

## Is your product lacking flavor? Add a dash of *Innovation*!

and a state of the state of the

**Marissa Bornholdt** 

**Paul Boos** 



Quickly elect someone and that person will come to the table of objects where they will grab one to take back to the table. (First come, first serve!)

Within your group, you will go round-robin thinking of uses for this object over the next 5 minutes.

- The first person will state a potential use for the object.
- After first agreeing with what the first person says, the second person will then build on the idea and add something new by saying, "Yes and..." and state another use for the object.
- Continue going around the table until your group is out of ideas or you hit 5 minutes.

Take 2 minutes and think through what potential uses for the object will really work and are especially unique. For any ideas that won't work, what ways can you improve on the ideas to make better.

The facilitator will ask for a few tables to share out their results.



## 101 Uses: Debrief

- What did you find easy? Challenging?
- How did this help inspire creative thinking?
- How would you use this in your workplace?
- How might this change the culture of your organization?





### The State of Innovation

• Marissa and Paul supported a large program inside a Fortune 500 client

They used a SAFe construct

• 0, no, nada, nil time was set aside for innovation activities at any point

How many of you see this?

It was pretty bland.



### **Innovation** & Planning (IP) Iterations/Sprints

IP Sprints are intended to have the following 3 items:

- Program Increment (PI) Planning (2 days)
  - Prepares work for next PI
- Inspect & Adapt Event (~2-3 hours)
  - Retrospect on actions to improve the next PI
- **Innovation/Time to try out ideas** freely associated to the product or usually replaces processes the teams are using
  - Create new and better product or process improvements
  - Any remainder can be spent to finish off tasks...



### So, what was Done?

- Added something spicy to give a little shock
- Replaced I&A event with 101 Uses and then generated ideas – they could be ANYTHING!!
  - Want to know something funny? Most related to the program and all to the company.
  - Little transition into the program and the value was questionable.
- Next IP Sprint, these ideas became the starting point for innovations

fast forward 2 PIs...

### Give Them a Hot Tub\* - Part 1



Individually or in groups of people at the table that work together, think about a product you provide to your customers – internal or external. You won't share this unless you want to...

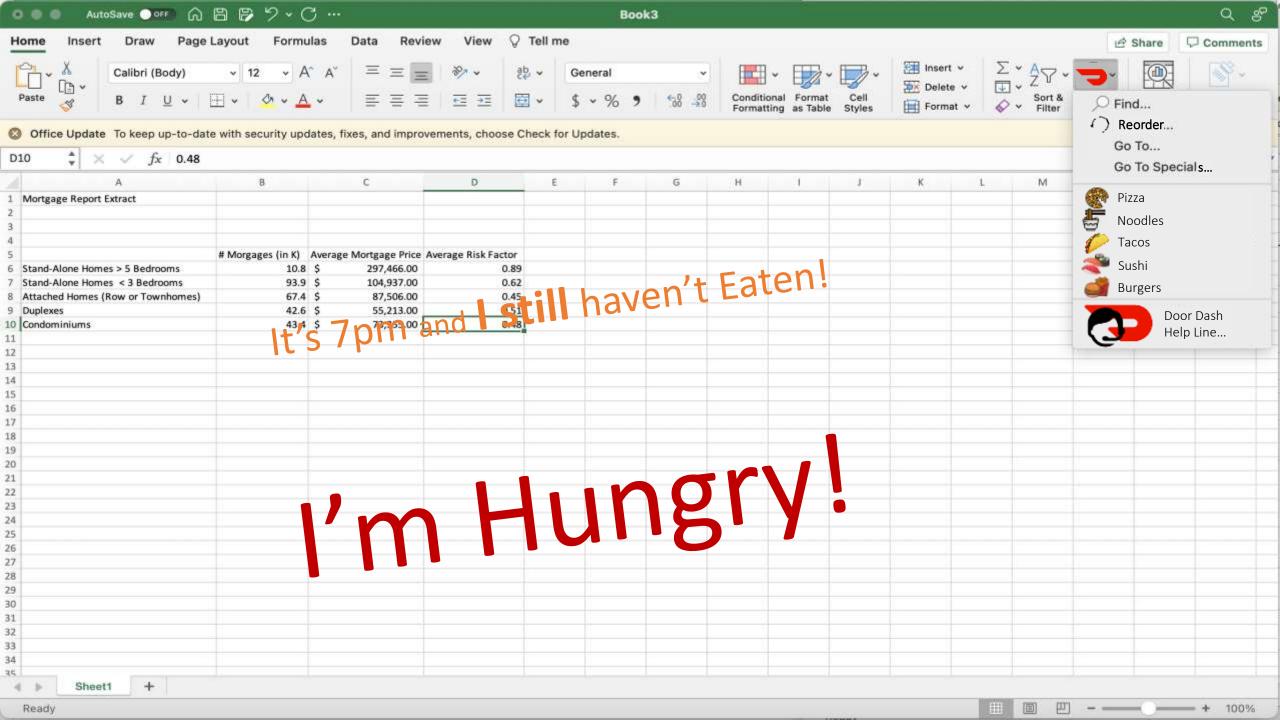


Excella

Over the next 3 min, brainstorm an <u>outrageous</u> product feature or service offering you could *add into or with* this product. They need to provide something you think your customers could use **and** you can be as outlandish as you want; no need to self-censure.

The next slide will give an example. (and how Part 2 begins to fit in...)

\*from Innovation Games by Luke Hohmann



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The next slide will give an example. (and how Part 2 begins to fit in...)



\*from InnovationGames by Luke Hohmann

### Give Them a Hot Tub - Part 2





What pains will it relieve or what benefits will it provide? What is a realistic idea to implement that would help bring about that pain relief or benefit? What would this feature or service look like?

Take 5 min to understand these.





### Give Them a Hot Tub Debrief

- How did that feel?
- What made this easy? Challenging?
- How might this focus a target for innovation?
- How might this give you potential empathy for your customer?





Jnnovation is more than dumping spice into your mix.

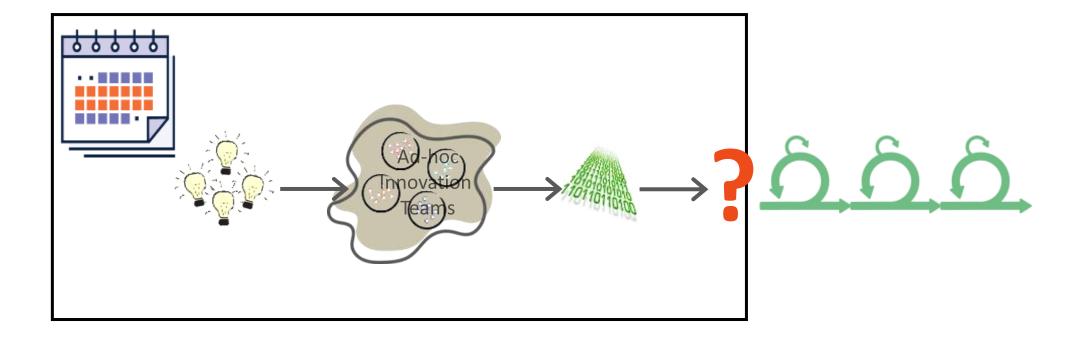
So, here's the recipe so far...

### Making the Recipe of Innovation

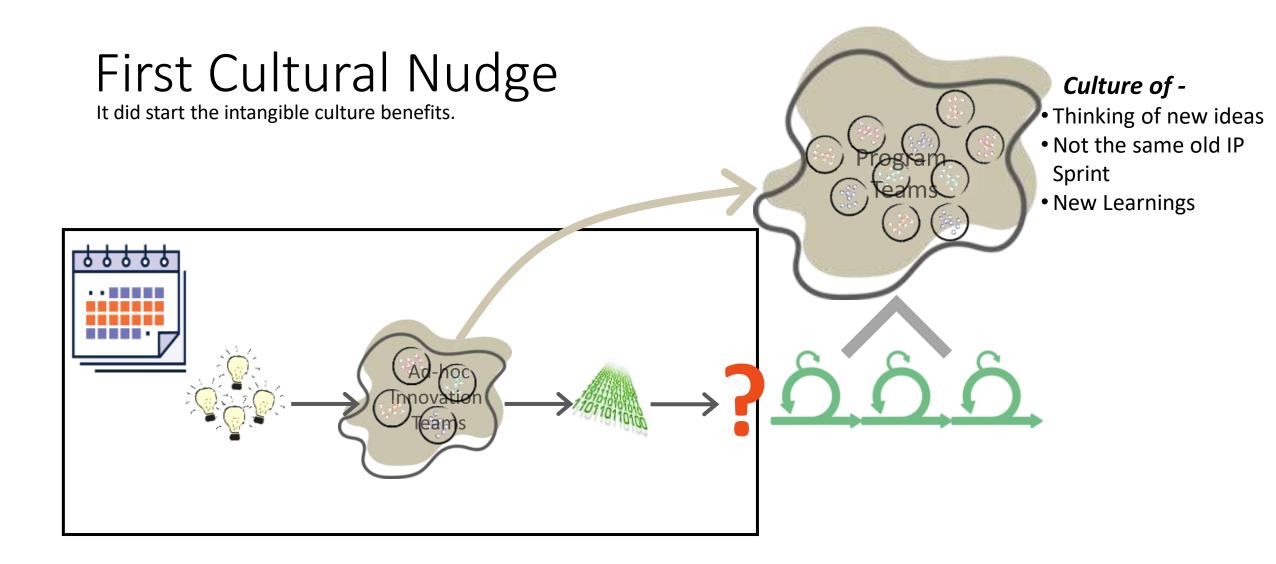


### Where we started with our spice introduction

Little transition occurred and for what did, the value was unknown.



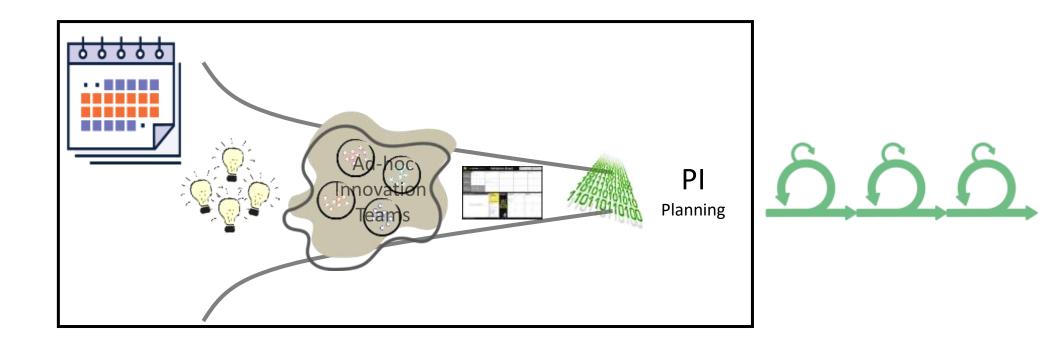






### Our Next Nudge

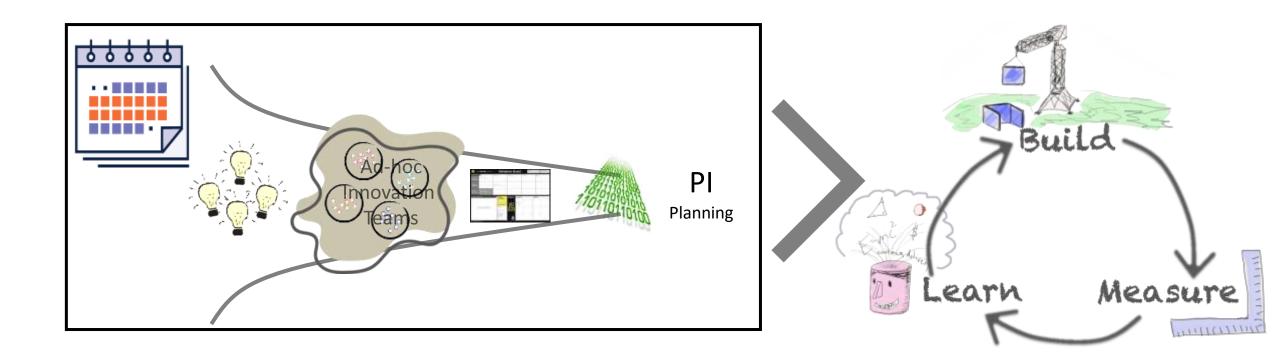
Test the ideas we have for business value. Validated ideas go into PI Planning  $\rightarrow$  PI.





## The Approach Use Lean Start-up as the Framework

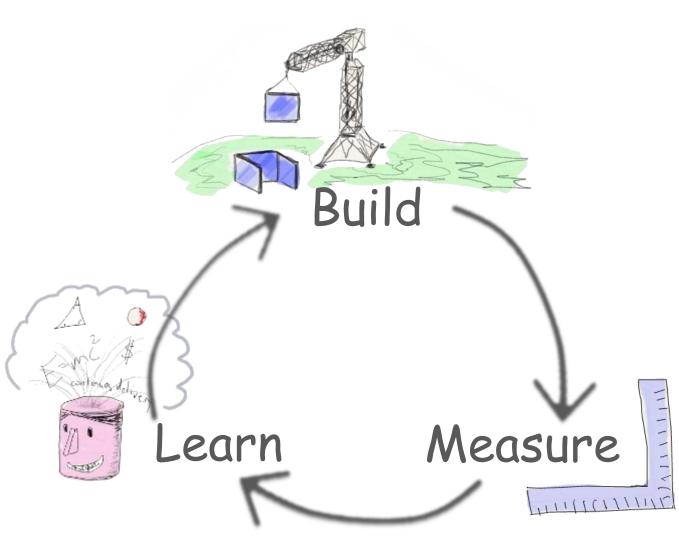
for the innovation within the IP Sprint.

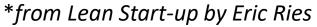




### Lean Start-up\*

It's not just for start-ups.





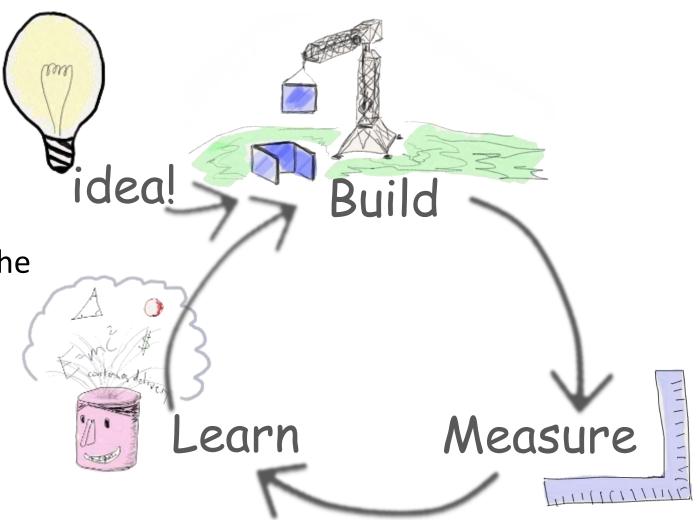


### Lean Start-up

It's not just for start-ups.

Isn't iterative development doing this?

 Validating business ideas, before building and testing the software enabling an idea



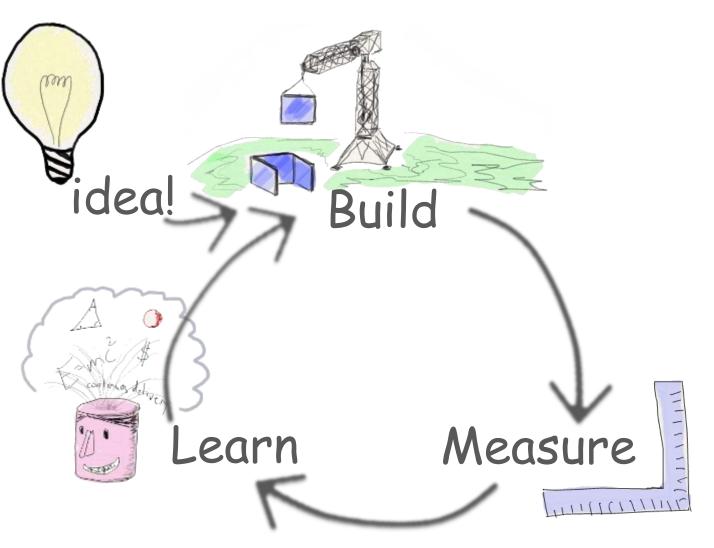


### Lean Start-up

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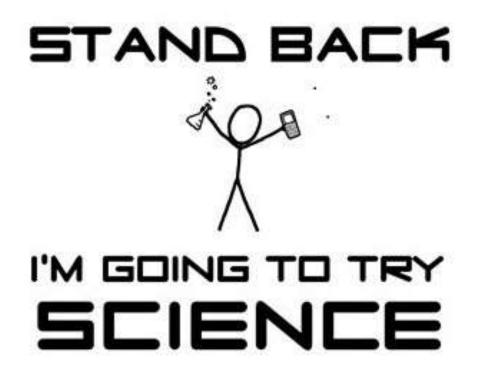
How does Product Ownership fit?

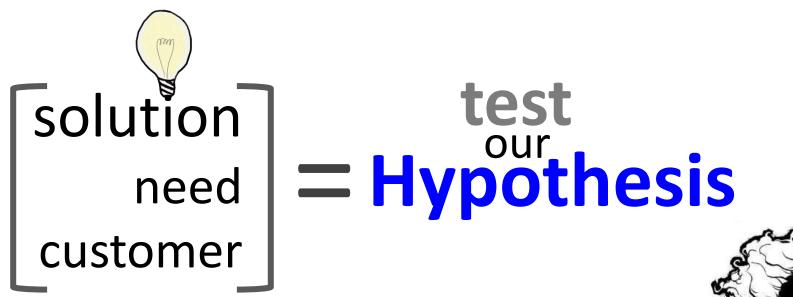
- Separating out business ideas to test
- Constructing the hypothesis and execute the tests





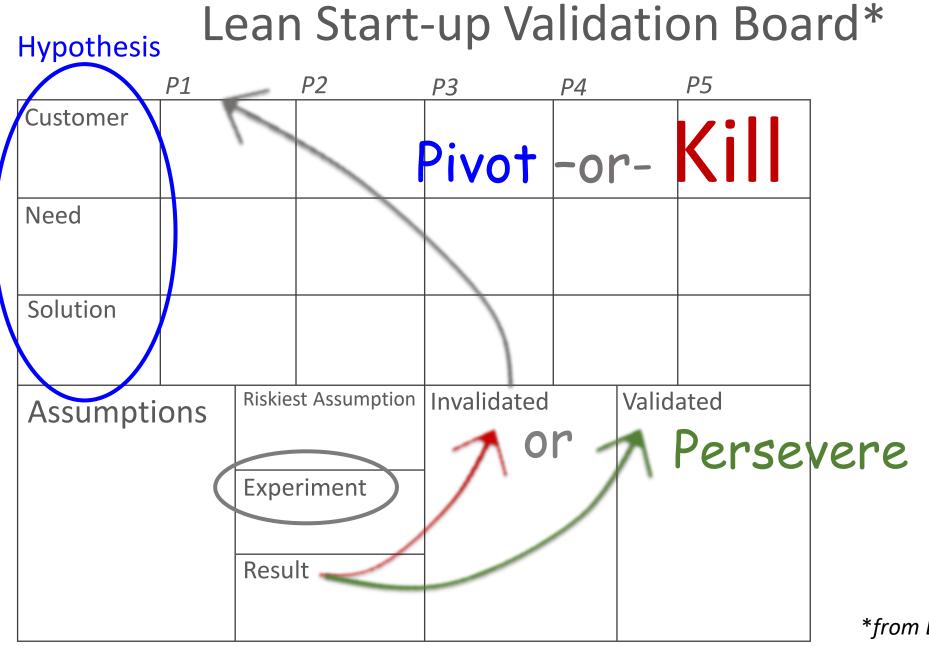












\*from Lean Start-up Machine



#### **GreenEase Validation Board**

	P1		P2	P3	P4		P5
Customer Moderate Greenie							
Need Restaurant Food Info							
Solution Phone App							
Assumptions		Riskiest Assumption		Invalidated		Validated	
		Experiment					
		Resul	t				

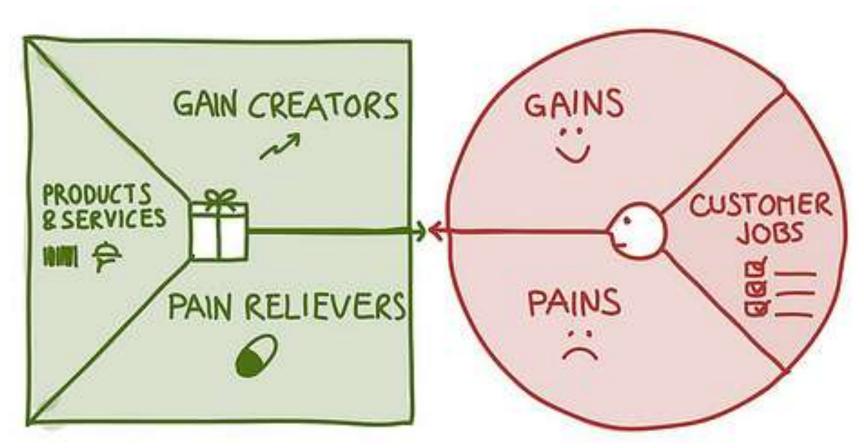


### Your Turn to Try It Out

- For the next 3 minutes, use the Lean Start-up Validation Board to note the possible solution (idea) to solve a need for a particular customer you have.
- This is a *hypothesis*, so there should be some unknowns about it!
- If you have others at the table working for the same company, *please work together*.
  - What will you implement?
  - What does it help solve?
  - What customer is this for? Is it a particular customer segment? Persona? Role?
  - Be concise! Think elevator pitch!
- You could start with the possible idea you had from the Give Them a Hot Tub game errrr exercise.



# So when this proves difficult, try a Value Proposition Canvas

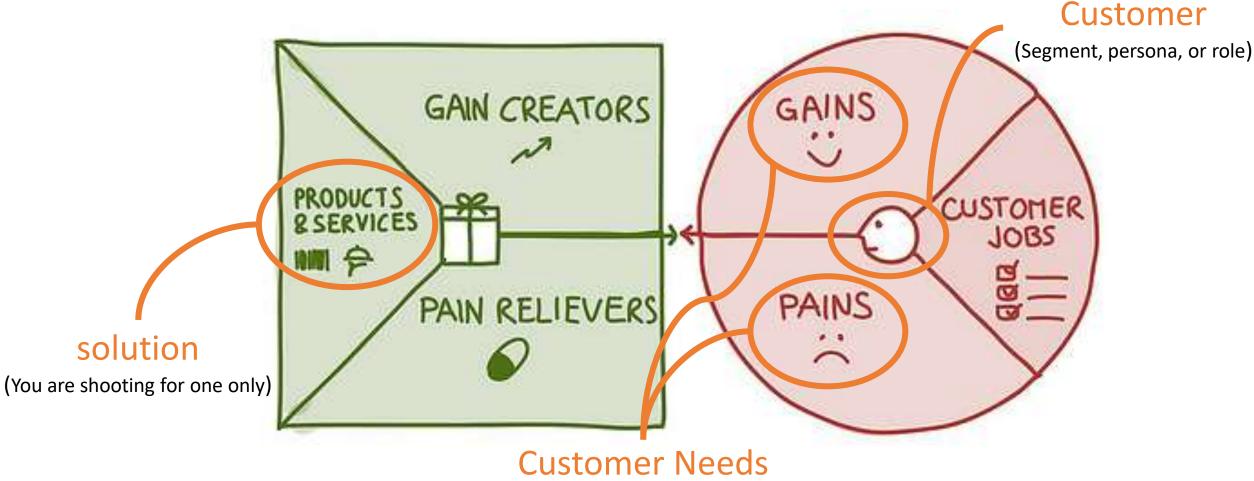


\*from Value Proposition Design by Bernarda, Osterwalder, Pigneur, Smith





# So when this proves difficult, try a Value Proposition Canvas





(You don't have to solve all of them; ID the strongest one)

### Try Out the Value Proposition Canvas as an Aid

- For the next 5 min, use the Value Proposition Canvas as a tool to help 'brainstorm' your customer-need-solution hypothesis.
- If you have others at the table working for the same company, please work together.
- Start either with your solution, or by thinking through what pains has or gains a customer wants based on their jobs to be done.
- This can help you develop your *hypothesis*.
- Name your customer persona, role, or segment.
  - Who are we solving for..?
  - What are their jobs to be done?
  - What are their pains and gains?
  - What is our solution?
  - How does it solve some of these pains or give some of these gains?
- After filling this in, take 2 min and transfer what you think is the Solution, Predominant Need, and Customer to your Validation Board.





### Debrief

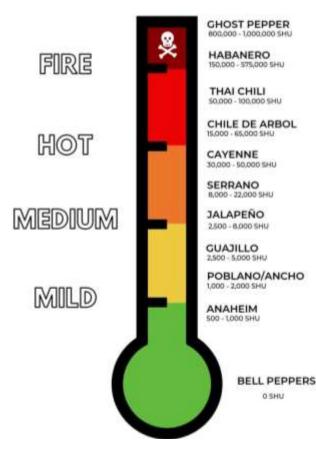
- How did it go? Who would like to share their customer-need-solution hypothesis?
- What did you learn?
- What was easy or challenging about coming up with your hypothesis using these 'tools'?
- What would be useful about this for articulating your innovation?





### Innovation Spices Come In Various Heat Levels

#### THE SCOVILLE SCALE



- Brand
- Customer Engagement
- Network (around the Product or Service)
- (Sales) Channel
- Processes (for Delivery)
- Product/Service Integrations (aka Product System)
- Product or Service Features/New Products or Services (aka Product Performance)

\*selections from Ten Types of Innovation by Keeley, Pikkel, Quinn, Walters



### Lean Startup is built on 3 simple principles

Time to learn an Alien Language





### **DALAP** "Do As Little As Possible"

### **GOOTB** "Get Out of the Building"

#### **IKIWISI** "I'll Know It When I See It"





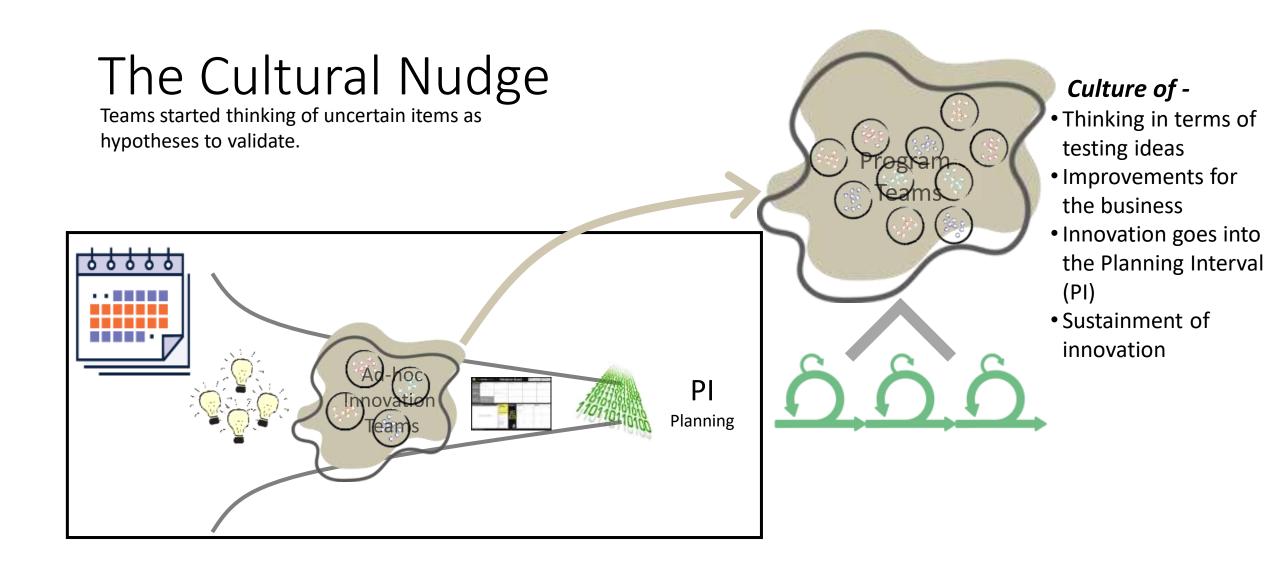
### Lean Startup also has

# 1 C RE

# Value

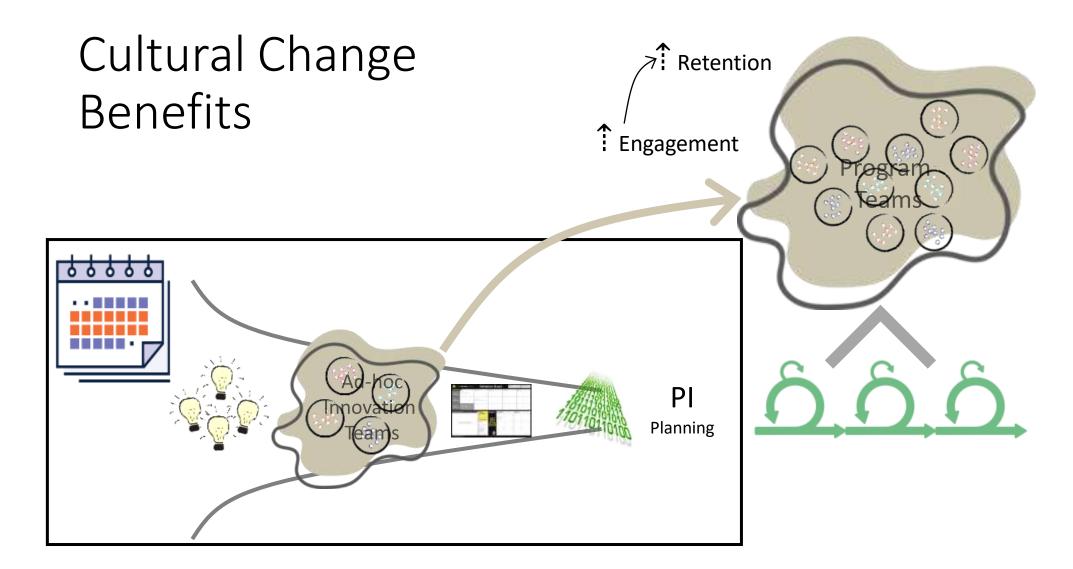
## Passíonate Ideas

# Loosely Held







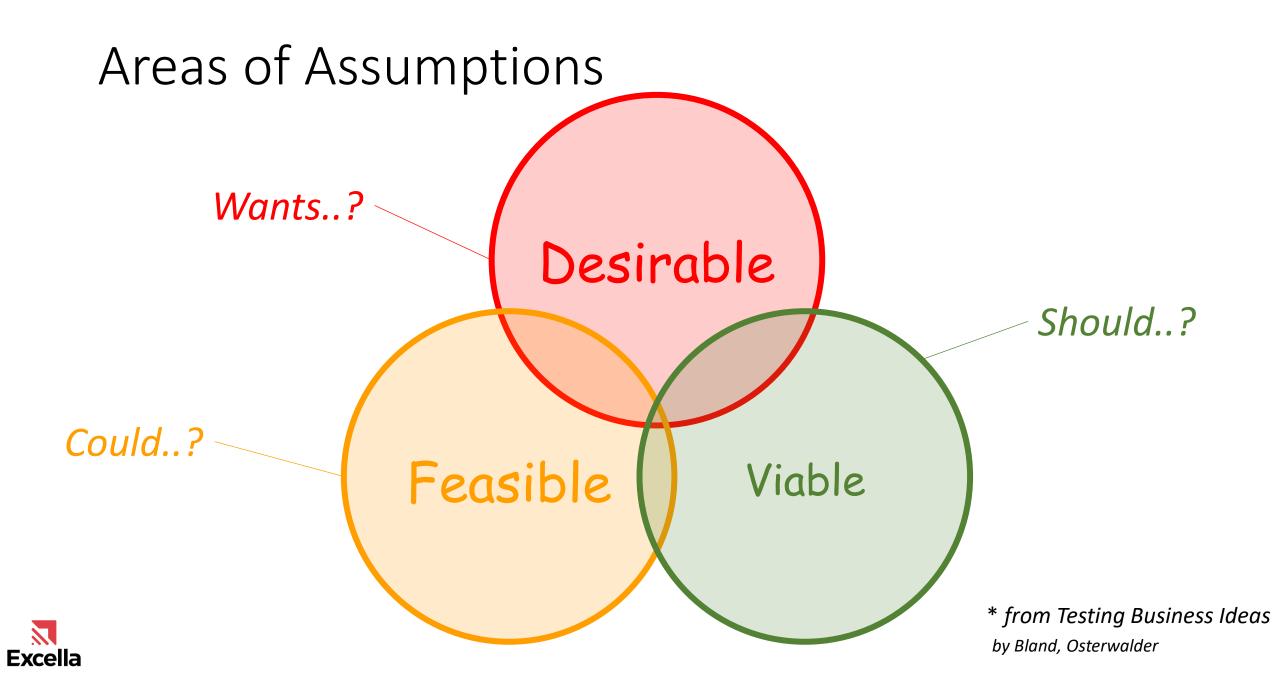




### Lean Start-up Validation Board

	P1		P2	P3	P4		P5
Customer							
Need							
Solution							
Assumpti	ons	Riskiest Assumption		Invalidated		Valid	ated
		Experiment					
		Resu	lt				

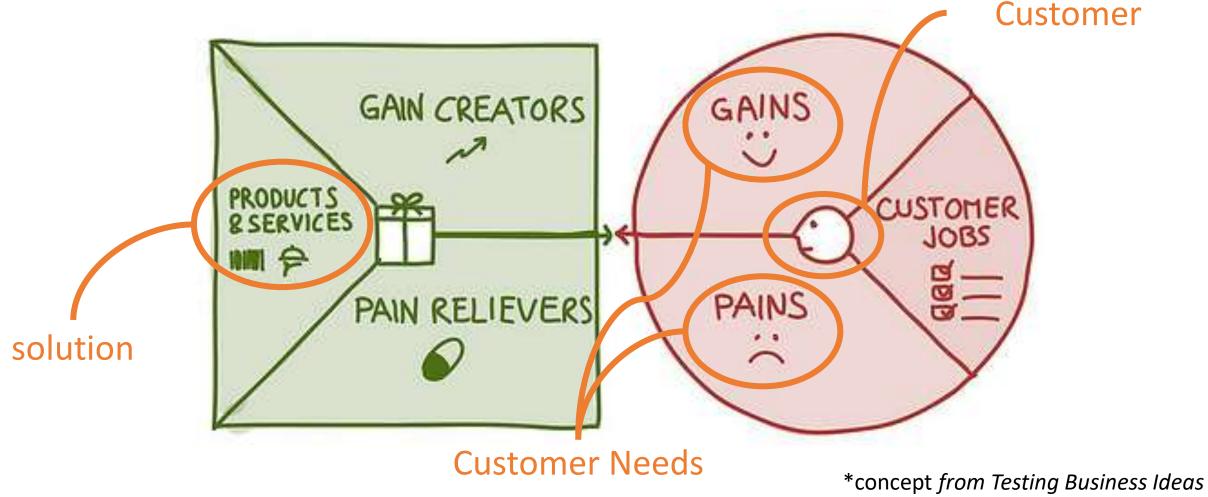




	P1		P2	P3	P4		P5
Customer Moderate							
Greenie							
Need Restaurant Food Info							
Solution Phone							
Арр							
Assumpti Anything out there yet?				Invalidated		Valid	ated
	bod info available?		iment				
Will restauran	t						
owners pay?		Resul	t				
Valid need for							
Customer?							



Back to the Value Proposition Canvas; What assumptions are being made?



Excella

\*concept from Testing Business Idea by Bland, Osterwalder

# The Value Proposition Canvas as an Aid, Part 2

- For the next 8 minutes, use the Canvas to help you 'brainstorm' the assumptions you might be making. Here are some questions to help: What assumptions are we making –
  - about the customer themselves?
  - about the customers jobs to be done?
  - about the pains or gains the persona or role has for those jobs?
  - about how our solution fills these pains or gains?
- If you have others at the table working for the same company, feel free to work together.
- As you come up with these assumptions, put them in the appropriate box on the Validation Board.





- How did it go? Who would like to share an assumption or two they came up with..?
- How did you challenge yourself?
- What did people find difficult?
- If you worked in a group, what things did you discover that made the work especially fruitful or challenging?





So...

Now that we have our assumptions identified....

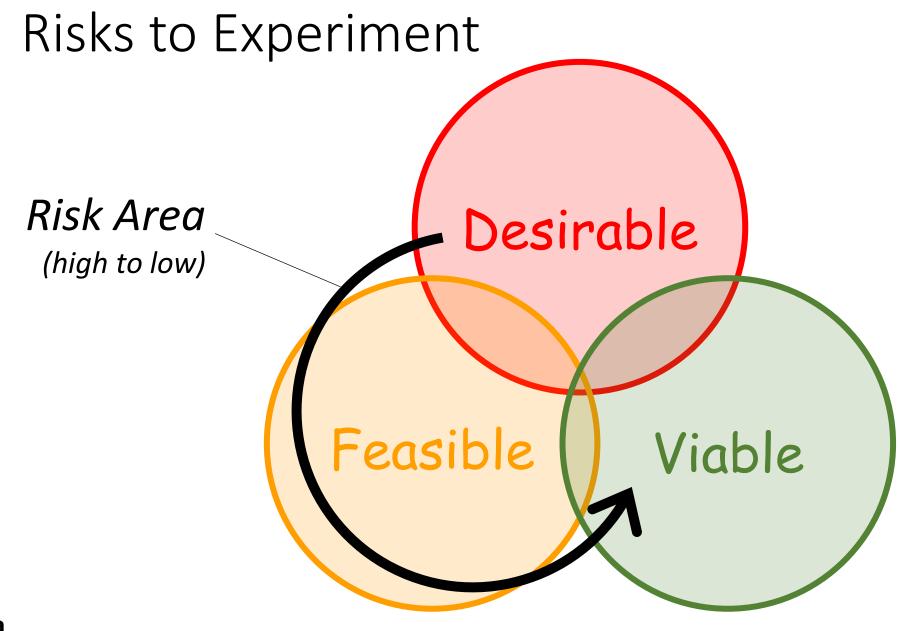
# Which assumption is our riskiest?

Sometimes this is obvious, sometimes it isn't?

### Lean Start-up Validation Board

	P1	P2	P3	P4		P5
Customer						
Need						
Solution						
Assumpti	ons Riskie	st Assumption	Invalidated		Valid	ated
	A					
2	Expe	riment				
	Resu	lt				
?-						



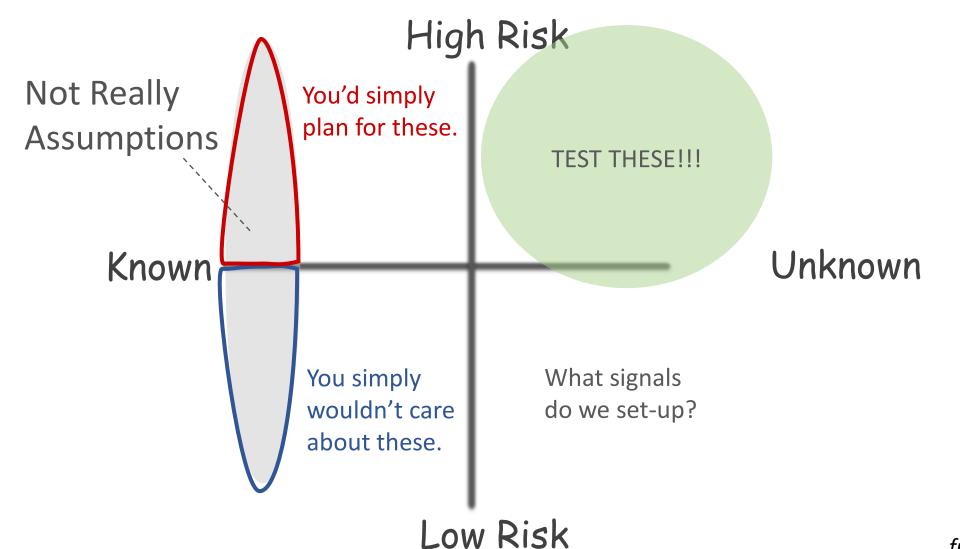




	P1		P2	P3	P4		P5
Customer Moderate Greenie							
Need Restaurant Food Info							
Solution Phone App							
Assumpti Anything ou there yet? Food info available? Will restaur owners pay	it ant	Valid Custo	st Assumption need for omer? iment t	Invalidated		Valid	ated



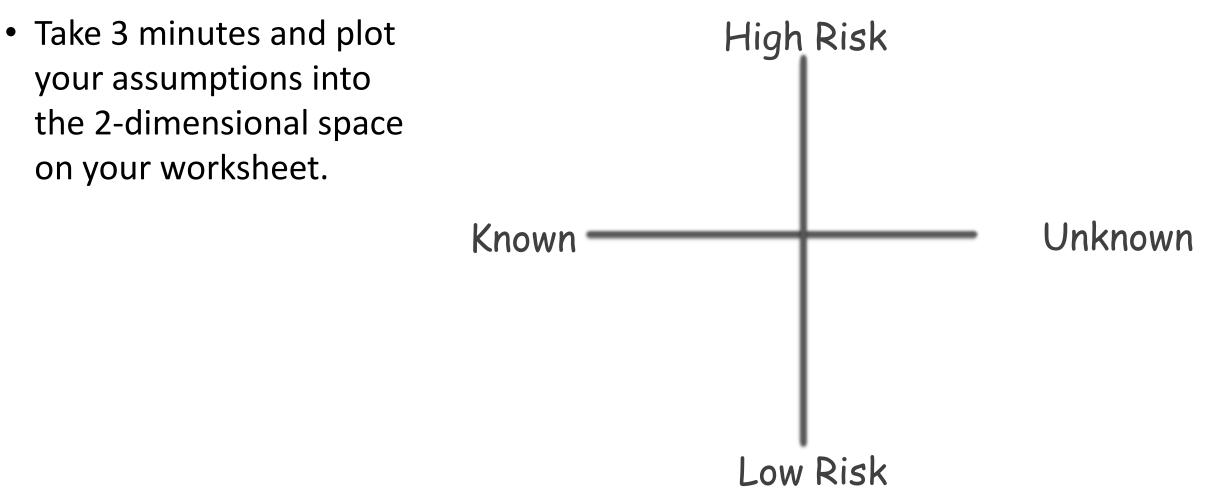
# **Prioritizing Assumptions**





from David Bland

# Prioritizing Assumptions -- Let's Practice







Always ask...

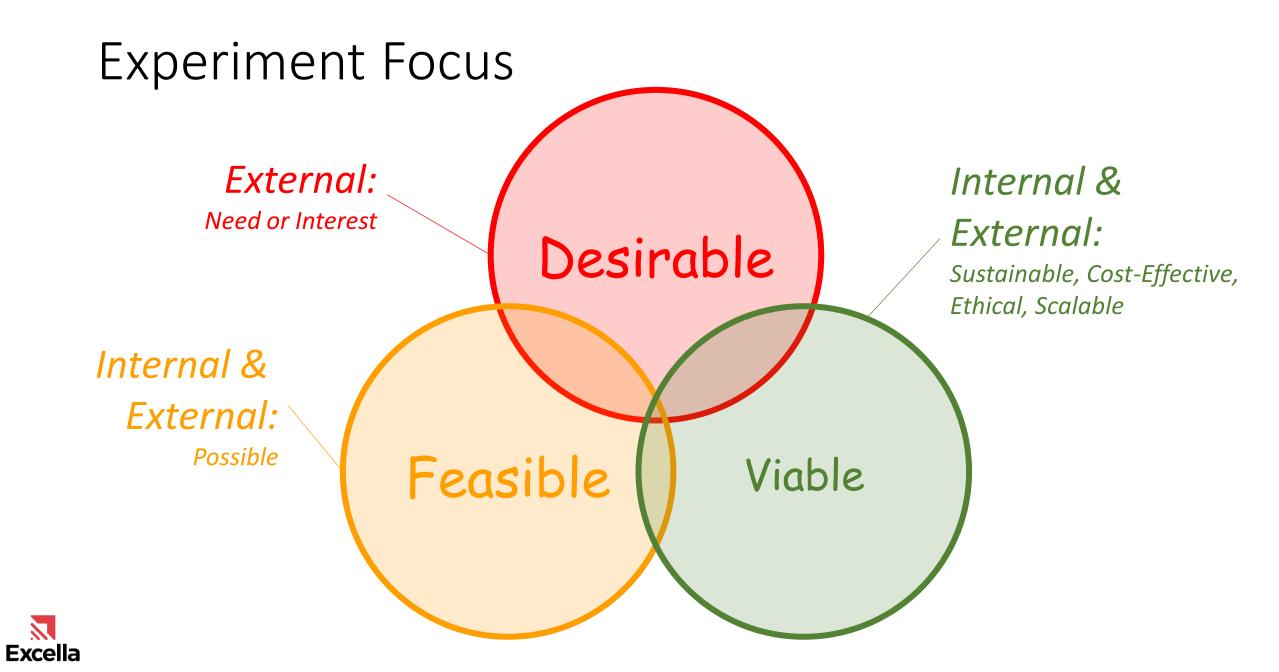
# How do we know?

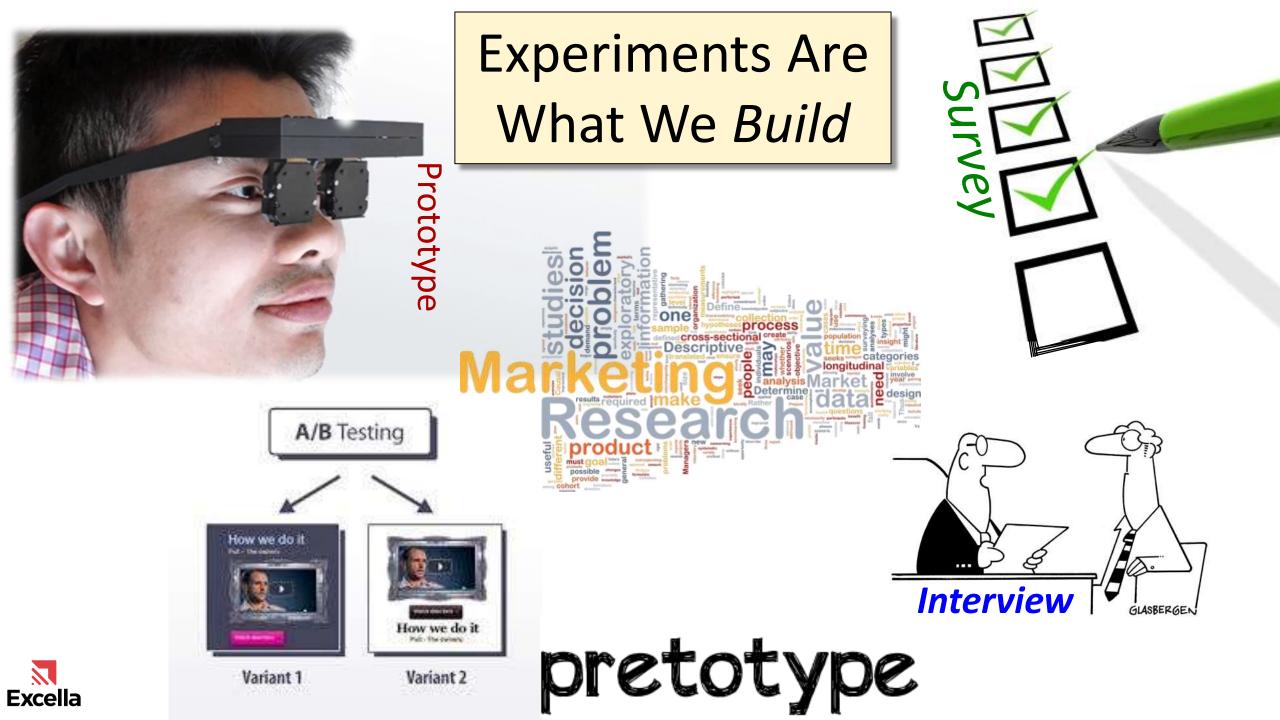
It can help clarify where it may go...

### Lean Start-up Validation Board

	P1		P2	P3	P4		P5
Customer							
Need							
Solution							
Assumpti	ons	Riskies	st Assumption	Invalidated		Valid	ated
			¥				
		Expe	riment				
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		NESU	IL				







	P1		P2	P3	P4		P5
Customer Moderate Greenie							
Need Restaurant Food Info							
Solution Phone App							
Assumpti Anything ou there yet? Food info available? Will restaur owners pay	it ant	Valid Custo Exper Strue	st Assumption need for omer? iment ctured rview t	Invalidated		Valid	ated



# Tips for Designing Experiments

- <u>Exchange currency</u>: money, time, attention, energy are all valid
- <u>Validate the customer</u>: use some open-ended questions/explorations to identify other possible customers (useful for pivoting).
- For solution-need fit, <u>get at 'why'</u>: to learn more about jobs to be done.
- Don't ignore learning how needs are met today.
- Use key questions related to your customer-need-solution hypothesis and the assumption you are trying to test.

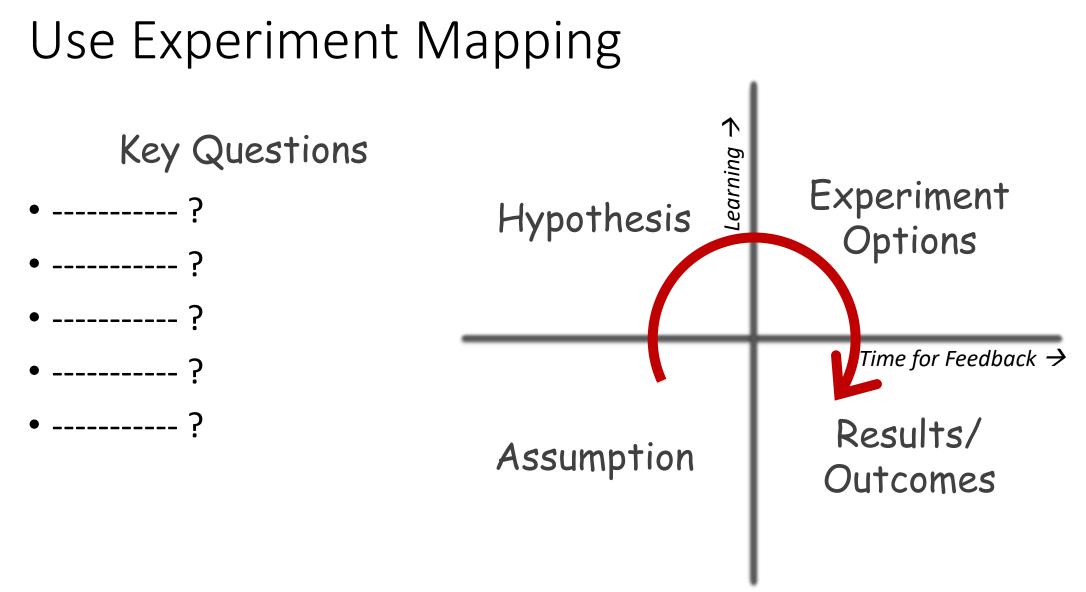
• Translate into terms of testing your hypothesis:

We predict that

doing action/making product or feature for this customer segment/role/persona will achieve this outcome. We will know this is true with this feedback or measure.

- You should be trying to <u>disprove</u> your hypothesis. Avoid confirmation bias!
- Balance ease (cost) of experimentation against value of information.





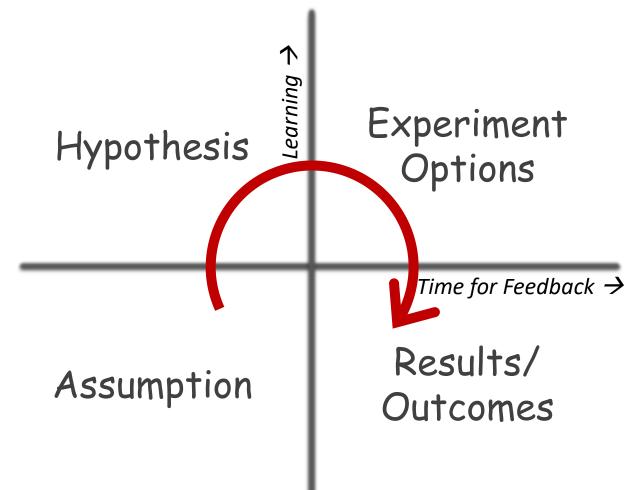


adapted from David Bland

# Let's Try It!

In the next 5 min,

- Take the riskiest assumption, create a hypothesis, list 2-3 key questions to understand.
- Brainstorm experiment options and plot based on the amount of learning and estimated time to get the learning.
- Put a check mark on the one you think you would do as a starting point. Add to your Validation Board.







- Who wants to share their hypothesis and experiment choice?
- How did you challenge yourself?
- What considerations can you make to keep the experiment from being biased?
- Reflection question: how do you think your experiment handled bias?

Reminder: GOOTB! (Get Out of the Building!)



# GreanEase Team Nov 2012 Lean Start-up Machine

- The Pitch I Joined (along with about 4 others):
  - App to provide moderate 'greenies' with info about whether the restaurant food was organic or not. The app would be paid for by the restaurant owners who want to market this fact.

Riskiest Assumption: Is this a valid need for this customer segment?

- 1<sup>st</sup> "build": Structured Interview
  - Questions to ID customer segment
  - Closed questions to see if this need was valid
  - Open-ended questions to understand pivot possibilities
  - Executed at target 'organic-oriented' grocers



	P1		P2	P3	P4		P5
Customer Moderate Greenie							
Need Restaurant Food Info							
Solution Phone App							
Assumpti Anything ou there yet? Food info available? Will restaur owners pay	it ant	Valid Custo Exper Strue	st Assumption need for omer? iment ctured rview t	Invalidated		Valid	ated



	P1		P2	P3	P4		P5	
Customer Moderate Greenie								
Need Restaurant Food Info								
Solution Phone App								
Assumpti Anything ou	IONS Valid no		st Assumption need for omer?	Invalidated Moderate Greenie	erate		ated	
Food info		Stru	iment ctured rview	Thanks to open-e discovered Locavores intere	ended Qs that it is sted in f	Qs, we is n foods		
Will restaur owners pay	I restaurant Result Moderate Greenies			Locavores intere grown lo				



## Early Saturday afternoon...

- Pivot 1:
  - App to provide Locavores with information about about whether the restaurant food is locally sourced or not. The app would be paid for by the restaurant owners who want to market this fact.

Next Riskiest Assumption: <u>Will restaurant owners pay</u>? (*the experiment will test our other customer segment assumption*)

- 2<sup>nd</sup> "build": Structured Interview
  - Question to validate sourcing of food is local
  - Closed questions to see if this need was valid
  - Open-ended questions to understand other items
  - Executed at restaurants we heard had locally sourcing their food

	P1		P2	P3	P4		P5
Customer Moderate Greenie	Restau Owner						
Need Restaurant Food Info	Need t Marke Conce	t					
Solution Phone App	Phone App	9					
Assumptions Anything out there yet? Food info available? Will own Exper Strue		st Assumption restaurant ers pay? iment ctured rview	Invalidated Restaurar Owners Need to Market Concern	nt	Valid	ated	
		Restaur getting	L ant owners are enough business of mouth	(they don't need	d to)		



## Next Day (Sunday Morning)

- Pivot 2:
  - App to provide Locavores with information about about whether the restaurant food is locally sourced or not. The app would be paid for by the consumer.

Next Riskiest Assumption: <u>Are they interested to purchase the app?</u> <u>At what price</u>?

- 3<sup>rd</sup> "build": Structured Interview
  - Questions to ID customer segment
  - Closed questions to see if this need was valid
  - iPad Landing Page w/proposed \$1.99 price tag
  - Executed at local farmer's markets & also online



## GreanEase Team Nov 2012 Lean Start-up Machine

To arrive at this test, needed to -

- Create mock-up of phone app design
- Create and test a Logo
  - Hired A | B Testing Group
- Landing Page using colors from logo





	P1		P2	P3	P4		P5
Customer Moderate Greenie	Restaurant Owner		Locavores				
Need Restaurant Food Info	Need to Market Concern		Restaurant Food Info				
Solution Phone App	Phon App	e	Phone App				
	Assumptions Are Anything out there int		st Assumption ocavores ested? Pay?	Invalidated	1	Valid Lo	ated cavores
Food info available?		Experiment Structured Interview				Restaurant Food Info	
			t rested & Will \$1.99!			Pł Aŗ	none op



# GreanEase Team Nov 2012 Lean Start-up Machine

- Still on Pivot 2:
  - App to provide Locavores with information about about whether the restaurant food is locally sourced or not. The app would be paid for by the consumer.

Next Riskiest Assumption: <u>Anything out there yet</u>?

- 4<sup>th</sup> "build": Internet Competitor Research
  - Searched for locavore restaurant apps
  - Looked for both successes & failures

	P1		P2	P3	P4		P5
Customer Moderate Greenie	Restaurant Owner		Locavores				
Need Restaurant Food Info	Need to Market Concern		Restaurant Food Info				
Solution Phone App	Phone App		Phone App				
Assumpti	Assumptions		st Assumption ocavores ested? Pay?	Invalidated		Valid Loca	ated vores
available? Stru		riment ctured rview			Food		
	Resul		rs, 1-2 failures, but stream was not well-			Intere	e App est & Little petition





### Startup Machine



(but there's plenty more to do...)



# Possible Next Steps with assumptions to test.

#### Find how to source info

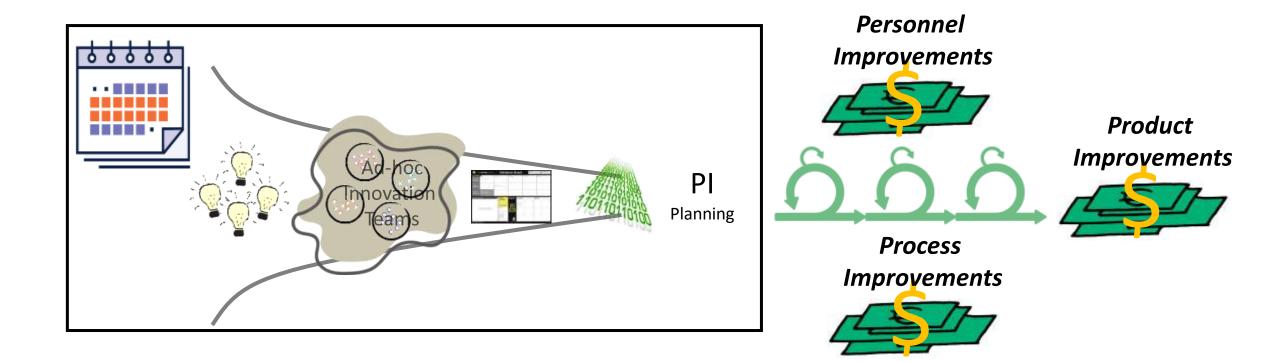
- Will users provide?
- Sources?

#### Refine Mock UI from static to dynamic

- Is it usable?
- Is the info presented meaningful?
- Any info missing that users want?

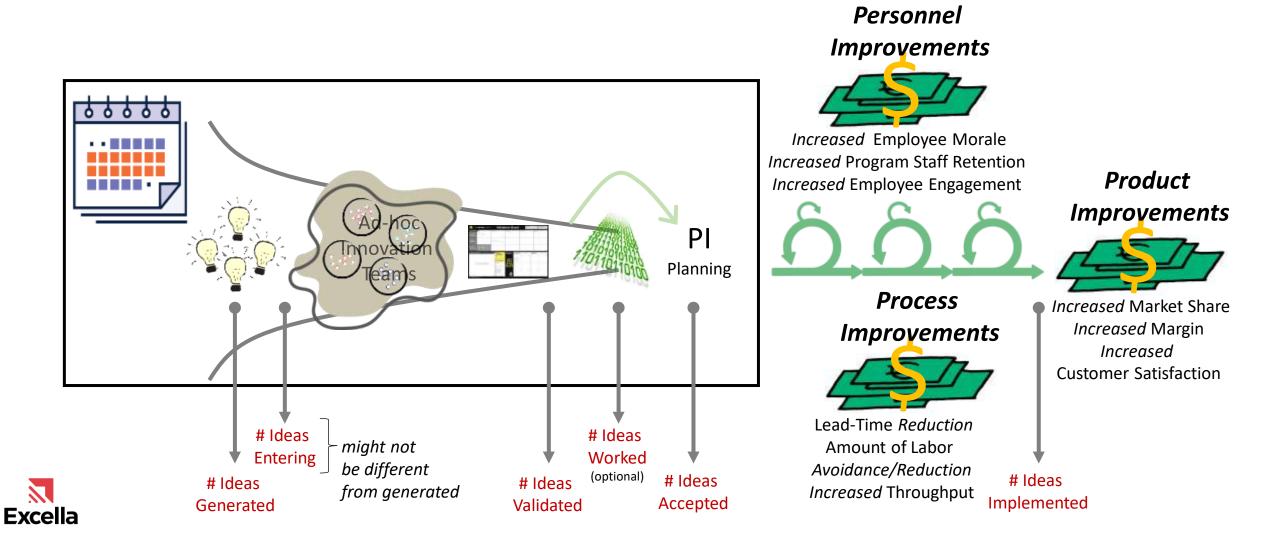


## Benefits We Would Expect in an Enterprise





# Measuring Value – Some Basic Innovation Accounting

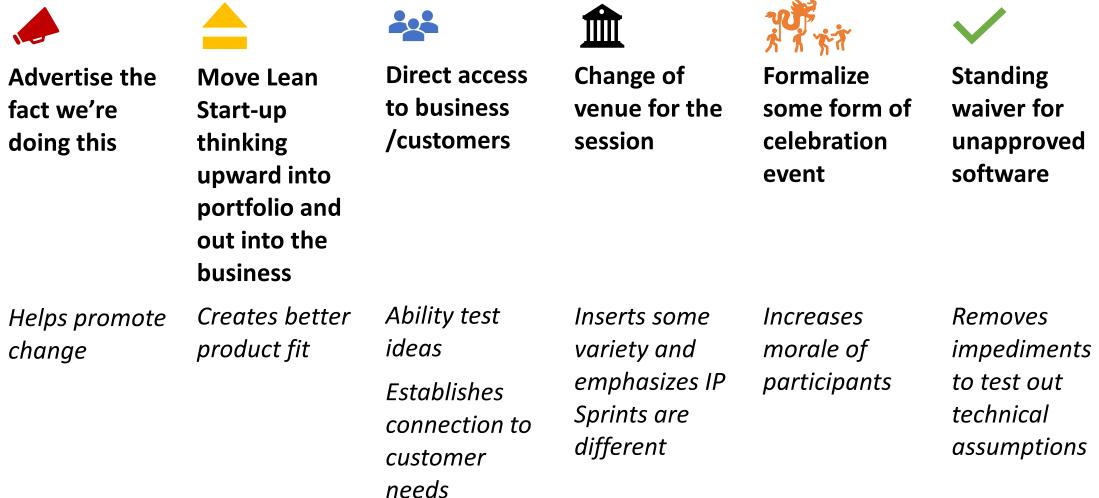


Innovation Accounting Results (First IP Sprint Measuring It)

Measurement	Result				
# Ideas Generated	6				
# Ideas Entering	6				
# Ideas Validated	4				
# Ideas Worked	3				
# Ideas Accepted (into PI)	3				
# Ideas Completed (within PI)	<in progress=""></in>				



## What Would Make Them Even Better





## Let's Review our Recipe

- Allowed ANY innovation to be worked on initially to spice up the culture
- Moved to validating ideas via using a Lean Start-up
  - Variety of techniques (that we gave you some practice in...)
- Just started tracking our innovation funnel
- Next step is to understand the actual business results for these

This is the spice rack we helped our client create.

Which spices will be added to yours?





Just remember...

# Don't add too much salt





# Reflection:

What will you do differently to enable innovation?

Take 1-2 minutes and write these down for yourself.

# Keep in Touch!

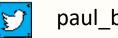
#### marissa.bornholdt@excella.com

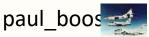
**Enterprise Transformation Coach** 703.855.4272

#### paul.boos@excella.com

Principal Fellow, Organizational Transformation/ Strategic Agility & Innovation Coach

703.307.4322





Marissa **Bornholdt** 





# Questions?





# Keep in Touch!

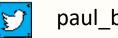
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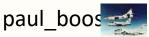
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Marissa **Bornholdt** 







# It's break time!

(take 30 min)

1, 15

114

20

