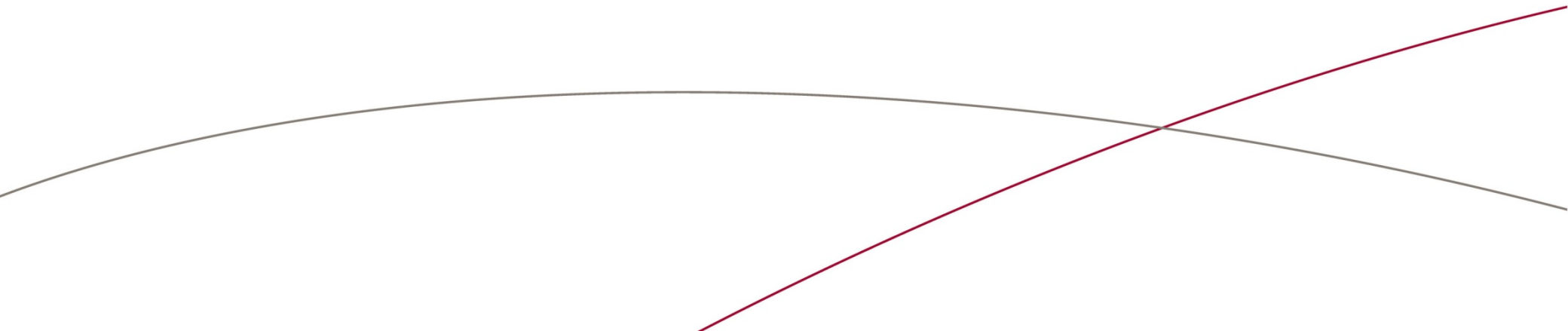




LU Innovation

Simon Jegou



Five disciplines of innovation

- **Important customer needs**

x

- **Value creation, NABC**

x

- Innovation Champion

x

- Innovation Teams

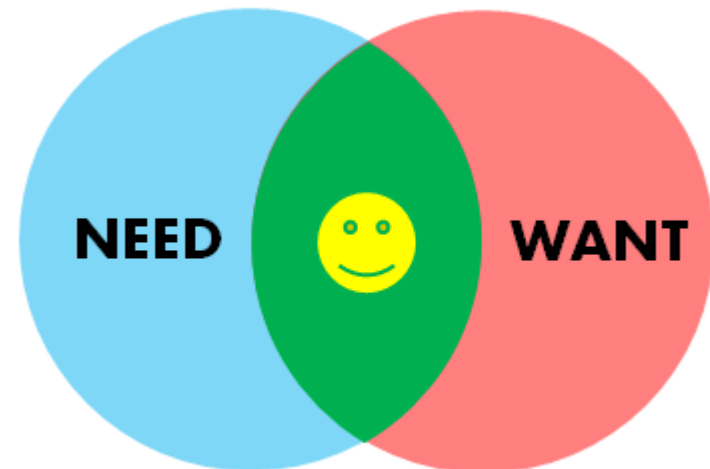
x

- Organizational alignment

= Success

Discipline 1 - Important customer needs

- Important, not interesting
- Customer needs or customer wants
- Sence of urgency



Discipline 2 - Value creation

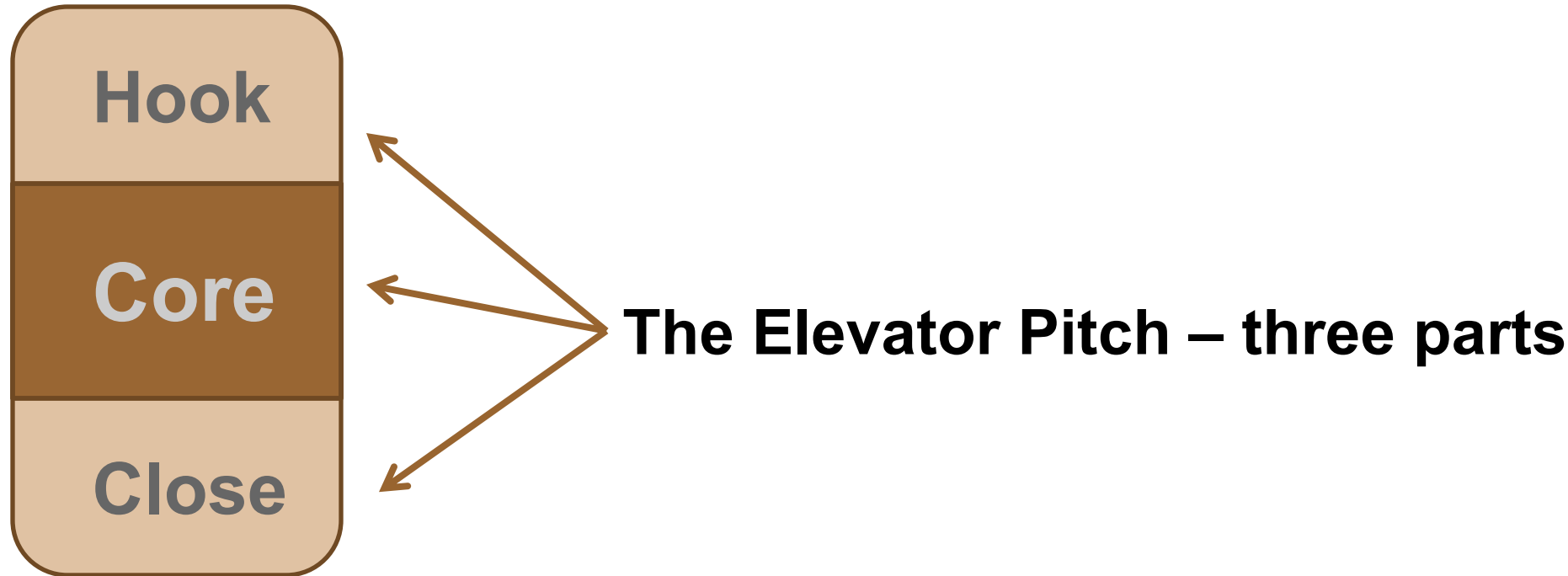
Who defines value?

CUSTOMER!

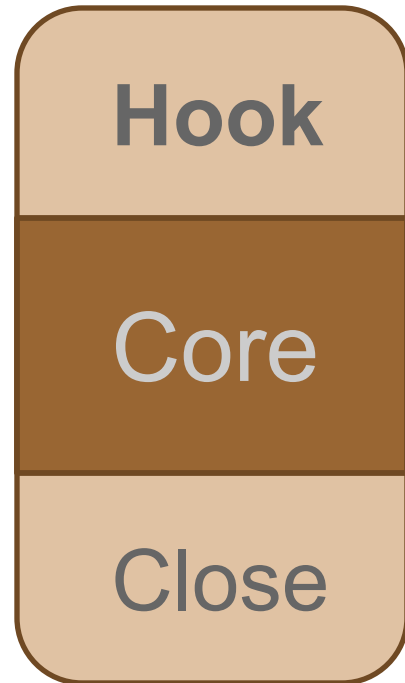
Discipline 2 - The Pitch

- Limited amount of time
- Cease the opportunity when it comes
- Create interest
- Communicate the essentials
- Give an easy-to-remember summary

Discipline 2 - The Pitch



Discipline 2 - The Pitch



The Hook - Create interest:

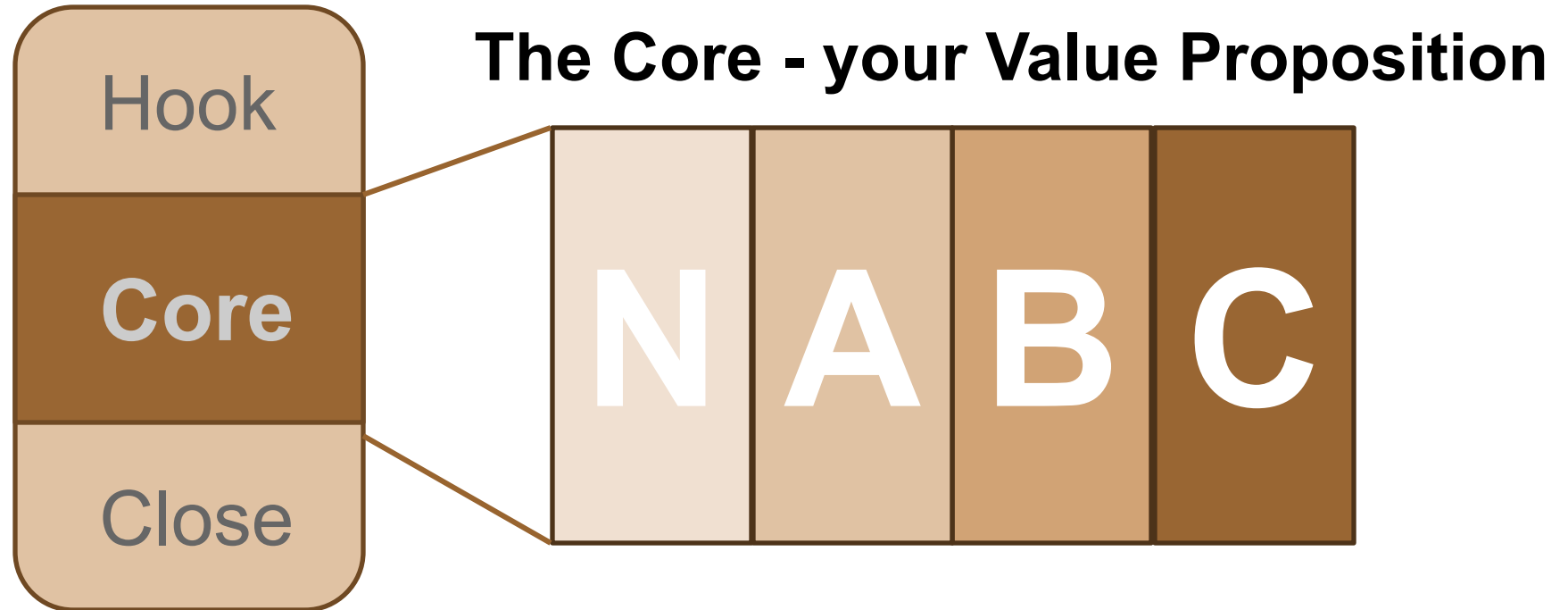
Ex.

“Are you having trouble hearing? You are not alone.”

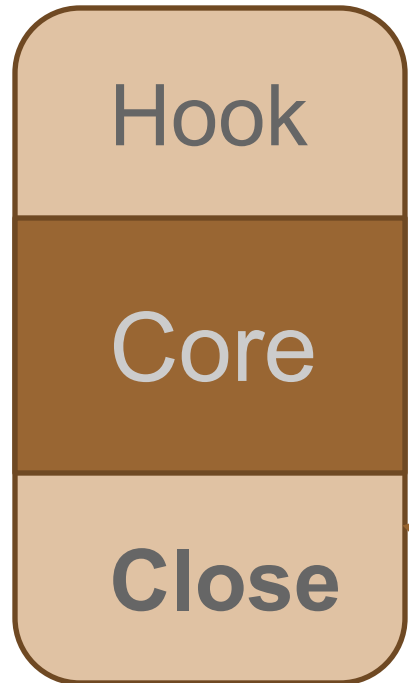
“More than two thousand ideas have been patented for new mousetraps and only two are really used.”

Tell a story

Discipline 2- The Pitch



Discipline 2 - The Pitch



The Close - What is the request ?

A new meeting?

Funding?

Additional partners?

A reference to another person?

...?

Discipline 2 - NABC

A method developed by SRI to develop a value proposition.

Value proposition

A compelling answer to the question:

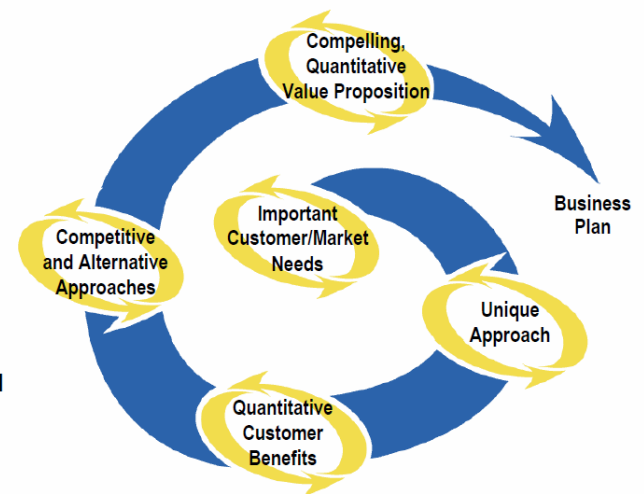
- “Why will we win?”
- “Why will we succeed?”

NEEDS

APPROACH

BENEFITS

COMPETITION



Need - Approach - Benefits - Competition

- What is the **important** customer and market need?
→ identify and quantify the need!
- Who is the **customer**?
→ how will the product reach the final user and who will be buying?
- What is the targeted market?
→ identify and quantify the **accessible** market potential!



Ex - dental implant: how many patients worldwide are missing at least one tooth? How many patients have access to advanced dental care? How many patients can afford a tooth replacement? In which countries? How looks the reimbursement?

Need - Approach - Benefits - Competition

- What is your unique approach?
 - Product
 - Technology?
 - Service?
 - Business model?
- quantify!



Need - Approach - Benefits - Competition

- Benefits per cost
 - What are the benefits with your approach?
 - Why do someone want to pay for that?
- Identify and quantify!



Need - Approach - Benefits - Competition

- What competitive and alternative approaches are available?
→ quantify!



Example of NABC...as simple as that

“John, I understand you’re hungry as I am
[Need]. Let's go have some lunch at the company
café [Approach], instead of McDonald’s
[Competition] because, for the cost of
McDonald's it has great food, its quiet and we
can continue our conversation [Benefits per
costs]. “

Example of NABC – Video On Demand

- **Need:**
 - **Movie rental is a 500 Mio Euro business. The part people dislike is to return tapes and late fees.**
- **Approach:**
 - **We will provide VOD via the cable system with access to all the titles of IMDB. The system uses existing channels and hardware. Customers need no new investments and pay the same price for a movie as in the rental shop.**
- **Benefits:**
 - **End-user: no need to return movies; no more late fees. Same functions as with a DVD player: fast forward, trailers, ..etc.**
 - **Customer: Higher revenue per movie with higher margin; 20% market share expected.**
- **Competition:**
 - **competition** : we have **patented** the distribution and VCR like features for VOD
 - **alternatives** : on-line rentals have higher handling costs (0.75 Euro per movie). Sending the tape back is as inconvenient as returning it.

Pitfalls

- Do not concentrate on the approach
 - nAbc
 - NabC
- Do not just say “faster”, “cheaper”, “better”
 - Be specific and quantitative
 - If you don’t know, guess - take a “SWAG”
- Do not forget the **Close**
 - What do you want to **achieve** ? Next step ?
- **Iterate, iterate, iterate ...**

Pitfalls – quantitative instead of qualitative

Need

- Not: The market is growing fast**
- Rather: Our market segment is £2M per year and growing at 20% per year**

Approach

- Not: We have a clever design**
- Rather: We have created a one-step process that replaces the current two-step process with the same quality**

Benefits

- Not: The ROI is excellent**
- Rather: Our one-step process reduces our cost by 50% and results in an expected ROI of 50% per year with a profit of £3M in Year 3**

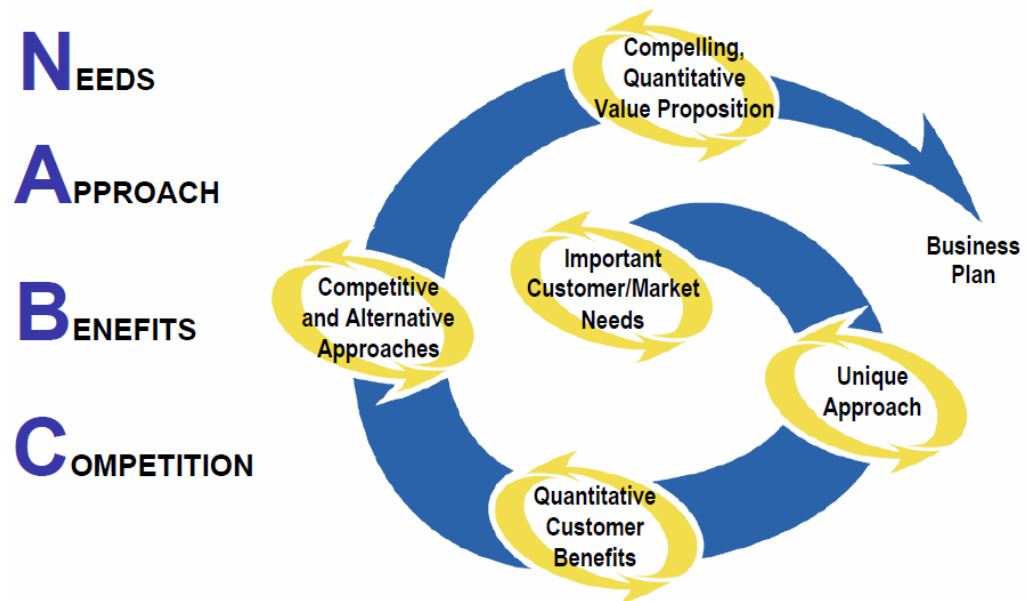
Competition

- Not: We are better than our competitors**
- Rather: Our competitor is Evergreen Corporation, which uses the current two-step process. We own the IP for our new process**

Passionate storytelling

- Not just about NABC
- What is the “hook” that will excite someone
- Structure with beginning, middle, and end

Iterate several times!



Exercise: Create pitch

- Create a value proposition that includes;
 - Hook
 - NABC
 - Closing (What do you want?)
- Decide who is the target for the pitch; a customer, an investor, or some other stakeholder

Exercise: Value Creation Forum

- Bring together a group with different backgrounds
- Deliver your pitch
- Let the group give feedback. Just listen, don't answer. Group take notes
- Feedback must be SMART
 - Specific
 - Maximizing
 - Actionable
 - Respectful
 - Timely

Exercise: Value creation forum

- 4 minute pitch
- Feedback
 - Green: only good.
 - Red: What would I like to see more of.
 - Eyes of customer: Customers perspective
 - Everybody
- One in the team takes notes of feedback.

Value Creation Forum process

Structured feedback roles

Green hats

What was most valuable?
What did you like and why?



Red hats

What is missing?
How could the value be improved?



Eyes of the customer

What is missing in the approach?
Is this better than the competition?



White hats

What would a funder need to hear?
Is this investment ready?



Team members take notes



All play

Any feedback

Summary - Value creation

- Customer value
- NABC
- Value proposition – captures the compelling customer value of new products and services
- Value creation forum
- Multiple value propositions are required

Summary - NABC

- Important **Need**
 - What problem do we solve ?
 - Define the playing ground
 - Provide facts, scientific background
- Our unique **Approach**
 - How do we solve the problem ?
 - What is our approach for addressing the need

Summary - NABC

- **Benefit** per cost
 - What is the user benefit ?
 - What is the superior customer value ?
 - How does it compare to the cost ?
- **Competition** and alternatives
 - Who are the competitors ?
 - What alternatives are available ?
 - Now ? In the future?

Summary - Value Proposition

Keep your value proposition balanced

- Not n**A**bc
- NABC

Summary - Pitch

- Opening, a hook
- What's the important, quantitative, customer and market Need?
- What's the specific, quantitative Approach to satisfying that Need?
- What are the quantitative Benefits per costs from that Approach?
- Who is the Competition and what are the alternatives now and in the future, and why are your Benefits per costs superior?
- What action do you want the audience to take? The Close

<https://youtu.be/i6O98o2FRHw>

LU Innovation

THE LINK BETWEEN ACADEMIA AND BUSINESS

För forskare
För studenter
För företag
För medarbetare



Stöd att få | Våra investeringar

Om LU Innovation

Kontakt

Sök

SÖK

Start > Om LU Innovation

Röster om oss

Ledning

Organisatorisk tillhörighet

Nätverk

Initiativ

Pris för framtidens
innovationer

FAQ

Om LU Innovation

VI SKAPAR TILLVÄXT AV FORSKNING

LU Innovation är navet för innovation och kommersialisering vid Lunds universitet. Tillsammans med universitetets forskare och studenter arbetar vi för att skapa nytta och tillväxt i samhället.

LU Innovation System

50 000 students
6 000 employees



HÖR AV DIG!

Vi hjälper dig redan innan din idé är konkret. Våra affärsutvecklare har till uppgift att vara ditt bollplank.

Kontakta dem direkt eller skriv en rad om din idé i vårt kontaktformulär, så hör vi av oss!

VILL DU VETA MER?

LU Innovation



Anteckningar:

- Problem = pain point, akut behov av en lösning JUST NU. Viktigt vs intressant dvs Nice to vs Need to
- ~~För vem? Viktigt att segmentera marknaden dvs hitta rätt kund för behovet~~
- Kunden bestämmer, inte du!
- Värde = kundens upplevda nytta/ kundens upplevda kostnad = definiera och kvantifiera! (3 ggr snabbare, 3 ggr billigare osv)
- Värde = blandning av fakta (ex: batteritid, pixlarstorlek, färger), mjuka värden (personlig, användarvänlig), upplevelse (ekosystem, helhet)
- **Ta reda på kundernas problem/behov** genom att
- -skapa tillsammans med kunden, iaktta kunden i kundens verkliga miljö/situation (tex vården), intervjua kunderna/användarna
- -samla fakta om kunderna, marknaden, och konkurrenterna
- Vem är kunden? Identifiera hur värdekedjan ser ut? Identifiera vem är användaren och vem är köparen!