



Building an Innovation Engine

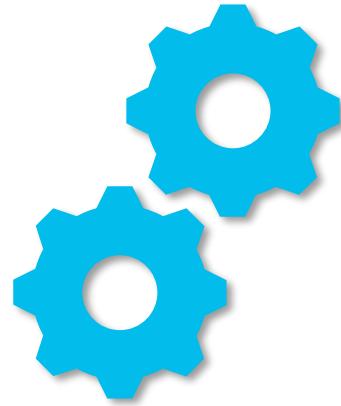
(inside your organization)

Anton Hristov

Director, Emerging Technologies, Progress

@AntonHristov

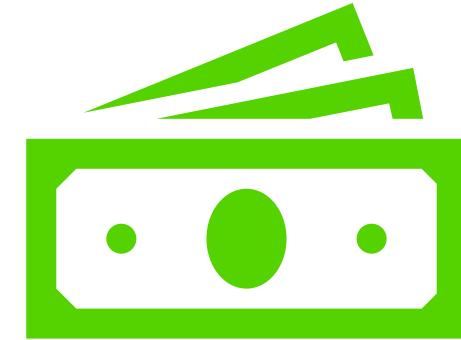
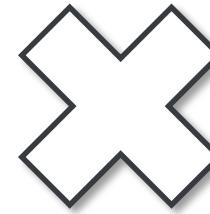
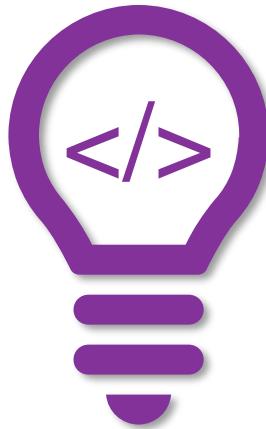
What is Innovation?



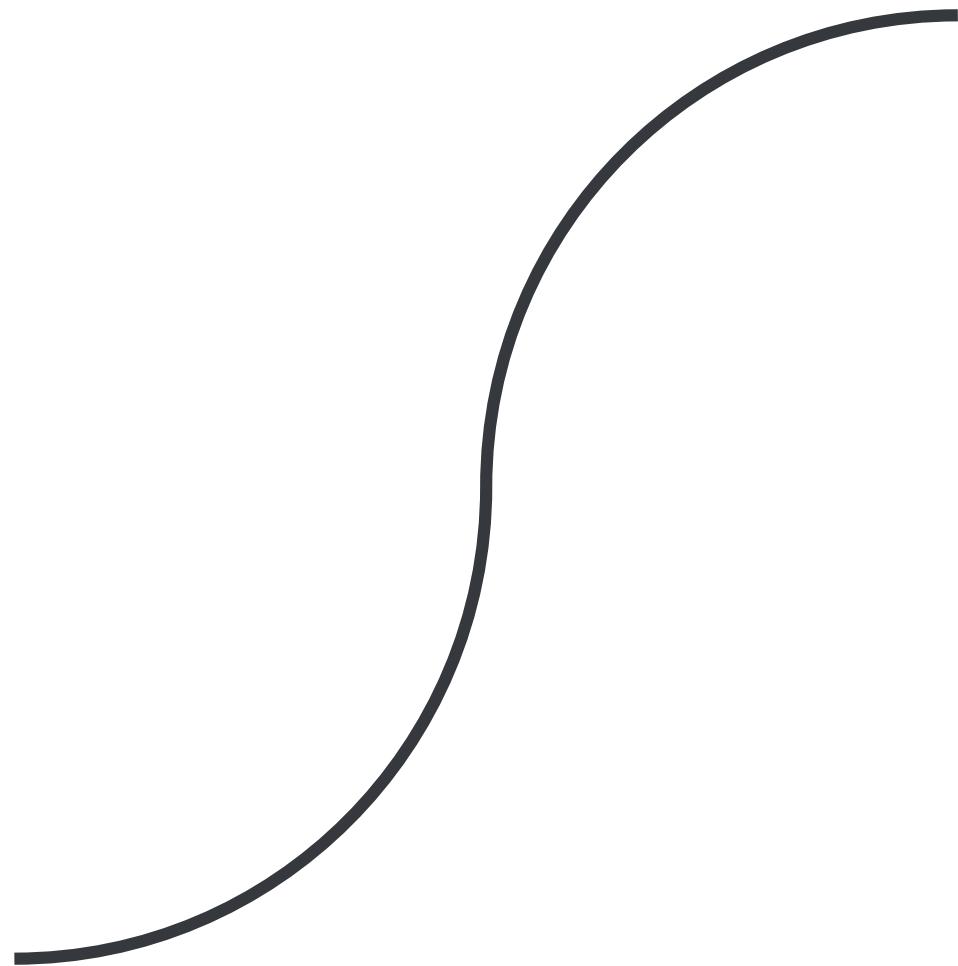
Innovation

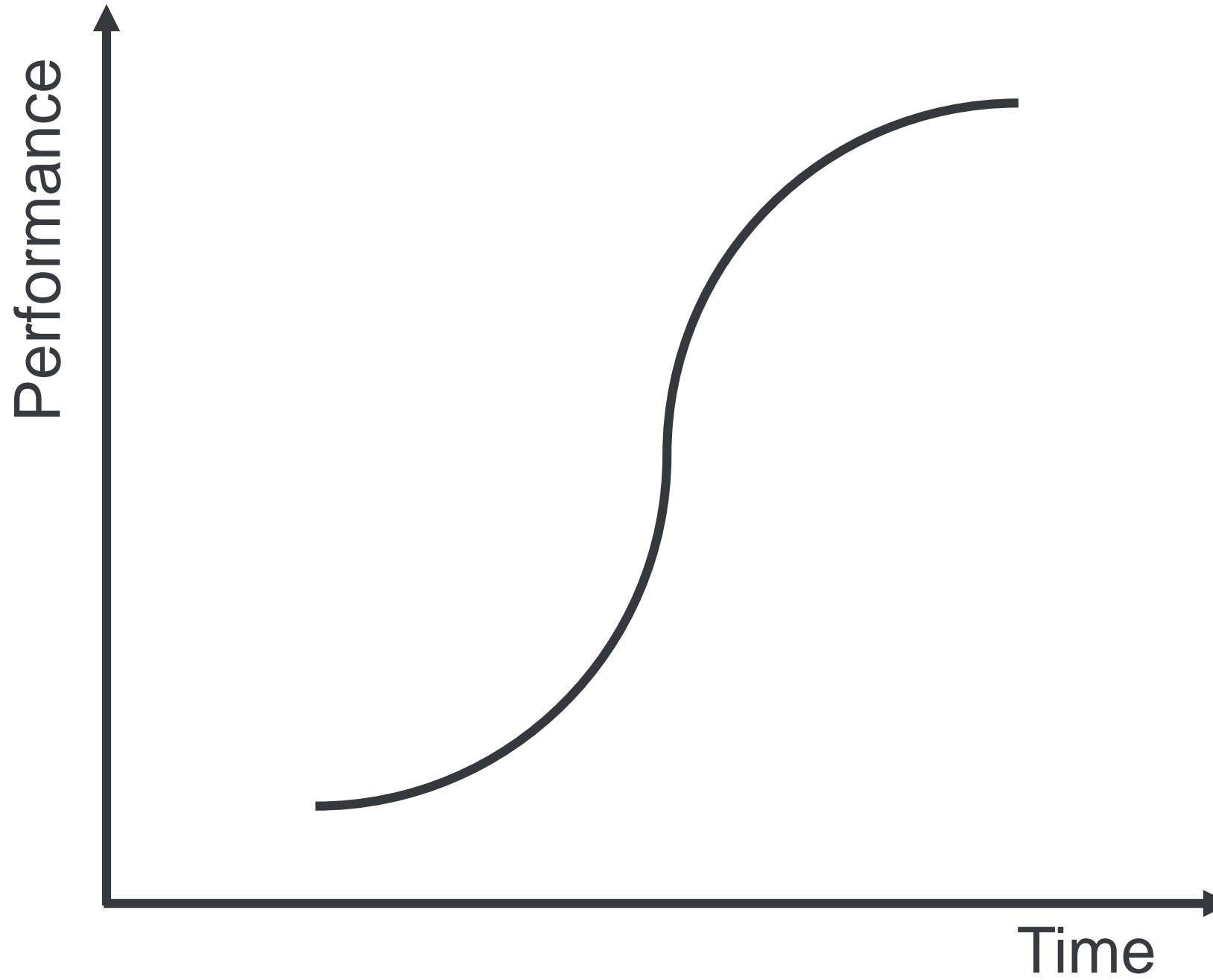


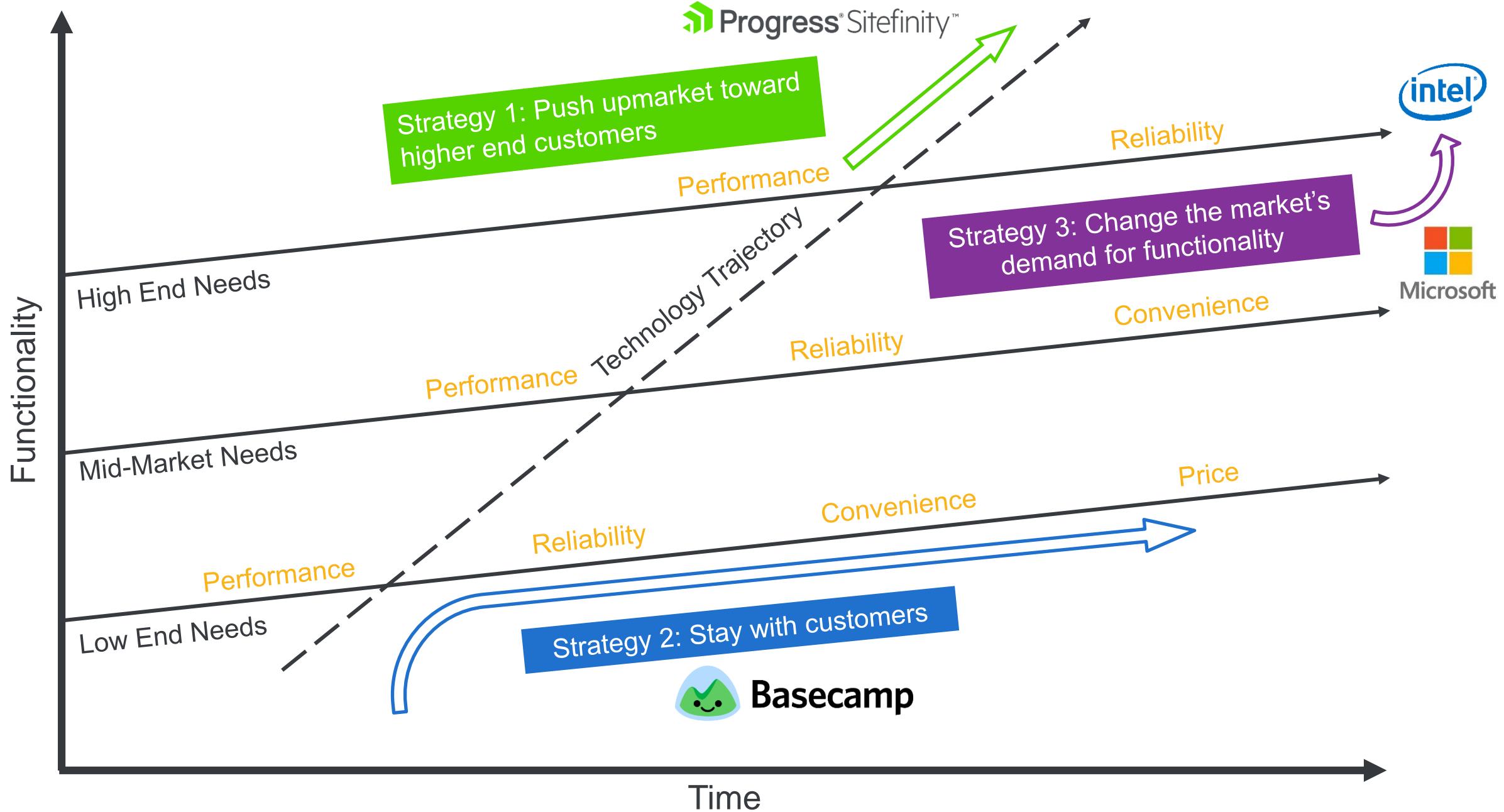
Invention

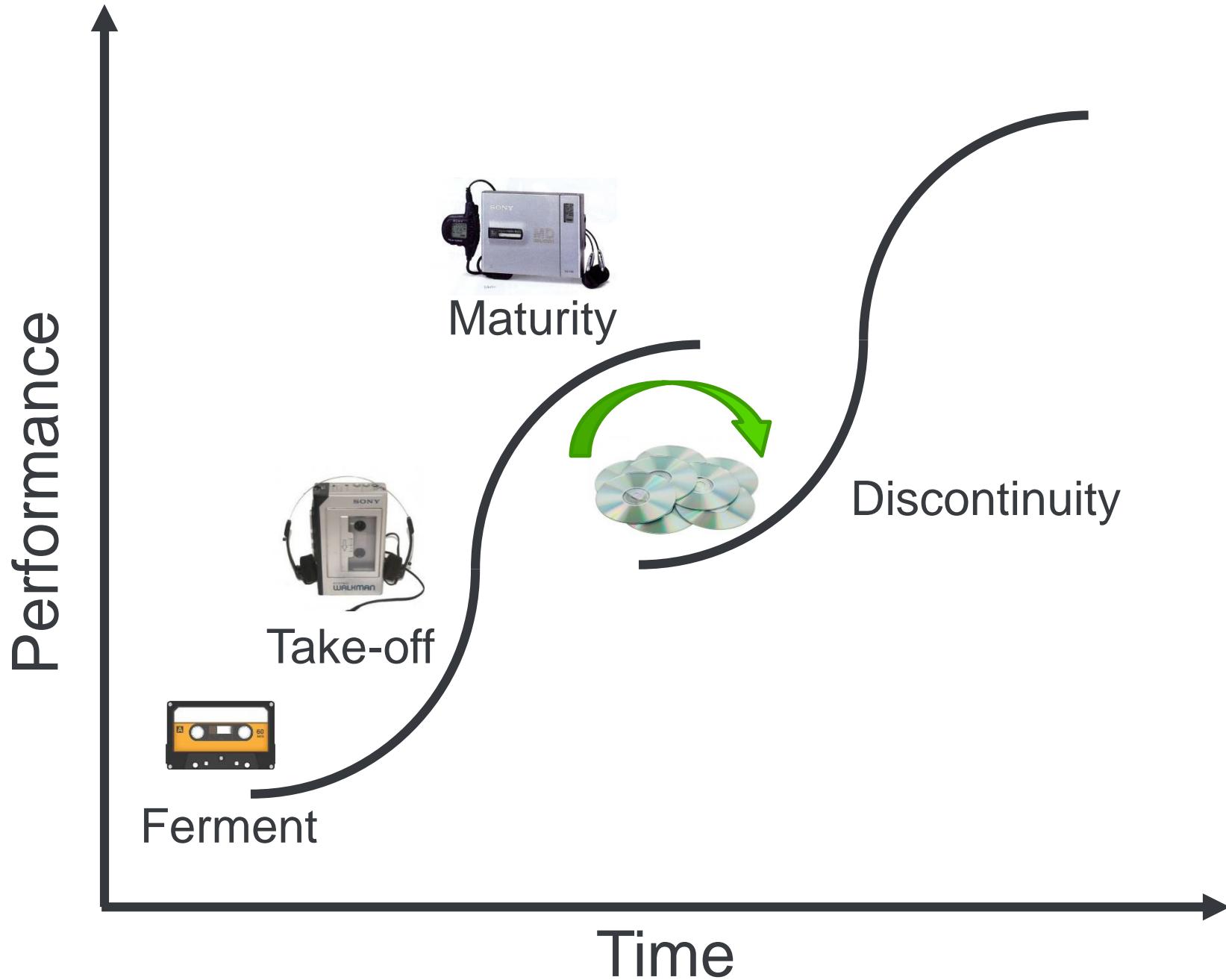


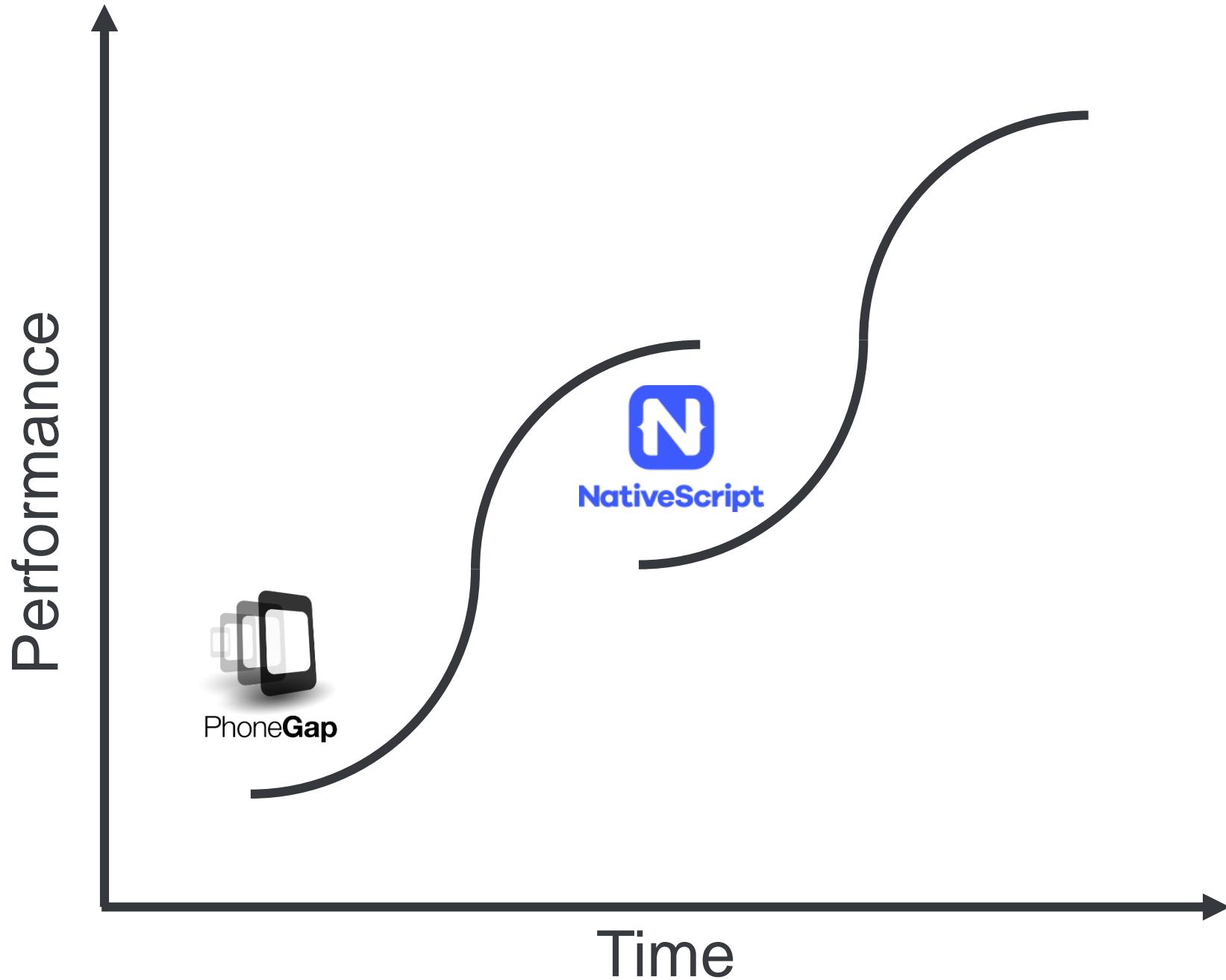
Commercialization









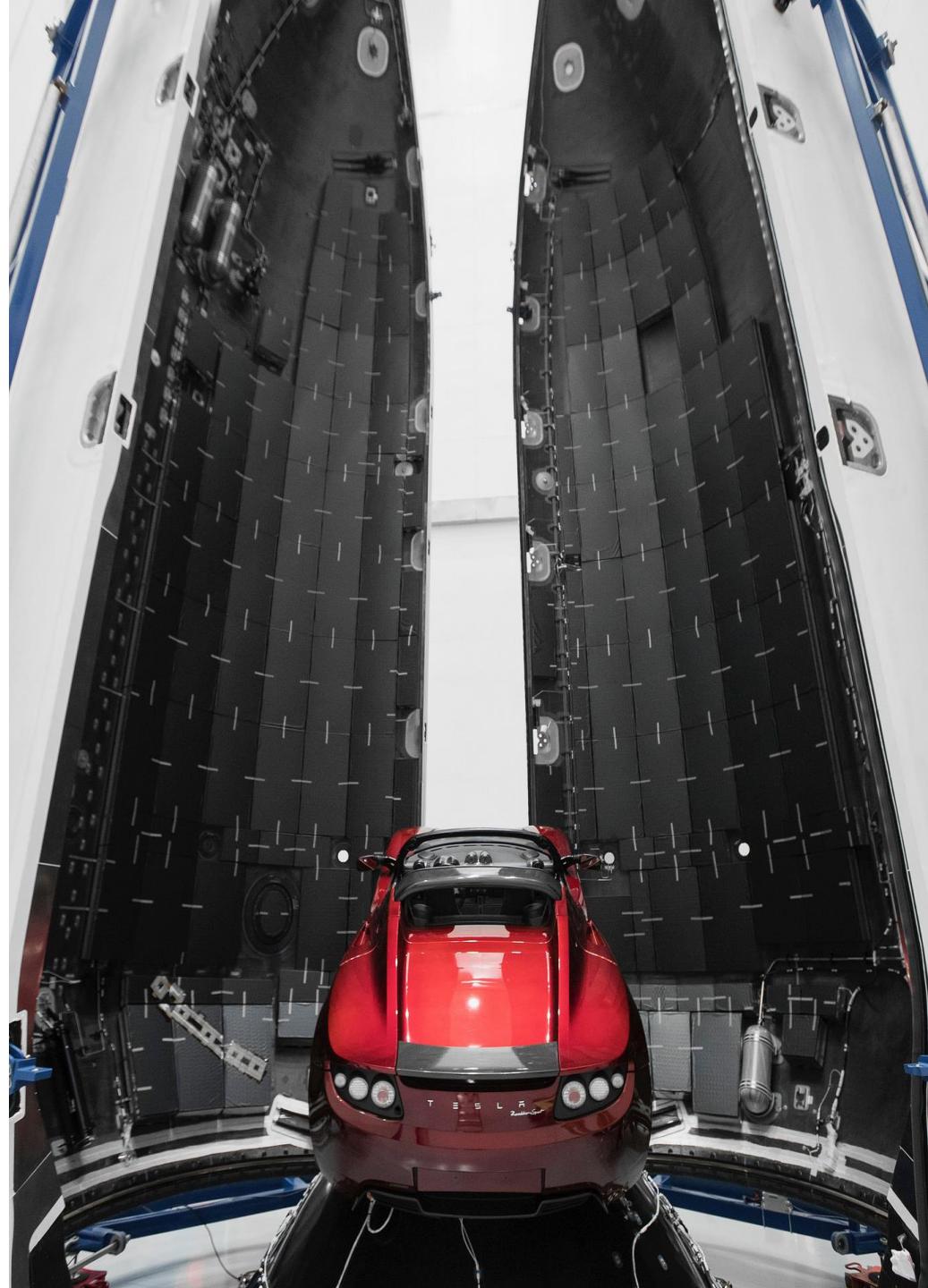


Why Innovate?



Why Innovate?

Position as an **innovative** and **inspiring** company that moves the industry forward.



Why Innovate?

Attract, develop and
become a source of **great**
talent.





CEO: We need to invest in developing our human capital?



CFO: What happens if we invest in developing people and they leave us?



CEO: What happens if we don't and they stay?

Geoffrey Moore



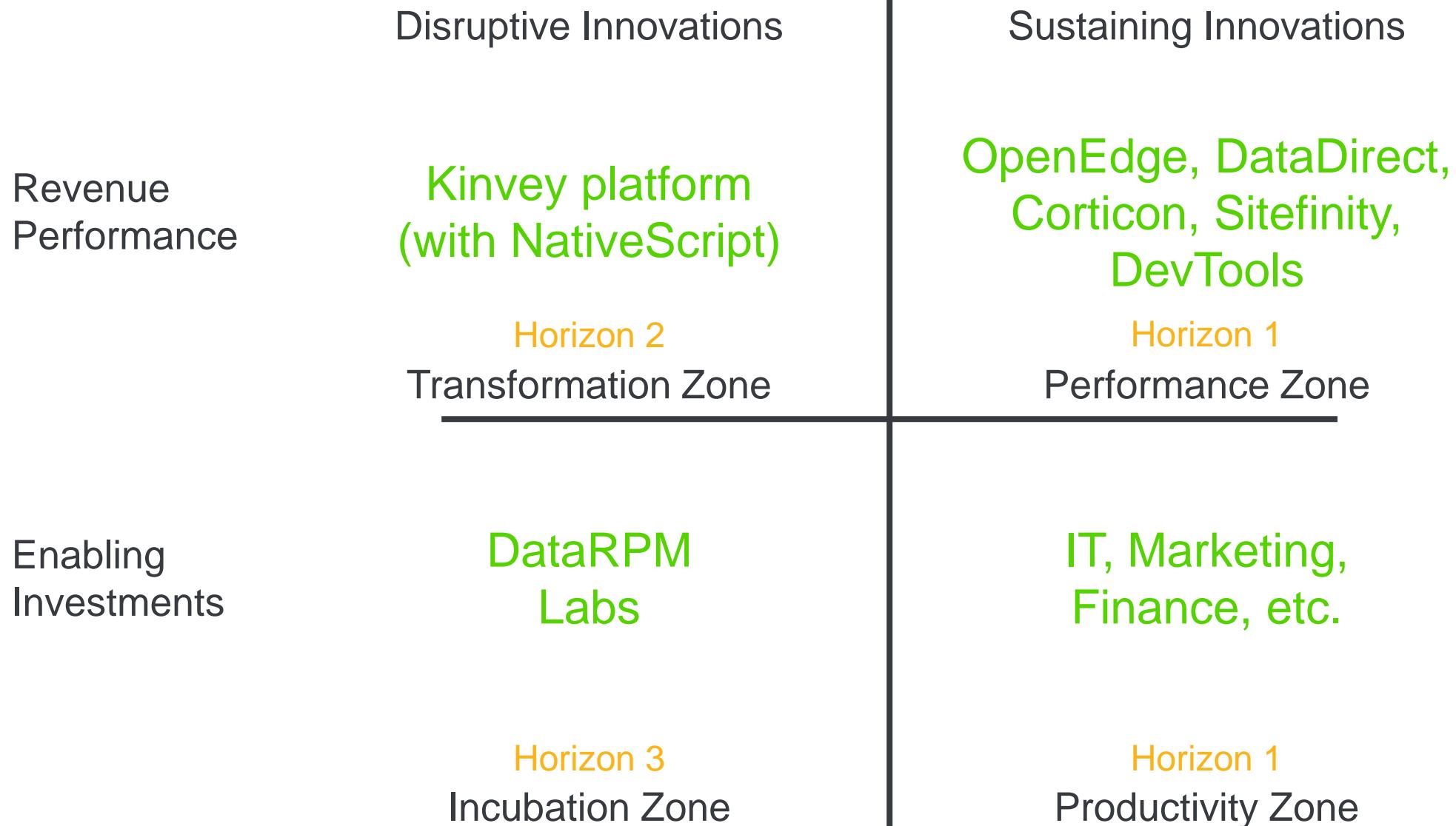
Can be done, one thing at a time...

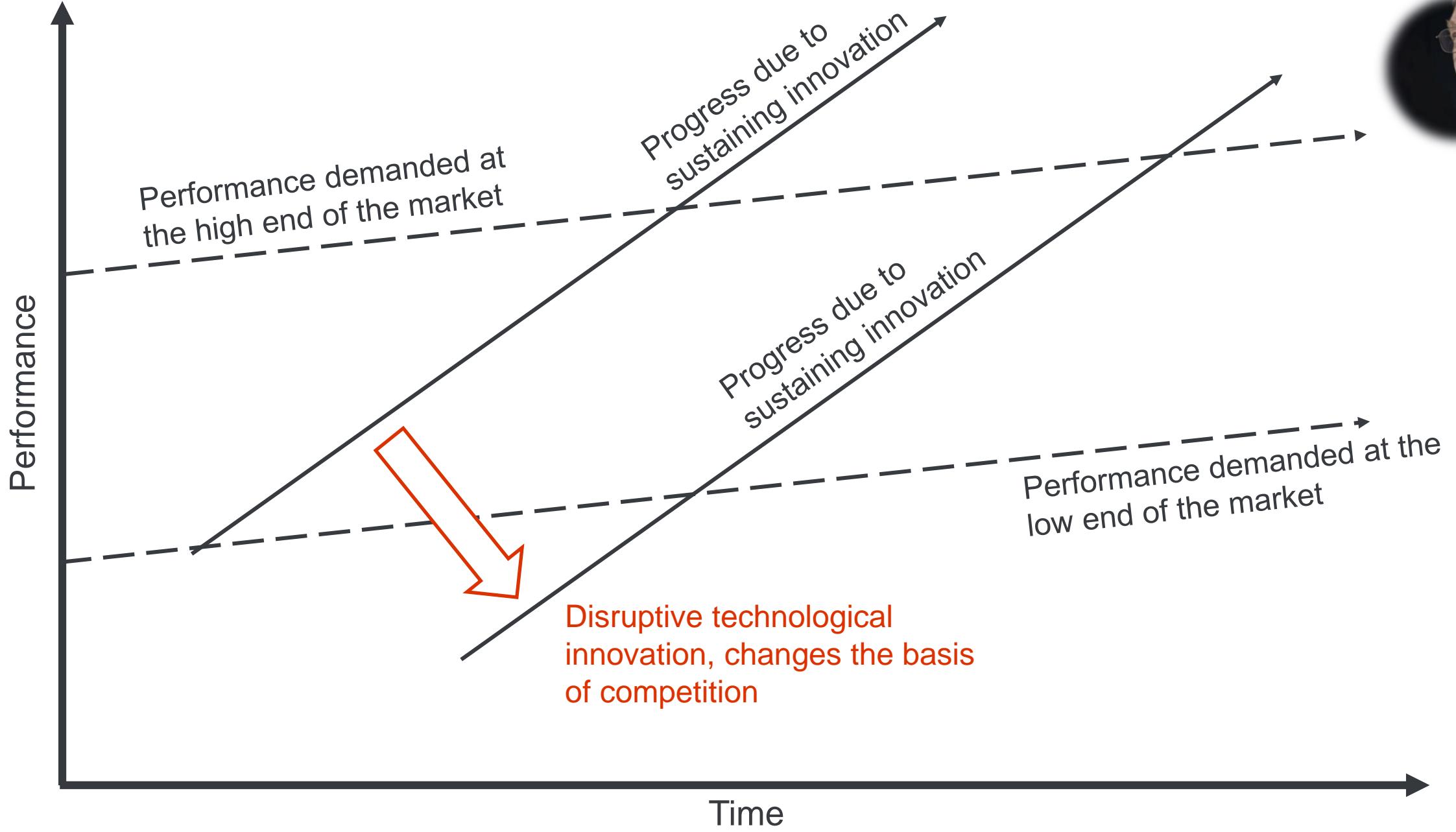
Clayton Christensen



VS

No way, must be a separate company...





What can we do to
foster innovation?

Time	Days	Teams	Talks	Ecosystem
10%	Hackathons	Incubator	Speakers	Community

Create an **innovation**
engine for our
customers, company and
community.

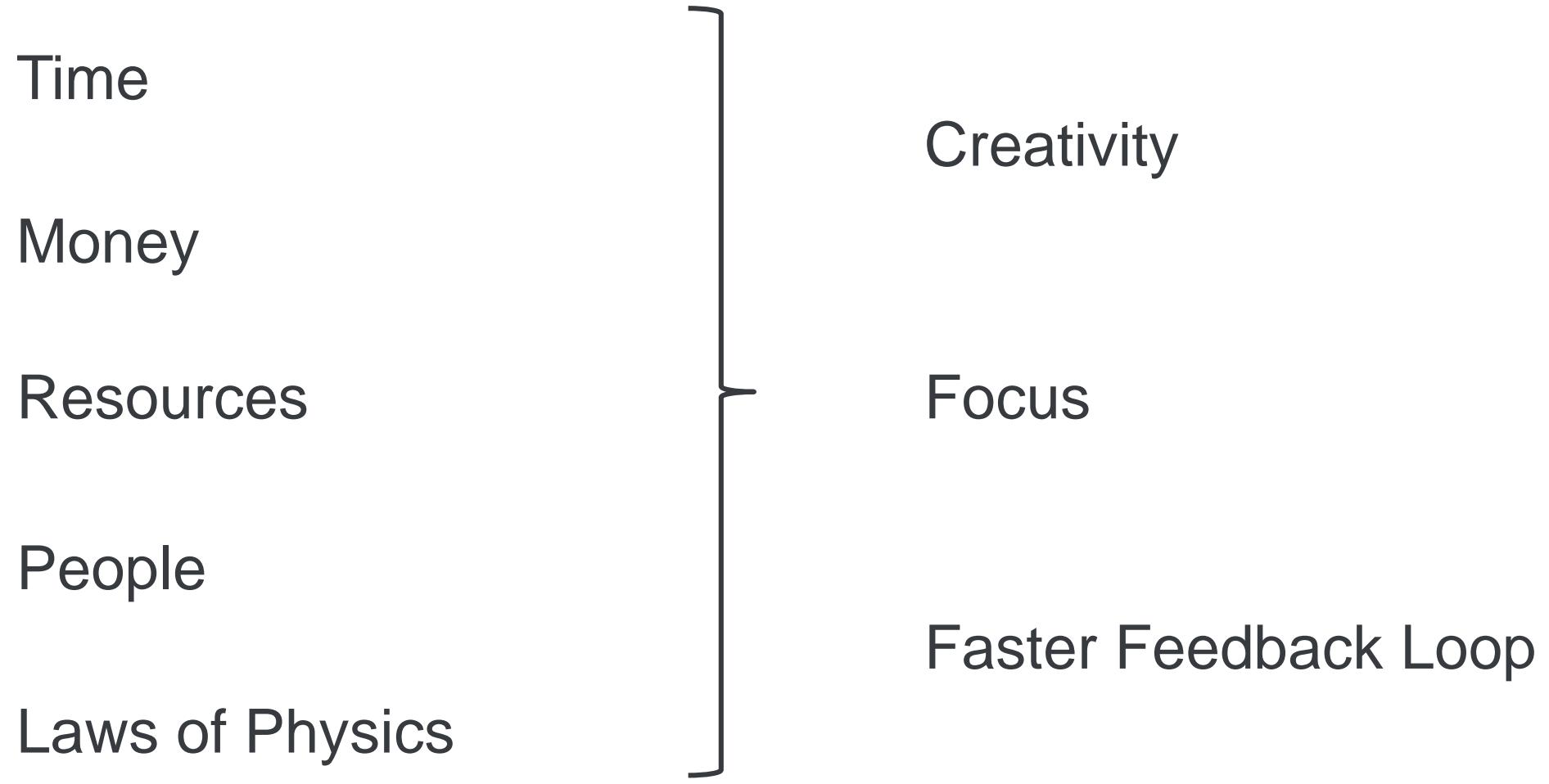


How?

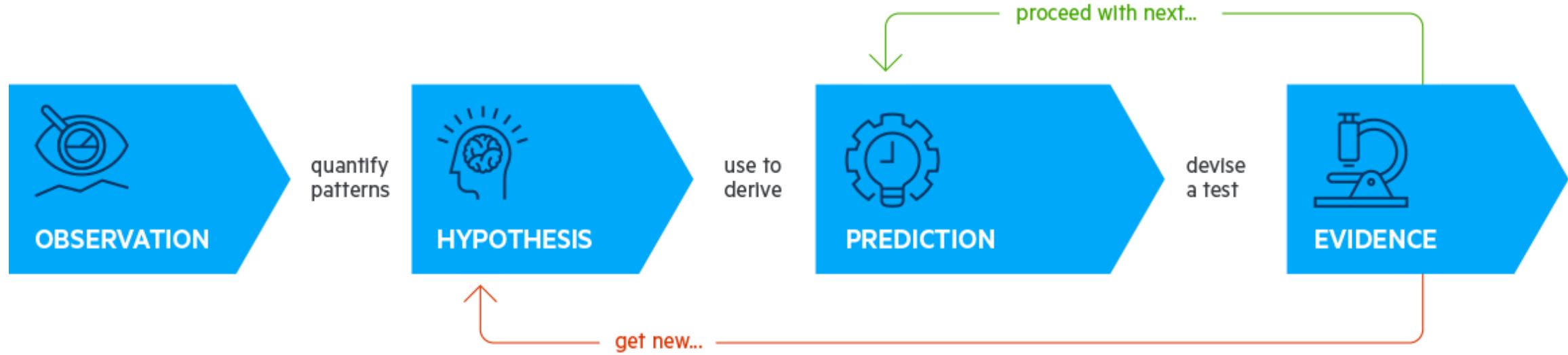


Mt.fish

Embracing Constraints



Scientific Method



Focus on one variable at a time.

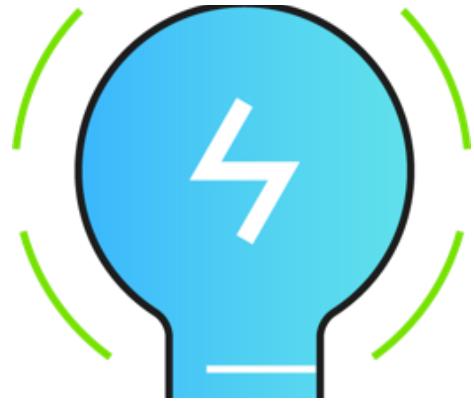


Progress Labs



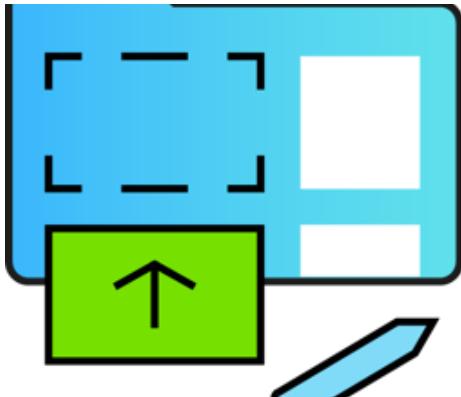
Guiding Principles

Culture of Learning



Focus on key learnings, not success or failure

Rapid Prototyping



Optimize for adaptability, not scale

Short Loops



Optimize the scientific method loop length

Product-Market Fit

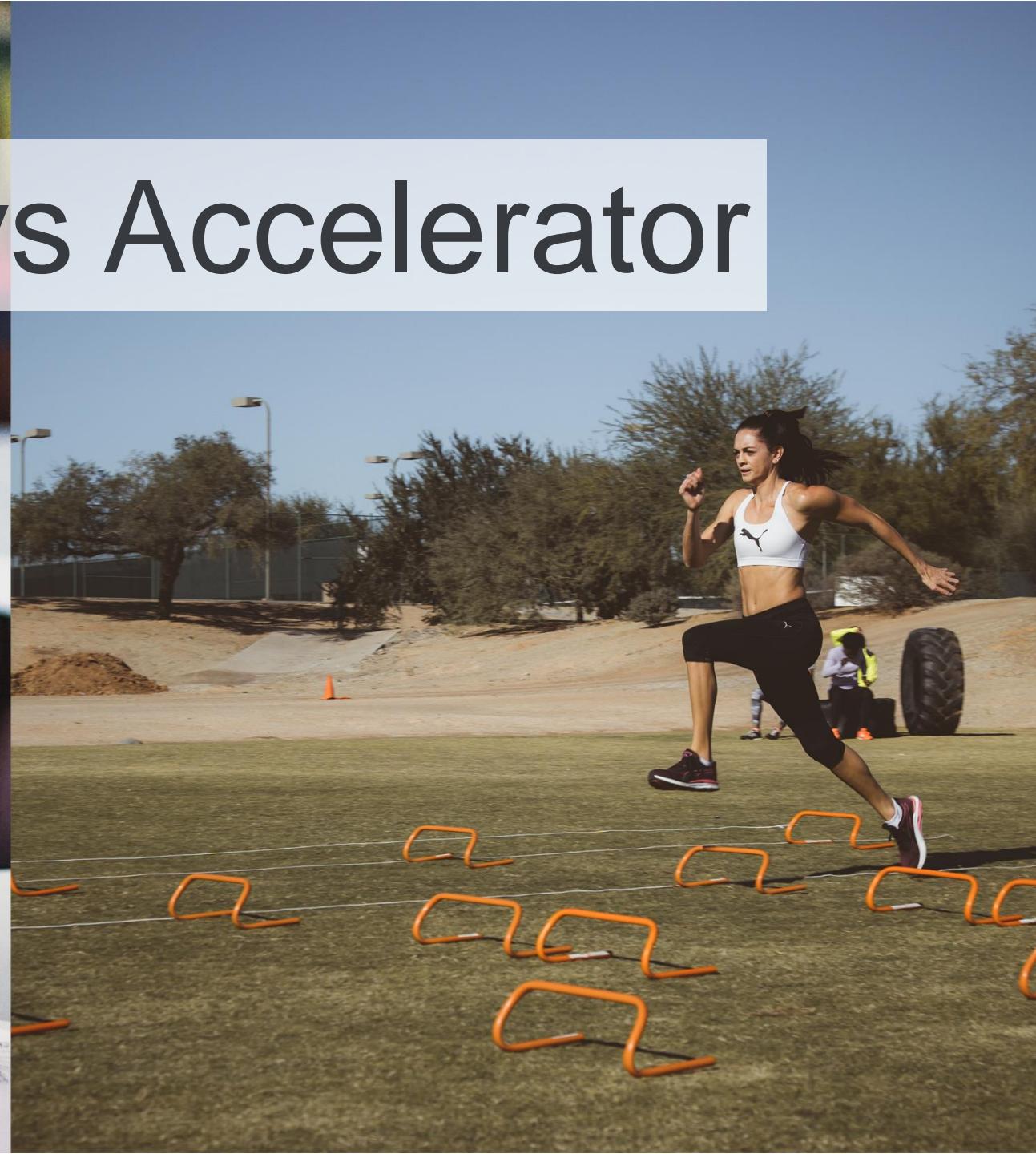


The only thing that matters

Risk free environment
with urgency to act.



Incubator vs Accelerator

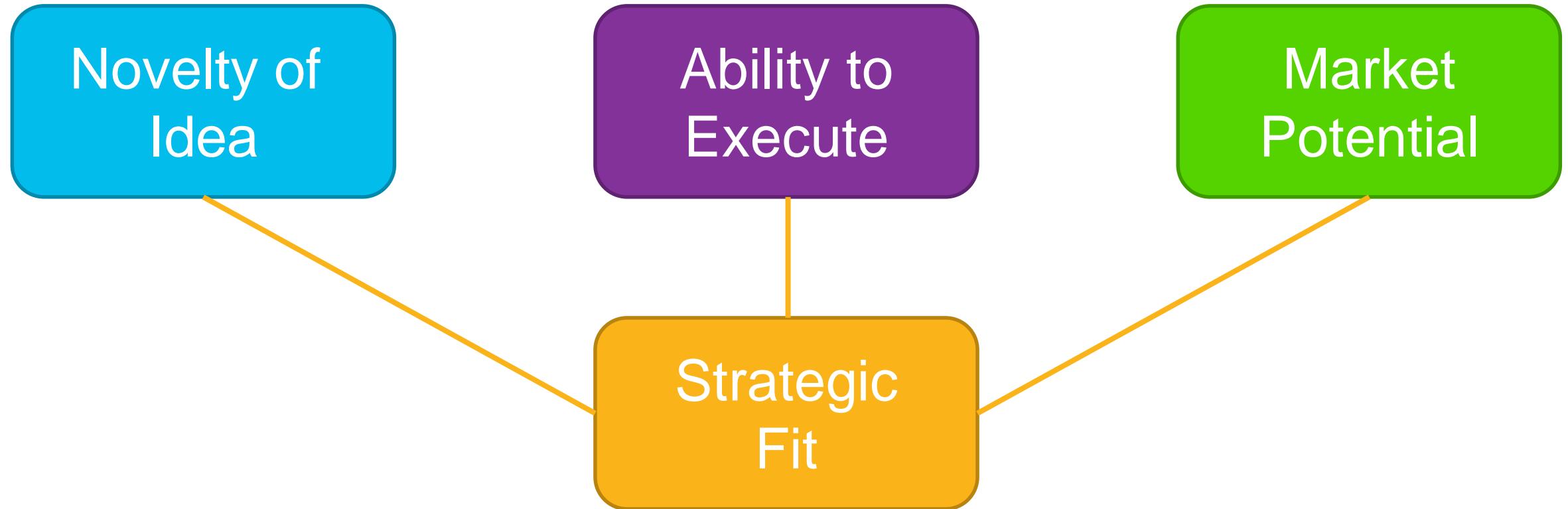


~~Playground~~

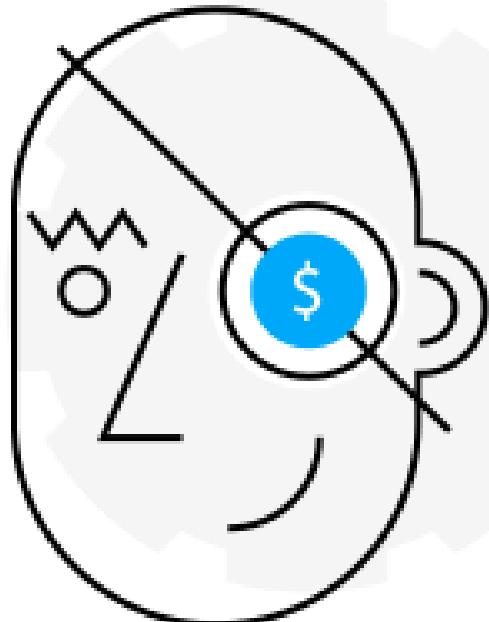


Photos of Microsoft Garage Boston from bizjournals.com

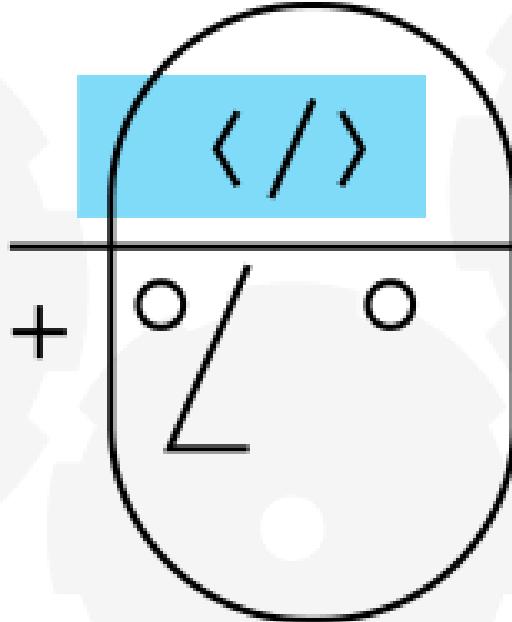
Selection Criteria



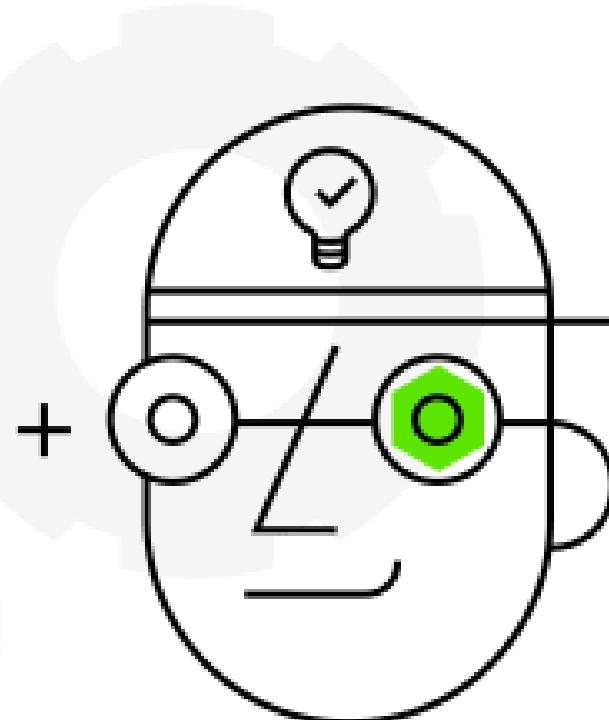
Team Structure



Hustler



Hacker



Hipster

Heart



Head



Hands



Home



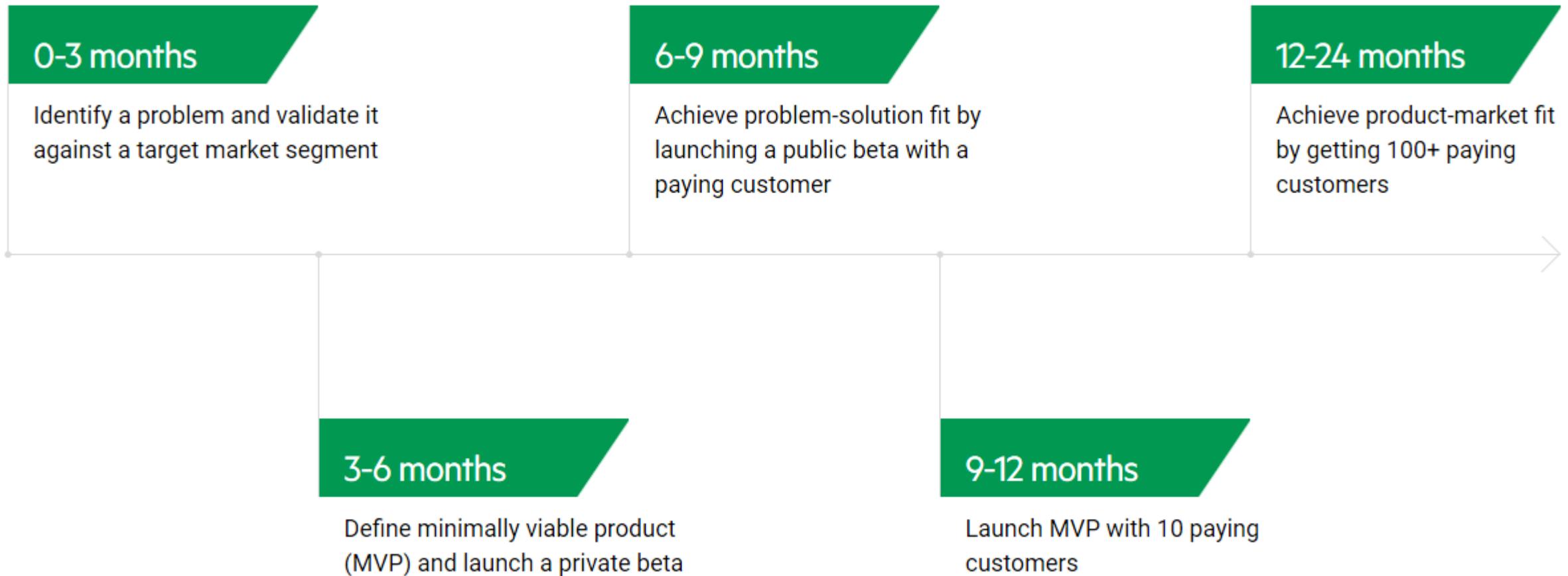
Mindset

Knowledge

Capability

Community

Milestones



WHO IS YOUR CUSTOMER?

- 1 Market Segmentation
- 2 Select a Beachhead Market
- 3 Build an End User Profile
- 4 Calculate the TAM Size for the Beachhead Market
- 5 Profile the Persona for the Beachhead Market
- 9 Identify Your Next 10 Customers

WHAT CAN YOU DO FOR YOUR CUSTOMER?

- 6 Full Life Cycle Use Case
- 7 High-Level Product Specification
- 8 Quantify the Value Proposition
- 10 Define Your Core
- 11 Chart Your Competitive Position

HOW DOES YOUR CUSTOMER ACQUIRE YOUR PRODUCT?

- 12 Determine the Customer's Decision-Making Unit (DMU)
- 13 Map The Process to Acquire a Paying Customer
- 18 Map the Sales Process to Acquire a Customer

HOW DO YOU MAKE MONEY OFF YOUR PRODUCT?

- 15 Design a Business Model
- 16 Set Your Pricing Framework
- 17 Calculate the Lifetime Value (LTV) of an Acquired Customer
- 19 Calculate the Cost of Customer Acquisition (COCA)

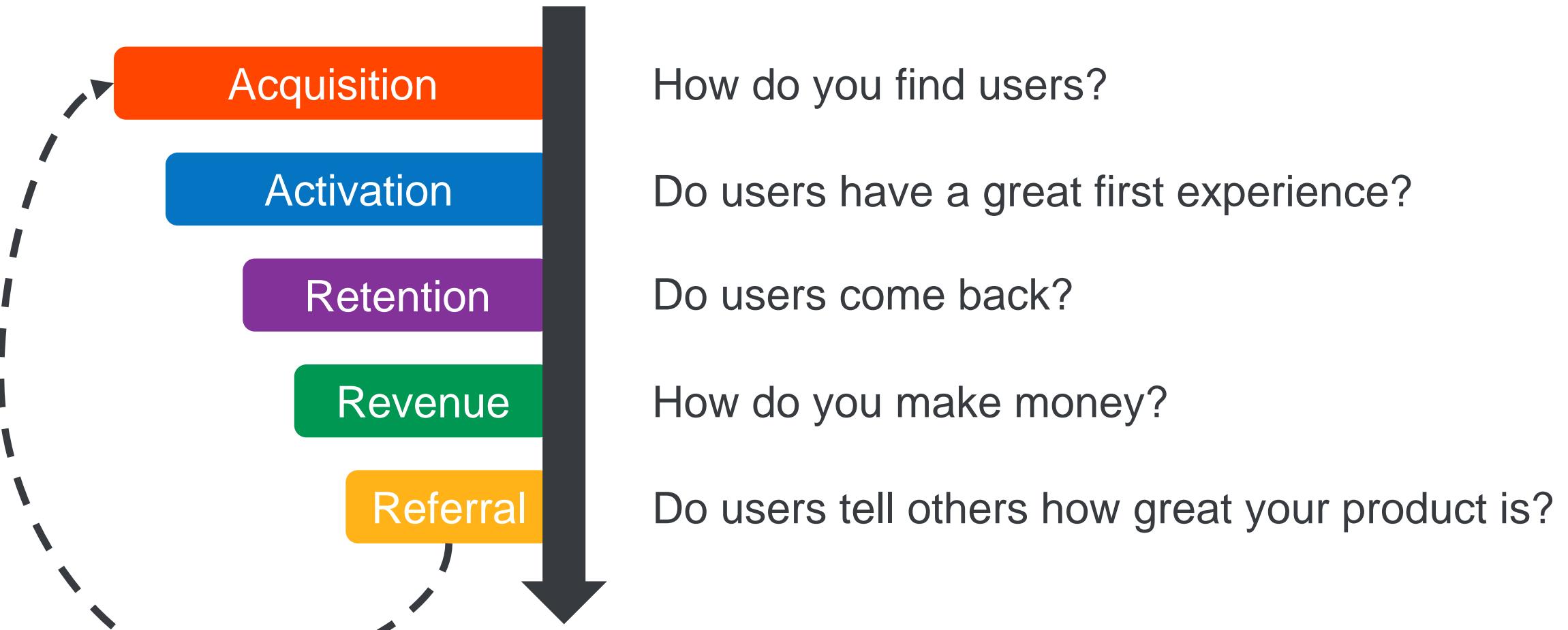
HOW DO YOU DESIGN & BUILD YOUR PRODUCT?

- 20 Identify Key Assumptions
- 21 Test Key Assumptions
- 22 Define the Minimum Viable Business Product (MVBP)
- 23 Show That "The Dogs Will Eat the Dog Food"

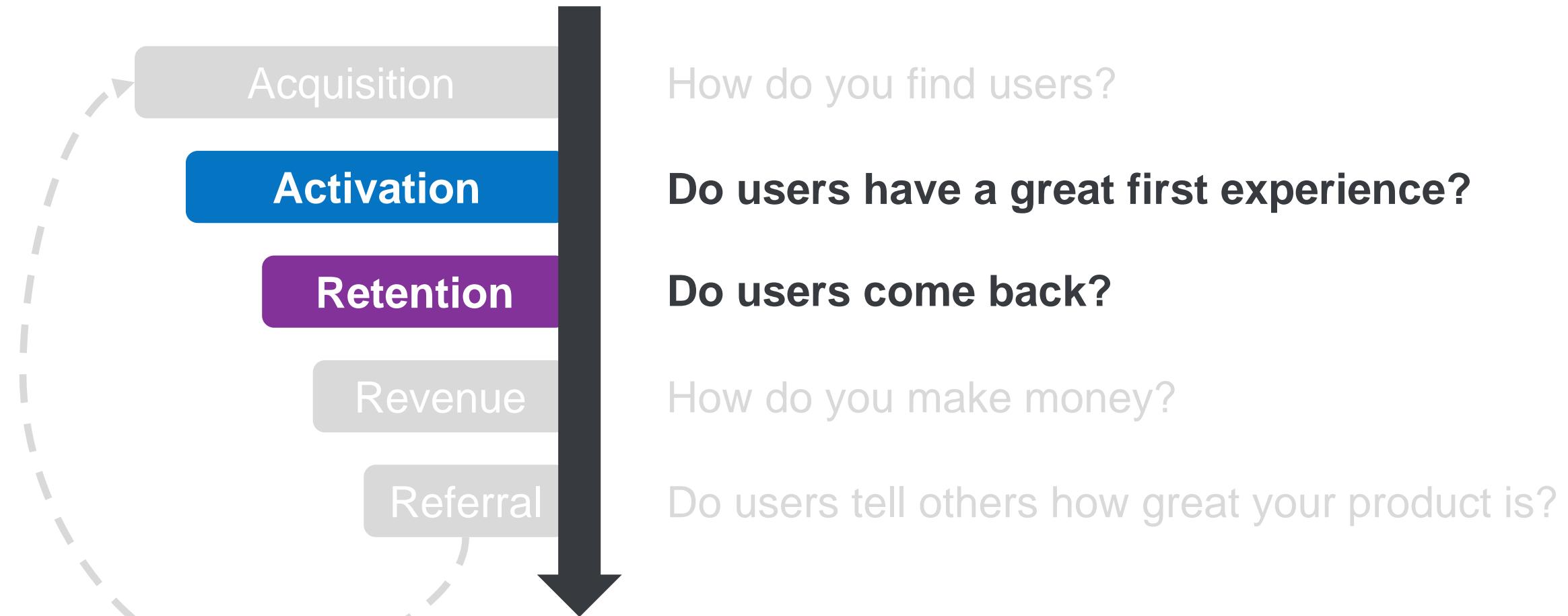
HOW DO YOU SCALE YOUR BUSINESS?

- 14 Calculate the TAM Size for Follow-on Markets
- 24 Develop a Product Plan

Success Metrics

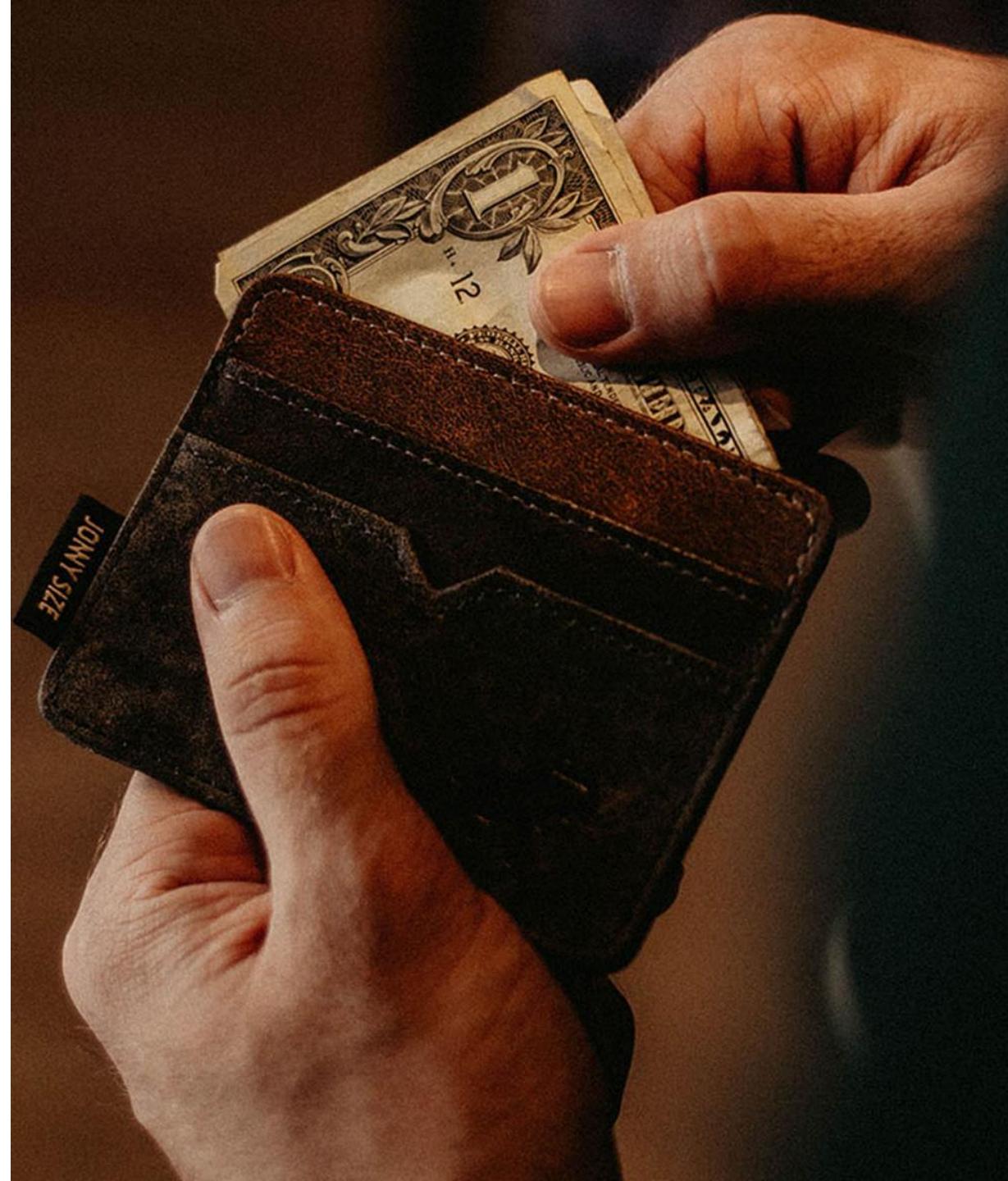


Success Metrics Initial Focus



**What's the single necessary
condition for a business?**

Paying Customer



Product-Market Fit

- Bad market + bad team = Disaster





[How electric car startup Better Place went from better to bankrupt - The ...](https://www.theverge.com/2014/4/7/.../better-place-startup-electric-car-collapse-in-isra...)

[https://www.theverge.com/2014/4/7/.../better-place-startup-electric-car-collapse-in-isra... ▾](https://www.theverge.com/2014/4/7/.../better-place-startup-electric-car-collapse-in-isra...)

Apr 7, 2014 - When Shai Agassi, the founder of Israel-based electric car company Better Place, first told the world about his idea, he said it would be bigger ...

[Better Place To File For Bankruptcy - Business Insider](https://www.businessinsider.com/better-place-to-file-for-bankruptcy-2013-5)

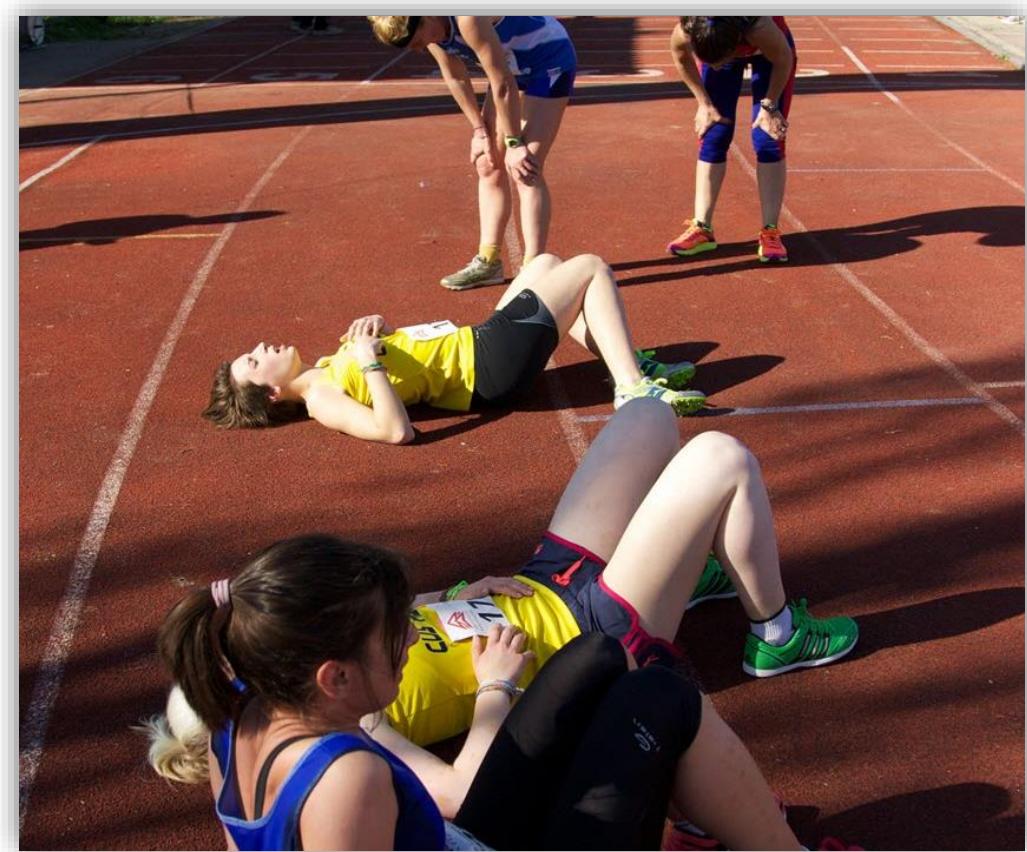
[https://www.businessinsider.com/better-place-to-file-for-bankruptcy-2013-5 ▾](https://www.businessinsider.com/better-place-to-file-for-bankruptcy-2013-5)

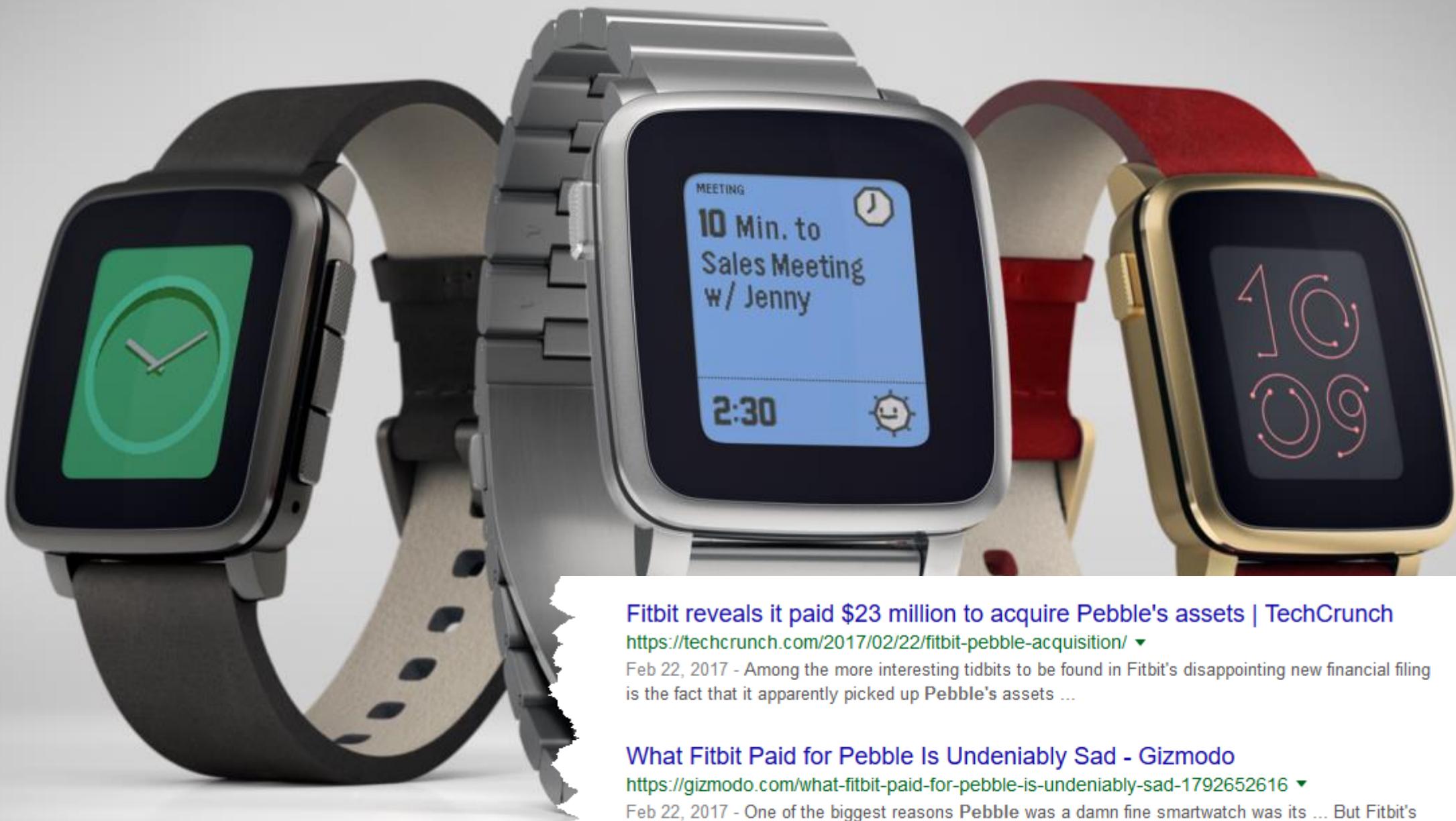
May 24, 2013 - REUTERS/Nir Elias Electric car battery supplier Better Place plans to file for bankruptcy within the next few days, CNN Money reports.



Product-Market Fit

- Bad market + bad team = Disaster
- Bad market + great team = Good **effort**





Fitbit reveals it paid \$23 million to acquire Pebble's assets | TechCrunch

<https://techcrunch.com/2017/02/22/fitbit-pebble-acquisition/> ▾

Feb 22, 2017 - Among the more interesting tidbits to be found in Fitbit's disappointing new financial filing is the fact that it apparently picked up Pebble's assets ...

What Fitbit Paid for Pebble Is Undeniably Sad - Gizmodo

<https://gizmodo.com/what-fitbit-paid-for-pebble-is-undeniably-sad-1792652616> ▾

Feb 22, 2017 - One of the biggest reasons Pebble was a damn fine smartwatch was its ... But Fitbit's acquisition of Migicovsky's baby appears to be a case of a ...

Product-Market Fit

- Bad market + bad team = Disaster
- Bad market + great team = Good effort
- Great market + bad team = Success





Product-Market Fit

- Bad market + bad team = Disaster
- Bad market + great team = Good effort
- Great market + bad team = Success
- Great market + great team = Magic





Going to Market

Go-To-Market During Incubation

- Project landing page on company site
- New brand, site, domain (temporary)
- Blog on Medium
- Lead magnet resources
- Run marketing experiments (A/B tests)
- Get paying customers and early indication about product-market fit

Go-To-Market for Launch

- Rebrand and merge product under your main portfolio
- Migrate temp site and Medium blog to your company domain
- Launch product under your company brand
- Create a go-to-market plan for scale

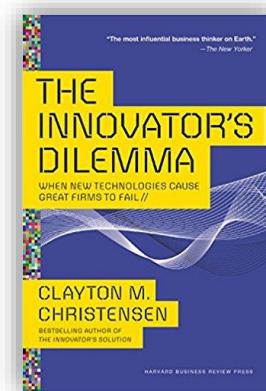
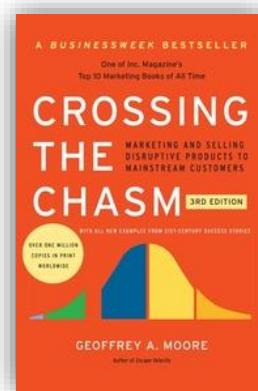
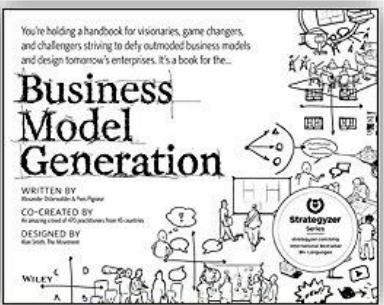
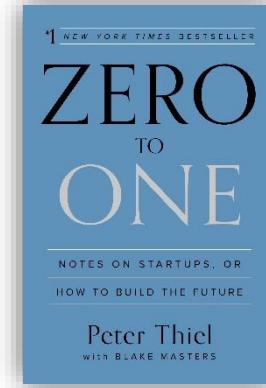
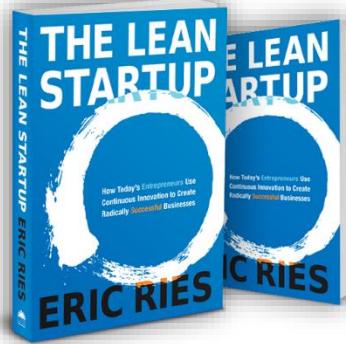
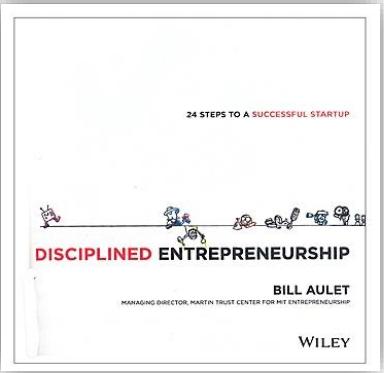
Building Ecosystems

Mentor
Network

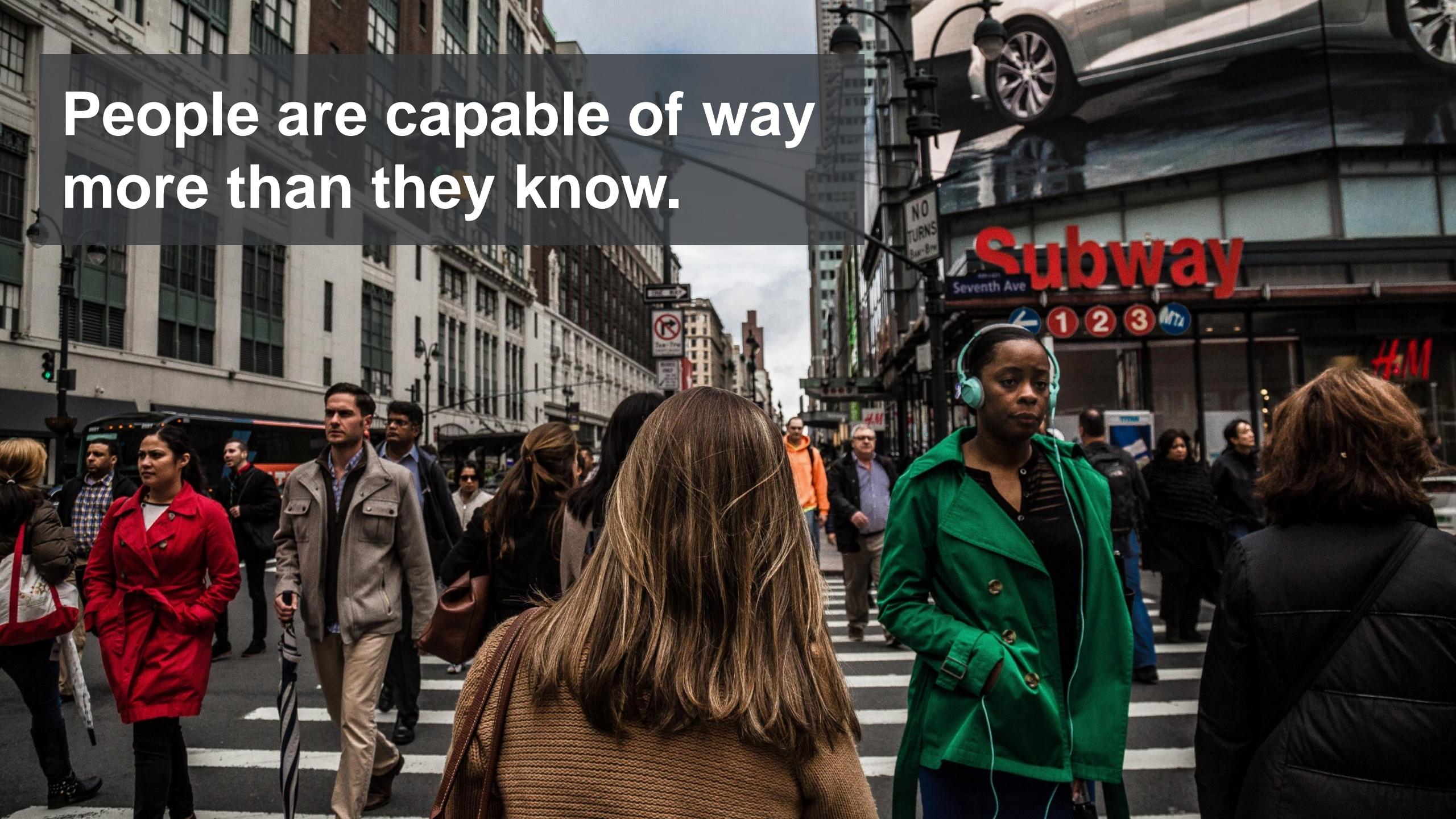
Alumni
Network

Local
Community

Stepping on the Shoulders of Giants



People are capable of way
more than they know.





Progress®