

Design Thinking:

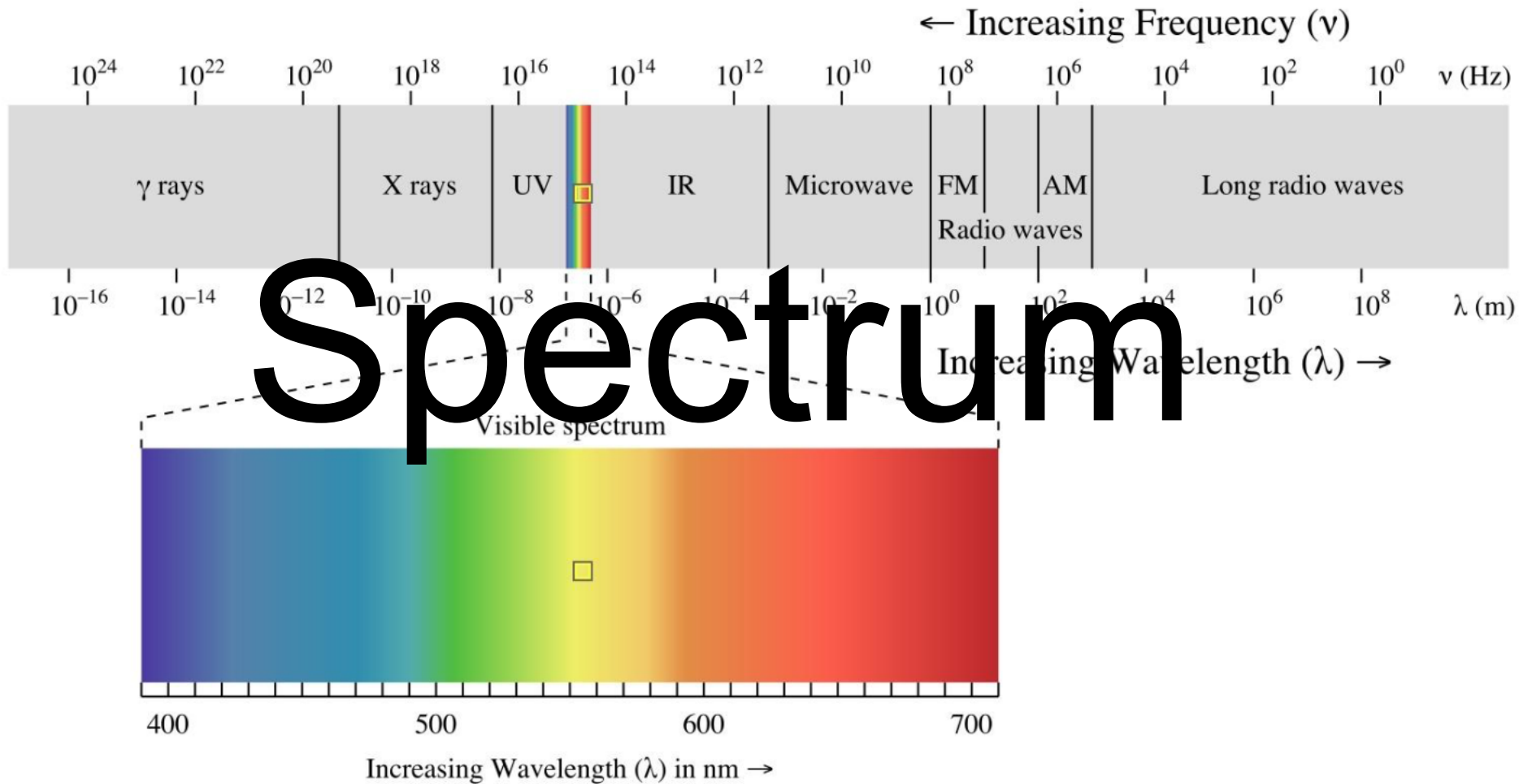
*Why Japanese Corporates are Interested in
Silicon Valley's Innovation Methods*

Presenters

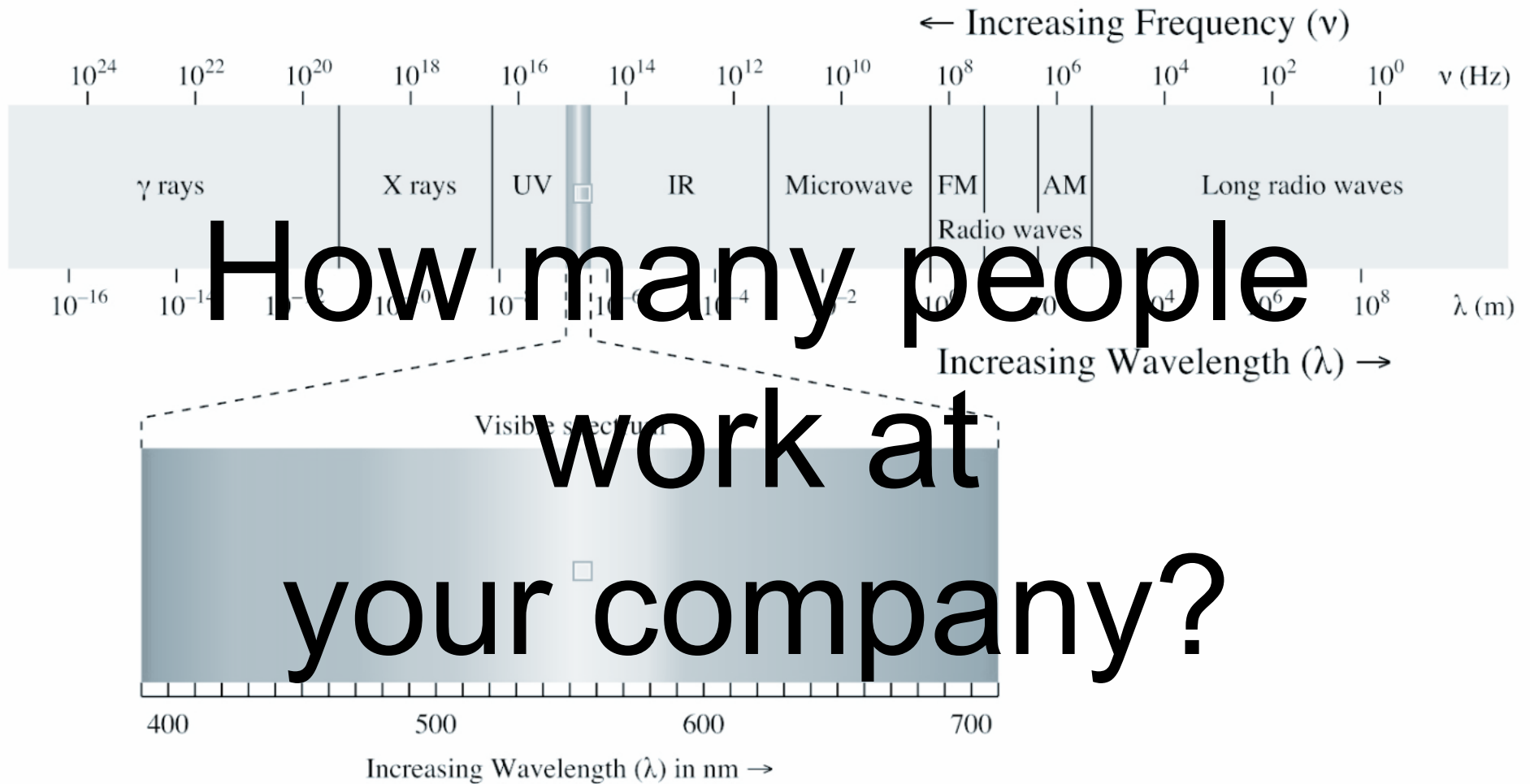
Aki Koto, Partner @ WiL

Diana Joseph, Founder @ Diana Joseph Consulting

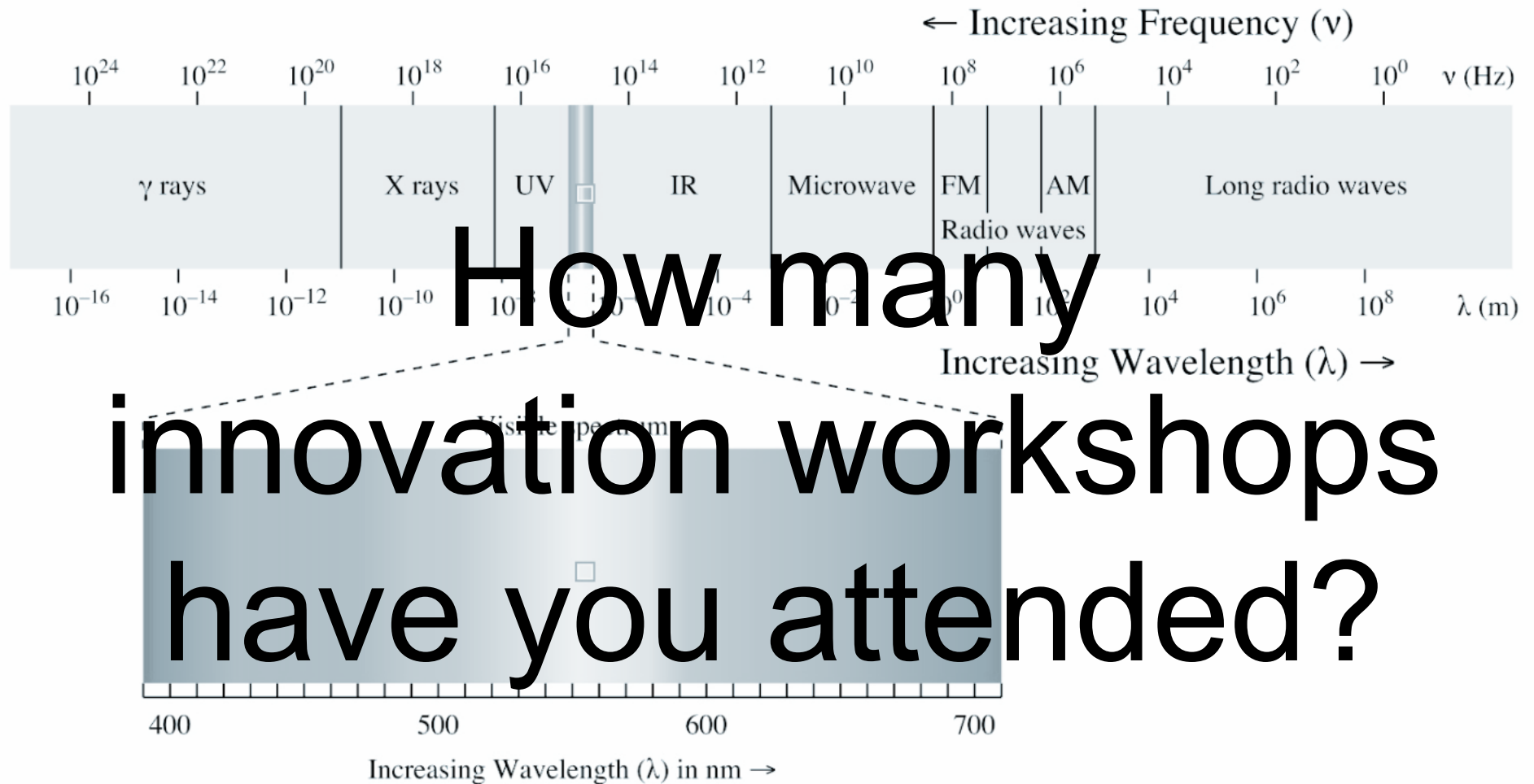
Yuka Nagashima, Moderator • Debora Aoki, Graphic Recorder
Q&A with Masato Yamamoto (WiL) & Zach Osumi (ANA)



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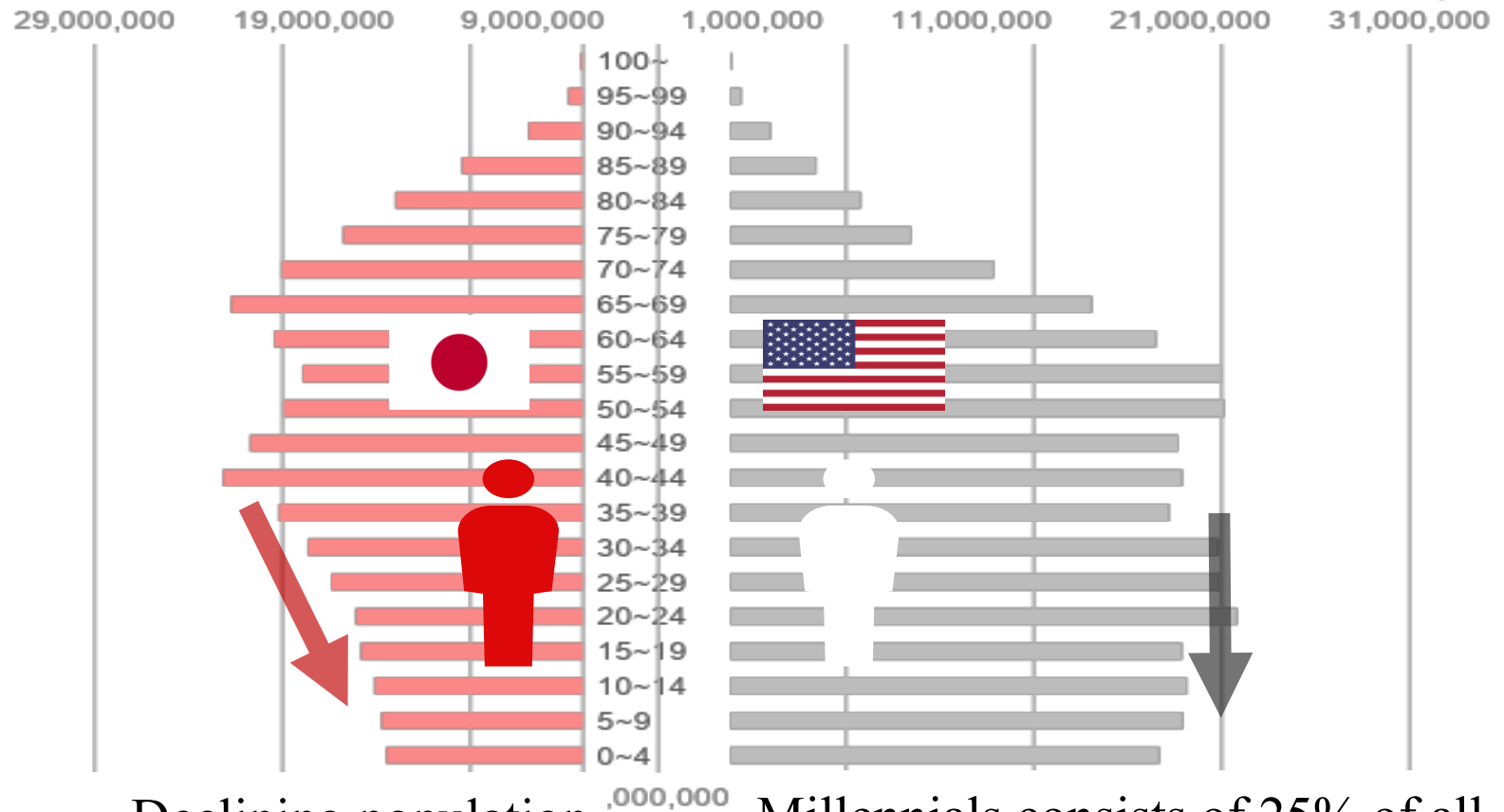


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What's holding back
Japanese innovation?



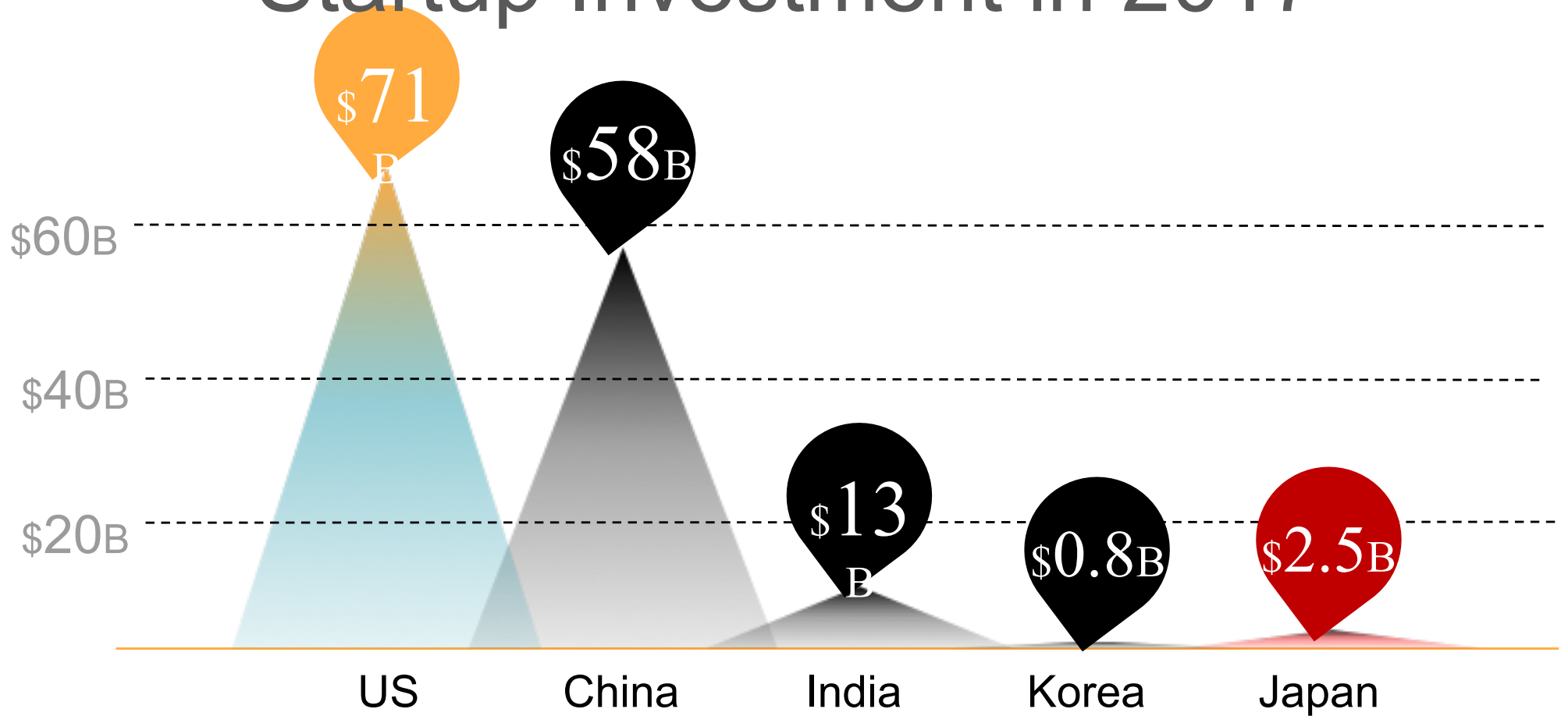
Role of Millennials in the Society



Declining population
in Millennials

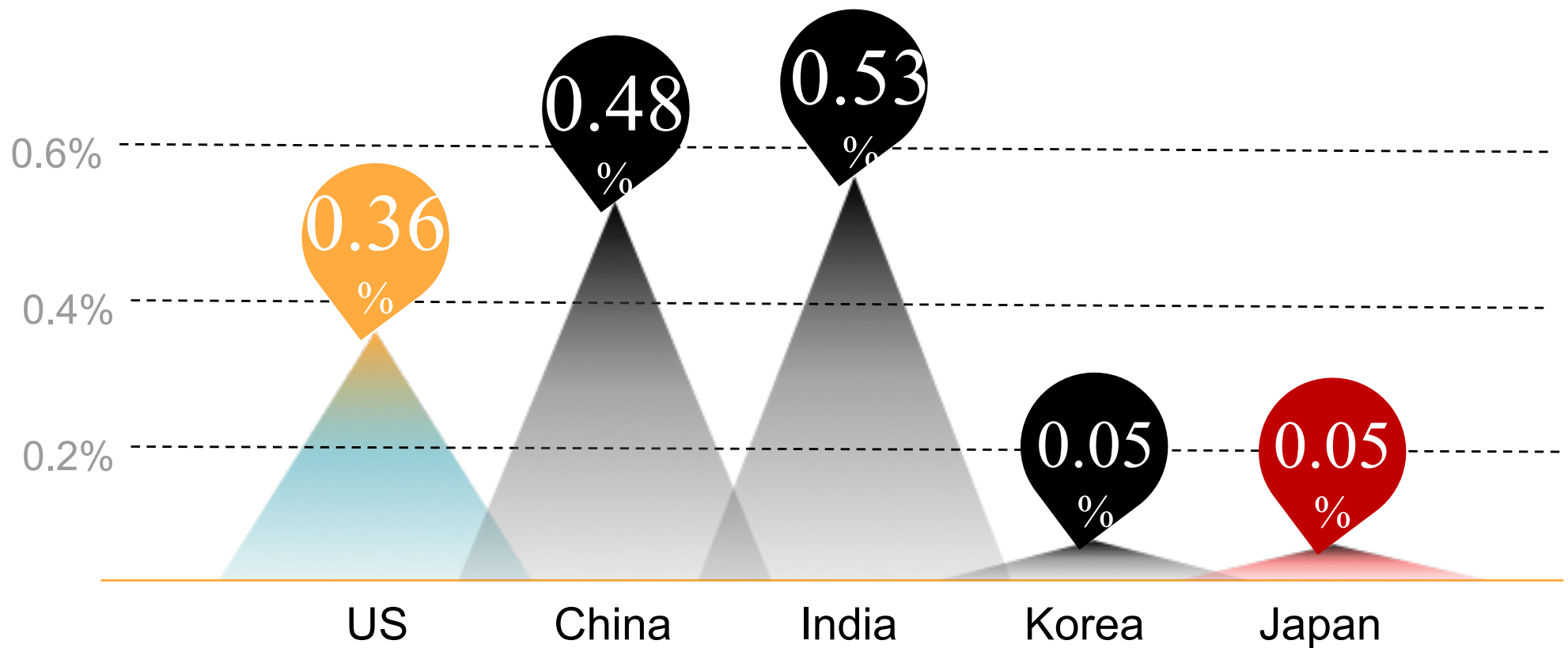
Millennials consists of 25% of all
population

Startup Investment in 2017



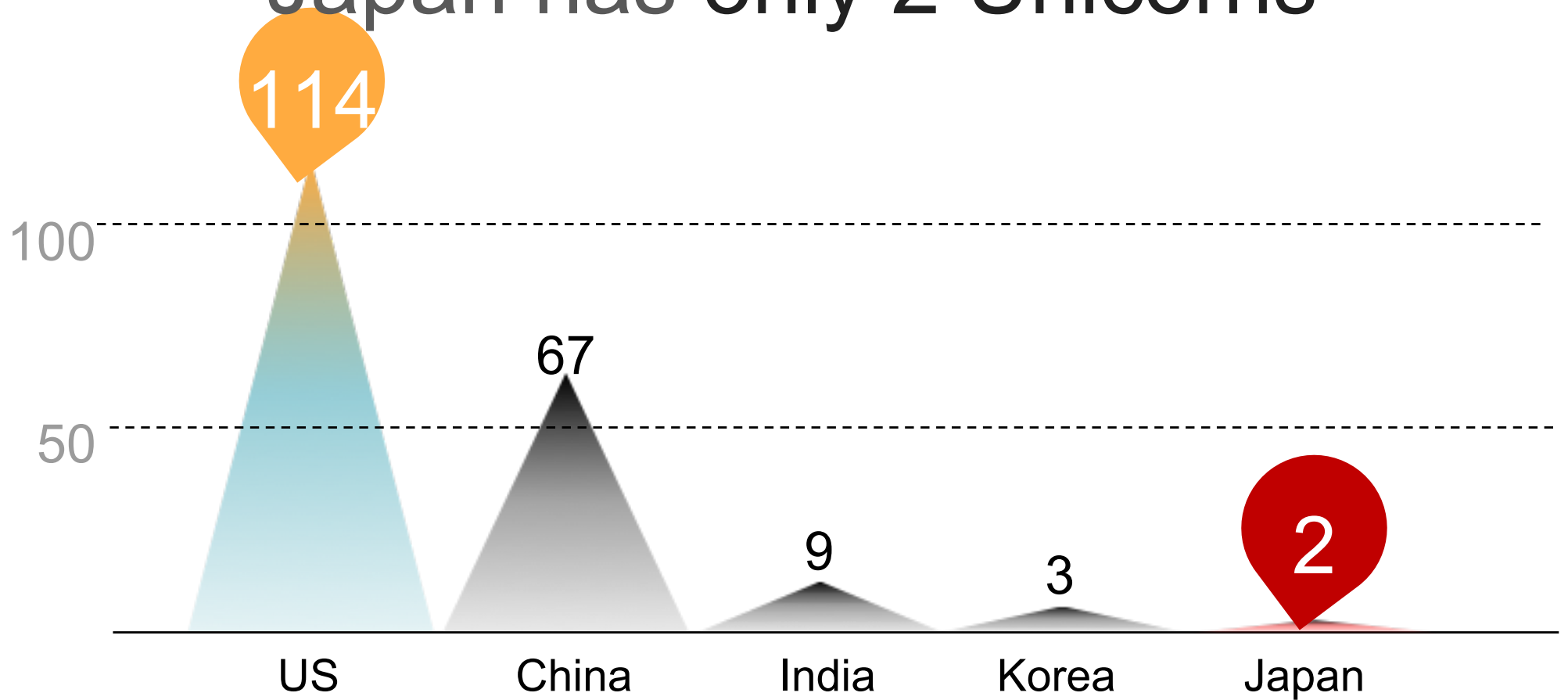
Preqin。US\$1 = JPY110を適用

Startup Investment/GDP in 2017



Prequin。US\$1 = JPY110を適用

Japan has only 2 Unicorns








(Reference: CB Insights)

A digital stock market ticker board with green and red numbers and Arabic text. The board displays various financial data points, including stock prices and company names in Arabic. The text "Public Market" is overlaid in large white letters.






Public Market

Top 5 Companies in Market Cap



1	 TOYOTA	\$211B
2	 NTT	\$97B
3	 docomo	\$95B
4	 MUFG	\$84B
5	 SoftBank	\$77B

Dominated by
Traditionals

1	 Apple Inc.	\$920B
2	 amazon	\$787B
3	 Microsoft	\$760B
4	 Alphabet	\$748B
5	 facebook.	\$543B

Dominated by
Technology Companies

(As of June 1st, 2018)

Most Attractive Employers for Engineering



- | | |
|---|--|
| 1  | 6  |
| 2  | 7  |
| 3  | 8  |
| 4  | 9  |
| 5  | 10  |

Dominated by
Traditionals



- | | |
|---|--|
| 1  | 6  |
| 2  | 7  |
| 3  | 8  |
| 4  | 9  |
| 5  | 10  |

Dominated by
**Technology Companies &
Traditionals driving Innovation**

(Reference: Japan - Diamond Magazine in 2018, US - Universum Research in 2017)

Reality Check for Japanese Large Corporates

1 (still) Resourceful

- Talented people, Products & Services, Capital
- NIH (Not Invented Here) Syndrome

2 Unique Business Convention

- Unique Approval Process by the Name Seal, Personnel Rotation, Limited Power for CEO
- Briefing in Advance

3 Low tolerance for Risk/Failure

- Deduction Principle
- No Merit for “Exploration”

Inevitable Elements for Japanese Corporate Innovation

1

Unleash the Resource

- Foster Intrapreneurship
- Non-core IPs and rapid-prototypes

2

Embrace Open Innovation

- Cross-Industry
- Startup Collaboration

3

Foster Entrepreneurial Mindset

- FOMO, YOLO
- For Family and Society



Dejima where you can try things and learn

WiL's Limited Partners



Portfolio Startups



WiL as Dejima Platform

WiL act as **Change Agent** to drive the Innovation with Startups and Corporates

Dejima where you can try things and learn

WiL's Limited Partners



WiL as Dejima Platform

Portfolio Startups



1. Investment in Startups
2. Business Creation with Corporates
3. Empowerment for Corporates

What Corporate needs to understand

BI (Before Internet)



**Simple &
Predictable &
Expensive**

AI (After Internet)

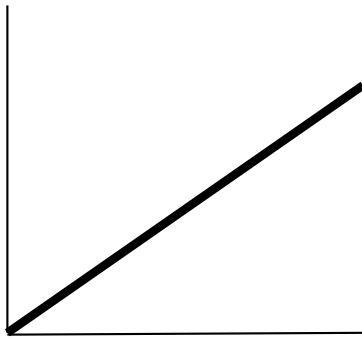


**Complicated &
Unpredictable &
Cheap**

(Reference: Joi Ito)

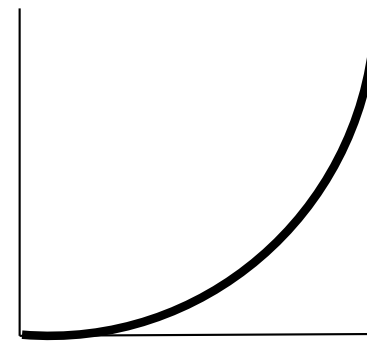
What Corporate needs to understand

BI (Before Internet)



- Linear Growth
- Centralization
- MBA

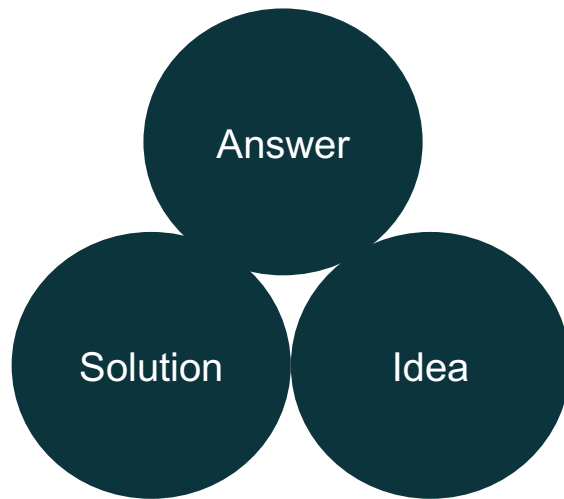
AI (After Internet)



- Exponential Growth
- Decentralization
- Entrepreneurship

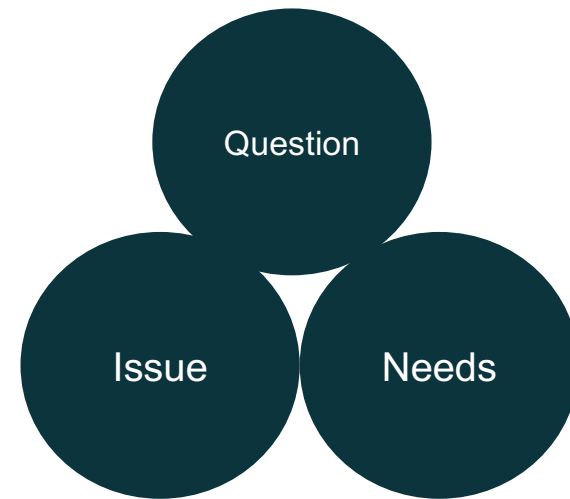
What Corporate needs to understand

BI (Before Internet)



Logical Thinking
For Problem **Solving**

AI (After Internet)



Design Thinking
For Problem **Finding**

WiL's Empowerment Program

Silicon Valley Entrepreneurship



Design Thinking



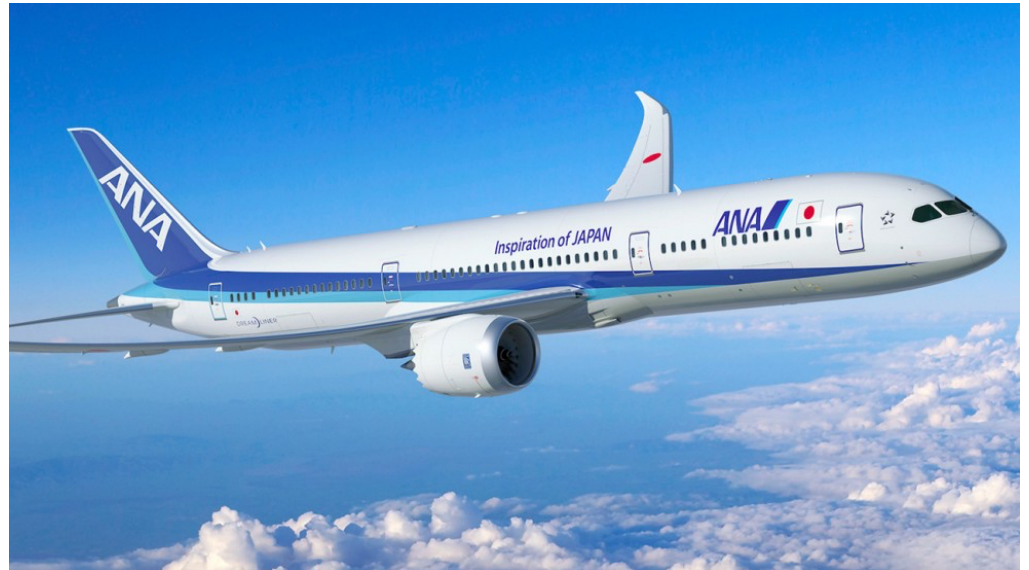
Transformation

Foundation for
Everyone

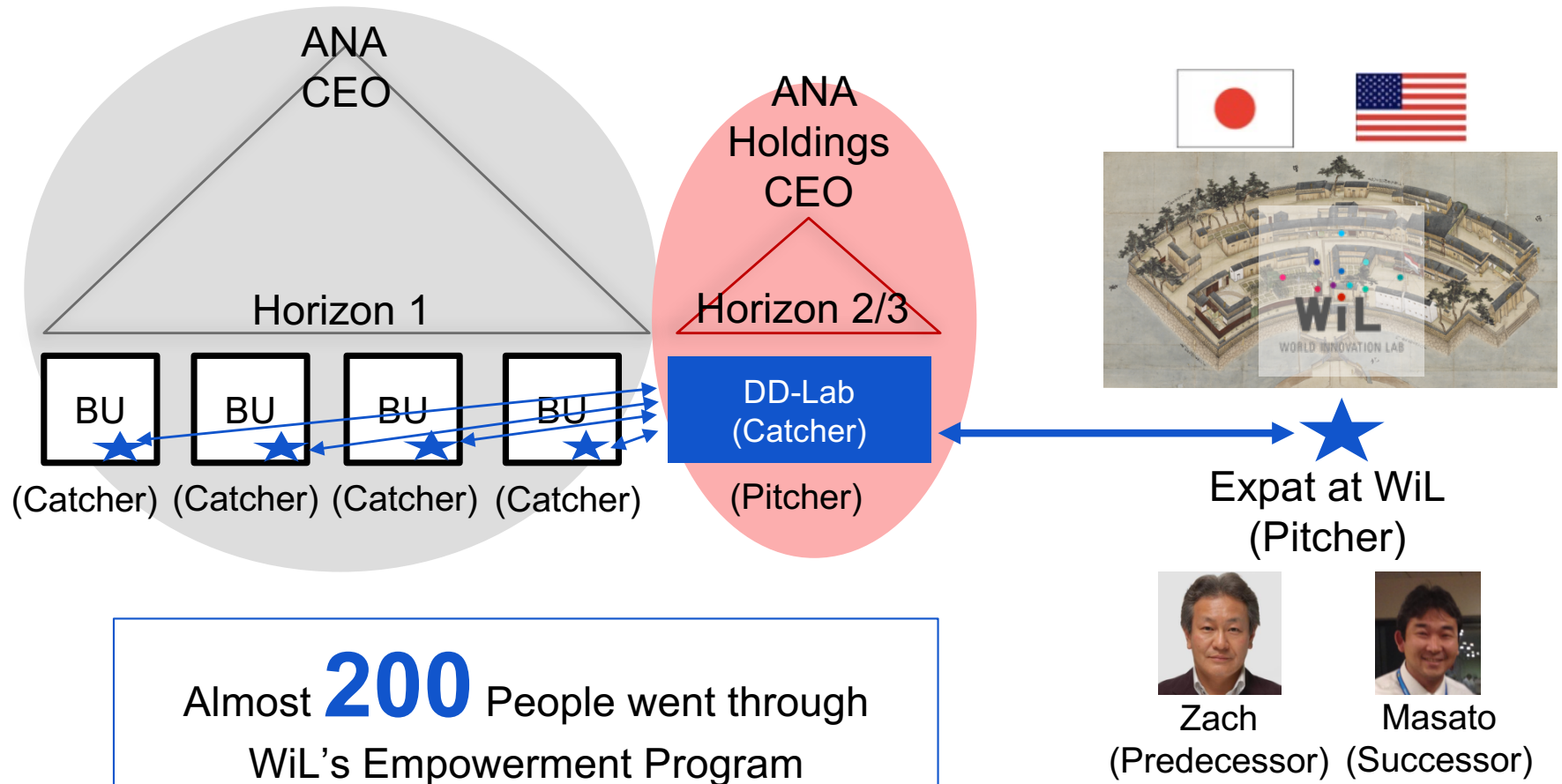
For GMs/VPs only

- 4 Days at WiL Palo Alto Office
- Only for WiL Limited Partners

Use Case 1:



Innovation at Dejima

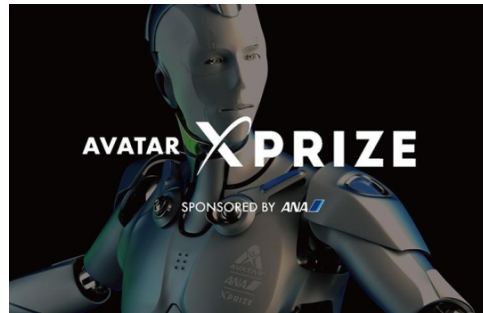




Outcome



Crowdfunding Platform



Xprize Avatar Challenge



Investment in Space Travel Startup



Drone Consortium



Wayo - Mileage EC for Authentic Japanese Goods



Beyond Tokyo - VR Travel Experience for Tokyo

ANA named ATW 2018 Airline of the Year



ATW Airline Awards
March 27, 2018 | Dublin,
Ireland

Nominations

Winners

Attend

Sponsorships

Contact Us

Venue & Travel



2018 Winners

2018 Airline of the Year:
All Nippon Airways

Leadership Excellence:
Lufthansa CEO Carsten Spohr

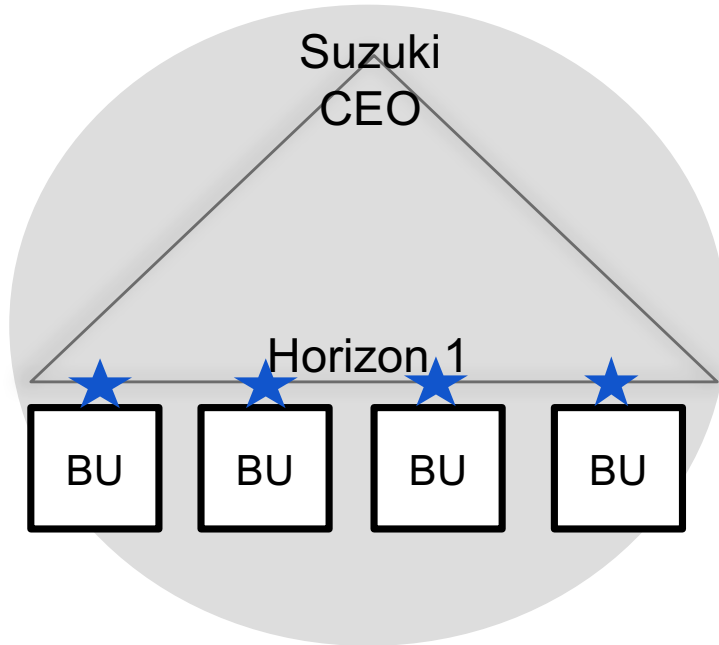
Eco-Airline of the Year:
Air Canada

Use Case 2:





Innovation at Dejima + Transformation with GMs/VPs



Expat at WiL
(Pitcher)



Sumito

★★★
Skunk Work in
Silicon Valley

Almost **100** People went through
WiL's Empowerment Program



Innovation at Dejima



“Design the next generation mobility for Elders”

Dejima Rule

- With only **Beginners**
- **Living Together** in the Shared House
- In **Silicon Valley**
- Using **Design Thinking** Approach



Raja (26) - 4 Wheel Engineer



Masa (30) - EV Wheel Chair Engineer



Yuya (27) - EV Engineer



Design Thinking Approach

Interviewed with 150 Elders



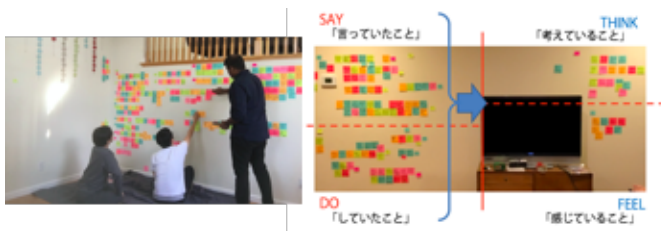
Volunteered at Wheelchair Store



Live on Wheelchair



Life-Work Harmony



Design Concept for Each Elder



Try Fast & Fail Fast





Transformation with GMs/VPs



64 GMs/VPs who is younger than 55 years old went through WiL's Empowerment Program





Outcome



- New Design Concept was authorized by the management!
 - Moving on to the Production Design
-
- Evangelizing Design Thinking Approach in each division by GM/VP
 - New Transformation Project with GMs/VPs was kicked off for 6 months

What's in common for and

- Company DNA for Customer Centric
- Clear Vision by Expat (Pitcher)
- Catcher's Influence to CEO/Chairman
- F2F Empowerment Report to CEO/Chairman

But there is one mindset that is more important than all others. To adapt design thinking for Japanese, you need ...



First, let's try Yes, But!

**Plan a birthday party
with the person next to you**

A: Here's an idea, let's ____!

B: Yes, BUT _____

2 Mins





Now, let's try Yes And!



**Plan a birthday party
with the person next to you**

A: Here's an idea, let's ____!

B: Yes, AND!

For 2 Mins





What just happened?

① YES BUT

A: Let's have a birthday party!

B: Yes, But ...

Seems positive on surface, but it's actually

Denial

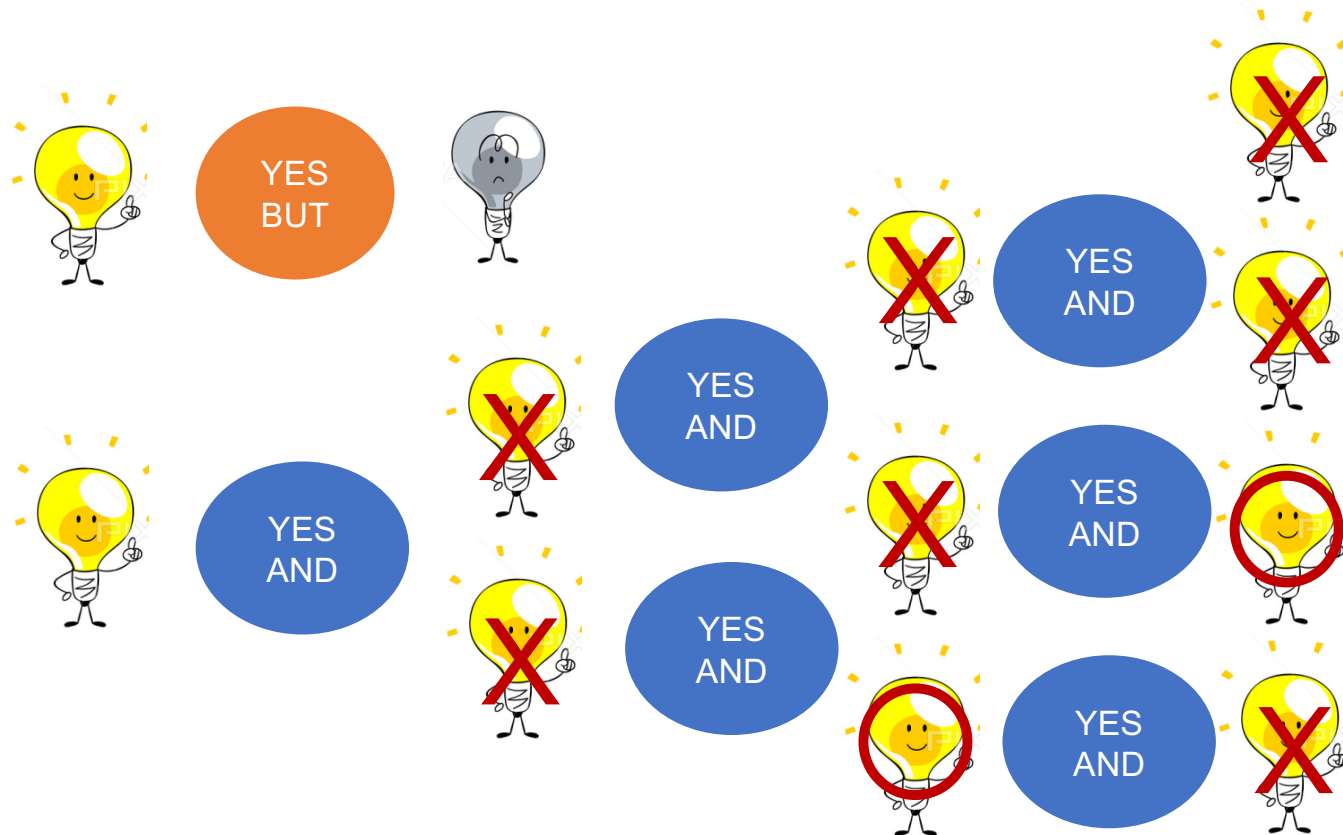
② YES AND

A: Let's have a birthday party!

B: Yes, And ...

Positive, and
**Proposing
Another Idea**

- Safe Environment (No one will criticize you. No one will judge you.)
- Wild ideas and crazy ideas are more than welcome.
- Evaluate the idea AFTER idea generation.



“Yes And” is fundamental for design thinking in the Japanese context

② YES AND

A: Let's have a birthday party!

B: Yes, And ...

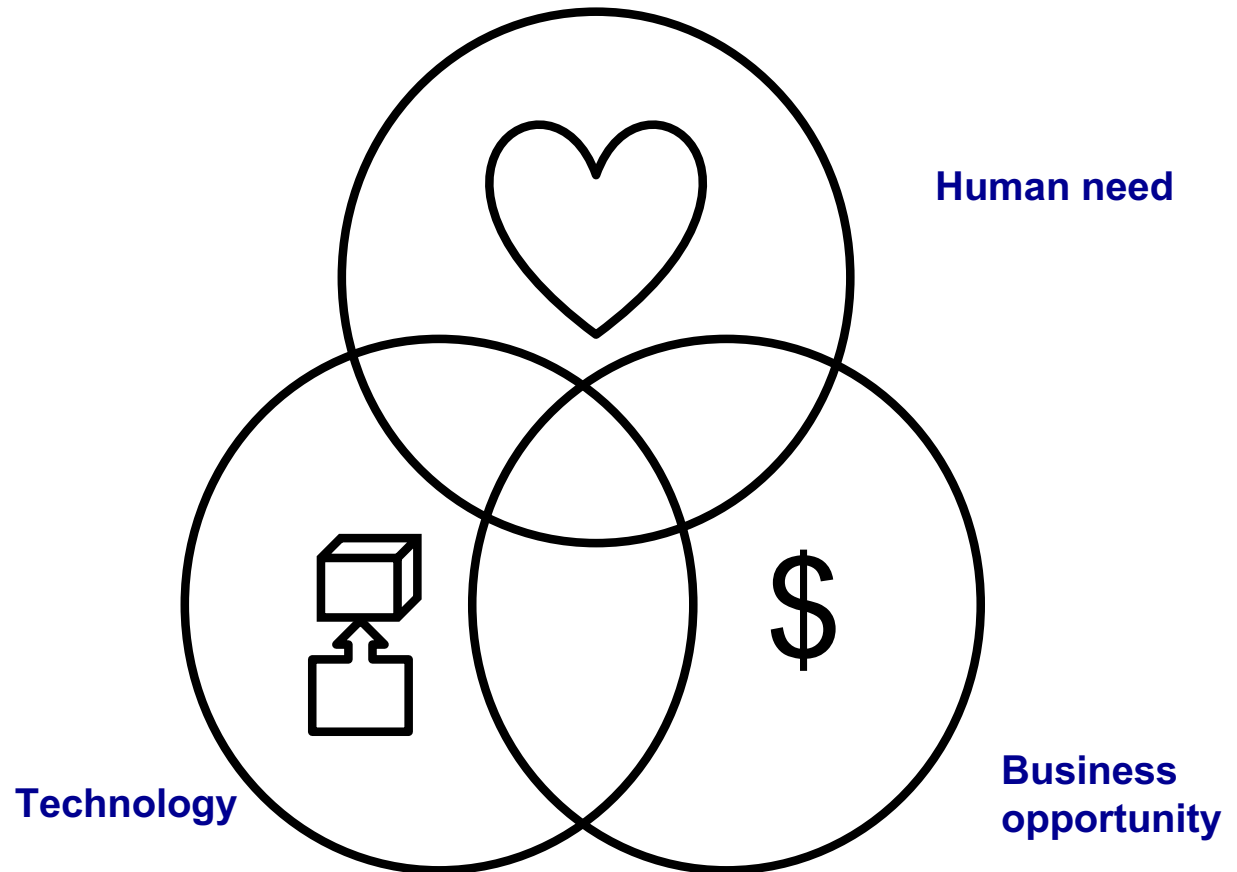
Positive, and
Proposing
Another Idea

Innovation at Citrix 2014-15

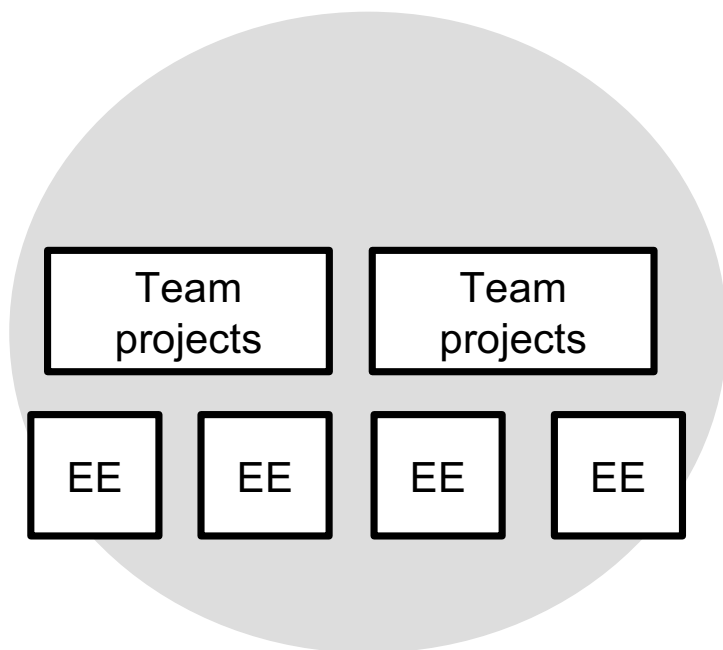
Vision:

Customer-focused
Innovation

Through
Design Thinking



Innovation at Citrix 2014-15



HUNDREDS of employees trained in Design Thinking, across the company

Internal and External Innovation

CITRIX
StartupAccelerator
Innovators Program



Support for Individual Innovation



Innovation incentives for bonus:
% of new customers from new

February 2015, SVP of Customer Experience

“ ... we’re releasing products that are of **better quality**, and we’re releasing them **faster** and receiving more customer and industry **awards** than before. We’re also seeing improvements in our customer feedback—**customers are noticing** and acknowledging our end-user focus.”

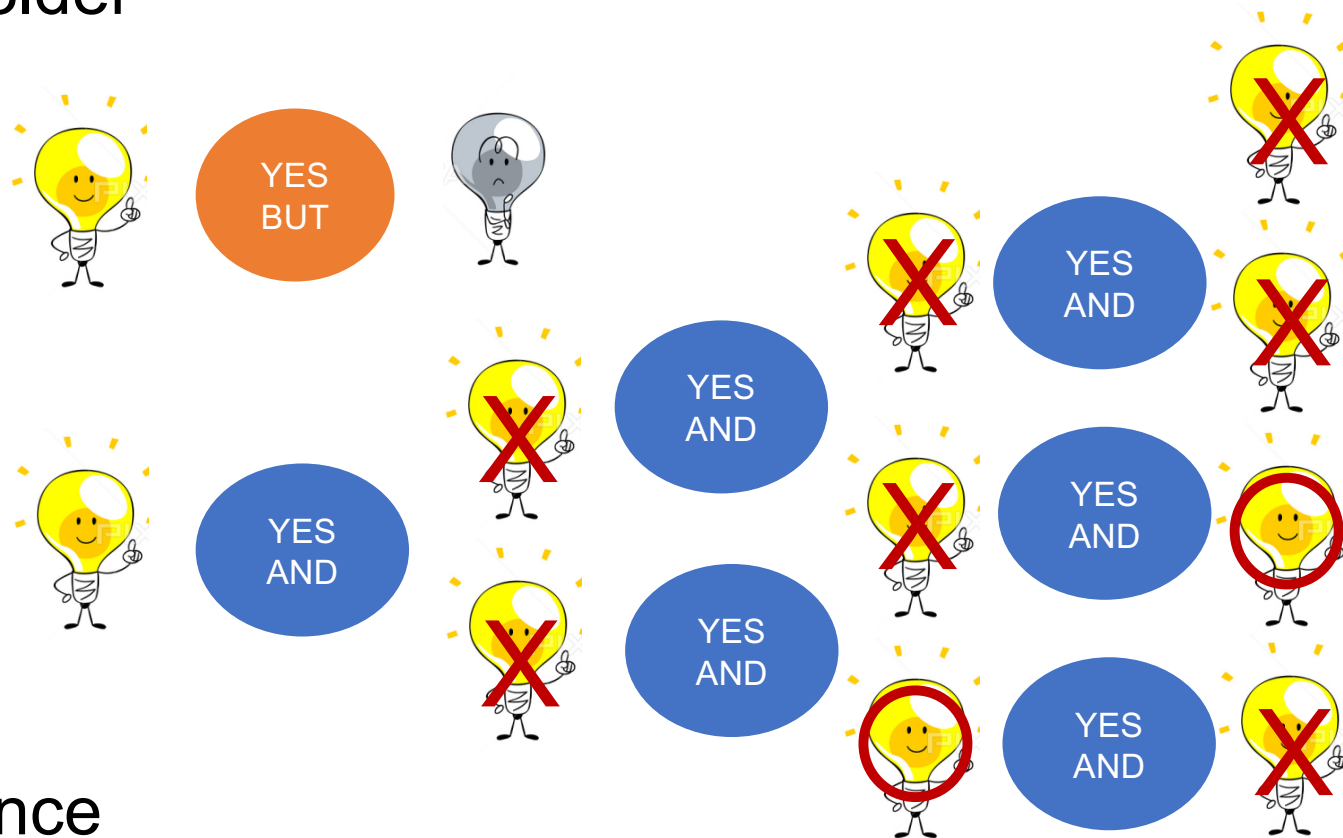
~ Catherine Courage

June 2015 shareholder letter

“We believe that Citrix can achieve a stock price of \$90–\$100+ per share by the end of 2016. ...

“Citrix’s recent history of funding speculative R&D initiatives without clear route-to-market or tangible competitive advantage must be reevaluated immediately. These speculative or non-core projects need to be scaled back or eliminated and resources reallocated to the product categories where Citrix has the greatest likelihood of success.”

Activist
Shareholder



SVP of
Experience

Two big lessons!

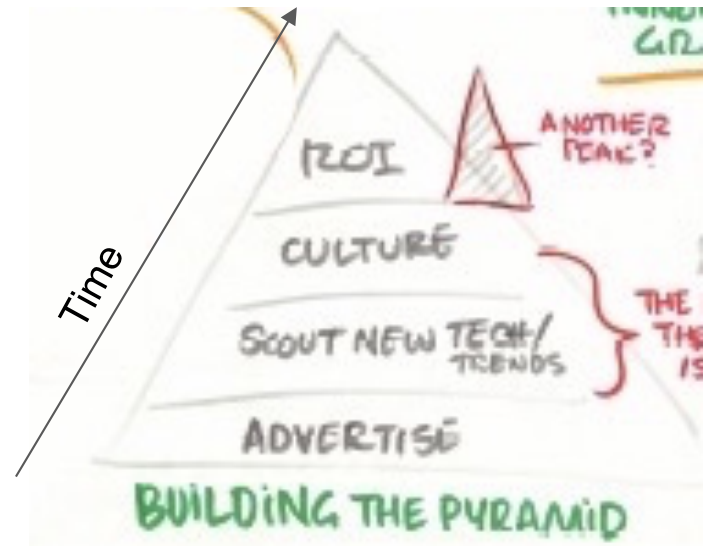
Stakeholders change

You need a champion at the start

You need to convince shareholders at the end

Who else matters in between?

Goals change



Questions worth asking:

Stakeholders:

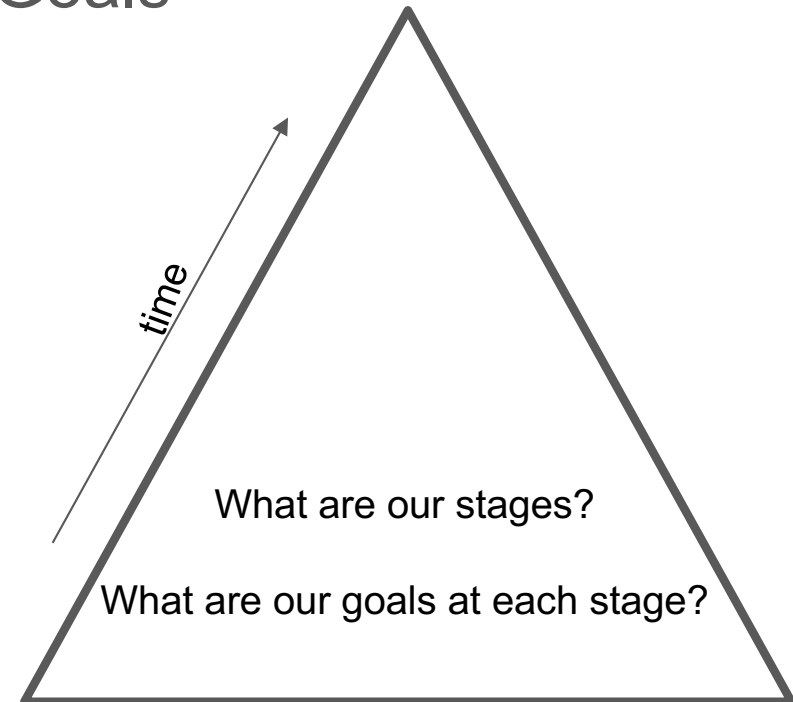
Who are they?

What do they care about, really?

How do their interests align and conflict with the innovation initiative?

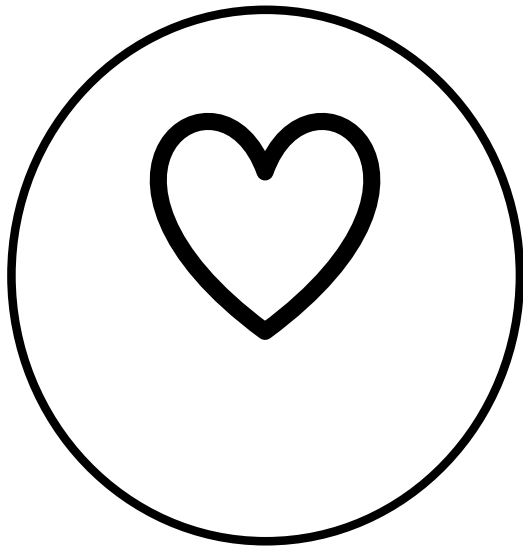
What do you need from each stakeholder, and when?

Goals

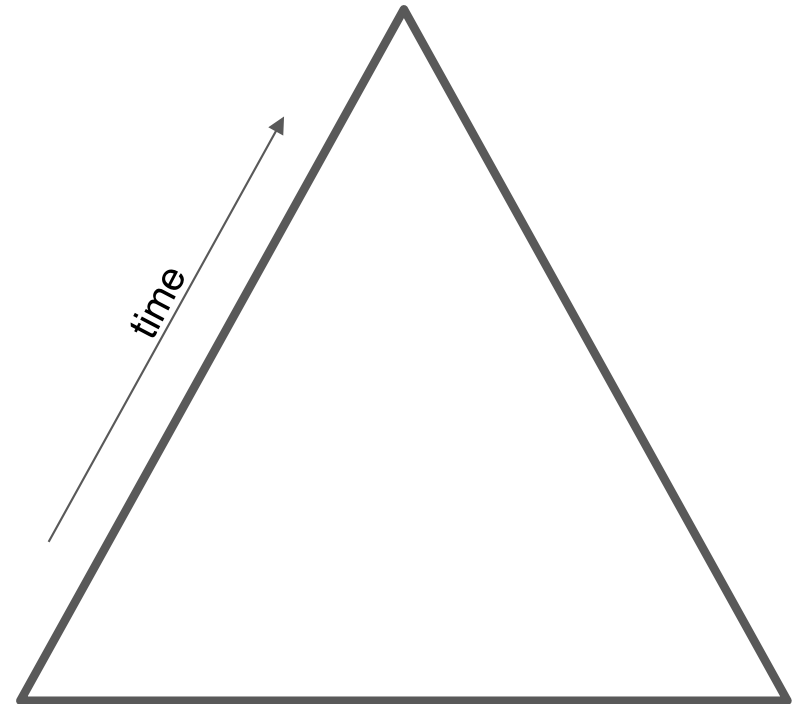


In other words, prepare!

Use design thinking to address shareholder needs!



Articulate how your goals will change over time!



Q&A Guest Panelists

Masato Yamamoto, WiL

Zach Osumi, ANA