

Introductory Session – Overview of Bay Area’s Innovation Ecosystem

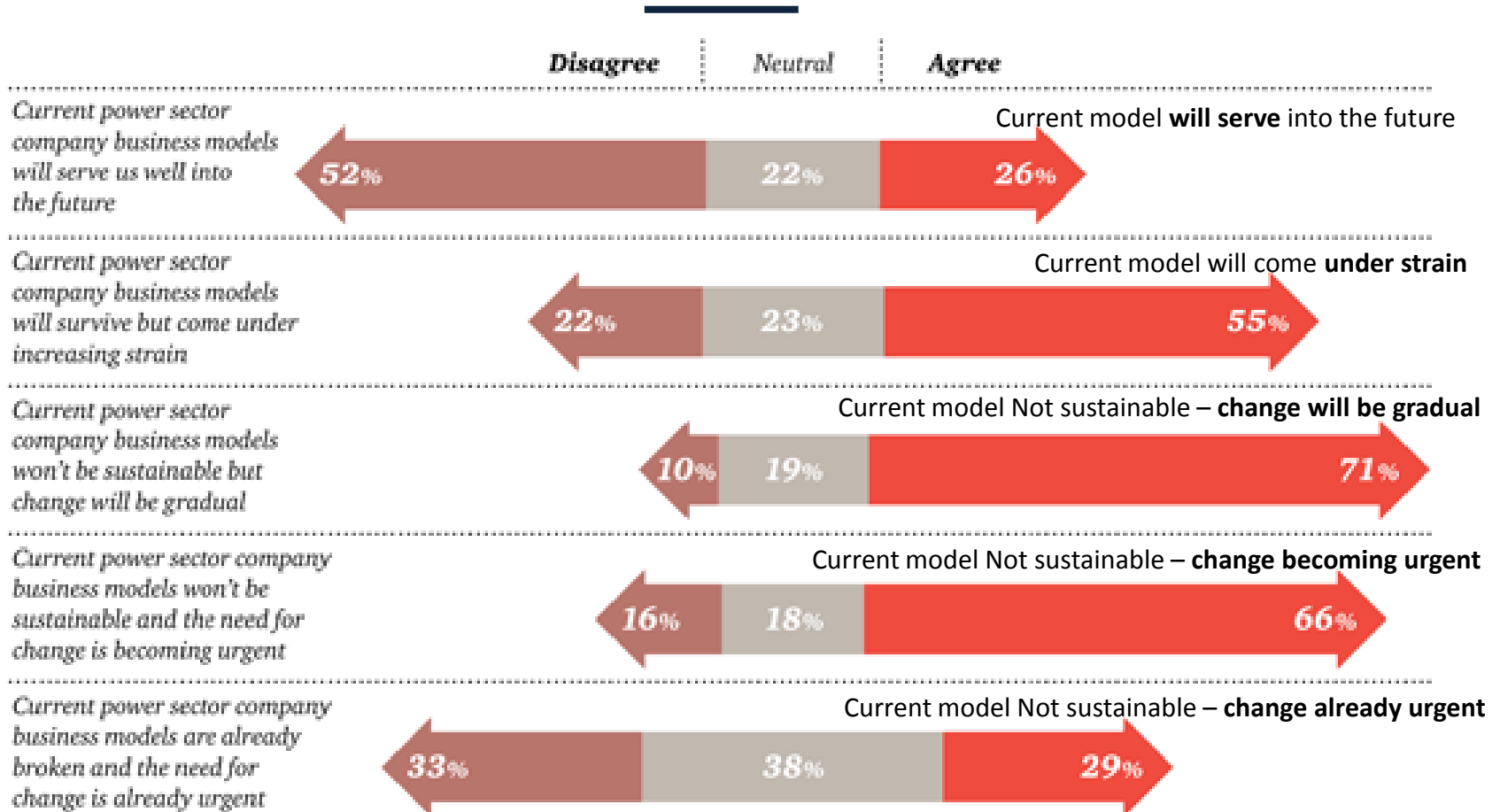
Carlos Oliveira



LEADERSHIP
BUSINESS CONSULTING

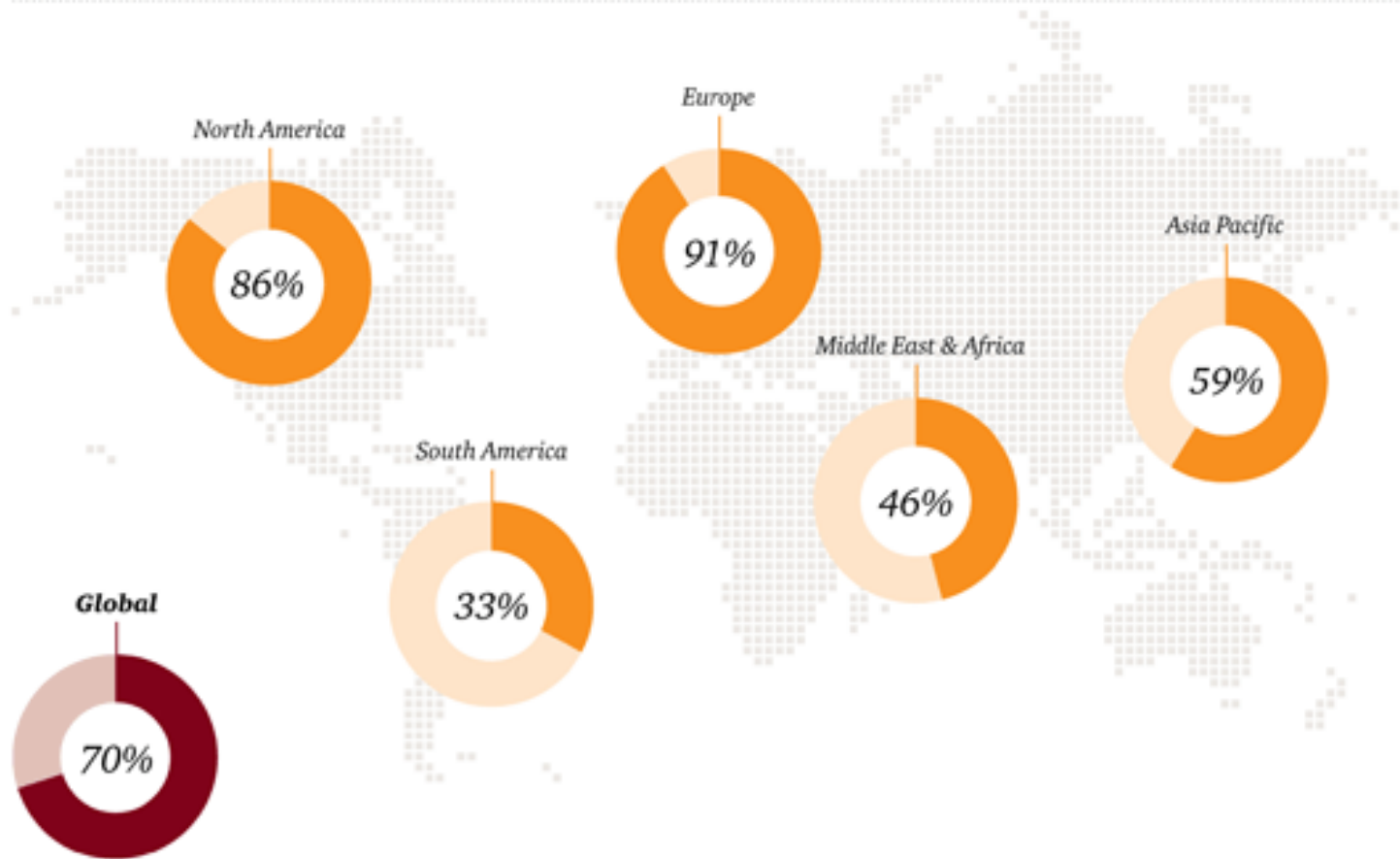


The Future of Current Business Models



Rated on a scale of 1-5, where 1 = fully disagree; 2 = partially disagree; 3 = neither agree nor disagree; 4 = partially agree; 5 = fully agree.
 Source: 14th PwC Global Power & Utilities Survey

Expected Change in the Market Model until 2030



* Scale of 1-5 where 1 = no change; 5 = very significant change. Scores 4 & 5 reported.
Source: 14th PwC Global Power & Utilities Survey

Main Industry Challenges

Cybersecurity

An estimated 40% of all hacks in the US have electric grids as a target.

Customer Expectations

Customers expect greater personalization from suppliers, and this can be challenging for the energy market.

Demand Response

The adjustment in energy supply to better fit the market is an area where new technologies can produce substantial and profitable changes.

Smart Grids

The installation of smart grids, on top of starting to be legally required, could lead to substantial cost savings.

Energy Storage

With the possibility of big industrial clients becoming more independent in energy production, the business model could start to be increasingly focused on storage.

The utility of the future will be a fully digital system

1. Utilities' **relationships with customers** will be more interactive than ever, requiring deeper insights into **customer behavior and actions**

Internet of Things

Big Data

Cloud

Mobile revolution

Smart grids

Smarter measuring systems

Greener standards

Changes in regulations

2. **Business models** will change – Utility without assets?

3. **Decision cycles** will become shortened. Current organisations and people of utilities can respond in the digital era?

This requires a digital transformation of business, organisation & culture – supply, network, retail

The capacity of EDP to Innovate will be a decisive factor

Mobile Customer Engagement

Digital Customer Experience

Smart Cities

Decentralised Energy

Digital Asset Management

Digital Field Worker

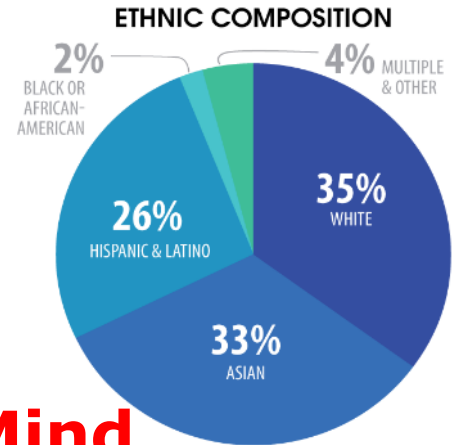
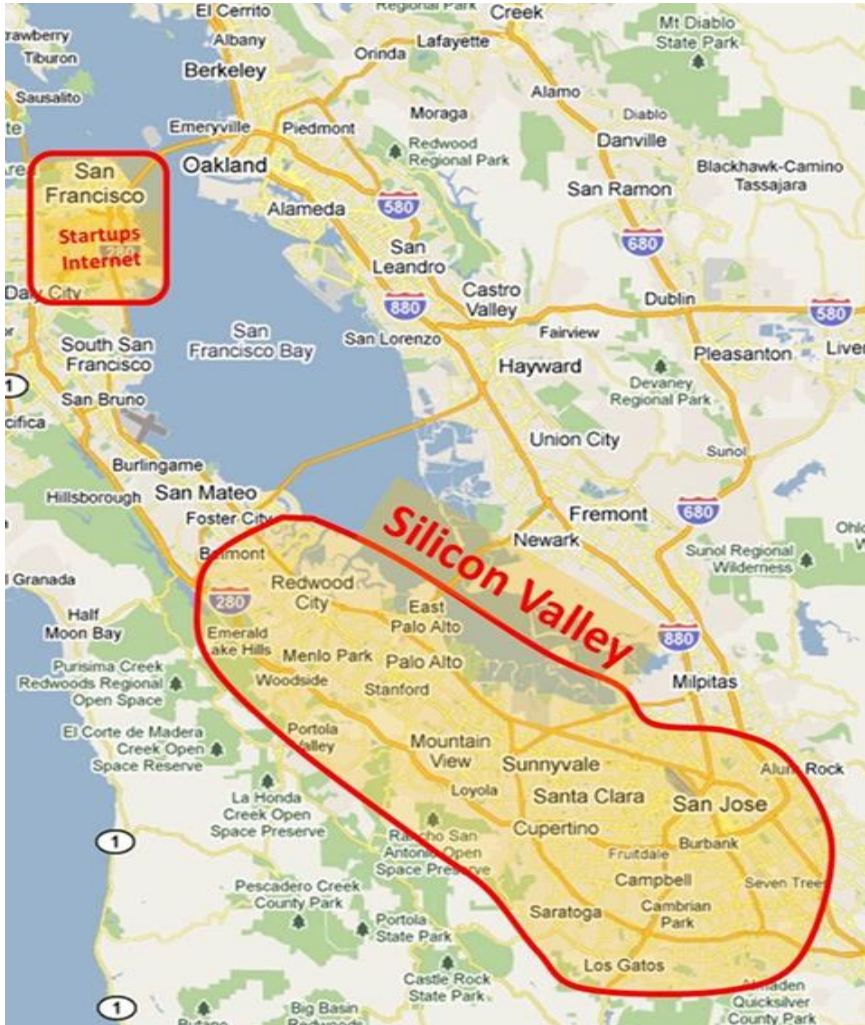
Digital Billing Next Grid 3.0,
Microgrids

Smart Homes

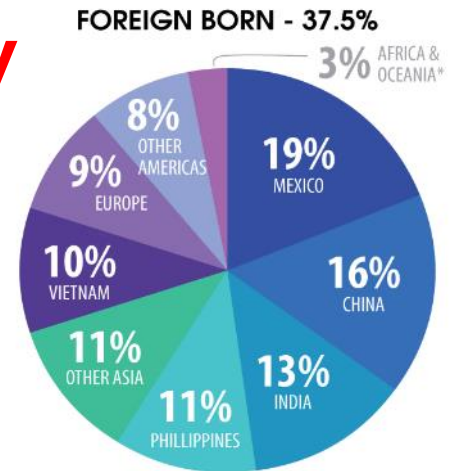
Energy Data Mining

Energy Analytics

The Bay Area – What is it?



**State of Mind
+
Diversity**



The main business of SV is ...

... to challenge business models

Main characteristics that make the Bay Area a global leader in innovation

Fast and efficient processes, allowing for rapid advancement of ideas to market entry:

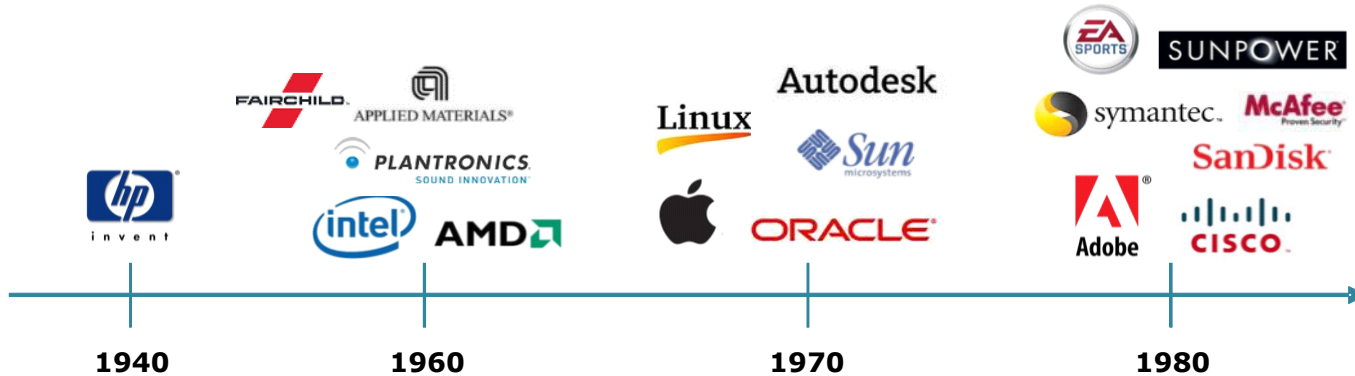
- **Disruptive ideas** are encouraged and promoted
- Ideas are developed **at a global scale** and **risk taking** is part of the process



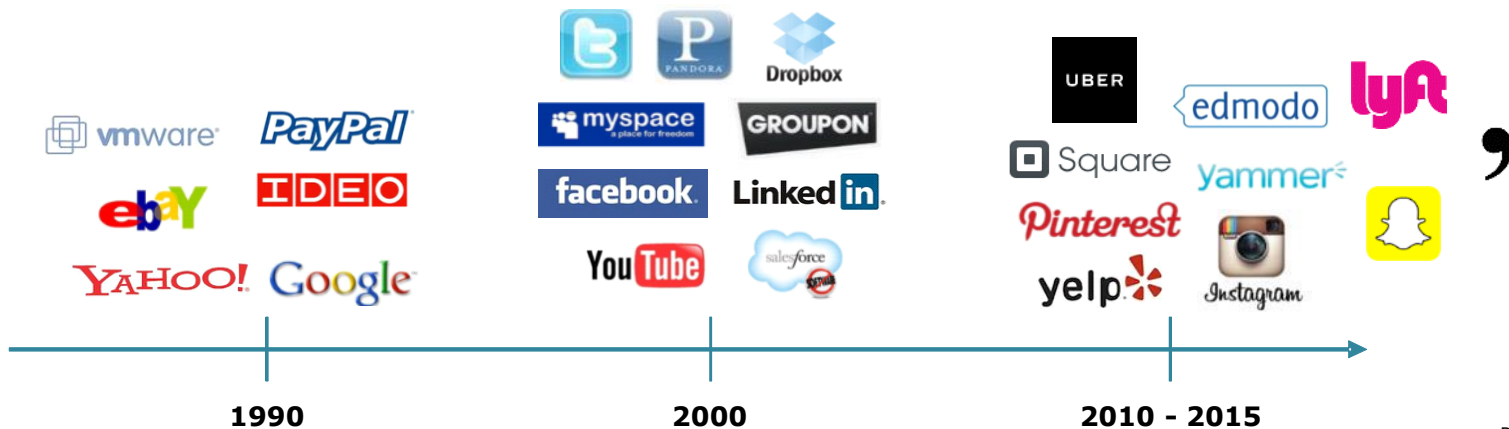
Evolution of Silicon Valley/Bay Area

A few examples of companies based in Silicon Valley

Defense / Radio / Silicon / Semiconductors / Networks

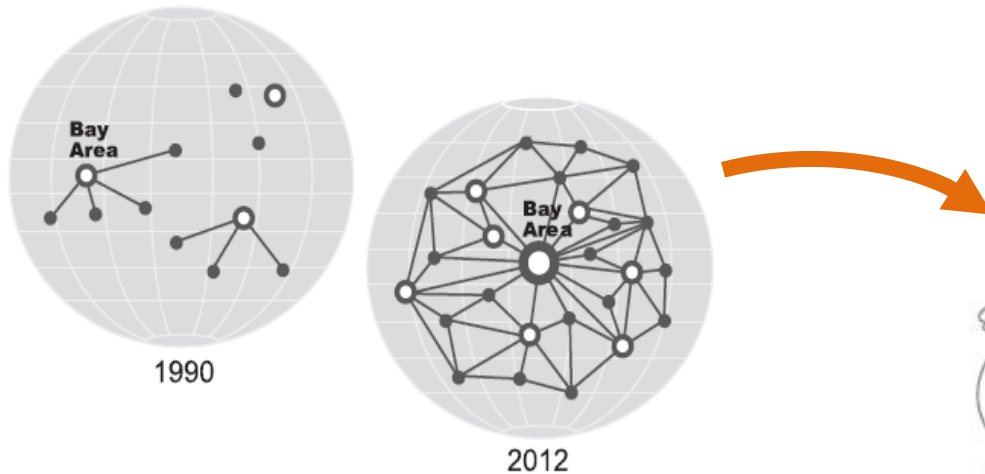


Search / Social Web / Cloud / Driveless Cars / Artificial Intelligence



Differentiator #1

Disperse Global Innovation Centers



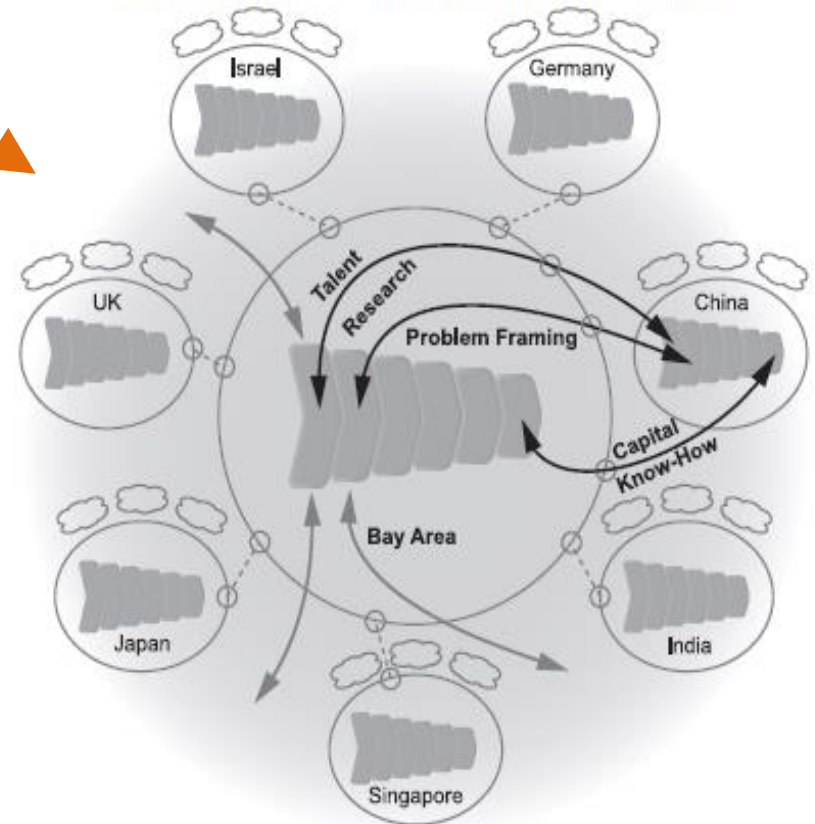
SV positioning:

Global Marketplace
of ideas, talent and capital
Super Hub linking other
innovation centers

Super Hub

Aggregator of global innovation and entrepreneurship networks.

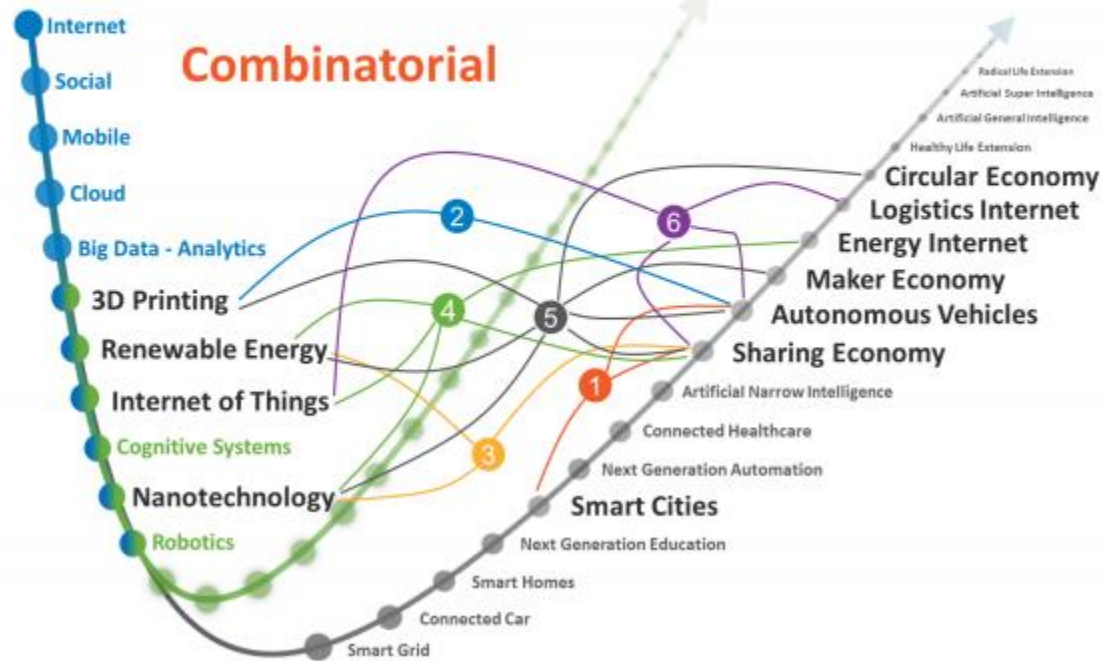
The Bay Area Innovation Value Chain in the Polycentric Global Innovation Economy



Differentiator #1 cont'd

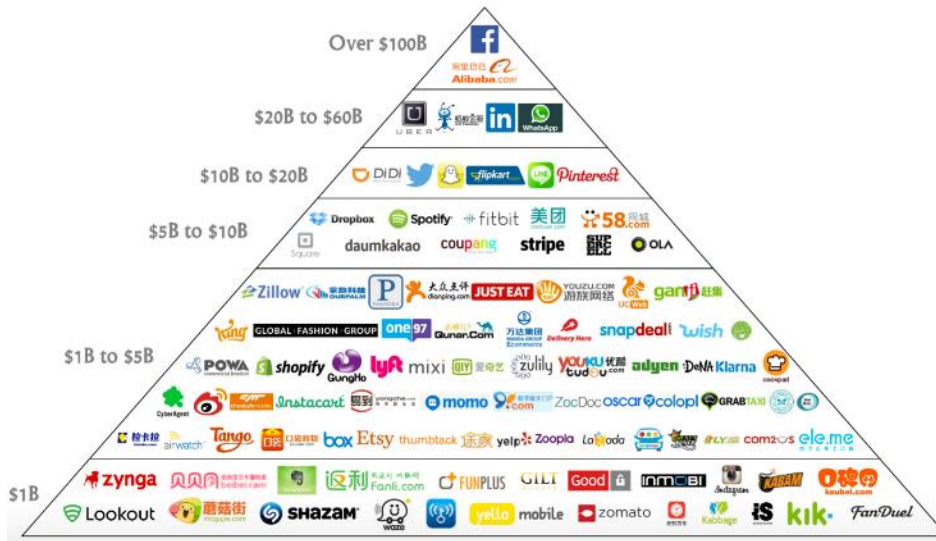
Super Hub

Corporations are realizing that technologies combined with new business models are disrupting every industry



SYNAPSE
PARTNERS

Differentiator #2



STARTS UP RULE

- Maintaining the Startup culture:
 - Acqui-hires;
 - Options over shares;
 - Benefits arms war;
 - Partnerships;
 - Investment funds;
 - Independence;
 - 20% rule.

Technology | The Verge | 10/16/14 10:58am EDT

World's biggest startup? Samsung Electronics to reform corporate culture

SEARCH | BY US | YOUNG LEE



General Electric Wants to Act Like a Startup

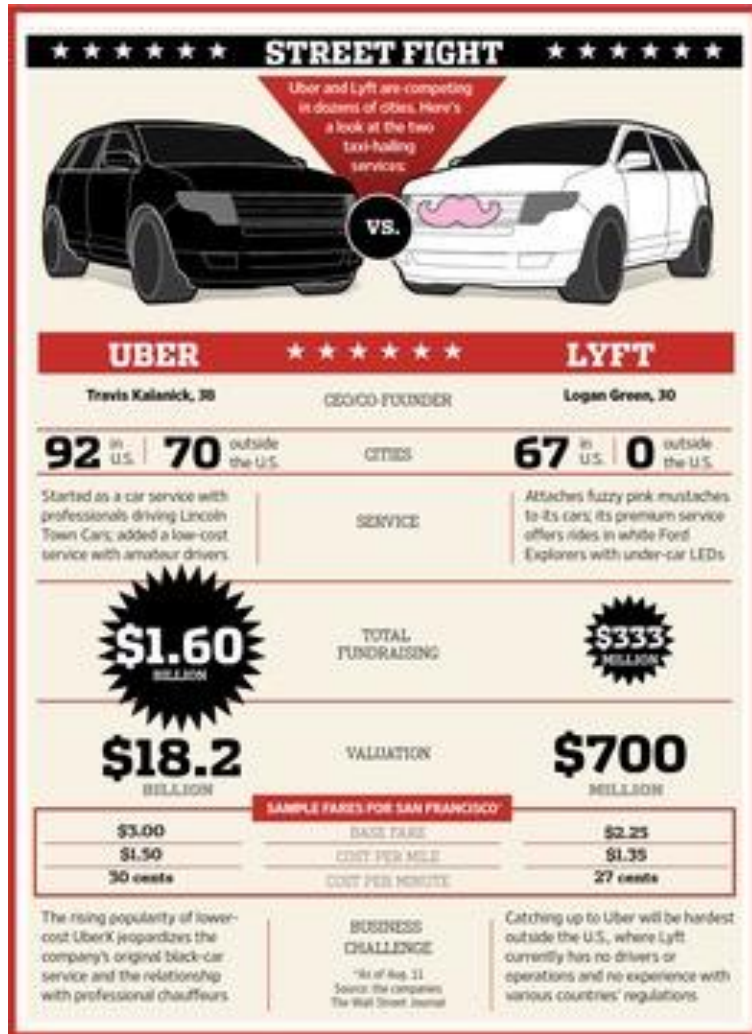
Its FastWorks project aims to roll out products faster and cheaper

by Rick Clough

August 7, 2014 - 5:00 PM PDT

In a Manhattan office, a small team of engineers, marketers, and product designers is plotting the future of medical devices. With hopes of “disrupting” the market, the group is using a limited budget to streamline the development of a new PET/CT scanner while addressing customer concerns over price, performance, and ease of use. “The reason

Differentiator #3



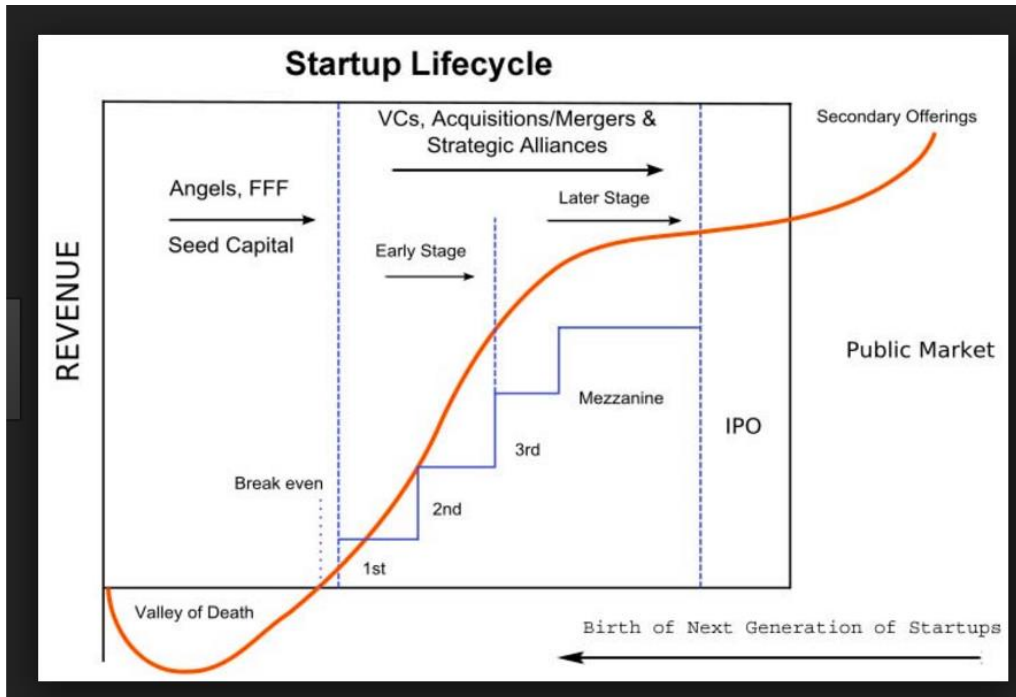
Experience in SCALE

- “First-scaler” advantage beats first-mover advantage”
- “Most of the impact and value creation in Silicon Valley actually occurs after the start-up phase ends and the scale-up phase begins”
- Scaling via:
 - Pattern recognition
 - Capital
 - Talent
 - Users
 - Sales Channels

Differentiator #4

Pace

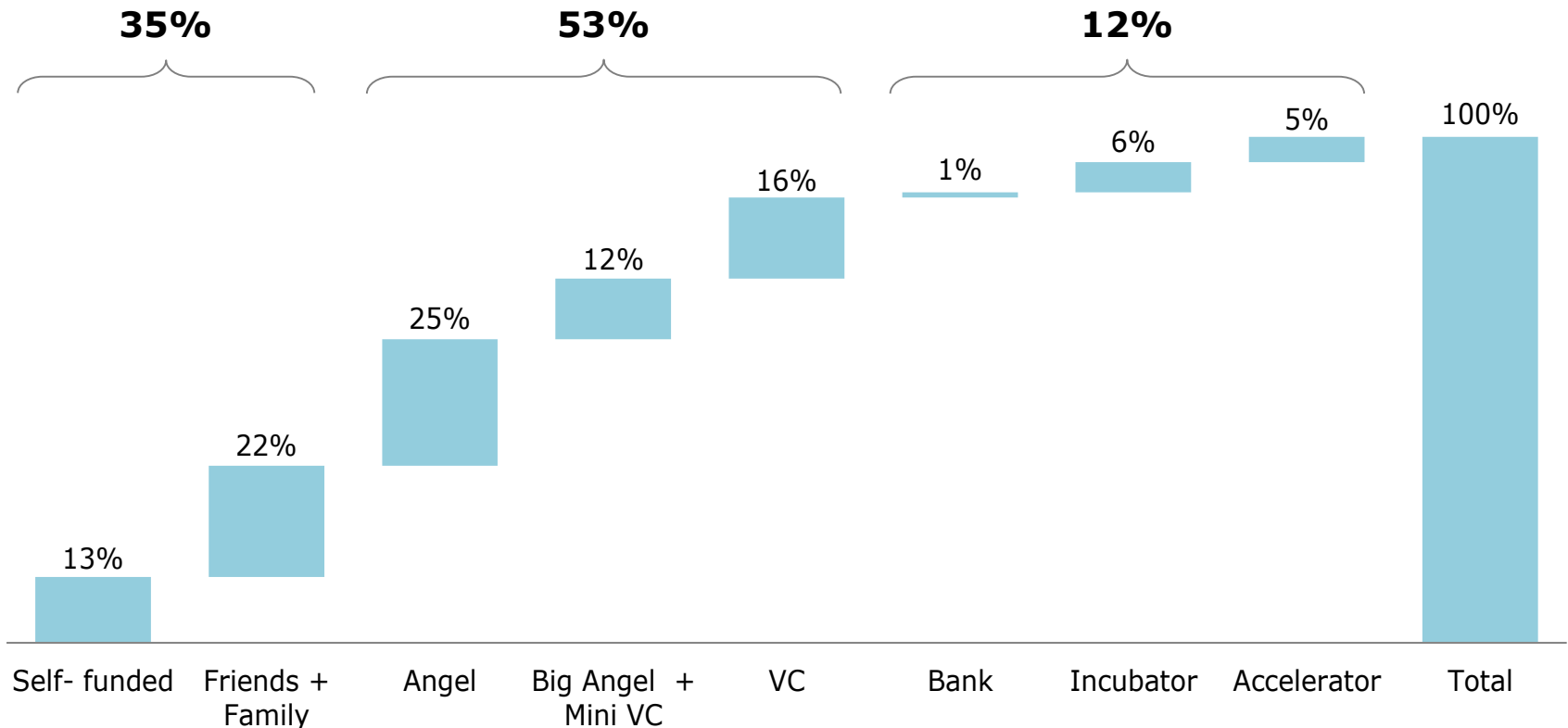
- The Pace is set by startups that have very particular constraints and mandates:
 - Constrained Time: 1 year to prove there is a billion+ dollar market worth investing \$100M into
 - Constrained Money: \$1-\$3M to prove that they have the ability to build a billion dollar business in the next 3 years
 - Startups have the funding and staffing they need for the exercise, but need to accomplish a very difficult challenge



Differentiator #5

\$smart Money

Typical Financing Mix in Silicon Valley



Differentiator #6

The size of the SV ecosystem is almost 5x that of NY and London in terms of investment value.

SV has the highest absolute venture capital investment value growth.

SV has the most experience with Startups. 48% of all Start-up teams have already worked at other Start-ups.

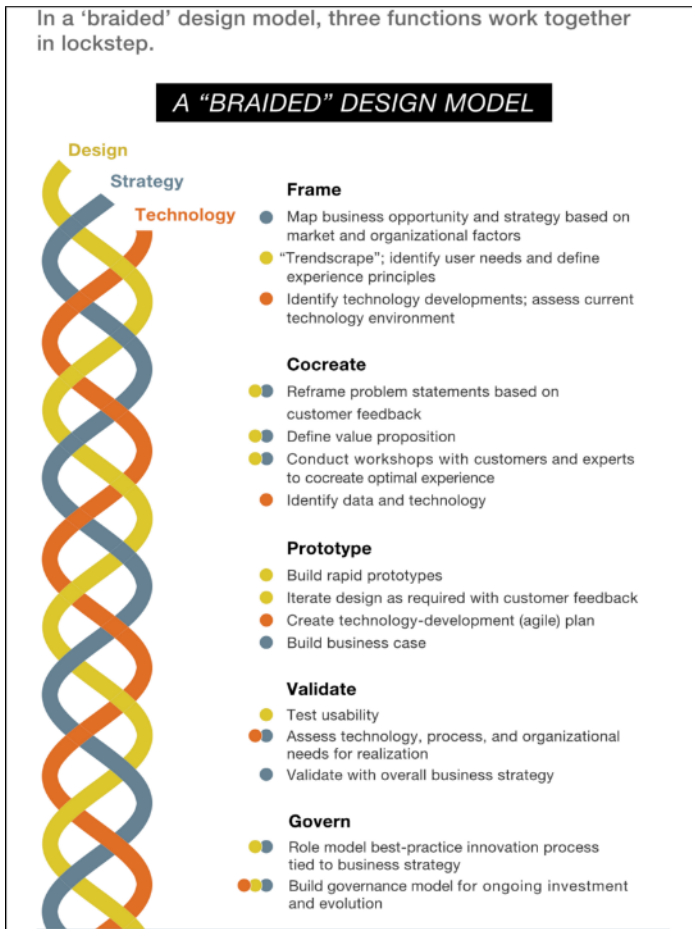
SV is the ecosystem with the most density in the Top20. It has 3 times more Start-ups per capita than Seattle or Bangalore

Size, \$, Intuition

	Ranking		Performance	Funding	Market Reach	Talent	Startup Exp.	Growth Index
Silicon Valley	1	←	1	1	4	1	1	2.1
New York City	2	↑3	2	2	1	9	4	1.8
Los Angeles	3	←	4	4	2	10	5	1.8
Boston	4	↑2	3	3	7	12	7	2.7
Tel Aviv	5	↓3	6	5	13	3	6	2.9
London	6	↑1	5	10	3	7	13	3.3
Chicago	7	↑3	8	12	5	11	14	2.8
Seattle	8	↓4	12	11	12	4	3	2.1
Berlin	9	↑6	7	8	19	8	8	10
Singapore	10	↑7	11	9	9	20	9	1.9
Paris	11	←	13	13	6	16	15	1.3
Sao Paulo	12	↑1	9	7	11	19	19	3.5
Moscow	13	↑1	17	15	8	2	20	1.0
Austin	14	NEW	16	14	18	5	2	1.9
Bangalore	15	↑4	10	6	20	17	12	4.9
Sydney	16	↓4	20	16	17	6	10	1.1
Toronto	17	↓9	14	18	14	15	18	1.3
Vancouver	18	↓9	18	19	15	14	11	1.2
Amsterdam	19	NEW	15	20	10	18	16	3.0
Montreal	20	NEW	19	17	16	13	17	1.5

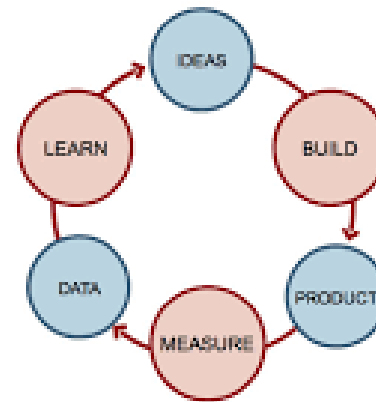
Differentiator #7

Speed, Design Thinking and Prototyping



Common Language

Lean startup cycle



Agile design, strategy and technology

Failure is part of design

Success gets investment

Planning and execution run simultaneously

Differentiator #8

Culture & Leadership Practice

Different Perspective



Ongoing challenge of the status quo
Open-mindedness
Do not ridicule different ideas
Design thinking is an instrument

Culture: Stimulate creativity in teams

"The real voyage of discovery consists not in seeing new sights but in looking with new eyes"

Marcel Prost

Change the World



Take risks, assume failure
Seek > 1 Billion USD/ 1 Billion people
Welcome crazy ideas
Challenge business models

Culture: ambition, passion, risk

"People who are crazy enough to think they can change the world are the one who do"

Steve Jobs

Be the Change



Proximity with the client and teams
Mentors and serial entrepreneurs
Seek agile methods
Lean concepts

Culture: interaction and experimentation

"If you want to change the world, be yourself the change"

Mahatma Gandhi

Time is ever shorter

The average longevity of companies in the S&P 500 fell from 61 years in 1958 to 15 years in 2015. At this rate, 75% of the current company in the S&P will be displaced by 2027.



S&P 500 Churn Over the Past Decade

Sample companies that have entered and exited the index since 2002

Entered the index:



Exited the index:



Preparing for the Program



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Tomás Moreno



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Carlos Oliveira



Download Design Thinking and the Future of EDP

Peter Coughlan

SHORTCUTS



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- 14+ years of international experience in finance services and management consulting
- Broad experience in projects of strategy, innovation, entrepreneurship, and market research.
- Senior Account Executive, Corporate Development at Intralinks
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Nuno Barbosa



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Innovation and Start Up Consultant @ Leadership Business Consulting at San Francisco

- Based in San Francisco
- Previous experience with Start Ups mentoring and with innovation programs in large companies
- Has co-organized the program

**You are the chosen one –
so how can you make it
count?**



“If you want to change the world be yourself the change”

Mahatma Gandhi

Find time to record your thoughts:

At the end of each day track:

- Key discoveries/rediscoversies
- Personal commitments
- Problem solving/ideation

Discovery – questions we'll be asking you throughout the program:

1. What are your 3 main objectives for this program?
2. What is the most challenging aspect of your business area today? Why?
3. If you had the opportunity (and unlimited resources) how would you address these challenges?
4. What innovations will change your business in the short or long term?