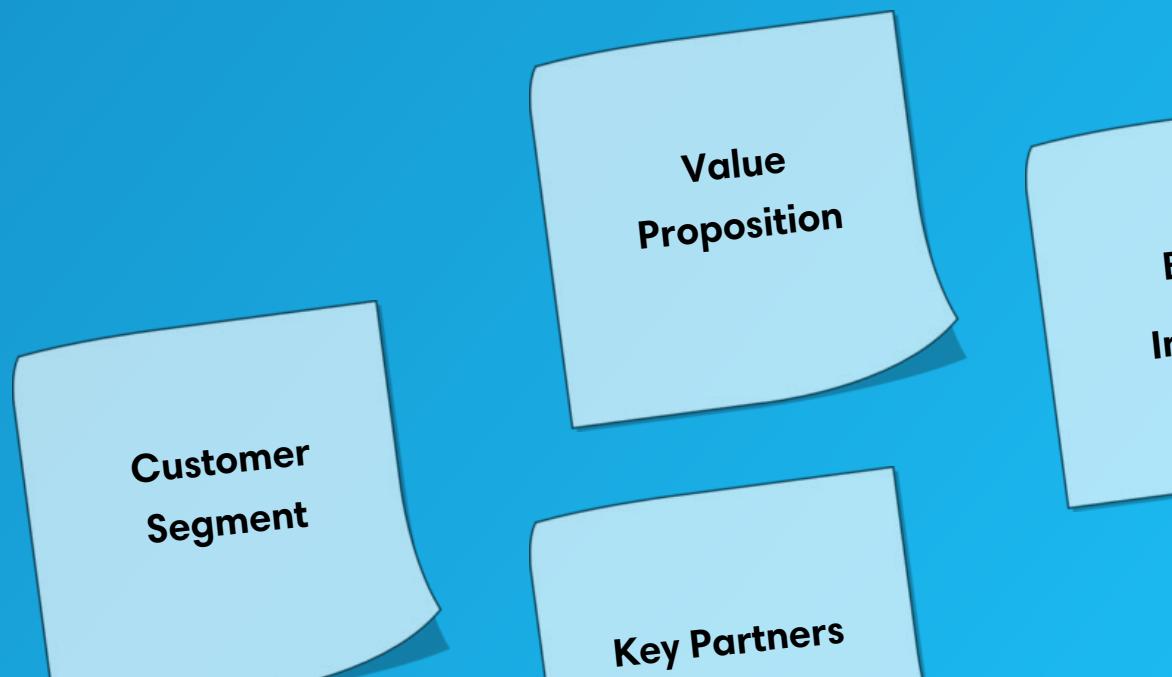


# Business Model Canvas

by CCA DMBA Class C10



# CC@ Team



## Archit Hari

Over the last 3+ years Archit has deep dived into the science of building viable/desirable products – ranging from apps, websites to IoT devices for businesses. This journey has led me to project manage and lead user experience (UX) software design for clients in Middle East and China.

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## Jessica Straus

Jessica is an Entrepreneur in Residence GE Ventures supporting the New Business Creation and Commercial Development teams. Previously, she was VP of Development for the National Venture Capital Association, where she developed their 3-year revenue model and launched the VC industry's first diversity initiative. She also led communications for vc-backed social media SaaS company SocialFlow.

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## Judith Basler

Judith has worked for various start ups, building product development and client management organizations from ground up. She has since held various senior leadership positions in large fortune 500 companies such as Adobe and Kodak. Judith has been called out by her colleagues for her customer centric approach and forward thinking ways of working with teams and leadership.

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# CC@ Team



## Satwik Polkampally

Satwik has been working in the domain of 'user-centric design', A process which involves co-creation, working with across the disciplines of design, business, engineering, and Technology.

His undergraduate degree in Mechanical Engineering aids in prototyping and realizing a tangible product design development.

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## Sohaj Singh Brar

Sohaj is an Experience Designer, Business Innovator and Product Strategist. He was the founding member of the Product Innovation team at Monotype where he worked in AR, Automobiles, and Font Discovery. While serving as UX Designer & Solutions Innovator, he filed 5 patent applications in instant messaging, brand engagement and decision-making domains.

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# Executive Summary

Startgrid is a Silicon Valley based company founded by Peter Gardner in 2012. Startgrid offers a solutions platform that allows large enterprises to connect with external innovation solution providers, as well as manage and track innovations internally.

The following is a report created by Team Startgrid which includes of a group of students who are part of the C10 CCA MBA in Design Strategy program. Alongside a course called Business Models & Stakeholders, the team was tasked to partner with Startgrid and consult with the company leaders on current issues at hand surrounding business growth, product positioning and future outlook.

The team conducted research in the innovation landscape in which Startgrid is a player in and interviewed several people involved in innovation today from the enterprise as well as the start-up community side. We also looked at the competitive landscape and future trends. Based on the research findings the team was able to propose several new business solutions and growth ideas for Startgrid.

The team selected one final business model idea as the winning model in terms of customer need, opportunity, feasibility, and compatibility with the existing platform. The model was named “Smart Sourcing”. The model is being outlined in detail in this report in the recommendation section.

**Peter Gardner**

Founder & CEO



# Contents

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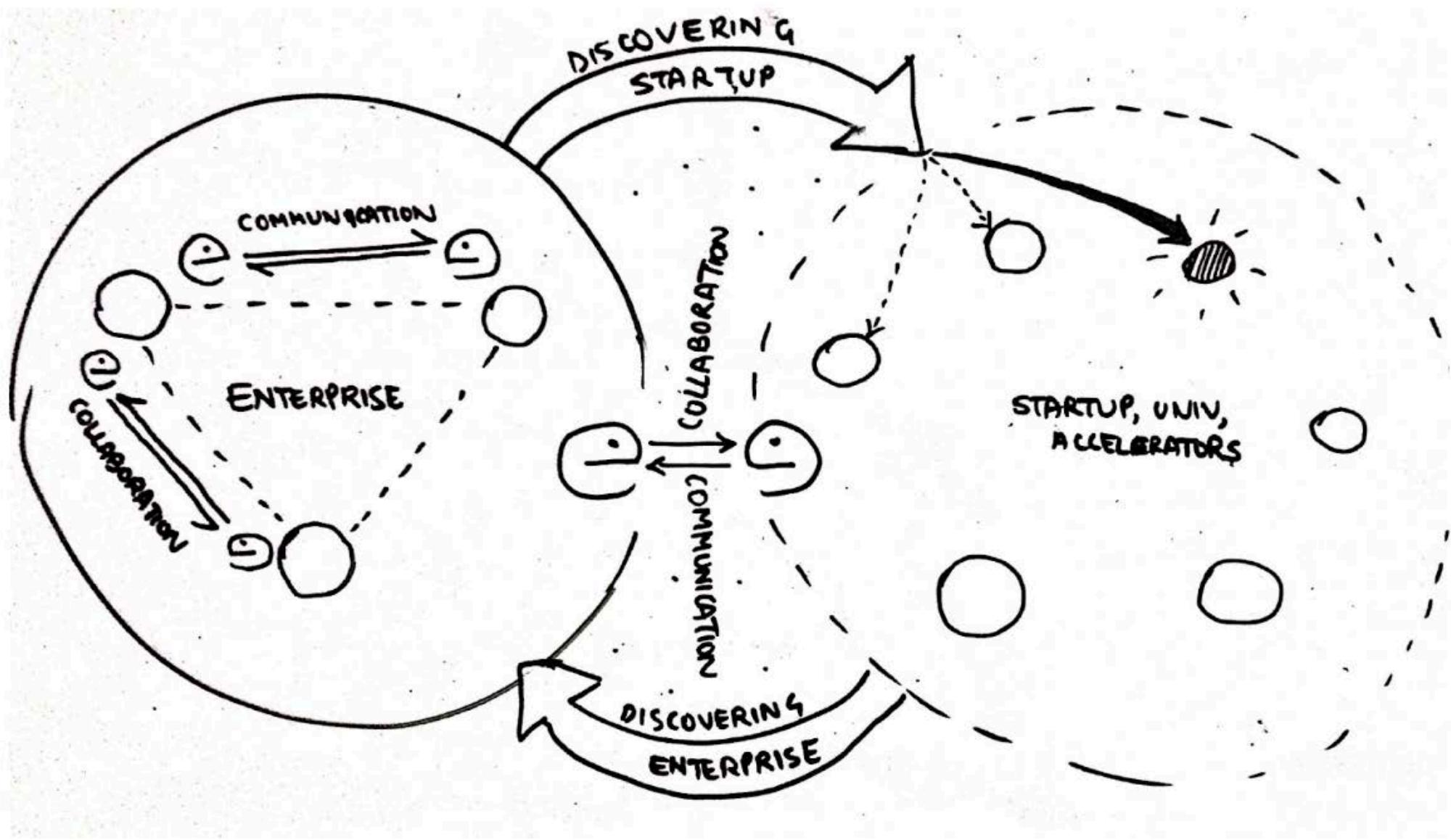
## The business report

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# Ecosystem



# Research Highlights



# Key Insights

Our team conducted nine interviews with startups and enterprises to understand the responsibilities, reporting structures, processes and technologies that guide their innovation management strategy. The interview candidates were selected to represent a range of industries, geographic locations, and levels of seniority.

We developed a short video to provide an overview of the key insights we learned from Enterprises. You may view the video: <https://youtu.be/xogWsANdOmc>



## Startup Insights

1. Enterprises move too slowly for startup sales cycle
2. Expertise and deep networks are needed to make enterprise collaboration possible
3. In-person interactions, email, and personal connections are the most useful tools for delivering results
4. Innovation teams are ineffective, lack decision making power

## Enterprise Insights

1. Challenging to be agile and fast enough to work with startups
2. Strong internal networks across the enterprise are key for innovation success
3. Phone, email, LinkedIn, Dropbox, CRMs were most frequent technologies used to manage innovation
4. Filtering, vetting startups and validating their value proposition for the enterprise are the most difficult and important challenges

# Insights - Startup

## Interaction with Enterprise

- Approach the enterprise via LinkedIn by identifying mutual connection to CXO ~ 2 months to establish connection
- For pilots, the enterprise moves so slow, it creates so many problems for us.
- Need to set deadlines and timeline. Enterprise delays payment and deal. No feedback from enterprise.
- Enterprise sales team only acts with approval of IT, and IT is delayed several years
- Recommend focus on SMEs, which move quickly and provide feedback. Enterprise success requires expertise and time.

## Technology Used for Procurement

- LinkedIn for market research, to discover and connect
- CRM - put leads to see which stage we are
- Email and Phone call to communicate.
- Direct communication also through WhatsApp Google drives, docs, sheets for document sharing Slack is internally used

**Blake Love**

Founder, insurance company



Start-Up

## Goal

Our primary goal is to reduce our sales cycle, increase sales velocity and efficiency

# 2 Insights - Startup

## Interaction with Enterprise

- Identified enterprise customers through cold-calling, persuaded a company to let us do a pilot. Took 3 months.
- Shifted to a smaller, local company to do a pilot
- Accepted equity from an investor with deep enterprise connections
- Within the enterprise, its key to find someone who has a long-term view of the business.
- You need to save the company more money than you cost them.

**Adrian Harrington**

Founder, insurance company



Start-Up

## Goal

To increase sales velocity and efficiency

## Technology Used for Procurement

- LinkedIn can be useful but not imperative.
- Platforms that only offer networking are not that useful.
- If you share a connection through school or we grew up together that's what builds the bond.
- Direct in-person or email.

# 3 Insights - Startup

## Interaction with Enterprise

- Typical sales cycle is at least 18 months to sell technology into the enterprise. With a startup you have 5 seconds of life. You have no time for research. You learn and sell at the same time.
- Ran a pilot, couldn't sign a deal big enough to convince an investors and ran out of money.
- Innovation teams are at large in-effective, they are an extension of the sales team and removed from decision making.
- Good traction with the Ventures team, they have more power to accelerate decisions.

## Technology Used for Procurement

- You can't create an API out of human interactions
- In person, email.
- HBS gives me a great network, hard to bootstrap connections

Catherine Watkins

Founder, health IT



Start-Up

## Goal

Our primary goal is to increase sales velocity and efficiency

# 4 Insights - Accelerator

## Interaction with Enterprise

- We provide free resources and mentorship for innovators
- We are able to recommend the right path to get to the milestones for start ups at any stage.

Rosie Barrett

Program Manager



Accelerator

## Goal

To provide non-capital resources to founders

# 5 Insights - Enterprise

## Interaction with Enterprise

- Runs a pitch competition to train internal entrepreneurs
- Leads Innovation Workshops across the organization focused on different topics
- Runs a small internal fund for operational innovations

## Technology Used for Procurement

- Use email
- Use IdeaTrack, custom proprietary resource that we created internally. Allows us to classify ideas in different frameworks & helps people clearly communicate their idea, what's the market size, who they are
- Strong network of subjects matter experts in the company

**Daniel Brock**

Senior Director of Innovation,  
research and media company



Enterprise

## Goal

- We want to produce innovation internally because we slowed acquisitions and we wanted to create a culture of innovation
- To identify internal talent
- To develop incremental innovations with internal insights
- To improve customer experiences with internal insights

# 6 Insights - Enterprise

## Interaction with Enterprise

- Difficult to work within large corporation
- Translating between different practice areas & the startups
- Must understand what the enterprise challenges are, and to communicate startup value props in a way that translates to enterprise language
- Measuring customer satisfaction aggressively

## Interaction with Startup

- Sources companies for investment, acquisition, or partnership through inbound and outbound marketing
- Meeting startups and aligning needs with enterprise happens in ad hoc way
- Hard to be agile and respond quickly, make decisions fast enough for startups

## Technology Used for Procurement

- Use Excel and contact database
- Tech is great but only if it supports outcomes for our customers
- Well established criteria and framework for startup collaboration is more crucial than tools.
- Most valuable connections to startups come from introductions we trust

**Maud Jefferson**

Senior Innovation Manager,  
insurance company



Enterprise

## Goal

- Increasing customer satisfaction and relevance
- Vetting startups by obtaining clearly defined needs-descriptions from internal entities

# Insights - Enterprise

## Interaction with Enterprise

- Business units and startups speak a different language!
- Must know key decision makers within the business units

## Interaction with Startup

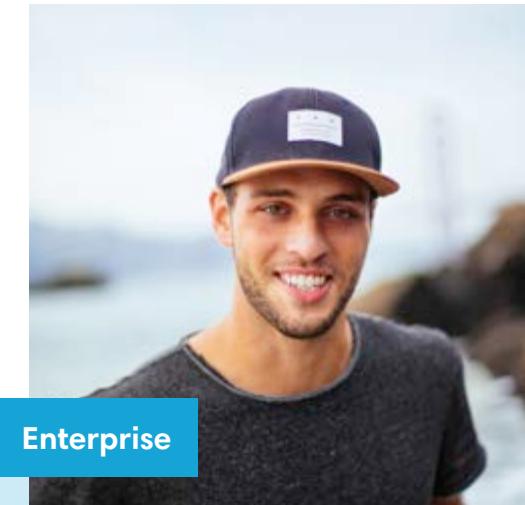
- Never thought scouting was hard
- Need to be able to convey the added benefit that the enterprise brings to the startup
- Startups expect you to deliver
- BUs have tremendous pressures on cost and productivity, if startup is not within the BU's target, chances are really slim that you will get to sales

## Technology Used for Procurement

- Use LinkedIn to manage and identify contacts
- Use a software called DealFlow, a CRM system for your startups, a B2B
- Used a platform called Hive Learning to keep track of learnings and internal knowledge sharing
- Used Dropbox for diligence

### Eddie Mack

Senior Innovation Manager,  
utility company



Enterprise

## Goal

- Sells the enterprise to the startups and sell startups to the enterprise
- To initiate startup pilots with enterprise

# 8 Insights - Enterprise

## Interaction with Enterprise

- Most important thing is to get an executive sponsor for the innovation initiative with the Business Unit
- Even when we are ready to invest, we run the idea by the team of internal experts with a long standing history of the company to decide if it's a fit.

## Interaction with Startup

- We source under the different thematic areas, rank the startups, filter, hold a demo day and then may select 1 or 2 for a Proof of Concept

## Technology Used for Procurement

- Use Rocketspace to find startups.
- Using Excel to manage all the projects
- Use Dropbox for all startup engagement information
- Crunch base is helpful, but there is no instant validation of startups.

**Dorothy Mendez**

Corporate Venture Associate,  
U.S. airline



Enterprise

## Goal

- To build a portfolio of startups in collaboration with Business Units to develop pilots, partnerships or investment opportunities

# Insights - Enterprise

## Interaction with Enterprise

- The internal company network is key for startup sourcing
- We filter and validate startups by through our internal framework of focus areas for the enterprise

## Interaction with Startup

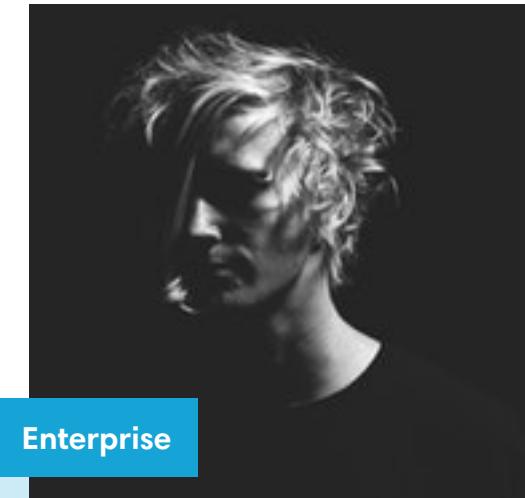
- Partnerships with CVCs, VCs, academics, accelerators, and our own networks are key for startup sourcing

## Technology Used for Procurement

- CRM tool to document and track all startups
- Proseeder, but has not been the holy grail
- Internal subject matter experts
- Email and phone

**Caleb Buchanan**

Corporate Venture Senior Management, aviation industry



Enterprise

## Goal

- Sourcing deals that make sense for the company and ensuring our 100-year old brand remains intact
- Validating the deal flow
- Tapping into external forms of innovation that isn't currently occurring internally to foster the creation of new products and services that the enterprise can eventually purchase

# Competitor Landscape

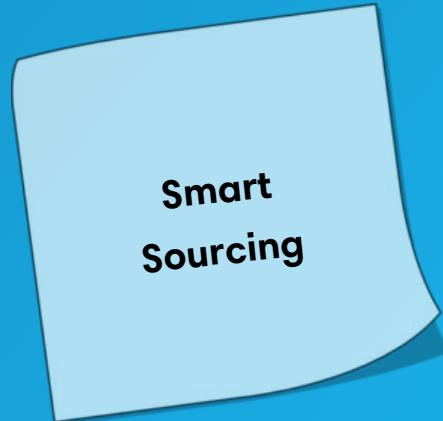


# Competitor Matrix

Company	Startup Sourcing	Research and Ideation	Dashboard & Analytics	Deal tracking	Deal Syndication	Internal Innovation Management (Crowdsourcing, Idea Tracking, Product and Project Management)	Internal/External Communication	API Management	CRM
Proseeder			X	X	X		X		X
Mulesoft								X	
Spigit			X			X	X		X
Hype Innovation			X	X		X	X		X
Brightidea									
Planbox	X		X			X	X		X
Crowdicity									
PitchBook	X	X							
IdeaDrop			X			X	X		X
Javelin		X				X	X		X
Germ.io		X	X			X			
StartGrid	X	X	X			X		X	

# Recommendations

by CCA Students



# Recommendations

Startgrid, in its version right now, provides customers with the ability to manage their innovation process from sourcing to implementation of it. It records needs from business unit, related contacts, directory of companies that could service needs and the ability to tracking the servicing of the need.

Based on our research, we've discovered there is a need of a system that focuses on providing socially vetted and viable solutions for enterprises to leverage and in parallel provide startups with visibility on how enterprises work.

## Our recommendations include (but not limited to)

1 A comprehensive "Sourcing" tool which would be powered by M/L to ensure the startups are vetted based on relevant criteria which could be packaged as an API for other enterprise tools

2 Focusing on creating a large array of API protocols to ensure their solution can work with existing solutions present on the enterprise side and 3rd party solutions can work with theirs.

3 Tilting the service model towards the startups to ensure they are empowered and engaged to continually use the platform to gain traction with enterprises via peer based validation

## Recommended Business Model

# Smart Sourcing

StartGrid is the number one sourcing assistant for innovation worldwide

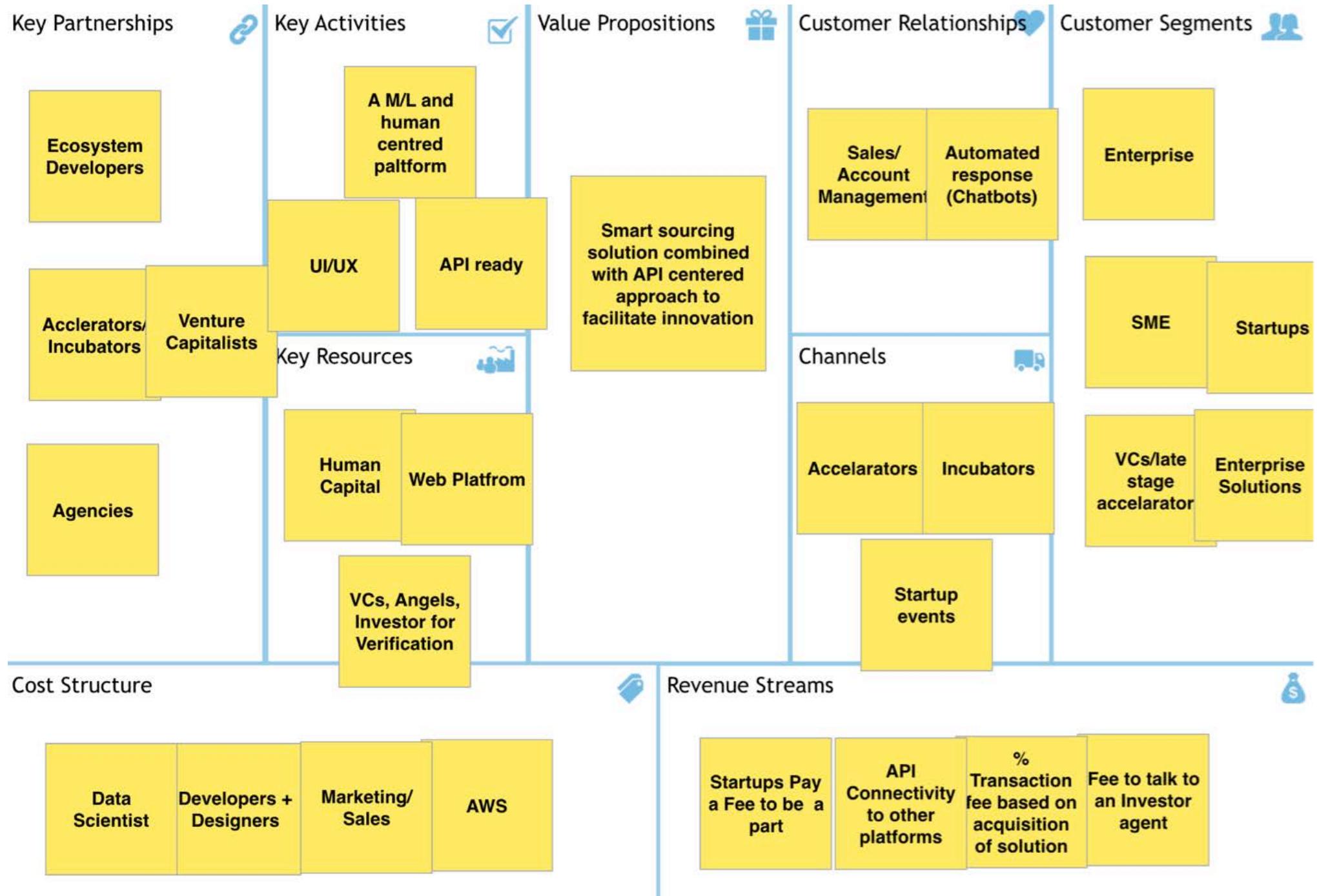
StartGrid is a smart sourcing solution which solves for the challenge of validating the right innovation solution through extensibility for both startups and enterprises. Extensibility is a design principle that takes future growth into consideration.

StartGrid is a companion tool that enables entrepreneurs and enterprises to save time, money, and travel in the innovation sourcing process.

Innovation sourcing is complex. Everyone spends a lot of time trying to find the right solutions. StartGrid enables a quick and precise match customized to your needs.

The revenue for our model comes from the API, the startup fee, transaction fee based on solution procurement and a fee for startups to speak with investors.

# Recommended Business Model



# Recommended Business Model

## How we landed here

Our findings led us to realize the need for a platform that could translate and improve the real world experience of startup sourcing into a virtual environment by using machine learning and data mining bring validated startups to the enterprise and vice versa.

We also believe there is no need for an additional tool to deal with project management, internal/external communication and monitor execution capabilities as the space is highly competitive. Planbox, Salesforce, and Proseeder are among the many growing companies in the space. Envisioning Startgrid in the future, we see a solution that collaborates with other enterprise suites through APIs to deliver on internal enterprise needs. We also see Startgrid opening up their solution for other providers to plug into its core offering.

From a business model perspective, this approach allows flexibility to access multiple revenue streams which could potentially lead to exponential growth. Below are estimates for leveraging four revenue streams. All projections are only considering Year 1 of the business.

## Product highlights:

**New!** Platform provides social proofing capability, connecting innovation needs with solutions that are already pre selected. Enterprises and start-ups undergo a vetting process primarily performed by AI to guarantee a quality match.

**Existing and improved!** Existing Startgrid platform allows companies to track and manage all innovation. The platform will now offer API capabilities in order to integrate with already existing tools, allowing departments to collaborate without being forced to learn a new tool.

Platform will offer different price category memberships depending on the level of interaction on the platform. While some leaders might utilize the platform for sourcing and networking, others will utilize the extended version for managing their full innovation process.

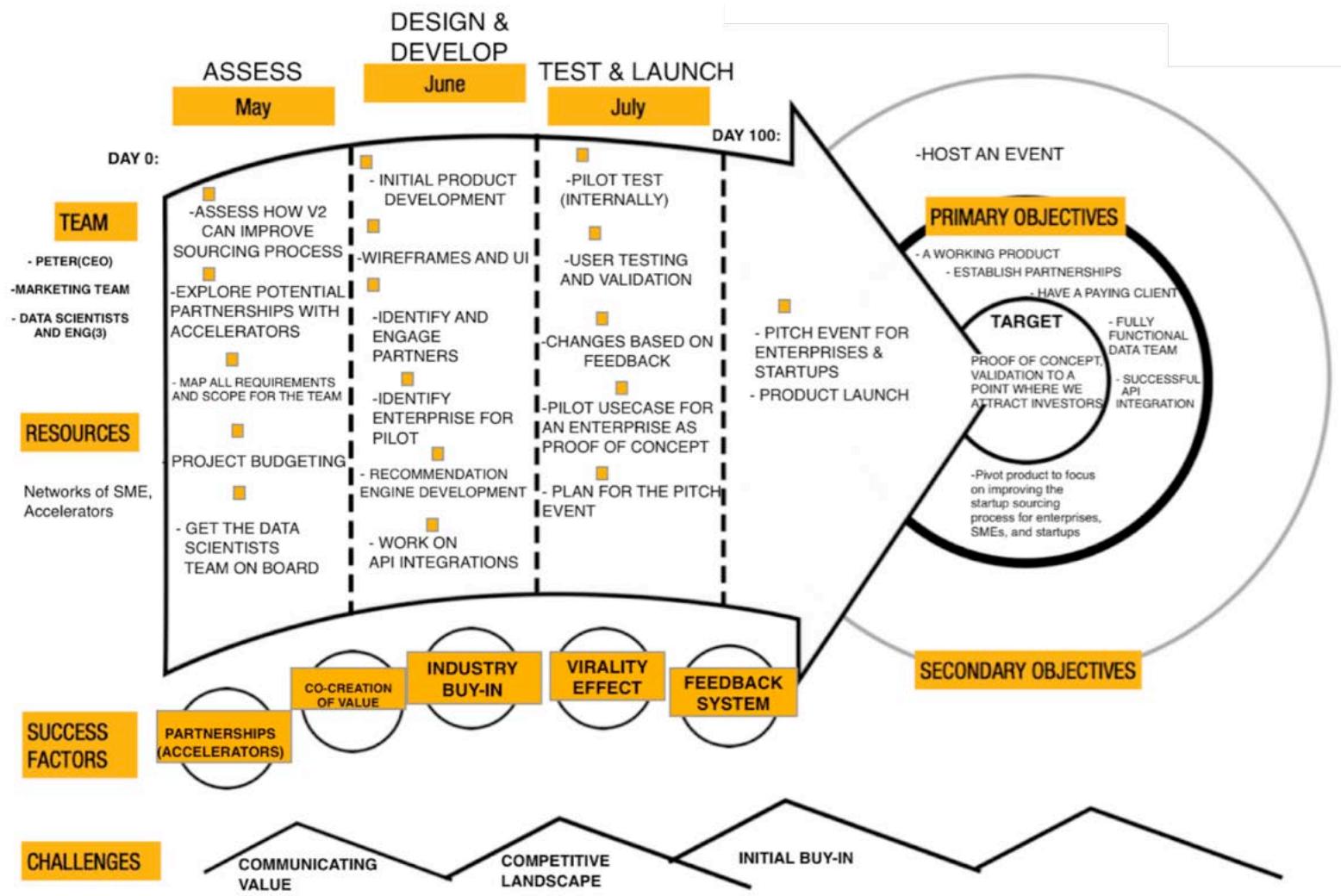
# Recommended Business Model

## Financial Model:

Time Period	Revenue Stream	Revenue Earned	Cost Structure	Cost
Year 1	Startups Pay A Fee	\$45,000	Sales/Marketing (3)	\$450,000.00
	API Connectivity	\$15,039	Developer (6)	\$600,000
	%Transaction Fee	\$132,500	Designer (4)	\$400,000
	Fee to Talk to an Investor	\$13,500	Data Scientists (2)	\$280,000
			AWS	\$9,600
	<b>TOTAL</b>	<b>\$206,039.26</b>		<b>\$1,739,600.00</b>

# The first 100 days

The target of the gameplan(100-day strategy) for the new business model was to get a proof of concept, i.e to validate the business model and product to a point where we attract investors. Apart from the target, we had a number of primary and secondary objectives like making changes to the product to focus on sourcing, exploring new segments like SME's and establishing partnerships to name a few. The Gameplan we propose is divided into three phases, i.e Assess, Design & Develop and Test & launch. Phase 1 is the assessment phase which is focussed on assessing the current situation and exploring options. The phase 2, i.e Design and develop will focus on product development, identifying partners and working on API integrations etc. Phase 3 is the Test and launch phase which primarily involves a pilot run, user testing and organizing a pitch event. The Gameplan also talks about the potential success factors and challenges for startgrid in this 100-day strategy.



# Conclusion

## **Innovation is a priority across all businesses**

Across the business landscape that emerged from the 2008 recession, innovation became a leading priority for corporations, small and medium enterprises, universities and other institutions. As a result, innovation management technologies, consultancies and processes have emerged to meet the demand. Businesses have a range of goals for their innovation strategy, including fostering long-term enterprise sustainability, engaging employees in innovation, new products and service development and financial returns

## **The stakes have never been higher**

In all cases, the stakes are high. The lifespan of large, successful companies has never been shorter, according to Innosight. The 2018 World of Corporate Venturing Study 2018 from Global Corporate Venturing Analytics showed that 55% corporations are seeking both strategic and financial returns from their innovation strategies. Small and medium sized enterprises globally need to innovate now, more than ever, to keep pace with the outsized job creation and economic growth they have traditionally delivered, according to the National Federation of Independent Businesses.

# Conclusion

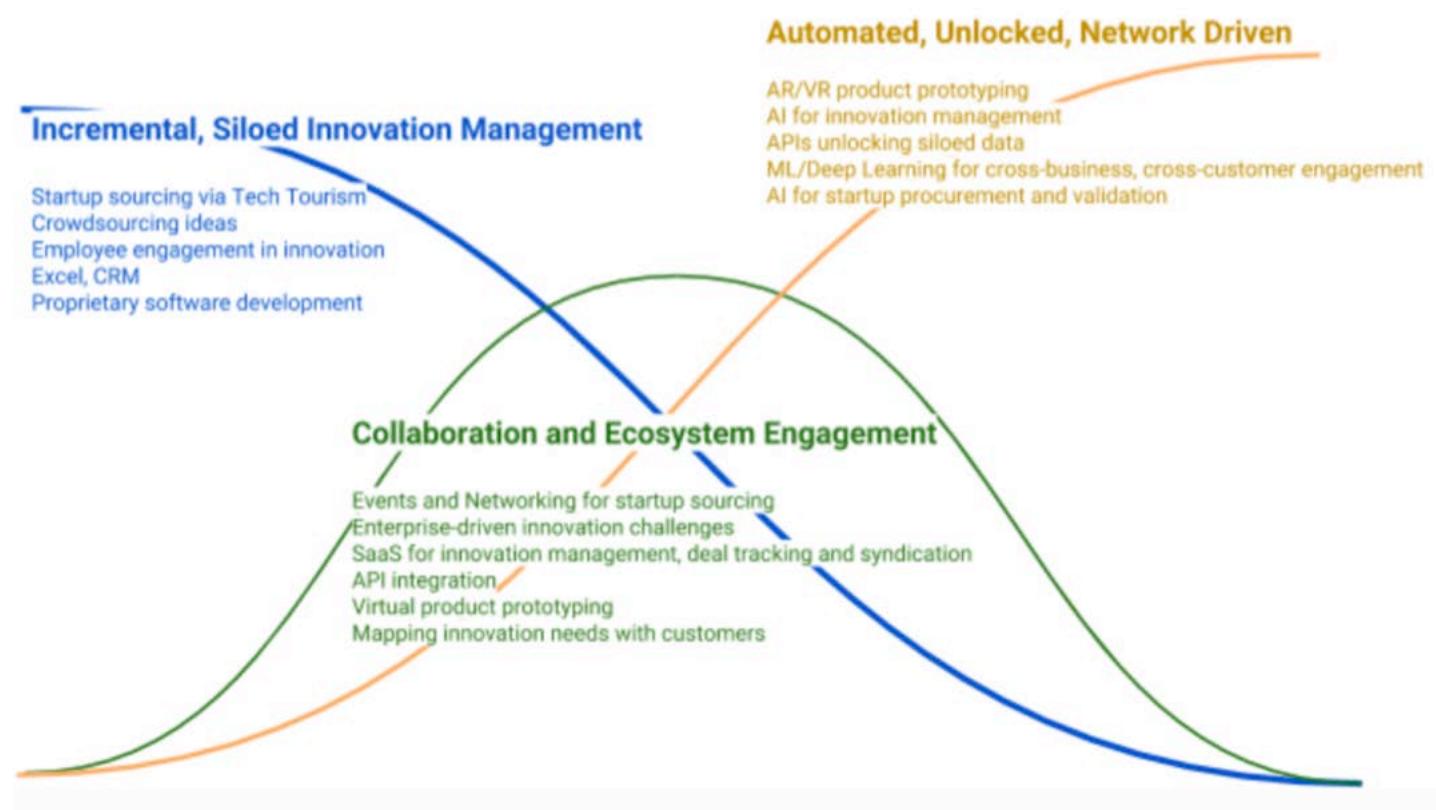
## Automation will disrupt the persistence of ad hoc startup procurement

Our team used the Three Horizons framework to show the movement from siloed innovation management processes, toward collaborative, and ultimately, automated modes of working. Businesses of all sizes are looking externally for innovation solutions that can support revenue generation, provide strategic learning, support new market entry, enable product and service innovation, create an ecosystem of product, support business unit and provide market intelligence. There is no shortage of startups ready to meet these needs.

Software-as-a-service has become de rigueur in enabling enterprises and SMEs to manage these various innovation strategies and the startups that can support these goals. There has been an incremental shift from siloed solutions, such as Excel, CRMs and proprietary software.

However, we observed a persistence in manual processes for accessing startup technologies. Manual processes include networking, in-person meetings, and word-of-mouth research that guides the assessment and procurement of emerging technologies.

Our research showed the enterprises feel constantly challenged by the task of validating the onslaught of startup-driven technology arriving at their doorsteps. Therefore, the network effect of validation supports the process of separating the wheat from the chaff.



Thank you!



# Appendix

# Research interview notes - Startups



# Discussion Guide for Startup Interviews

## Objective

Understand how start ups source clients and seek adoption for their product/service. Understand what the experience is on the start up side interfacing with either business units or innovation teams of a large client.  
Understand how start ups network today.

## Questionnaire

What is your role?

What is the technology you are developing? Who is your target client?

What would ideal growth look like for your startup?

How do you source large client?

Have you interacted with a large organization before? What was that like?

How was the process/communication organized? Did you use any tools to facilitate?

What was the toughest challenge working with a large customer?

Are you currently utilizing any networking platforms for your company?

If yes, Which one? What do you gain about being represented on the platform?

If no, how else do you network today and get connected?

# Observations and Interview Notes

## Major Challenges

To reduce the sales cycle. As the enterprise moves so slow, it creates so many problems for us, as our survival depends on the time period.

To smoothen it for both sides, there needs to be an agreement in the start to pilot soon and set a deadline for the same. This scope should be 3-4 months. But enterprises take more than 1 yr. For us, they have already delayed it to 1 yr and still dragging for the payment and the deal. I would suggest if you are a startup, you should not reach out to enterprise, its a waste of time.

Second major problem is that there is no feedback. We have already installed our product with their sales team for around a year. But we cannot collect any feedback from them. And startups survive on learn and grow. But here, there is no learning.

Thirdly, even if there is an approval of our product installation, IT team is a hindrance. It only IT team gives approval, then only their sales team will start using our product.

But IT team gives approval only when proper sales channel happen. And as sales cycle is 1-2 years, IT team is always 1-2 years behind in innovation. Therefore, creating hindrance in our product adoption

## What tools do you use?

**LinkedIn** for market research, to discover and connect. **CRM** - put leads to see which stage we are. **Email and Phone call** to communicate. Direct communication also through **WhatsApp**. **Google drives, docs, sheets** for document sharing. **Slack** is internally used

## What can be done to overcome these challenges?

1. Startups should not just stick with enterprises because they move very slow. If startup moves that slow, they die
2. Now we are usually SAAS model for SMEs as we get quick feedback and we can make quick updates to their system.
3. In order to have good business with enterprise, one needs to understand enterprise market thoroughly - inside out. And prioritize the releases and expectations accordingly.

## Blake Love

Founder, insurance company



Start-Up

## Role

Product Strategy & Team Management Role

## Background

There are only a few enterprise insurance players in India- 54 firms. Almost always, startups approach the enterprise and not vice versa. As market size is not big, our first platform to reach out to enterprise is LinkedIn. We try to find out a mutual connection or mutual of mutual connection of CXO of that enterprise. It usually takes around 2 months to reach out to them

# Observations and Interview Notes

**How do you source large clients? How do you find contacts?**

We had to do B2B sourcing to get insurance companies on board. Startups have no scale to sell. Need to persuade someone. The first way we got something up and running, you want to have the fastest path to find out if something is working before investing into something complicated. So we build a website and convince a insurance company to let us do this to see if there was traction. Took about 3 months. We literally picked up insurance company phone numbers and started to look for a partner. Ended up finding a smaller insurance company locally to help us who knew about the solution from a competitor. This is why in the end we went with the investor who had connections in the insurance world to get us the global connection.

**Did you engage with any innovation groups within the insurance companies?**

Not really.

**What was the biggest hurdle when partnering with the insurance company?**

There has to be a benefit on both sides. We told them that we could deliver the data for the future of the business. It's a weak carrot. You need to find someone who is looking at long term of motor vehicle insurance business. You need to save the company more money and you cost them.

**How did you source the investor who had the connector?**

The investor billionaire talked to so and so billionaire -- highest level connection.

**Startup networking platform, would you use it?**

Linkedin can be useful but not imperative. Platforms that only offer networking are not that useful. There is not that weight behind it. If you share a connection through school or we grew up together that's what builds the bond

**Alexander**

Founder of X, EMEA



**Start-Up**

**Role**

Tech expert for EMEA for X in London, then founded X. My MBA was geared towards entrepreneurship

**How did you manage documentation and communication and information sharing?**

You only deal with one person ideally on the deal. On integration you work with multiple people. We used direct communication in person or email. Nothing else was needed.

# Observations and Interview Notes

**What did growth look like for the last start up?**

Seed money to series A funding. Our value proposition was simple. Hit a button and we get you money back on your medical bill. Major learning: Only automate what's in your control. There is no automation in getting your medical records. You can't create an API out of human interactions. There is no FB connect into your medical records. Since we couldn't go after your records directly we decided to partner with the insurance company. Analysis solution for your claims records.

**What's the biggest problem when working with a large enterprise?**

Problem for B2B company is the sales cycles, especially in the medical field. Typical sales cycle is at least 18 months to sell technology into the medical field. Talked to Humana, Blue Shield, etc. Ran a pilot, couldn't sign a deal big enough to convince an investors and ran out of money.

**Who did you interact with at the insurance companies? Did you interact with the innovation group at all?**

Innovation teams are at large ineffective. They have to sell internally. They are just an extension to your sales team. Several steps removed from the decision making. Better traction with the vendors arm. It's their job to evaluate ideas. They know who does the integration. More power to excel the decision. Network works best.

**How did you handle communication during the trials with the insurance companies?**

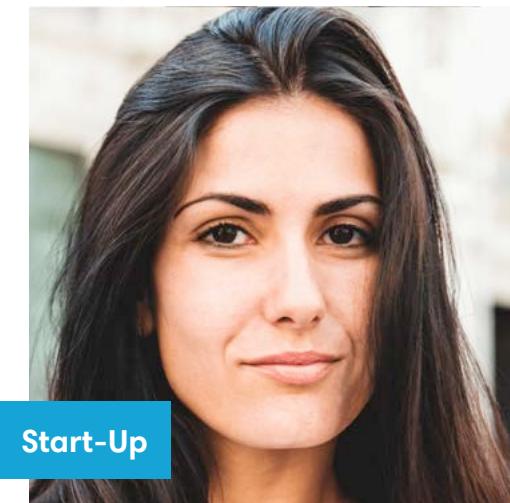
In person, email. I err on the side of over communication. You commit to a date and deliver.

**How did validation happen for what you were doing? How did you use the conversations?**

With a startup you have 5 seconds of live. You have no time for research. You learn and sell at the same time. Try to sell what you think they want and then take the feedback and iterate, try selling the iteration and so on. You tell them that you can do it better and build the solution that does it better. Sign the agreement and deliver results.

## Catherine Watkins

Founder, health IT



Start-Up

And show the results. There were a few competitors in the rank but we outperformed the competition.

**How do you network as a start up?**

I don't really know. HBS gives me a great network. It's hard to recreate this kind of network organically. It's bootstrapping connections. I never had a problem finding anyone in this network, search on linkedin. I already have

**If there was a linkedin for startups would you use it?**

Linkedin is already linked in for startups. Linked in for start ups has a smaller network so it has less value by nature. Start up founders are already on LinkedIn.

# Observations and Interview Notes

## **How do Startups come to you?**

Application process for the program.  
We look at how passionate are they?  
We look at the founder holistically. We  
look at the business, if it's existing.

## **How do you vet them?**

We look at how do they break down problems. Did you make a new pair shoes after being in tennis racket business? If you saw a problem in an area that you know well you are more likely to be serious about it. Want to know if the person is invested.

KPIs for your program  
Maximizing the entrepreneurs that we deliver education to.  
Program is not funded or paid for.  
Value proposition - pair with high caliber mentor that might be able to validate their idea  
12 week goal, vision to where your product should be  
Individualized learning path, pair them with mentor to get that to your milestones  
We are able to recommend the right path to get to the milestones  
Start ups at any stage.

Peer learning from different industries  
Resources and tools to get your goals met  
Sessions with experts  
If you don't meet your milestones you are out of the program

## **How do you find your experts?**

They need to be vetted. Mostly trainers and facilitators who come through to give classes. Pay forward mentality in the valley helps. There is a present can do attitude. We don't pay the experts.

## **What do you see startups struggle with?**

Building teams is hard. Sales and marketing growth. Got an MVP and their next goal is to scale. Hyper scale is a big challenge, globally.

## **What are your challenges?**

It's tough for me to get free speakers.

## Rosie Barrett

Program Manager



Accelerator

## Program

12 month accelerator program for startup leaders. Focus of the program is the inner and outer development of a leader

We focus on other skills than just creating a pitch deck. We help you develop the skills to get to the right people. Non profit entity. Free resources for innovators. Add value through networking in your cohort, marketing asset. Big closing ceremony with time square feature spot light. We teach founders how to run on revenue. Skills to create and solve a problem. A paying customer is different from a freemium customer. Outside capital isn't a factor for success. There are other skills needed. VCs are more likely to fund repeat success models.

# Research interview notes - Enterprise



# Observations and Interview Notes

## Catalyst fund. What is it?

Anyone in the company (50K people) can come forward in the company with an idea. I help frame the pitch and get funding. 100K to educate their idea. Pitch to the CEO. Identify the key players. And talent needed. Identify what they need. Smaller fund for operational innovation. Small improvements. Innovation workshops. Participants from within the company. Framed around a particular problem. Expensive but worth it having the people in the room to solve a problem. Challenge driven innovation. Pick a problem and open it to the company to drive the solution. For example: Filtering news to customer. Algorithm to filter the news. Governance around metrics: Not too financials driven. Capture all the learnings. Tracking revenue and customers on even smaller innovations. Hard to measure. Helps spotlight talent.

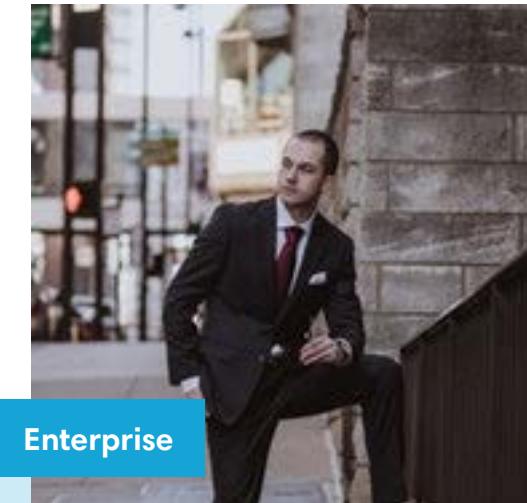
## What skills/knowledge/resources necessary to accomplish your task?

- Need a passion for innovation
- Flexibility
- Adaptability

- Having a strong network to identify the right knowledge expert
- Tech tools to accomplish
- Use email
- Use IdeaTrack, custom resource that X created internally
- This helps to capture ideas from anyone within a common framework, so it sets a common framework
- It was created as a fun pet project on the side & now the entire corporation uses it
- It's not sophisticated, but it allows us to classify ideas in different frameworks & helps people clearly communicate their idea, what's the market size, who they are
- It helps me to report on the ideas within the company, I can send reports in the company to track old and new innovation ideas
- Not a great deal of tech involved in here

## Daniel Brock

Senior Director of Innovation,  
research and media company



Enterprise

## Role

All innovation efforts are focused internally and I puts people in contact with specialists, and those specialists. I lead the Catalyst Fund at X. It is a pitch model where they train internal entrepreneurs and eventually they win the opportunity to pitch. I lead the Operational Funds to spend money to create operational efficiencies. I also lead Innovation Workshops across the organization focused on different topics relevant to X. e.g. running workshop in India to focus on chatbots and understand how they can help. Long distance is hard. "Magic things can happen when you have people in the same room". Others do Challenge Driven Innovation, a way to connect

# Observations and Interview Notes

## “ Why did X create your role and what was it doing before?

X used to be a newspaper and travel agency. They started acquiring a bunch of new companies . We wanted to produce innovation internally because we stopped acquiring at the same rate, but we realized we needed to nurture innovation. We wanted to create a culture where projects that employees can take on & are allowed to fail. With this initiative, failure is OK. Strategy of the company. Creating a culture of innovation internally. We weren't inquiring innovation from the outside so we had to make it happen internally. Failure is okay, it's okay to trying different things to develop ideas.

## What's you metrics for success?

- Revenues generated
- Invaluable learnings
- Helps spotlight internal talent

## Do you ever get approached by tool vendors?

Yes, all the time. Outside vendors too expensive. Implementation and ongoing relationship is not wanted.

## What is the set of things you need to drive the innovation?

You have to be passionate about the work. Flexibility and adaptability. Network. Helps to have the network of subjects matter experts in the company to find solutions.

## Do you use technology in your work?

Idea track. Build internally. I put people in contact with specialists.

Interesting journey. Fun project on the side to create Idea track. Entire corporation is using it. Allows us to classify ideas in certain frameworks. Allows reporting. Use it for review. Enter feedback. Preserves history.

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# Observations and Interview Notes

## **What are the skills/knowledge/resources needed to do your job?**

Customer intelligence teams within each business units, or government agency, across the globe: needs to be very well informed of X Business Units needs across 8 countries, both “expressed” needs and “quiet” needs

Build network in the Bay Area

Translating between different practice areas & the startups. Must be able to translate startup value propositions into relevant Business Unit language

## **How can a platform help them get insights from organization customers?**

Increase customer satisfaction and relevance. The tech is great but only if it supports outcomes for our customers. Measure customer satisfaction aggressively. Each group sets targets to meet customer needs. Each group assesses customer satisfaction and tries to identify specific factors that correlate with satisfaction

## **What are the key pain points in your job/hindrances to achieving the vision?**

Working within a very large corporation is complex

Difficult to be agile enough to respond quickly to startups

Creating common ground between business units/governments and startups to allow for real collaboration that drives value to the customers

Innovation leads within Business Units have a narrow view on innovation

Need a cultural transformation to focus on customer

Meeting startups and aligning needs is more serendipitous than they would like

What is difficult is not to come up with interesting collaboration, no lack of funding. What is hard to is to be agile and respond quickly, make decisions fast

Adhering to the larger corporate structure

Insurance companies are still organizations that adhere to sales people, a bunch of actuaries that are trained to do data analytics and not well equipped to talk to engineers

## **Maud Jefferson**

Senior Innovation Manager,  
insurance company



Enterprise

## **Roles & Responsibilities**

Develop technology access strategy and framework. Criteria for each investment vehicle (VC, m&a, startup studio). Need to develop very clear target areas and they focus on mobility, health and insurance. Use Excel and contact database. Source partnerships with startups. Source companies for investment or acquisition. Outbound marketing: conference attendance, meetings

Inbound marketing: branding, launched the #insuretech hashtag, active on Twitter, organize meet ups, built a community list of 600 startup ecosystem people.

# Observations and Interview Notes

## **“ What tools do you use to manage process?**

Well established criteria and framework is crucial more so than tools. Each vehicle has its own set of criteria. We only invest in companies who are post product. If the targets align with ours we move forward. Xcell to use as a tool to manage process. Have a data-base to link and identify contacts. VC fund has more elaborate tools - software to manage deals

## **How do you bridge the gap between the sales/data scientists and the integration teams on the start-up team?**

Must understand what the enterprise challenges are, and to communicate startup value props in a way that translates to enterprise language including details about the innovation and how it can solve a problem

## **Do the sales people set their own path for innovation?**

Our own team has a limited budget to hire. Focused roles, but not equipped to look outside. Push to bring in more technology from inside. Leadership from the top is important

## **What is the mission of your new venture team?**

What we all want is increase customer relevance and satisfaction. We have started measuring this aggressively. Technology is great and it must measure up against an improvement. We identify solutions that our own organization doesn't have time for or is not in touch with existing. We don't measure ourselves, but measured by the customer intelligent teams

## **How do you grow your network?**

Look online. Actively network. Most valuable connections have come through us via introduction from another company that I already trust

## **How do you vet startups?**

We would like to have a clearly defined needs description from internal entities. Innovation unit builds up momentum to make the connection.

Push model

## **How do requests internally flow to your team?**

Each team has targets that include customer satisfaction targets

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Senior Innovation Manager,  
insurance company



Enterprise

## **Roles & Responsibilities**

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# Observations and Interview Notes

## What is your responsibility/role?

My role is to sell the enterprise to the startups and sell startups to the enterprise

Budget of \$300mm to do operations and equity investing

Global team of 150 people at one point

Corporate venture capital fund part of Innovation Hub

VC's

Investment managers

Venture developers: scout, connect, develop POCs

Tried to build companies but stopped

Smart charging, electrical mobility

The mandate was to make money and increase the valuation of X to \$500m

The goal was to start pilots together with the business

## How did you do the sourcing?

Built network, participated in meet ups, and things started slowly converted from outbound to inbound

Use LinkedIn to manage and identify contacts

Use a software called DealFlow, a CRM system for your startups, a B2B

It was helpful to see what the rest of the team worldwide was working on, to see if other people had gotten in touch with them and what was the status

This was for internal use only

Used a platform called Hive Learning to keep track of learnings within the innovation hub

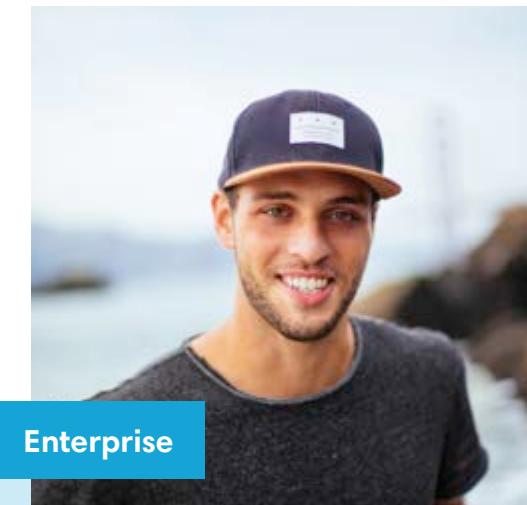
When Venture Developers found a good deal, they would work with the CVC and Board

Used Dropbox for diligence

Every Thursday, working day in Berlin, London or Tel Aviv

## Eddie Mack

Senior Innovation Manager, utility company



Enterprise

## About

German based utility company with lots of customers in Europe, rely heavily on fossil fuel based energy.

Background in biology and environmental management

Focused on the H3, not H1, H2. The focus is on the Innovation Hub.

- Digitization
- Machine economy: machine to machine communications, including blockchain
- Urban solutions

# Observations and Interview Notes

## **What were the hardest things about scouting?**

Never thought scouting was hard because I am a people person

Need to be able to convey the added benefit that the enterprise brings to the startup

Proving to the startups their advantage is my main job & showcase the customers as a benefit to the startups

One of the things I use a lot is the internal knowledge sharing platform to get insights from experts within the company on a particular topic

We have visibility into each other's areas of expertise

## **What were the hardest things about POCs?**

Startups expect you to deliver

BUs have tremendous pressures on cost and productivity, if startup is not within the BU's target, chances are really slim that you will get to sales sales, so her best bet was to get to know the key

decision makers within the business unit and begin a long process of discovery with them.

She had to really see what the businesses need

Business units and startups speak a different language! It's very easy for misunderstandings to arise.

Organization structures are a means to an end.

Besides structure there's a lot of informal stuff going on

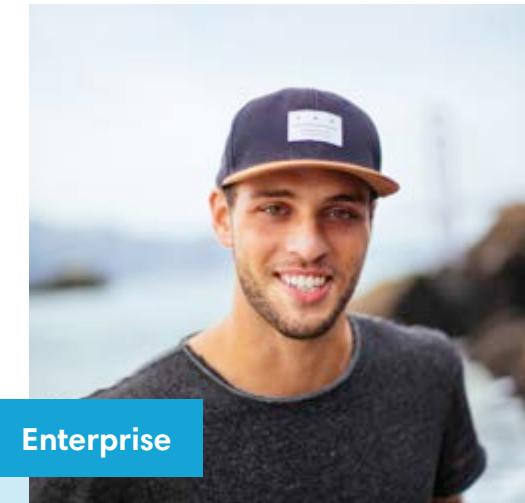
## **Tell us about Startup ecosystems and your perceptions?**

Silicon Valley is all about scaling connections, but I find often people are trying to make themselves look important but then there is nothing there, whereas in Europe connections are deep and there's a high say/do model

Tel Aviv is the home of cybersecurity, Berlin; blockchain and London fintech

## **Eddie Mack**

Senior Innovation Manager, utility company



Enterprise

## **About**

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# Observations and Interview Notes

## What are the biggest problems in your job?

Bureaucracy is holding back processes, therefore our group separated from the mothership for that reason. That's why I am in New York.

Take the pulse of the mothership, where are needs for innovation. Where are the struggles. Look for solutions. Look for matching startups.

## What does your job entail?

Start with a group of 100 startups and work with the team to filter down to 7, then demo to team. Work with the portfolio to integrate back for integration. Bringing back the IT to the mothership.

The hardest part of my role, because people are too busy with day to day operation.

Big presence in Silicon Valley, but not yet in New York. Doing outreach work.

## How do you source the start ups?

Most important thing is to get an executive sponsor. For example the new building for training. New projectors was not futuristic enough. X engagement to look at the future further and make a project out of it. Decide when it fits and calendar immediately. Kick off in SF in person and get people engaged. Define the working team next. Engage crew members. Offers leadership opportunities for senior level analysts and other capacities in the company. Great way to get exposure and try something new.

Further define the project, for example rewards program split into three areas.

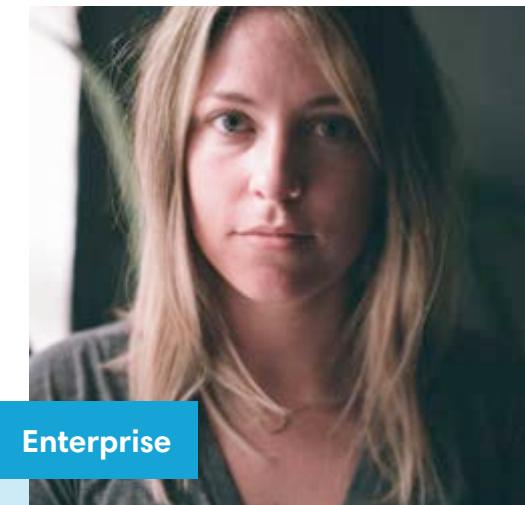
Then start sourcing under the different thematic areas.

We use RocketSpace to find startups.

We rank the start ups. A and B categories are created with more start ups. Then we interview the start ups. Interview about 25 startups, then filter down to 16. Then down to 6 who come into the office to demo. Then we choose 2 or even 1 to do a POC. Not always offer a POC.

## Dorothy Mendez

Corporate Venture Associate,  
U.S. airline



Enterprise

## About

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# Observations and Interview Notes

## **How do you prioritize against the running strategy?**

X ventures has a lot of leverage due to leadership attention. Executives will make the final call.

## **Portfolio integration opportunities:**

Some portfolio companies like X we are interested in for the future. X for example we are interested in now and want to do a POC now. Before we even when we are ready to invest we run the idea by the team of experts relying on the long standing history of the company to decide if it's a fit.

## **What tools and resources and processes do you use?**

We stay close to IT team. Review POCs weekly. Planing. X ventures can skip to the top of the line in priority. VP of IT of all of X with special budget for ventures. Using excel sheet to manage all the projects. Biggest pain point is file sharing of heavy decks.

## **How do you keep legacy information of all engagements?**

Dropbox folder with all the information of past engagement. Try to follow template of old engagements. Important to learn from old engagement and process

## **If there was a LinkedIn for Startups, would you use it?**

Definitely see a need for LinkedIn for Startups. Would use it. Crunch base is helpful, but there is no instant validation. No place for searching of space and filtering down immediately.

## **How do you decide what business pillars to work on?**

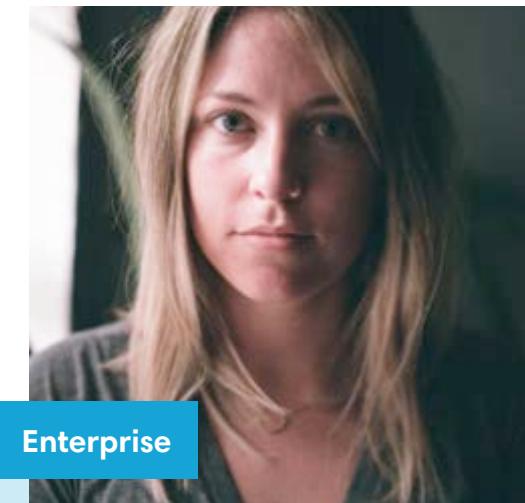
Engagement side defines what the needs are. Problem statements are created.

## **When do you pay start ups?**

Engagement is not paid for startups. Series A investing looks like 750-2-3 Million deals. "What is there path to a 100 million business?" - That is our vetting question to see if the start up is mature enough to handle an integration process.

## **Dorothy Mendez**

Corporate Venture Associate,  
U.S. airline



**Enterprise**

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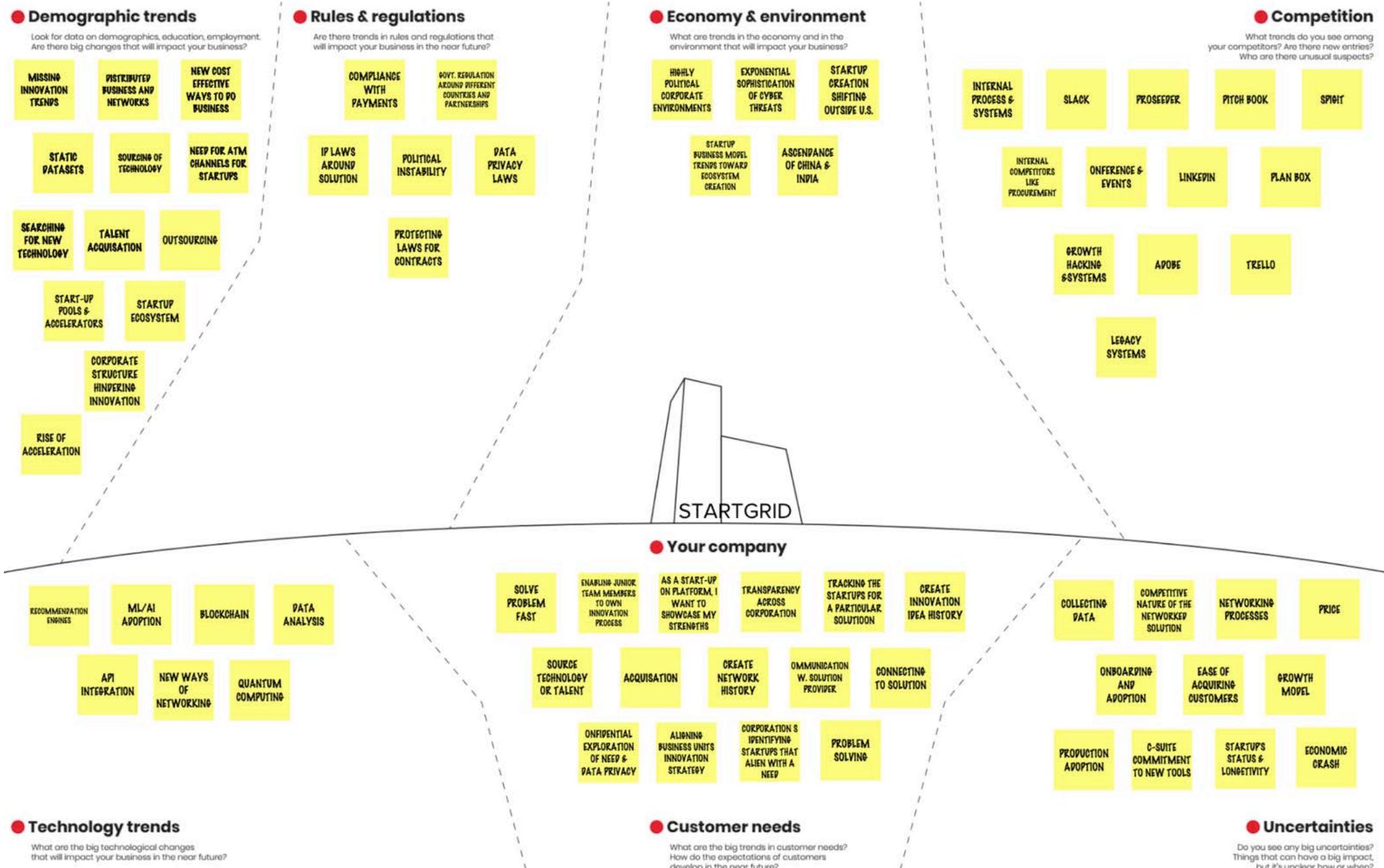
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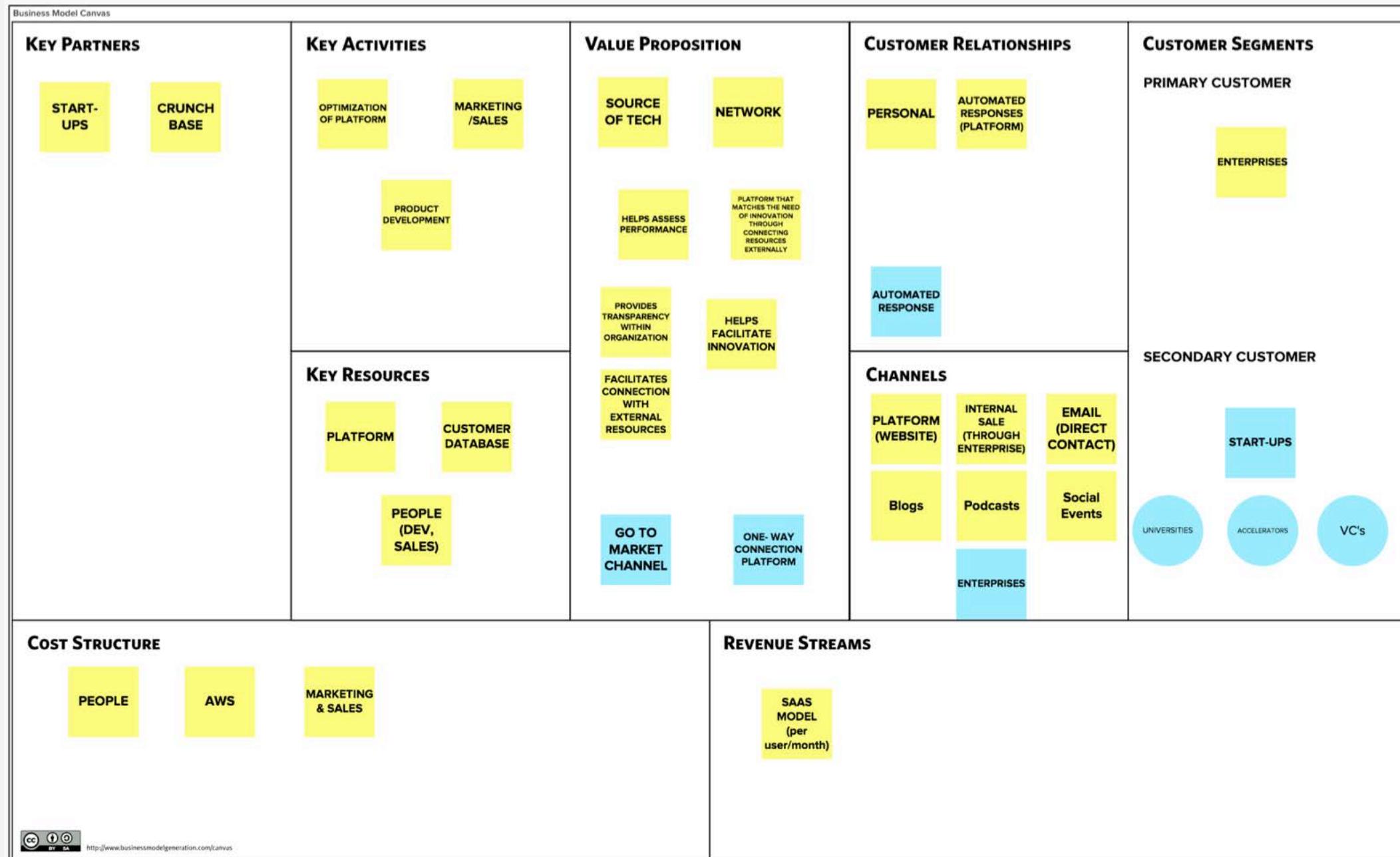
# Canvas Exercises



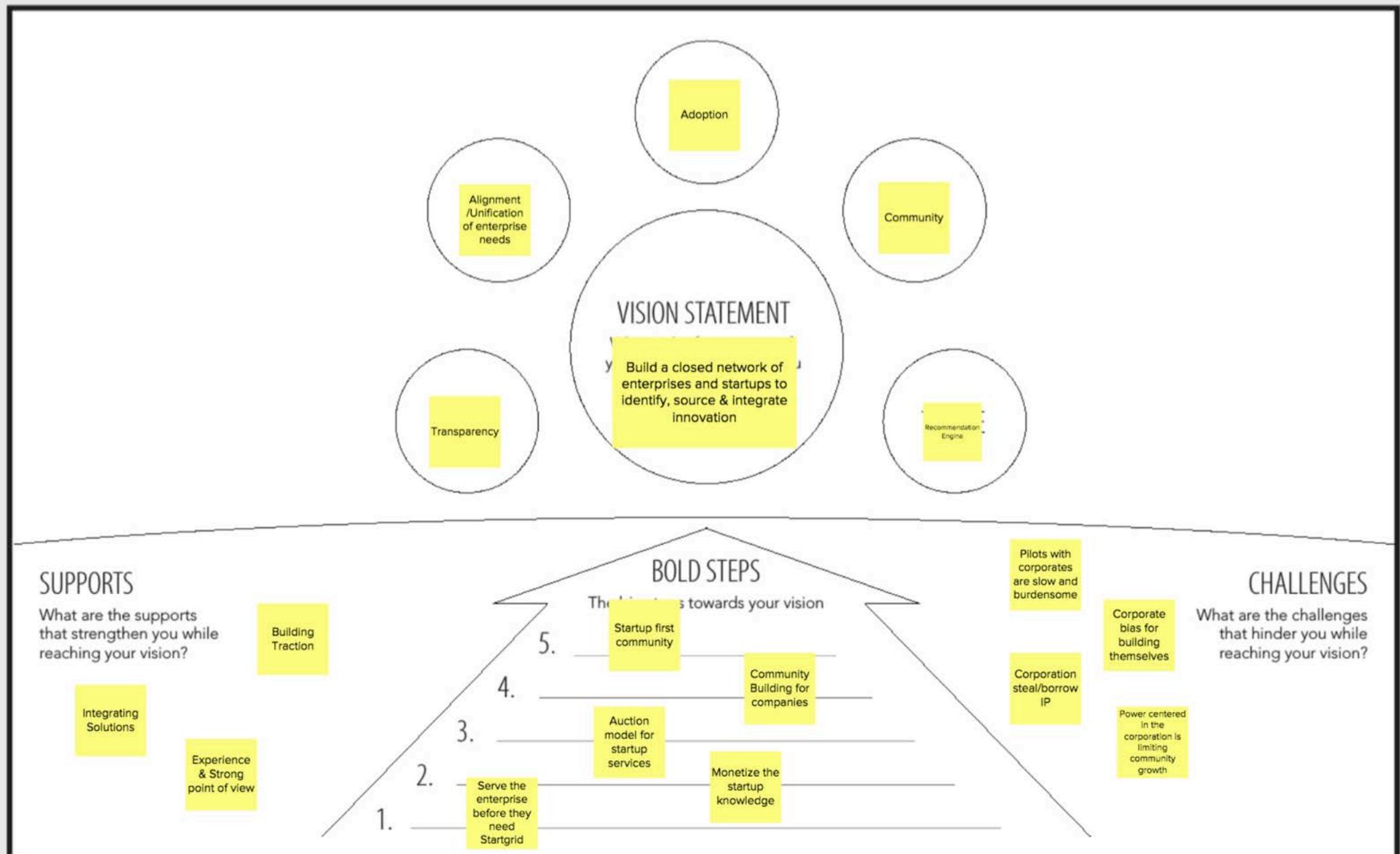
# Context Map - Startgrid



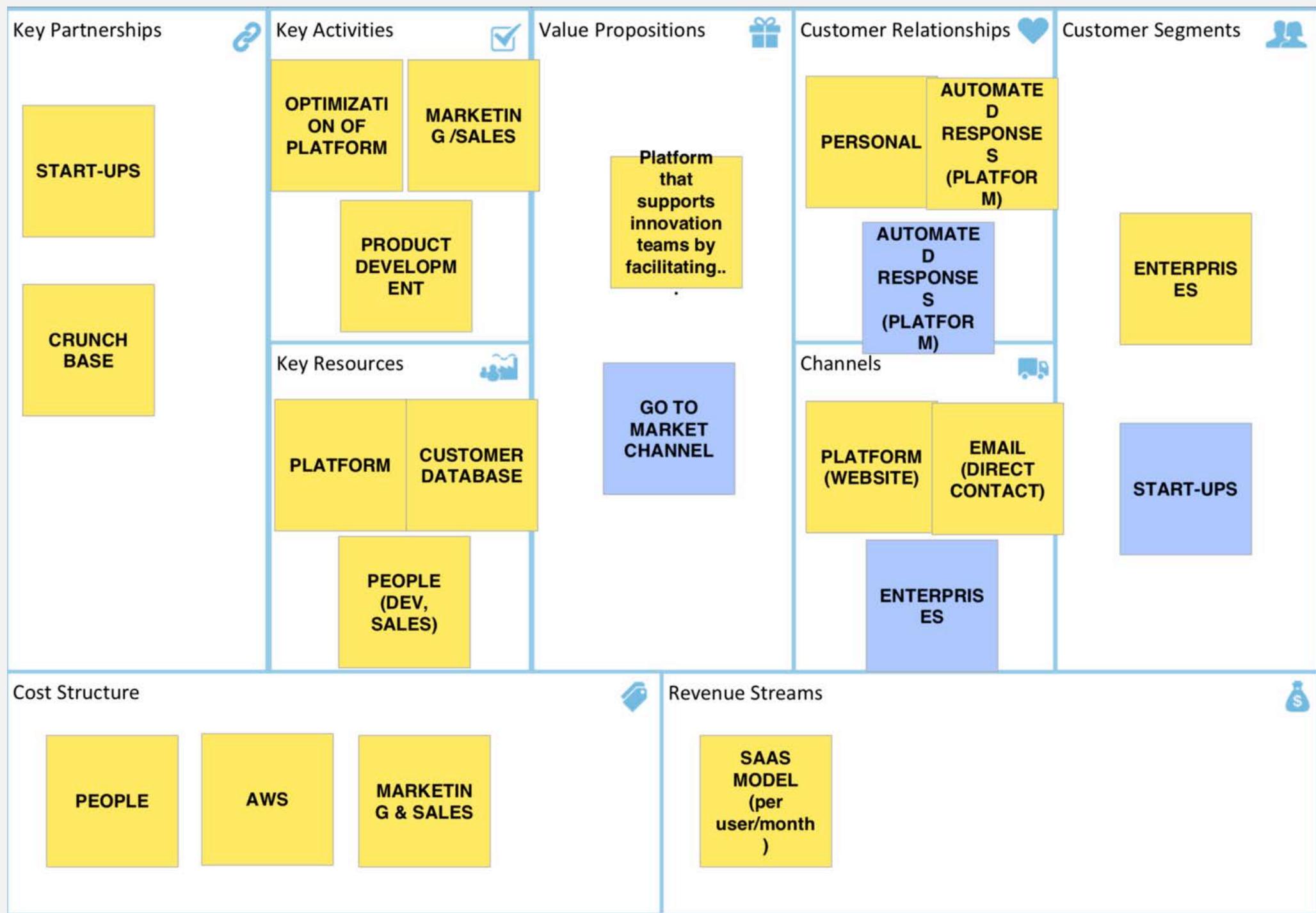
# Current Business Model Canvas - Startgrid



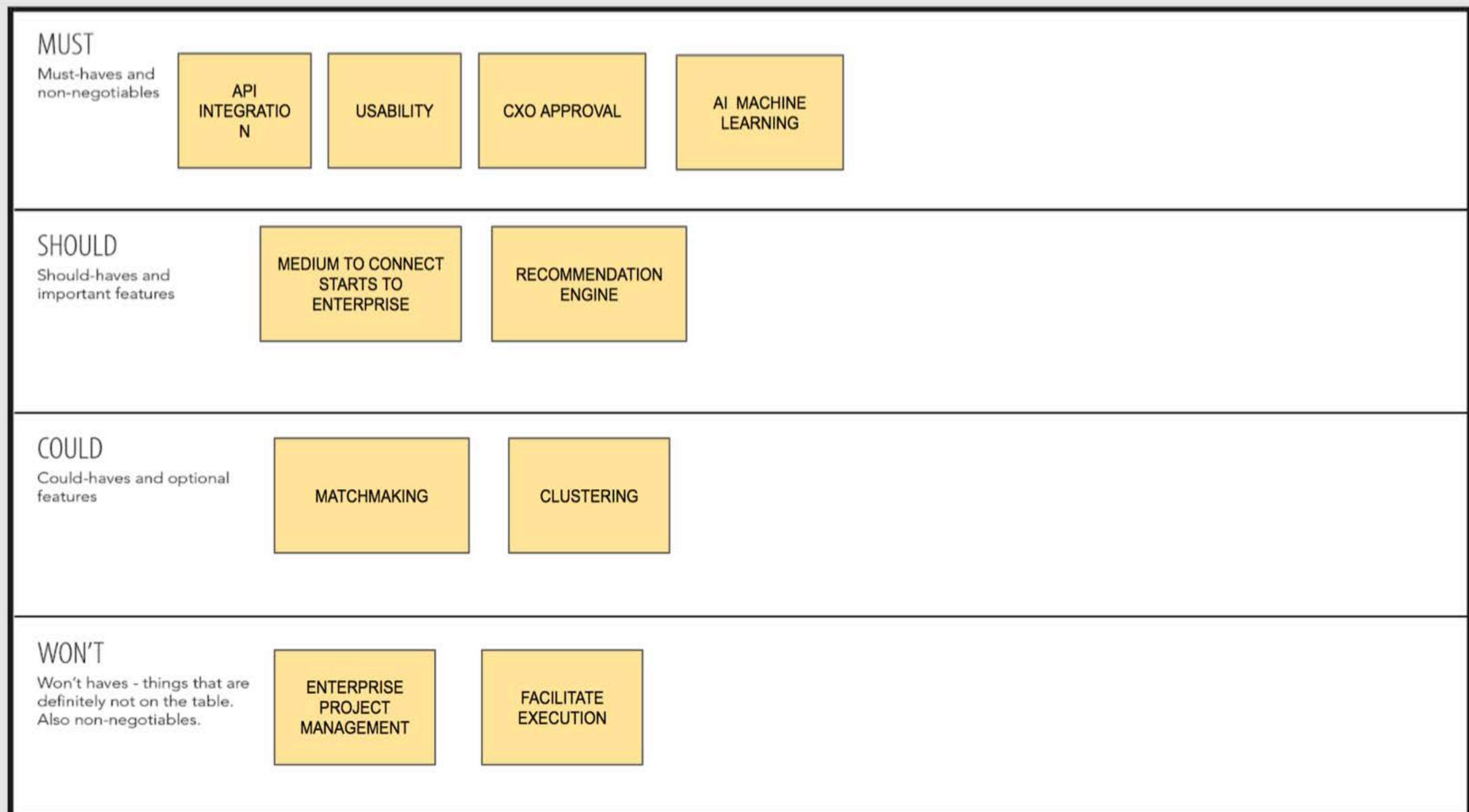
# Vision and 5 Bold Steps Canvas



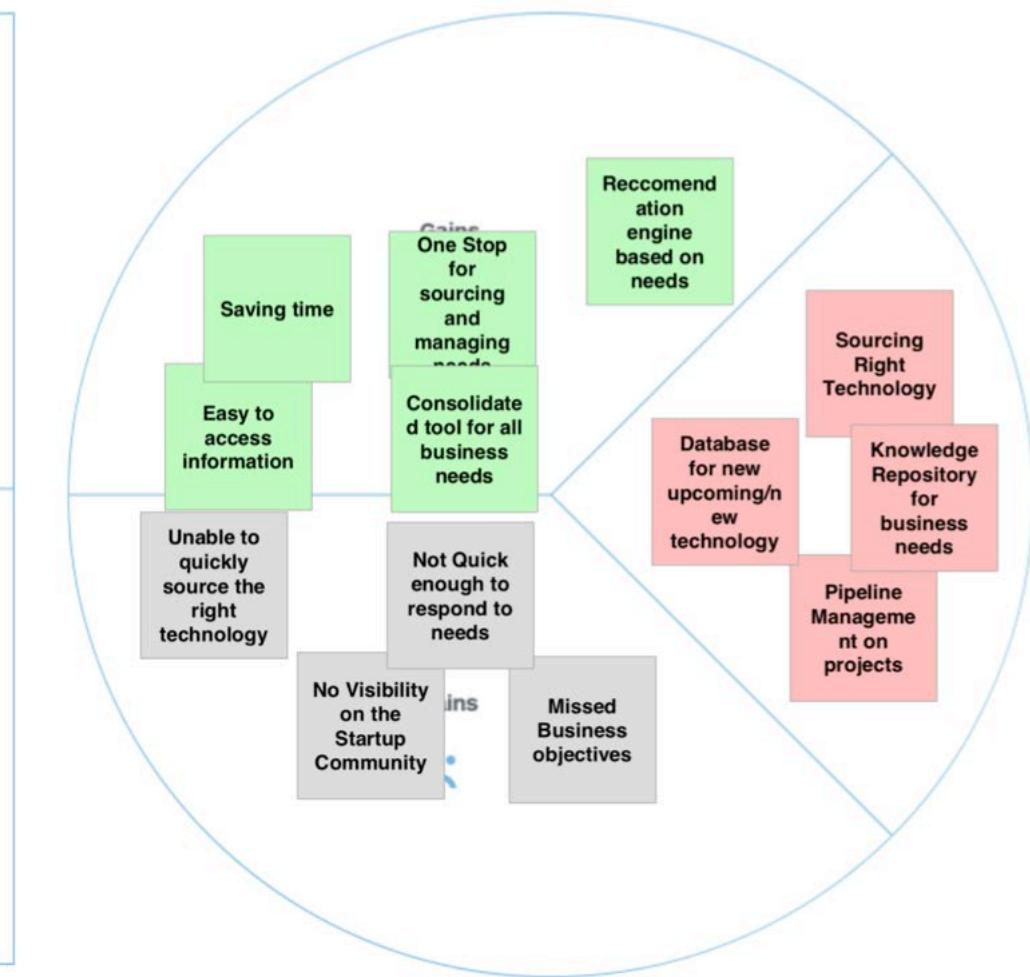
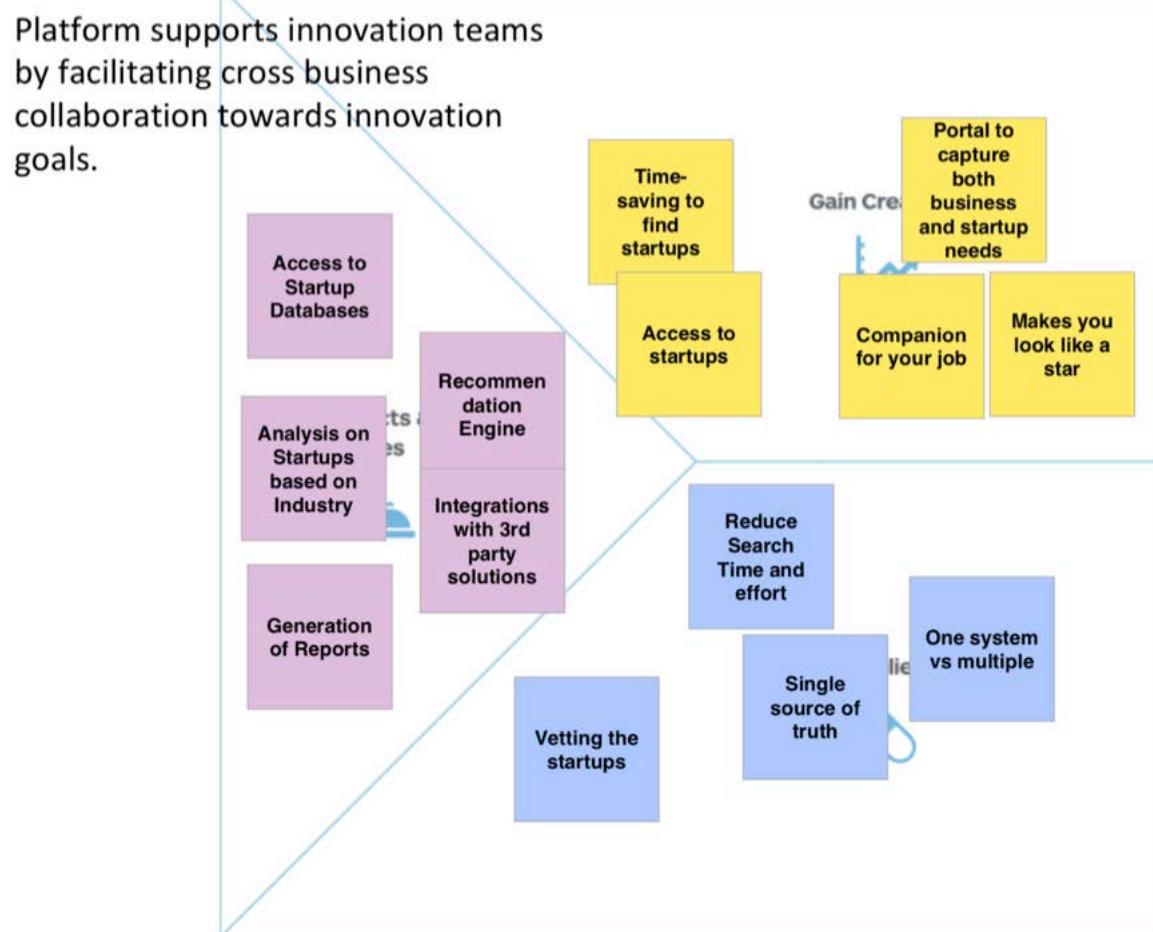
# Business Model Canvas - “Innovation is autonomous”



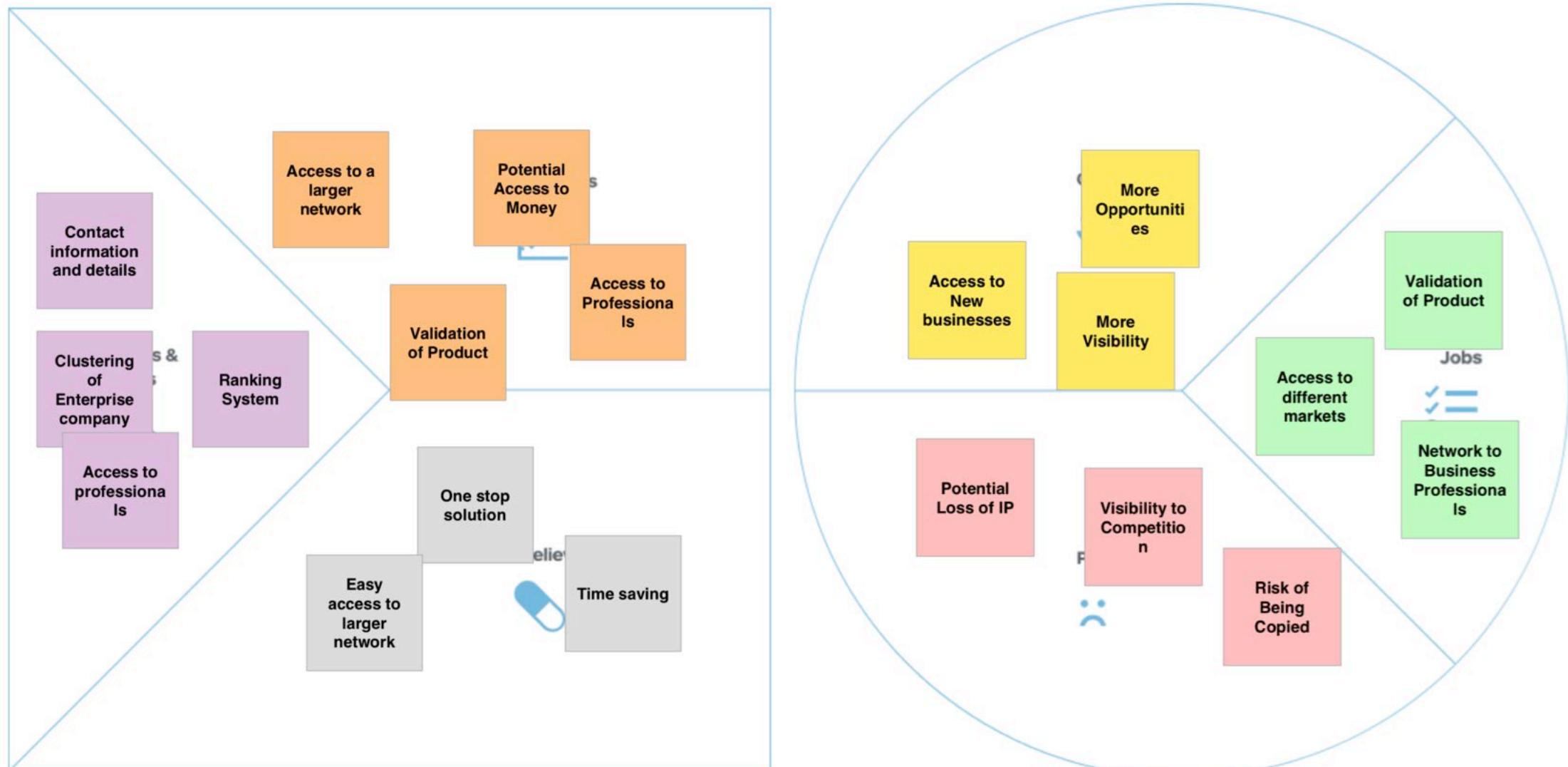
# 1 Business Model Canvas - “Innovation is autonomous”



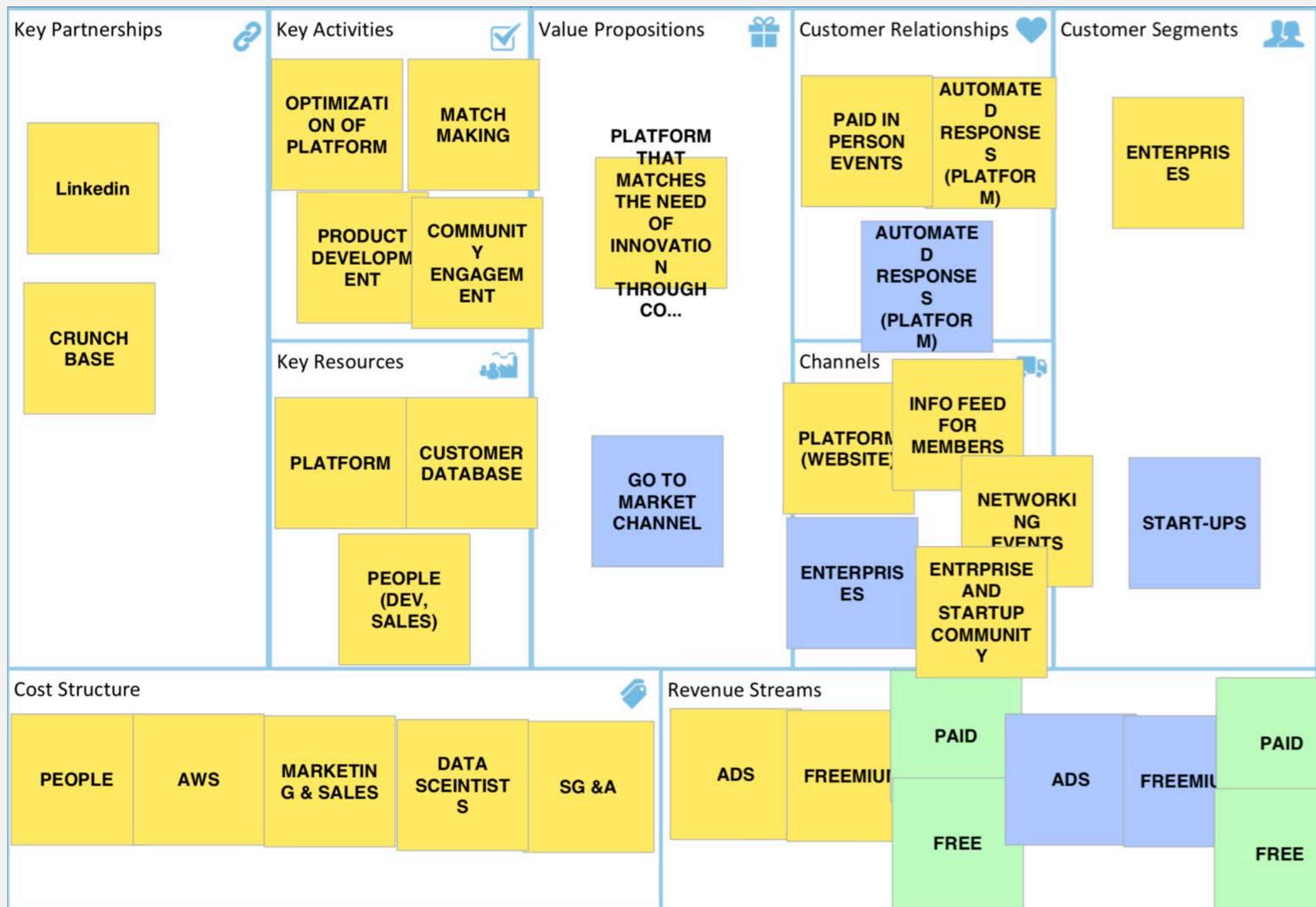
# Value Proposition Canvas for ENTERPRISE



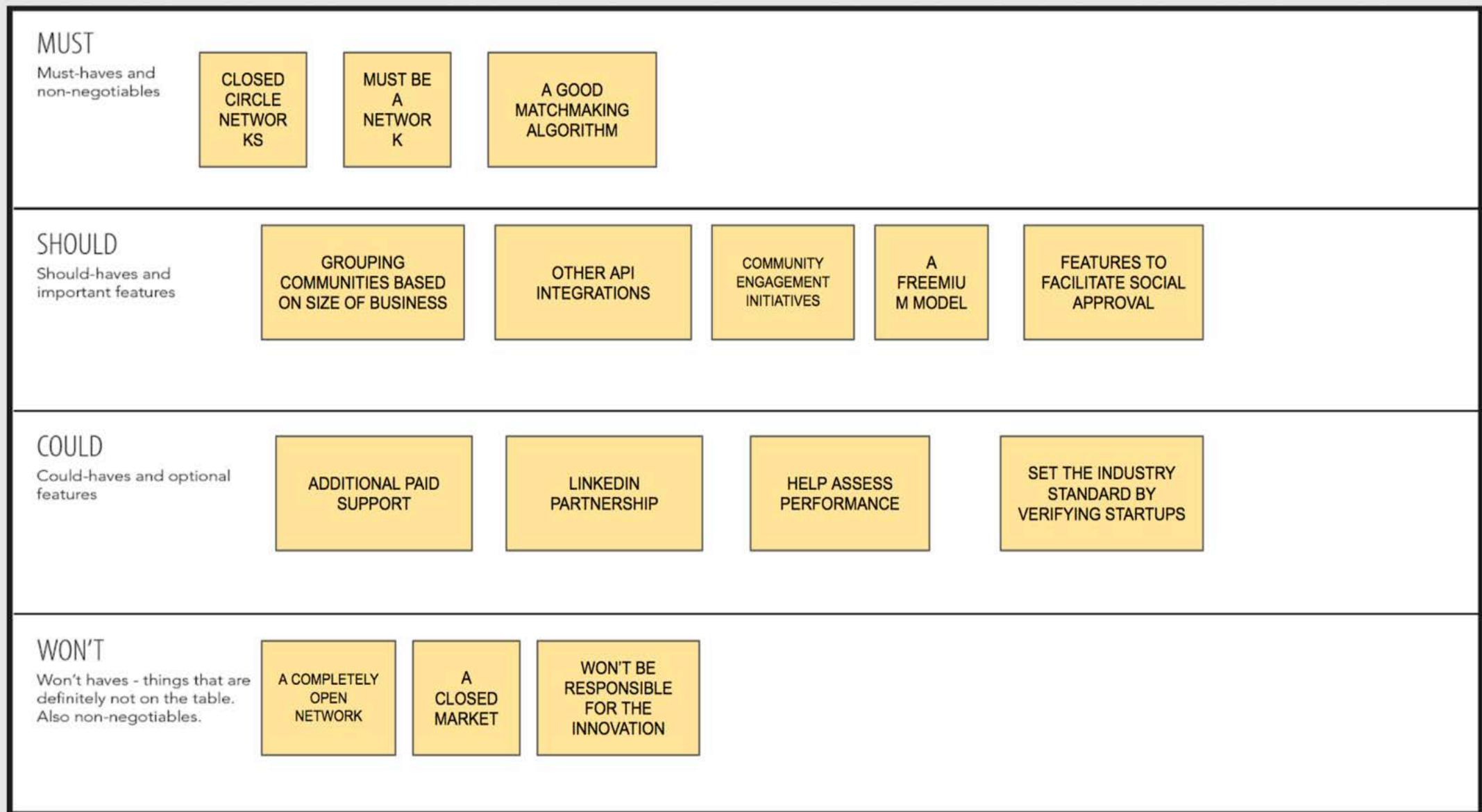
# Value Proposition Canvas for STARTUPS



# 2 Business Model Canvas - “Network based freemium”

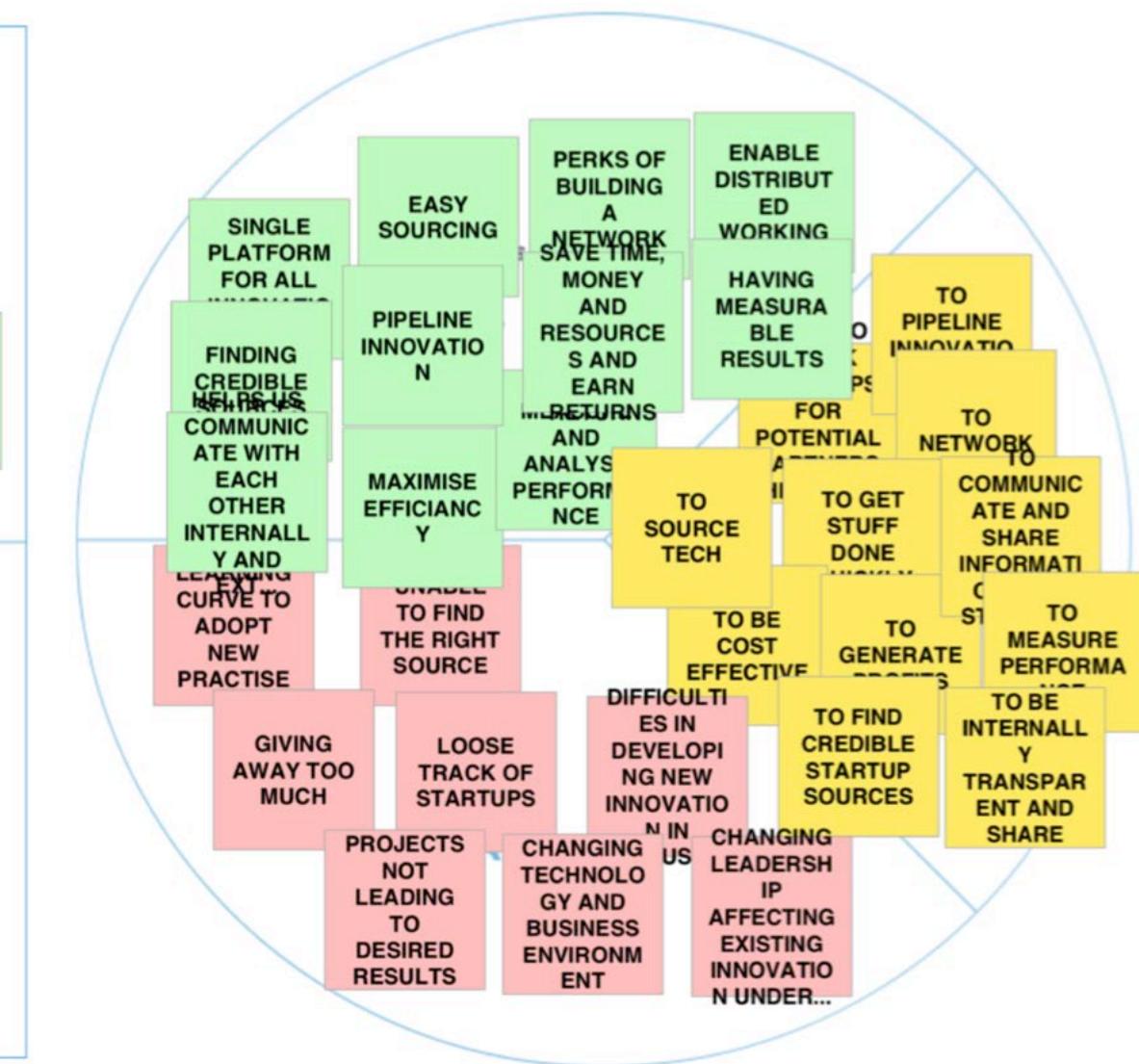
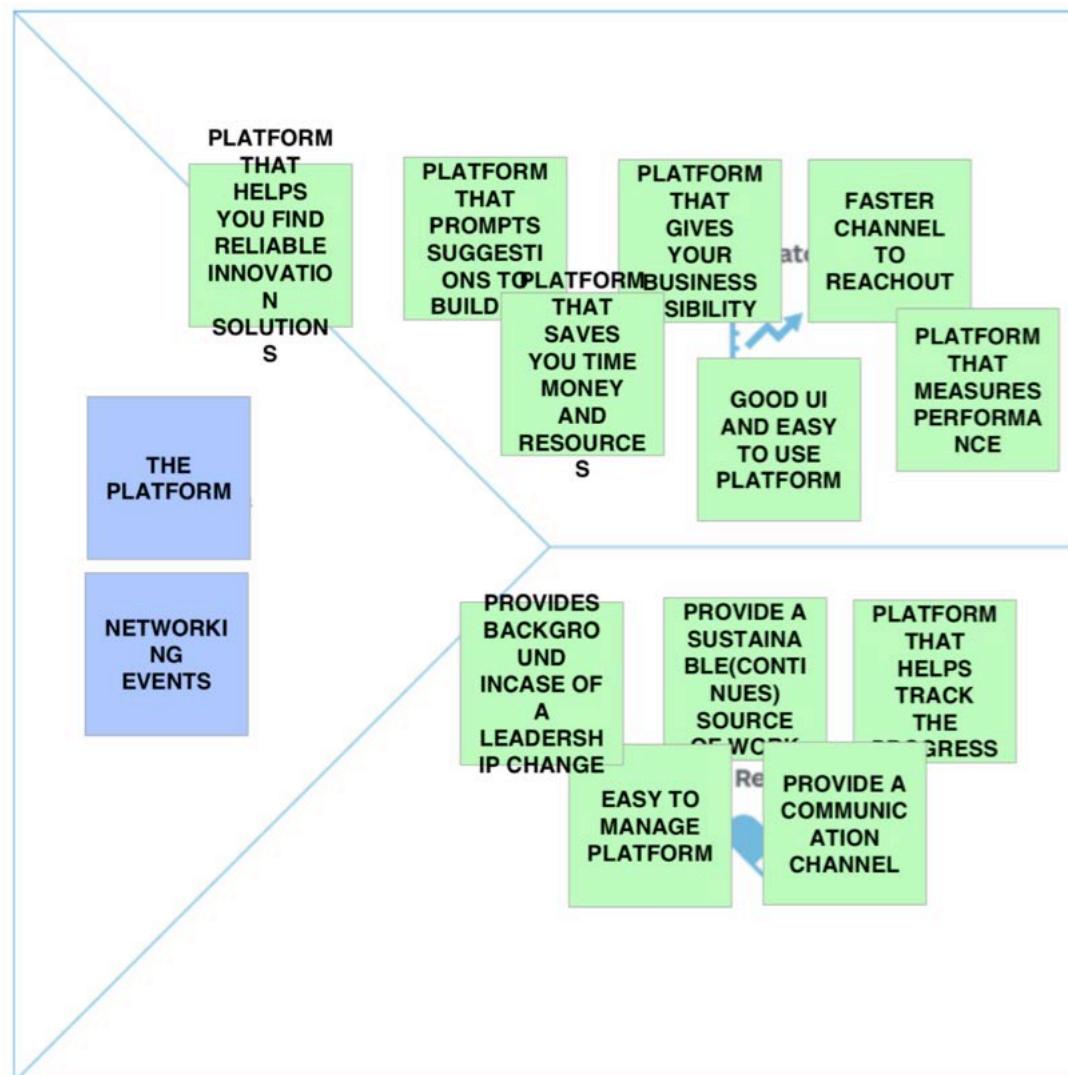


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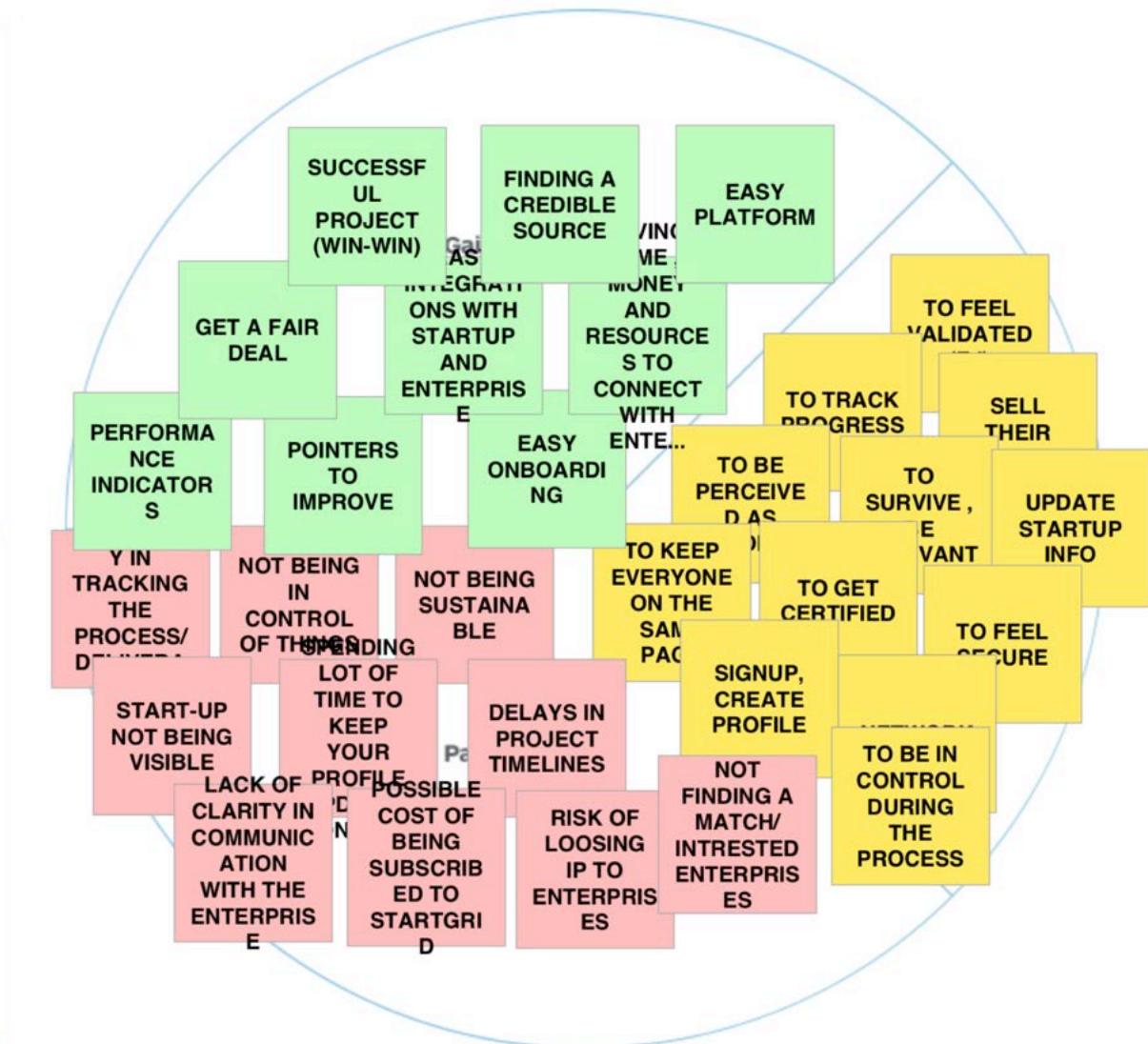
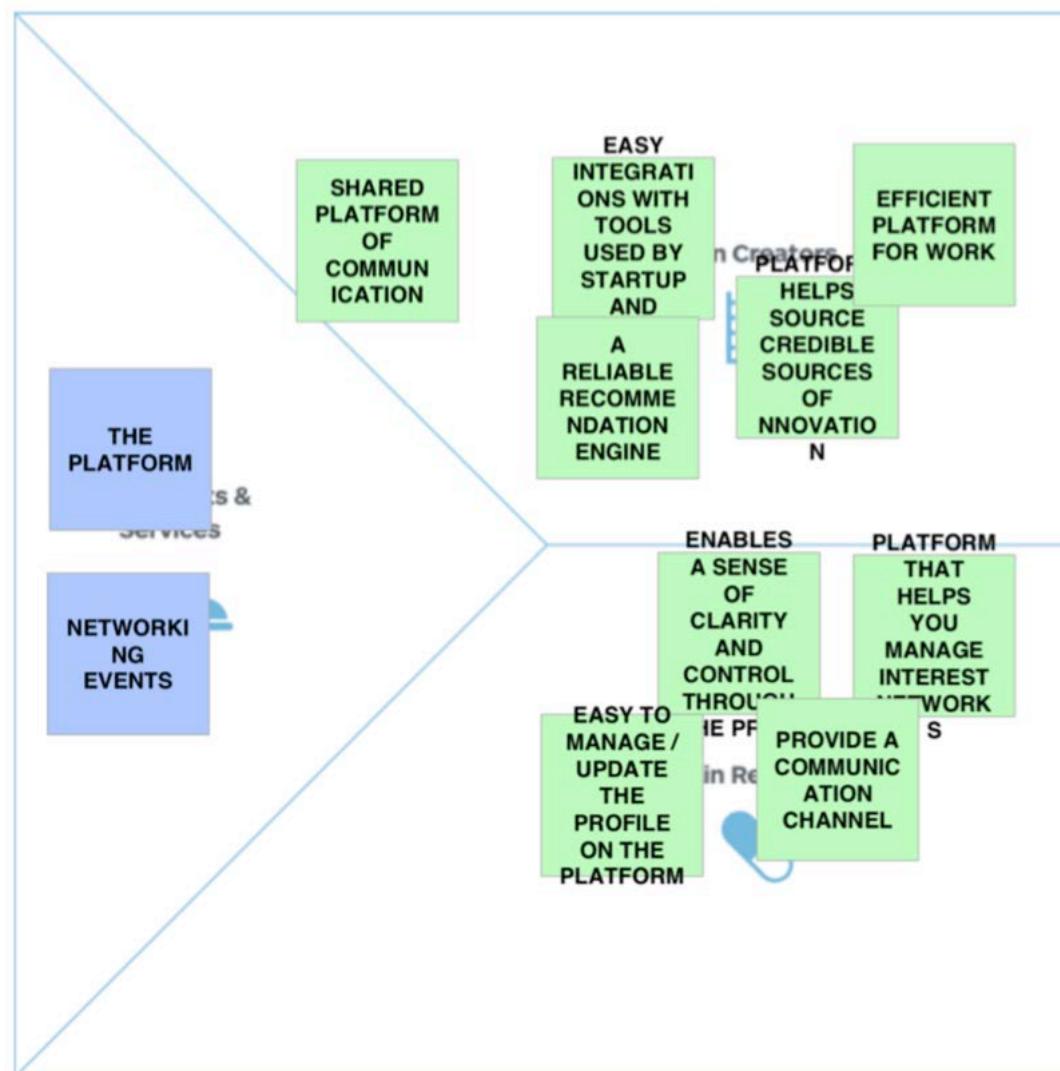
## 2

## Value Proposition Canvas for ENTERPRISE

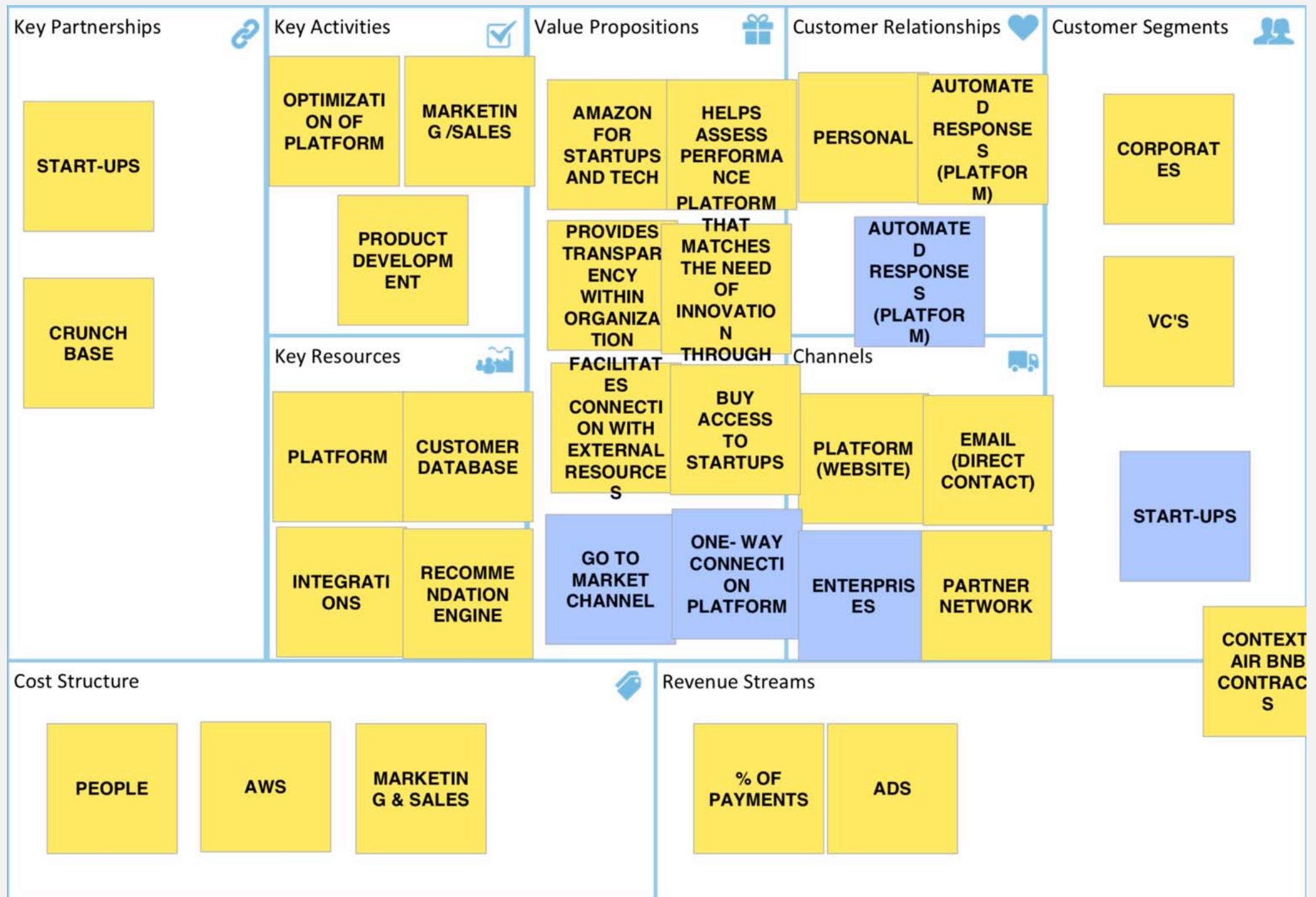


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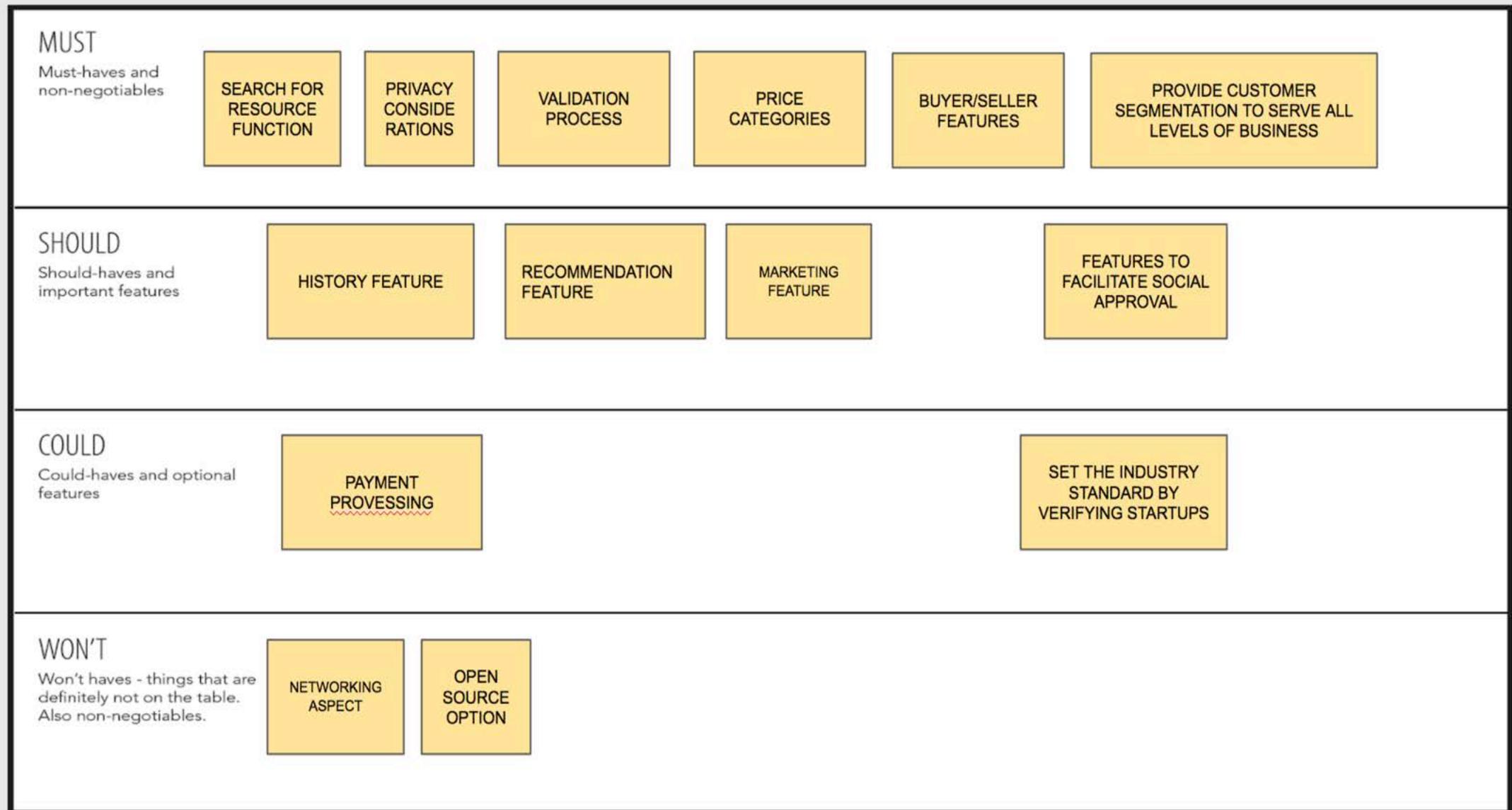
## Value Proposition Canvas for STARTUPS



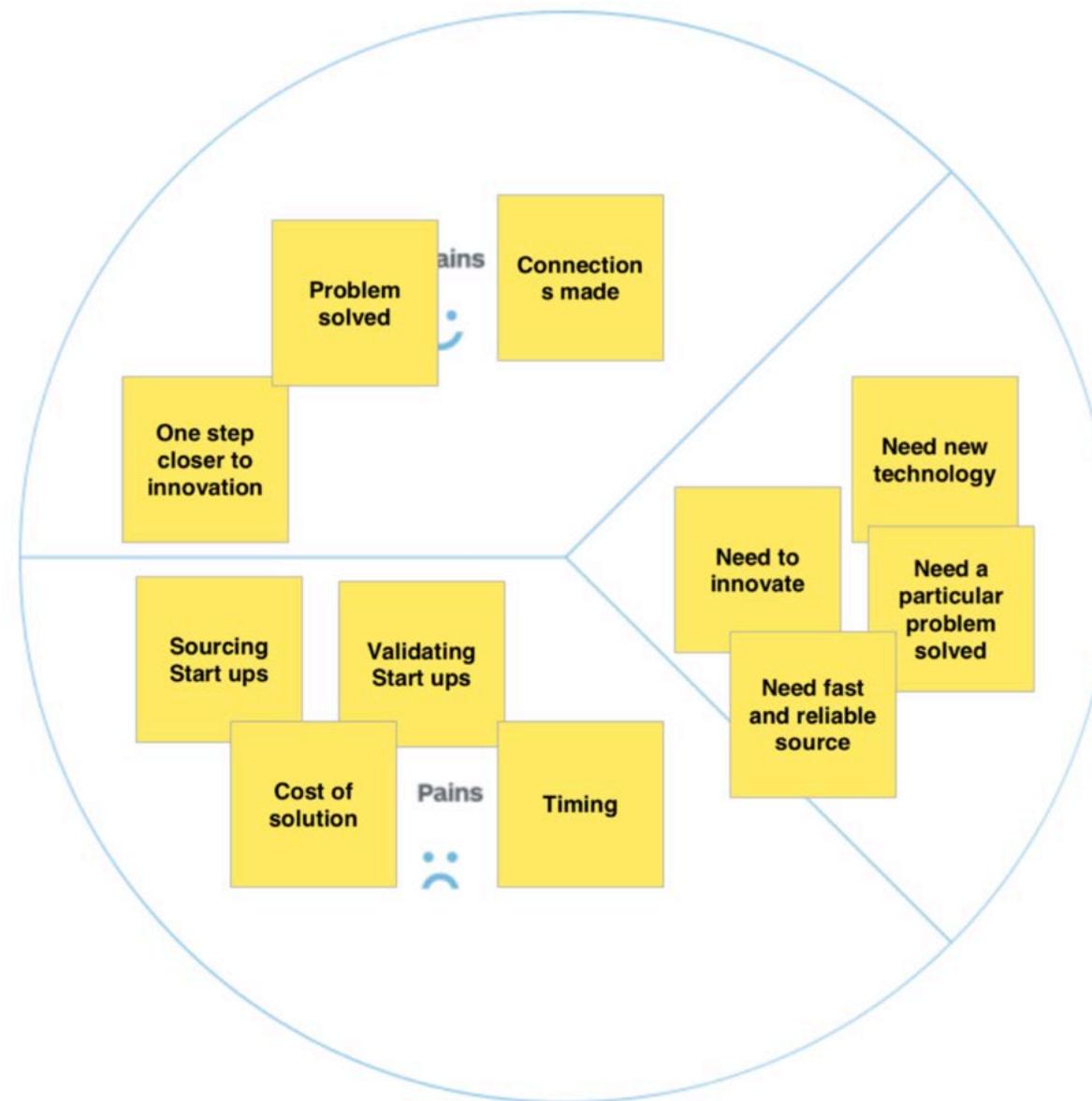
# 3 Business Model Canvas - “Broker Model”



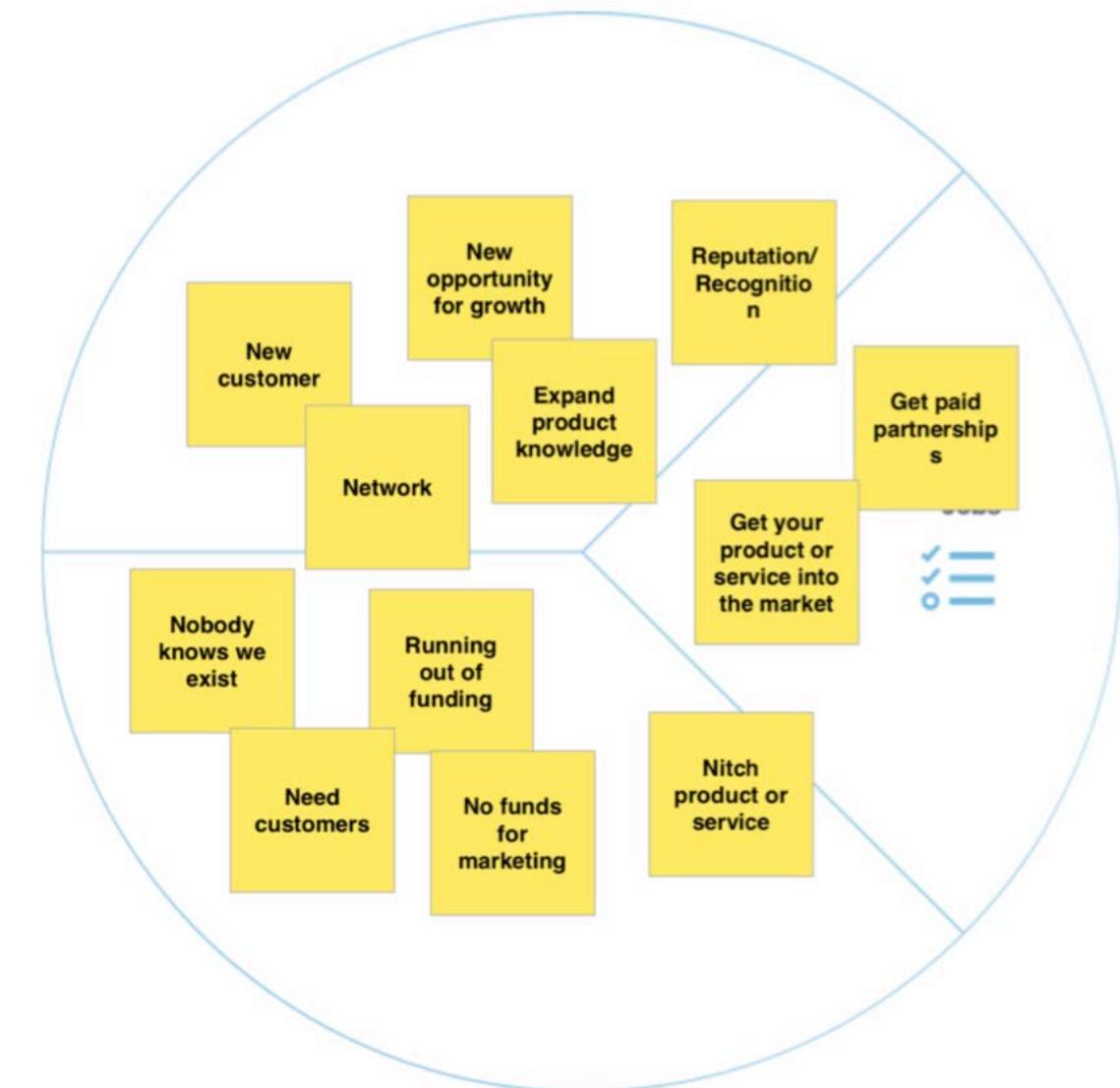
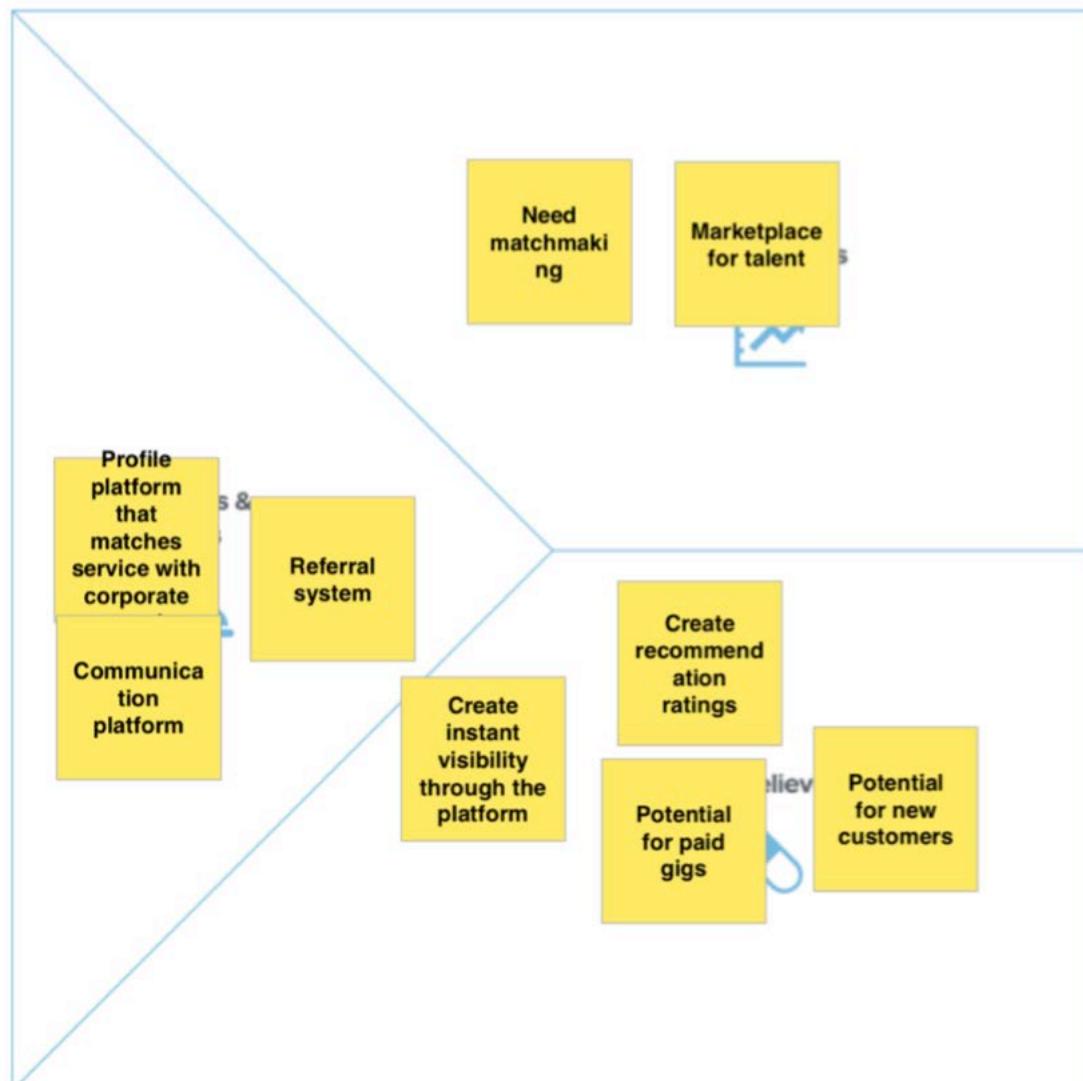
# 3 Design Criteria Canvas - “Broker Model”



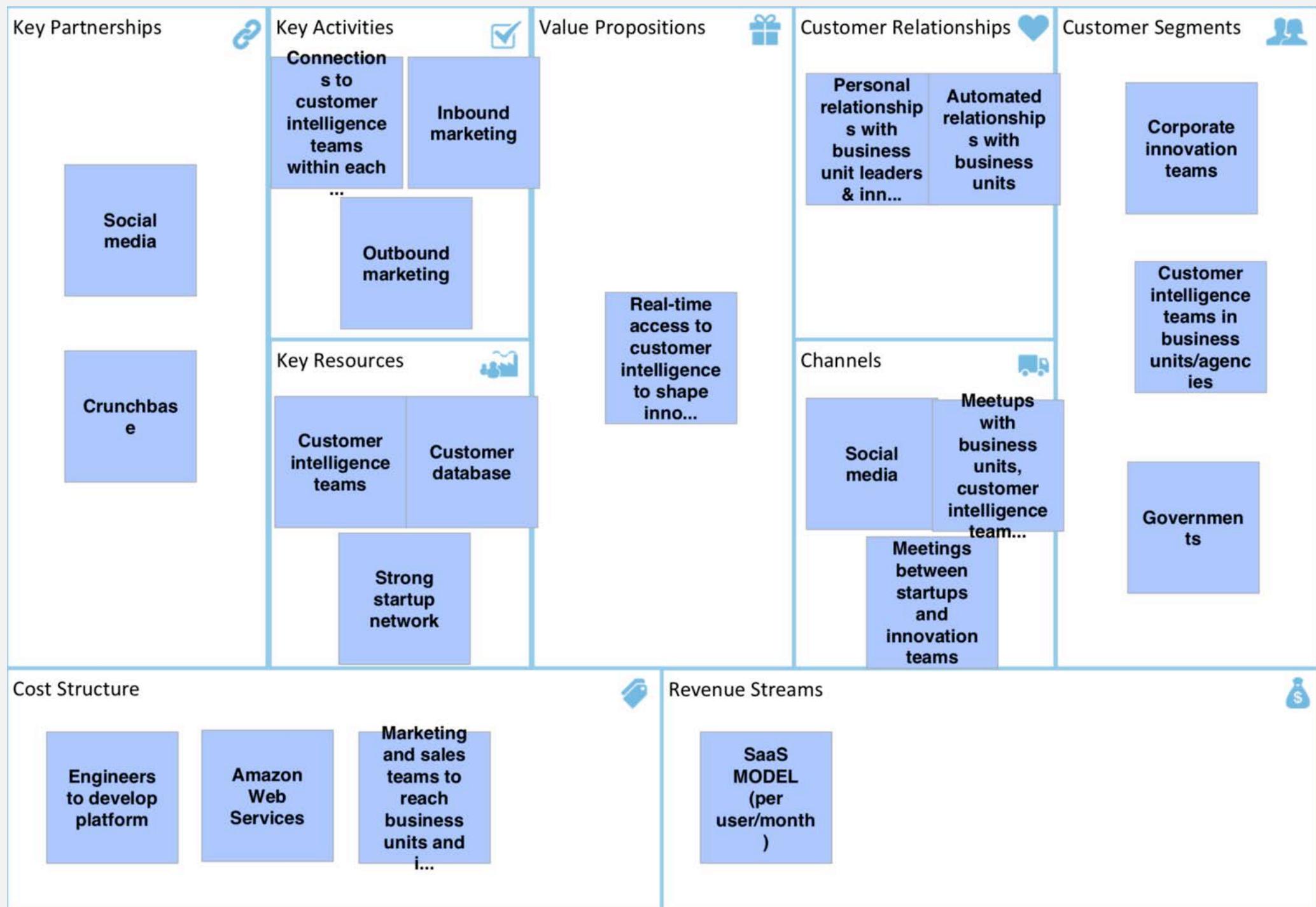
# 3 Value Proposition Canvas for ENTERPRISE



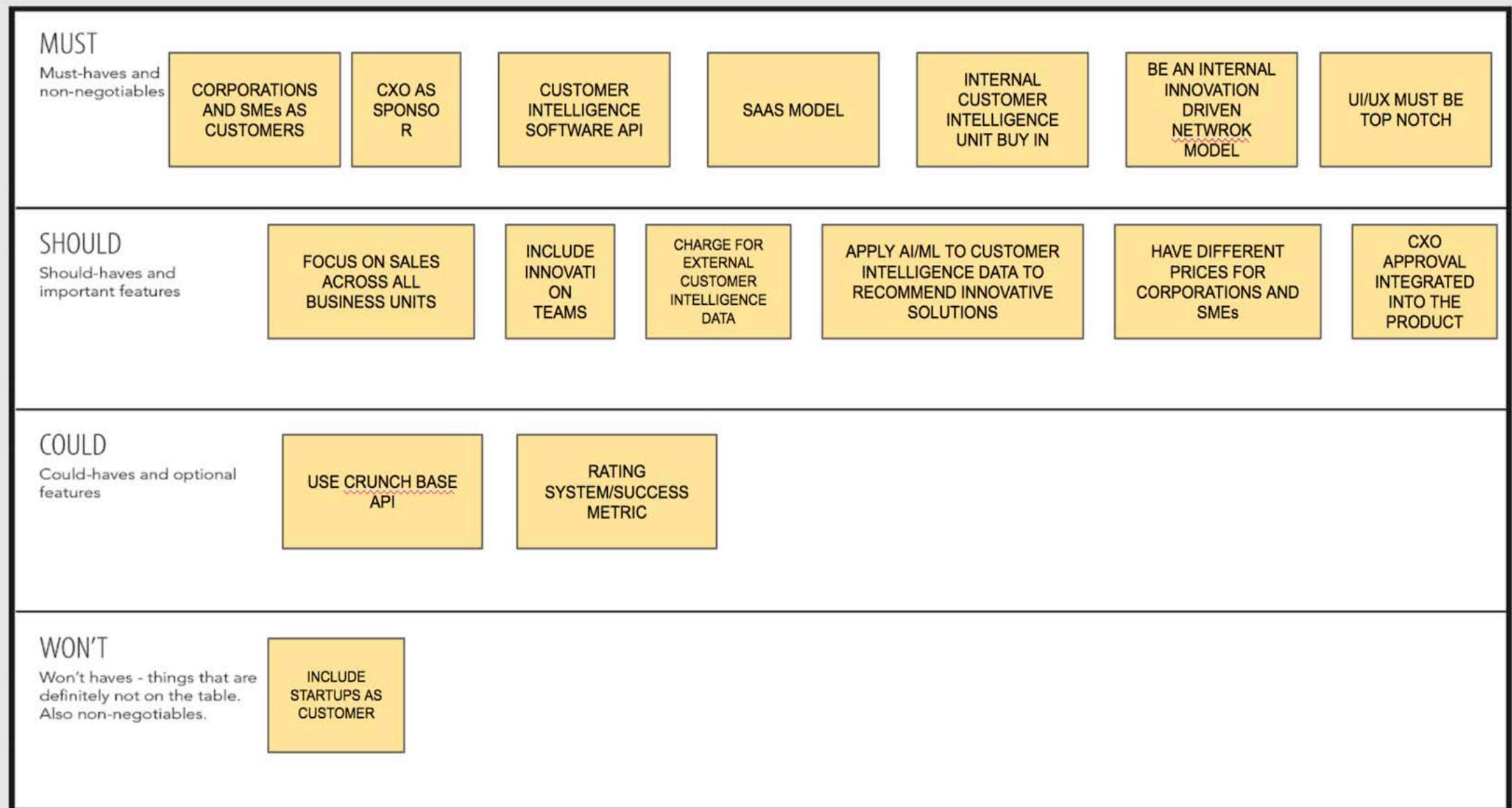
# 3 Customer Segment for STARTUPS



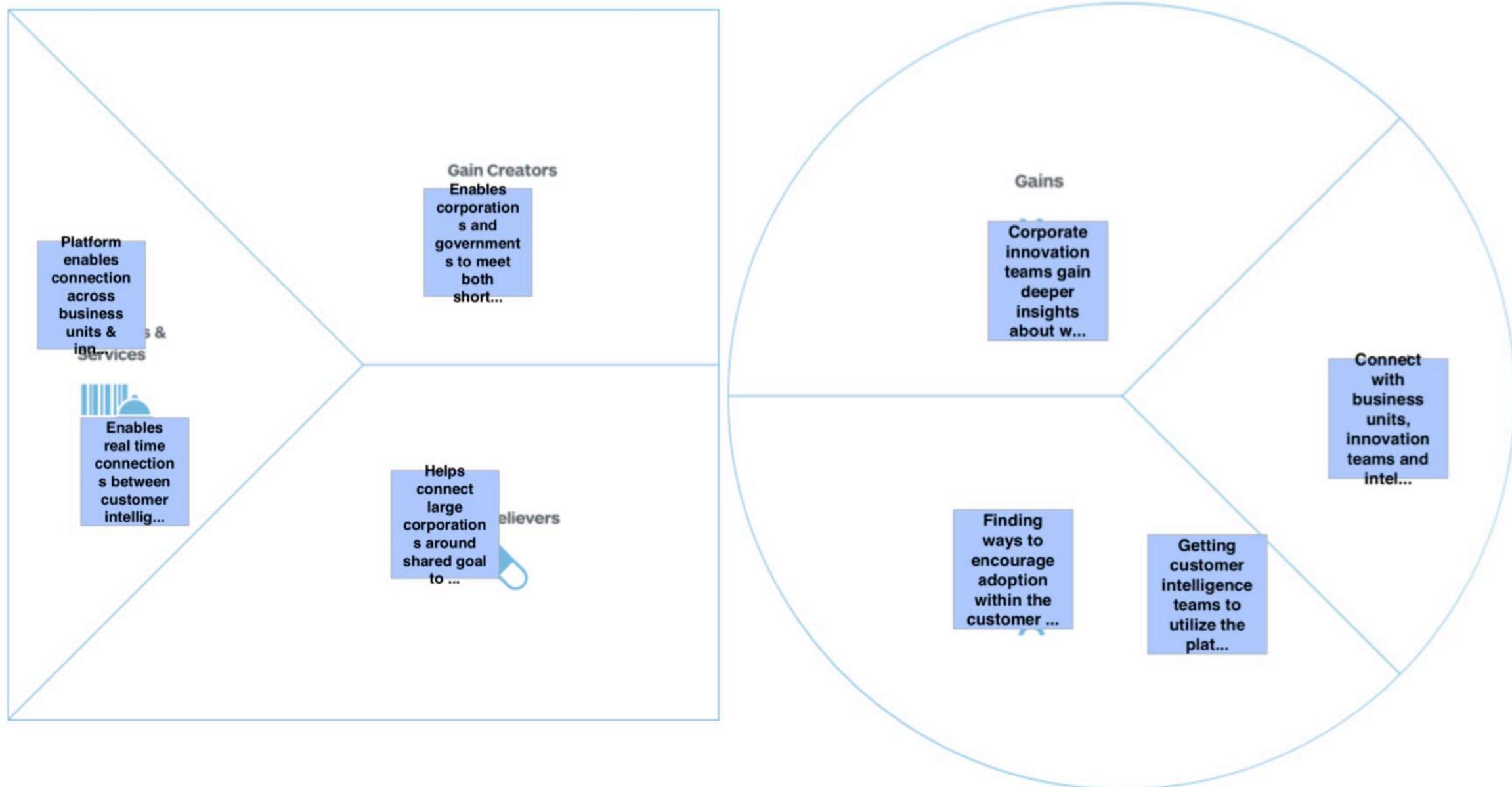
# 4 Business Model Canvas - “Aligning Innovation with customer need”



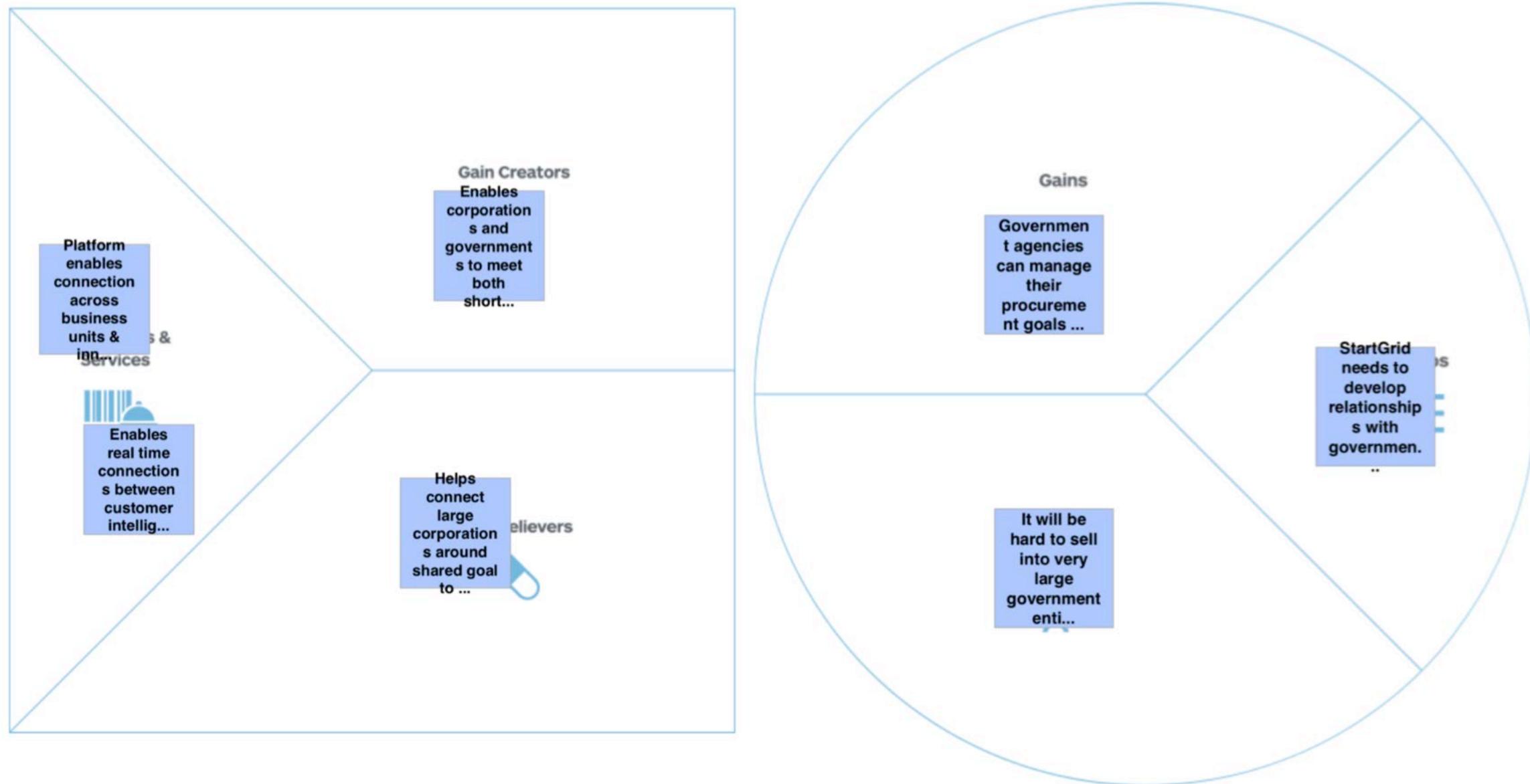
# 4 Design Criteria Canvas - “Aligning Innovation with customer need”



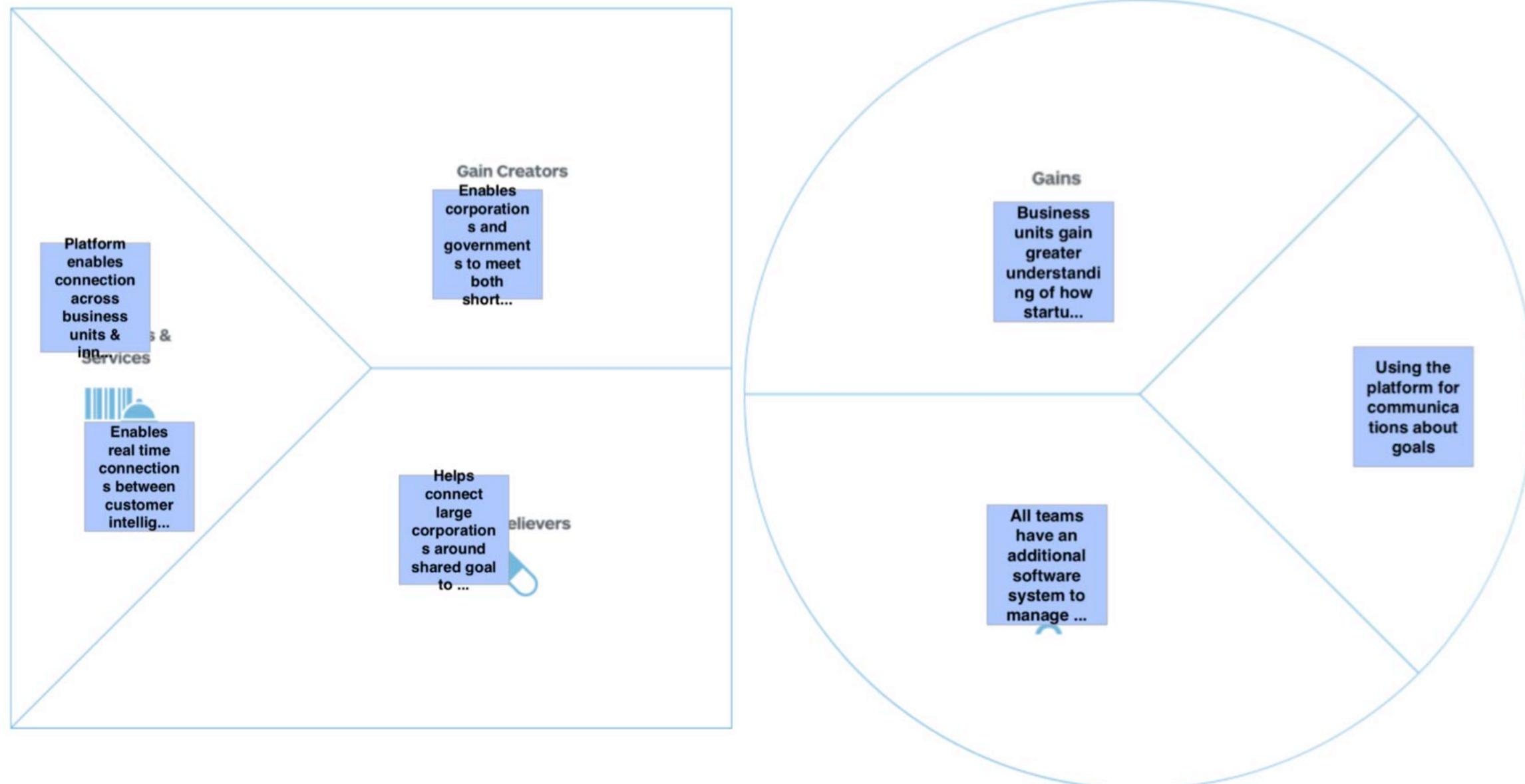
# 4 Value Proposition Canvas for ENTERPRISE



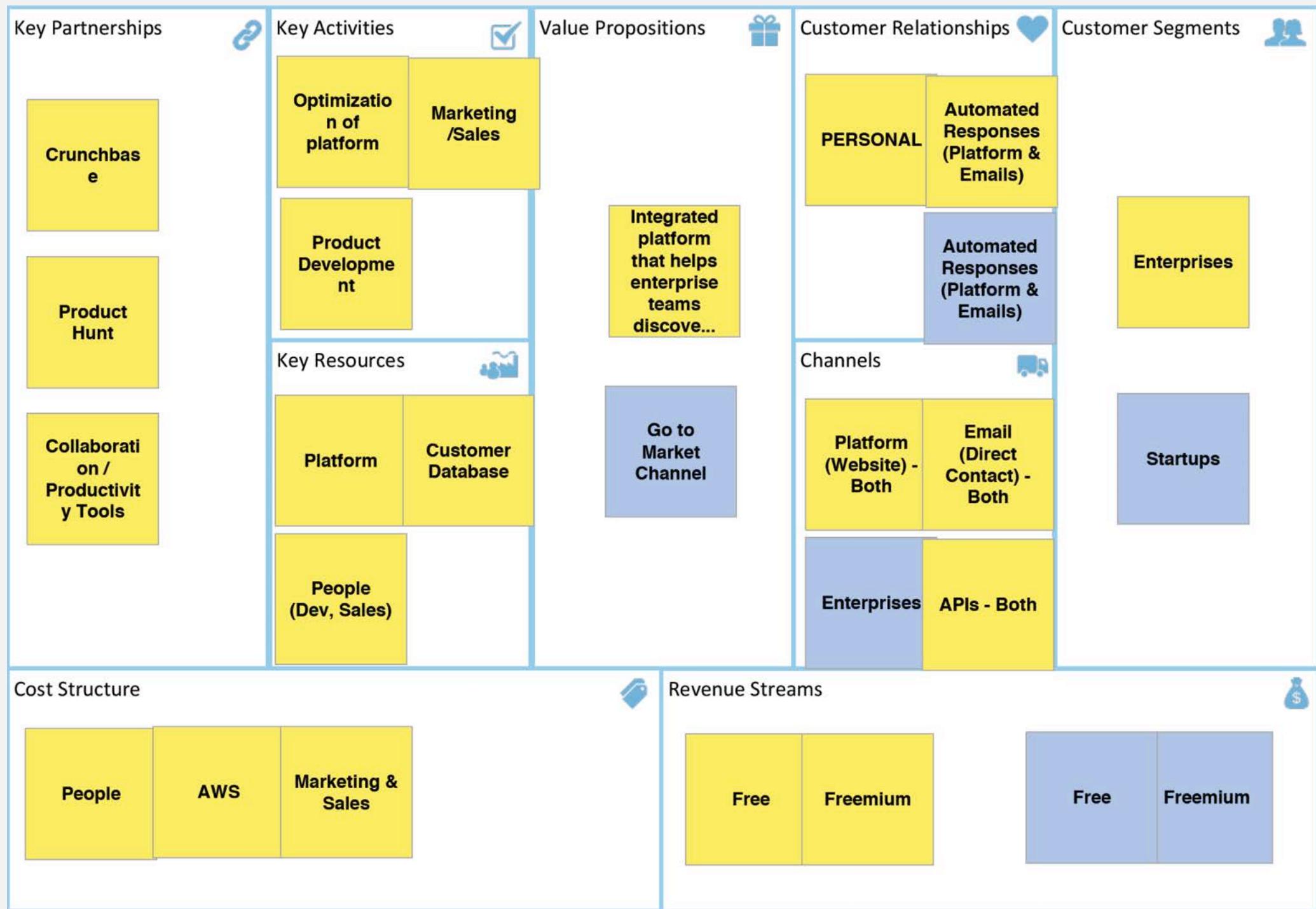
# 4 Customer Segment for GOVERNMENT



# 4 Customer Segment for CUSTOMER INTELLIGENCE



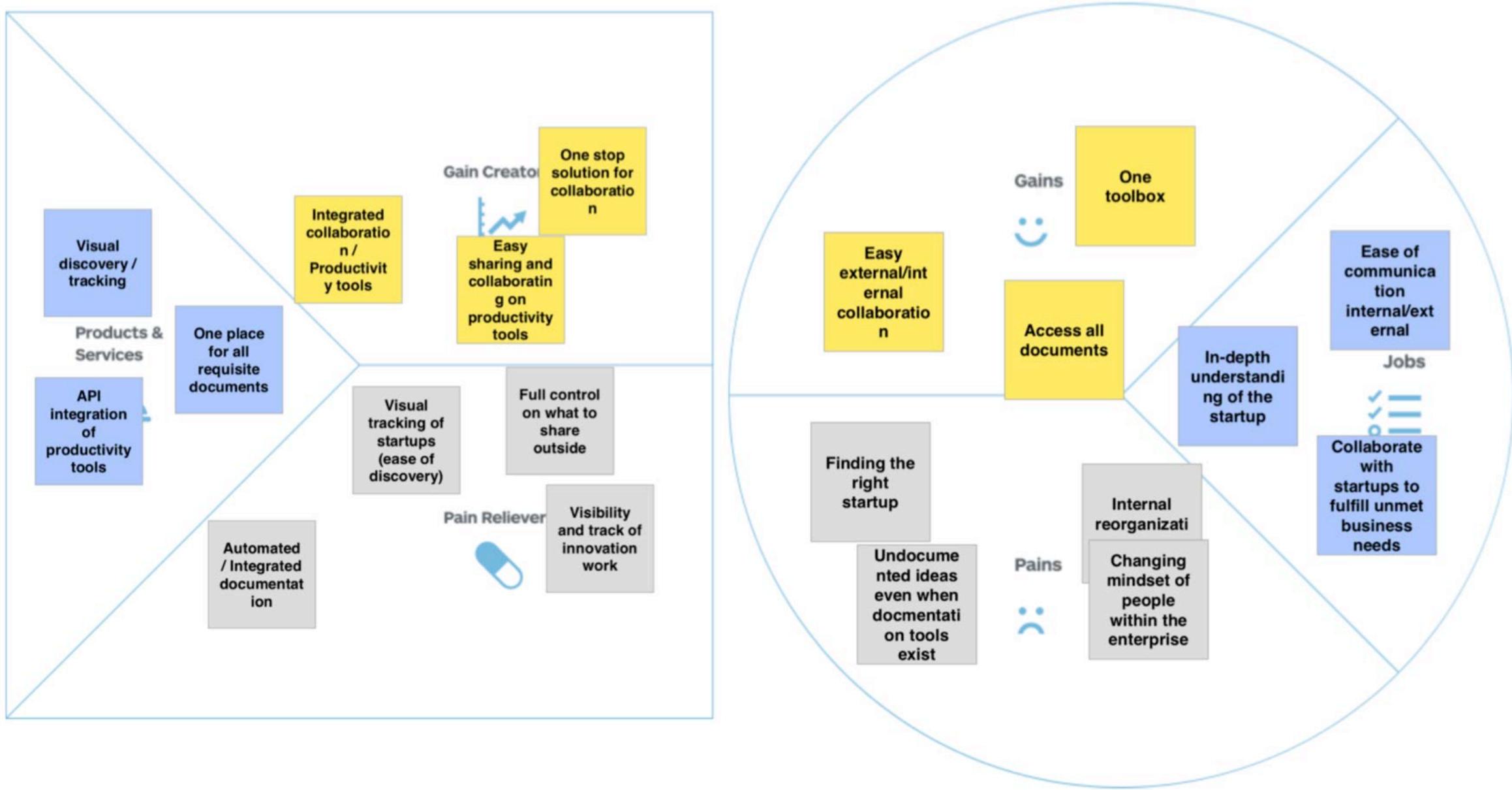
# 5 Business Model Canvas - “Connect & Collaboration”



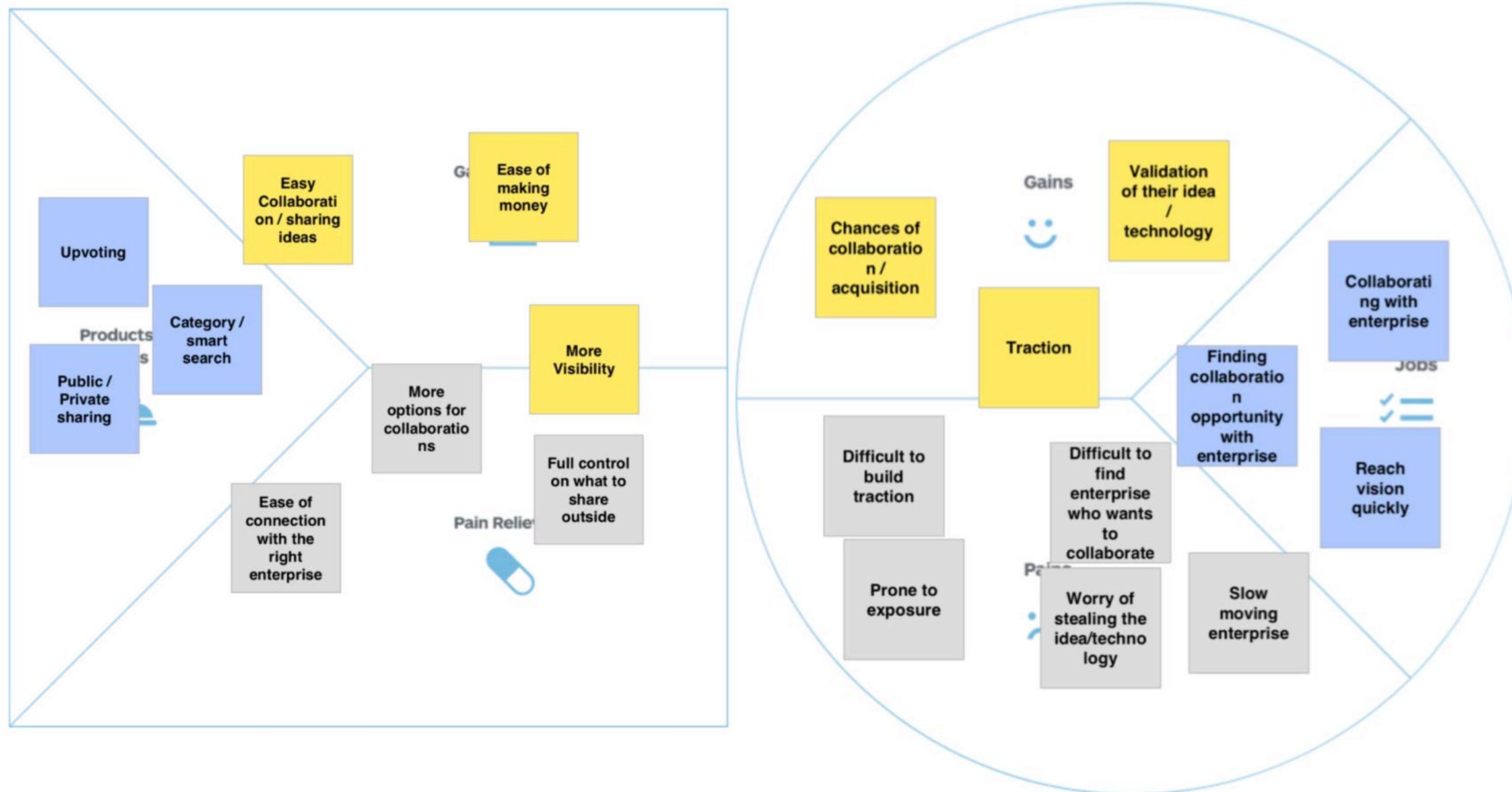
# 5 Design Criteria Canvas - “Connect & Collaboration”

<b>MUST</b> Must-haves and non-negotiables	Collaboration b/w startup & enterprise	Top Notch UX	SaaS model	Bug free Integrations	API integrations of productivity tools	Full control on public/private info sharing
<b>SHOULD</b> Should-haves and important features	Tight integrations with partners	Deep learning for startup discovery	Visibility and track of Innovation work	Best technology support		
<b>COULD</b> Could-haves and optional features	Automated Documentation	Visual tracking of startups	Startgrid API in other services			
<b>WON'T</b> Won't haves - things that are definitely not on the table. Also non-negotiables.	Tools outside of the platform	Fear of technology / solution theft				

# 5 Value Proposition Canvas for ENTERPRISE



# 5 Customer Segment for STARTUPS



# Financial Comparisons

	A	B	C	D	E	F	G
1	<b>Financials US only</b>						
2		<b>Collab</b>	<b>Network (Freemium)</b>	<b>Broker</b>	<b>Autonomous</b>	<b>Internal</b>	
3	Fortune 1000	1000	1000	1000	1000	1000	
4	Mid size level companies 150K	150K	150K	150K	150K	150K	
5	Start ups 600K	600K	600K	600K	600K	N/A	
6	VCs			800			
7							
8	Revenue stream enterprise market share	5%	2%	5%	5%	5%	
9	Enterprise Annual fee (unlimited seats)	25K	\$1,000		\$499/month	20K annual	
10	Mid size companies market share	1%	2%		2%	2%	
11	Mid size annual fee	5K (5 seat license)	\$500		\$199/month	5K annual	
12	Start ups 600K - market share	1%	5%		5%	N/A	
13	Start up free	FREE	\$300		\$49	N/A	
14							
15	ADS (Start up)	N/A	36K				
16	ADS (Enterprise)	N/A	12.1K				
17							
18	<u>Cost structure</u>	<b>Based on 10 employees</b>	<b>Based on 10 employees</b>	<b>Based on 10 employees</b>	Based on 20 employees	Based on 10 employees	
19	Licensing (based on fixed API cost)	3 Million	N/A	N/A	N/A	3 Million	
20	Marketing and Sales	250K	450K	450K	450K	450K	
21	People	1.5 Million	1.5 Million	1.5Million	1.5M	1.5M	
22	Special Staff	N/A	750K (Data scientist)	750K (recommendation engine)	1.5M (Client relationship manager)	N/A	
23	AWS	17.8K	17.8K	17.8K	17.8K	17.8K	
24	ADS	N/A	\$5	N/A	N/A	N/A	
25							
26	Net profit	3.8 Million	7.9 Million	112 Million	5.8 Million	3 Billion	

## 3/5 Selected Business Models

**Network**  
LinkedIn for Startups

Network Platform for enterprises and startups  
powered by a recommendation engine that  
matches enterprise needs with startups

**Broker**  
Amazon for Startups

Two-sided platform for enterprises and startups that  
matches Enterprise Innovation needs by connecting to  
external resources and provides metrics/history

**Collaboration+**  
APIs for KPIs +  
Customer Intelligence

Open platform for enterprises with built-in  
collaboration, startup discovery, and customer  
intelligence APIs to enable Innovation Teams to  
effectively align solutions with goals

# Business Models NOT Selected

Qualifying the business models led our team to drop two models. Our process consisted of evaluating existing solutions in the space, measuring the success of models based on our clients needs and internal discussions on what a winning model would look like.

## Collaboration Model

We chose not to proceed with the Collaboration Model because we decided while it had clear strengths, but not a full solution. The Collaboration Model can be described enabling an ecosystem of APIs, application programming interfaces, which are ways to send and receive information between different applications. The Collaboration model leveraged the emerging trend of API platforms to enable enterprises to tailor custom solutions. The importance of this trend toward the API ecosystem was reinforced last week when Salesforce acquired Mulesoft, an API platform management tool. We realized the API strategy was better as a horizontal theme across all business models and could be deployed in each scenario.

In addition, the client remains committed to creating a Network Effect with the 2.0 version of the product, which means that each additional user enhances the value of the platform for all users. Therefore, we wanted to move forward with models that reinforced that vision as well.

## Internal Innovation Model

We chose not to proceed with the Internal Model, which we described as Slack on Steroids. The Internal Model aimed to solve the challenges enterprises face when developing, executing and integrating innovation strategies across various business units. The Model was focused only on the nucleus of the corporation, rather than the ecosystem of startups that support the innovation strategy. It was clear that the lack of an external aspect of the Internal Model would be a large, and potentially detrimental departure from the vision of StartGrid. Therefore, we chose to incorporate aspects of the Internal Model, including the enhanced communications platform, into the final models we selected.

### Collaboration Model

Integrated platform that helps enterprise teams discover & collaborate with external resources

### Internal Innovation Model

Real-time access to customer intelligence to shape innovation goals and procurement