

INNOVATION

THE KEY TO THE ADAPTIVE ENTERPRISE

Featured Speakers



Gary Zimmerman, TechVision CMO and Principal Consulting Analyst. Seasoned executive in marketing and new technologies. Launched several companies and 20+ products.



Wil Koenig, TechVision Principal Consulting Analyst. Wil was the Founding Director of Deutsche Bank Innovation Labs in Silicon Valley where he focused on transforming the banks technology, processes, organization and culture

50 Years



12 Years



4 Years



19 Days



Thesis

- Established companies run on process.
- Management of established companies focus on efficiency.

Most companies want to innovate, but are bound by the very things that have made them successful.

To solve this problem, innovation needs to become a system – a process that can be managed efficiently



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Innovation is not

Innovation Theatre

- Hackathons
- Design thinking classes
- Innovation workshops
- Vanity metrics

A Safari

- Every project unique
- One hit wonders
- Build it and they will come

The Next Shiny Object

- Technology in search of a problem
- Acqui-hire
- The other guy's doing it



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Innovation is

- ✓ Taking an idea and transforming it into something useful
- ✓ A risk mitigation strategy
- ✓ If done right, a core capability that delivers the things that are your sustainable competitive advantage



The Business Foundation

- Are we serving the right customers?
- Are we using the right performance measures?
- Are we positioned properly in the right market?
- Have we deployed the right business model?
- Do our employees and partners have the right capabilities?



Cracks in the foundation drive the need for innovation

Knowing When to Reinvent - Detecting marketplace “fault lines” is the key to building the case for pre-emptive change.”
by Mark Bertolini, David Duncan, and Andrew Waldeck, Harvard Business Review, 2015



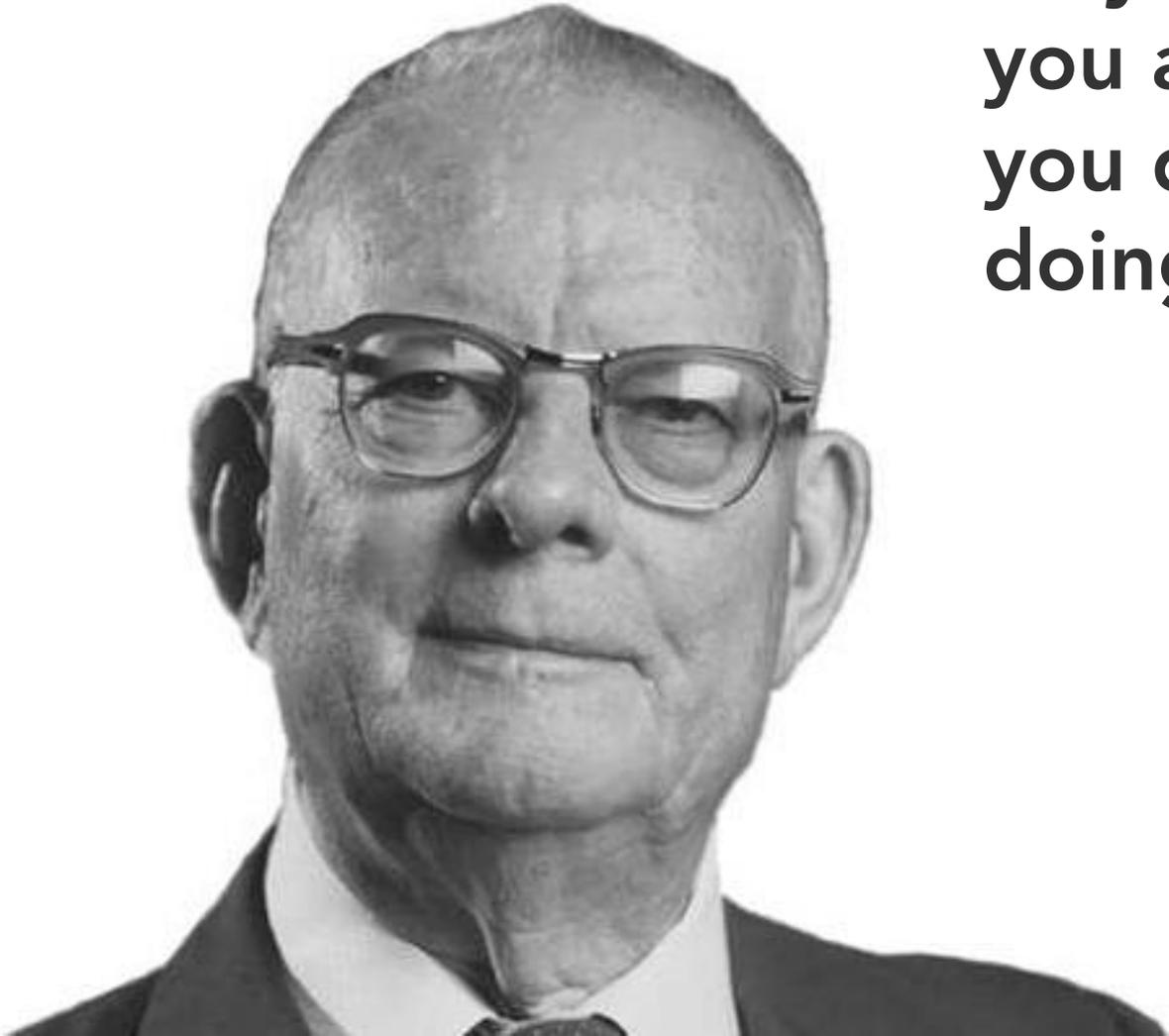
But, we already “do” innovation

- Does innovation mean different things to different people and groups?
- Does innovation seem 'broken' or failing to deliver?
- Does anyone one understand the full scope of the organization's innovation efforts?

Your innovation program might need improvement.



"If you can't describe what you are doing as a process, you don't know what you're doing." – W. Edwards Deming



An Innovation Framework

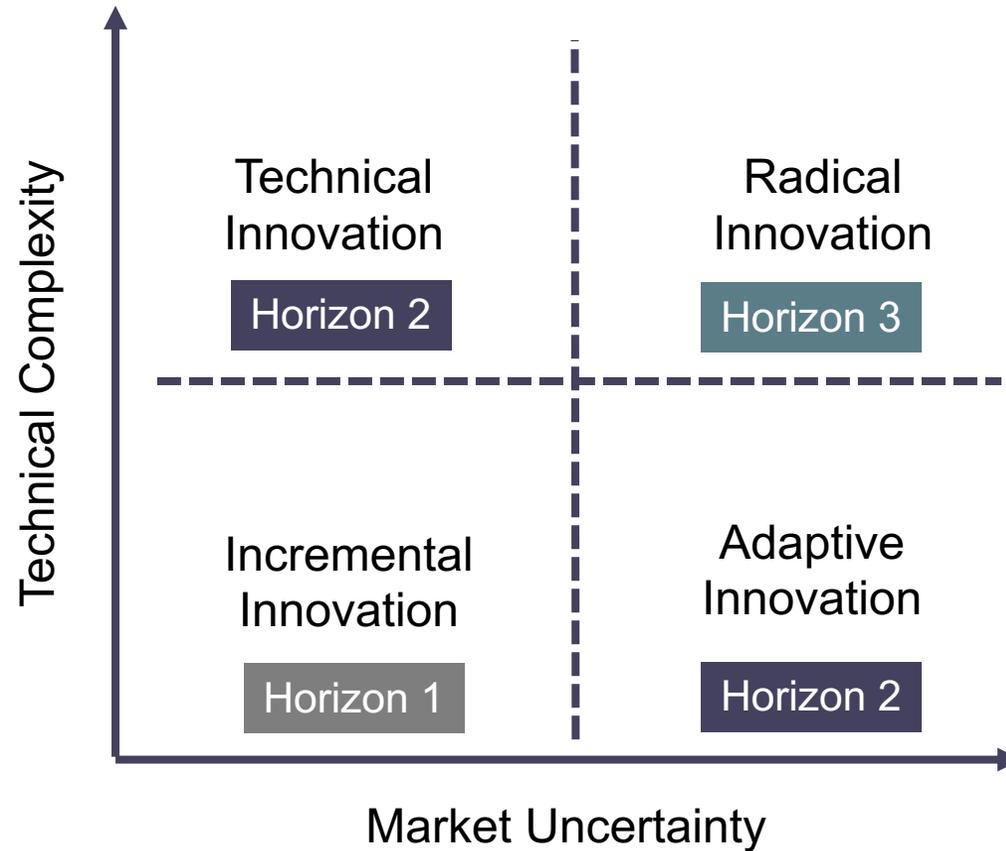
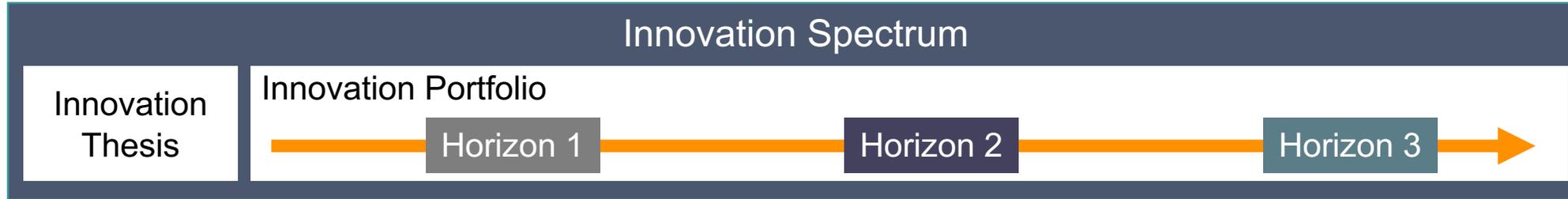
Frameworks are tools that

- Align work with strategy
- Ensure consistency
- Improve communication
- Clarify process governance
- Manage improvement activities
- Measure performance
- Benchmark internally and externally

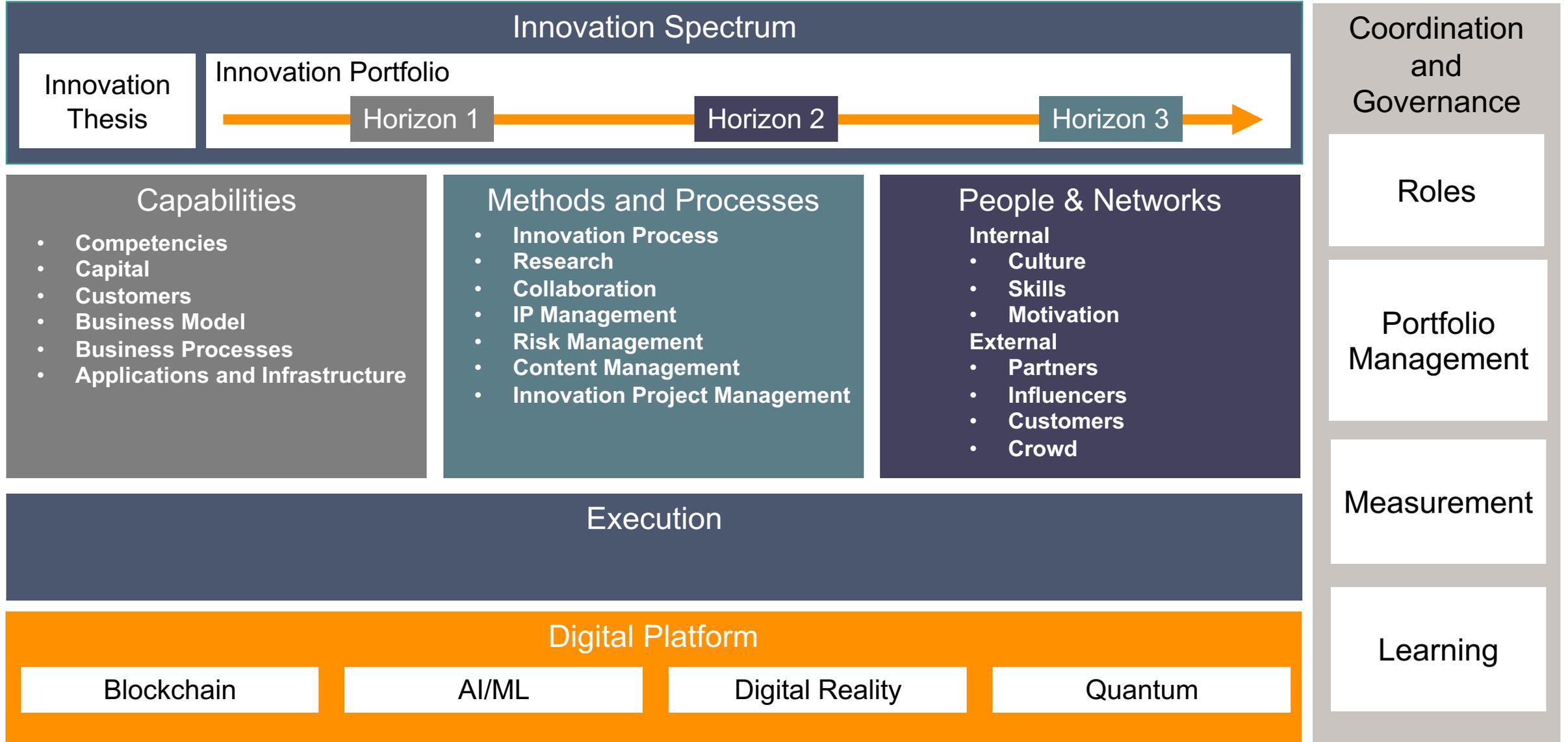
Key system attributes

- Always...
 - Seeking problems
 - Experimenting
 - Shipping
- Focused on traction
 - A customer's willing to pay for it
 - There are enough customers to make it worth the effort
 - It can be made at a reasonable cost

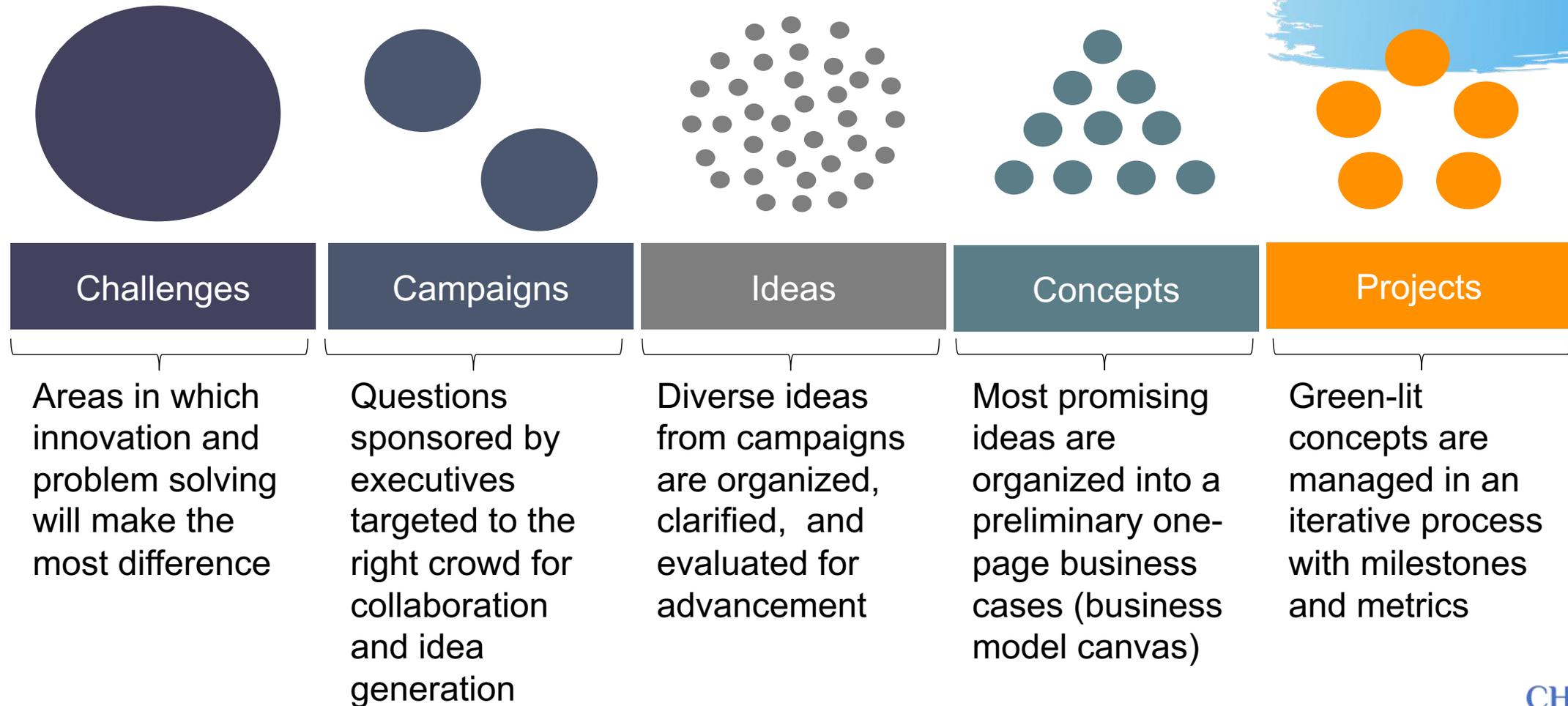
The TechVision Innovation Reference Architecture



The TechVision Innovation Reference Architecture



Making ideas into something useful



Applied Innovation

Establish the Baseline

Applied Innovation: An Approach – The raison d'etre, participants, offerings, tools

- Current IT, procedures and organization are ill-suited to modern strategy, development, operations
- This hinders the ability to grow current and attract new business and talent; competitive disadvantage
- Embracing client-centric, business-driven mindsets enables re-imagined IT and procedural relevance

“Start with Why” – Simon Sinek

Why?

- Current customers, clients, prospects (consumers)
- Business leaders, consumer advisors (business)
- IT, process, governance partners (IT), 3rd parties
- I.e., the intended audience and participants

Who?

How?

- Engage participants
- Build outposts, enable experiments, prototyping, iterate; welcome disruption
- Produce qualitative and quantitative results
- Decide whether to invest in and/or adopt solutions

What?

- Deliver relevant products and services to consumers
- Align consumer, business, IT priorities
- Build, sustain, expand an innovation ecosystem
- Change the culture

Start the Program, Enable the Framework

Applied Innovation: An Approach

The Program

- Position at the 'top of the house'
 - Chief Operating Office
 - Vocal, consistent CEO support
 - Input and direction from the C-Suite
- Engage 'The Network'

The Sites

- Identify, fit out, launch, and operate centers of innovation
- Manifest the charter via tangible, immersive experiences

The Tooling

- A guiding method...
- Motivating processes...
- A pipeline and curated portfolio of qualified demand and potential supply
- Execution techniques

The People

- Consumers
- Internal
 - Leaders
 - SMEs
 - Governance
- External
 - Investors
 - Entrepreneurs
 - Thought Leaders
 - Partners

Build the Space(s)

Applied Innovation: An Approach - Creating the physical experience

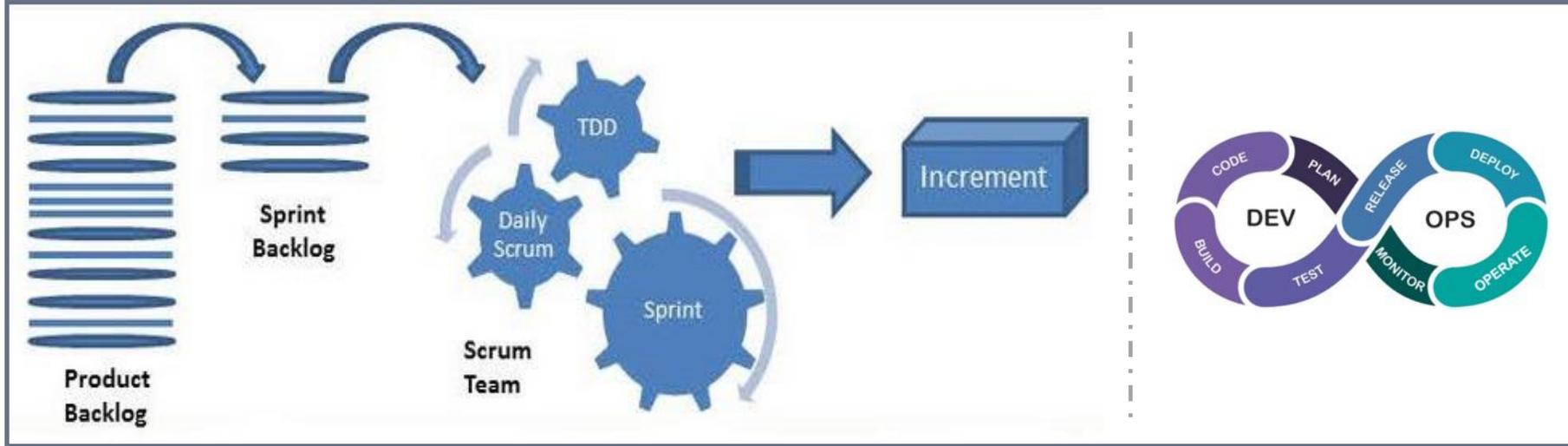
Locate, build, fit out and launch sites

- First, there was Berlin...
- Then came London...
- And finally, Palo Alto...
- New York and Singapore followed...



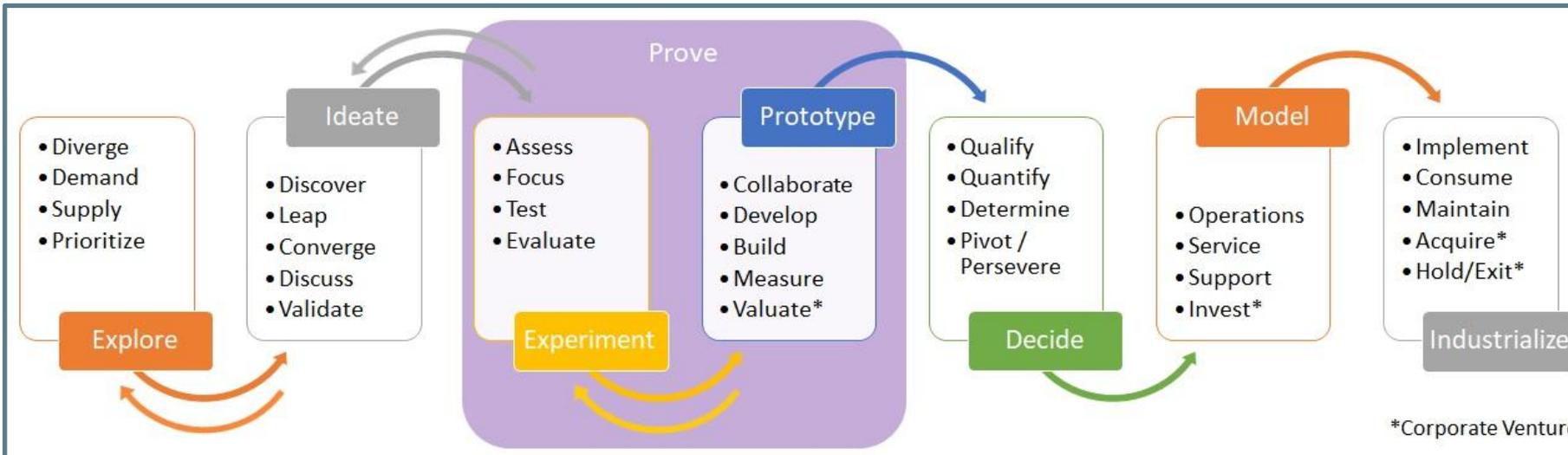
Orchestrate 'The Crazy'

Applied Innovation: An Approach – Facilitating the 'wild things', capturing the essentials, 'making a dent'



Process

- Agile Scrum through Decide
- DevOps from Model



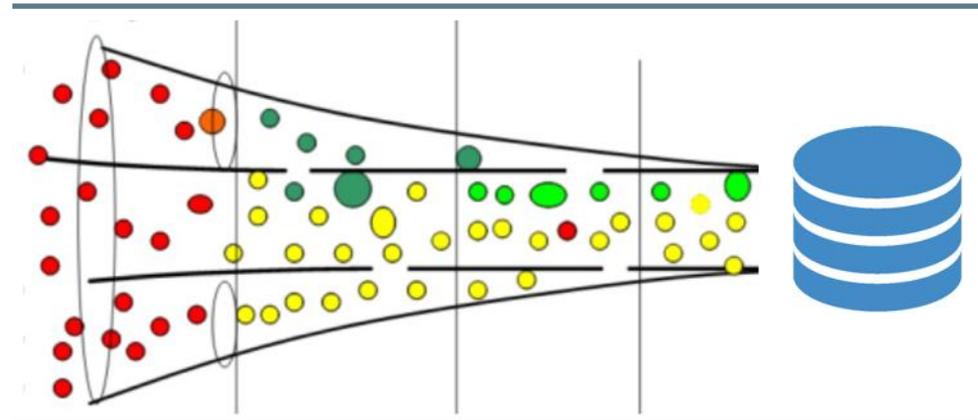
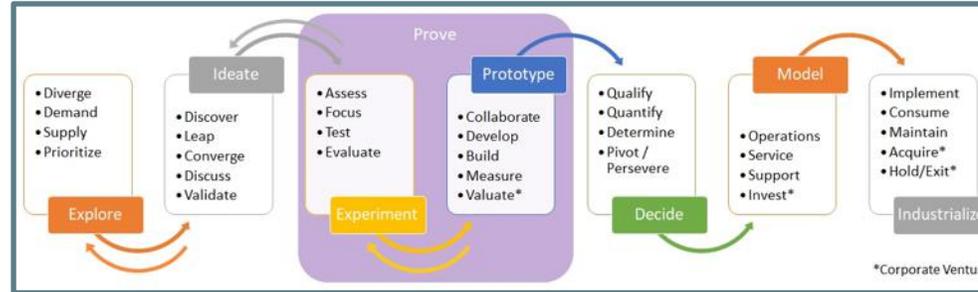
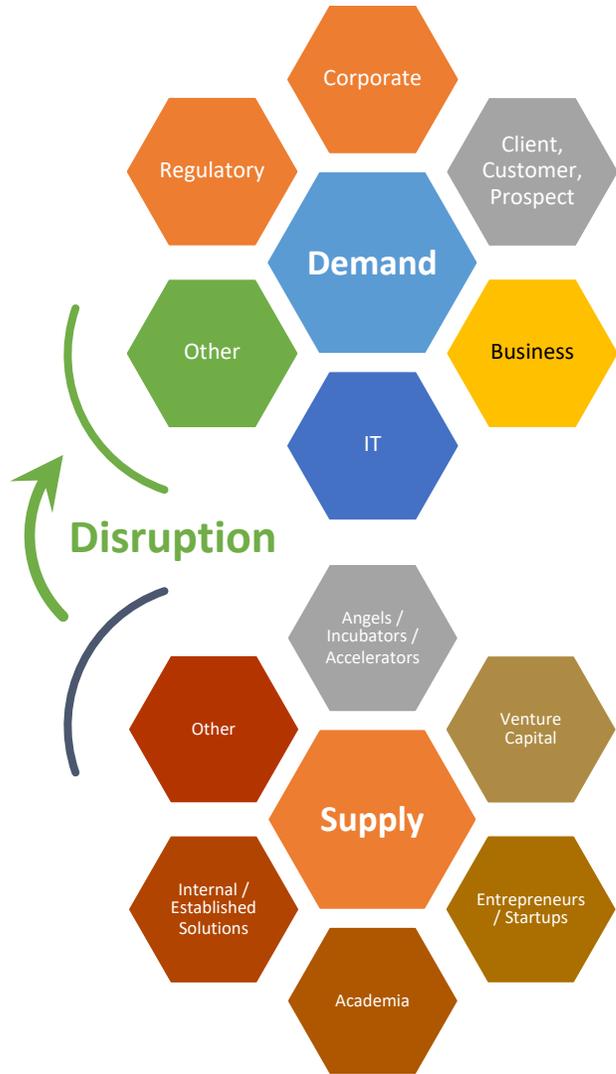
Method

- Iteration Amid Linearity; Delivery Amid Refinement, Insight & Commitment

*Corporate Venture

Curate the Portfolio

Applied Innovation: An Approach – Growing, nurturing, harvesting and serving innovation's 'food'



Method

- Apply the iterative method to ensure qualified demand challenges and opportunities
- Scrutinize supply portfolio candidates for solution maturity, applicability, suitability, market momentum and growth, etc.
- Via a common taxonomy, correlate demand with potential supply

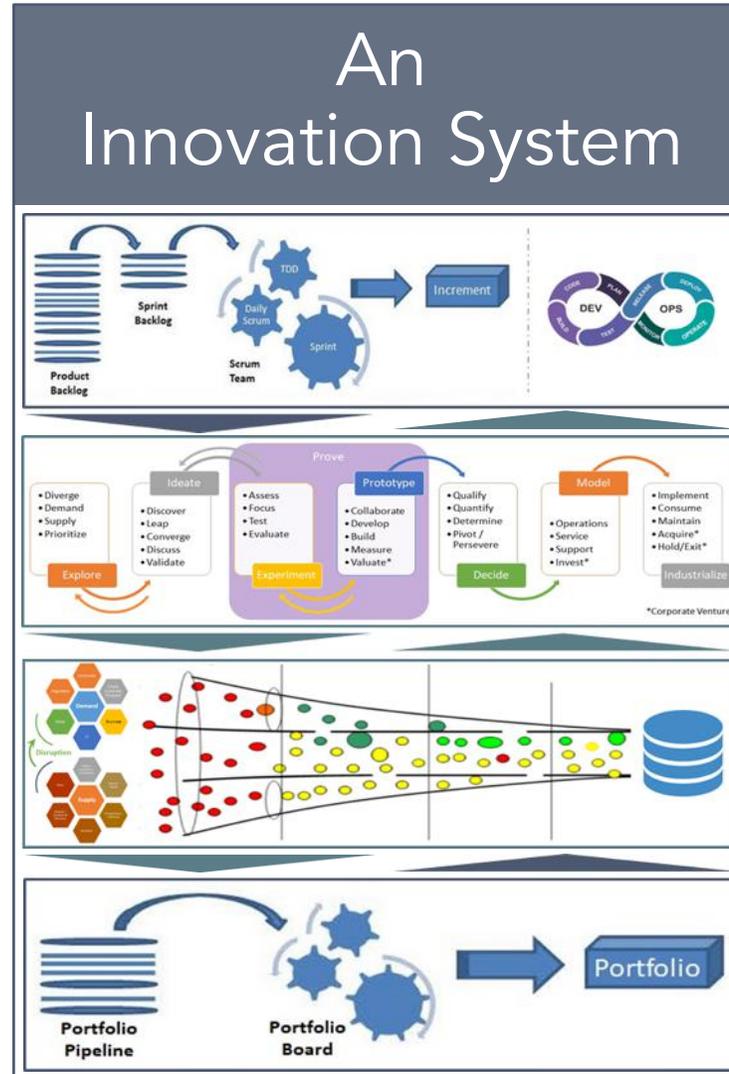
Process

- Agile Kanban supports a continuum of supply and demand pipeline processing

Engage the Innovation System

Applied Innovation: An Approach – Embracing ‘Intelligent Failure’ to Perpetuate Relevance and the Curious Pursuit

- Organizations that survive, evolve; those which innovate, **thrive**
- Mature organizations run on process and focus on efficiency, reject fads
- Innovation as failure: ‘shiny object’, ‘theatre’, or ‘safari’
- Innovation-as-a-System: ongoing differentiated competitive advantage



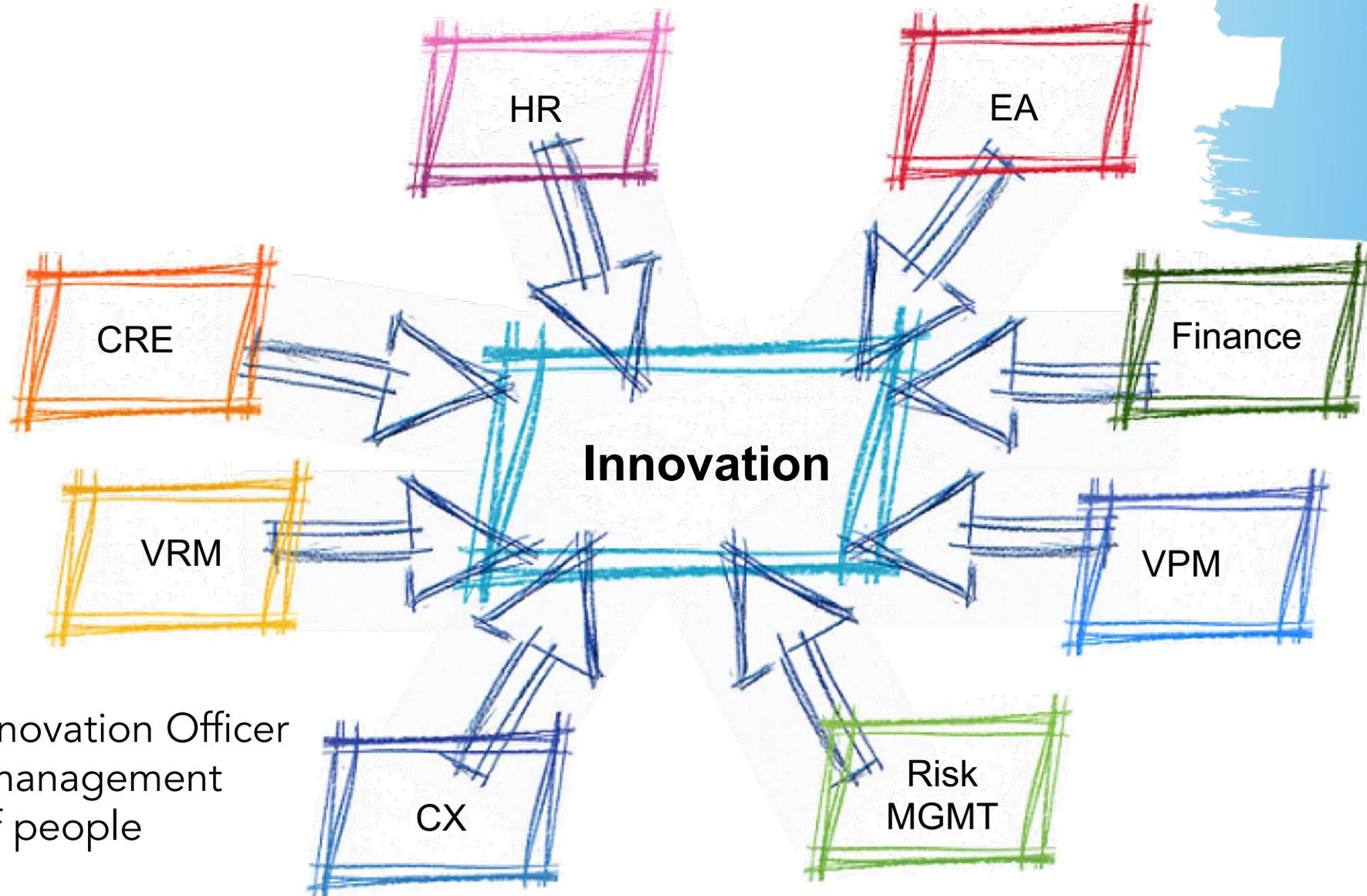
Mutually
supportive
methods

Complementary
supportive
processes

Let us not forget the MOST CRITICAL component...

PEOPLE...

Innovation *is* a contact sport



- Chief Innovation Officer
- Matrix management
- CMO of people

Innovation Realized

- Client design thinking sessions leading to SWIFTgpi rollout
- Automation and digitization of, and growing document custody services
- Prototyping and adoption of first SaaS-based global trade position reporting system
- Review of cloud IAM service, leading to adoption, IPO underwriting
- IB portfolio review for potential financing, M&A, IPO business

One more thing

Normal things get in the way

- Fear of change
 - Disruptive innovation, creative destruction
- Structural obstacles to innovation
 - Budget cycle, funding approval process
- Desire for predictable and consistent results
 - Hurdle rates, valuing experiments
- Lack of training and engagement
 - Conflicting priorities, innovation knowhow
- Unclear personal risk/reward profile
 - MBOs, fear of failure



A call to action

- Innovation needs to be a core competency in the digital enterprise.
- To become a competency, innovation needs to be viewed as a system, just like accounting, operations, IT.
- The world is starting to take notice, ISO developing guidelines (ISO56000 series) promoting innovation as a system.
- Look to baseline your capabilities against a framework to assess the gaps.



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