



The Innovation Atlas



New! An Update for a Post-Pandemic World

May 2020

[Adapted from a post on our blog](#)

For more than a decade now, we have been trying to convince bankers that innovation is not optional, and that organizations that were not innovating were slowly dying. For too many, this idea only began to really sink in as the slow but steady rise of customer expectations driven by the rise of technology in general (mobile, broadband, smartphones, apps, etc.), and fintech in particular, evolved into a digital arms race.

Many financial institutions' relative inability to attract and retain customers with these evolving preferences eventually began to make some of these vague concepts a little more concrete, and many stepped up their innovation recently. Still, a recurring theme in our work over the past couple of years has been our concern that record industry profits were masking the underlying need to innovate and did not create sufficient urgency to change.

Gradually, and Now Suddenly

For that reason, and others, we regularly shared one of my favorite quotes from Bill Gates: "Success is a poor teacher" to spur people to realize that what worked to get us to this point



may not work to take us to the next level. We also liked to follow that up with a quote from Hemingway's "The Sun Also Rises" where a millionaire describes how he went bankrupt: "Two ways. Gradually, then suddenly" to illustrate how disruption happens in subtle ways at first.

We've been experiencing the 'gradually' phase for well over a decade, and now we are about to experience the 'suddenly' phase. Changes accelerate from 'gradually' to 'suddenly' when the right catalyst is introduced to the environment. The coronavirus pandemic has already been a catalyst to suddenly turn an 11-year bull market into a painful bear market, and the longest peacetime expansionary economy into a recessionary period of contraction (and possibly even worse).

We don't know how long this crisis phase will last, but it will end. But we will not return to the normal we had gotten used to over the past several years. There will instead be a 'new normal', and we don't yet know what it will look like. 'New normals' are a part of life too, and we have adjusted to them after the global financial crisis, after 9/11, after the Gulf War, after the Cold War, and so on, all throughout history. The most predominant lesson we have learned from these times of great and sudden change is that those who survive and thrive are those who adapt to the new normal quickly.

"Houston, We've Had a Problem..."

All of this makes us think of another famous quote: *"Houston, we've had a problem.."* On April 14, 1970, Apollo 13 command module pilot Jack Swigert uttered those now famous words. Just three days earlier Swigert, lunar module pilot Fred Haise, and mission commander Jim Lovell had blasted off from Cape Kennedy with a mission to conduct the most ambitious geologic and astrophysical exploration and research ever on the surface of the moon.

Suddenly, the expansive and optimistic mission goals were irrelevant, now replaced with one critical new objective: simply getting the astronauts back to earth alive. Not just for the crew, but for the entire space program, a good portion of the entire U.S. government, and many everyday citizens around the world, there was a singular focus on this new objective.

What's Your New Mission?

Most of the core functions of financial institutions have not changed and will not change: take and hold deposits, make loans, provide liquidity, move money, provide financial advice and products. *How* you provide those functions in ways that meet the needs of your customers has been changing gradually for years. Now it's changing suddenly.



Right now, you need to innovate ways to provide these critical functions in a way that also supports a critical and urgent public health need to slow the transmission of a contagious and destructive virus. Soon, we will be past that phase and you will need to innovate new ways to meet new customer needs and preferences that will emerge in the new normal.

You will continue to have constraints. You will continue to have limited time, resources, and knowledge in a world changing faster than ever before, but you don't have to be rocket scientists to innovate new solutions. Maybe you didn't quite complete that ambitious digital transformation, or build that AI-powered data warehouse or killer mobile app before this all hit, so you might have to reprioritize and refocus, but you can't afford NOT to innovate now.

Don't be afraid to pull the cardboard off of the manuals, get out the duct tape, and stuff a sock in the bottom if you have to, like the crew of Apollo 13. Your customers and your communities need you now more than ever. They too are facing new problems and new constraints, and they need your help to find their own new normals.

You can't change the wind, but you can adjust your sails.

Overview

Most financial services companies have some sort of strategic plan; some sort of document that describes their targeted customer segments and market area, and outlines some strategies and tactics that the organization intends to execute to serve them. All too often, there is too little connection between this strategic intent and what is usually a large list of projects to be undertaken.

The Innovation Atlas bridges that gap and adds the missing layer of innovation strategy that can mean the difference between regularly creating new sources of value and being caught up in an endless cycle of catch-up spending that never really moves the needle.

Those long lists of projects and ideas can arise from all corners from within and without the organization and often have a wide variety of complexity, time horizons, strategic value, and level of effort. That makes it hard to know where to get started, and easy to feel overwhelmed, especially with limited resources. The Innovation Atlas is a set of strategic maps that serve as a playbook to help you move very quickly from strategy to execution on your most important priorities, and help you break down big projects with big risks into actionable steps with manageable risks.

Our goal is to help you tame that never-ending list of ideas and projects and bring some logical and productive order to the chaos. The strategy maps that we are going to introduce to



you will help facilitate a series of strategic discussions and decisions within your organization to help you focus on the things that are best aligned with your highest priorities. It's all built around our trademark FIRE™ Process (Fast, Iterative, Responsive Experiments), and it is designed to shorten the time between ideas and results.

The FIRE™ Process combines the best parts of modern agile business methods– like Lean, Agile, Scrum, Design Thinking, Customer-Centered Development, and others– into an effective and repeatable process that focuses on the things that really matter.

Once you work through the Innovation Atlas to understand where you are and where you're going, you can move very quickly from strategy to execution with small, agile, cross-functional FIRE™ Teams.

Purpose of the Innovation Atlas

- Introduce new maps that serve as strategic frameworks and lenses for your strategy, with instructions on how and when to use each one
- Optimize your efforts for our definition of innovation, that is, *implementing* new ideas that *add value*. This is not just a brainstorming process.
- Prioritize those ideas that are best aligned with your strategic priorities
- Help you build a portfolio of ideas with different risk and return characteristics to help you balance the short-term with the long-term, and the incremental with the radical
- Reduce the scale and scope of the list by quickly filtering out those ideas that are well suited to be managed by your existing processes

Why You Need An Innovation Atlas

Financial institutions (and by extension their owners, investors, managers, analysts, regulators, and customers) value the predictability of results. The industry sells 95% of the same products, with 95% of the same features, at 95% of the same prices, governed by 95% of the same philosophies, policies and procedures.

The unsurprising result is that pretty close to 95% of institutions return very similar results; typically with annual growth rates in the low to mid single digits; regional and national macroeconomic trends notwithstanding.

Institutions have spent decades and centuries refining best practices of managing these mature businesses that are largely predictable given macroeconomic trends. These core strategies work well to help you manage the core business and ensure consistent, continued results. They work well because you are traveling along a familiar path and they rely on analyzing past performance and a large knowledge base about the existing business. We call this 'extending the line' of your current results, and your existing tactics and managerial routines will help you do that as long as the status quo of the environment is not disrupted too greatly.

The Innovation Atlas



What if you want to 'bend the line' to increase core growth from, say, 3-5% to 8-10%? You can't just do more of the same and expect different results. You will need to do something differently than you have in the past, maybe venturing into adjacent products or market segments in which you have no prior experience. You may need to offer new products or services to your existing customers, or you may need to expand into new market segments and reach people we haven't been able to reach yet. Maybe both. Your existing strategies and tactics are not as helpful here because you are dealing with additional uncertainty.

What if you want to 'transcend the line' completely to achieve dramatically different results? Think about how what was once called The Apple Computer Company transcended the line of their current results three times, with digital music, smartphones, and tablets. They changed the game with radical new offerings and moved from 3% market share in a mature and crowded industry to a peerless leader in fast growing new areas, and become the most valuable company in the world. If you want this kind of dramatic results, your core strategies, tactics, and tools are really not very helpful at all.

You need a new set of maps and tools to be effective when you move away from your core business, one that recognizes that you are moving away from the known knowns and established best practices, and toward exploring the unknown and discovering *next* practices.





Building an Innovation Portfolio

The Innovation Atlas will help you turn a long list of disconnected ideas and projects into a cohesive innovation portfolio. Just like your institution's loan portfolios or your own personal investment portfolios; your innovation portfolio should be diversified, with some assets that generate predictable returns and maintain a relatively stable value, along with some riskier assets that offer higher potential returns to generate growth.

The performance of the core business is often judged by how many of the projects on the corporate to-do list were completed on-time and on-budget. Later in the process we are going to make sure that those kinds of business-as-usual projects get removed from your innovation portfolio to be handled by more traditional methods.

When you innovate you are specifically looking to do things that are not so predictable, by definition. So you can't even generate such a list, let alone accurately predict in advance the timetable and budget for the various steps. If you can, you aren't actually doing anything innovative. If you do it anyway, despite recognizing the traditional business practices are deficient in this area, you are setting yourself up for failure.

Benefits of a Portfolio Approach

- Different projects serve different purposes with different ranges of potential outcomes
- Can match the level of investment with risk/return expectations
- Balance value preservation with value creation
- Create viable options for the future by incubating earlier stage ideas with minimal investments of time and resources
- Flexibility to divest those that aren't working

Managing your projects with a portfolio approach requires a bit of a change in mindset:

- The relative allocation of the portfolio should not stay static, it should evolve with changing circumstances and priorities. For example, an organization may start by overweighting expense reduction in the current period, but they may reinvest those savings into foundational infrastructure, that in turn may lead to increasing investments in future revenue growth opportunities.
- Accordingly, different projects might be prioritized at different times, for different reasons
- Not everything will stay in the portfolio; if some things are not falling off over time, you aren't doing it right
- Projects that are required for regulatory compliance should not be considered part of the portfolio and should not be funded by your innovation budget



- The portfolio needs to be reviewed and rebalanced periodically

Aligning Your Efforts With Your Priorities

The Innovation Atlas is designed to be used in a top-down approach as an extension of, or a supplement to, your existing strategic planning methods. That means you start with your strategic priorities, then build an innovation portfolio that is aligned with those priorities. It is designed to be a very efficient process that focuses your team's energies on what you have determined to be your top strategic priorities. You can also use it to help develop those priorities, see below.

What if we already have a ton of ideas, we just can't decide what to do first?

If you have a pent up number of ideas and don't know which ones to start working on, take a bottom-up approach first. Start with your list of existing ideas and projects and fit them into the lenses to determine their relative alignment and priority so that you end up with a big picture view.

It will require more effort and iteration, but it can engage your entire organization, and it helps capture deep customer insights that reside with those closest to the customer. It also has the added advantage of capturing ideas that might have escaped your top-down view.

1. If you are starting with a Bottom-Up approach, write out your existing ideas, one per sticky note. If you have a very large number, consider printing out the list and cutting them into strips of individual ideas, then use a piece of tape as a homemade sticky. Innovation often feels like arts and crafts.
2. [Skip to Step 4: The FIRE™ Filter Map](#) to quickly narrow down your big list of ideas
3. Now skip back to Step 1 and place each of the ideas in one of the 4 quadrants based on the intended outcome of the idea
4. If the idea doesn't have a clear objective, place it to the side in the "parking lot;" we don't want to lose these ideas as they may be useful in the future
5. Cluster similar ideas to make the future steps more manageable
6. Focus your efforts on the quadrant with the most ideas
7. Looking at the allocation of ideas, is this consistent with your strategic focus?

Whether you start top-down or bottom-up will be driven by your current situation, but ultimately you should utilize both top-down and bottom-up methods. You should have a process in place to capture those bottom-up ideas from around your organization. You might



have already have a sophisticated idea management system in place, but you don't need to have one. It can be as simple as an email address or virtual suggestion box, or even a whiteboard or a running list on paper.

You should give those bottom-up ideas a quick review somewhere between monthly and quarterly, just to make sure that you haven't missed any quick wins or urgent pain points, maybe even some potentially huge ideas.

Your leadership team should work through this Innovation Atlas at least annually to rebalance your portfolio, clean out the old ideas that you already worked on or eliminated, and add in the new ideas you collected but haven't yet implemented. As you get better and faster at the process, you may want to run through it semi-annually or even quarterly.

Getting Started

1. Whether you are choosing a top down or bottom up approach, gather the team responsible for determining your priorities.
2. Have everyone clear a 2 to 4 hour time block on their calendars, and make sure that everyone stays focused on nothing else but this process. No multitasking allowed.
3. Going much shorter than 2 hours means that "recency bias" will probably keep you focused on those things that are top of mind, and you will probably end up overly focused on small incremental improvements of your existing products and processes
4. Going much longer than 4 hours usually does not lead to commensurately better results, you will likely just spend more time debating minor points based on limited information. Having just a *little* bit of a time crunch is ideal. Deadlines are powerful forcing functions for making decisions.
5. Manage the limited time by keeping the group focused on making the best decisions they can make with limited information. Expect to be wrong a lot, but nothing you are deciding at this stage is irreversible. The worst thing we can do is get stuck in paralysis by analysis. A relatively fast wrong decision is better than no decision.
6. Make a copy of the slides for everyone. For purposes of working through steps 1-3, project them on a wall or whiteboard (or simply draw your own version on a whiteboard) so that the team can all work on the wall together.

Step 1: Strategic Allocation Map

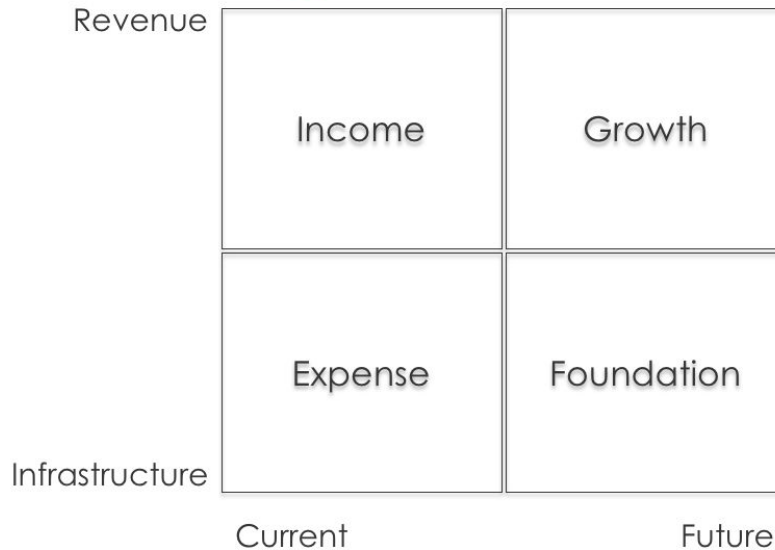
The first foundational framework to help us bring order to the chaos is the Strategic Allocation map. Innovation isn't necessarily about adopting the latest technology or unexpected discoveries that come from a Lab. Innovation is about doing something new to produce tangible results.

Your efforts need to produce results that are meaningful to the business and your overarching strategy; if they are not, 'innovation' will either waste away or be (rightfully) cut in the next



budget cycle. Producing meaningful results requires a level of intentionality. This map aligns your overarching corporate strategy and begins the construction process of your innovation portfolio, and starts the prioritization process at a high level.

Strategic Allocation Map



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On the vertical y axis, you can rank various initiatives along a relative scale of how orientated they are towards generating income versus reducing expenses in the short-term (0-18 months). Managing these competing demands should look familiar to any manager, and in financial services we think of this as the efficiency ratio.

As you move from left to right across the horizontal x axis we add the additional dimension of time. This is where we start to think about the difference between merely extending the line of our current results into the future and bending or transcending the line.

You can't expect to simply do more of what you are already doing today and expect that to generate significantly different results in the future. You will likely need to make foundational investments in new capabilities to enable a better outcome. You may already know that you need to make some foundational investments to enable future growth, but most often this quadrant tends to get filled out after you decide what those future growth areas might look like, in the next step.

How to Use This Map

1. Have each member determine the relative amount of strategic focus and effort required over the next 6 months by allocating exactly 10 points across the 4 quadrants. You can



just have a verbal debate and vote, or you can divide up a fixed number of little sticky dots on a large version of the chart on a wall or whiteboard. You could also spread it out on a conference table and use poker chips to vote (you'll want to have multiple denominations if you don't want to spend all your time counting).

Simplest is to just work on the honor system and let everyone vote with slash marks with white board markers: **### ###**

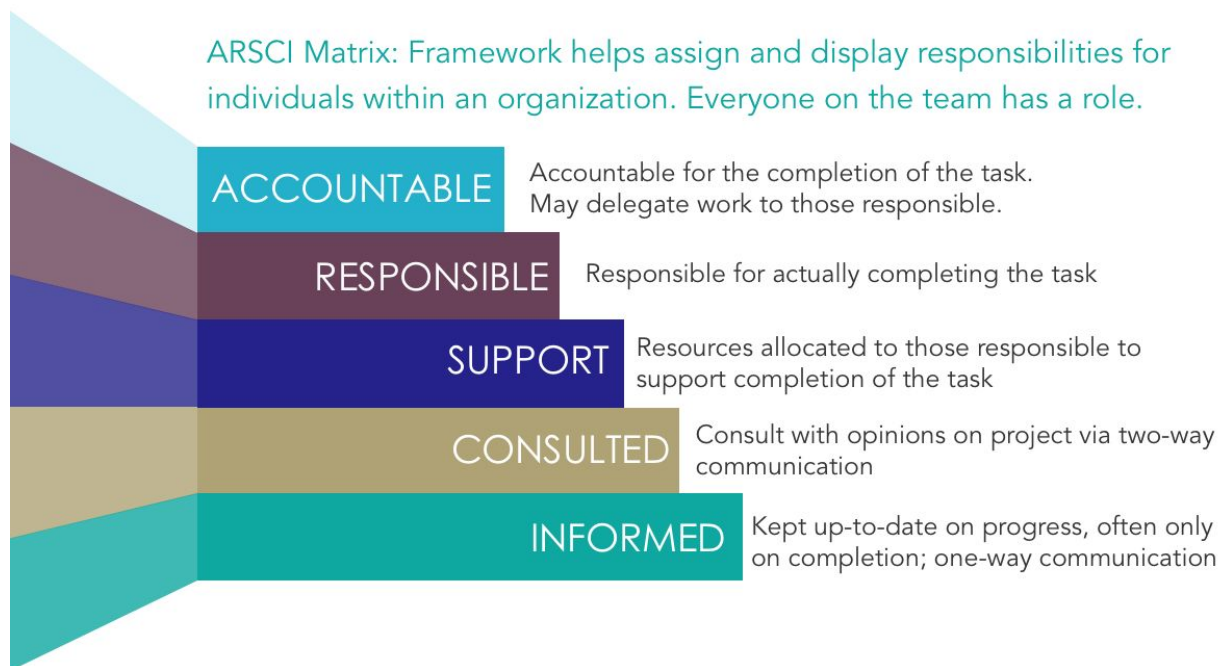
- a. The fixed and limited resources of 10 votes is a feature, not a bug
 - b. You will not likely see success over the short run (or possibly even the long run) by spreading your efforts out too evenly. If you end up with equal votes in each of the quadrants, you should debate and reallocate some chips.
 - c. You probably should not have 0 or 100 percent in one quadrant unless you are in a "bet the farm" situation for the survival of your institution
 - d. The optimal mix is up to your team, but it should be weighted in a clear direction that is consistent with your corporate strategy
 - e. It is tempting to focus on the Current Expense quadrant because it is the most predictable and has the shortest path to bottom line results. This is OK as a place to start, but over time, the amount of emphasis on Expense should trend down because expense-cutting is not a viable long-term strategy.
2. Have the debate amongst the team on why they allocated the way they did
 3. The senior executive or person in the 'Accountable' role in the [ARSCI Matrix*](#) has the ultimate decision or veto rights on the final allocation
 4. This weighting is used to focus your energies when generating ideas, staffing teams, and making ongoing investment decisions to ensure you keep a balanced portfolio consistent with your strategy and goals
 5. Once you have finalized your weightings, turn the team's initial focus to the quadrant where you allocated most of your points/dots/chips
 6. You can come back to other quadrants later, but an important way to ensure that your efforts realize value quickly is to focus on the most important things first
 7. Now take a look at your strategic plan and your existing projects list and write them down, one per sticky note and place the sticky notes in the appropriate quadrant of the chart
 8. It's your management decision on how to reconcile any differences
 - a. You may want to just de-prioritize for now those ideas that fall outside of the quadrant that you have determined to be your top priority
 - b. If you have one or two things that you *know* are critical from your strategic plan but fall outside of your top priority quadrant you may want to decide to pursue them in parallel
 - c. If you have any glaring mismatches– many of your existing items falling outside of your top priority quadrant– you may want to revisit the start of this step and make sure you have chosen the right quadrant (or you may want to revise your strategic plan!)



9. The key question is *“Will the things you’ve listed generate the strategic result you intend?”*
10. Take a picture of your completed map because you are going to move your sticky notes to the next map

*ARSCI Matrix

An ARSCI Matrix is a framework to establish clear roles and responsibilities for getting things done (see the chart below). You may have already seen or used this as a RACI or RASCI matrix, but we believe it is most effectively used with Accountability at the top. We’ll come back to this when we’re building and managing our cross-functional FIRE™ Teams to execute the projects.



Step 2: Growth Vectors Map

Regardless of whether you completed the Strategic Allocation from the top-down or the bottom-up, those ideas and projects that fit into the upper two quadrants (Current Income or Future Growth) can be further assessed based on whether you are concentrating on existing products and services to existing markets, or venturing into new and unproven products or markets.

Note: Don't misinterpret our use of the term 'markets' here to necessarily mean geographic markets. A market is a group of customers and/or potential customers with similar characteristics and needs. A new market may or may not involve new geography outside of



your existing footprint, it just means a set of customer segments or new potential customers that you want to reach.

Growth Vectors Map



Based on the Ansoff Matrix, Igor Ansoff, 1957

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How to Use This Map

1. If the Expense quadrant is your number one priority on your Strategic Allocation Map, you should skip to Step 4 for that, then come back to this with your second priority.
2. Take the ideas you had listed under Revenue or Growth and move their sticky notes to this chart

Again, most organizations do not prioritize Foundational investments from the start, those will tend to emerge as a result of this step. Those are capabilities and systems we need to have in order to generate the future growth. If you have already identified some, you may want to just hold them off to the side for now.

3. This map can help you see where you are overweighted or underweighted; make sure that is aligned with your strategic intent
4. There are no particular right or wrong answers here, but again, ask yourselves: Will the things you've listed generate the strategic result you intend?
5. Use the team's judgement and/or that of the executive in charge to make a determination if the ideas listed are sufficient. If not, spend another 15-20 minutes FIREstorming some new ideas to fit into the appropriate quadrants.
6. Frame those additional ideas in terms of "How Might We...?" to focus on the outcomes to be achieved rather than the activities to be done or specific technologies to be pursued



How Might We...?

When you are trying to come up with new ideas it's best if you can phrase your ideas, questions, and concerns in the form of "How might we...?", which we use *a lot* when we work with clients.

The particular phrasing, "*How might we...?*" is intentional to help you frame the wide variety of opportunities, pain points, ideas, and obstacles that you are going to consider tackling in a common vernacular that lends itself to productive resolution.

Harvard Business Review calls it "The Secret Phrase Top Innovators Use", and it's a well worn tool for everyone from IDEO to Google Ventures to the Stanford design school. Now you're in on the secret too.

Examples:

How might we onboard new customers completely with just their mobile device?

How might we reduce the time from application to funding small business loans?

How might we create custom reports for our commercial clients to help them better understand their financial needs?

Step 3: Results Horizon Map

The Results Horizon Map builds on the Growth Vectors Map to help you measure how much you are playing defense (extending the line through incremental innovation) versus playing offense (bending or transcending the line through more radical innovation). It also gives you a rough idea on where your ideas might fit on a timeline.

There is not a perfect 1:1 correlation for this map to a firm timeline, but as a very rough guide:

- Most incremental innovations (Extend the Line) can be completed and start achieving results in 0-18 months, sometimes at the very short end of that range
- Many adjacent innovations (Bend the Line) can be completed and start achieving results in 18-36 months, although it could be shorter or longer

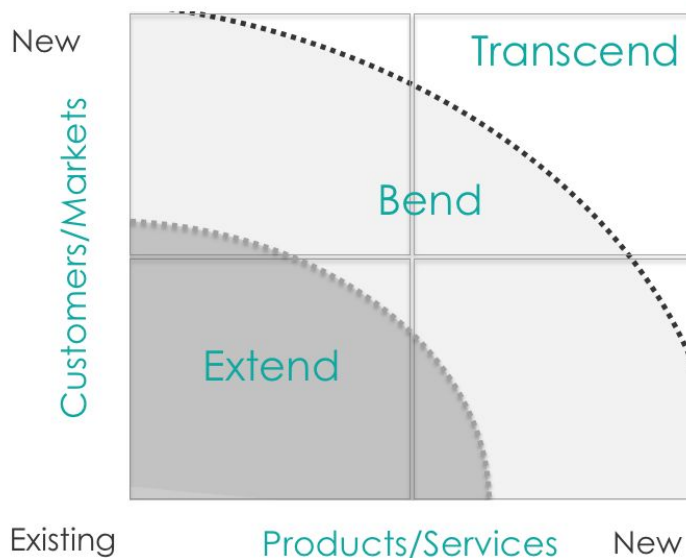


- Many more radical innovations (Transcend the Line) can be completed and start achieving results in 36 months, sometimes even longer. Shorter is also possible, but you should expect truly game-changing results to take some time

Risk and return

- Projects in the lower left corner are the least risky because they reside in the realm of “known knows”, as you move up and to the right you are taking on additional risk because you are confronting increasing degrees of uncertainty

Results Horizon Map



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- As a starting point, we recommend that most organizations start with roughly 70% of their efforts (including hard costs and soft costs like labor and managerial attention) in those activities that can defend and extend the existing core business (sometimes referred to as ‘core’ or ‘incremental’ innovation)
- Approximately 20% may then be allocated into the adjacent middle space, pushing the envelope, but not extending too far into the complete unknown (bending the line)
- The remaining 10% can be used to make small bets that can potentially make a transformational impact, but have much greater uncertainty (transcending the line)
- The return potential also increases as you move from the lower left towards the upper right because you may be moving away from a crowded and competitive space in the market and towards uncontested white space where you can truly differentiate yourself
- Keep this in mind when you tempted to move more bets to the seemingly “safe” realm of the known knows, most of the growth will come from doing truly new things



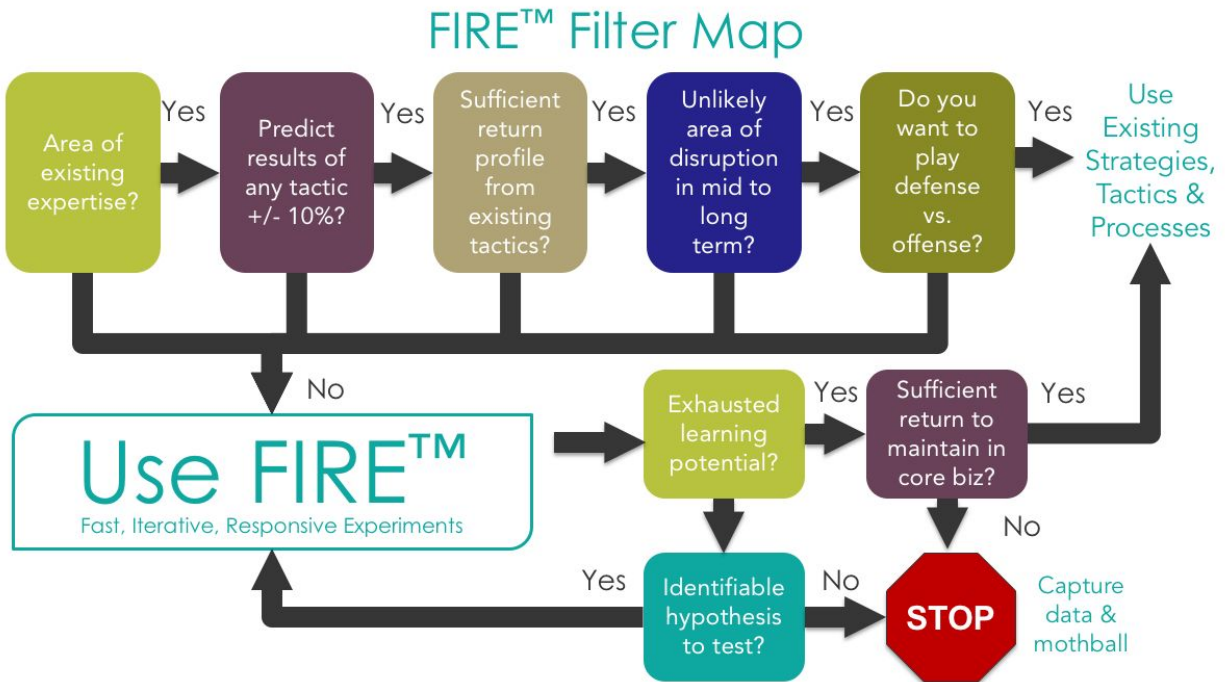
- These are by no means certain or static allocations, but this is a good place to start, backed by research by the Monitor Group, Google, and others.
- Different situations in different parts of the business may call for dramatically different allocations, and they should be periodically reviewed and adjusted as needed.
- You can apply this map discretely against each quadrant, or across the entire portfolio
- The whole objective is to balance defending and extending your existing business while creating viable options for the future

How to Use This Map

1. Look at the individual ideas that you have just mapped to your Growth Vectors in Step 2
2. It is not necessary to post this map and move your sticky notes, just look at the correlation
3. Mark each sticky note with one of three letters, either:
 - a. E - meaning it will help you *extend the line* of current results when completed
 - b. B - meaning it will help you *bend the line* beyond your current results when completed
 - c. T - meaning it will help you *transcend the line* to generate dramatically different results when completed
4. Look for mismatches. Your E's, B's, and T's should be distributed similarly to the Results Horizon Chart
5. Make any final additions, deletions, or adjustments to the list
6. Many teams discover here that the majority of their projects will only help extend the line of their current results, so you may want to FIREstorm for some more impactful ideas at some point

Step 4: The FIRE™ Filter Map

The FIRE™ Filter Map helps you decide if your existing expertise, tools, and processes are sufficient to manage any particular project. If the project is sufficiently analogous to your existing products and experience, it should be funded by the appropriate business line and executed by your existing project management processes.



If however, the idea is exploring new areas further from our current experience, you need to use some new tools. Your Innovation Portfolio is a temporary home for ideas to be tested with the FIRE™ process. A successful experiment should eventually graduate from an idea being tested to a full-fledged project to be implemented across the core business or its own business unit. At that point, your core strategies, tactics and processes are often used to scale the idea.

Conversely, some ideas should be killed off completely if we can't find a successful and productive use for them. The FIRE™ process helps you move toward one of those ultimate outcomes as quickly and inexpensively as possible.

How to Use This Map

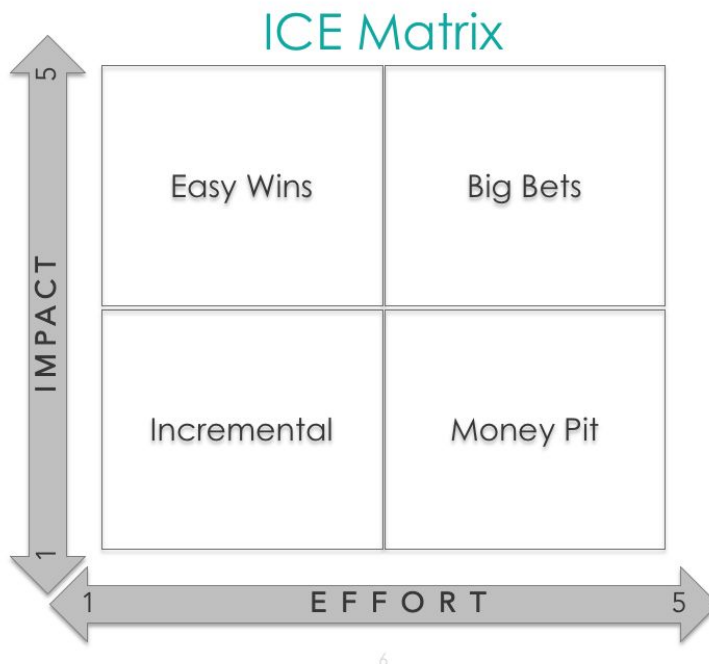
1. Take all of the ideas you have written or printed out and vet each one through the top row of the flowchart to decide if each idea is close enough to our existing products/process, knowledge base, and predictability that they really don't need to be part of an "innovation" process. You can probably consider the first three questions as a group, as they are often related:
 - a. Is this within our currently existing areas of expertise?
 - b. Can we predict the results of any new tactic within an accuracy of +/- 10%?
 - c. Can we earn a sufficient return using our existing tactics?.
 - d. The fourth question "Is this an unlikely area of disruption in the mid to long term?" is a bit of a stronger filter that might need just a bit more thought and debate from your team. You might understand the existing area of the idea quite well, be able to predict results very accurately because we understand the



variables, and obtain acceptable results today; but if that status quo is likely to be disrupted, you should bring that into your innovation process.

- e. Similarly, the last question *“Do you want to play offense vs. defense?”* is a stronger filter that should also require a bit of thought. If you want to do more than stay in the game, keep what you have, and extend the line in a given area; you should also bring that into your innovation process.
2. Still, this should be a pretty fast process to cull a big list, not an exhaustive review
3. Once you work through the first couple pretty carefully, the others should go very fast
4. If the answers to those questions are all “yes”, place that idea to the side in the “parking lot;” we don’t want to lose these ideas, and they might help us in the future
5. Assign them to a functional manager to handle as a part of their business-as-usual job duties, outside of the innovation process and budget.

Step 5: ICE Matrix (Impact/Confidence/Effort)



Now that we have a better strategic view for each of our projects or ideas on our list, we need to think about where we should start first, especially given what are always limited resources.

- The ideal place to start is with those Easy Wins that can generate maximum impact with minimal effort
- Obviously you want to deprioritize or eliminate those ideas that offer minimal results for maximal efforts (The Money Pit)
- Incremental Wins with lower results from lower efforts can be important to tackle early to generate some quick wins and build confidence in the team

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- Big Bets offer potentially game changing results, but require a lot of time and effort. The key is to expend those efforts quickly and cheaply in Fast, Iterative, Responsive Experiments and learn and adjust course along the way.

You may have completed an exercise like this in the past, and maybe you experienced some of the same things that we have. We noticed that groups tend to overestimate impact and underestimate effort, and things that seemed Easy Wins often turned out to be Money Pits.

That's why we developed the following worksheets to help you take an honest and realistic look at each of the initiatives you are considering and try to better quantify the impact it is likely to have, and how likely you are to ensure that you achieve and maintain that impact.

IMPACT	1	2	3	4	5
What is the long-term strategic value?	Low	Low-Med	Medium	Med-High	High
How rare is this in the marketplace?	Very Common	Fairly Common	Medium	Fairly Rare	Very Difficult
How difficult would it be to replicate?	Very Easy	Fairly Easy	Medium	Fairly Difficult	Extremely Difficult
Realistically, how ready, willing and able are we to organize the company around this as a core differentiator central to our brand?	No way	Doubtful	About as much as our other initiatives	We could commit to this higher than most other things	We could be extremely committed to this, above all else
Is this oriented more towards generating revenue, or is it all infrastructure (or savings/ efficiency)?	All expense (or savings/ efficiency), little to no revenue	Mostly expense/ efficiency, but some revenue	Equal amounts expense/ revenue	Mostly revenue, but some infrastructure	All revenue, little to no infrastructure
How long until we see full results?	0-6 months	6-12 months	12-24 months	24-36 months	36+ months

We also want to better quantify the actual effort it will take to achieve those results, with a rough idea of how long it will take and some thought about what kind of internal and external resources we will need to marshal to make it happen.

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EFFORT	1	2	3	4	5
How much will it cost to implement?	Very nominal expense	Less than average	Average expense	More than average	Very large expense
How BROAD will the demands be from across the organization (IT, Legal, Compliance, other LOBs, etc.) ?	Can be implemented within a single business unit	Minimal involvement from other business units	Normal amount of involvement from other business units	More than average involvement from other business units	Major involvement from other business units
How much managerial attention will this require from the ELT and/or board to be successful?	None	Less than average	About as much as our other initiatives	More than average	Intensive attention
Honestly, how much experience do we have with projects like this, and how have we done?	This is very routine for us, and we are excellent at it	Above average experience and track record	Average experience and track record	Some limited experience/ mixed track record	Little to no experience and/or poor track record
How long will it take to fully implement?	0-6 months	6-12 months	12-24 months	24-36 months	36+ months

It's by thinking through these aspects a little bit ahead of time that we can add the element of *confidence* to our innovation portfolio. Over time, we'll adjust the initiatives' position as we gain actual data from the real world, but this is a pretty good start.

How to Use This Map

1. Display the map on the wall or draw it on a whiteboard
2. Look at all of the ideas you have left after you have organized them and narrowed them down through the other maps
3. Rank each of them based on their potential impact based on the worksheet on slide 7 and the amount of effort it will take to complete based on the worksheet on slide 8
4. Answer honestly and realistically
5. You don't have to score every idea against every single criteria on the two worksheets, but we created this level of granularity to help prevent everything from rounding together in the middle. If you have too many ideas in the middle of the chart, you might want to run those through the full impact and effort worksheets and calculate their scores.

Next Steps

Now that you have walked through different maps, you should have a pretty well vetted and prioritized list to work on. Now you're ready to run the heart of the FIRE™ Process: Fast, Iterative, Responsive Experiments. Maybe start with a quick win if you have one, and work

The Innovation Atlas



through the process. Then pick your highest impact idea and use the FIRE™ Process to break it down into smaller actionable steps.

Rinse and repeat.

Many financial institutions see tremendous benefit from having this process professionally facilitated by an outside third party. We have done it for organizations of all sizes and all levels of innovation maturity in a session customized for their unique situation and goals; and participants tell us that they got more done in 24 hours than they normally do in three months. Learn more at ftforge.com/anvil

FinTech Forge is the industry leader in helping financial institutions build and leverage their innovative capacity, internally and through strategic partnerships and investments. FinTech Forge also powers the Alloy Labs Alliance, the world's first shared innovation lab for community and mid-sized banks to help them reduce risks, lower costs and shorten the time between ideas and results.