SUCCESS STORY

CISCO´S AWARDED INNOVATION PROGRAM BASED ON ITONICS ENTERPRISE

Igniting a company-wide startup revolution: *Innovate Everywhere Challenge*

Technological change, societal demands, hyper-competition, and the digital transformation of the economy have increased the pressure upon companies to shift from incremental innovation to disruptive and strategic innovation: Today it is all about disrupting or being disrupted.

To avoid being displaced by more agile competitors, leading companies must reinvent themselves from the inside out, again and again, and incorporate innovation into their DNA. The entrepreneurial passion, speed, and agility of a newcomer must be regained while continuing to grow like a large corporation.

Cisco exemplifies a company who continues to disrupt its marketplace. In 2015, Cisco kicked-off its first and unique company-wide *Innovate Everywhere Challenge (IEC).* The goal was to drive global disruptive thinking, capture game-changing innovation opportunities from Cisco employees, help them grow and enhance employee experience, empowerment, and collaboration across all functions.

Along the lines of "Team up, Disrupt, and Innovate", Cisco established the *Innovate Everywhere Challenge* as a vehicle to shape its future growth. The results are impressive. In 2018, the *Innovate Everywhere Challenge* won the Innovation Leader's Impact Award which honors extraordinary innovation programs and their outcomes.

Supported by ITONICS collaborative innovation platform, the *Innovate Everywhere Challenge* is now a best practice for innovation management at Cisco.

36,600+	89	769	26,500	120+
participants worldwide (49 % of all employees)	countries participated	ideas submitted	ratings provided	experts judging

(Numbers from the second IEC, 2016)

"Our innovation strategy enables us to cultivate great innovation opportunities internally. The Innovate Everywhere Challenge's overall goal is to capture disruptive venture ideas from employees and help them scale. It is also a way to develop entrepreneurship skills and make a meaningful difference at Cisco."

- Mathilde Durvy, Innovation Program Lead, Cisco

Figure 1: IEC Landing Page

THE CHALLENGE
Disrupt or be disrupted

Market situation

- Digital transformation of business and society has pressured every organization to innovate at an accelerating speed.

- The consequence: a new and disruptive move towards hyper-competition that is threatening existing markets, business models, and processes.

- Many corporate innovation programs fail after their first year or slowly fade away because of weak results or waning enthusiasm.

Innovation at Cisco

- Innovation is part of Cisco´s DNA.

- Innovation is the job of every employee. It transcends traditional business unit silos.

- The annual *Innovate Everywhere Challenge* calls out to all 74,000 Cisco full-time employees to „team up, disrupt, and innovate".

THE MISSION

Establish disruptive thinking and unlock the entrepreneur in employees across all business units, functions, geographies, and grade levels.

OBJECTIVES

1. Engage a global community and promote disruptive thinking across all business units and functions, geographies, and grade levels.

2. Identify disruptive ventures and help them grow.

3. Create a company-wide entrepreneurial mindset and drive innovation further into the corporate culture.

Figure 2: IEC Detail Page

THE SOLUTION

A company-wide cross-functional innovation competition on one collaborative platform

The *Innovate Everywhere Challenge* consists of four phases running over a period of eight months - supported by the collaborative innovation management platform ITONICS Enterprise.

1 Ideate → Selection Round 1 → **2** Validation → Selection Round 2 → **3** Fund → Selection Round 3 → **4** Build → Archive

Ideate 6 weeks	Validate 12 weeks	Fund 3 weeks	Build 3 months (flexible start)
	30 semi-finalists	6 finalists	3 winners

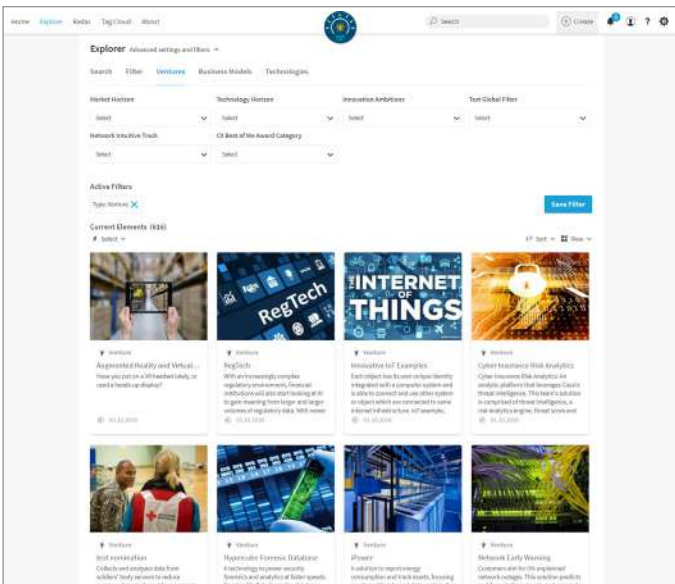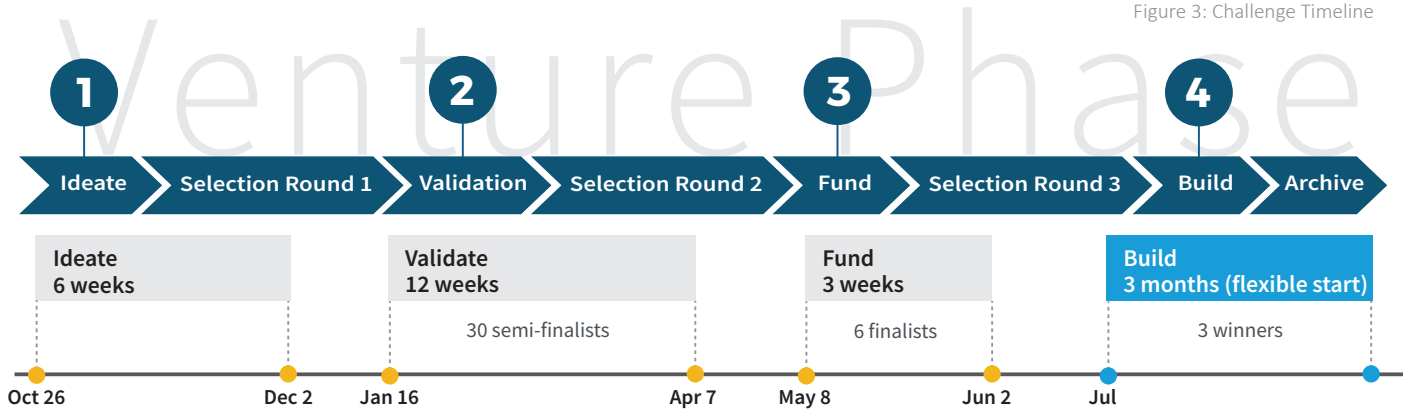Oct 26 — Dec 2 — Jan 16 — Apr 7 — May 8 — Jun 2 — Jul

Figure 4: IEC Venture Feed

1. Ideate (6 weeks)

Focus: Spark ideas and team up
Who: All Cisco full-time employees

- Cisco employees worldwide are invited to participate, team up, and submit ventures to the innovation platform ITONICS Enterprise.

- The "(Co-)Founders" create and submit ventures, "Angels" can invest tokens to select the best ventures and help them to succeed.

- The platform ensures a quality gate and self-assessment. Besides stating a problem and providing a solution, the ventures submitted are categorized by market, technology, and business models (see "Table of Strategic Elements" below).

Table of Strategic Elements

Markets

NS	SE	DC	DA	C	IoT	V	S	Op	?
Networking	Security	Datacenter & Cloud	Data & Analytics	Collaboration	Internet of Things	Vertical Markets	Services	Operational Excellence	New

Technologies

AI	Co	AR
AI	Containers	AR/VR

How can you combine these elements to create new, game-changing opportunities to shape Cisco´s future?

Business Models

Su	Lp	F
Subscription	Layer Player	Freemium

FG	B	RA	3D
Fog Computing	Blockchain	Real-Time Analytics	3D Printing

Sp	Pu	OS	Cd
Solution Provider	Pay-Per-Use	Open-Source	Customer Data

Dr	SN	I	?
Drones	SDN	ICN	New

Lo	PP	Li	?
Lock-In	P2P	License	New

Figure 5: Table of Strategic Elements from "Innovate Everywhere Challenge White Paper" (Cisco 2016)

The ITONICS Enterprise collaboration functions enable every employee to:

- Connect with passionate innovators in cross-functional teams.

- Invest free tokens on ventures to pre-select promising ones.

- Join the discussion of ventures by commenting and sharing them with others.

- Join the selection by being assigned as a judge.

THE SOLUTION

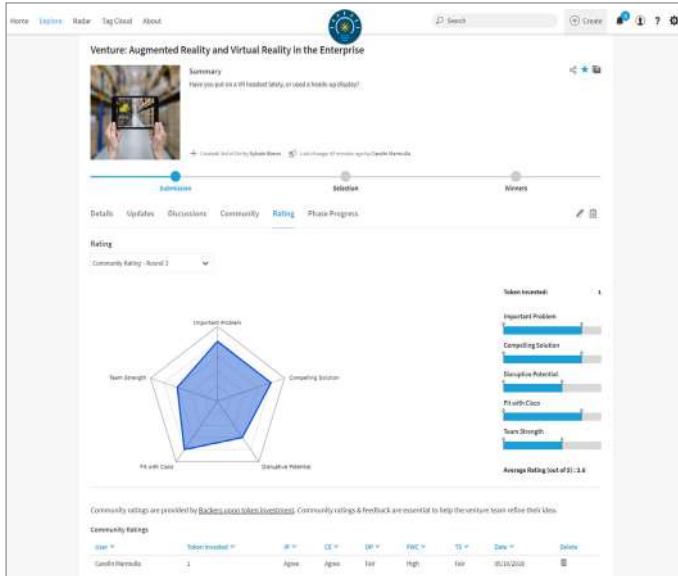A company-wide cross-functional innovation competition on one collaborative platform

Figure 6: IEC Rating System

2. Validate (12 weeks)

Focus: Is the venture valuable, should it be built?
Who: 30 semi-finalists

- 120 expert judges select 30 semi-finalists after a pre-selection through employee token investment.

- The semi-finalists are invited to participate in a three-day workshop to further develop their ventures using design thinking and lean startup methodologies.

3. Fund (3 weeks)

Focus: Sell your venture
Who: Six finalists

- The third phase is all about convincing. The six finalists receive an award of $10,000 as recognition and start looking for an internal executive sponsor.

- The finalists live pitch their ventures to a panel of internal and external industry leaders including a Q&A session to identify the winners of the challenge. In a company-wide live broadcast, the judges ask the teams probing questions regarding the feasibility, viability, and desirability of their ventures.

4. Build (3 months)

Focus: Find product-market fit
Who: Three winners

- The three winning teams receive $25,000 in seed funding and an additional $25,000 in team recognition. Other semi-finalist teams that secure a sponsor receive up to $10,000 in matching funds.

- Over the course of three months, the winners have time to grow their venture and prepare the integration into existing Cisco organizations.

> "**Using a collaborative platform, we were able to implement the *Innovate Everywhere Challenge* as an integral part of our innovation management and engage a world-wide community to team up and innovate together. We achieved a Cisco-wide cultural change and created an interconnected network of innovators.**"
>
> - Alex Goryachev, Director of Innovation Strategy, Cisco

Figure 7: IEC Venture Tag Cloud

THE RESULTS
Cisco´s company–wide startup revolution

Engage a global community

- Open engagement, cross-functional team building, and exchange are facilitated via the open collaboration platform.

- 36,600 employees (49 % of Cisco's workforce) from 89 countries and every single function engaged in the challenge.

- A large number of the last years' entrants returned with new venture ideas.

- More than 769 ventures were submitted and reviewed by over 120 expert judges.

- Over 20,000 employees invested more than 168,000 tokens and provided over 5,700 comments.

Entrepreneurial mindset and culture

- The challenge created an entrepreneurial workforce across all functions, geographies, and grade levels ready to take risks, fail fast, and move forward quickly to the next innovative idea.

- Participants were equipped with a wealth of online and in-person resources, including design thinking, lean startup methodologies, pitch coaching, and internal as well as external mentors.

- The innovation program was awarded with the Innovation Leader's Impact 2018 Award.

Capture disruptive ventures and help them grow

- Executives, mentors, and judges showed increased support.

- 20 executives sponsored ventures with seed fundings.

- A quality gate and self-assessment helped progress the best ideas.

- Addressing key markets, new technologies, and business models created a more targeted challenge focused on capturing game-changing opportunities for Cisco.

OUTLOOK

In the meantime, 20 challenges from various business units and regions within Cisco are also using the platform.

The collaboration platform is a key component to the internal innovation engine powering Cisco's innovation programs.

About ITONICS

ITONICS is the leading provider of software solutions and services in innovation management. Founded in Nuremberg in 2009, the company employs around 100 people at four locations.

In addition to its headquarters in Nuremberg, ITONICS has offices in Germany (Berlin), the USA (New York) and Nepal (Kathmandu). ITONICS' end-to-end approach enables an integrated innovation process on a single web-based collaboration platform.

With the modular software suite, companies can design and manage their entire innovation strategy. By combining profound industry know-how and scientific expertise, ITONICS creates the conditions for the development of disruptive innovations and sustainable strategies.

Large and medium-sized companies worldwide rely on ITONICS including Audi, CISCO, DZ Bank, INTEL, Pepsi-Co, Siemens and Total.

Why ITONICS

- **Strategic approach:** The ITONICS methodology and tools link strategy, innovation, and execution and can be managed by a small team.

- **Perfect match:** The customizable software modules can be configured to your individual needs. We guarantee the perfect fit to already existing best practices within your organization.

- **Partnership for excellence:** Bring your innovation management to the next level! Our best practice workshops, periodic health checks, benchmarks, and training sessions guarantee a sustainable and world-class innovation management.

- **Global engagement:** We manage and operate global open innovation challenges and enable worldwide

technology and trend scouting projects. You can trust our vast industry expertise that ranges from automotive to chemicals, defense, fashion, financial services, and FMCG to governmental agencies and research institutes.

- **Trust:** As a leading provider of services and software solutions in innovation management the protection of your data assets is one of our major obligations. Getting certified in ISO/IEC 27001:2013 underlines this ongoing endeavor.

- **24/7 support worldwide:** You can rely on our team of experts 24/7 and receive individual support and advice.

Our Customers

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