

[Edit article](#)[View post](#)

Discover why your innovation strategy needs more autonomous teams



Nicolas PAYEN

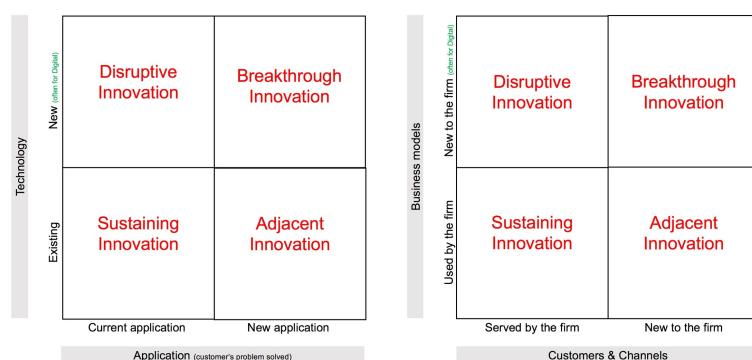
Passionate about Climate Change Mitigation |
Experiences within Energy, Transportation, Building

June 22, 2017

Half of the Fortune 500 will not exist in ten years, say **c-suite executives**. Corporate Venture is at all-time high. Deep Tech start-ups look with envy at established firms' assets. In this post, I will explain why corporate facing digital disruption need to enhance their innovation strategy by creating complete autonomous teams working exactly like start-ups. I will also highlight the unique advantages of these autonomous teams / corporate start-up studio in pursuing successfully breakthrough and disruptive innovation as they follow a design and data driven innovation journey.

Digital innovation mapping

To build an effective innovation strategy, it is important to map the different types of innovation. Abernathy & Clark, **Clayton Christensen**, Robert E. Johnston, **J. Douglas Bate** and **Greg Satell** made some important contribution to this topic. The most relevant measure of innovation level or intensity is measured against each firm's referential by looking at the changes it introduces both on the technology/application and business model/market dimensions.



Becoming Digital implies often for companies to make important changes in terms of technology/application and business model/targeted market.

The **Path Dependence** theory explains us why corporate develops overtime a strong **immune system** that will **prevent them to adopt negative but also positive changes**. This immune system, embedded in the firm's DNA, creates a strong roadblock to radical innovations (disruptive and breakthrough ones).

	Breakthrough (often for Digital)	Breakthrough	Disruptive	Breakthrough ²
Disruptive (often for Digital)	Disruptive	Disruptive	Disruptive ²	Disruptive
Adjacent	Adjacent	Adjacent	Disruptive	Breakthrough
Sustaining	Sustaining	Adjacent	Disruptive	Breakthrough
Sustaining		Adjacent	Disruptive (often for Digital)	Breakthrough (often for Digital)
Customer & Business model innovation				

The above map defines the overall level of innovation according to the technology and business mapping. Becoming digital requires firms to become more efficient at managing disruptive and breakthrough innovation projects.

Digital disruption concerns all industries

A new wave of digital technologies – often referred as **Deep Tech** – is impacting all sectors of the economy. Due to its massive impact in terms of value creation or value re-distribution, it is defined as the **4th industrial revolution** by Pr. Klaus Schwab (Founder and Executive Chairman of the World Economic Forum) .



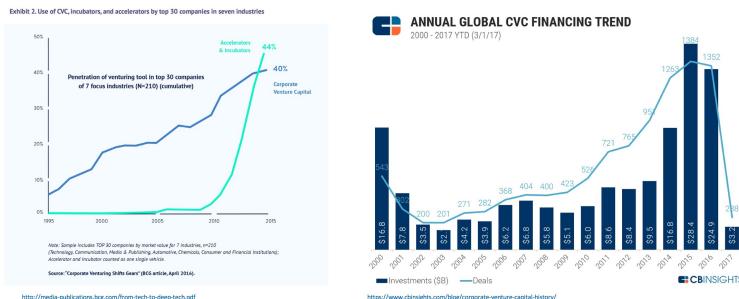
Deep Tech are impacting all industries driving the 4th industrial revolution. Companies need to change drastically their DNA and operations to survive.

Bitcoin emerged as the first digital international currency. Uber and **Telsa** have higher market valuation than historic car manufacturers. AirBnB is competing with Hilton and Marriott in terms of valuation. Amazon is transforming and taking the lead on the retail industry. Netflix is doing to the TV industry what Apple did to the music industry few years ago. These are the most known examples of digital disruptions and represents just the top of the iceberg. In fact these unicorns are hiding thousands of new companies that are planning to leverage Deep Tech to

challenge established players and to redefine markets.

Corporates are outsourcing their radical and disruptive innovations to start-ups

Although established firms excel at incremental innovation, breakthrough or disruptive innovation projects are rarely successful (too slow, too expansive, not scaling, not radical enough). Therefore, many corporations – afraid to miss out on the 4th industrial revolution – decided to outsource this work to entrepreneurs. In order to do so they invested heavily in corporate venture.

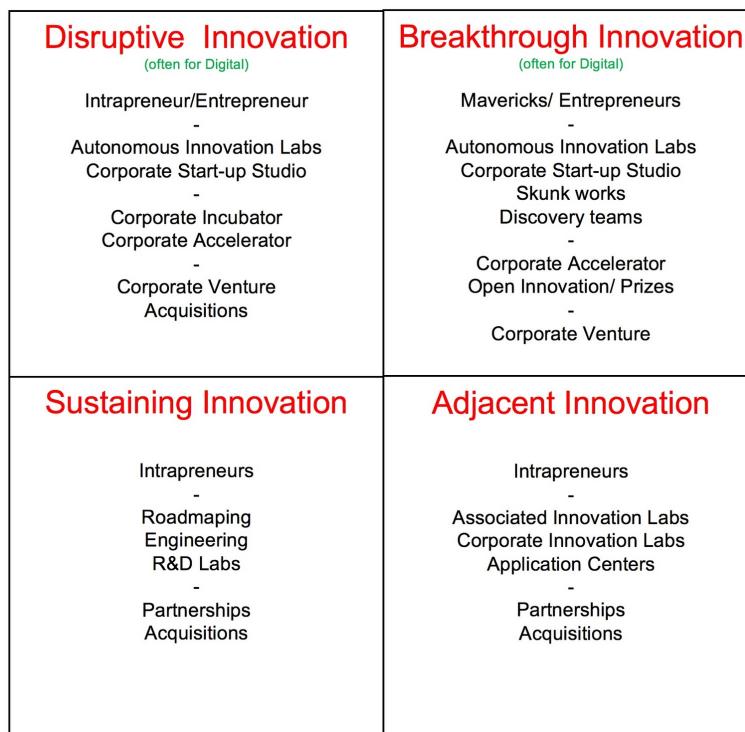


Corporate venture is now part of the innovation strategy of all major industry leaders

In 2016, the most active Corporate Ventures in the world were **Intel Capital** and **Google Ventures**, **Salesforce Ventures**, **Comcast Ventures**, **Qualcomm Ventures**, **Cisco Investments**, **GE Ventures**, and **Bloomberg Beta**.

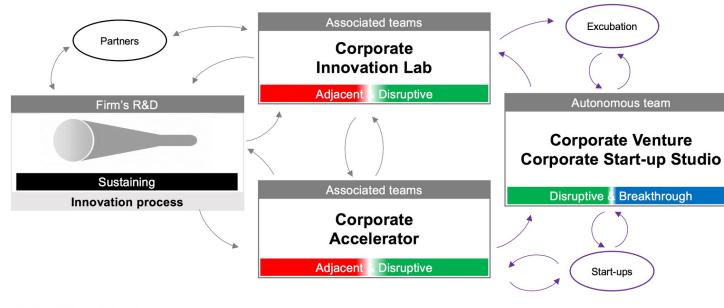
The Corporate Innovation EcoSystem

In fact, corporations developed more advanced innovation strategies and implement a complete ecosystem to become more effective at scaling radical and disruptive innovation projects. Corporates want to create more synergies between their digital innovation initiatives and the digital transformation of their core-business.



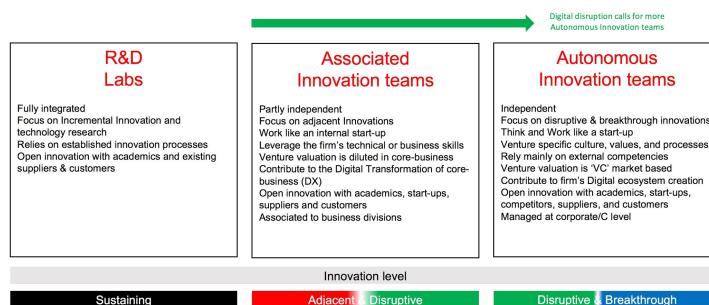
The map above presents an optimised Corporate Innovation Ecosystem for an effective innovation strategy in the age of digital disruption.

To ensure that the corporate immune system do not prevent the creation of new successful ventures, firms shall increase the autonomy of the teams working on new digital initiatives. These initiatives must be managed as individual ventures running like start-up. This organisation model is described by Bain & Company as **The Firm of the Future**.



Autonomous Innovation team are like a start-up

Start-ups are obsessed by getting market traction for their products and services. They are also continuously seeking confirmation that they are on the right path to succeed. Mastering **the art of pivoting** is important for entrepreneurs.

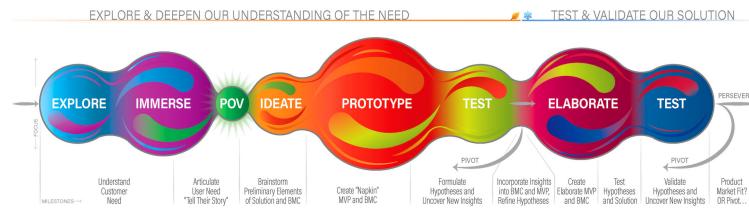


Founders understand that in their quest to gain market traction, they have to continually reassess their decisions and so being open to change – as market required – any aspect of their venture: strategy, price /brand positioning, targeted customers, business model, etc.



When it comes to digital innovation (including Deep Tech), entrepreneurs have access to large amount of customer behavioural data. These data play a critical role in helping entrepreneurs to shape the strategy and offering of their venture. This freedom and pragmatic approach enables start-ups to **discover new paths to success** in uncharted territories.

STARTUP GARAGE INNOVATION PROCESS



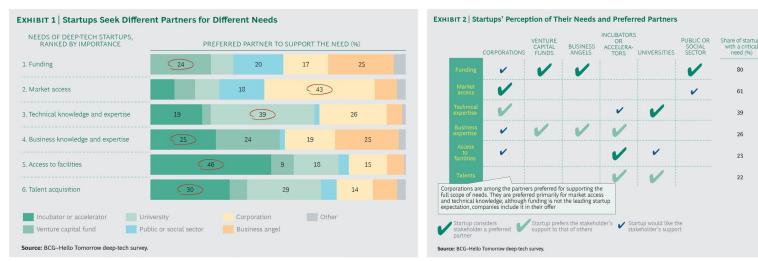
The Stanford Business School's Startup Garage Innovation Process

Graphic above is a teaching tools for Stanford University Graduate School of Business to help students understand the innovation process. This graphic is displayed as a large banner in the classroom to keep the students on track throughout the process.

Deep-tech start-ups need corporations

It would be dishonest to draw a too positive picture of the entrepreneurial world. The success rate of start-ups remains low. **71% of the start-up failed in their first 10 years.** It is interesting to see corporations betting their future on Corporate Venture and so on a system with such high failure rate.

BCG ran recently a survey with 400 Deep-Tech start-ups and identified the most important needs for them to support their development. It happens that two of their most important needs – market access and technical expertise – could be answered by corporations.



Deep-Tech start-ups welcome the help of corporate to gain market access and technical expertise. Both are critical items for the development of their digital venture.

The corporate start-up studio is a optimised solution for digital disruption

Entrepreneurs and the start-up ecosystem have the right DNA to develop successfully new digital ventures. But on the other end, when it comes to Deep Tech, corporations have some unique assets that start-ups need.

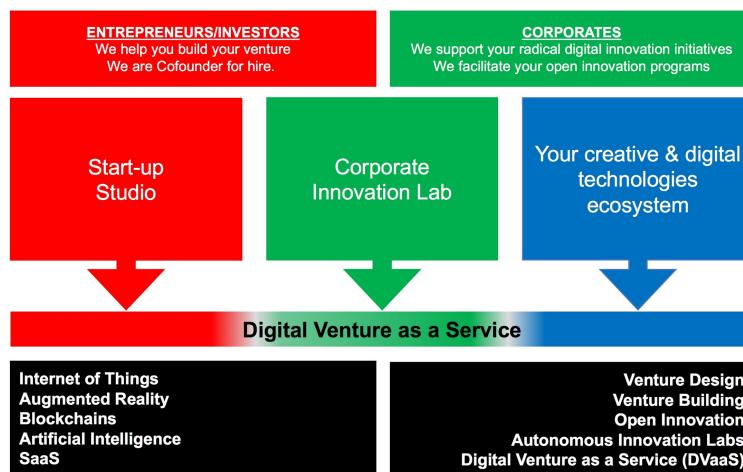
Corporate **Start-up Studio** gather the right culture, skills, and assets to develop the successfully new radical digital ventures.

	Start-up	Corporate Labs	Corporate start-up studio
Talents/Entrepreneurs	✓		
Funding	✓	✓	✓
Tech Expertise	✓	✓	✓
Business Expertise	✓	✓	✓
Start-up culture	✓		✓
Access to facilities		✓	✓
Digital native	✓		✓
Market Access		✓	✓

A Corporate Start-up Studio gathers in one environment the best of the two worlds.

Future Economy Studio offering

The Future Economy Studio is the first start-up studio helping corporations to create and manage autonomous innovation teams.



Comments

32 ·

3 comments



Like

Comment

Share



Add a comment...



Most relevant ▾



Dr. Jeffrey Funk · 1st
Technology Consultant: Author of Unicorns, Hype and Bubbles

7y ...

The opposite is more likely because of fewer startups, their numbers have been falling for years

Like | Reply · 1 Reply



Nicolas PAYEN Author
Passionate about Climate Change Mitigation | Experiences with...

7y ...

Hi Jeffrey, interesting view point. I'd like to review the trends /studies on tech start-ups. My point is that creating more entrepreneurial innovation teams is a very good way for established firms to enable disruptive / breakthrough innovations. What do you think ?

...more

Like | Reply



Sébastien Després · 1st
Product Manager - Web3/Blockchain

7y ...

Nice article, thank you Nicolas.

Like · 1 | Reply



Nicolas PAYEN

Passionate about Climate Change Mitigation | Experiences within Energy, Transportation, Building Automation | Digital technology, software, marketing, finance | Interim & Change Management | Advisor

More articles for you



Charting the Skies: The Start-up Journey as an Epic Flight

Nicolas PAYEN

2 · 1 repost



2023 was a great year for Climate Tech investors

Nicolas PAYEN

3 · 1 comment



Are behind-the-meter battery energy storage systems the secret enabler of our 2030 climate targets?

Nicolas PAYEN

4 · 1 comment

○ ○ ○ ○

About

Accessibility

Talent Solutions

Select Language

Professional Community Policies

Careers

Marketing Solutions

English (English)

Privacy & Terms

Ad Choices

Advertising

Questions?

Visit our Help Center.

Sales Solutions

Mobile

Small Business

Manage your account and privacy

Go to your Settings.

Safety Center

Recommendation transparency

Learn more about Recommended Content.

LinkedIn Corporation © 2024