



## **External Innovation Overview**

**Every corporation must increase their innovation velocity to stay relevant in the marketplace and ahead of the competition, both known and unknown at this time.**

The 4<sup>th</sup> Industrial Revolution has begun, says the World Economic Forum. In an increasingly technology enabled world, all companies will be challenged at some point by the Uber, Amazon, or Airbnb of their industry. No business is immune to this threat. It takes a long time for global corporations to go out of business. Without innovation velocity, lack of competitive advantage may not even be noticeable until it's too late.

Looking externally to your company, using an External Innovation approach, you can increase the speed of adopting new ideas. The components of the typical N<sup>3</sup> Innovation approach to external innovation include the following:

- SOURCE
- SELECT
- MOBILIZE
- ANALYZE





**SOURCE:** Narrow hundreds of sourced startups down to tens that are the best potential match for the client's business objectives.

*Search for startups based on key information from stakeholders to clarify and focus the project objectives for innovation.*

- Leverage existing and new startup ecosystem relationships to identify relevant innovative startup companies
- Conduct initial assessment of startup companies who demonstrate capability to address the stakeholder's overall business requirements

**SELECT:** Identify potential target pilot or proof of concept projects to address stakeholder business challenges

#### *Startup Vetting and Selection*

- Establish vetting and selection criteria for startup participants
- Conduct the initial vetting of startups to further narrowing the field to those most closely aligned with business objectives
- Apply Startup Selection Criteria to assess startups' growth opportunity, resources (people and funds), technology fit, market experience, responsiveness, etc.

#### *Startup Selection*

- Arrange introductory meetings with participation by the stakeholder and subject matter experts
- Hold follow-up meetings with a smaller group to define objectives for specific pilot projects





**MOBILIZE:** Groups and business units are able to initiate and complete pilot projects with allocated funds, resources, and detailed project plans.

*Define the Specific Proof of Concept (PoC) or Pilot Opportunity*

- Facilitate multiple, increasingly specific PoC definition meetings between target groups and selected startups to confirm alignment between the startup offer and business needs.
- Create a charter that constitutes the pilot objective use cases, business cases, KPIs, test scenarios
- Recruit or confirm allocated pilot / test projects' resources and funding
- Set and manage PoC execution
- Define KPIs and measure of success
- Ensure commercial and legal processes are completed as required





**ANALYZE:** Generate support for continued startup integration after achieving pilot success. Expand startup integration to other client opportunities.

*Regular interval of reporting of the overall program status and results of sourcing, selection and mobilization - Validation of PoC results*

- Validate business results against business goals, measuring ROI or other KPIs
- Determine the success or failure of pilot project
- Postmortem; share experience and lessons learned
- Create pathway to scale, as appropriate

### **About N<sup>3</sup> Innovation**

N<sup>3</sup> Innovation's mission is to help corporate clients create measurable enterprise value by inventing the future. Clients have generated millions of dollars of revenue in new markets, with new products and new technologies.

**Schedule a 15-minute call for an assessment of your External Innovation Program and to learn more about how to effectively Source, Select, Mobilize and Analyze.**

**Contact us today [info@n3innovation.com](mailto:info@n3innovation.com)**

