ING-DiBa, Innovation methods

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17.11.2016
Keep up with smaller and more agile competitors.
How to transform our way of innovation?

From the current way of working...

- Elaborate planning
- Intuition and assumptions
- Traditional big design upfront
- Siloed, functional teams
- Product focused

Towards a New Way of Working

- Experimentation, facts
- Customer feedback
- Fast & Iterative design
- Multidisciplinary teams
- People focused
NEW DEMANDS REQUIRE NEW WAYS OF WORKING

- Agile working methods
- New architectural concepts and equipment
- Cross functional, interdisciplinary, cross border teams
- New kind of leadership
- Changed recruiting criteria—Mindset and talent as important as experience
- New Skills: e.g. Service Designer, Behavioral Psychologist, Growth Hacker
Innovation through accelerators
What’s an accelerator?

• Term is mostly used in the context of startups

• Structured program that helps startups to develop faster within a specific period of time

• Coaching plays a very important role
ING-DiBa ACCELERATOR

An intensive 12 - 16 weeks program designed to accelerate innovation projects by applying PACE to go from idea to MVP

It is designed to create a safe haven, away from the daily routine where small dedicated teams can act as a start-up and build a minimum viable product or service that our customers want.
ING-DiBa accelerators - impressions
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How does ING-DiBa accelerate?
The goals of PACE

Customer Centricity

Deliver more innovative solutions

Fail faster to succeed sooner

Develop skilled innovation professionals

Stimulate entrepreneurial behavior

Be in the market faster
PACE, the three building blocks

**PEOPLE**
- Developing new skills and expertises to work as fast as startups

**PROCESS**
- Define Problem Statement
- Define MVP and Define Learning metrics
- Run Experiments to Validate Hypothesis
- Decide Pivot, Persevere or Stop
- Prioritize Riskiest Hypothesis

**ORGANISATION**
- Design thinking, Lean Startup and agile at the core of our business units
- Enabling organisational readiness to fully adopt PACE in the business
'The mom test‘ – a method to discover the customer’s needs
Example: Failing the mom test

Son: „Mom, mom, I have an idea for a business – can I run it by you?“

Mom: „Of course, dear“.

Son: „You like your iPad, right? You use it a lot?“

Mom: „Yes.“

Son: „Okay, so would you every buy an app which was like a cookbook for your iPad?“
Example: Failing the mom test

Mom: „Hmmm."

Son: „And it only costs $40 – that's cheaper than those hardcovers on your shelf.“

Mom: „Well...“ Aren‘t apps supposed to cost a dollar?

Son: And you can share recipes with your friends, and there‘s an iPhone app which is your shopping list. And videos of that celebrity chef you love.“
**Example: Failing the mom test**

Mom: „Oh, well yes honey, that sounds amazing. And you’re right, $40 is a good deal.“ Will it have pictures of the recipes?“

Son: “Yes, definitely. Thanks mom – love you!“

Mom: „Won't you have some lasagna?“
Example: Failing the mom test

Son: „Mom, mom, I have an idea for a business – can I run it by you?“ I am about to expose my ego – please don’t hurt my feelings.

Mom: „Of course, dear“. You are my only son and I am ready to lie to protect you.

Son: „You like your iPad, right? You use it a lot?“

Mom: „Yes.“ You led me to this answer, so here you are.

Son: „Okay, so would you every buy an app which was like a cookbook for your iPad?“ I am optimistically asking a hypothetical question and you know what I want you to say.
Example: Failing the mom test

Mom: „Hmmm.“ *As if I need another cookbook at my age.*

Son: „And it only costs $40 – that’s cheaper than those hardcovers on your shelf.“ *I’m going to skip that lukewarm signal and tell you more about my great idea.*

Mom: „Well…“ Aren‘t apps supposed to cost a dollar?

Son: And you can share recipes with your friends, and there’s an iPhone app which is your shopping list. And videos of that celebrity chef you love. “*Please just say „yes“.* I will not leave you alone until you do.*
Example: Failing the mom test

Mom: „Oh, well yes honey, that sounds amazing. And you’re right, $40 is a good deal. Will it have pictures of the recipes?“ I have rationalized the price outside of a real purchase decision, made a non-committal compliment, and offered a feature request to appear engaged.

Son: “Yes, definitely. Thanks mom – love you!“ I have completely misinterpreted this conversation and taken it as validation.

Mom: „Won’t you have some lasagna?“ I am concerned that you won’t be able to afford food soon. Please eat something.
Example: Passing the mom test

Son: „Hey mom, how’s that new iPad treating you?“

Mom: „Oh – I love it! I use it everyday.“

Son: „What do you usually do on it?“ Whoops, we asked a generic question, so answer to this probably won’t be terribly valuable.

Mom: „Oh, you know. Read the news, play Sudoku, catch up with my friends. The usual.“

Son: „What’s the last thing you did on it?“ Get specific about examples in the past to get real, concrete data.
Example: Passing the mom test

Mom: „You know your father and I are planning that trip? I was figuring out where we could stay.“ She uses it for both entertainment and utility, which didn‘t come up during the „usually“ answer.

Son: „Did you use an app for that?“ A slightly leading question, but sometimes we need to nudge to get to the topic we are interested in.

Mom: „No, I just searched on Google. I didn‘t know there was an app. What’s it called?“ Younger folks use the App Store as a search engine, whereas your mom waits for a specific recommendation. It that‘s true more broadly, finding a reliable marketing channel outside the App Store is going to be crucial.
Example: Passing the mom test

Son: „Where did you find out about the other ones you use?“ *Dig into interesting and unexpected answers to understand the behaviors and motivations behind them.*

Mom: „The Sunday paper has a section on the apps of the week.“ *You can’t remember the last time you cracked open a paper but it sounds like traditional PR might be a viable option for reaching customers like your mom.*

Son: „Makes sense. Hey, by the way, I saw a couple new cookbooks on the shelf – where did those come from?“ *Business ideas usually have several failure points. Here it’s both the medium of an iPad app and the content of a cookbook.*
Example: Passing the mom test

Mom: „They're one of those things you jus end up getting at Christmas. I think Marcy gave me that one. Haven't even opened it. As if I need another lasagna recipe at my age!“ Aha! This answer is gold dust for 3 reasons: 1. Old people don't need another generic set of recipes. 2. The gift market may be strong. 3. younger cooks may be a better customer segment since they don't yet know the basics.

Son: „What's the last cookbook you did buy for yourself?“ Attack generic answers like „I don't buy cookbooks“ by asking for specific examples.
Example: Passing the mom test

Mom: „Now that you mention it, I bought a vegan cookbook about 3 months ago. Your father is trying to eat healthier and thought my veggies could benefit from a pinch more zazz.“ More gold: experienced chefs may still buy specialized or niche cookbooks.
The mom test - summary

• Don’t ask customers to help you develop a product or a service

• Instead: observe them in their daily life

• Try to find out what their problems really are

• Ask them about their achieved and non-achieved goals

• Ask them about their past behavior

• Avoid „would-questions“ or questions about their future behavior

„Talk less and listen more!“

„Customers own the problem. You own the solution!“
Why you are important

• We highly value your input from an outside perspective

• Your view of the world is different and adds to our view of the world

• You don't have to be an expert in money management to innovate! A lot of innovative ideas come from daily observations and your own pains/gains

• we are not looking for a complex new solution, so don't be afraid to start with small steps!
Thank you for your attention!

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