



Corporate Innovation: Out On The Edge...

Me

- Strategist & Advisor, Corporate Change Agent, Speaker, Provocateur, Easily Distracted
- Focus on disruption, innovation, strategy, revenue growth & organisational change/transformation
- 400+ clients spanning 25+ years and 50+ countries – tech, media, telcoms, retail, financial services, manufacturing, public sector, CPG, oil & gas, chemicals, utilities + lots and lots startups
- Co-Founder, SW/TCH corporate innovation festival
- Guest lecturer in strategy/innovation at Stanford, Wharton, INSEAD, CEDIM, etc.

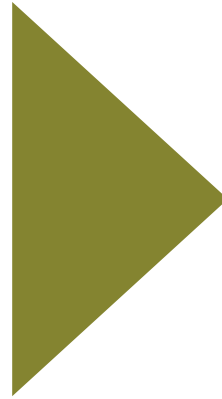


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Industrial Age

(‘stability’)



Digital Age

(‘adaptability’)

We need to (1) re-think, (2) re-imagine and (3) re-design ***everything*** we know about management, leadership, attracting talent, careers, competition, culture, organisational design, skills and getting shit done in organisations... ***everything...***

Research Overview & Methodology

- Objective: identify new case studies and leading edge thinking on 'edge' (outside 'core') innovation
- We interviewed 20 Innovation and C-level executives globally, from a variety of industries
- This is Phase 1 research and we are currently designed a more detailed and quantitate Phase 2 research study.

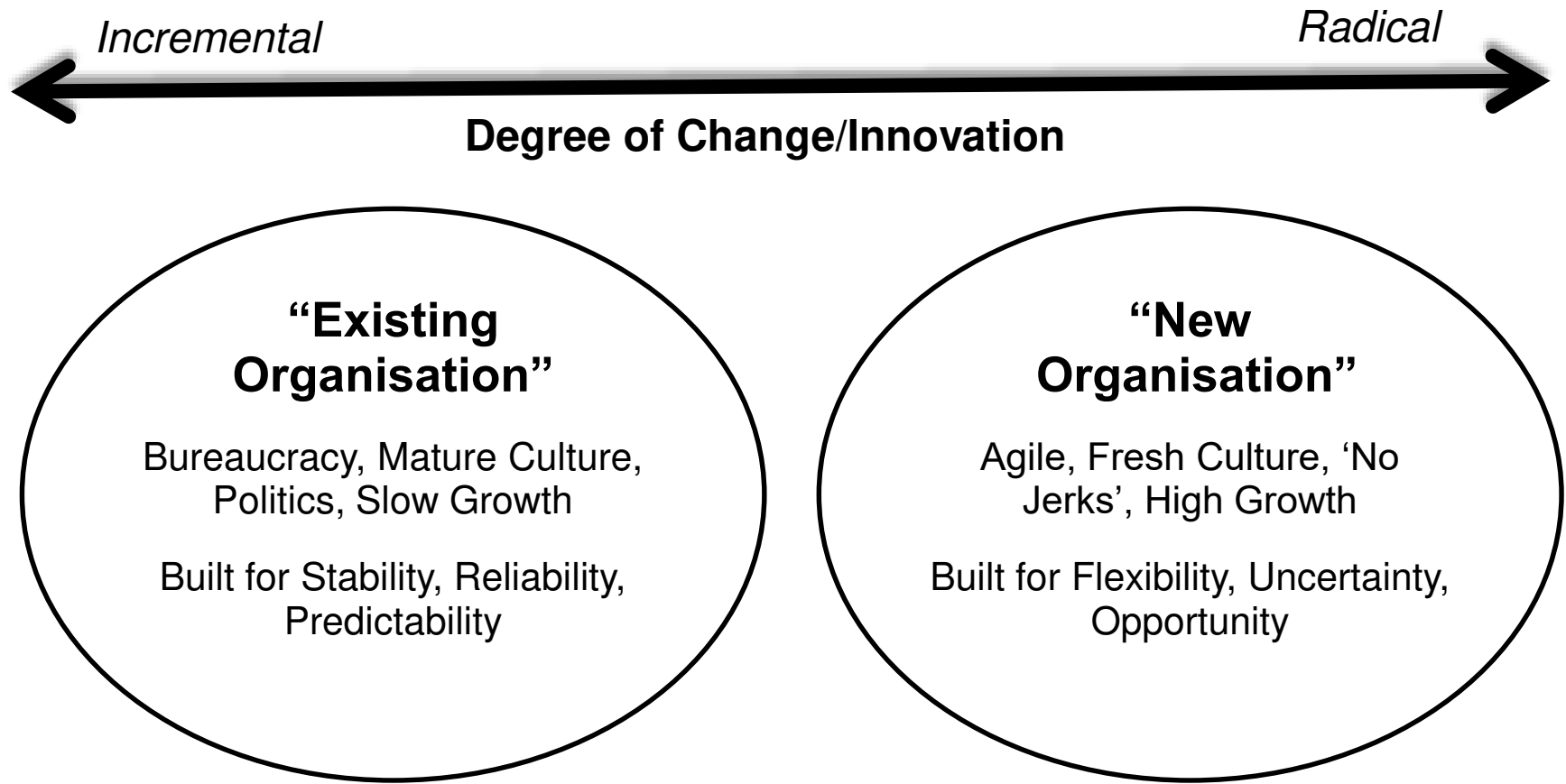
Research To Date



Our Hypothesis Going Into This Research

1. The vast majority of corporates globally are pursuing a 'core' innovation model, conducting innovation activities in very traditional ways that are being encumbered by (core focused) culture, politics, hierarchy and traditional compensation systems
2. Core innovation is overwhelmingly incremental innovation, and further, we cannot find core innovation use cases that are delivering transformative/strategic outcomes

A New Model For Innovation, Change & Growth Is Required: Double Transformation



Maintain/evolve the existing organisation, and separately, create new high-growth businesses outside the core

'Edge Innovation' Typically Has Several Identifiable Characteristics

1. CEO-level reporting
2. Physically removed from core activities
3. Explicit governance rules (no poaching talent, etc.)
4. Explicit 'disrupt thyself' mandate
5. Novel approach to change/innovation
6. Delivering tangible/measurable results via 'edge' model
7. Overt measures (H1, H2, H3)

Three Edge Case Studies



- 'Edge' Innovation team, independent of business units
- First commercial drone service in Europe
- "We don't believe people in the core business can innovate"



- Stated goal to exit the cigarette business
- The 'Edge' organisation is the new organisation
- "We started with emerging markets where internal support is extremely high"



- 15 simultaneous Edge projects, each capable of USD \$100M business in 3 years
- Teams scale from 3 to 50 people (each) within six months

How To Get Started On Edge Innovation

1. Honest/Candid/Objective assessment regarding the level of 5-year change in your industry/sector
2. Board/CEO buy-in to Edge innovation model; set up the right governance and rewards
3. Focus on H3 activities, both (a) number of H3 projects, and (b) accelerated pace to strategic outcomes

Thank You!

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Further Reading: <http://www.650labs.com/disruptor-proof-points/>