





**Director & co-founder
Reason Digital**

Ed Cox

I'm going to talk briefly about digital innovation strategy today.

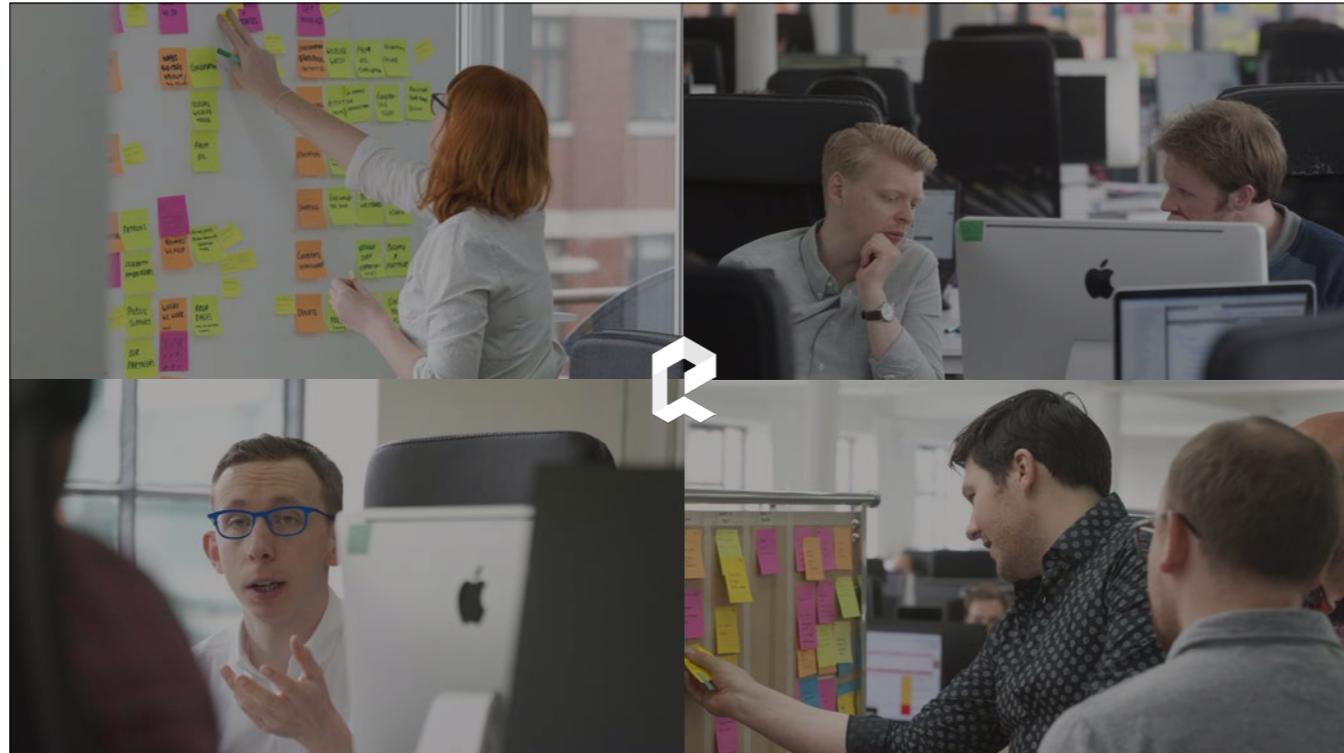
Ten years ago, I co-founded a social business which now has 45 employees and turns over £2m.

I'm also in the process of spinning out one digital product into its own business, which is currently valued at £2m

**We're a social business that uses
digital to make a difference.
We only work on projects that
do social good.**



Working **exclusively** on projects that do **social good** since **2008**.



We do that through working **collaboratively** offering **creative and technical direction**.

We work with organisations including Social Business Wales, Lloyds Bank Foundation and Google to help improve the capacity and capability of charities and social businesses.

Why digital?

It can help you do three things:

1. Reach and engage with more people
2. Deliver products and services at scale
3. Make back-office efficiencies

I'll talk about some of the tools and techniques to help you do the second: deliver products and services at scale.

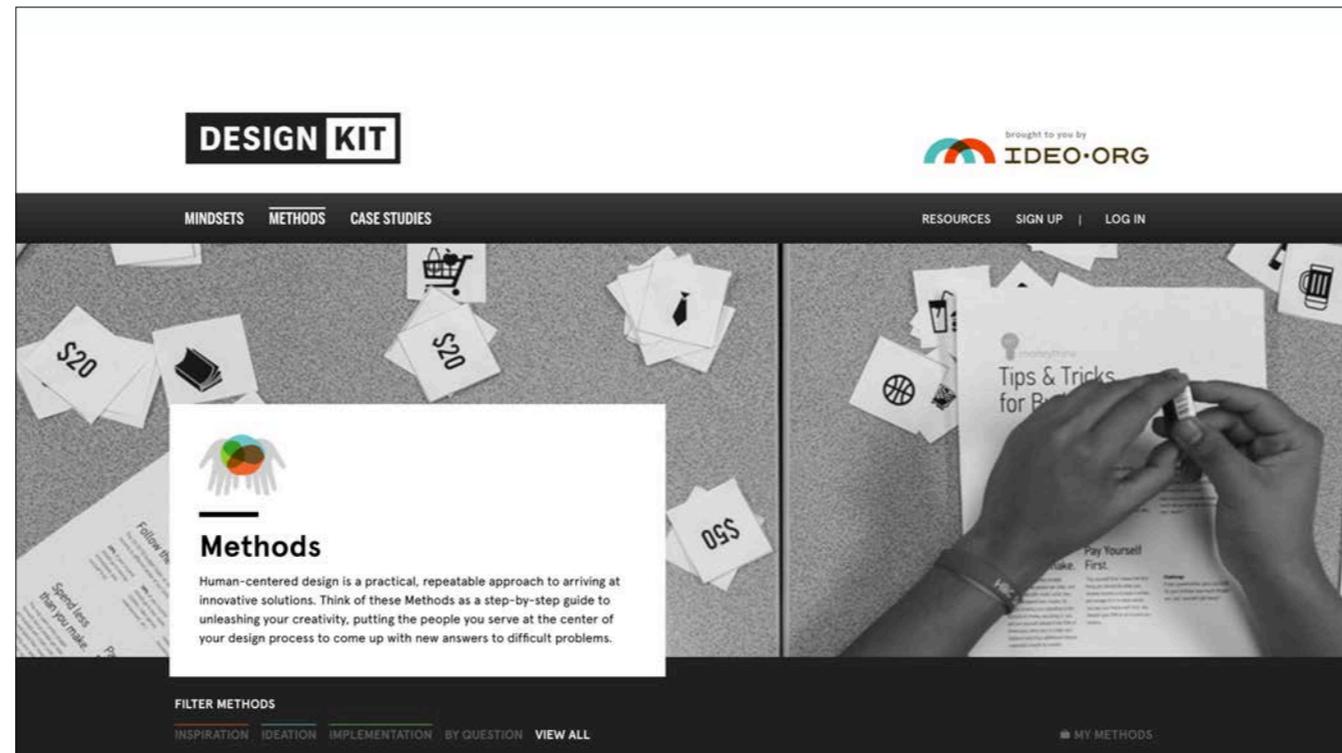
Many of the tools are freely available or for very little cost and just need an investment in your time.

FIND
YOUR
TOOL

The DIY Toolkit has been especially
designed for development practitioners to
invent, adopt or adapt ideas that can
deliver better results.

FIND OUT MORE

like Nesta's DIY Toolkit
<https://www.nesta.org.uk/toolkit/diy-toolkit/>



...and Ideo's Design Kit:
<http://www.designkit.org/>

“Digital technology encompasses a range of ‘enabling levers’ including big data, data analytics, robotics, Internet of Things (IoT), artificial intelligence (AI), sensors, mobile, 3D printing, cloud computing, web-based platforms, social media, blockchain, augmented reality, virtual reality, and satellite imaging.”

2030 Vision: Global Goals Technology Forum

What do I mean by “digital” in this context?

Definition taken from “2030 Vision: Global Goals Technology Forum”
<https://www.unglobalcompact.org/library/5491>

Disruption

One big driver for doing digital innovation is disruption...

We hear a lot about digital disruption

The context is usually about progress but disruption is an inherently negative word.

In the startup world, it means smaller, more agile businesses gaining market share over slower-moving, less innovative corporates and it's currently happening in a lot of sectors.

It's also come to mean disrupting the workforce and potentially replacing jobs.

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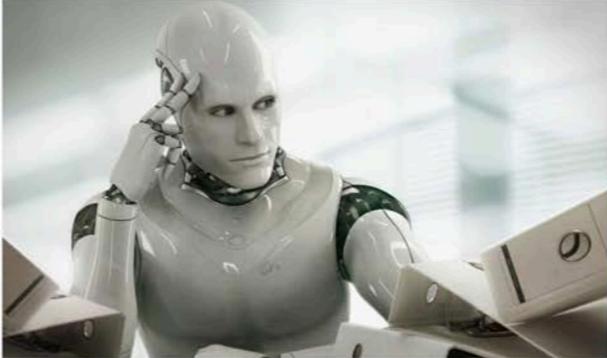
Economics

Technology has created more jobs than it has destroyed, says 140 years of data

Study of census results in England and Wales since 1871 finds rise of machines has been a job creator rather than making working humans obsolete

Katie Allen
Tue 18 Aug 2015 07:00 BST

49,056 < 420



▲ Are machines taking over the jobs market? A new study suggests not. Photograph: Blutgruppe/Corbis

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Actually, technology creates more jobs than it destroys and changes the kind of jobs we do.

That creates opportunities for us to improve the skills and learning of people who are transferring into these new jobs and for teaching the right skills for the future workforce through schools and colleges. Digital technology can still create valuable, high quality jobs in areas that need human skills and can't easily be automated.

There were fears that installing self-service terminals at McDonalds would lead to job losses, but it's actually led to staff being able to offer a broader range of services, like table service.

45%

**of the work we pay
people for could be
automated using existing
technology**



People are afraid that robots and AI will exponentially replace jobs, but actually 45% of the work we pay people for can be automated using existing technology.

Everybody in this room could benefit from technology to make some sort of back office or administrative improvement.

And we should be seriously considering that, because...

4 in 10

**businesses will be dead in
ten years if they don't
drive digital innovation.**





Blockbuster found this to its cost when relatively new company Netflix offered to sell to Blockbuster for \$50m in the early 2000s.

They turned down the offer and Blockbuster eventually went bust in 2010.

The image shows the Netflix logo, which consists of the word "NETFLIX" in a bold, red, sans-serif font. The letters are slightly slanted to the right. The logo is centered within a thin black rectangular border.

Netflix is currently worth more than \$138bn

Even as Blockbuster was struggling to adapt to the DVD by post model, Netflix was already looking into streaming directly into people's homes.

There are now more streaming media subscribers in the UK than pay TV subscribers to services like Sky.

Sky's recent announcement of being able to access Netflix shows via their box helps keep them relevant.

<https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2018/streaming-overtakes-pay-tv>



Consider some other businesses disrupting industries:

- Airbnb doesn't own any hotels
- Uber doesn't own any cars
- Just Eat doesn't own any restaurants

They own digital platforms that allow them to do business, which makes them more scalable.

Scalability

None of the companies I've previously mentioned are social enterprises, so what has tech got to offer social enterprise?



THE GLOBAL GOALS

Tech will be critical to delivering the UN's Sustainable Development Goals

THE GLOBAL GOALS



17 priorities, 169 targets and 230 indicators to improve our world by 2030.
Agreed by 193 member states of the United Nations in 2015.

<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

These are global goals but they're just as relevant here in the UK.
As a social enterprise, everyone in this room will be contributing to the goals, whether you're aware of it or not.

\$2.1 trillion

**additional revenue for
the tech sector by 2030**



Accenture estimates that digital solutions with positive impact on the Global Goals could unlock \$2.1tn of additional revenue to the tech sector by 2030.

http://systemtransformation-sdg.gesi.org/160608_GeSI_SystemTransformation.pdf

We could let private tech companies take the lion's share of that opportunity, or we could innovate and scale our social impact to a bigger, global audience.

Digital will be able to help farmers improve productivity using data and precision farming by delivering water only where and when it's needed, can offer information about weather for planning and market conditions for more effective distribution. Smart sensors can reduce water waste by up to 40% throughout the value chain.

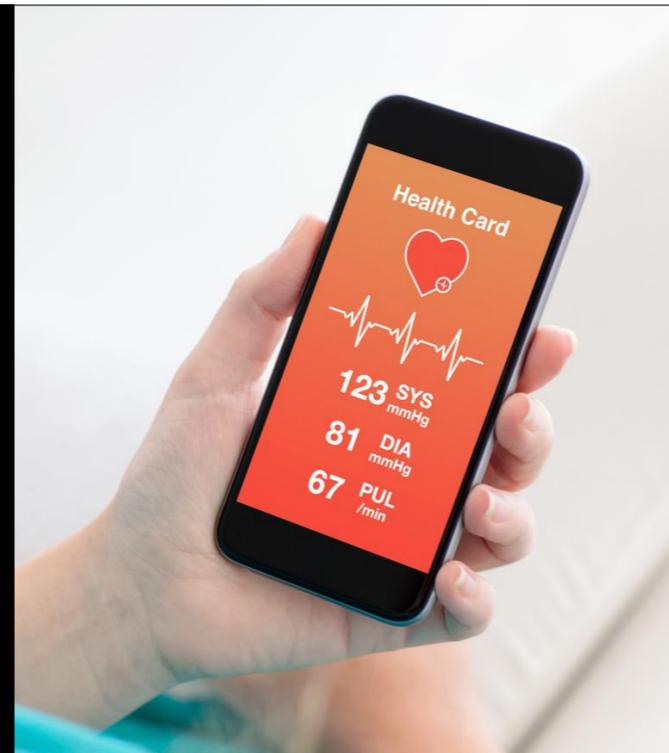
\$405 billion
potential savings in food
waste by 2030



Around a third of the food we produce is wasted and contributes 8% of greenhouse gasses.
Sensors, data analysis and chip technology can reduce food waste from field to fork through smart harvesting, shipping, distribution and inventory management.

1.6 billion

**people could be
connected to e-health
services by 2030**



Technology could help prevent 5m deaths per year by 2030 from non-communicable diseases by improving access to information and prevention.

The wearable device market is predicted to almost triple in value, to \$34bn by 2020.

How do we innovate?

So how do we innovate?

One tip before we start...

Forget about digital

Digital is just a means to an end. We need to work on that end first.

Today I'm going to talk about a 3-step process strategy to help you get the right information to develop an innovative digital product or service.

Step 1: Inspiration

Step one is about going back to basics - to the reasons you all do what you do.

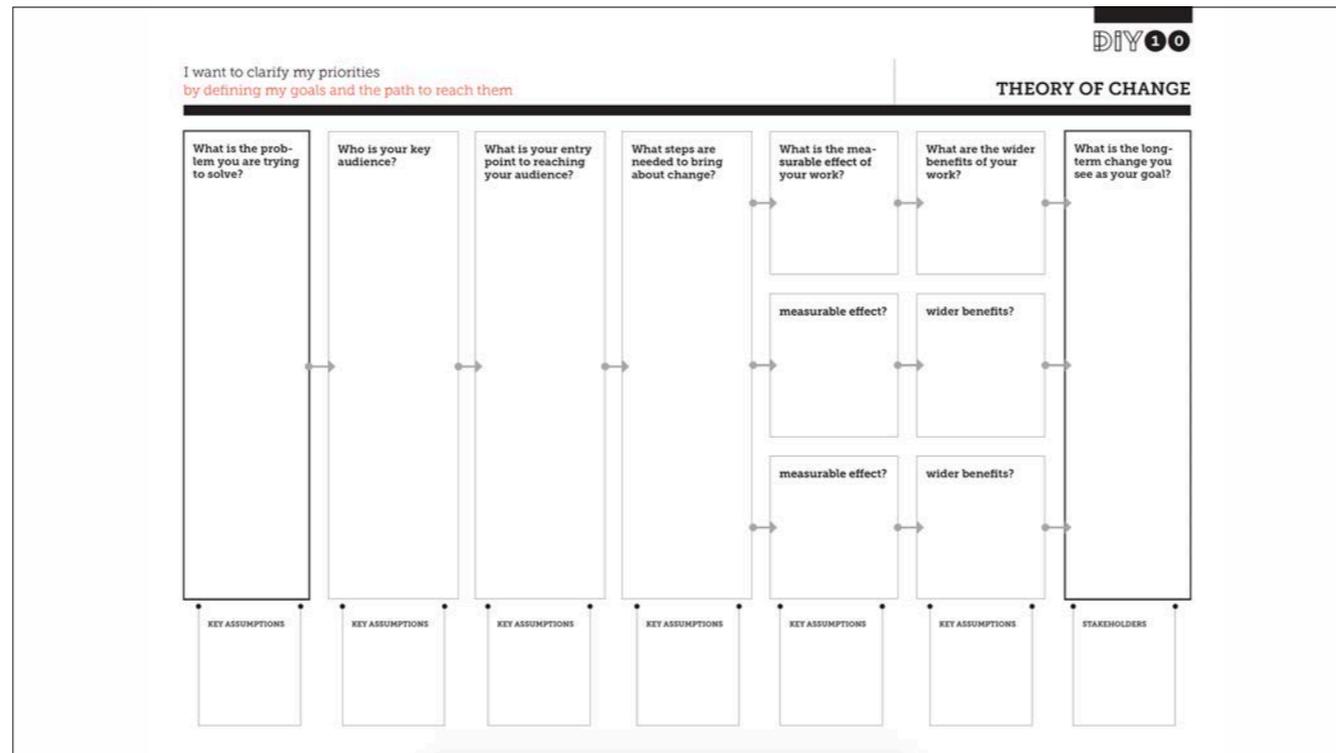
This section will help you ask yourself:

Why do you exist?

What are you trying to achieve and who are you trying to achieve it for?

1. Consider your organisational objectives
2. Consider your users' needs

**What impact are you trying to
have on the world?**



Go back to your theory of change and familiarise yourself with the long-term change you want to create and how you'll get there.

No Theory of Change? Get one.
It helps clarify thinking.

You can start at either end, but it's often recommended working backwards from your end goal, stepping backwards through the steps needed to get there.

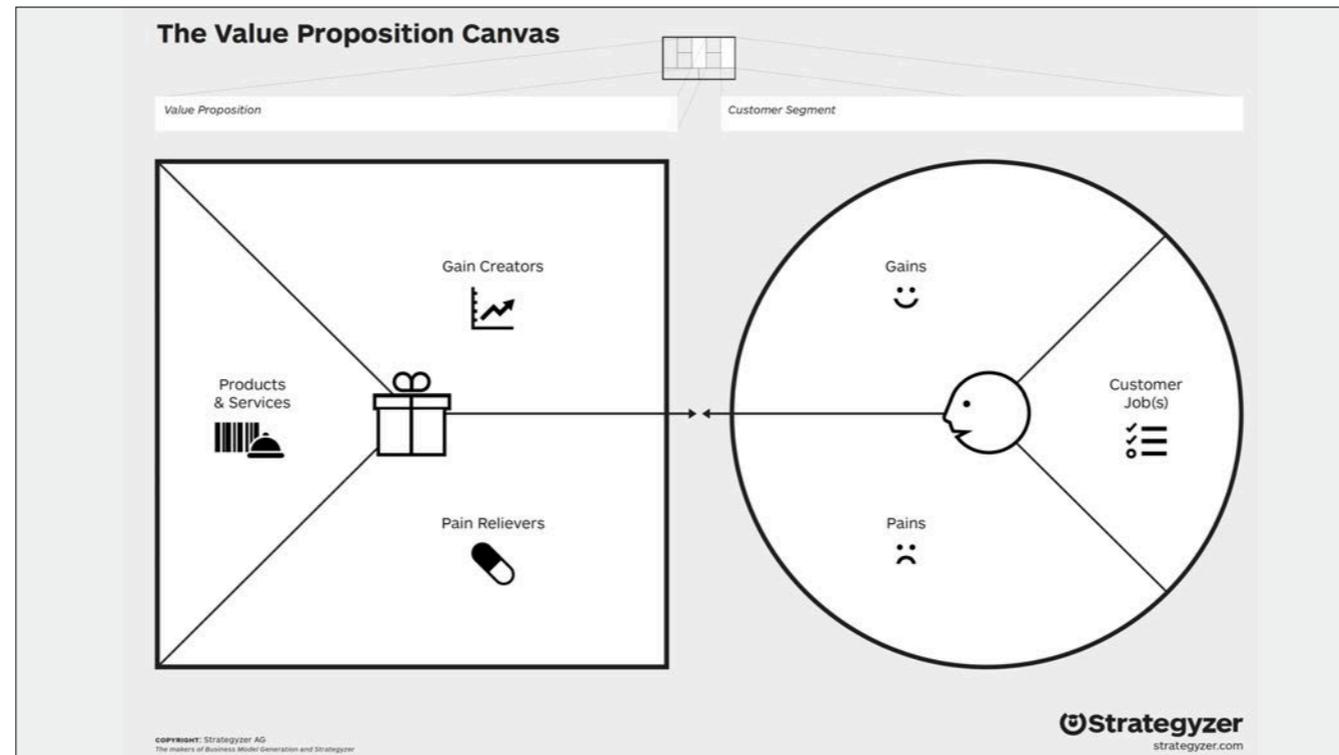
Any digital innovation you design will have a place in your theory of change, usually as an intervention or entry point.

This template is available online, along with instructions how to use it and a free online course on Theory of Change for beginners.

Tool: <https://diytoolkit.org/tools/theory-of-change/>

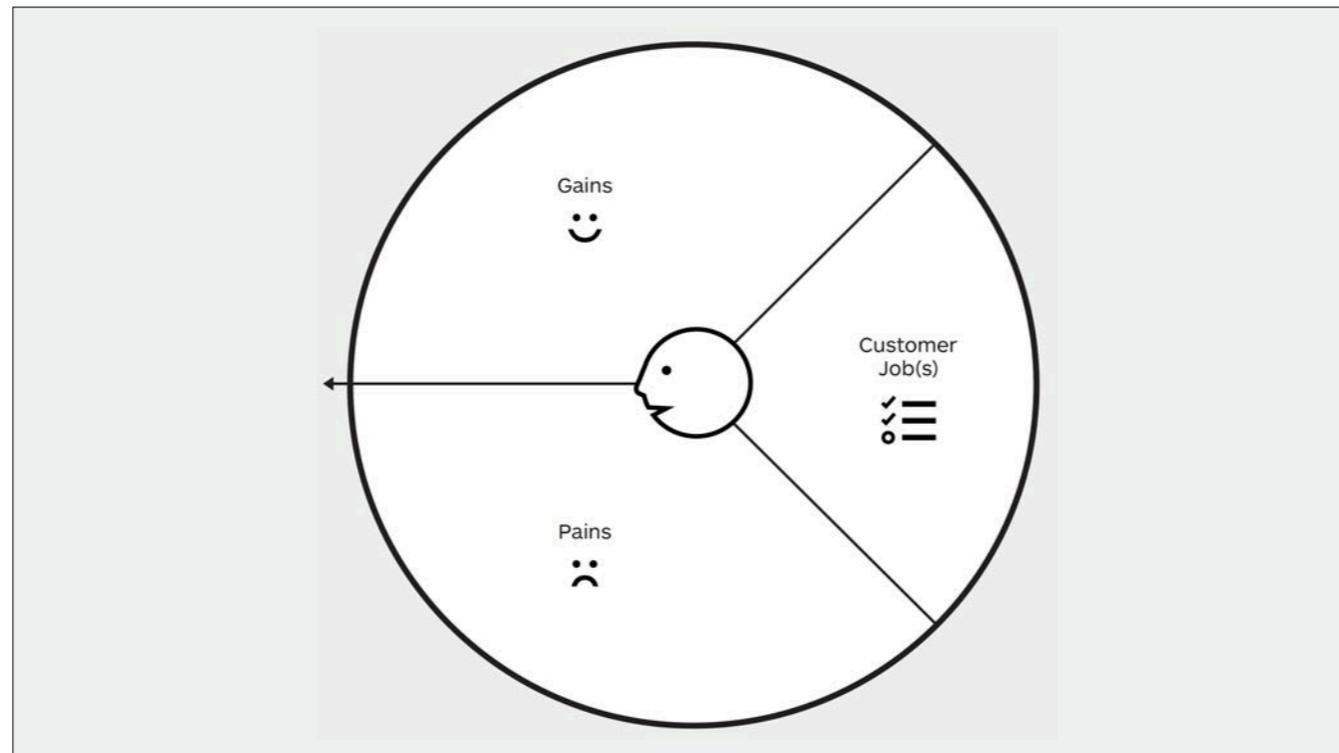
Training: <http://www.open.edu/openlearncreate/course/view.php?id=2214>

**Whose lives are you trying to
impact?**



Consider who your main customers are and what value your products and services are bringing. These should line up with your Theory of Change but you might identify new ones through this exercise.

Available at <https://strategyzer.com/platform/resources>



As a social enterprise you'll have two main types of customers:

- the people who pay for your products and services
- the people who benefit from them

Choose one type of customer and consider:

- **Customer jobs:** what are they trying to achieve?
- **Pains:** What are their pain points? What frustrates them about what they're trying to get done and the tools they're currently using? Do they avoid doing certain things because they're difficult, or for other reasons? What negative social consequences do your customers/beneficiaries face? What's keeping them awake at night? What mistakes are they making? What are the barriers to adopting a certain product or service?
- **Gains:** How could their lives be improved?

At this point, you can start considering how your customers use technology. What websites do they use to make their lives easier, any software, mobile apps? How do they use their phones? What do they like and don't like about existing tools and techniques?

It's best to back up this exercise with interviews with your main customers.

Interviews: <http://www.designkit.org/methods/2>

Group Interviews: <http://www.designkit.org/methods/20>

Complete a canvas for each customer segment.

Download The Value Proposition Canvas: <https://strategyzer.com/platform/resources>

DIY 12

I want to collect input from others
in a conversation that uncovers their perspective

INTERVIEW GUIDE

<p>Show me If you are in the interviewee's environment, ask him or her to show you the things they interact with (objects, spaces, tools, etc.). Capture pictures and notes to jog your memory later. Or, have them walk you through the process.</p>	<p>Draw it Ask participants to map out their activities and experiences through sketches and diagrams. This is a good way to debunk assumptions and reveal how people perceive and order their activities.</p>
<p>Think aloud As they perform a process or task, ask participants to describe what they are thinking. This helps uncover their motivations, concerns, perceptions, and reasoning.</p>	<p>Be specific Encourage generalization about what's typical and tease out rich important details. Instead, ask people to talk about a specific period of time. Instead of what's your typical day like, ask them what happened yesterday.</p>

Interviews with customers and other stakeholders are particularly useful at this stage.
Encourage these behaviours to get to the root of their issues

Another handy tool during interviews is “the five why’s” - ask them a question then ask “why” to each answer five times, to get to the deeper root of issues.

The Five Whys: <http://www.designkit.org/methods/66>

Interview Guide: <https://diytoolkit.org/tools/interview-guide/>

DIY 17

PERSONAS

I want to know the people I'm working with
by visualising their key characteristics

<p>ADD PICTURE OR DRAWING</p> <p>PERSONA NAME:</p> <p>AUDIENCE SEGMENT:</p>	<p>WHO AM I?</p>	<p>3 REASONS FOR ME TO ENGAGE WITH YOU</p> <p>1.</p> <p>2.</p> <p>3.</p>	<p>3 REASONS FOR ME NOT TO ENGAGE WITH YOU</p> <p>1.</p> <p>2.</p> <p>3.</p>	
<p>MY INTERESTS</p>	<p>MY PERSONALITY</p>	<p>MY SKILLS</p>	<p>MY DREAMS</p>	<p>MY SOCIAL ENVIRONMENT</p>

After interviews have concluded, you might find it useful to develop fuller personas for each customer type, to help you consider how any developments to your products and services affect your customers.

This template is available online, along with instructions how to use it and a free online course on personas for beginners.

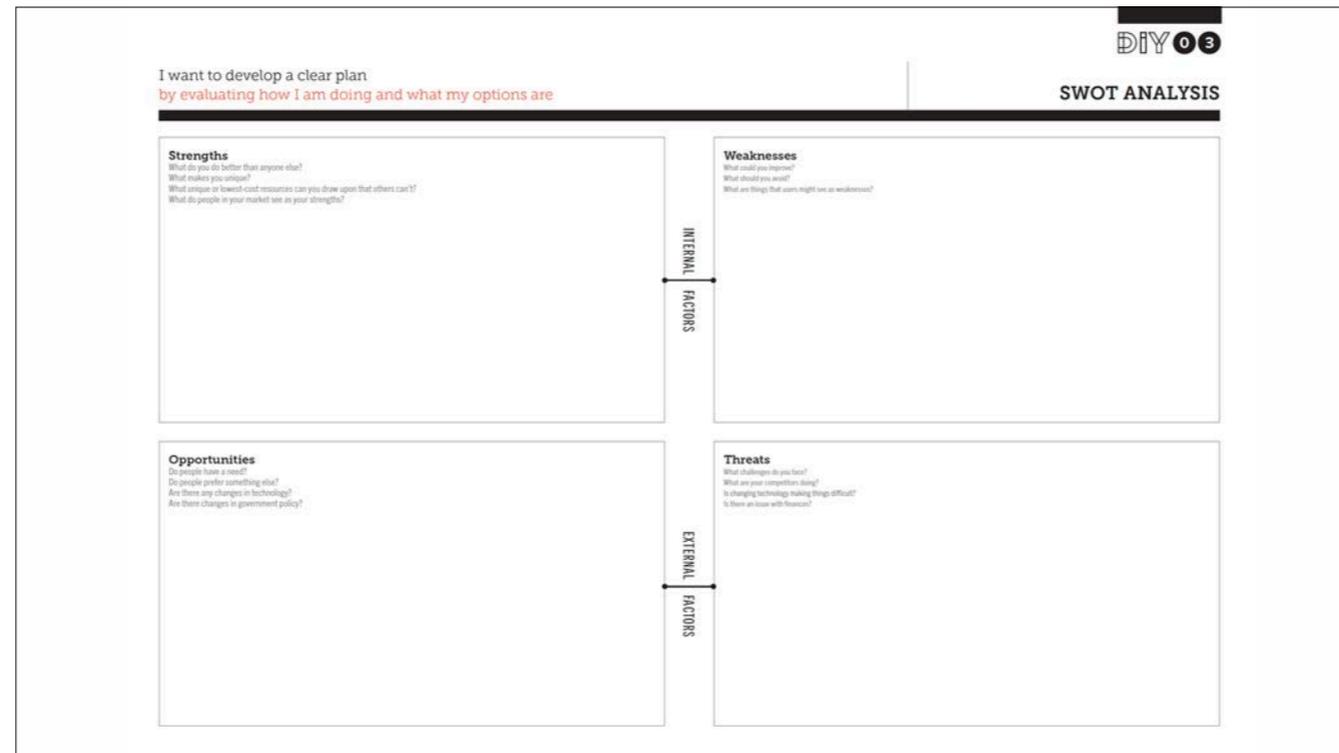
Toolkit: <https://diytoolkit.org/tools/personas/>

Training: <http://www.open.edu/openlearnworks/course/view.php?id=2217>

Why are you the ones to make it happen?

SWOT analysis to analyse the strengths of your business and the opportunities that come with those.

PESTLE analysis to analyse your operating environment and potential opportunities.



This template is available online, along with instructions how to use it and a free online course on SWOT analysis for beginners.

Toolkit: <https://diytoolkit.org/tools/swot-analysis-2/>

Training: <http://www.open.edu/openlearnworks/course/view.php?id=2212>

Step 2: Ideation

Now you've gathered information about your intended outcomes, your customers and their wants and needs, you can start brainstorming ideas about potential ways to develop your products and services.

Outcomes here may be two-fold:

- A digital element of an existing programme
- A new digital-first product or service

You can use a number of tools or techniques, but most importantly...



Brainstorming

Get some people together in a room from across your organisation - key staff, customers, beneficiaries, suppliers, partners.

Pose a question or a prompt you want people to answer. Get people to write down one idea per post-it note and describe each idea while they post into onto a whiteboard or wall. Generate as many ideas as possible and defer judgement at this point.

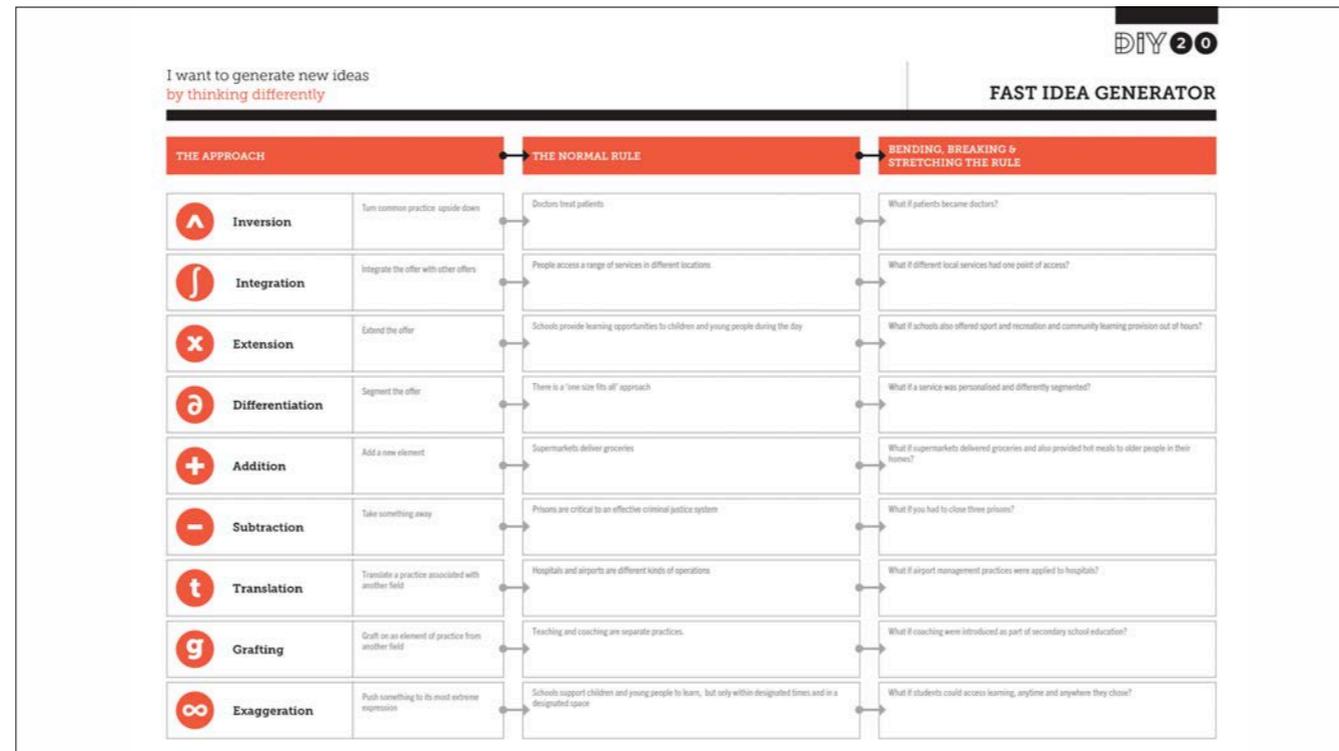
It's about quantity, not quality at this point. A good brainstorming session can generate 100 ideas in 60 minutes.

Build on the ideas of others, use words like "and" instead of "but"

Stay focussed and keep the discussion on topic.

Brainstorm: <http://www.designkit.org/methods/1>

Brainstorm rules: <http://www.designkit.org/methods/28>

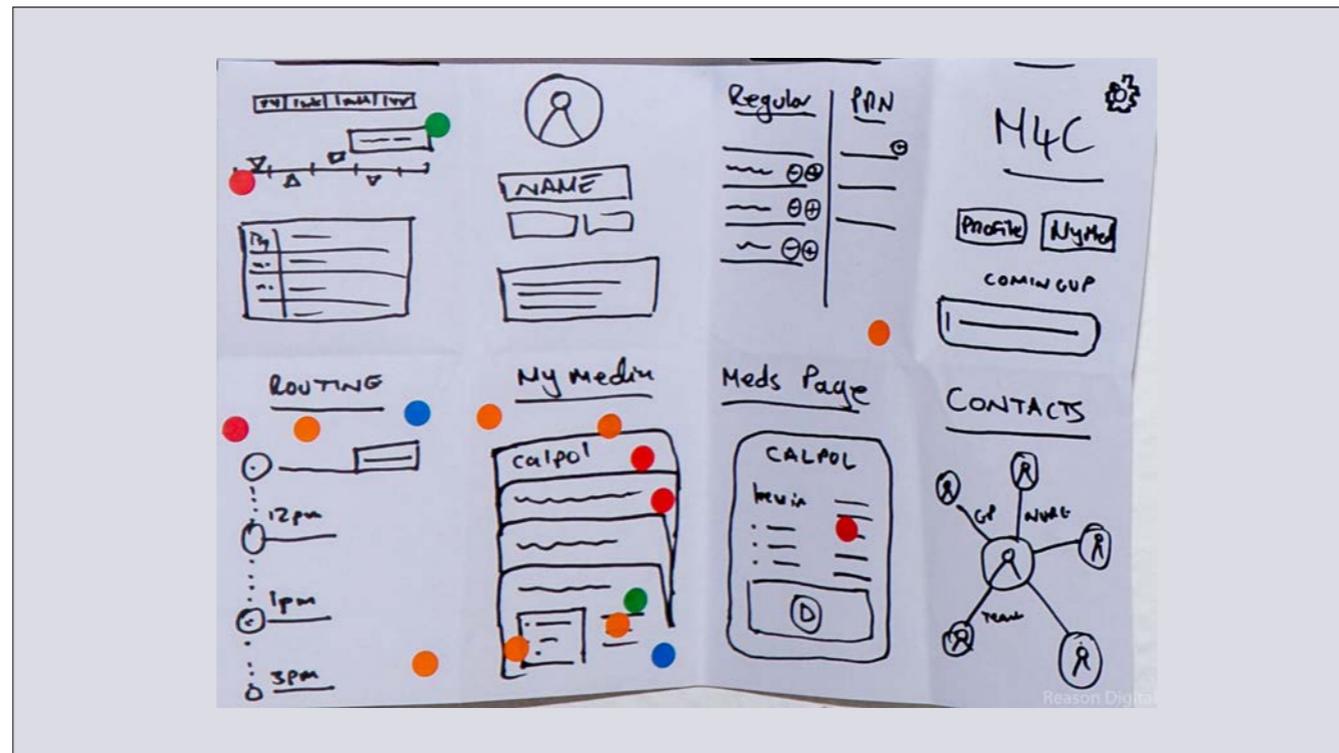


Get people to throw out quick ideas in response to one of the above provocations. “How could we innovate our product or service using inversion?” etc.

This template is available online, along with instructions how to use it and a free online course on Fast Idea Generation for beginners.

Toolkit: <https://diytoolkit.org/tools/fast-idea-generator/>

Training: <http://www.open.edu/openlearnworks/course/view.php?id=2215>



Crazy Eights: sketch eight quick ideas

Get people to vote on favourites then review the most popular ideas for feasibility.

Crazy Eights: <https://designsprintkit.withgoogle.com/methodology/phase3-sketch/crazy-eights>

Step 3: Implementation

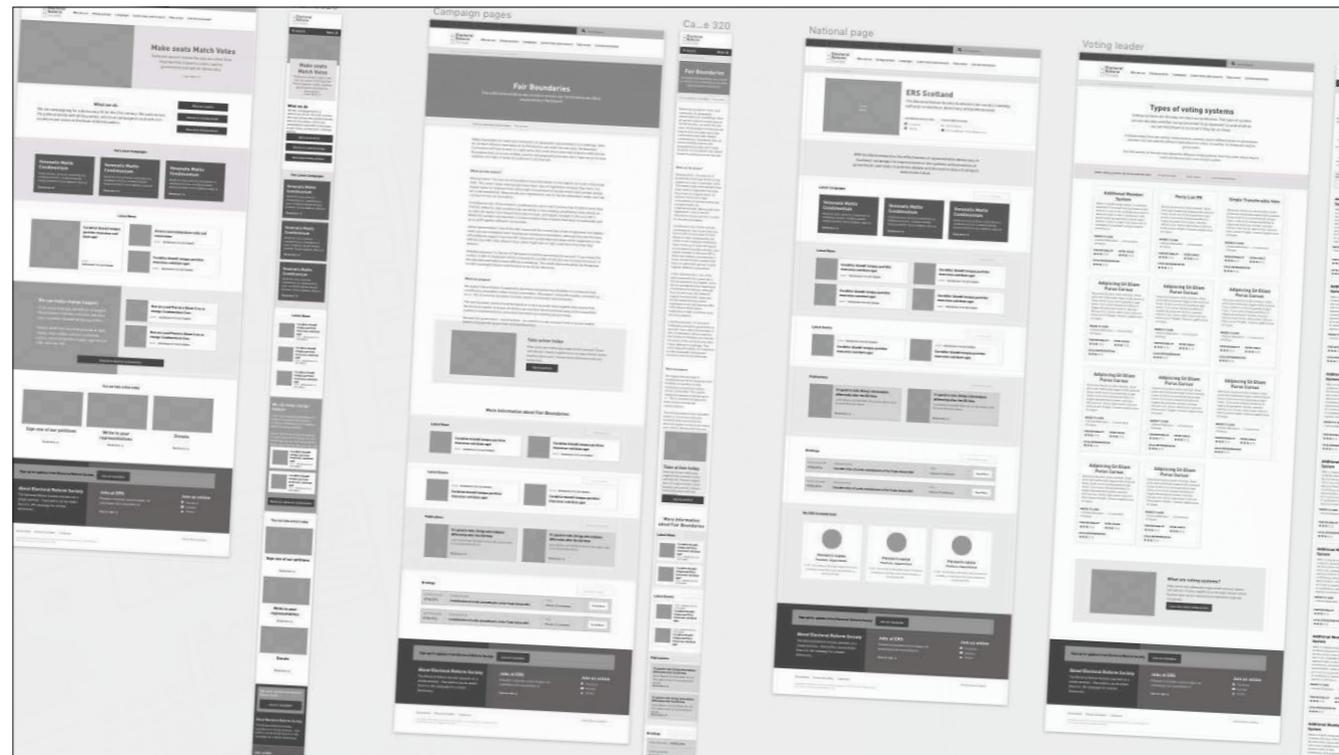
Implementing:

- designing a prototype
- testing and measuring success.



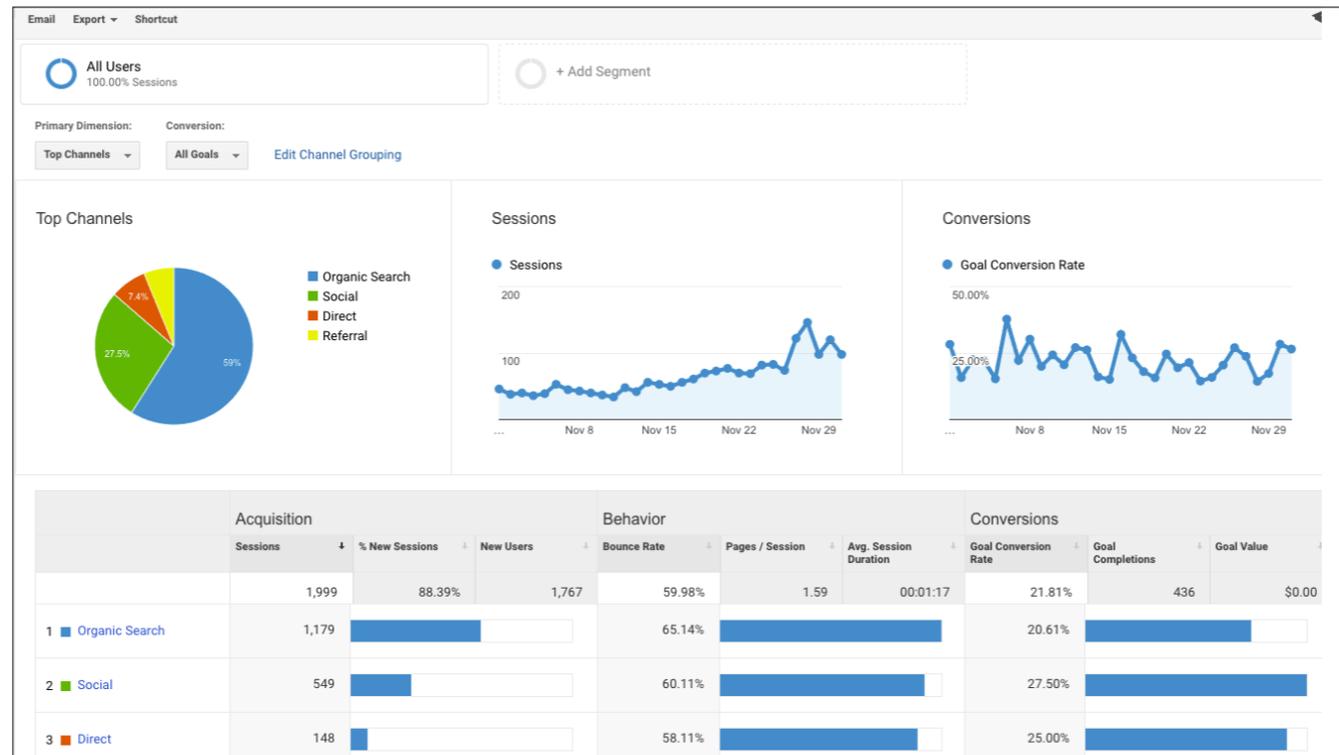
User journey mapping: take your user personas - based on their tasks, pains and gains - and build a product or service around those.

This example is for a user's journey through a website



Prototyping: trying out your ideas in a low-fi way
Use existing technologies to test assumptions

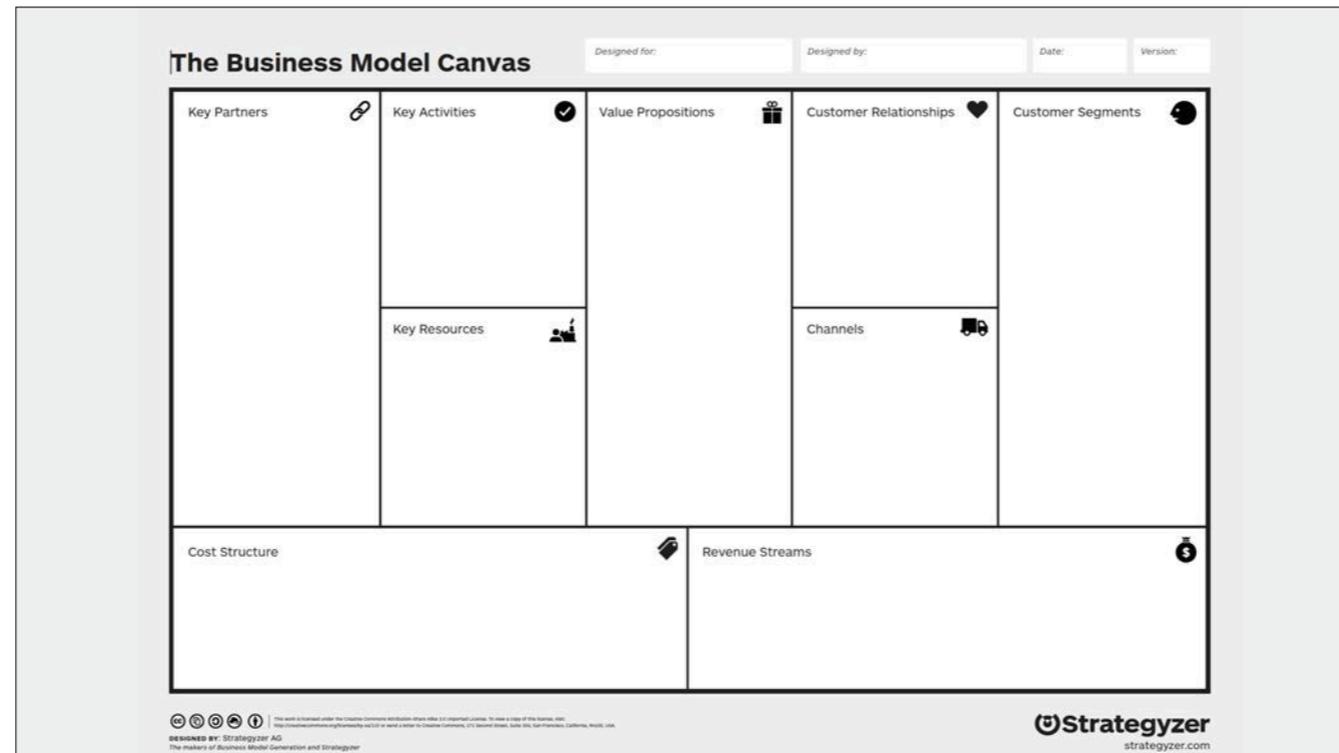
Make clickable graphics to emulate apps or websites



Measurement: plan in advance how you'll measure success

Google Analytics to track online and in-app activity

Surveys, questionnaires, outcomes stars



Business Model Canvas

Will help you take your innovation to market

Download the Business Model Canvas and resources: <https://strategyzer.com/platform/resources>

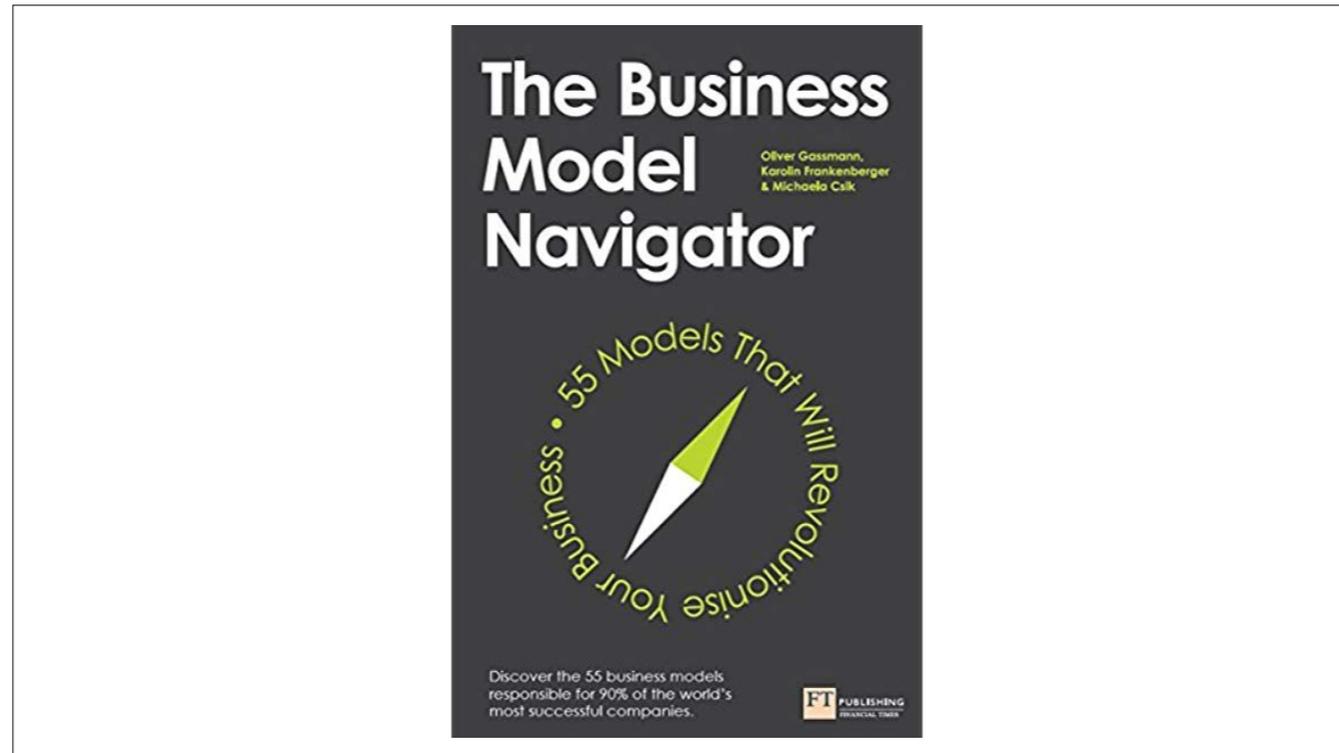
Social Business Model Canvas				
Key Resources	Key Activities	Type of Intervention	Segments	Value Proposition
<i>What resources will you need to run your activities? People, finance, access?</i>		<i>What is the format of your intervention? Is it a workshop? A service? A product?</i>		Social Value Proposition
				Impact Measures
Partners + Key Stakeholders		Channels	Beneficiary	
<i>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?</i>	<i>What programme and non-programme activities will your organisation be carrying out?</i>	<i>How are you reaching your beneficiaries and customers?</i>	Customer	<i>How will you show that you are creating social impact?</i>
				Customer Value Proposition
				<i>What do your customers want to get out of this initiative?</i>
Cost Structure		Surplus	Revenue	
<i>What are your biggest expenditure areas? How do they change as you scale up?</i>		<i>Where do you plan to invest your profits?</i>	<i>Break down your revenue sources by %</i>	

Inspired by The Business Model Canvas

Or the Social Business Model Canvas, which considers:

- not just your revenue but how you reinvest your surplus
- How your value proposition breaks down and the impact it has
- Differentiating between your customers and your beneficiaries

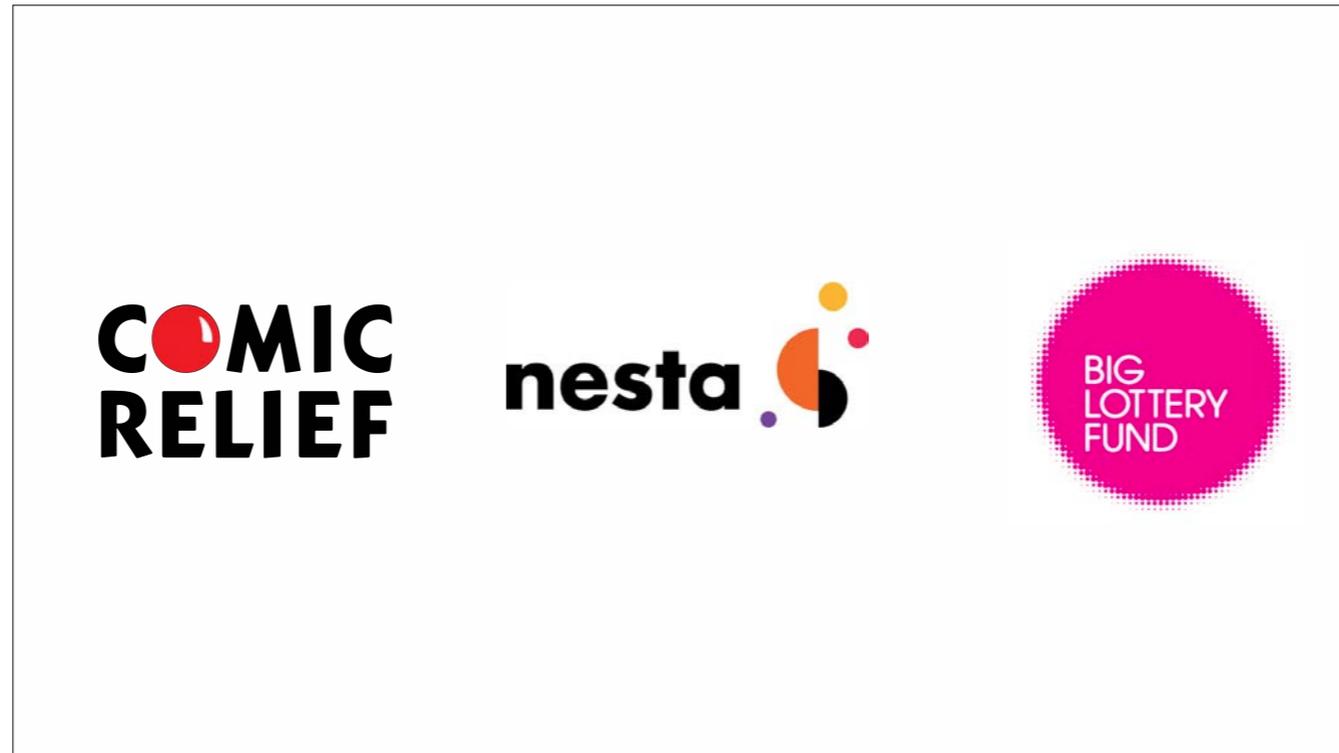
Download the Social Business Model Canvas at <http://www.socialbusinessmodelcanvas.com/>



This book will cost around £20 and will help you think about whether your digital products or services

https://www.amazon.co.uk/Business-Model-Navigator-Models-Revolutionise/dp/1292065818/ref=sr_1_1?ie=UTF8&qid=1543675639&sr=8-1&keywords=business+model+navigator

**How do we fund
innovation?**



It's possible to get funding to try or to scale digital innovation.

Sources such as Comic Relief, Nesta and Big Lottery Fund are often available to asset-locked social enterprises or for businesses working in partnerships with charities.

Comic Relief Tech for Good fund: <https://www.comicrelief.com/your-impact/how-we-make-grants/tech-for-good>

Nesta: <https://www.nesta.org.uk>

Big Lottery Fund Digital Fund: <https://www.biglotteryfund.org.uk/funding/programmes/digital-fund>

Social Tech Trust: <https://socialtechtrust.org/investing/>

Thanks for listening

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