Over the last several years, we have had the pleasure of serving clients at the cutting edge of innovation. It has been an honor to advise the executives that are accountable for delivering innovation results within many leading organizations. From these leaders we have heard their desire for an intimate event that broke away from the traditional model of presentation-based executive summits.

April 11th 2014 marked Kalypso’s inaugural Innovation Officer Retreat. Based on the outstanding feedback from participants, we believe we fulfilled our promise to deviate from traditional executive summit frameworks with an intimate, activity oriented event.

The weekend in Miami was filled with a diverse set of innovation executives collaborating, sharing, and working through the tough challenges they face every day. Executives were also encouraged to bring along significant others to enjoy a private tour of Wynwood Walls, spray paint with local graffiti artists, and rocket around the bay in a speedboat. The networking activities were exciting but nothing is more gratifying than having clients tell us that our workshops shifted their thinking and inspired them to take action.

We can’t wait to do this again next year.

Bill Poston
George Young
“Absolutely fantastic and *well worth my time*. Class size was perfect for me. Meals and events were excellent. This event has both shifted my thinking and inspired me to action. Thanks.”

– VP of Innovation, Fortune 100 Pharmaceuticals

“*It was one of the most value-added meetings I have participated in* – and the timing for [my company] was perfect. The venue was great, the activities were first rate, the people were engaged.”

– SVP R&D, Food & Beverage

Participants engaged in a workshop setting with Chris Trimble, author of *The Other Side of Innovation*, and Karl Ronn, a Silicon Valley entrepreneur and previous VP of R&D at Proctor & Gamble.
No more death-by-PowerPoint. Each of our sessions were designed using leading workshop principles to maximize learning.

At a high-level, here’s how our framework was constructed:

**Creative Inspiration**
- Stimulation
- Expansive Thinking
- Conceptual Reframing

**Individual Exercise**
- Purpose-Drive Application
- Hands-on, Engaging, Kinetic Exercises
- Learning by Constraint

**Small Group Discussion**
- Peer-to-peer Knowledge Transfer
- Constructive Feedback
- Challenge Swapping

**Large Group Share and Tell**
- Guided Discussion
- Surface Big Issues
- Syntheses & Validation

**Individual Reflection**
- Capture Key Insights
- Individualized Application
- Action Planning
GUIDED JOURNALING & SELF REFLECTION

Participants receive conference journals upon arrival containing relevant workshop materials and journaling exercises that prompt reflection on session learnings.
KEY TAKEAWAYS
Consistently delivering organic growth from innovation year-over-year is not easy. In this session we explored the set of cross-functional responsibilities and accountabilities the Chief Innovation Officer must own to bring about meaningful business results.

The following chronic problems hamper innovation in large organizations:

1. Lack of strategy
2. Lack of alignment
3. Overloaded pipelines
4. Rampant incrementalism
5. Lack of accountability for results
6. Short-term orientation
7. Lack of knowledge and skills

Innovation officers must span the gap between technical and commercial functions and have the ability to speak both languages.

The Chief Innovation Officer has 5 Primary Responsibilities:

1. Formulate and communicate strategy
2. Shape the portfolio and accelerate breakthroughs
3. Evolve disciplines, competencies and climate
4. Measure, monitor and learn
5. Deliver Innovation Results

What’s your R&D effectiveness Ratio?

| YoY Average Growth | R&D Spend as % of Revenue |
Driving breakthrough innovation within large organizations requires a partnership between the shared staff and the dedicated team. Conflicts between ongoing business operations and innovation efforts are natural and unavoidable. In this session, executives exchanged information on innovation initiatives they were struggling with in their organizations. This form of challenge swapping allowed executives to solicit advice from their fellow executives on how to best address challenges. This exercise presented a refreshing opportunity for innovation officers to step away from their own innovation challenges and collaborate with like-minded peers.

Innovation is **Idea**s + **Execution**. Both are very different.

**Ideas**: Invention, creativity, brainstorming, serendipity, out-of-the-box thinking, science, technology, strategy, disrupting your competition.

**Execution**: The blood, sweat, and tears of getting the work done.

**The Execution Challenge**:
The Execution challenge is a lot harder than (most) people imagine. Tackle two distinct tasks at once –

1. **Sustain what exists**
2. **Build something new**

Business organizations are designed to be performance engines. **Ongoing operations care about**:

- Today’s Customers
- Today’s Competitors
- Efficiency
- Accountability
- Adhering to Spec
- Staying within Budget
- Delivering on time
- Profitability

Innovation is everyone’s job—**it takes a cross-functional team**.
In this session, Chris Trimble presented his methodologies from *The Other Side of Innovation* to create a better understanding of how to avoid conflict between ongoing operations and innovation initiatives. Using the partnership framework, attendees then shared takeaways, anticipated objections, and identified trouble spots for leading innovation teams within their organizations. We then explored best practices for running a disciplined experiment.

The team structure is a Partnership between a Dedicated Team and the Shared Staff.

You can ask the Shared Staff to do more work ... But you cannot ask the Shared Staff to do different work.

The Shared Staff Can Only Take on Tasks that:

- Are Familiar or Quickly Learned
- Fit Existing Workflows
- Fit Existing Roles

Formalize the experiment

1. Each innovation initiative needs a separate, stand-alone, custom plan with custom metrics.
2. Discuss plans, results, and lessons learned in separate forums.
3. Try to spend a little, learn a lot. Meet frequently. Focus on trends. Resolve critical unknowns first.

How do you evaluate an Innovation Leader?

- **Results.** Did you hit your targets?
- **Actions.** Did you do what we agreed that you would do?
- **Learning.** Did you run a disciplined experiment?

Chris’ 9 Evaluation Points:

1. Is the innovation leader taking the planning process seriously?
2. Is there a clear hypothesis of record?
3. Does everyone on the team understand the hypothesis?
4. Are the most critical unknowns clear to everyone involved?
5. How was the hypothesis revised? On the basis of a clearly identified lesson learned or on a whim?
6. Is the leader finding a way to spend a little, learn a lot?
7. Has the leader reacted quickly to new information?
8. Is the innovation leader willing to face the facts?
9. Are predictions improving?
Optimizing your organization to consistently deliver organic growth from innovation is a multi-year journey. An innovation officer must lead the company to deliver the future by creating new innovation platforms and ensuring the organization has the right capabilities, people and processes in place to deliver them. This session outlined the journey to transform organizations to consistently deliver innovation results and the role of the Chief Innovation Officer to lead the change.

Key Takeaways

- All organizations are perfectly designed to get the results they get.
- Innovation is complex; you need multiple viewpoints to see the entire elephant.
- Significant organizational change needs an owner to sustain it.
- Innovation is a team sport requiring integration across organization silos for success.
- An organization aligned for results is a force multiplier.

Innovation Leadership must Envision, Energize & Enable.

To effectively deliver improved business results, innovation officers should:

1. Start by creating a journey map.
2. Create a feedback loop to measure, analyze and act.
3. Sustain results by taking control of the organizational design elements that impact innovation results.

THE INNOVATION RESULTS TRANSFORMATION JOURNEY

SITUATION

- Tasks
- Skills/People

RESULTS

- Structure
- Decision Making
- Rewards/Recognition
- Info Systems

STRATEGY

CULTURE
In this session, participants began by characterizing their current mix of key innovation projects to see their current innovation strategy through a new lens. Participants were asked to step back to redefine their industries as services and experiences to identify possible disruptions that could render their business obsolete.

As a Chief Innovation Officer, bringing visibility into future gaps and vulnerabilities for disruption to the CEO and business unit leaders is critical to demonstrating value.

Build a blueprint for growth.

- Define the types of innovation you will do.
- Choose a specific amount of incremental growth that will come from each type of innovation.
- Allocate funds to each type of growth.
- Build the capability (the “Factory” to develop and deliver the blueprint).

**Innovation Strategy** helps uncover right-of-way

**Business Models** require creating experiments to learn and then scale.
This session explored how to best get employees to target the right areas for developing new business models. The exercise began with defining the organization’s current business models and exploring what it takes to drive a billion dollar idea using orders of magnitude. Participants explored the levers of price and quantity, and the implications of these two levers on formulating new business models for delivering value.

New business models can be identified with a simple “orders of magnitude” exercise that reframes existing value propositions as a product of Price and Quantity. **Ask what has to be true to be sell $1B per year?**

### New Industries are Different by Orders of Magnitude

<table>
<thead>
<tr>
<th>Paths to a Billion Dollar Business</th>
<th>What Habit Has to be True to Succeed</th>
</tr>
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<tbody>
<tr>
<td>Price</td>
<td>Quantity</td>
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Reframe current business model by creating new scenarios:

- Think of your current business and then think about the 100X more frequent business situation.
- 100X less frequent?

By exploring different occasions, frequencies of usage and pricing models, innovation officers can uncover opportunities to transform and scale.
ACTION PLANNING

To help drive learning into action, we asked executives to review their previous journal reflections, write down their key takeaways and identify action steps they will take in their organization as a result. Innovation Officers then shared their lists among their peer group to solicit feedback and encourage a culture of accountability to execute on their action plans.

Individual Reflection Journal Exercise

What are your top three takeaways from this weekend?

What action items can you implement based on these insights?

KEY TAKE AWAY 1

We have too much in forward looking programs and in the wrong areas, need to re-value

KEY TAKE AWAY 2

As a company, C&D knows how to innovate - just need the patience of the organization and some strategic support. We are spending way too much time on non-innovative activity.

KEY TAKE AWAY 3

Need to build answers to the comprehensive Innovation Portfolio. In new business models the rank of functional importance is likely very different from the current business model.

ACTION ITEMS

Take horizons planning workshop back & run with project teams—need to bring the 5 & 10 year vulnerabilities identified to the attention of CEO.

Connect with Manufac and Sales arm... need to get them involved and think through how we structure our dedicated team and work together....

Innovation is everyone’s job! Run Stella exercise with Kalypso to get cross-functional buy-in?

Restructure how we plan for and design breakthrough and business model innovations- Bring PLU brand heads together with stage-gate process owners to rethink how ideation gets done and incorporated into development process.
The weekend in Miami was as much a learning experience for us at Kalypso as it was for participants. Many of the discussions around challenges innovation officers face served to validate, inspire, and refute the hypothesis for the “Chief Innovation Officer’s Playbook” that is currently under development.

This book will address the scope of responsibilities for the Chief Innovation Officer and provide key tools, strategies, and approaches that can help execs consistently deliver organic growth from innovation. The book will identify common barriers that restrict innovation in large organizations and contrast them with proven success drivers. For Chief Innovation Officers, this book will serve as a guide for what they need to do in the first two weeks, ninety days, and one year to be a successful agent of change.

During the retreat, we heard many great examples of innovation excellence and potential strategies for successfully driving innovation across large organizations. Recognition can be a powerful motivator for reinforcing this great work within your organizations. If you have an innovation story you would like featured in the playbook, or are interested in meeting to discuss whether your experiences as an innovation officer are consistent with our own findings, please reach out to Sean Klein at sean.klein@kalypso.com.

We would also appreciate your ideas for topics and issues you would like us to address in the playbook. Understanding what is important to you is a critical for setting the research agenda and producing a meaningful resource for innovation executives.
We will build on the success of this year’s event, and plan to host this retreat again next year.

It is our intent to keep this event small and hands-on. We believe that this intimate environment - void of vendors and others - cultivates honest and meaningful conversations, knowledge sharing, and the development of collaborative partnerships. We will commit to keep this event exclusively executive.

We welcome you to join us for next year’s adventure. For more information on the 2015 Innovation Officer Retreat, please reach out to George Young at george.young@kalypso.com

Thank you.

**Kalypso**
For more inspiration, discussion, advice and resources for innovation leaders, visit Viewpoints on Innovation at http://viewpoints.io.

Innovation transformation is a journey. Join us.

VIEWPOINTS ON INNOVATION