Corporate Innovation the Silicon Valley Way:
Potential Applications for Aviation

Mark Searle

Mark Searle - Personal Background

- Managing Director, UC Berkeley Innovation Acceleration Group – Haas School of Business
  - Trained global corporations including BOSCH, Caterpillar, Fuji-Xerox, & others + startup teams from India, Germany, UK, Poland, China, Uruguay, Brazil, Spain, US
- 8-Time Startup COO or CEO
  - 2 still going, 2 crashed & died, 2 were sold, 2 had IPOs
- Deloitte Consulting (only 6 months!)
- Harvard University MBA
- Aerospace casting manager
- Berkeley PhD Candidate (dropped out)
- Princeton AB

Topics For Today

- What is innovation and what drives it?

- What do we teach when we teach innovation?

- Innovation challenges in highly-regulated industries.

- Application in the aviation context.

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What Do We Mean By "Innovation"?

Doing new things.

Doing old things in new ways.

Why Innovate?

Solve people's real problem(s).

– **Alleviate "pains"**

Create some entirely new value.

– **Create "gains"**

What Do We Teach, When We Teach Innovation (& Entrepreneurship)?

We **don't** teach people how to have good ideas.

We **do** teach people how to rapidly test, adapt, validate or invalidate **a lot** of ideas, so the good ones emerge.

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What Do We Mean by "The Good Ones"?

Scalable Profitable (Sustainable) Businesses.

The **net value** created across the business' ecosystem exceeds the total cost to create and deliver the new business.

Innovation Challenges in Highly-Regulated Industries

Regulators become key "customers" – i.e. members of the industry ecosystem – in our net value chain.

Safety & security must be established and maintained before we can even determine "efficacy."

Therefore, idea testing becomes slower and more costly.

So, we need to be innovative how we launch our innovations.

- Finding more and better ways to generate, test and validate ideas prior to building anything expensive.

What Makes Aviation Different?

Everything…

and nothing.

Applying IAG Concepts in Aviation

- Identify current and anticipated pains to relieve:
  - Demand growth exceeds current ability to expand capacity
  - Good flying experience embedded in bad overall travel experience

- Identify new gains to create
  - Continuously improving flyer experience

- Open up solutions thinking by viewing old things in new ways:
  - Airport as a shopping mall or museum that happens to offer flights
  - Long-haul plane as a flying hotel? Or restaurant?

- Aggressively test through rapid "customer" discovery process
  - Direct "customer" interviews & research at scale, **prior** to capital investment

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Final Thoughts,
Or: One Man's Opinion

The challenge for industry leaders is **not** that they don't recognize the problems they face, **nor** a lack of ideas

The challenges **are**:

1. To think ever more broadly about who are our "customers" and what is "value" for them.

2. To "test" more ideas for value creation, more rapidly for less money.

3. To be open to being wrong and trying something else.

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