# Cisco Ignites Companywide Startup Culture

Unique Innovate Everywhere Challenge
Unleashes Passion and Renewed Commitment from Employees

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# Summary

In the past few years, the mass digitization of business and society has pressured every organization – large and small, private and public – to innovate at unprecedented speed. This digital revolution has incited a new and disruptive era of hyper competition. It has accelerated the pace of change exponentially. It has forced companies to reinvent themselves. And it has utterly disrupted institutions and their cultures, upended entire markets, and hatched new business models that challenge traditional ways of operating.

However, too many organizations still focus only on their diehard approaches, processes, and cultures to develop new outcomes. Instead, organizations of all sizes must conspire from within to disrupt their own culture almost overnight. Continued reliance on slow, incremental progress – while still needed to some extent – is a formula for extinction.

> Today, it's either disrupt or be disrupted. Pioneer or perish.
> Transform or terminate. Innovate or disintegrate.

So what's the answer? To become a disruptor, organizations must begin by activating grassroots cultural transformation from within. The maverick instigator can emerge from any group, function or geography. It could be Strategy in the United States, Human Resources in China, Engineering in India, or Finance in London. But how can this happen swiftly enough amid established bureaucracies and the blindingly chaotic speed of digitization?

The answer is easy but the execution is hard: Think and act like a lean startup, but scale as an enterprise.

At one time, every organization was a startup. But what happens over time? Growth and success bring new worlds of opportunity, but also new challenges to speed, agility, organizational structure, and process.

To keep pace, leading organizations are reinventing themselves by recapturing their original spark of entrepreneurial passion, speed, and agility. At the same time, they're cultivating an environment where employees truly feel empowered and free to tap into their passions and innovate.

In a mere six months, Cisco did just that. With support from CEO Chuck Robbins and Cisco's Chief People Officer Fran Katsoudas, Cisco's Corporate Strategy Innovation Group and 16 "co-conspirators" mapped out "My Innovation," a grassroots movement evolving on several fronts.

Collectively, they recently jumpstarted the revolution with the rollout of the Innovate Everywhere Challenge, which is disrupting the company's global workforce of 72,000 from within.

For the first time in the company's 30-year history, the Innovate Everywhere Challenge urged every single employee to "team up, disrupt, and innovate." This was an ask beyond their day jobs designed to tap into their biggest dreams and vision for market opportunity.

Innovate Everywhere Challenge
Igniting a Startup Culture of Entrepreneurs

Cisco's Disruptive Companywide
Competition By The Numbers (2016)

48% employees

250
judges and mentors participated.

45,751
total votes cast in two rounds of voting

www

1,100
ideas were submitted.

4,147
comments posted.

2,000
employees teamed up.

from 50 countries engaged in the challenge

Disruption

Engagement and Passion

Lean Startup Methodologies

Digital and Cultural Revolution

Co-Conspirators

Accelerated Speed and Agility

Ideas can come from anyone, anywhere

Peer-to-Peer Network

Think and Act Like a Startup

Cross-Functional Teams

6 Month Time Frame

| Ideation | Investigation | Seed Funding | Implementation |
|---|---|---|---|
| Discover passion, think big, address customer problem | Fifteen semi-finalists begin to develop solutions, messages and metrics | Six finalists honed their solutions, value propositions and pitches to judges | Three winning teams each received $25,000, time off and resources to bring their ideas to life |

"As an employee, your ability to innovate, disrupt, and drive relentless scale and improvement is crucial, no matter where you sit in the company. As a leader, your ability to build a best team and create an environment where teammates can play to their strengths, have each other's backs, and have shared values can have a positive impact on the bottom line."

– CEO Chuck Robbins

The key objectives of the Innovate Everywhere Challenge were to:

- Capture disruptive venture ideas from Cisco employees and help grow them
- Create game-changing value for customers, partners, and employees
- Develop entrepreneurship skills and culture at Cisco
- Enhance employee experience, empowerment and collaboration across all functions
- Reinforce Cisco's "innovator" brand to attract, develop, and retain talent

Uniquely designed to model startup-like phases — ideation, investigation, seed funding, and implementation —  the challenge also encouraged employees across all functions, geographies, and grade levels to take risks, fail fast, and move forward quickly to the next innovative idea. The purpose: disrupt the Cisco culture, competition, and marketplace.

However, we recognized that organizations can't disrupt any of this until individual employees disrupt themselves first.

Engagement results of this inaugural companywide competition exceeded the company's highest expectations. For example:

- 48 percent of our workforce – and every single function – engaged in the challenge in some way
- More than 2,000 employees submitted more than 1,100 ideas
- Nearly 50 percent of the submissions were from teams
- More than 18,000 employees from 50 countries participated in the challenge community
- Employees made more than 4,000 comments and cast more than 45,000 votes

Six months after the competition launched, evaluations from more than 250 judges and votes from employees whittled down the more than 1,100 entries to six finalist teams. These teams then pitched their ventures to a panel of industry leaders from inside and outside of the company.

During the 90-minute, grand finale broadcast companywide, judges peppered the finalists with questions and scored them against comprehensive venture criteria. Two days later, the challenge's three winners were announced at Cisco's regularly scheduled meeting for all employees.

The winning teams received the tools they needed to implement their ideas. This included three months of time-off, $50,000 ($25,000 in seed funds and $25,000 in recognition), corporate concierge services to help remove roadblocks, extensive technology resources, and mentors.

The time was right for the Innovate Everywhere Challenge. In today's ultra-connected digital era, brilliant ideas can emerge from anywhere and anyone at any time, whether it's a seasoned executive or an early-in-career intern. Research also shows that inclusive, diverse, and collaborative teams ignite the most innovative and valuable solutions.

This case study shares why and how we rolled out this uniquely successful program. We believe the key success factors and lessons learned are readily applicable to other organizations. This case study also highlights the next steps Cisco is taking to build on the incredible momentum created by the Innovate Everywhere Challenge.

## Disrupt or be Disrupted: Only the Innovative Will Survive

Any organization that doubts the urgency to embrace a start-up culture risks becoming irrelevant in the digital age. This means empowering employees to think and act like passionate entrepreneurs, with greater agility, speed, and risk-taking. The case for radical behavioral and cultural change is overwhelming.

Many major institutions that have resisted or failed to successfully embrace key technology and market inflection points have disappeared. Consider household names once viewed as rock solid, such as Kodak, Borders, Blockbuster, Nortel, and Blackberry. Today, a new breed of

## WHAT'S DIFFERENT ABOUT THE INNOVATE EVERYWHERE CHALLENGE

What made Cisco's company wide challenge so innovative – and successful? Here are a few of its unique features:

**1** Inviting everyone to participate, and evaluating all ideas for their potential to disrupt markets, regardless of grade level, organization, or function

**2** Facilitating open engagement and interaction via an open collaboration platform

**3** Promoting cross-functional, team-building to capitalize on the diverse strengths of our employees

**4** Encouraging risk-taking experimentation, and early customer validation

**5** Providing resources, coaching, mentorship, and training that address specific gaps for each team

**6** Seeding top projects with significant funds and, most important, time off for implementation

**7** Forming grassroots partner networks of "co-conspirators," mentors and coaches across all levels

**8** Studying industry best practices, connecting with partners for guidance, and adapting to Cisco's entrepreneurial mindset

**9** Securing 360-degree engagement and sponsorship from CEO and C-suite leaders

**10** Leveraging all communication channels to engage the entire company in a game-like experience that was fun and rewarding

companies, markets, and business models are erupting from mass digitization, such as Uber, Airbnb, Twitter, Tesla, Facebook, Netflix, and Alibaba.

The pace of change and the case for disruptive innovation is accelerating exponentially:

- Only 25 percent of the firms on the U.S. Fortune 500 list were there 25 years earlier (Note 1)
- It's predicted that in ten years more than 40 percent of Fortune 500 companies will no longer exist (Note 2)
- The average lifespan of a company listed in the S&P 500 has decreased from 67 years in the 1920s to 15 years today (Note 3)
- By 2020, more than three quarters of the S&P will be companies that we haven't heard of yet (Note 4)

According to Klecha & Co., "Business leaders believe two out of five of the top-ranked companies in their industries won't exist in the next five years, making innovation a matter of survival." And Gartner predicts that while 75 percent of businesses are now becoming or preparing to become digital businesses, only 30 percent of these efforts will be successful.

It's clear from these and other sobering trends that swift and disruptive innovation is now a matter of survival to keep pace with today's digital market transitions. Andy Grove, the late pioneer of the semiconductor industry who co-founded and led Intel, was often quoted as saying, "Only the paranoid will survive." Today, we would also emphasize, "Only the innovative will survive."

The clarion call is: Disrupt or be disrupted.

## Cisco's Overarching Innovation Strategy

Of course, innovation is who we are and always have been. It's part of Cisco's DNA, and a top corporate priority.  We realize there's no monopoly on innovation, and we believe the next billion-dollar idea can come from anywhere.  Our innovation strategy reflects that philosophy, and enables us to cultivate great ideas internally and look externally to an ecosystem of partners who help to fulfill our vision. We have a five-fold, overarching innovation strategy:

- Build – organic innovation from our engineering teams
- Buy – acquisitions of companies with a technology complementary to Cisco's business priorities
- Partner – creating solutions and go-to-market strategy with technology and services partners
- Invest – direct and indirect investments in promising startups, entrepreneurs and venture funds
- Co-develop – working with customers, leading innovators and decision makers on a new, industry-changing ideas built on the network

"We innovate everywhere
to create fresh ideas and
possibilities. Taking bold risks
to shape the future because
we understand every failure
is a success if we learn from it.

"We make a meaningful
difference for our people,
our customers and the world
around us. We support each
other and work together to
create shared success that
will benefit everyone.

"The future of Cisco. The
growth of our customers.
The lives of people around the
world. They're all connected
. . . And everything starts
with you."

Our People People Deal
Manifesto

With 25,000 engineers, more than 19,000 patents, and leadership positions in 18 different IT categories, Cisco already enjoys a rich history of high-tech innovation. We invest heavily in R&D, Innovation Centers, and co-innovation with our ecosystem. We also support a wide range of educational, training, incubation and accelerator programs for entrepreneurs, startups, and academia.

Internally, Engineering develops hundreds of state-of-the-art ideas for products, software, and features every quarter, and many organizations hold their own innovation competitions.

However, the time had come to open up innovation beyond the traditional big enterprise model of siloed units to every employee. Internal innovation programs, for the large part, resided in functional silos. Since brilliant ideas can come from anyone and anywhere – and diverse teams drive creative value — it was time to mount an insurgency to break through these silos. The Innovate Everywhere Challenge opened up innovation to employees across all functions, geographies and positions.

The Cisco culture, reinforced by what we call, The People Deal, also encourages employees to discover and pursue their true passions to innovate breakthroughs that improve the world around us. Our People Deal Manifesto best describes the culture of innovation we're creating at Cisco.

## Barriers to Disruptive Change

Like all organizations, Cisco was once a startup. The company was founded in 1984 by a husband and wife who oversaw and wanted to connect computers to communicate across departments at Stanford University. Since then, Cisco has advanced to become the world's largest networking company.

Many organizations with a successful history of growth run into a barrage of barriers when trying to ignite disruptive change. Transformation can become even more challenging the bigger and older the entity because of factors such as:

- Entrenched bureaucracies where hierarchical processes slow decisions, actions, and visibility of novel ideas

- Top-down hierarchies where employees don't feel empowered to contribute their ideas

- Multinational workforces where cultures and practices differ widely

- Risk-averse cultures where managers are incentivized to focus more on meeting a checklist of pre-set goals rather than encouraging innovation

- Business units that work in silos and often compete with each other

We surveyed employees about fostering innovation. We learned before the challenge that there would be pockets of resistance and skepticism to overcome from responses such as these below:

- I don't have permission to innovate

- It's not my job to innovate

- We don't adequately reward risk taking
- We keep hearing that failure is not an option
- We don't follow through with employee ideas
- We have no funding



These insights, combined with lessons learned from both internal and external resources, proved invaluable in overcoming barriers to design a high-impact program.

## Innovate Everywhere Challenge

### GOALS

The Innovate Everywhere Challenge asked employees to enter the competition by forming or joining cross-functional teams. The goal was to tap into the passionate ideas of all employees – from engineering and marketing to human resources and finance – to augment Cisco's traditional R&D, Engineering, and other innovation programs.

At a high level, the challenge aimed to combine technology and new business models to transform Cisco and the industry. [See Table of Strategic Innovation Elements]. It challenged employees to venture outside of their comfort zones to collaborate with colleagues in other functions, think big, and pursue their dreams.

More specifically, the challenge focused on these goals:

- Capture disruptive venture ideas from Cisco employees and help grow them
- Create game-changing value for customers, partners, and employees
- Develop entrepreneurship skills and culture at Cisco
- Enhance employee experience, empowerment and collaboration across all functions
- Reinforce Cisco's "innovator" brand to attract, develop, and retain talent

We emphatically told employees to think outside of their day jobs. Current projects were ineligible.

# Table of Strategic Innovation Elements
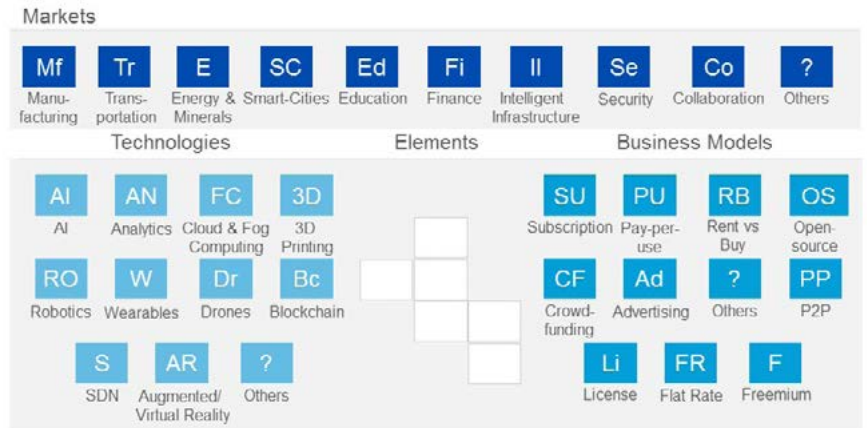


## PLANNING AND PROCESS

Months of careful strategic and tactical planning as well as resource and process development preceded the roll out. This encompassed the analysis of industry and Cisco best practices, among other research.

We took a highly collaborative approach by partnering with key groups across the company and industry leaders. Together, they customized the game plan, from its broad strategic goals to the minute details of judging criteria and Lean Startup processes.

Organizers divided the Innovate Everywhere Challenge into four startup–like phases, which helped teams navigate the challenge journey.

Here's how Cisco defined each phase:
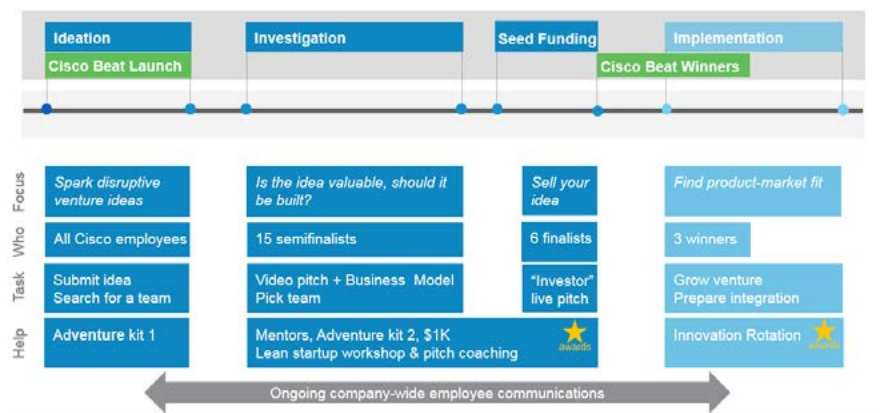
Rebecca Amato, Team LifeChanger: "Up to now it's been a lot of people working outside their normal work days, by being named a winner we will have some of the additional resources that are necessarily to keep growing it within Cisco and hopefully externally as well."

Adam Schaub, Team Rainmaker: "We really believe in what this project can deliver to our media customers, and just getting heads down and finding a lighthouse customer and getting to work on solving their problems is going to be the best part."

**1. Ideation**: The challenge asked employees to identify a big problem or opportunity and propose a solution. They were also asked not to do it alone, but instead form cross-functional teams. No prior knowledge was assumed, so organizers provided an Adventure Kit 1 (See Zoom In: Adventure Kits and Workshops). The kit included a step-by-step guide to formulating venture ideas. About 2,000 employees teamed up and submitted more than 1,100 ideas from 50 countries. All ideas were visible on a collaborative platform that all employees could access, make comments and cast votes. The challenger teams, meeting either in person or virtually, brainstormed worldwide to define and refine venture ideas with a potential to transform Cisco and the industry.

A panel of judges composed of technology and business experts from organizations across the company – combined with employee votes for a "People's Choice" – narrowed the entries to 15 semifinalists. These teams advanced to the next phase of their startup venture. Voting, online communities and companywide events all engaged employees "to have skin in the game" at every step of the competition.

**2. Investigation**: During the three months of the investigation phase, 15 semifinalist teams further developed their venture idea by validating the market opportunity and technical feasibility.

The Adventure Kit 2 and an exclusive three-day workshop introduced them to the Lean Startup universe. Armed with this methodology, they were ready to step away from their desks, experiment, measure, learn, and ultimately refine their venture.

Again, semifinalists were not alone. So many such challenges fail because of a lack of corporate resources and commitment. Our challenge's semifinalists received personalized mentorship and coaching from volunteers around the company. In addition, each semifinalist team received $1,000 to build a Minimum Viable Product and $5,000 in prize money.

Semifinalists competed for six finalist positions by submitting an investor pitch (5-minute video and slides) and a business model canvas. Executives with expertise in the fields of the 15 contenders evaluated their polished business plans and employees voted online to select one "People's Choice," narrowing the list to six finalist teams.

**3. Seed Funding**: In this phase, the finalists continued to hone their ideas, look for internal sponsors, while preparing to pitch them to a live panel of industry leaders.

The six finalist teams had a range of ideas from a digital apprentice academy that prepares students for the workplace to a collaboration solution enabling the disabled to work remotely. They leveraged technologies such as blockchain, fog computing, analytics, augmented reality, and more.

Throughout the competition, teams marketed their ideas through their own grassroots efforts (e.g. promotional flyers in cafes). As the live finals event approached, the stakes and adrenalin were high. Teams tried to spy on each other's presentations during rehearsals the night before the big event. They were thwarted, however.

Finally, the six finalists were on the hot seat, making impassioned five-minute pitches and answering tough questions from the panel of internal and external industry leaders. The finalists worked hard to gain any edge they could, such as presenting alongside potential customers and partners, a product demo, and a video from an appreciative beta user.

Shortly following, three winners were announced at an all-company meeting.

**4. Implementation**: The three winners of the Innovate Everywhere Challenge captured a unique opportunity to develop their ventures. The winners received $50,000 in seed funding and recognition. They had the option to enter either a full- or part-time three-month innovation rotation program, where they dedicated themselves to the development of their venture.

The winners gained access to the Cisco Innovation Centers, as well as innovation co-working spaces in different locations. They were also assigned a corporate concierge to help with practical aspects such as IT, Legal, Logistics, etc. This allowed them to stay focused on building their ventures.

Cisco also partnered with the winning teams to find the most appropriate next steps for their ventures. This included integrating ventures as part of an existing Cisco organization, or scaling ventures via other vehicles. As part of this process, the winners secured buy-in from sponsors, allowing teams to continue to experiment and capture invaluable market learnings until they found a "product-market" fit.

# JUDING CRITERIA

Judges looked at a combination
of eight criteria to evaluate ideas:

- **Customer Need**:
  The team identified an
  important customer problem
  and opportunity.

- **Compelling Solution**:
  The solution clearly satisfied all of
  the customer's needs.

- **Differentiated Solution**:
  The solution is better and
  differentiated from other options.

- **Disruptive Potential**:
  The solution is a disruptive
  innovation that can transform
  Cisco or the markets
  it addresses.

- **Market Opportunity**:
  The solution has major
  revenue potential.

- **Fit with Cisco**:
  The solution complements Cisco's
  strategy, market and technology.

- **Validation**:
  The team validated their venture
  with customers and used the
  insights to develop a
  credible solution.

- **Team**:
  The team comprises talented and
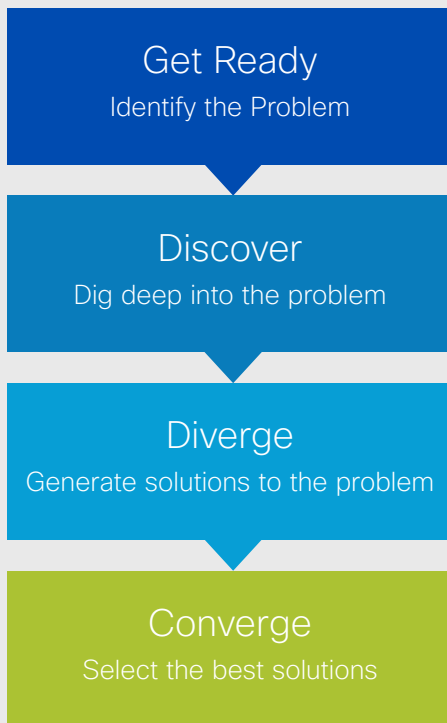  diverse people who can deliver on
  their proposal.

While the three winning teams received most of the attention, Cisco was convinced it could benefit from many more of the challenge ideas. As a result, the challenge extended a special offer to the 15 semifinalist teams:  Secure an executive sponsor, and the Innovate Everywhere Challenge matched the sponsor's funds by up to $10,000. This offer enabled a number of semifinalists to continue developing their ideas.
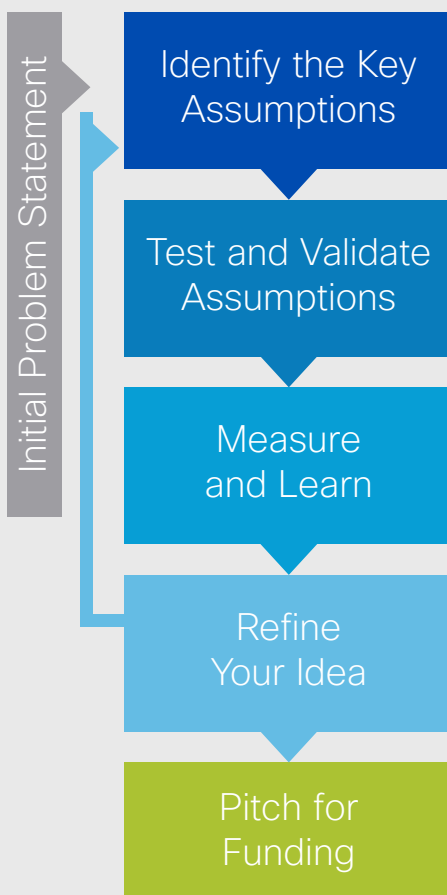
THE WINNING TEAMS
The three winners as described in their promotional materials:

- **EVAR**  (Enterprise Virtual and Augmented Reality) Enabling immersive collaboration for the Fourth Industrial Revolution. In 2014, Facebook paid $2.4B for a small company designing VR headsets. Why? Because technology transports people to virtual worlds. EVAR will bring Cisco's industry leading remote collaboration products into these virtual worlds. The Business benefits of VR and AR are far-reaching. At Cisco, we're experts in collaboration so let's grow collaboration revenue into the Virtual space. EVAR will provide a suite of Virtual/Augmented Reality collaboration tools to integrate seamlessly with Spark, Telepresence, and others. We will make the VR/AR collaboration platform available to third parties enabling the creation of bespoke applications leveraging Cisco's quality of service.

- **LifeChanger**  Helping employers leverage Cisco collaboration solutions to empower people with disabilities.  According to the Bureau of Labor Statistics (BLS), one billion people worldwide have disabilities. Despite strong interest, Cisco and other global companies have struggled to access this pool of diverse talent. LifeChanger is poised to help bridge this talent gap and address this huge socio-economic problem! LifeChanger leverages Cisco's collaborative solutions to drive new business opportunities that will revitalize the employment landscape for the motivated, loyal and diverse talent pool of PWDs. The LifeChanger model creates a global competitive advantage for Cisco by reducing tax rate liability in markets requiring workforce participation of PWDs, by increasing Cisco's global brand equity and by positioning Cisco as a socially responsible leader, a highly diverse and dispersed team leveraging Cisco and third-party collaboration solutions to help people with disabilities work virtually and remotely.

- **Rainmaker**  A deadline-driven digital media logistics platform.  Imagine you're an executive at Disney, preparing for a worldwide digital media release. Your biggest concern is prioritizing how you get the right content, in the right place, at the right time. You have a pipeline of other work competing for the same infrastructure which can't be suspended. You have to figure out how to get thousands of different formats ready so consumers can stream, download, and watch anywhere, anytime, and on any device. Rainmaker is a deadline driven digital media logistics platform chasing a $3.2B software orchestration market and enabling a $21.3B market for data center hardware. All from Cisco.

## Adventure Kit 1

**Get Ready**
Identify the Problem

**Discover**
Dig deep into the problem

**Diverge**
Generate solutions to the problem

**Converge**
Select the best solutions

## Adventure Kit 2

Initial Problem Statement

**Identify the Key Assumptions**

**Test and Validate Assumptions**

**Measure and Learn**

**Refine Your Idea**

**Pitch for Funding**

# Zoom In: Adventure Kits and Workshops

To ensure that momentum continued throughout the competition, organizers developed Adventure Kits for everyone and held a three-day boot camp for the 15 semi-finalists to introduce them to the world of Lean Startup, where ventures are tested, validated, and advanced.

**Adventure Kits** were inspired by Adobe Kickbox – an open source innovation program with a step-by-step guide that takes an entrepreneur through the Lean Startup journey. In addition to Adobe Kickbox, we refined our program through lessons learned from innovation programs at other Cisco organizations, and insights from industry leaders.

- **Adventure Kit 1** provided a step-by-step guide for ideation. Designed in the Cisco Innovation Academy, it was fun and enlightening for challengers to use. It was also action-oriented, focusing on four objectives visualized in 16 colorful cards. Adapting Adobe Kickbox, we distinguished between "problem" and "solution" in the ideation process with a focus on the former. This is based on the observation that people tend to jump to solutions without making sure they're indeed addressing a real problem or opportunity. The kit also included a refined Table of Strategic Elements to include different types of elements, namely Markets, Technologies, and Business Models in line with Cisco Strategy. The call to employees? "How can you combine these elements to create new game-changing opportunities to shape Cisco's future?"

- **Adventure Kit 2** was an introduction to Lean Startup and was done in partnership with Startup//Cisco, a complementary grassroots effort created to innovate the right thing in less time with fewer resources. It served as a preparation to the challenge's three-day workshop for semifinalists. It took as its starting point the problem and solution identified during the ideation phase and helped the teams refine and validate their concepts until they were ready to pitch to an "internal investor." It contained 12 colorful visual aids, and unlike Adventure Kit 1, had a virtual and physical format. Similar to Adobe Kickbox, the physical kit came with a $1,000 credit card to invest in their venture.

The three-day boot camp for semifinalists, taught by internal and external experts, focused on Lean Startup and pitching. Here's a summary of the workshop:

- Boot camp leaders coached the teams to use Lean Startup methods to validate their venture idea. They challenged participants to deepen their understanding of their customer, problem and minimum viable solution; identify key assumptions that must be true for the success of their venture; design experiments to test their assumptions; and extract learning from these experiments to refine their ventures.

- Together, with their partner Startup//Cisco, the Corporate Strategy Innovation Group made a conscious effort to adapt Lean Startup to a context aligned with Cisco's overall corporate innovation strategy. This included, in particular, a focus on B2B examples rather than the traditional B2C Lean Startup focus.

Project LifeChanger



Rainmaker

- The boot camp was an opportunity for many teams to meet face-to-face and work together for the first time. Their mentors were also invited.

Semifinalists left the workshops feeling inspired, energized, and empowered to take their ventures ideas to the next level.

## Zoom In:  Community and Platform

COMMUNITY
Building a 360-degree community, from top executives to peer-level teams, was the cornerstone to the overall success of the program.

- Prior to launch, we ensured "buy in," sponsorship and active involvement of C-suite executives, especially CEO Chuck Robbins and Chief People Officer Fran Katsoudas, and their leadership teams. The group came armed with key data points and compelling reasons why such a challenge was worth their (and their employees') time and commitment.

- Further, the group enlisted the support of "co-conspirators" – business unit leaders representing 16 functions across Cisco (Note 5), ranging from the Distinguished Systems Engineering Group to the Founders Forum, a group of CEOs and founders of companies that Cisco had acquired.

- Once the challenge was under way, team formation was another critical factor in building successful ventures. The challenge was like a team sport requiring different skill sets. Founders were encouraged to build teams with a diversity of skills, functions, and geographies to expand brainpower to fully explore and develop ideas. We also encouraged employees to find and join teams where they shared interests and thought they could add value.

- Entrepreneurs could seek out teams of their choice by going to the challenge's online tool, finding a venture of personal interest and notifying the founder about their qualifications. Conversely, founders could add team members through the same online tool to round out their teams.

- Commenting and voting online for specific ventures helped to build community engagement throughout the company. It also helped the teams gather valuable feedback to their venture ideas.

- More than 250 industry experts both within and outside of Cisco served as judges, working to identify disruptive ideas with a large potential in parallel and independently from employee voting.

- Program organizers solidified a wide network of mentors, coaches and advisors from across the company. They helped teams by acting as sounding boards or providing insights on anything from Lean Startup methodologies and overcoming technical matters to addressing business issues or eliminating corporate roadblocks.

PLATFORM
In addition to a content-rich web site with real-time, transparent updates, organizers developed:

- An open collaboration platform in partnership with Cisco's Service Innovation Excellence Center, which had experience with another internal innovation program.

- A colorful and entertaining venture page along with each competition phase. Ultimately, it featured a full visual chart describing the venture business model of each semi-finalist, five-minute video pitches to investors, and slide decks.

- Examples of how existing startups have combined technologies and business models from the Table of Strategic Elements to address key markets.

- The Adventure Kits in digital format for easy download.

- Collaboration and community sites where employees could cast votes on entries, make comments and communicate with each other, and find and ask to join teams of interest.

## Zoom In: Communications

Team up. Disrupt. Innovate. Win. These words in big and bold letters headlined the Innovate Everywhere Challenge intranet site, which served as the go-to-portal for employees to learn about the challenge, the guidelines, phases, resources, contacts, entries, and progress.

It was a community where employees supported, commented on, and voted for their venture favorites during the ideation and investigation phases. Community analytics revealed that nearly 50 percent of Cisco's employees engaged in the challenge by logging into the venture web site, and more than 25 percent actively participated by submitting an idea, voting for their favorite entries or leaving a comment online. Employees determined three of the 15 semi-finalists and one of the six finalists as the "People's Choice." Judges selected the remaining semifinalists, finalists, and ultimately the three winning teams.

The web site contained everything needed to know about how to participate, develop, train, and pitch ideas like an entrepreneur including:

- Details on the purpose, how to enter, different phases, milestones, seed funding, rewards, and recognitions for winners.

- Clear guidelines and descriptions on markets, technologies, and business models to incorporate into their ideas. (See Table of Strategic Innovation Elements)

- A business model canvas with step-by-step processes to help innovators define their idea, market, value proposition, customer validation, partners, resources, activity timeline, and more.

- Adventure Kits to help innovators identity how their passions could align with marketable solutions, and be developed during different phases of the startup process.

A video and note from CEO Chuck Robbins on the web site was a constant reminder about the strategic importance of the challenge to Cisco:

"Your brilliant ideas and your ability to innovate everywhere are what give us the capability to capture the huge opportunities ahead of us. It is your ideas that will accelerate Cisco's leadership in the digital age. To make the future ours, we are seeding and supporting the ideas that will make a meaningful difference."

- A comprehensive FAQ, links, and contacts for all types of startup resources and people, both within and outside of Cisco.

- Around-the-clock capability to respond to all manner of employee questions, from seeking mentorship help to how to participate throughout the journey.



## What's Next: Accelerate the Entrepreneurial Energy

As part of the "My Innovation" initiative, Cisco plans to continue accelerating the Innovate Everywhere Challenge to further foster entrepreneurial energy.

Priorities for progress include:

- **Matchmaking Network**. Initially, planners thought the challenge was all about the ultimate innovation, the venture idea. However, the team quickly discovered that it was more about the innovators themselves, their ability to find each other and their interactions. Future investments will focus on developing a more robust and comprehensive platform for entrepreneurs to find the right mix of skills, interests, functions, geographies, and job rankings for teams.

- **Speed Up Challenges**. Employees told us that one challenge per year wasn't enough. Planners are exploring ways to make the challenge – or develop a series of different types of challenges – on a more frequent basis, perhaps twice a year. This includes compressing the ideate-to-incubate time cycle.

- **Focus the Challenge**. The Table of Strategic Innovation Elements was a great start and needs to evolve to remain aligned with Cisco's strategy. In the future, it should serve as a basis to better categorize ideas. In parallel, we're considering challenging employees with a specific problem statement. Essentially a challenge within the challenge.

- **Founder and Funder Behaviors**. Planners are exploring how to further support venture teams and stimulate a smart investor behavior among Cisco employees. This might include giving each employee "virtual

currency" to "invest" in venture ideas. The goal is to progressively give the crowd a larger role in the idea selection process.

- **Innovation Spaces**. Cisco has deployed a global network of Innovation Centers, located in the major cities of Barcelona, Berlin, London, Paris, Perth-Sydney, Rio de Janeiro, Songdo, Toronto, and Tokyo. Since teams aren't always located in those cities to capitalize on their resources, Innovation Spaces are now being planned on major Cisco campuses. These spaces will allow entrepreneurs to physically connect and work on their innovative ideas, from brainstorming to validation to rapid prototyping.

- **Coaching and Mentoring**. Guiding individuals and teams along the startup journey proved to be so valuable that plans are under way to make this a higher priority. Organizers will explore better ways to tap in both internal and external mentors and coaches.

One more profound insight will always guide us in our innovation journey:

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### You Can't Mandate Innovation!

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Resistance to such disruptive change is certain. Some employees don't want to do things differently beyond their day jobs. Others are entrenched in institutionalized processes. Managers and their bosses may not want employees distracted from their regular work deadlines.

Disruptors also need to remain flexible.

A number of teams in the Innovate Everywhere Challenge generated ideas for process improvements in their own departments rather than technology-based solutions for customer markets. Although straying from the original guidelines to ideate market disruptions, all entries were accepted and reviewed. This enabled us to discover the care abouts of employees, including significant process improvements, but also helped to instill a sense of individual empowerment and value for participants.

We also learned that entrepreneurial passion – when unleashed across the enterprise – is contagious. The Innovate Everywhere Challenge disrupted the culture, ignited a startup mentality, and triggered growing movement for rapid innovation throughout the company.

## Steps Toward Success

Here's how we're measuring our success and accomplishments:

- Unleashing new disruptive ideas that have the potential to bring tangible value to Cisco, our customers, and employees

- Stimulating employee engagement across organizations, functions, geographies, and grade levels

- Bringing together siloed innovation organizations that are now working together toward common end-to-end innovation goals

- Forming and linking an informal and passionate community of innovators, experts, mentors, coaches, and executives who are now sharing their ideas with each other

- Augmenting corporate initiatives to attract, develop, retain, and reward top talent by creating new avenues for growth

- Reinforcing Cisco's brand as a leading innovator and a great place to work

(See the Infographic quantitative success factors.)



## Lessons Learned: Nine Building Blocks for Your Own Innovation Disruption

The foundation for Cisco's inaugural Innovate Everywhere Challenge was reinforced by nine key building blocks – each carefully crafted to optimize engagement and a spirit of innovative entrepreneurism throughout the workforce. These building blocks are essential to conceive, plan, and execute a successful innovation journey:

Building Blocks of Innovation Program



1. **Development, Coaching, and Mentorship**: Grooming employees in a large company to suddenly think and act like entrepreneurs in a Lean Startup requires more than words from an executive or on a web site. You must customize Lean Startup and other innovation methodologies to your company's context. Make it accessible and fun for employees. Identify and enlist internal and external coaches and mentors to teach the principles of Lean Startup. Provide technical and business expertise. Guide the teams toward the implementation phase, including how to navigate obstacles.

2. **Incentives and Rewards**: A combination of incentives and rewards for teams help engage employees to participate. This includes both monetary and companywide recognition, as well as funding to develop their ideas. To transform an entire culture, the incentives and rewards have to be significant enough to change behavior.

3. **Executive Support**: Securing buy-in and commitment from the top may be the cornerstone of a company-wide innovation challenge bold enough to disrupt the culture. Without executive champions, especially the CEO, such an ambitious cultural transformation won't have the needed credibility or clout. This requires months of advance preparations with key leaders to help shape the disruption and persuade them about the value of its impact on the culture.

4. **Resources and Tools**: Prior to the launch, we amassed volumes of information on best practices, industry and our own research, as well as experiences building an external ecosystem of innovation partners. Condense, tailor, and package the most relevant material and make it available online for in-house entrepreneurs to map their innovation journeys. Resources should encompass a broad scope of marketing material, multi-media events, and boot camps for training. "Co-conspirator" contributions from stakeholders can strengthen the cause and ease the burden on one organization.

5. **Transparency and Metrics**: Design a program that allows employees to ideate, investigate, fund, and grow their ideas that model a Lean Startup. Keep the challenge on track and share results with complete transparency. Measure engagement and business outcomes.

6. **Engagement and Communication**: Maintain and ramp up the buzz factor at each milestone of the challenge to inspire participation, engagement, and enthusiasm around the teams, many of which will have their own feverish fan base. Ongoing news, especially spotlights on teams, solutions, participants and coaches should be blasted out across all of your employee communications platforms. This could include article updates on the companywide intranet, video news clips, company-wide meetings, executive emails and videos, the challenge's own dynamic web site, team promotions, and shared experiences.

7. **Community and Collaboration**: Collaborate with other innovation programs to design and run the challenge (avoid reinventing the wheel) via cross-functional teams. Promote a culture where experimentation, risk taking, failing fast, and making a meaningful difference is valued.

8. **Alignment to Company Priorities**: Make sure that an innovation challenge of this magnitude across the breadth of the company aligns closely with the company's key strategies, market focus, and goals for business outcomes.

9. **Fun Game Time**: Most importantly, make this serious business a fun and exciting game that inspires employees, where the stakes and passions are high, and the winners celebrate victory with their colleagues.

## Conclusion

Every cultural disruption around innovation needs an agitator – a sparkplug to ignite the movement. At a large company, it could be the strategy, innovation, human resources, or another organization. Disruptive innovation, however, gains momentum when there is strength in numbers. That's why we think it's most critical first to build an inter-connected network of collaborators – co-conspirators – to ignite a successful companywide program like the Innovate Everywhere Challenge.

Before we kicked off, we had built an innovation community both inside and outside of Cisco. We had secured active engagement from senior executives, 16 Cisco organizations with their own innovation programs, individual mentors and coaches, as well as external partners and consultants, primarily around Lean Startup methodologies. We listened closely to employees about their ideas on what had and hadn't worked with prior innovation programs. And once under way, the challenge made it easy for entrepreneurs to connect with each other across functions, geographies, and grade levels.

An alliance with HR proved especially productive because of its companywide perspective – a neutral position and emphasis on cultural transformation. Collectively, we customized a program that drew from both industry and in-house best practices. This hyper-collaborative approach helped bridge siloed business units and light a fuse that rallied our entire workforce around a single companywide objective.

We also learned that it's more important to focus on the individual innovator – not the innovation. As a result, we concentrated more on cultural transformation than on technology advances. We encouraged

employees to focus first on our customer's business problems, and secondarily on how best to solve them with disruptive solutions. We encouraged inclusive, diverse, and cross-functional teams, and gave employees the "freedom" to pursue their own vision.

It's also important to listen to and learn from your employees at the outset and along the way, and remain flexible in adjusting your course if necessary. It's more important to generate enthusiasm than it is to have a rigid game plan. Also, wherever there's change, there will be resistance. We discovered these concerns through an employee survey on fostering innovation, and addressed them up front. This included making sure that the company would follow through to support the winning innovators with significant funds, guidance, and time off.

The end-to-end journey of such a challenge must be completely transparent. Each milestone, advancing teams, and achievements must be spotlighted consistently via various communications channels throughout the initiative. This builds excitement all the way to the finals. And, very significantly, it's essential to follow up with the winners, support their implementations, and communicate their progress to the entire workforce. This demonstrates your company's commitment to companywide innovation and establishes credibility for future challenges.

The end of our inaugural Innovate Everywhere Challenge is now just the beginning. Perhaps most important, we discovered that passionate innovation is contagious. We developed and now are expanding an innovation community willing to invest more time and funds to take this initiative quantum steps forward. We're building an end-to-end innovation hub for all creative ideas, piloting innovation rooms across various Cisco locations, and working with everyone, everywhere to expand our mentor network.

In today's rapidly changing world, we know that disruption – organizational, cultural, and individual – must be constant, continuous, and convergent.

To learn more about Cisco's Innovate Everywhere Challenge, please Contact:  Alex Goryachev, agoryach@cisco.com

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## Links to Additional Resources

1. Thought Leadership: Igniting a Companywide Startup Culture of Innovation, by Alex Goryachev, Director, Innovation Strategy and Programs, Cisco

2. Video: Innovate Everywhere Challenge 2016, Tube Video

3. Broadcast: Innovation Leader Live, Interview

## Notes

1. Peter Diamandis and Singularity University

2. American Enterprise Institute

3. Richard Foster, Yale University, BBC

4. Richard Foster, Yale University, BBC

5. Cisco's 16 "co-conspirator" organizations:  Chief Technology and Architecture Office, Cisco Innovation Academy, Corporate Strategic Innovation Group, DevNet, Distinguished Systems Engineering Community, Entrepreneurs in Residence Program, Founders Forum, Intellectual Property, Intercloud Services, IoE Innovation Centers, IT Pervasive Innovation Program, Office of Inclusion & Collaboration, People Deal, Rapid Response, Service Innovation Excellence Center, Startup//Cisco