Help Your Organization Innovate Like a Start-Up:

Create a Lean Launchpad for New Business Ventures

May 7, 2013

Introductions

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Daniel Dworkin

What We Will Cover

- Three Types of Innovation (from the Mundane to the Ridiculous)

- Transformational Innovation: The Holy Grail

- Why OD People are Poised to be Transformational Innovation Super Stars

- Down and Dirty Lean LaunchPad Intro

- Three Make or Break Decision Points

What Kind of Innovation Are You After?

Incremental Innovation

Rethinking existing products or services to increase value.

Breakthrough Innovation

Moving an existing category in a completely new direction.

Transformational Innovation

Inventing an entirely new game.

What Type of Innovation Does Your Company Do Best?

A. None, we're not very innovative

B. Incremental

C. Breakthrough

D. Transformational

Why is Transformational Innovation so Hard?
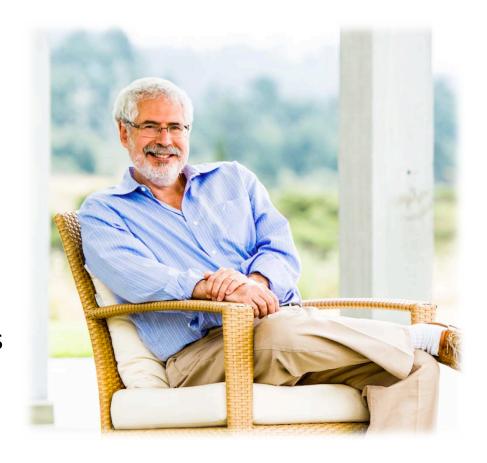
Chaotic

Collaborative

Cannibalistic

Clairvoyant

Good News: OD Pros are Poised to Help

- Process experts

- Political advisors

- Coaches

- Connectors

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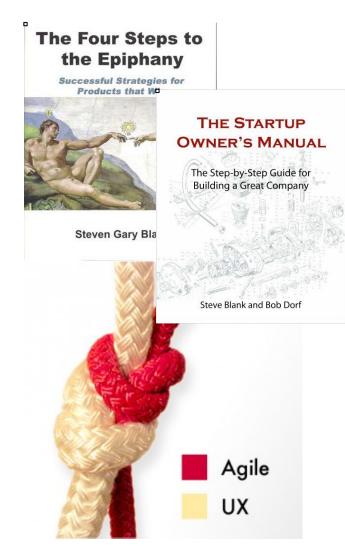CONSULTING

Let's Talk About Lean LaunchPad

- Originally created by Steve Blank to teach engineers, scientists, MBAs and other professionals how start-ups *really* get built.

- Focus is on searching for unknown business models by working directly with customers to validate assumptions or pivot to better serve their needs.
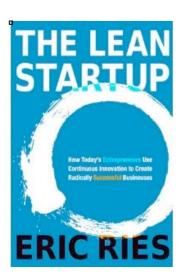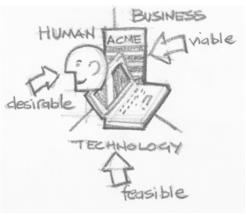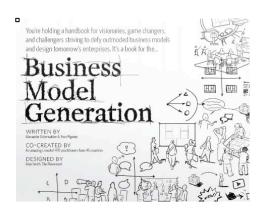
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Lean LaunchPad Origins

Steve Blank

The Four Steps to the Epiphany
Successful Strategies for Products that Wi...
Steven Gary Bla...

THE STARTUP OWNER'S MANUAL
The Step-by-Step Guide for Building a Great Company
Steve Blank and Bob Dorf

THE LEAN STARTUP
How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses
ERIC RIES

DESIGN THINKING

HUMAN ACME BUSINESS viable
desirable TECHNOLOGY feasible

Business Model Generation
WRITTEN BY
Alexander Osterwalder & Yves Pigneur
CO-CREATED BY
An amazing crowd of 470 practitioners from 45 countries
DESIGNED BY
Alan Smith, The Movement
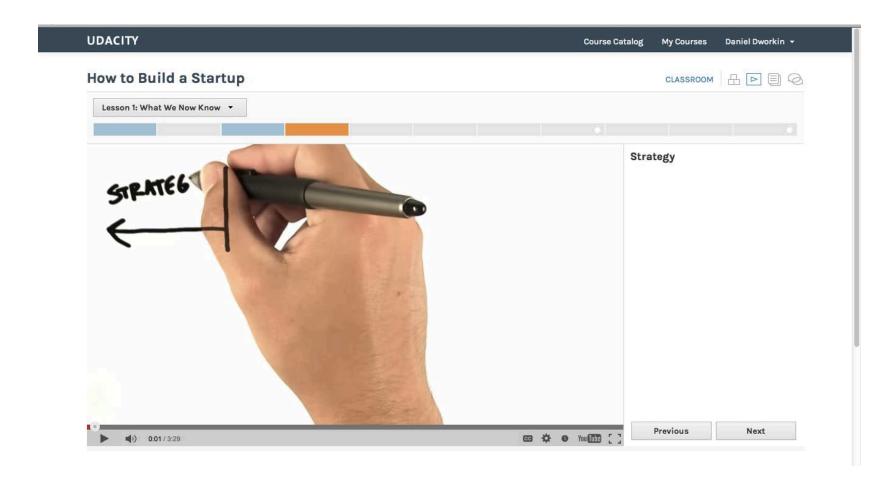
Alexander Osterwalder

■ Agile
■ UX

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Lean LaunchPad Strategy

From Udacity.com: Massive Open Online Courses

Four Key Principles

"Everyone has a plan until they get punched in the mouth."

~ Mike Tyson

1. No business plan survives first contact with the customer
2. Minimum viable product (MVP)
3. Get out of the building
4. Iterate and pivot

The Business Model Canvas

Sample Business Model Canvas

Key Partnerships

Paypal

Zynga

Key Activities

software dev. & maint.

network dev. & maint.

Key Resources

large user base and data

brand

IT infra

software & network engineers

Value Propositions

social network platform

audience for ads (CPM & CPC)

audience for games & apps

Customer Relationships

long-term & sticky

network effects

facebook.com

3rd party games & apps / FB Platform

facebook.com/ads

Facebook Platform (eg games & apps)

Customer Segments

Internet users globally — 500 M

Fortune 500 Advertisers — 0

SME & micro advertisers — 0

Facebook game/app developers — 2.5 M

Cost Structure

employees eg engineers — 300 M

IT infra inv. & maint. — 0

Revenue Streams

ad revenues — 1.8 B

Facebook credits: 30% cut — 0

Exercise

- Explain your (or a client's) business using the business model canvas. (5 mins)
- Share your canvas with a partner and discuss. (10 mins)
- Yell out your observations in plenary. (5 mins)

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What Lean LaunchPad Teams Do Over 12 Weeks

1. Customer development using the Business Model Canvas
2. Refining the business idea and critical hypotheses
3. Defining the value proposition(s): what problem(s) are you solving
4. Determining who the customer is for your product
5. Finding out what activities will keep and grow the customer base
6. Developing a theory of what channels you would sell through
7. Validating the revenue model
8. Rinsing, pivoting, repeat 3-7
9. Learning about resources needed and develop the expense model
10. Presenting your business model, measurable results achieved and plan to scale – for a Go/No Go decision

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Three Critical Decision Points

1. How prepared are your leaders to ask, not tell?

2. Where will your organization's ideas for
new business opportunities come from?

3. How open is your organization to reshuffling
the talent deck and "breaking the rules"?

How Interested are you in Facilitating Transformational Innovation at Your Company?

A. Not at all, sounds tough!

B. Very little, not a priority right now.

C. Maybe, I need more info.

D. Definitely, let's do this!

Questions

Thank You!

Appendix

It's an Open Source Movement

- NSF LLP program for scientists:
  - http://www.nsf.gov/news/special_reports/i-corps/

- NCIAA educators program to teach LLP in business and engineering schools and entrepreneurship programs globally:
  - http://nciia.org/LLP

- Lean Startup - Eric Ries
  - http://theleanstartup.com/

- The Startup Weekend
  - http://startupweekend.org/

- Steve Blank's website
  - www.steveblank.com

- Udacity
  - https://www.udacity.com/course/ep245

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