

# Co-Creation: Innovation By Your Consumer Not Just For Them

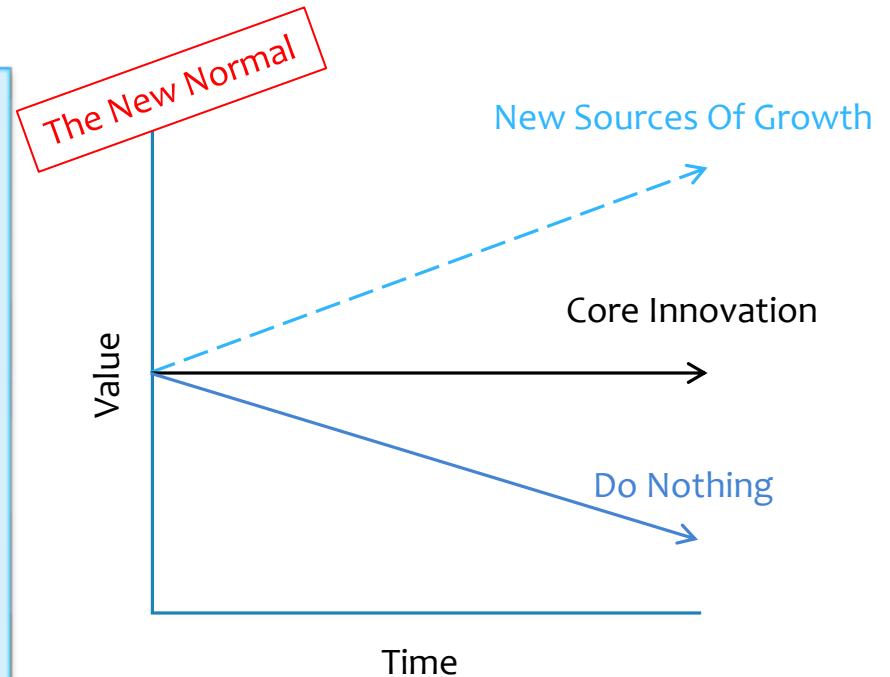
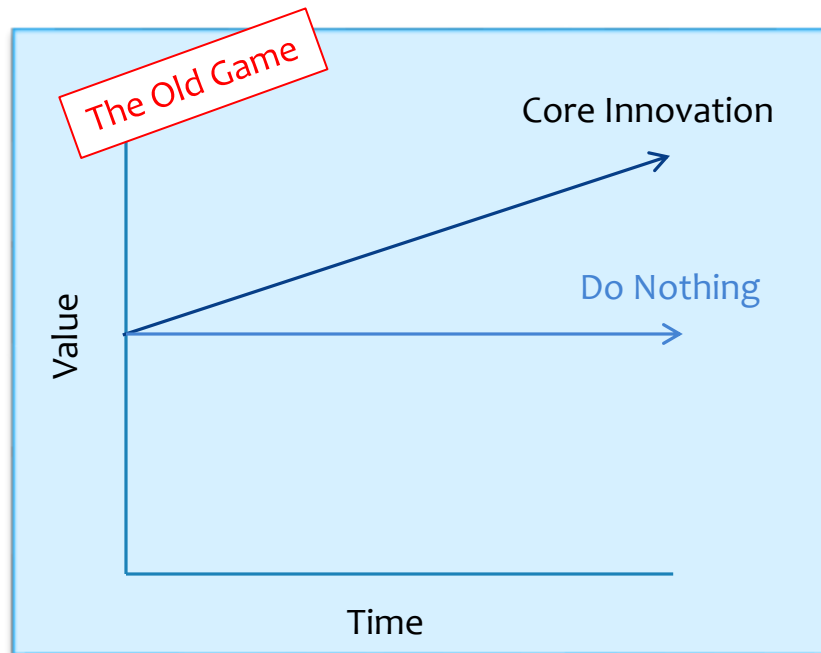
LLC

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# The New Innovation Normal

New sources of growth are now necessary to build enterprise value.



# It's A New World Out There ...

- \* Entrepreneurial businesses are delivering more marketplace disruptions.
- \* Entrepreneurs are more successful at creating new products.
- \* Social finance provides new, ready access to capital for entrepreneurs.
- \* Large companies are reaching out to “partner” with start-ups.

# Entrepreneurs Are Market Disrupters



- \* Airbnb is a website for people to list, find, and rent lodging with over 1,500,000 listings in 34,000 cities and 190 countries. In April 2014, the company closed on a \$450 million investment by TPG Capital at a valuation of ~ \$10 billion.



- \* Keurig/Green Mountain disrupted the traditional coffee market. It grew from \$0 to \$4.7Bn in 2014 and forever changed the way coffee is brewed at home.

# ... In A Wide Variety Of Markets



- \* Code Academy started out as a couple of guys teaching friends how to code. Now it's heralded "hacker bootcamps" as the best way to find and court tech talent for big corporations.



- \* Health ELT is taking the maker movement, combining it with rapid app prototyping and solving what has been an intractable problem for more than 30 years – reducing medicaid operational costs.

# Entrepreneurs As Winning Innovators

- \* Stacy, the inventor of Stacy's Pita Chips, saw the need for a healthy snack and developed pita chips in 2000, a full 10 years before the healthy snack market reached scale.



- \* Hamdi Ulukaya, the inventor of Chobani, saw the opportunity for smooth, thick consistency Greek yoghurt when larger companies were convinced that Greek yoghurt would always be a niche.



# Why Entrepreneurs Win In Innovation

- \* They can create products quickly and test in real time, and in real markets, to perfect the product.
- \* They have no legacy systems so they are not constrained by designing products that have to run on existing assets or functioning within the existing business model.
- \* They can be flexible and rapidly adapt to changing consumer needs as they often run virtual companies that can contract new capabilities and capacity quickly.

# Get Small To Win Big

How can big brands harness the creative, disruptive capability of entrepreneurs to gain meaningful access to new sources of growth?



# What's Your Reality?

	Yes	No
I have perfect knowledge of my consumer and/or customer's needs.		☹️
I can see the future of my markets without ambiguity or uncertainty.		☹️
All the best ideas occur within the walls of my business.		☹️
I have too many resources to work on the things that really matter.		☹️
I can pick out the best innovations before anyone else can.		☹️

**WARNING:** If you answered “no” to any of these statements, you might want to pay attention.

# Innovating The Way We Innovate

→ **Co-Creation** ←

	<b>Customer Focused</b>	<b>Customer Centered</b>	<b>Customer Driven</b>
<b>Central entity</b>	Organization	Customer & Organization	Customer
<b>Degree of customer involvement</b>	Innovation <b>for</b> customers	Innovation <b>with</b> customers	Innovation <b>by</b> customers
<b>Role of organization</b>	Innovator	Communicator	Coordinator
<b>Degree of control</b>	<b>Easy</b> to control	<b>Difficult</b> to control	<b>Impossible</b> to control
<b>Idea richness</b>	<b>Scarce</b> Needs defined by organization	<b>More Plentiful</b> Needs defined by organization and solutions defined by users.	<b>Abundant</b> Needs and solutions defined by users

# Making It Real – Mompreneurs



An Unexpected Journey:  
Kimberly-Clark, Huggies,  
and the MomInspired  
Crowd

**HUGGIES** BRAND MomInspired™  
GRANT PROGRAM

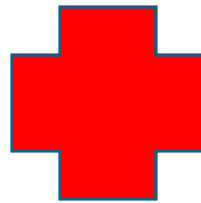
# It's About A Cup ... And Much More!



# Jan '15 – Kimberly-Clark Brings Tilty To Market



**HUGGIES** BRAND MomInspired™  
GRANT PROGRAM



evenflo.  
feeding, inc.



$$1 + 1 = 3$$



# A Few More “Mompreneurs”

Amy Baxter: **Buzzy Pain Relief**



Lauren Levy: **Magnificent Baby**



Romy Taormina: **PsiBands**

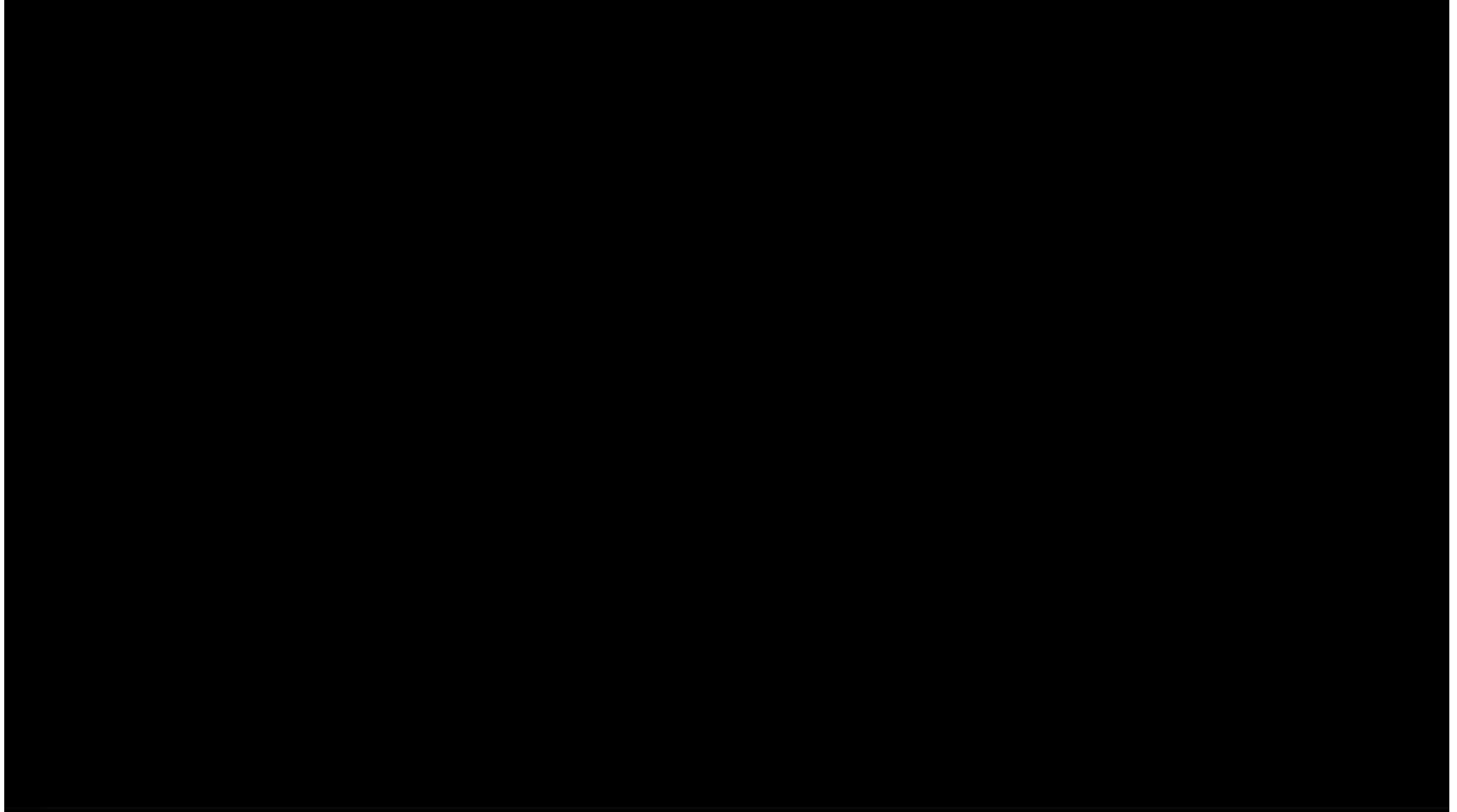




**BUZZY®**

Taking the sting out of shots!

# Let's Take A Look



# Women Can Make Markets

## And Disrupt The Status Quo

**Consumer**



**Innovator**



**Investor**



**New Markets**



**P&G**

**PURINA**

**KAISER  
PERMANENTE**

**WHOLE  
FOODS  
MARKET**

**Marriott**

**THE CLOROX COMPANY**

**Mondelēz  
International**

**portfolia**

# Women Facing I & I Platforms

portfolio

**Investor**



+

**Innovator**



**Companies**



portfolio

**Consumer**



# Irresistible Forces

## Female Investors

- Women now own 50% of US personal worth ... a big 1<sup>st</sup>!
- 77% of women are investing to reflect their interests and values

## Female Innovators

- Women are creating small business at 2x the rate of men
- Yet female led start-ups receive only 6% of the invested capital

## Female Facing Companies

- Looking for new ways to expand their brands into “white space”
- Competing with the disruptive forces of entrepreneurship on their business model

# The Investors

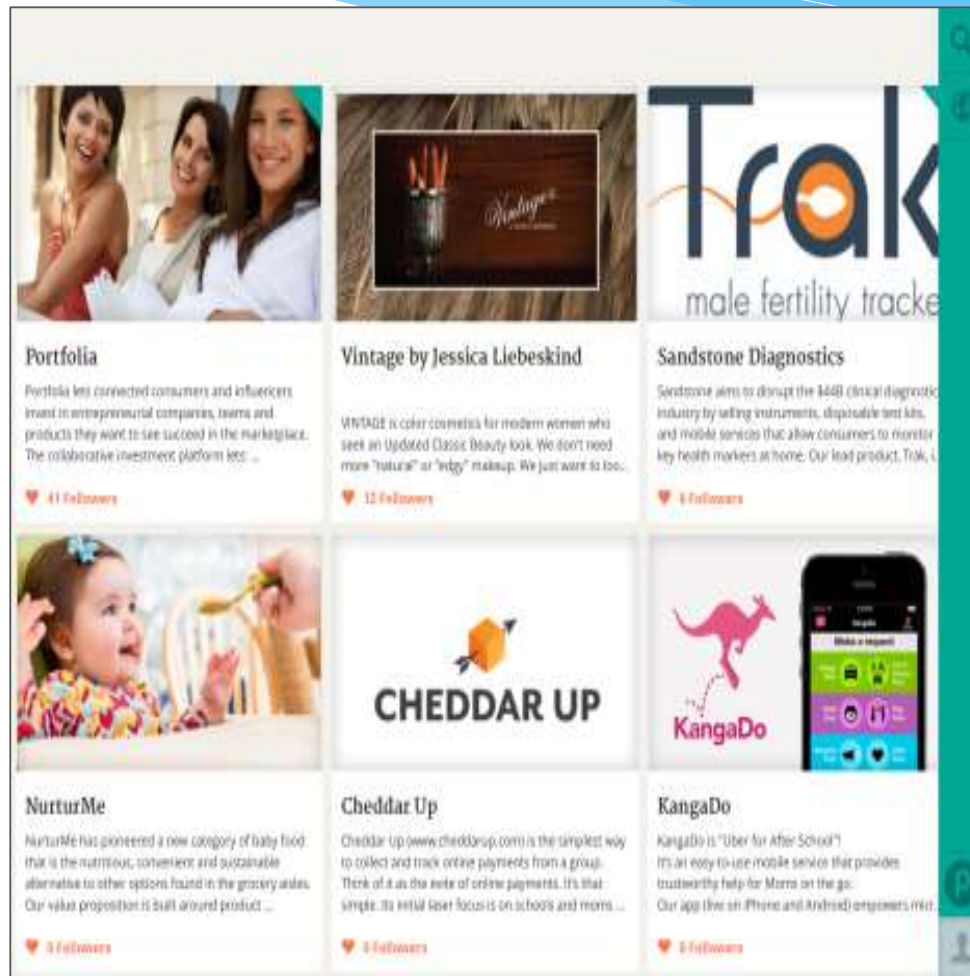
## Women Investing In The Companies They Want To See



The Rising Tide Fund  
\$1MM  
Invested  
9 Lead Female  
Angels  
90 Female  
Angels

# The Innovators

## Developing The Products They Want To See



The screenshot displays the Portfolio app interface, which features a grid of six startup profiles. Each profile includes a representative image, the company name, a brief description of the business, and a follower count indicated by a heart icon and the number of followers.

- Portfolio**: A photo of three smiling women. Description: Portfolio lets connected consumers and influencers invest in entrepreneurial companies, teams and products they want to see succeed in the marketplace. The collaborative investment platform lets... 41 Followers.
- Vintage by Jessica Liebeskind**: A photo of a candle with the brand name. Description: VINTAGE is color cosmetics for modern women who seek an Updated Classic Beauty look. We don't need more "natural" or "edgy" makeup. We just want to look... 12 Followers.
- Sandstone Diagnostics**: The word 'Trak' in large blue letters. Description: Sandstone aims to disrupt the \$44B clinical diagnostic industry by selling instruments, disposable test kits, and mobile sensors that allow consumers to monitor key health markers at home. Our lead product, Trak, I... 6 Followers.
- NurturMe**: A photo of a baby being fed. Description: NurturMe has pioneered a new category of baby food that is the nutritious, convenient and sustainable alternative to other options found in the grocery aisles. Our value proposition is built around product... 3 Followers.
- Cheddar Up**: The Cheddar Up logo. Description: Cheddar Up (www.cheddarup.com) is the simplest way to collect and track online payments from a group. Think of it as the next of online payments. It's that simple. Its initial user focus is on schools and moms... 3 Followers.
- KangaDo**: The KangaDo logo and a smartphone showing the app. Description: KangaDo is "Uber for After School". It's an easy-to-use mobile service that provides trustworthy help for Moms on the go. Our app (live on iPhone and Android) empowers m... 6 Followers.

# The Companies

## Pursing The Household COO/CPO

Lead Angel

High Value Investors

Curated Platform

portfolia

### Your Company

Focused Fund

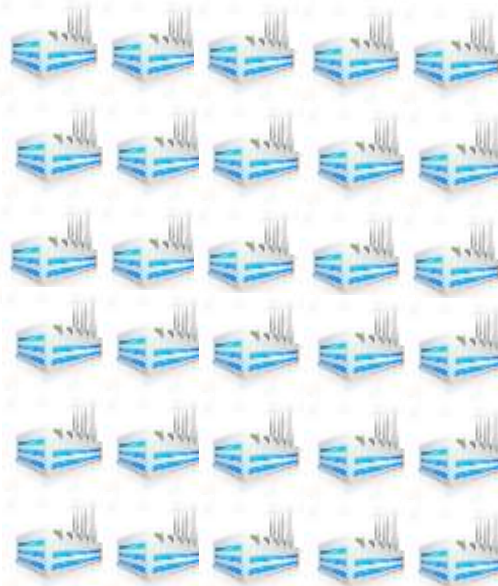
Yr 1 - \$500K

\* or approx. cost BASES II

Yr 2 - \$500K

Yr 3 - \$500K

Start-Ups



Advisory Group



# The Disrupter As Your Ally

- \* It's about partnering with the disrupter vs. being disrupted by them.
- \* Seeking out entrepreneurial innovation and helping to enable it.
- \* Getting in the “deal flow” ... developing a line-of-sight to great innovations.
- \* Placing “smart bets” ... dollar efficient, de-risked, and leveraged.
- \* Securing options versus predicting the future.
- \* **It's really about seeing your consumer as MUCH MORE than just a consumer!**

And Remember

Get Small To Win Big!