

# Ideation and Innovation

*Keys to Entrepreneurship in the New World*

September 3<sup>rd</sup>, 2010

**AKKA 6<sup>th</sup> WORLD CONFERENCE**



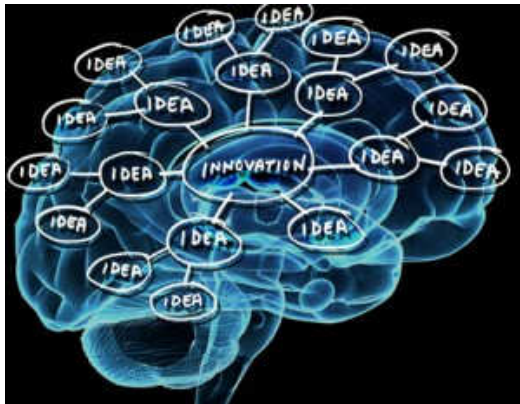
## Things covered



- **Definition**
- **Process of Ideation**
- **Entrepreneurial Case Study**
- **VOC - The Product Triangle Redefined**
- **Characteristics of Innovators**
- **Types of Innovation**
- **Trends in Innovation**
- **What Next ??**
- **Ideation & Innovation Resources**

## What is the definition??

**Ideation** - the process of forming and relating ideas.



**Innovation** - the use of pre-existing or emergent ideas and technologies in new and creative ways never used before.

## The Entrepreneurial Context:

The **successful exploitation** of ideas generated at the **intersection of invention and insight**, which leads to the creation of **social or economic value**.

**Or Simply put: Innovation is the profitable implementation of Ideas.**



## Entrepreneurial Case Study



### 1. \$200K seed funding - Cryptography

“No one really needed it” Max Levchin

### 2. \$4.5M VC funding - PDA Payments

People preferred web demo (100X users)

### 3. \$1.5B sale to eBay – Web Payments

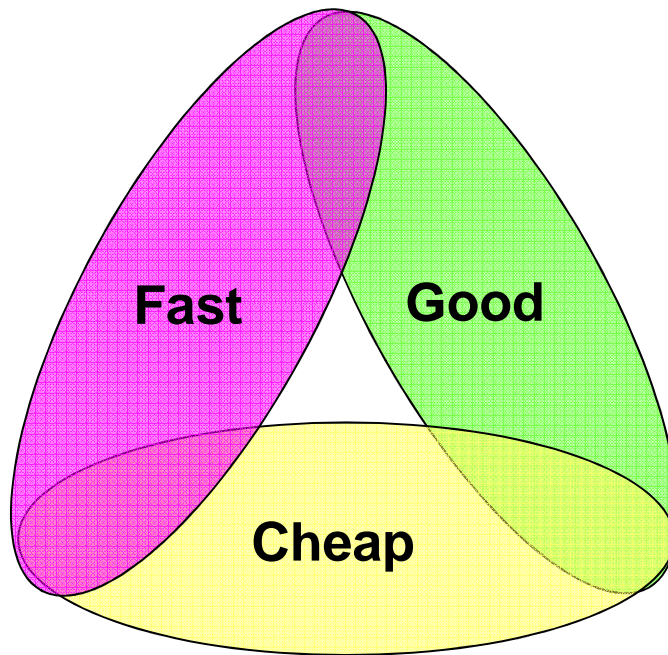
**Peter Thiele Co-Founder PayPal – Angel Investor in Facebook, Linked In, Friendster etc.  
Mac Levchin Co-Founder PayPal – Founder of Slide – sold to Google for approx 200M**

***“Life of any startup can be divided into two parts - before P/M fit and after P/M fit”***

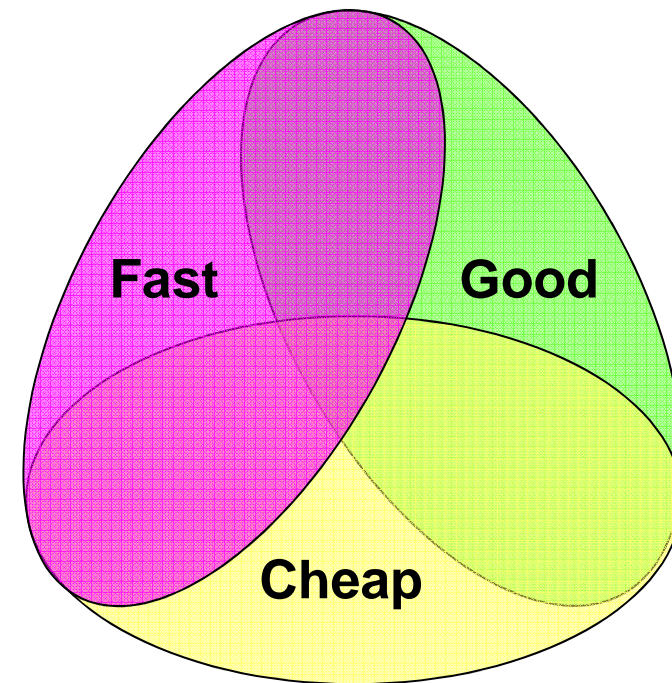
**Marc Andreessen**  
Founder Netscape, Opsware, Ning

## Changing Customer Expectations

- **The Product Triangle**



Conventional wisdom – Pick any two

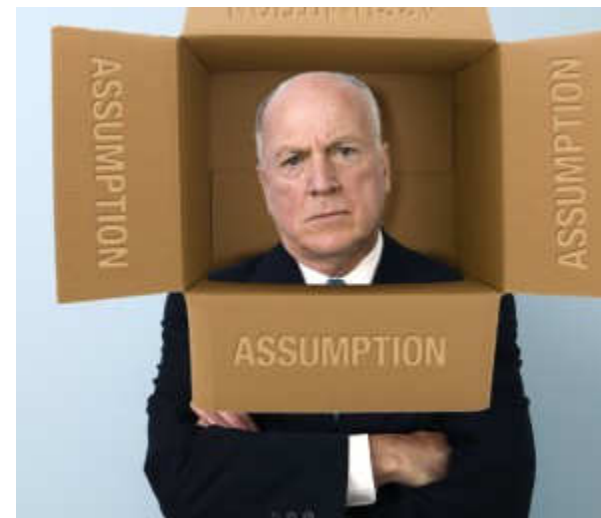
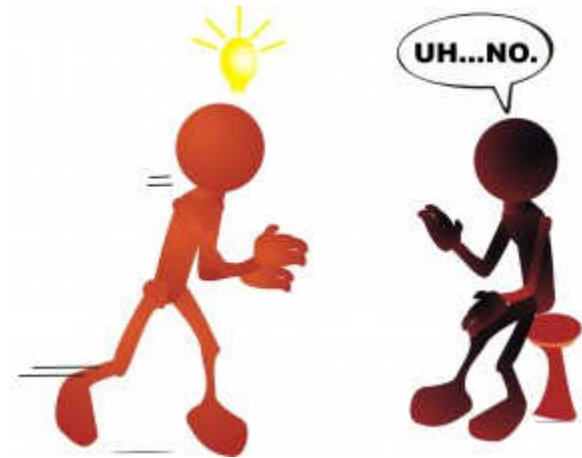


Breakthrough Innovation – All three

**And I will tell my entire 100K+ social network about you!!!**

## Characteristics of Innovators

1. Child like Curiosity
2. Vivid Imagination
3. Unconventional Intuition
4. Inquisitive Inventiveness
5. Incurable Passion
6. Creative Flexibility
7. Relentless Persistence
8. Supercharged Energy

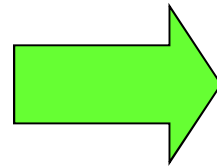


**A constant desire to challenge the  
Status Quo**

## Types of Innovation

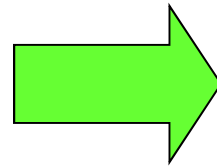
### Demographic Innovation

- Different market segments
- Race, Age, Gender, Geo
- Cultural, ethnic and market fit



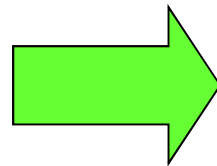
### Efficiency Innovation

- Reduce expenses
- Faster, Cheaper, Better
- Process Transformations



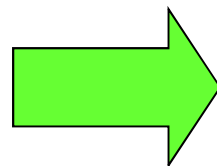
### Evolutionary Innovation

- Add/Modify Functionality
- Lateral Product Suite
- Extend brand/product line/life

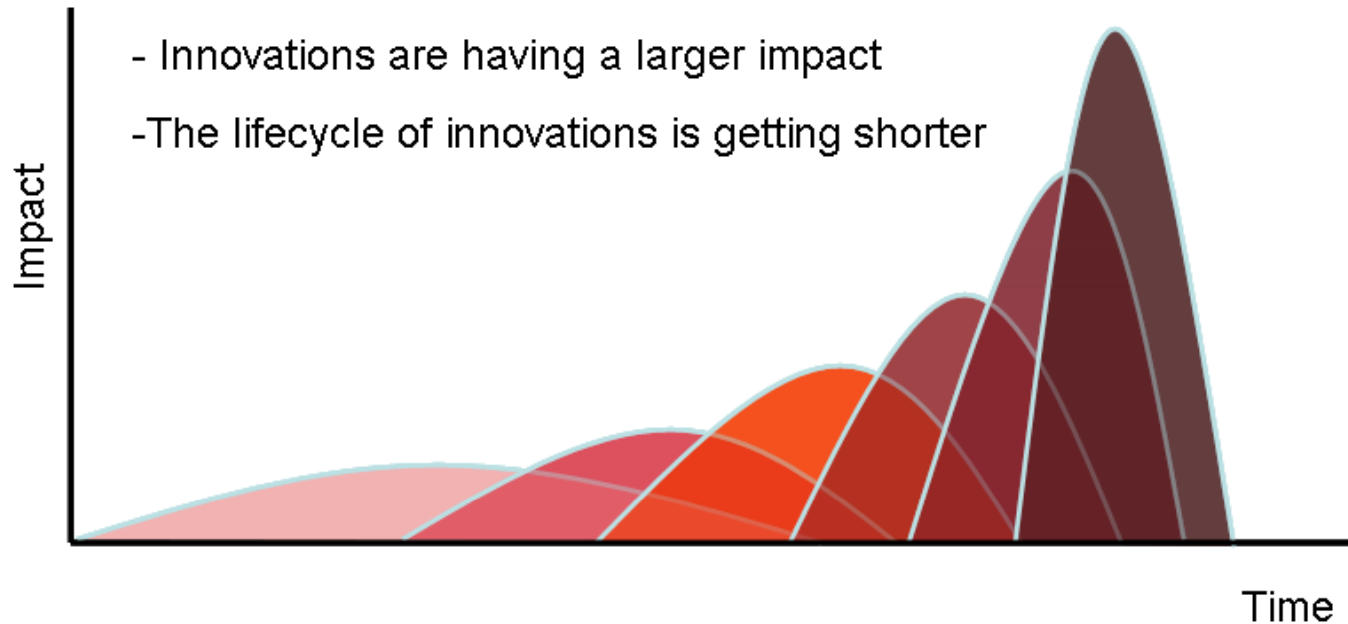


### Disruptive/Revolutionary Innovation

- Create New Markets
- Create New Strategic Assets
- Launch New Businesses



## Trends in Innovation



### How long does it take to get to 50 million users?

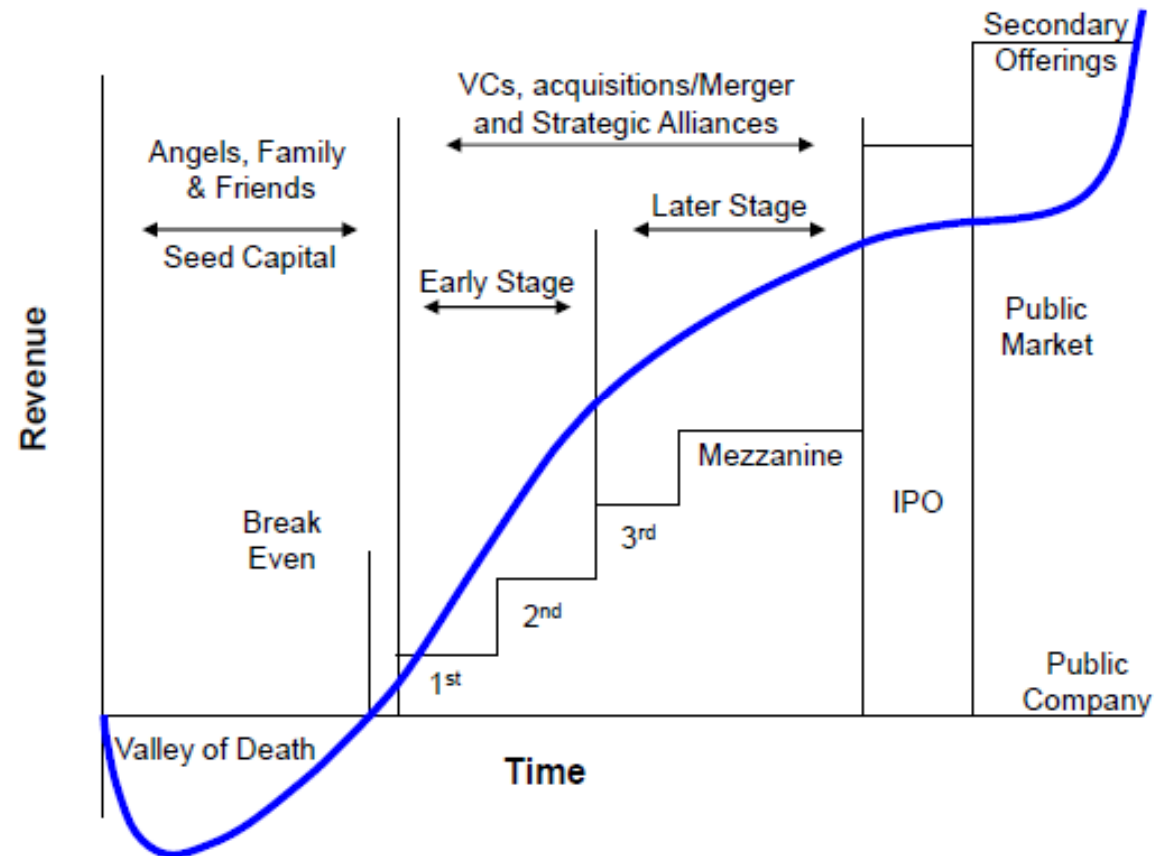
Phone	74 years	Internet	2 years
Radio	38 years	Blogs	1 year
TV	13 years	<b>Farmville</b>	<b>9 Months</b>

**Facebook crosses 500 Million Users in August 2010 – Within a period of 5 Years!**

## What Next

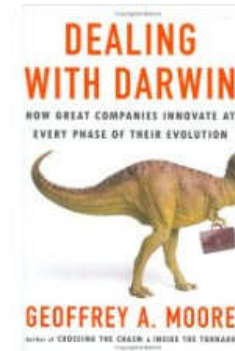
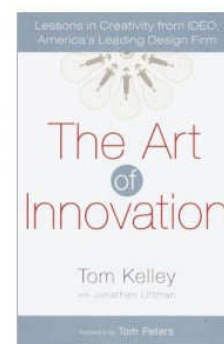
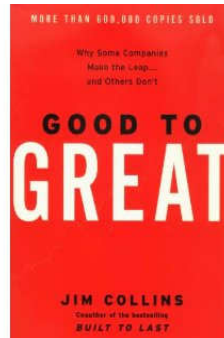
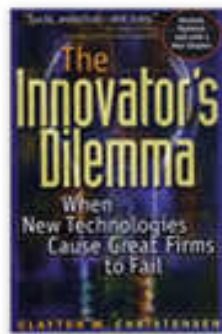
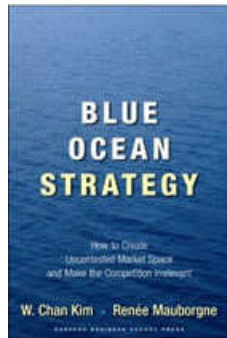
- Prototyping
- Funding
- Market Fit
- Sustainability
- Growth

### The Financing Life Cycle



**Prototype a lot, fail often, and fail early**

## Ideation & Innovation Resources



“If you're not **failing** every now and again, it's a **sign** you're not doing anything very **innovative**.

- Woody Allen