

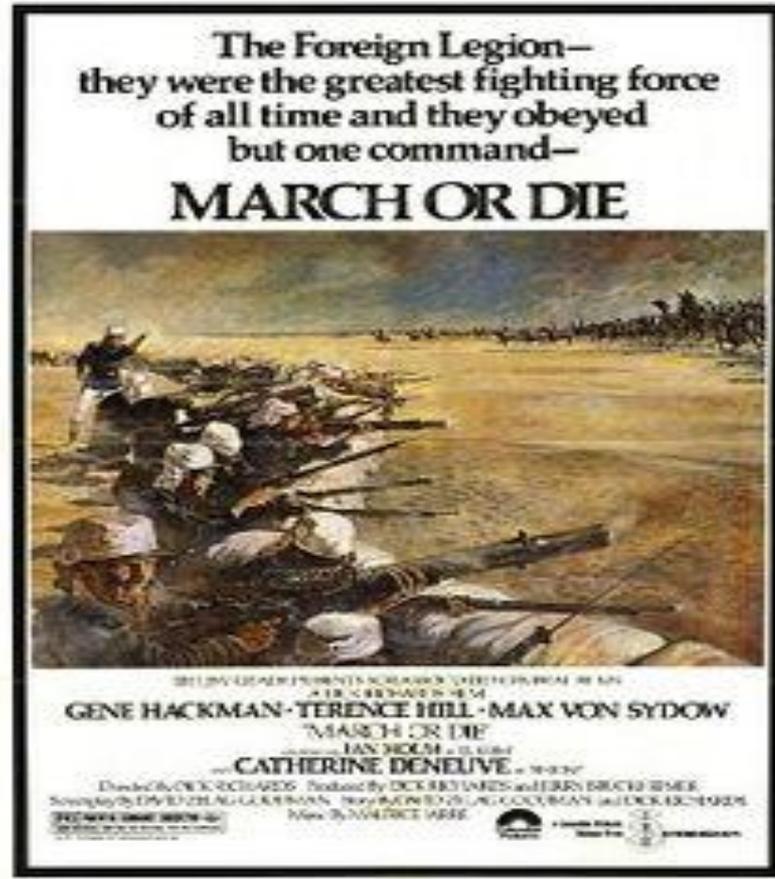
Innovate or Die

Jim Stikeleather

Chief Innovation Officer for Dell Services



"If the desert doesn't get you, the Arabs will. If the Arabs don't get you, the Legion will. And if the Legion doesn't, then I will. I don't know which is worse."



"If the market doesn't get you, the customers will. If the customers don't get you, the employees will. And if the employees don't, then you will get yourself. I don't know which is worse."

Transformation is essential for 21st Century business success

The purpose of the **20th century** firm:

To minimize transaction costs and achieve scalable efficiency.



The purpose of the **21st century** firm:

To accelerate capability building and effectively apply that capability to innovation.



→ Creating **new value** — better & faster

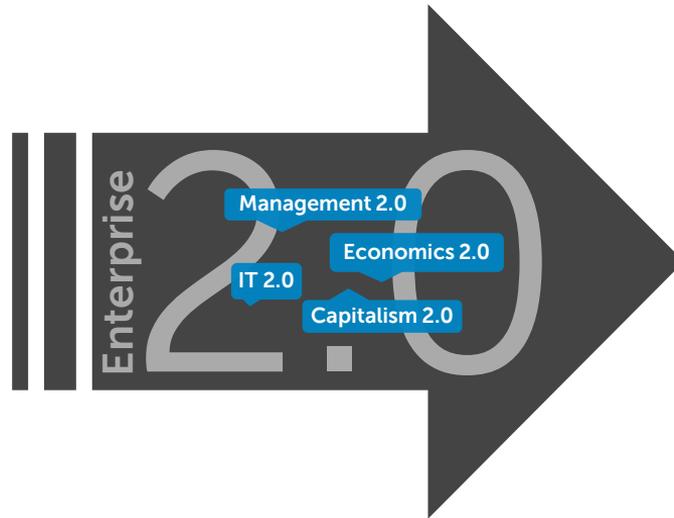
New view: **Socially-enabled enterprise** operating in a **digital business ecosystem.**

IT is essential to enabling firms to **evolve and innovate** with information driven value creation.

What are we talking about?



Purpose: minimize variability, transaction costs and achieve scalable efficiency



Purpose: accelerate capability building, problem solving and innovation

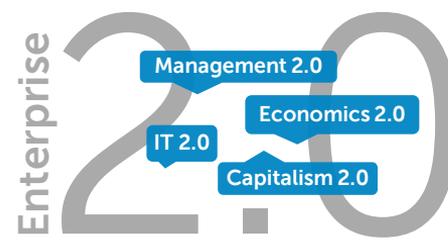
Future of enterprise:

Industrial work

Focus on repetition, scale and efficiency

Creative and knowledge work

Focus on originality, innovation and efficacy



Changed nature of value

Value will be the product of in-the-moment, at-the-place collaborative value creation actualizing serendipitous opportunity from the customer



Strong partnerships and relationships

Even among competitors, in order to service customer



Smaller, more agile enterprises

Ecosystems of maniacally focused value creation enterprises competing and collaborating to drive down each others transaction costs.



Complex Information systems

Lots of parts operating P2P across organization boundaries, known and unknown factors, with varying degrees of understanding



Effective socially-enabled enterprise

Spontaneous networked collaboration among multiple parties, dynamically, instantly to create knowledge and value



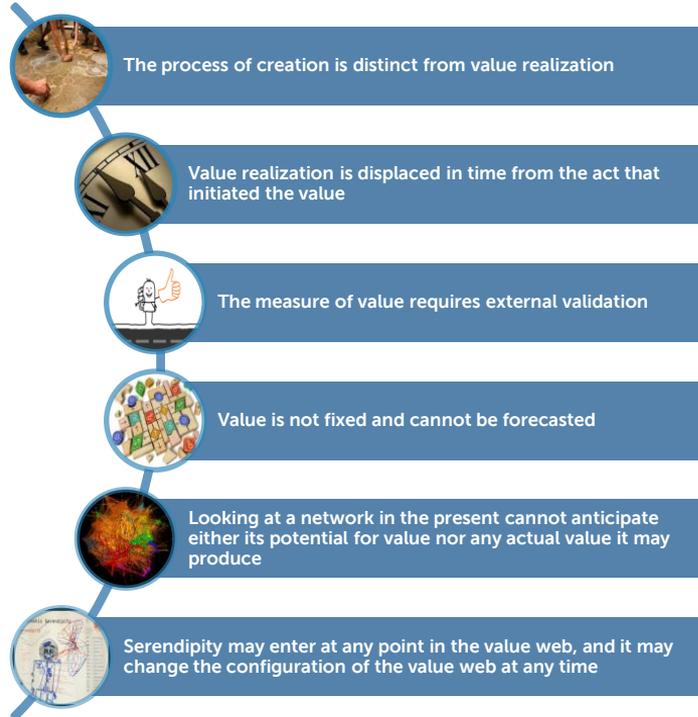
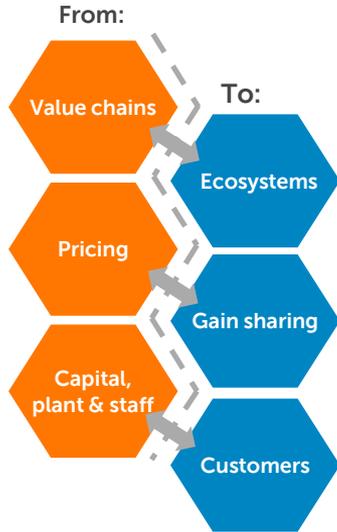
Evolution of the workforce

Problem solving, creativity focus; autonomy, mastery and purpose driven; individual information infrastructures

Future of the market: Consumer products

Serendipity Economy

Opportunistic value created in the moment



Products are morphing into "windows" for services.
II / IoT / M2M



Resident in Cyberspace.

Any time, any place, any device, any information.



Resident in Realspace.

Consistent, integrated, accessible, secure.



Context is everything.

Where I am who I'm with, time of day, who is nearby, what is nearby, on my calendar, on my to do, what I have with me, what is upcoming....



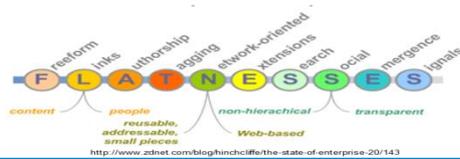
Every "thing" is a one off.

Individualization to achieve the outcomes they want and need.

Getting there – technology does not cause change, it only enables, facilitates and accelerates change that already wants to take place...

Current state

key business processes and business lever hierarchy



Future state

Detailed requirements and usage patterns



Delivering on a Services Platform



Transformation

Organizational capabilities



Digital business ecosystems



Open Innovation, who can add value to mine, who can I add value to theirs?

Full "understanding" of existing economic environment with key metrics



On demand co-creation of new value by collaborating consumers and suppliers



sense making model (data proceeds framework) versus categorization model (framework proceeds data)

Now

2020?

Forever

Innovation is the process that takes new ideas and implements them in a way that creates value by solving unmet needs.

New ideas + Forward thinking + Feasible + Viable + Valuable

Not a marketing term

Business
model



Products and
services

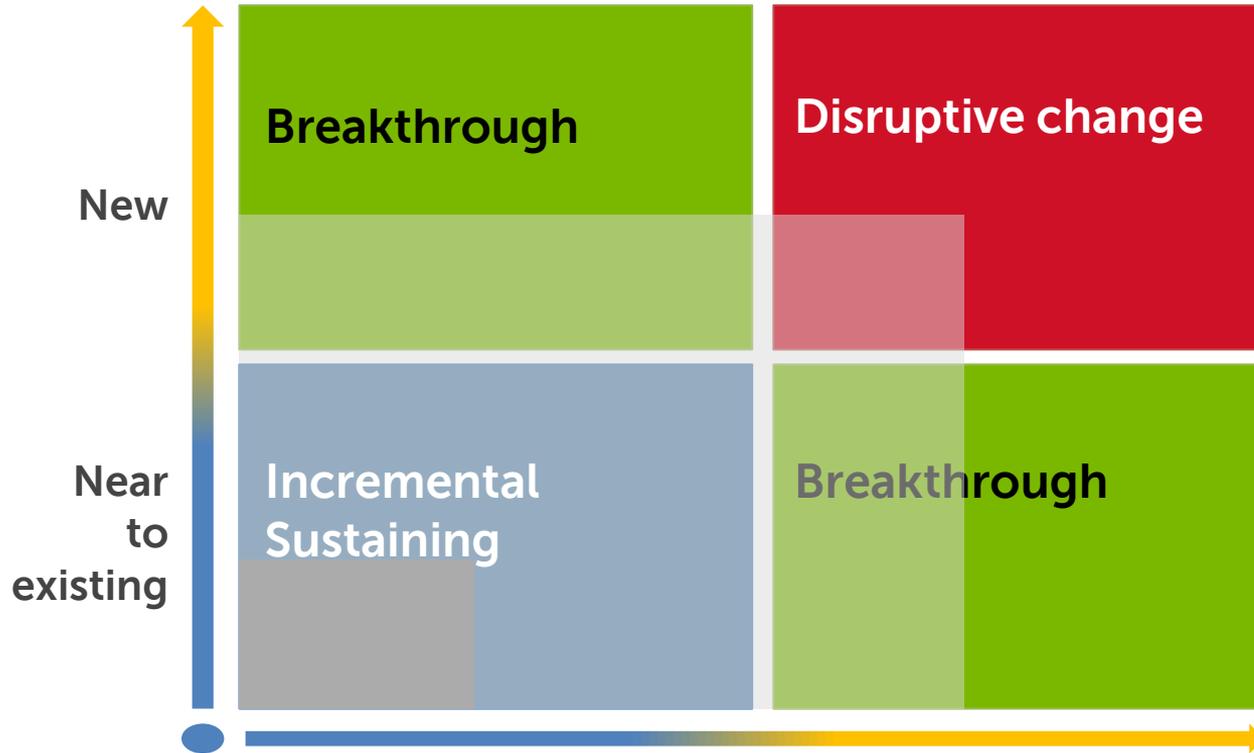


Processes
model

- Operations
- Development
- Sales & Marketing



Products & Services



With Innovation Plan

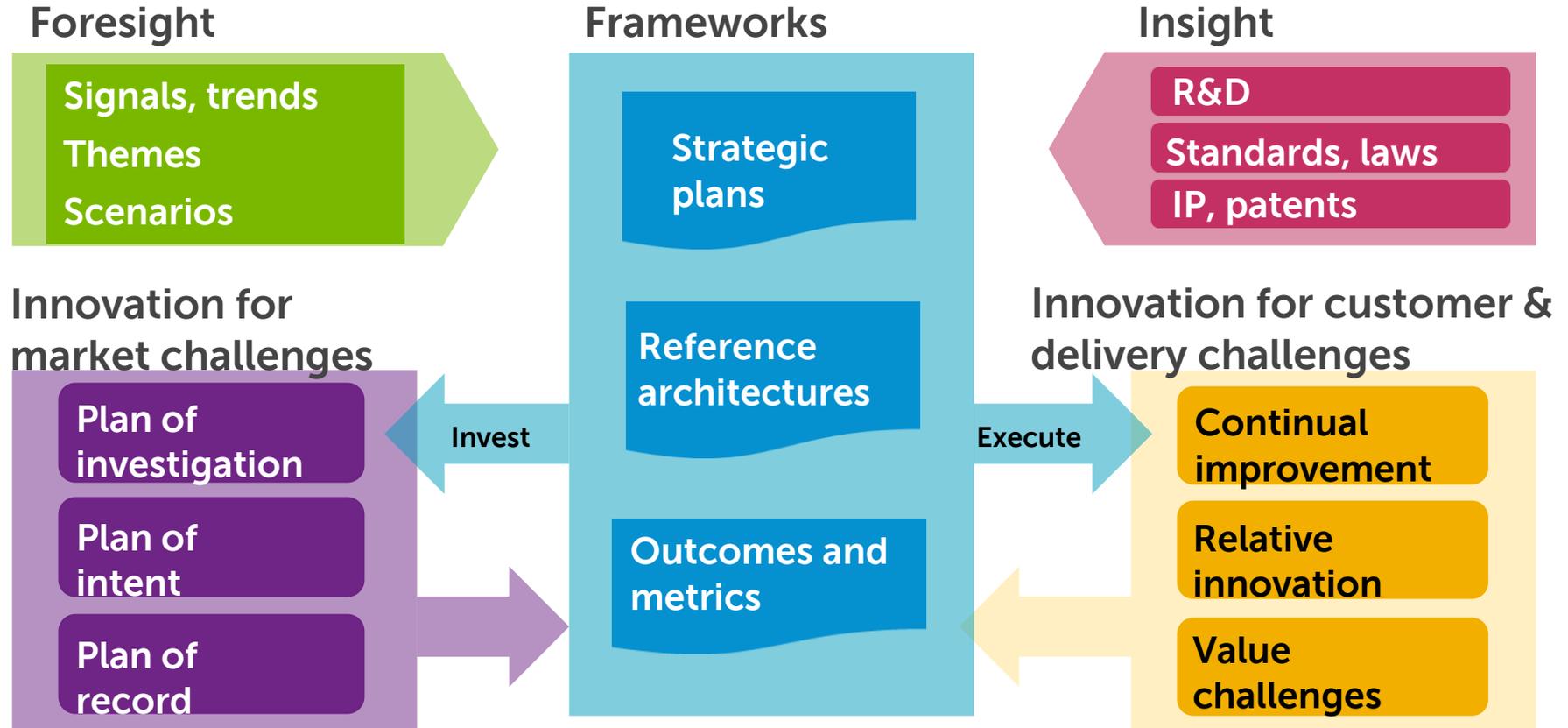
Without Innovation Plan

Near to existing

New

Business model and process

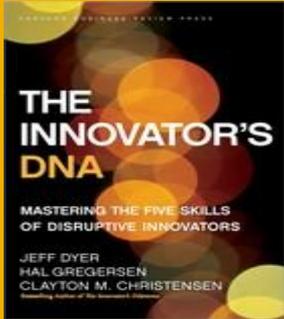
Then you organize your thoughts



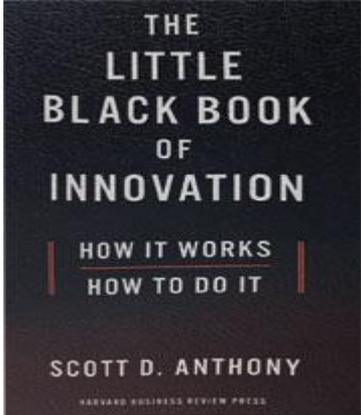


The right people / innovators DNA:

- Don't quite fit the establishment
- Outsider
- Questioning
- Networking
- Observing
- Experimenting



Common language



Leadership role modeling

Actively
participate

Engaged
review

Available

Shape
context

Break
processes

Meet people's needs

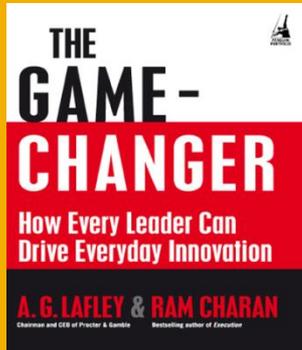
Teach/support creativity

Nurture passion

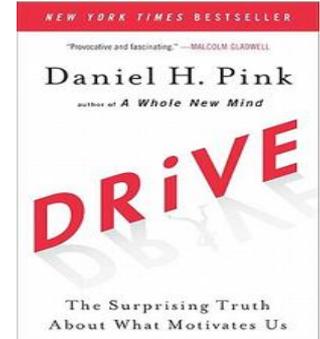
Make the work matter

Provide the time

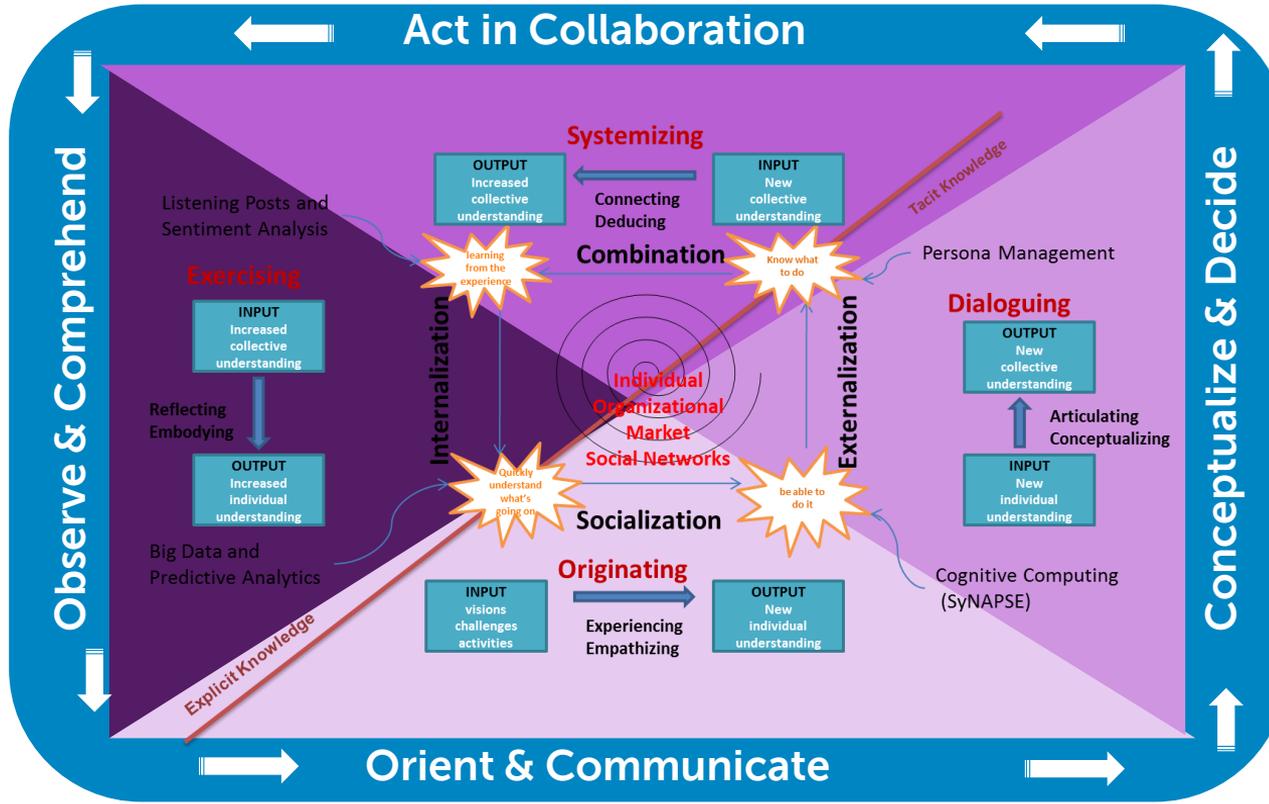
Renew, reflect, recharge



Appropriate rewards and incentives



Organic behavior: Organization, Service, Product



Integration of the

- OODA Loop

US AirForce Colonel John Boyd

- SECI Model

Socialization, Externalization, Combination and Internalization
 Professor Ikujiro Nonaka of Japan Institute of Science & Technology

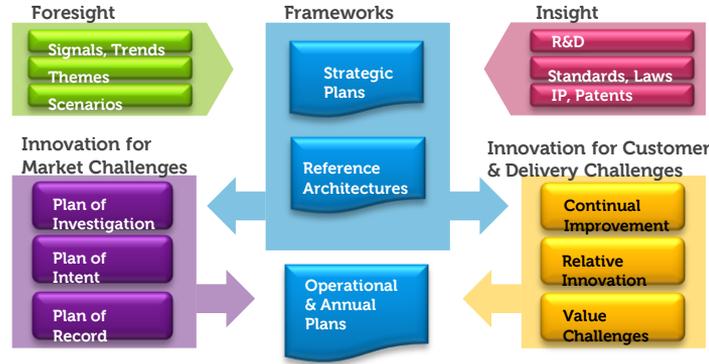
- Oinas-Kukkonen

Organizational Knowledge Creation and Management Framework
 Harri Oinas-Kukkonen
 University of Oulu, Finland
 Stanford University, USA

Derived from:
 Trilogy Model Knowledge
 Creation Process
 Methusael B. Cebrian
 College of Education
 Capitol University, Philippines



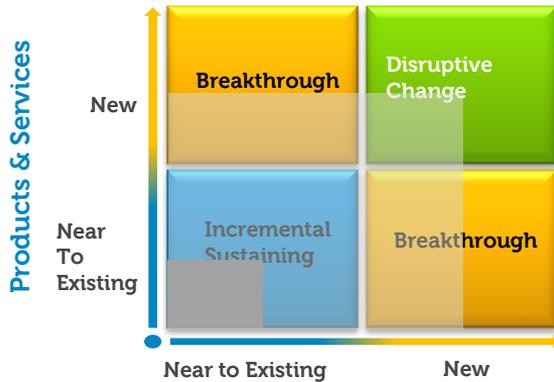
1. Create an Innovation Group



2. Create an Innovation Structure



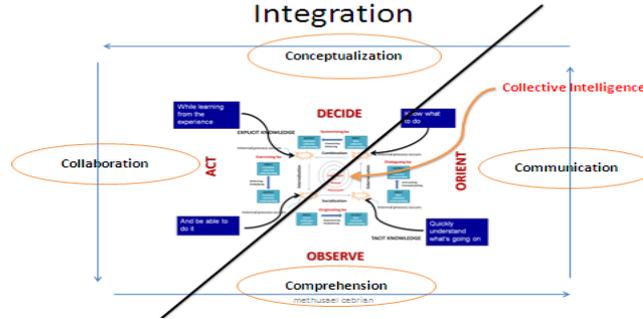
3. Management 2.0



Business Model and Process

4. Establish an Innovation Portfolio

Boyd, Nonaka and Kukkonen Model Integration



5. Tool for a Learning Responding Ecosystem



6. Disband the Innovation Group

Impact on IT

Efficiency @ Scale

- Management Control
- Standardization
- Specialization
- Centralization
- Expertise
- Hierarchy
- Alignment
- Conformance
- Predictability
- Extrinsic Rewards
- Closed

Scale

(+)

Adaptability

Efficiency

(+)

Innovation

Discipline

(+)

Engagement

Delivery

(+)

Application

Efficacy @ Moment

- Engagement
- Freedom
- Diversity
- Mash-ability
- Disaggregation
- Collective Intelligence
- Community
- Experimentation
- Opt-In
- Serendipity
- Intrinsic Rewards
- Open

Transactional
Recording
Operations

Social
Collaborating
Ecosystem

Three necessary dimensions of **success**:

Attitude



Visionary
business
leader



Pragmatist



Divergent
Thinking
Convergent

- Interactions & relationships
- Resources & allocations
- Outcomes & activities
- Questions & focus



Focus

Innovation and
what **creates
value** for your
customers

What you do
better than
anyone else

What you are
required to for
legal or
regulatory
reasons



Technology

Standardize

Test and
development



Simplify

Server consolidation
Intelligent capacity



Automate

Data center
automation

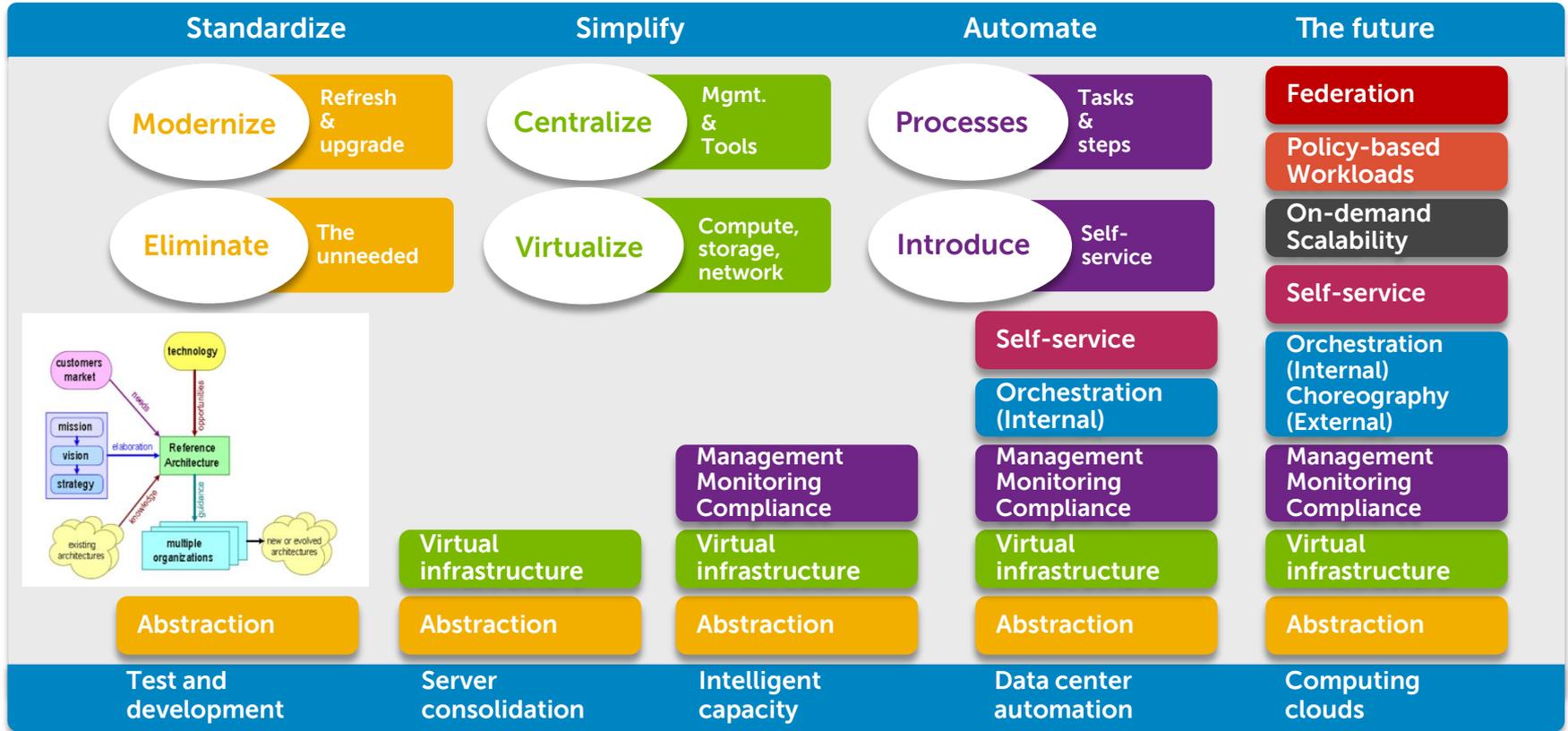


Future-ready

Computing cloud



IT Transformation Reference Architecture



Become a **change agent**

- **Understand innovation and transformation**, what it is, how it is done, how it is recognized in the market, then see where the market is heading, and put your all into realizing the goal of getting there first.

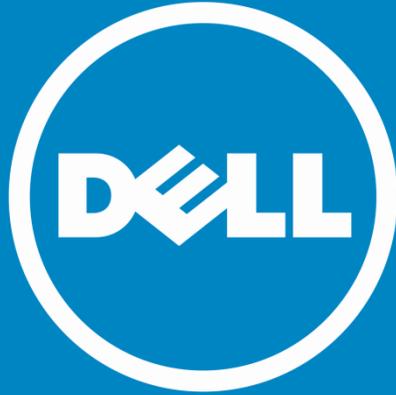
Does it create customer value?

- It is not about the enterprise, it is not about the individual, it is about the **emerging social enterprise** made up of individuals, groups, communities, organizations and enterprises collaborating to create value, globally.

The transactional and individual productivity levers are 80% pulled.

- You can't do it all yourself, **create an ecosystem of capabilities**, then let capability owners have clear responsibilities and empower them to innovate within the bounds set by customer commitments.

Who can add value to you, who can you add value to?



The power to do more

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<http://www.managementexchange.com/users/jim-stikeleather>

<http://hbr.org/search/stikeleather/0>

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