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Intent

“The most difficult thing is the decision to act; the rest is merely tenacity.”
- Emelia Earheart

“All models are wrong, but some are useful.”
- George E. P. Box
Am I capable?

Will it work?

• What will the result be?
• What will people say?

Conclusion and actions:
Need

“Everything can always be done better than it is being done.”

--Henry Ford
**Need**

**Customer:**
What needs/pain points are user experiencing?

**Market:**
Where is the industry sub-optimal (inefficient, unfair, or unsustainable)?

**Company:**
What does the company need (mission, vision, goals, priorities)?
**Industry**

Where is the industry inefficient/unfair (e.g., sourcing, distribution/channels, marketing, sales, internal organization, talent, retention, pricing complexity, customer/user experience)?

<table>
<thead>
<tr>
<th>Persona</th>
<th>Needs: What they want</th>
<th>Pains: What they want to avoid</th>
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</tbody>
</table>
Company

- Mission
- Vision
- Priorities
- Alignment
Top needs/opportunities to focus on

Customer

Market

Company
Options

“There is nothing more dangerous than an idea when it is the only one you have.”

–Emile Chartier
## 8 Brainstorming Questions

<table>
<thead>
<tr>
<th>Pattern</th>
<th>Question</th>
<th>Example</th>
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<tbody>
<tr>
<td>22</td>
<td>Move early to the next battleground</td>
<td>How will the industry evolve? How do you move there early?</td>
</tr>
<tr>
<td>34</td>
<td>Coordinate the uncoordinated</td>
<td>What would we like to coordinate?</td>
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<tr>
<td>30</td>
<td>Take the unorthodox path</td>
<td>What new paths have we not considered?</td>
</tr>
<tr>
<td>13</td>
<td>Appeal to critical weakness or desire</td>
<td>What “pain points” can you turn into an opportunity?</td>
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<tr>
<td>35</td>
<td>Focus influence on the super-user</td>
<td>What are “super users” asking for?</td>
</tr>
<tr>
<td>7</td>
<td>Two-front battle</td>
<td>What internal capability can you turn into a business?</td>
</tr>
<tr>
<td>27</td>
<td>Reuse what has been abandoned</td>
<td>What has been abandoned (e.g., customers, technologies)?</td>
</tr>
<tr>
<td>33</td>
<td>Be good</td>
<td>How can you innovate by doing good in the world?</td>
</tr>
</tbody>
</table>
Idea portfolio

Impact
- Market need
- Strategic fit
- Passion/interest

Effort
- Internal adaption
- Market/user adaption
- Executions time, resources, technical
Idea we are advancing

**Name**
What are you calling the idea?

**Customer/user**
Who is it for?

**Need**
What problem does it solve?

**Value**
What value will it create for us, the customer/user, and/or the market?
Value Blockers

“There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new.”

- Niccolo Machiavelli
Business model (1/2)

What is our ideal business model (using the 8Ps)

<table>
<thead>
<tr>
<th>Position</th>
<th>Value proposition/ change it will make</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core customer</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Price</th>
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<tbody>
<tr>
<td>How will we price it?</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Process</th>
<th></th>
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<tbody>
<tr>
<td>What processes will allow us to deliver it?</td>
<td></td>
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</tbody>
</table>
## Business model (2/2)

What is our ideal business model (using the 8Ps)

<table>
<thead>
<tr>
<th>Product</th>
<th>Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>What attributes will the product deliver?</td>
<td>How will we market and sell it?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical experience</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>What will the customer/ user experience be like?</td>
<td>How will we deliver it (through what channels)?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>What kinds of people, organizational structure, culture, incentives, and leadership do we need?</td>
</tr>
</tbody>
</table>
## Anticipating value blockers

### Area of business model

<table>
<thead>
<tr>
<th>Position: your core customer and brand attributes</th>
<th>Y</th>
<th>N</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the ideal core customer/user of your innovation idea the same as your organization's current core customer/user?</td>
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<tr>
<td>Are the brand attributes that people hold for your organization's current offerings the same as the ideal brand attributes for your innovation idea?</td>
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</tbody>
</table>

### Product: what you offer (your core and ancillary products/services)

| Will your innovation idea avoid cannibalize or otherwise threatening your organizations' current products/services? |   |   |     |
| Thinking about all of the ancillary services you will need to provide to deliver your innovation idea, including facilitating services like online ordering and augmenting services like order tracking, does your organization currently offer these? |   |   |     |

### Promotion: How you communicate to your core customer including marketing, sales, public relations, and corporate communications

| Will your sales force be motivated to prioritize your innovation idea? |   |   |     |
| Does your sales force have relationships with your innovation idea’s target core customer? |   |   |     |
| Will you be able to educate them and arm them with the tools to promote your innovation idea? |   |   |     |
| Do you have sufficiently strong relationships with, support from, and interest from your marketing, public relations, and corporate communications teams? |   |   |     |

### Placement: How you deliver your product/service (e.g., channels, store locations, distribution methods)

| Does the ideal distribution structure for your innovation idea match your organization’s current distribution capability? Do already have the distribution points in place that you need? |   |   |     |

### Pricing: How you price your product/service

| What is the ideal pricing structure for your innovation idea? Would pricing in this way create fit with the way your organization prices its current offerings? |   |   |     |
## Anticipating value blockers (2/2)

<table>
<thead>
<tr>
<th>Area of business model</th>
<th>Y</th>
<th>N</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process:</strong> The internal processes that allow you to deliver on your value proposition</td>
<td></td>
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<tr>
<td>Thinking through the processes you will need to deliver the value proposition of your innovation idea, are they in harmony with your organizations' current processes? Consider:</td>
<td></td>
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<tr>
<td>Inbound logistics</td>
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<tr>
<td>Processes to add value to your inputs (e.g., manufacturing)</td>
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<tr>
<td>Outbound logistics</td>
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<tr>
<td>Customer service</td>
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<tr>
<td>Procurement</td>
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<tr>
<td>Technology</td>
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<td></td>
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<tr>
<td>Management</td>
<td></td>
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</tr>
<tr>
<td>Other: ____________________________</td>
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<tr>
<td><strong>Physical experience:</strong> The physical experience you create around your innovation idea, including what they see, smell, hear, taste, and feel when interacting with your company and brand</td>
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<tr>
<td>Is the physical experience your organization currently delivers to customers/users consistent with the ideal physical experience of your innovation idea?</td>
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<tr>
<td>Is the physical experience your organization currently delivers to employees consistent with the ideal physical experience of your innovation idea?</td>
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<tr>
<td><strong>People:</strong> Who you hire, how you organize them, and your culture</td>
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<tr>
<td>Does your organization’s currently recruiting approach (who you recruit and how you attract them) fit with what you need for your innovation idea to succeed?</td>
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<tr>
<td>Is your organization's incentive structure consistent with what your innovation idea needs?</td>
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<tr>
<td>Is your organization's culture consistent with what your innovation idea demands?</td>
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<tr>
<td>Is your organizational structure consistent with what you need for your innovation idea to succeed?</td>
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</table>
Neutralizing value blockers

Potential ways to neutralize

Blocker 1

Blocker 1

Blocker 1
Revised idea
“It’s not an experiment if you know it’s going to work.”

- Jeff Bezos
Customer/User Assumptions

Who is the customer/user?

Where does our product/solution fit in his work or life?

What problems does our product/solution solve?

When and how is our product/solution used?

What features are important?

How should our product/solution look and behave?

Source: adapted from CoPlex
Business assumptions (1/2)

I believe my customers need to

These needs can be solved with:

My initial customers are (or will be):

#1 value a customer can get from my service is:

The customer can also get these additional benefits:

Source: adapted from CoPlex
Business assumptions (2/2)

I will acquire the majority of my customers through:

I will make money by:

My primary competition in the market will be:

We will beat them due to:

My biggest product risk is:

We will solve this through:

Source: adapted from CoPlex
Most critical assumptions to test

1

2

3

4

5
Step 1: Hypothesis
We believe that...

Step 2: Test
To verify that, we will...

Step 3: Metric
And measure...

Step 4: Criteria
We are right if...

Source: CoPlex
Learning Card #1

Step 1: Hypothesis
We believed that...

Step 2: Observation
We observed...

Step 3: Learning & Insights
From that we learned that...

Step 4: Decisions and Actions
Therefore, we will...

Source: CoPlex
“Learn from yesterday, live for today, hope for tomorrow. The important thing is not to stop questioning.”

- Albert Einstein
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Who do you need on your cross-functional team?</td>
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<tr>
<td>What metrics and data will you use to track the most important thing(s) to pay attention to?</td>
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<td>What will be on your team and individual scoreboard and where will you put it so everyone can see?</td>
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<tr>
<td>What rhythm will you establish? What frequency will you review your team’s progress?</td>
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<td>How will you generate positive velocity by celebrating early wins and allowing for learning from failure?</td>
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“The real damper on employee engagement is the soggy, cold blanket of centralized authority. In most companies, power cascades downwards from the CEO. Not only are employees disenfranchised from most policy decisions, they lack even the power to rebel against egocentric and tyrannical supervisors.”

- Gary Hammel
Finding an island of freedom

- Innovative
- Autonomous & proactive
- Market/customer awareness
- Calculated risks
- Intrinsic motivation
- Political acumen

- Innovation resources
- Rewards
- Allowance of risk-taking
- Org. freedom

- Prioritize innovation
- Build talent
- Create structure
- Shape culture

- Innovative
- Autonomy & proactivity
- Market/customer awareness
- Risk-taking
## Organizational assessment

**Does leadership:**
- Prioritize innovation?
- Build innovative talent?
- Create liberating structures?
- Shape an innovative culture?

**Are the people:**
- Innovative?
- Autonomous and proactive?
- Attuned to the market/customer?
- Calculated risk-takers?
- Intrinsically motivated to innovate?
- Political acute?

**Do the structures:**
- Make innovation resources available?
- Reward innovative behavior?
- Allow risk-taking/learning from failure?
- Provide organizational freedom?

**Does the culture encourage:**
- Innovative behavior?
- Autonomy & proactivity?
- Market/customer awareness?
- Risk-taking?

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<th>Rarely</th>
<th>Always</th>
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</table>
Structures to create organizational freedom

1. Hierarchies
2. Markets
3. Communities
4. Democracies
5. Ecosystems

Source: adapted from Superminds by Tom Malone
Recommended diagnostics and software

- Clareo: a suite of innovation management tools and diagnostics that we found work well for implementing the IN-OVATE framework (https://clareo.com/software/). Ask for the “Outthinker version.”

Recommended reading (1/2)

- The Age of Agile: How Smart Companies Are Transforming the Way Work Gets Done Hardcover by Stephen Denning, 2018
- Behind the Mask: Embrace Risk and Dare to Be Better, by Donald Hastings and Leslie A. Hastings, 2014
- Blitzscaling: The Lightning-Fast Path to Building Massively Valuable Companies by Reid Hoffman and Chris Yeh, 2018
- The Corporate Start-up by Tendayi Viki, Dan Toma, and Esther Gons
- The End of Competitive Advantage by Rita McGrath
- Sprint: How to Solve Big Problems and Test New Ideas in Just Five Days Hardcover by Jake Knapp, John Zeratsky, and Braden Kowitz, 2016
- Discovery-Driven Growth: A Breakthrough Process to Reduce Risk and Seize Opportunity by Rita Gunther McGrath and Ian C. Macmillan, 2009
- Disrupt it Yourself: Eight Ways to Hack a Better Business—Before the Competition Does by Ahuja, Simone Bhanm 2019
- Exponential Organizations: Why New Organizations Are Ten Times Better, Faster, and Cheaper Than Yours (and What to Do About It) by Salim Ismail, 2014
- Innovation and Entrepreneurship by Peter Drucker, 2006
Recommended reading (2/2)

• The Innovator’s Hypothesis: How Cheap Experiments Are Worth More Than Good Ideas by Michael Schrage, 2014

• Intrapreneuring: Why You Don’t Have to Leave the Corporation to Become an Entrepreneur by Gifford Pinchot, 1984

• The Lean Startup: How Today’s Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses Hardcover by Eric Ries, 2011

• Little Bets: How Breakthrough Ideas Emerge from Small Discoveries by Peter Sims, 2011


• Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with Okrs by John Doerr, 2018

• Rebels at Work: A Handbook for Leading Change from Within by Lois Kelly and Carmen Medina, 2014

• Scaling Up: How a Few Companies Make It...and Why the Rest Don’t by Verne Harnish, 2014

• Scrum: The Art of Doing Twice the Work in Half the Time by Jeff Sutherland and J. J. Sutherland, 2014

• Serial Innovators: How Individuals Create and Deliver Breakthrough Innovations in Mature Firms by Abbie Griffin, Raymond L. Price, and Bruce Vojak


• The Startup Way: How Modern Companies Use Entrepreneurial Management to Transform Culture and Drive Long-Term Growth Hardcover by Eric Ries, 2017

• Stragility: Excelling at Strategic Changes by Ellen R. Auster and Lisa Hillenbrand, 2016

• Superminds: The Surprising Power of People and Computers Thinking Together by Tom Malone, 2018

• Think Wrong: How to Conquer the Status Quo and Do Work that Matters by John Blienenberg, Mike Burn, and Grage Gale, 2016

• Value Proposition Design: How to Create Products and Services Customers Want by Alexander Osterwalder and others, 2014