



ERICSSON



WELCOME TO THE
LEAN INNOVATION WORKSHOP

SOFTCOM: SPLIT - 23RD SEPTEMBER, 2016

WORKSHOP AGENDA (TOTAL 1,5 HRS)



1. Lean iMolecule Overview & MVP Introduction (20 min)

2. Lean iMolecule in practice

– Group work – Come up with good idea & MVP suggestion (15 mins)

- Put into iMolecule for idea-innovation paradigm & agree on a „solution statement” (20 mins)

- Interview WS „customers” (i.e. would you buy it & at what price point).... Get info. from the ground before you build....(10 mins)

- WS Present & share learnings - share in all WS groups (20 mins)

3. Lean Innovation Wrap-up & Take aways (5 mins)

THE LEAN INNOVATION MOLECULE TOOL

A FREE RADICAL CUSTOMER PERSPECTIVE



Level 1:

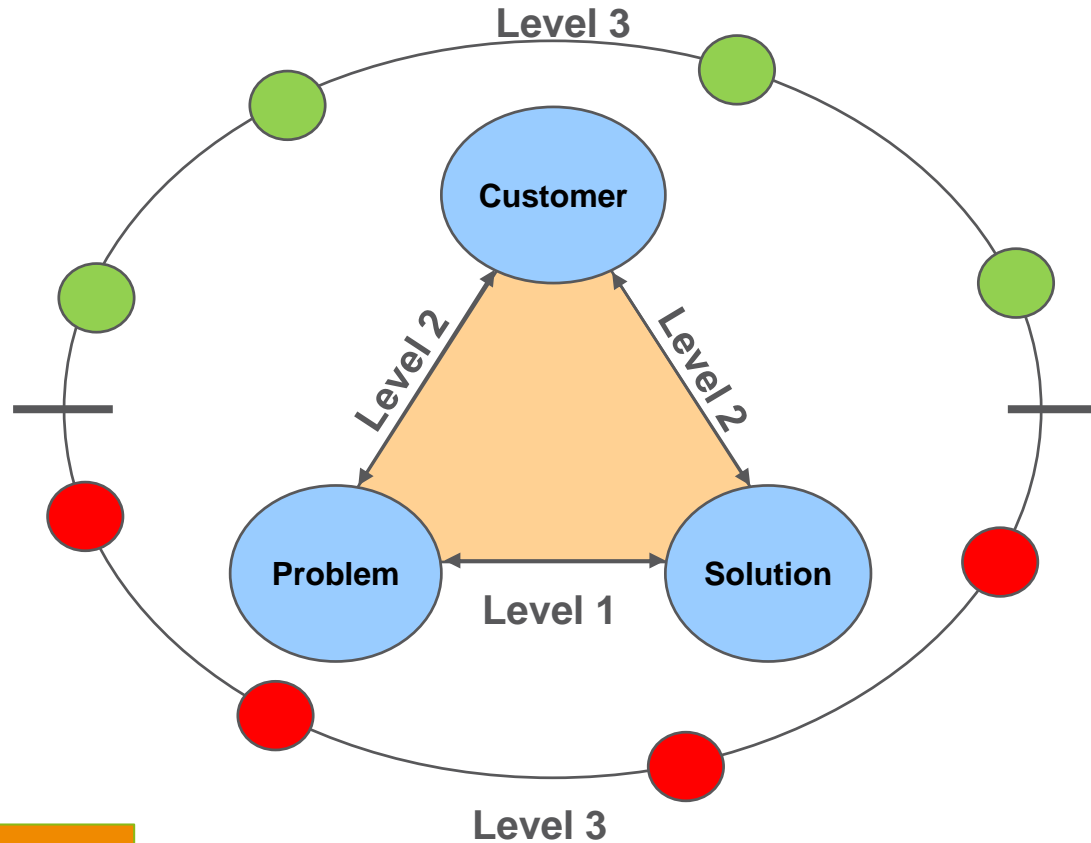
We tend to be good at bonding a solution to a problem, too strong....ignore customer

Level 2:

Tend to avoid tying the solution & problem statement to an actual end paying customer, so at Lvl2, you need to be able to tie in all three, customer input is key

Level 3:

Have looked at the surrounding landscape & established strong (iterative =) bonds between all 3 aspects, working as ONE !



Idea Landscape

- Positive +ve
- Sphere – Top
- Strength- Opportunities
- Challenges +/-ve
- Sphere – Bottom
- Weaknesses-Threats (free radicals)

1) Describe the actual **PROBLEM** that needs to be **solved**

2) Describe the actual-real end **CUSTOMER** person / group (internal/external) that will derive **value** once this problem is solved

3) Describe the **SOLUTION** in **ONE** sentence (i.e. Keep it SIMPLE ! No big Tech. talk)

AN EXAMPLE: DUBRONET

Strengthen efforts to protect & safeguard the world's cultural & natural heritage hotspots



Idea Name:

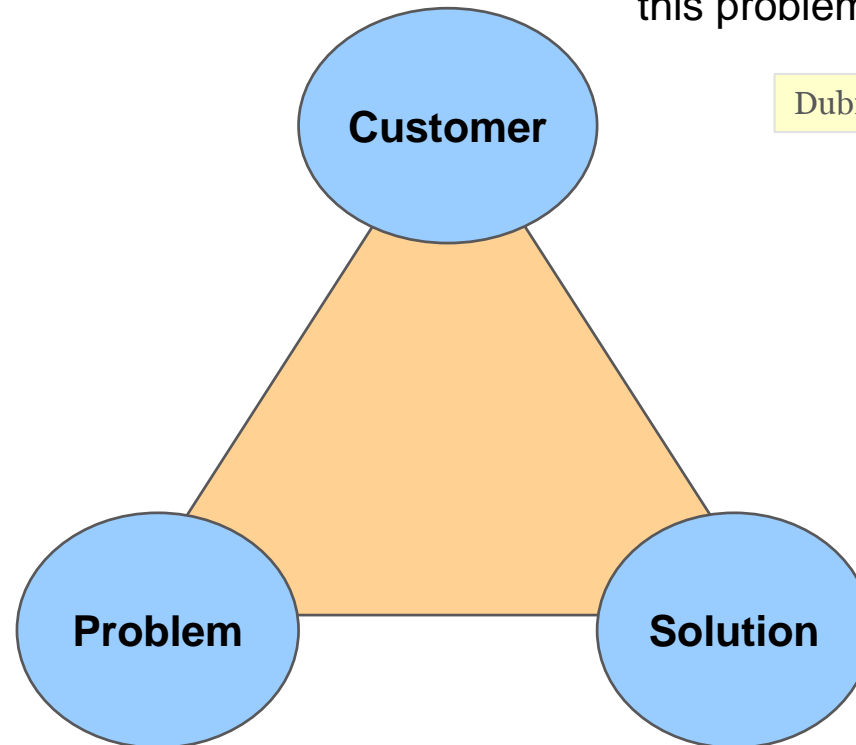
DubroNet

2) Describe the person / group that will derive **value** once this problem is solved

Dubrovnik City-Town Council

1) Describe the problem that needs to be **solved**

Over the coming decades, massive population movement into urban areas will cause tremendous growth in cities, that if not planned correctly, will be unsustainable. Many times, urban growth comes at the expense of heritage locations that are of cultural and natural significance. Additionally, the impacts of conflicts on heritage sites is tremendous. "In the planning and designing of new communities...the planners...need to give explicit consideration to the kind of world that is being created for the children who will be growing up in these settings."



3) Describe the solution in **ONE** sentence

Use a Data Analytics Platform that delivers Front End Dashboard timely information that enables local city authorities on bottle necks & city problems

CUSTOMER FOCUS: FACTS VS OPINIONS



**Facts
vs.
Opinions**

- › **Identifying the problem** you are going to solve (& confirm authentic demand); it **is 99% of the battle**.
- › Internal meetings in comfy conference rooms will not identify authentic demand. At best, you create guesses about a starting point.
- › **Most new ideas fail** due to **lack of customers** not lack of product...
- › The phase **“It would be nice if....”** will cost you millions \$\$\$
- › Lean is not the result of a business plan, it provides the input to the business plan

5 WHYS – IDENTIFY THE ROOT PROBLEM

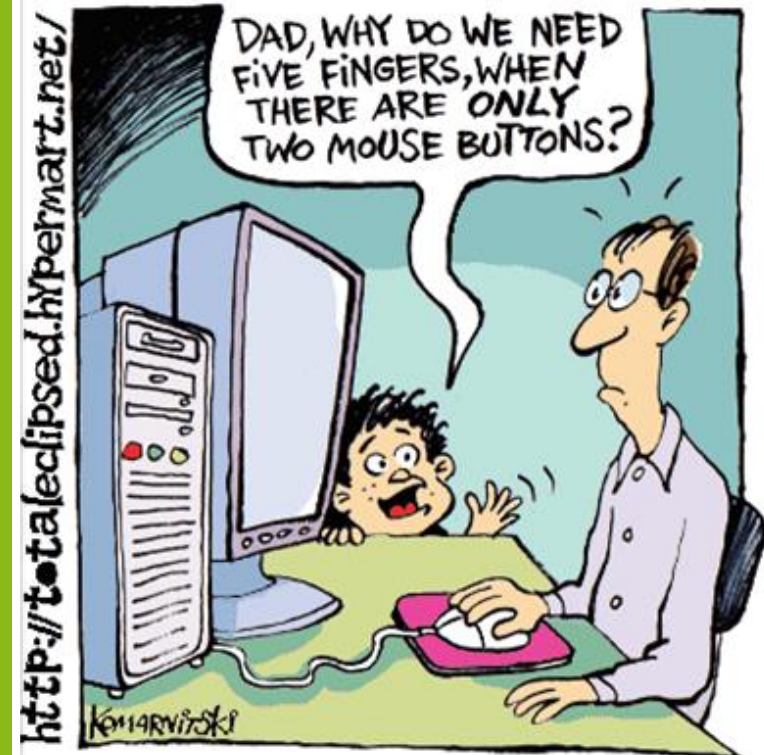


When confronted with a challenge, stop & ask **WHY five** (5) times? *It is difficult to do even though it sounds easy.*

For example, a Mobile Phone end-user has no signal on their phone:

1. Why don't our customers have 3G Signal in up-town?
(R1: The NW must be down?)
2. Why is the NW down?
(R2: The local up-town base-station is down in that area)
3. Why is the up-town base-station down in that area?
(R3: The transmission (Tx) kit failed)
4. Why did the Transmission kit fail?
(R4: The Tx boards went faulty, overheated !)
5. Why did the boards overheat?
(R5: Overheating – due to Air-con. Failure, birds blocked the air-intake vents)

3-5 WHYS ?



**KEEP asking the CHILD-LIKE questions ? More critical/quality questioning
Challenge the *status-quo* ? Go beyond the 1st Why.....**

SEARCHING FOR INSIGHT AND UNDERSTANDING



**Minimum
Viable
Product**

- › Viable for LEARNING not Deploying
- › The purpose of the MVP is to gain Insight and Understanding by providing “realness” to the discussion
- › MVP may change every day and may be different for changing situations or customers
- › The MVP, by design, avoids the pitfall of product attachment getting in the way of uncovering authentic demand
- › Over time, the MVP will mature to contain features of a ready for sale product

MVP EXAMPLE

ERICSSON CONNECTED WATER



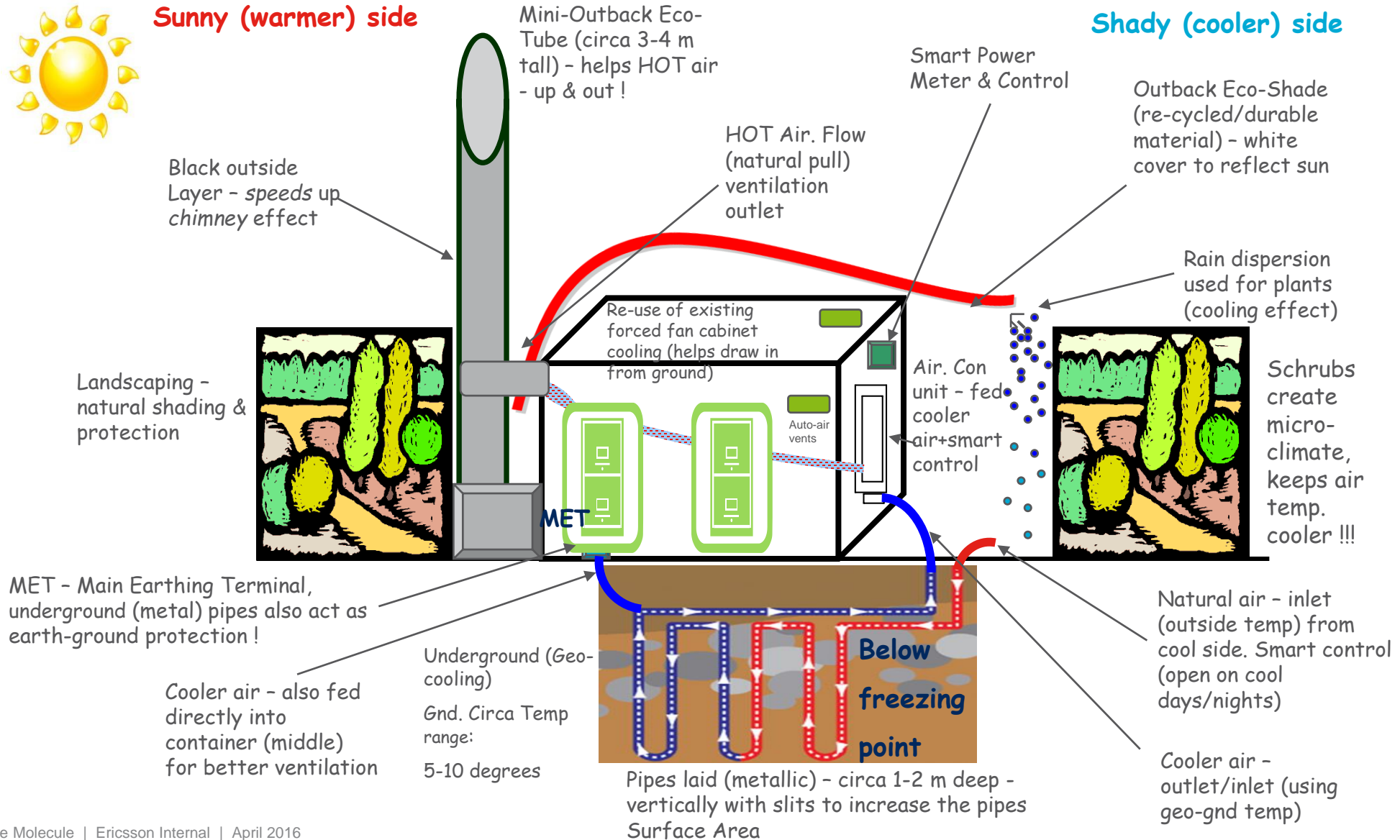
smartWater sensor

RBS BIO-STATIONS - MVP



Sunny (warmer) side

Shady (cooler) side



THE SOLUTION STATEMENT



The (**product name**) is a (**product category**) that (**statement of key benefit that is the compelling reason to buy**). Unlike (**primary competitive alternative**) our solution (**describe the idea and the statement of primary differentiation**)

› Solution Statements

- Created to be heard not read
- Think of it as the ‘elevator pitch’ of your idea
- Living document...will change as you learn more and get feedback
- The opening statement of your brand

EXAMPLE SOLUTION STATEMENT



The (**product name**) is a (**product category**) that (**statement of key benefit that is the compelling reason to buy**). Unlike (**primary competitive alternative**) our solution (**describe the idea and the statement of primary differentiation**)

The **ERICSSON BioStation** is a **Radio Base Station (RBS) modular system** that **delivers exceptionally long life (MTBF), significant energy savings and significant reduction in daily OPEX costs**. Unlike **current RBS container systems** our BioStation RBS solutions **will provide you with daily energy savings of up to 40% while sustaining an increase in your Telco-infrastructures MTBF.**

EXAMPLE SOLUTION STATEMENT



The (**product name**) is a (**product category**) that (**statement of key benefit that is the compelling reason to buy**). Unlike (**primary competitive alternative**) our solution (**describe the idea and the statement of primary differentiation**)

The **Phillips LED lightbulb** is a **standard replacement lightbulb** that **delivers exceptionally long life, significant energy savings, and contains no mercury**. Unlike **incandescent or fluorescent lightbulbs** our Philips LED bulb **will provide you with an immediate energy savings of up to 80% while sustaining the environment over decades of service.**

LEAN INNOVATION – TAKE AWAYS



ENABLES

- › Act like a Startup
 - Disruptive Innovation
 - Embrace the Chaos
- › **Low Cost**
- › **Low Risk** to Brand
- › **Learn** before you execute-code
- › **Value** Focused NOT Technology Focused
- › Most new ideas/businesses are scrapped due to lack of customers, not lack of products

LEAN BUSINESS CANVAS - EU

Replace all the text in grey with your information once you are done change the text color to blue



<p>PROBLEM</p> <p>High Field Operational Expenses (OPEX)</p> <ul style="list-style-type: none"> - RBS HW (PCB) Overheating faults – due to inefficient AC systems - Large Co2 footprint impacts <p>EXISTING ALTERNATIVES</p> <p>None that solve the problems in an adequate way.</p> <p>Typicaly, add more-multiple or bigger & stronger expensive AC Units & systems</p>	<p>SOLUTION</p> <p>The BioStation solution consists of the following:</p> <ol style="list-style-type: none"> 1. Vaulted „wave” like add-on roofs 2. Night air-vent purging (secure auto open vents) 3. Flora landscaping (with native & drought aspects in mind) 	<p>VALUE PROPOSITION</p> <p>“The Bio Radio station is an Green RBS solution that reduces operational costs while improving reliability.</p> <p>Unlike the current existing RBS which are using classical Air Conditioning systems , the Bio Radio Station can cut OPEX by 5 times and decrease HW faults by 30%”</p>	<p>UNIQUE ADVANTAGE</p> <p>Help NW Operator meet both much needed OPEX savings &</p> <p>GREEN Co2 footprint targets (CSR) and positive GREEN image-branding</p>	<p>CUSTOMER SEGMENT</p> <p>Telecoms NW Operators</p> <p>EARLY ADOPTERS</p> <p>TelefonEuropa</p>
<p>COST STRUCTURE</p> <p>CAPEX_Man-hours: 100____ (for a pre-study & MVP)</p> <p>50 mnhrs for pre-study – includes R&D - Investigate most appropriate wave roof material and supplier for auto-vent system</p> <p>50 mnhrs for integration & installation for existing RBS test site, set up & test of MVP</p> <p>Purchase of platns and flora</p> <p>Cost for -MVP: 5K Euros</p>		<p>REVENUES / BENEFITS</p> <p>List your sources of revenues/benefit:</p> <p>People: __ YES, via less pollution</p> <p>Planet:____ YES, via less Co2 footprint</p> <p>Profit:_____ YES, more NW Energy Optimization service sales</p>		

LEAN BUSINESS CANVAS - DESERTS



<p>PROBLEM</p> <p>High Field Operational Expenses (OPEX)</p> <ul style="list-style-type: none"> - RBS HW (PCB) Overheating faults – due to inefficient AC systems - Extreme climatic heat, escalate the MTBF for HW - (ageing of HW) <p>EXISTING ALTERNATIVES</p> <p>None that solve the problems in an adequate way.</p> <p>Typicaly, add more-multiple or bigger & stronger expensive AC Units & systems</p>	<p>SOLUTION</p> <p>The BioStation solution consists of the following:</p> <ol style="list-style-type: none"> 1. Vaulted „wave” like add-on roofs 2. Night air-vent purging (secure auto open vents) 3. Under & Over natural Hot-air convection channels 	<p>VALUE PROPOSITION</p> <p>“The Bio Radio station is an Green RBS solution that reduces operational costs while improving reliability.</p> <p>Unlike the current existing RBS which are using classical Air Conditioning systems , the Bio Radio Station can cut OPEX by 5 times and decrease HW faults by 30%”</p>	<p>UNIQUE ADVANTAGE</p> <p>Help NW Operator meet both much needed OPEX savings &</p> <p>GREEN Co2 footprint targets (CSR) and positive GREEN image-branding</p>	<p>CUSTOMER SEGMENT</p> <p>Telecoms NW Operators</p> <p>EARLY ADOPTERS</p> <p>TeleArabian</p>
<p>KEY METRICS</p> <p>No# of RBS HW Faults (pre & post bioStation installations)</p> <p>No# of AC O&M repairs & downtime</p> <p>Overall yearly Field OPEX savings for NW Operator</p>		<p>CHANNELS</p> <p>List how you would reach your target user</p>		

COST STRUCTURE

CAPEX Man-hours: 100____ (for a pre-study & MVP)

50 mnhrs for pre-study – includes R&D - Investigate most appropriate wave roof material and supplier for auto-vent system

50 mnhrs for integration & installation for existing RBS test site, set up & test of MVP

Purchase of platns and flora

Cost for -MVP: 6K Euros

REVENUES / BENEFITS

List your sources of revenues/benefit:

People: __ YES, via less pollution

Planet: __ YES, via less Co2 footprint

Profit: ____ YES, more NW Energy Optimization service sales

WS HANDOUTS FOR ATENDEES



- › Clear lean iMolecules (A3 size – colour) x 8 pcs.
- › Lean Business Canvas model (A3 size – colour) x 8 pcs. - Clean
- › Lean Business Canvas model (A3 size – colour) x 8 pcs. - Filled in with useful examples
- › Clear „Solution Statement” templates (A3 size – colour) x 8 pcs.
- › Example „Solution Statement” templates (A3 size – colour) x 8 pcs.