Corporate Innovation & Intrapreneurship
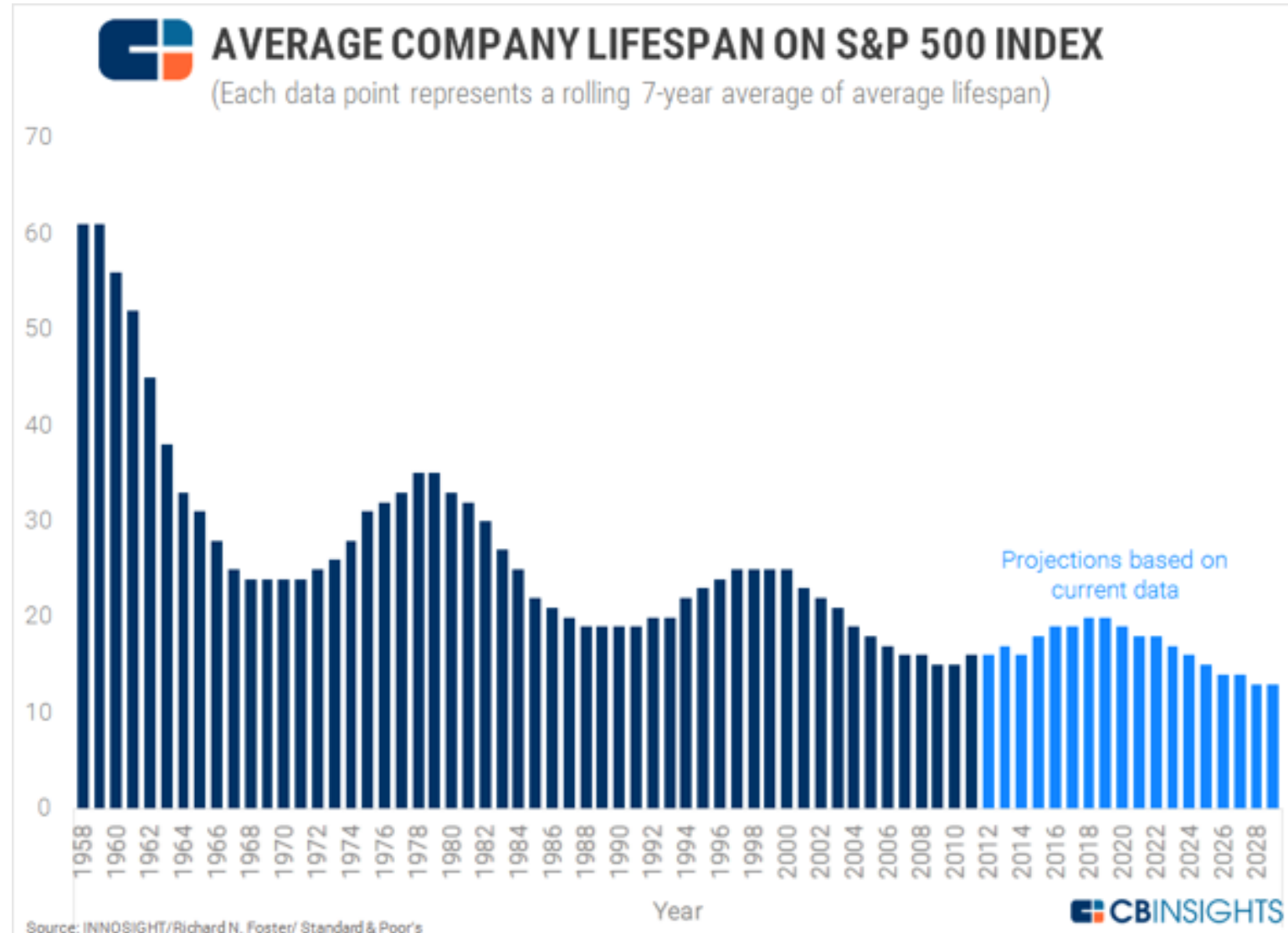
The Accelerating Pace of Tech-Driven Change is Shortening Corporate Lifespans

AVERAGE COMPANY LIFESPAN ON S&P 500 INDEX
(Each data point represents a rolling 7-year average of average lifespan)

Projections based on current data

Year

Source: INNOSIGHT/ Richard N. Foster/ Standard & Poor's

CB INSIGHTS

An Innovation Imperative for Future Success

- Innovation is a change in something established by introducing new ideas, methods or products but…

Innovation = Idea x Commercialization

- To be successful in the future, a company's rate of internal innovation must exceed the rate of external innovation by building, partnering, investing and/or acquiring new businesses
- Otherwise, the company will become less competitive (and therefore less successful) over time (e.g. Blockbuster)

Corporate Innovation

Takes places within the boundaries (and confines) of existing aspects of the company, including:

- Geography (places of business)
- Markets, products and brands
- Customers/consumers
- Personnel expertise and capabilities
- Infrastructure & resources

Whatever it is everyone is doing it!

What are you going to innovate?

We typically think in terms of product innovation, but the innovation imperative applies to <u>all aspects </u>of a company's operations including its:

- Business model

- Production/service delivery processes

- Internal procedures & workflows

- HR/talent development programs
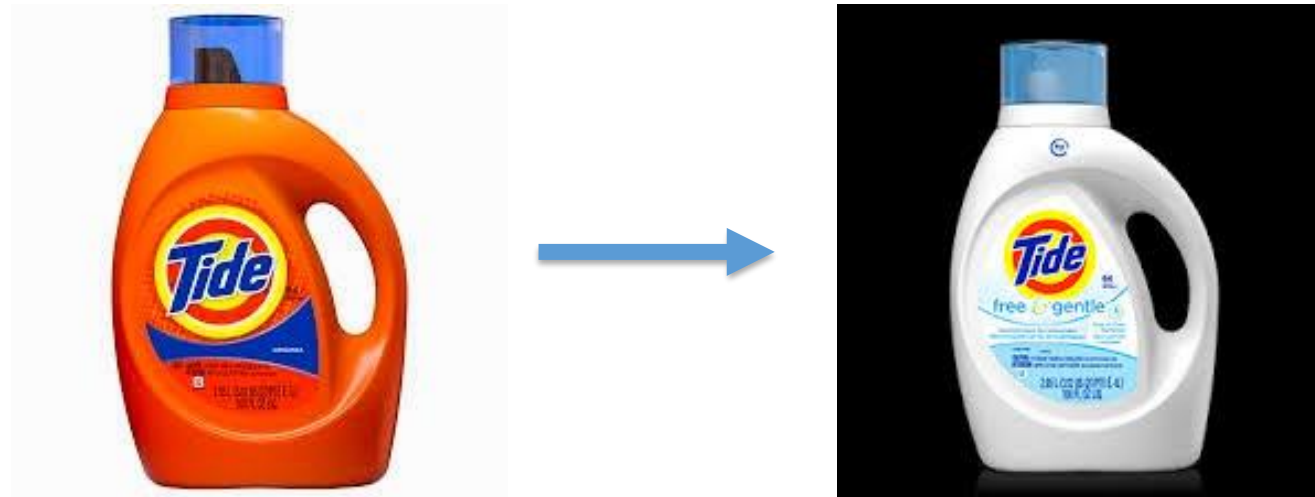
- IT, accounting & other internal systems

The (Product) Innovation Matrix
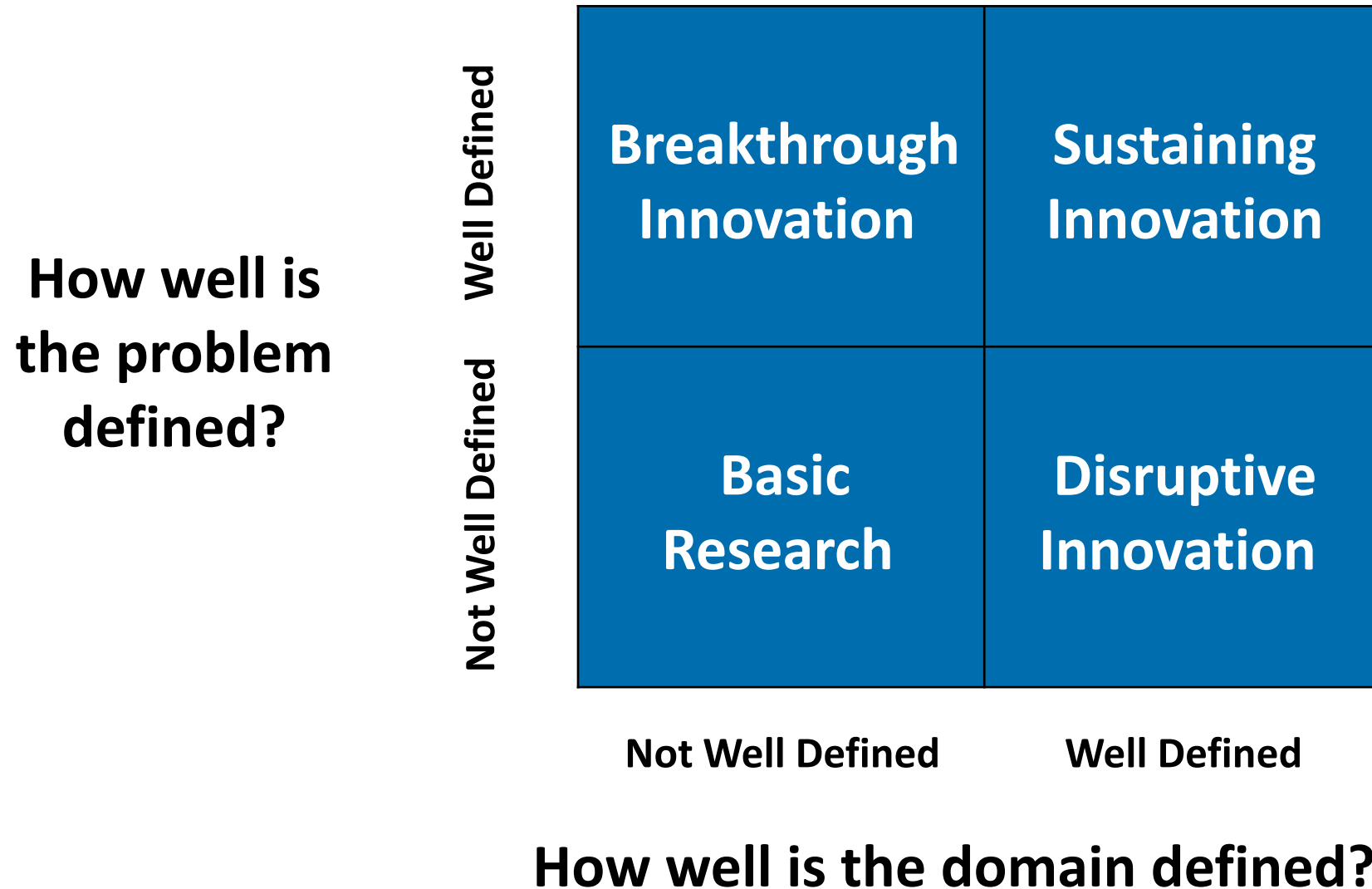
Sustaining Innovation

- Innovation that happens on an incremental basis

Transforming Innovation

- In between sustaining (incremental) and disruptive – significantly shifts consumption patterns, but does not fundamentally disrupt the market or value chain

Disruptive Innovation

- Innovation that creates a new market and value network and eventually disrupts an existing market and value network
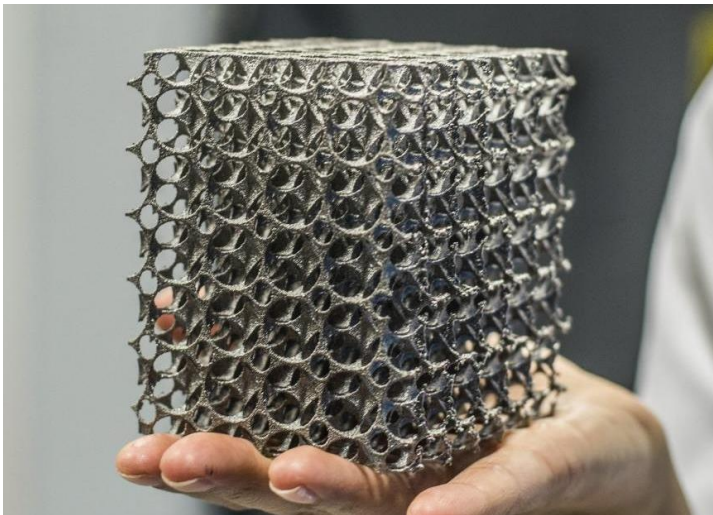

Tooth whitening by dentist

Whitening at home

Breakthrough Innovation

- innovation that creates new markets and value networks

3D printing of metals

Artificial intelligence

Biopharmaceuticals & Biomedicines

Intrapreneurship (How/What/Who?)

- **<u>Intrapreneurship</u>**: behaving like an entrepreneur while working within an established company (or organization)

- **<u>Intrapreneur</u>**: an employee who is given financial support and autonomy to create new products, services and systems for the benefit of the company

- Recruiting, supporting and rewarding intrapreneurs is critical for companies seeking to keep pace with the rate of external innovation

- To be successful, intrapreneurs must possess the same general mindset & skillset as entrepreneurs

Case Study

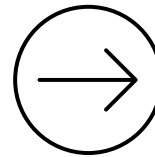# Find a **Solution** to an existing **Problem**

A business model that integrates data acquisition and CAD/CAM for a seamless clinical pathway

Problem	**Solution**
• Lengthy and expensive process	• Advanced materials and technology
• Messy impressions	• Reduced clinical pathway
• Potential for inaccuracy	• Comfortable and affordable product

grupo **ageas** portugal

Understand the **Market**

Values in thousands

A — Nothing to replace: 18,2%

B — Prosthesis or Dentures: 72,3%

Portugal total population	Have all their teeth	Have at least 1 missing tooth	Have less than 6 missing teeth	Have at least 6 missing teeth	Total Addressable Market
10,343	4,251	6,092	3,733	2,358	2,134

Sources: Census 2021, Barómetro Nacional de Saúde Oral 2023
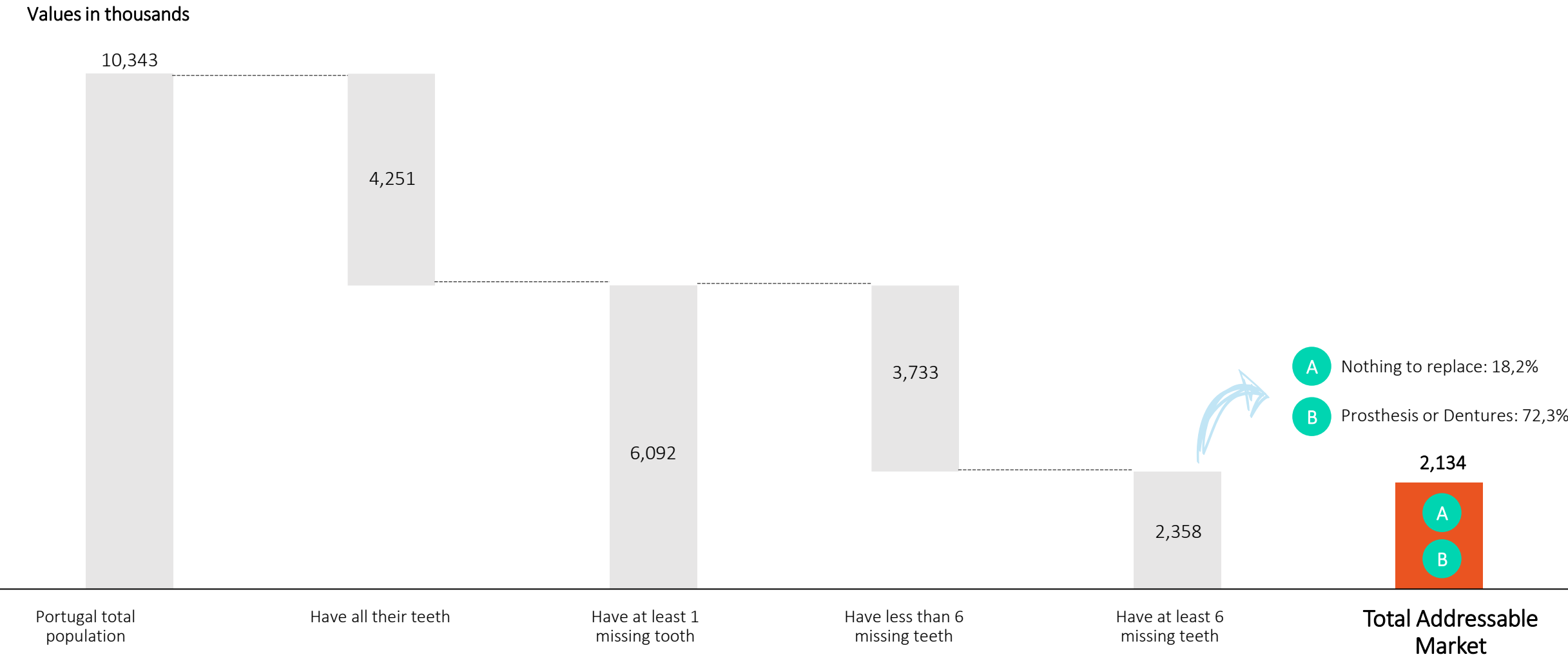
Establish a **Framework**
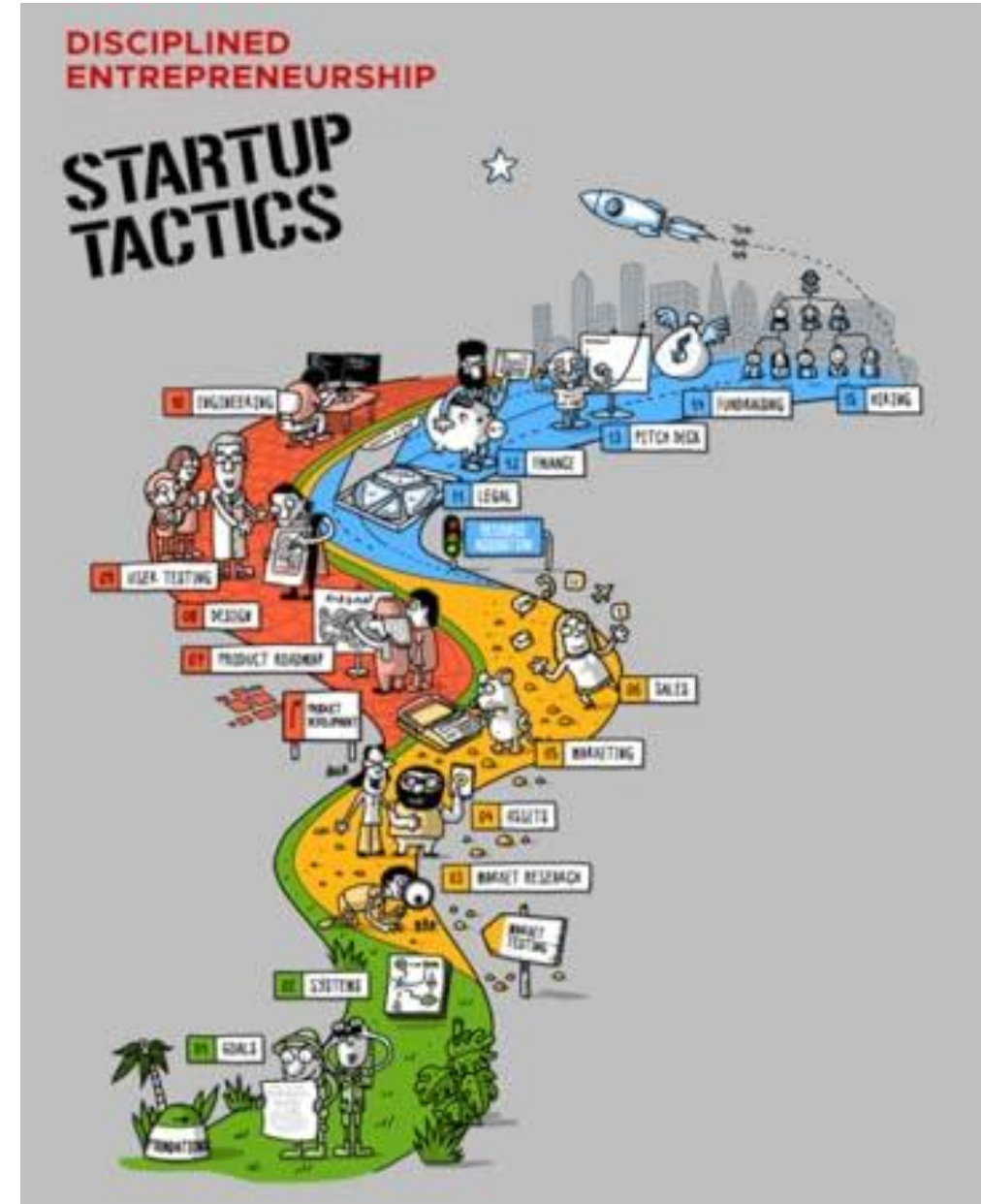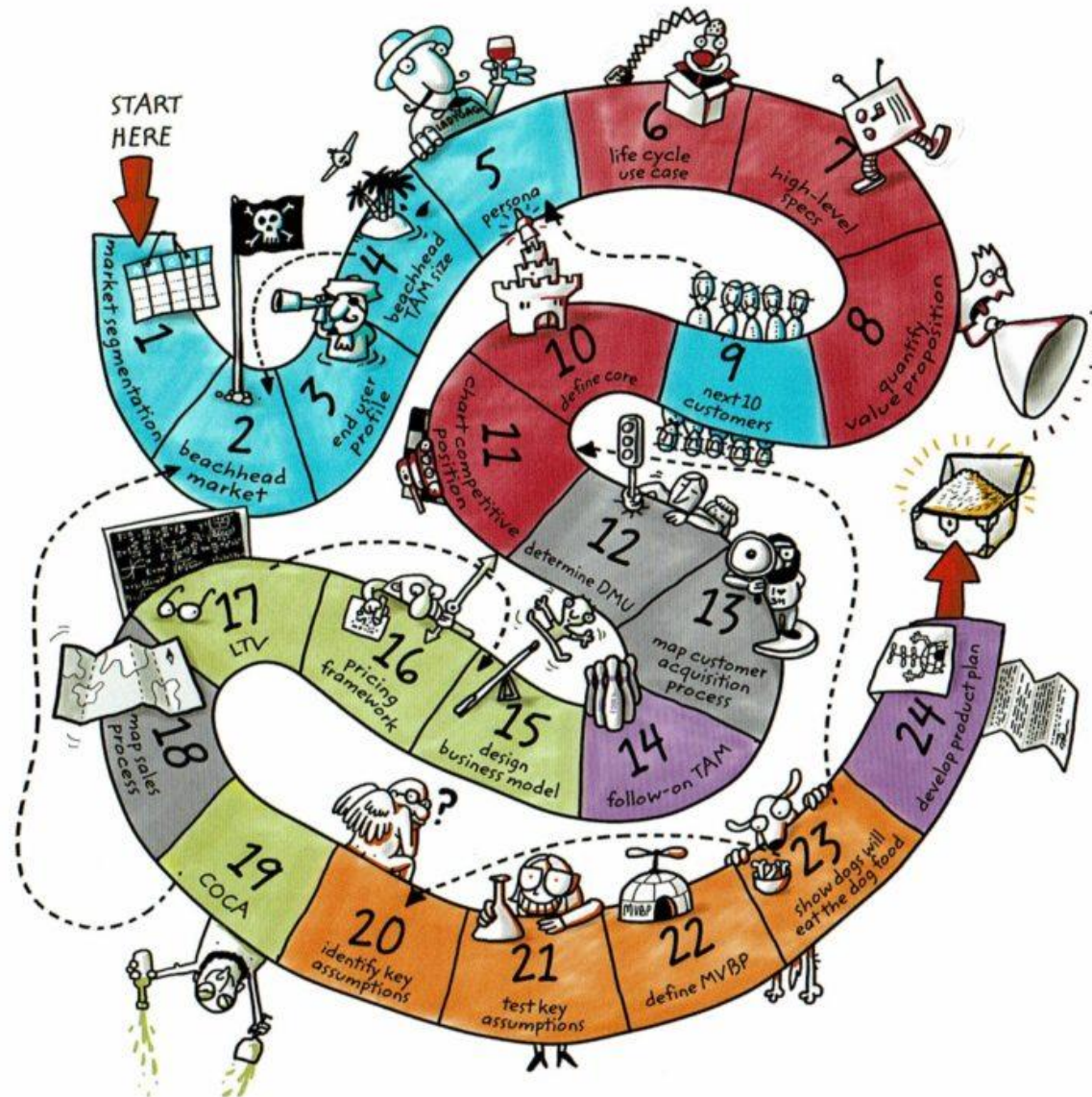
Establish a **Framework**

An integrated, rigorous framework for entrepreneurship...

WHAT IS THE DIFFERENCE BETWEEN THE 24 STEPS AND STARTUP TACTICS?

24 Steps: From Idea to Business Plan

15 Tactics: Business Plan to Business

High-Level Project Overview

Transform the denture industry by integrating cutting-edge technology and a focus on customer satisfaction.

Customers are increasingly demanding in their interactions, seeking medical experiences that are of high quality, affordable and tailored to their needs, integrated in a seamless clinical pathway.

The commercial rollout across Portugal could span between 1.5 to 2 years, encompassing three critical phases.
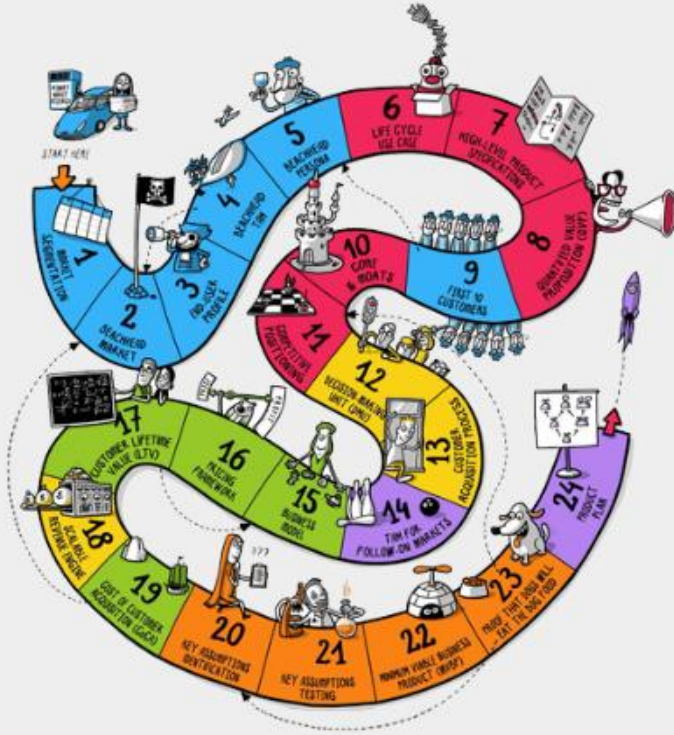
Main Drivers

- Customers
- Time-to-Market

PROJECT

Phases

- Phase 1
- Phase 2
- Phase 3

Pilot Shaping | Care & Share Phase
- Primary Market Research
- Concept Development
- Marketing & Communication
- Partners Involvement
- End-to-end user Proof of Concept

Pilot Execution | Dare & Deliver Phase
- Commercial Deployment
- Marketing & Comunication
- Partners Involvement
- Market Penetration
- Customer Follow-Up and Retention

Nationwide Co...
Capitalize on ... ...ases 1 & 2

GLOBAL

Value Chain Overview

Support Activities

Infrastructure: Company systems (planning, financing, accounting etc.)	
Technological Development: Research and development	
Human Resources Management: Employee hiring and retention	
Procurement: Raw materials	

Inbound Logistics: Receiving, warehousing, inventory allocation, etc.

Operations: Manufacturing, equipment management, assembly, etc.

Outbound Logistics: Order fulfillment, shipping, finished goods storage, etc.

Marketing and Sales: Advertising, branding, quoting, etc.

Service: Customer-focused repairs, warranties, returns, etc.

MARGIN

Value for Customers

Primary Activities

Corporate Innovation Pitfalls

- Lack of Market Understanding
- Inadequate Research and Development
- Poor Implementation Strategy
- Inefficient Leadership and Management
- Resistance to Change
- Lack of Trained Personnel
- Failure to Iterate and Adapt

Corporate Innovation Challenges

- Assume everyone knows and understands what innovation is.
- The term 'innovation' can sometimes be a hindrance.
- Corporate innovation requires time.
- "Slow is smooth, and smooth is fast." Prioritize a swift time to market.
- Continuously iterate on your chosen framework and value chain.
- Identify what works and what doesn't, adapt, and move forward.
- Ensure your financials are accurate. They represent a hard truth, so be conservative.
- Remember, at the end of the day, it's just business, not personal.

Thank you!