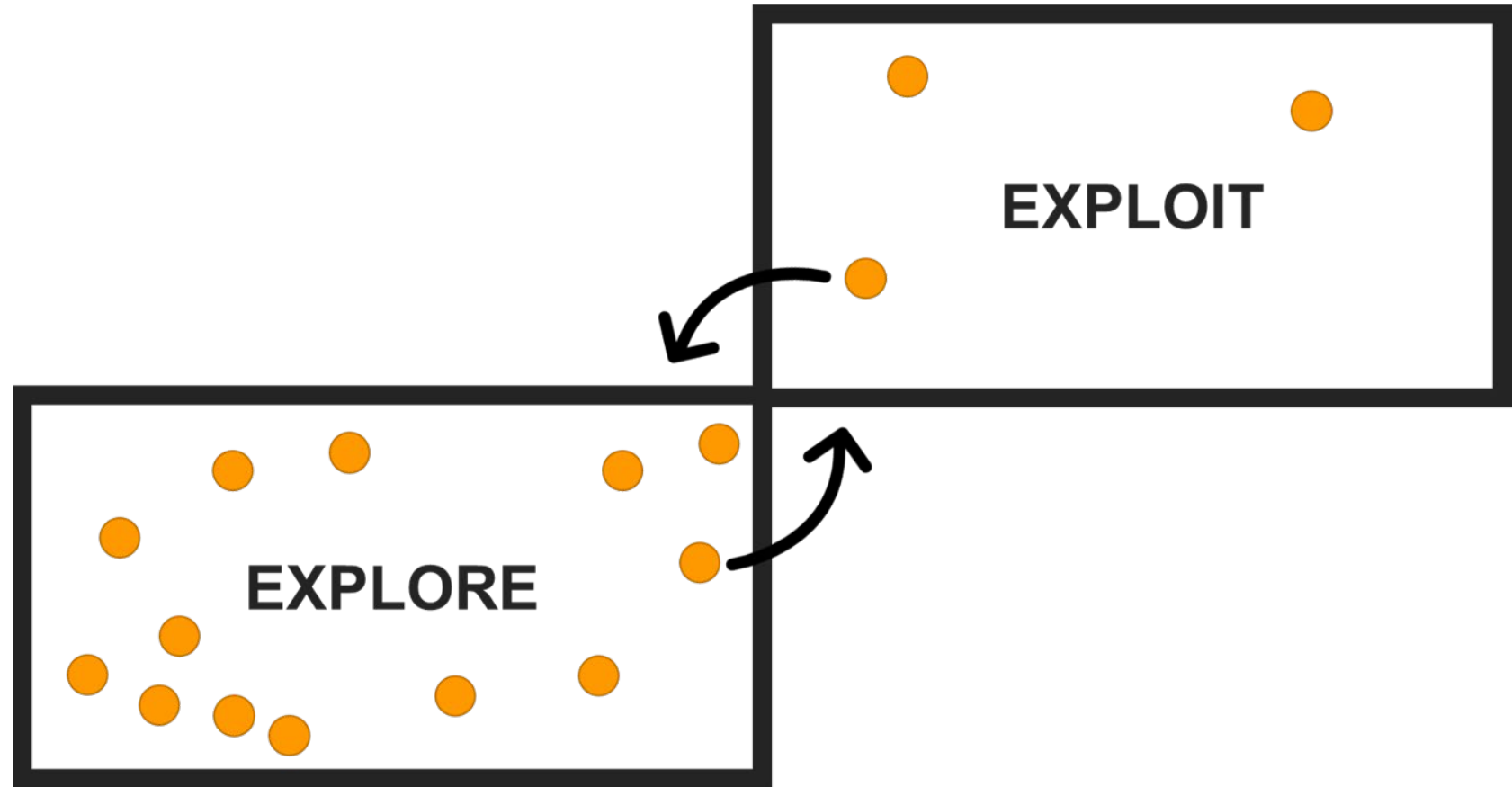
Purchase

Monthly subscription fee?

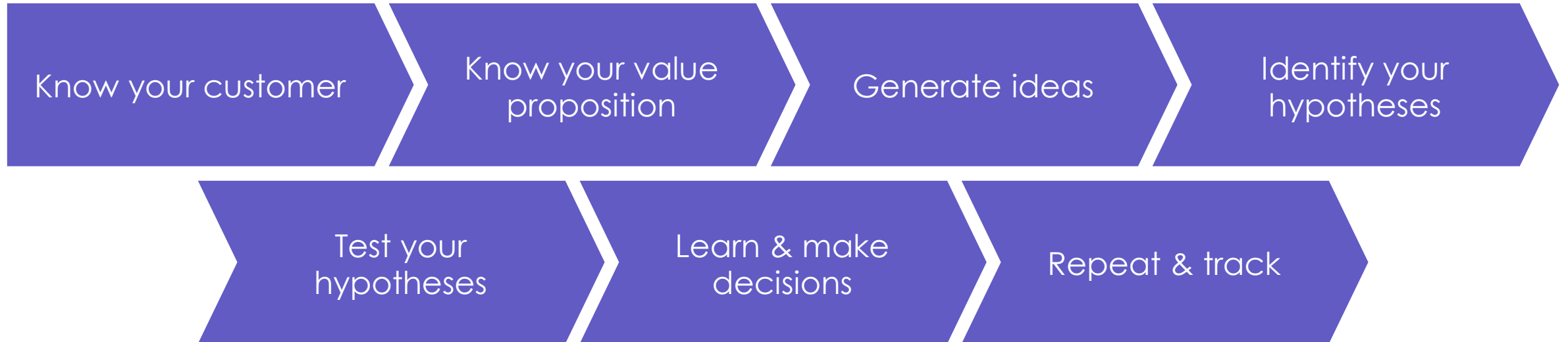
IN SUMMARY



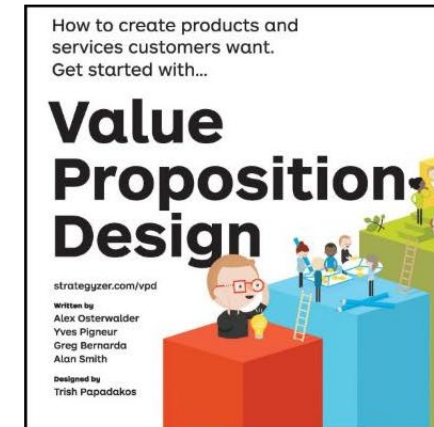
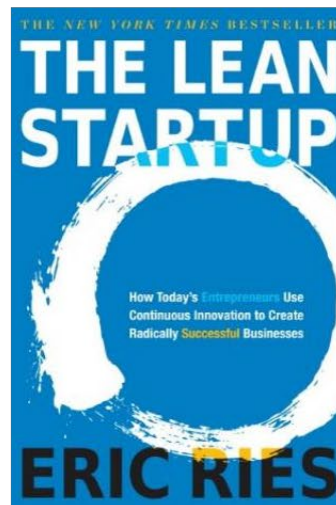
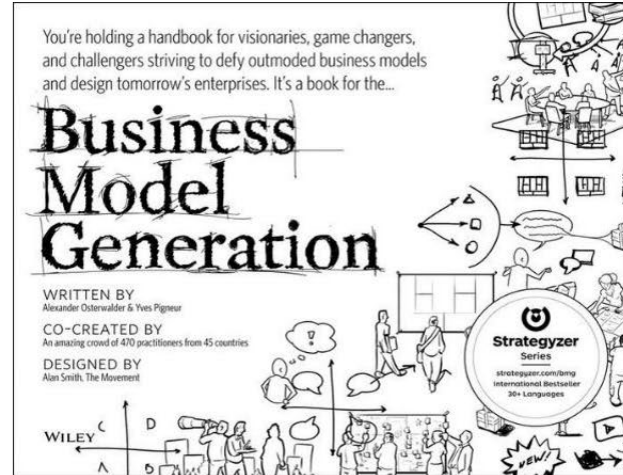
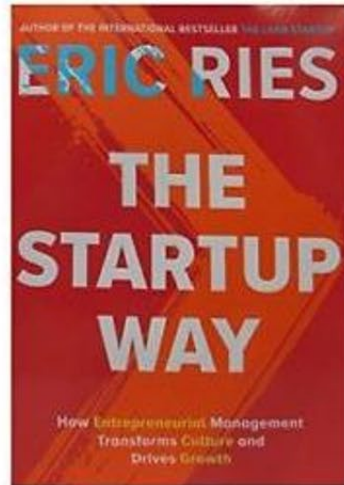
EXPLOIT VERSUS EXPLORE



PROCESS OVERVIEW



LEARN & MAKE DECISIONS





WHAT IS
ONE ACTION YOU
WILL TAKE TO
INNOVATE IN
YOUR
ORGANIZATION?

HR credit information

HR professionals,
depending on what credit you need:
you'll visit the appropriate **website**
and log **today's date** along with the
respective program ID or activity number
to get credit for today's presentation.



A professional headshot of Daniel White, a man with grey hair, a beard, and glasses, wearing a grey suit, white shirt, and blue tie. He is smiling and looking directly at the camera.

THANK YOU!

DANIEL WHITE

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