



GROWING TOGETHER IN THE AMERICAS

DIGITAL TRANSFORMATION CHALLENGE FOR
INTERNATIONALIZATION



Agenda

1. **Important announcements**
2. **Experimentation**
3. **The principles of experimentation**
4. **Tool: Convergent and divergent experimental method**
5. **Q&A**



Important announcements



Our next masterclass is this **Thursday, June 9**, don't miss it!



Please use the **Q&A session** to ask questions related to the class



The **chat** area is reserved for comments you want to share. Remember that we are reading you!



If you have any problems, please contact us at: creciendojuntas@connectamericas.com



Remember that at the **ConnectAmericas Academy** in the Section Topic 4, Class 4 this material is available in English, Spanish and Portuguese.



This is a learning environment, we come to learn, to make mistakes, to reflect, to change our minds, **and everything is good!**

Individual Challenge

 Agile and new ways of working




Deadline: 24/Jun/22



Download at ConnectAmericas Academy



Criteria de ascenso:

Elements	Peso
Class attendance (live)	15%
Submitting questions/contributions in the Q&A Forum	25%
Course Evaluation Form	10%
 Individual Challenge Assessment	30%
Group Challenge Assessment	20%
Extra points	*

*Each additional tool submitted will be graded out of 20 points.



Digital world and data



User experience



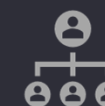
Leadership and purpose



Business Model



Finance



Agile and new ways of working

Marcela Mesa

Manager – Technology Consulting



Technology Consulting, design and transformation of processes and strategies to increase competitiveness.



Industrial engineer and **specialist in internal control** from Universidad Pontificia Javeriana.



I am manager of the emerging technologies area at EY Colombia, with more than 9 years of experience in **digital consulting and implementation of emerging technologies**, my emphasis is oriented towards: design and transformation of processes, strategies to increase competitiveness, design and structuring of business models, diagnosis and digital strategies, among others. I have specialised as a team leader in the design, development and implementation of technologies to transform processes and businesses.



She combines her profession with being **a mother**.



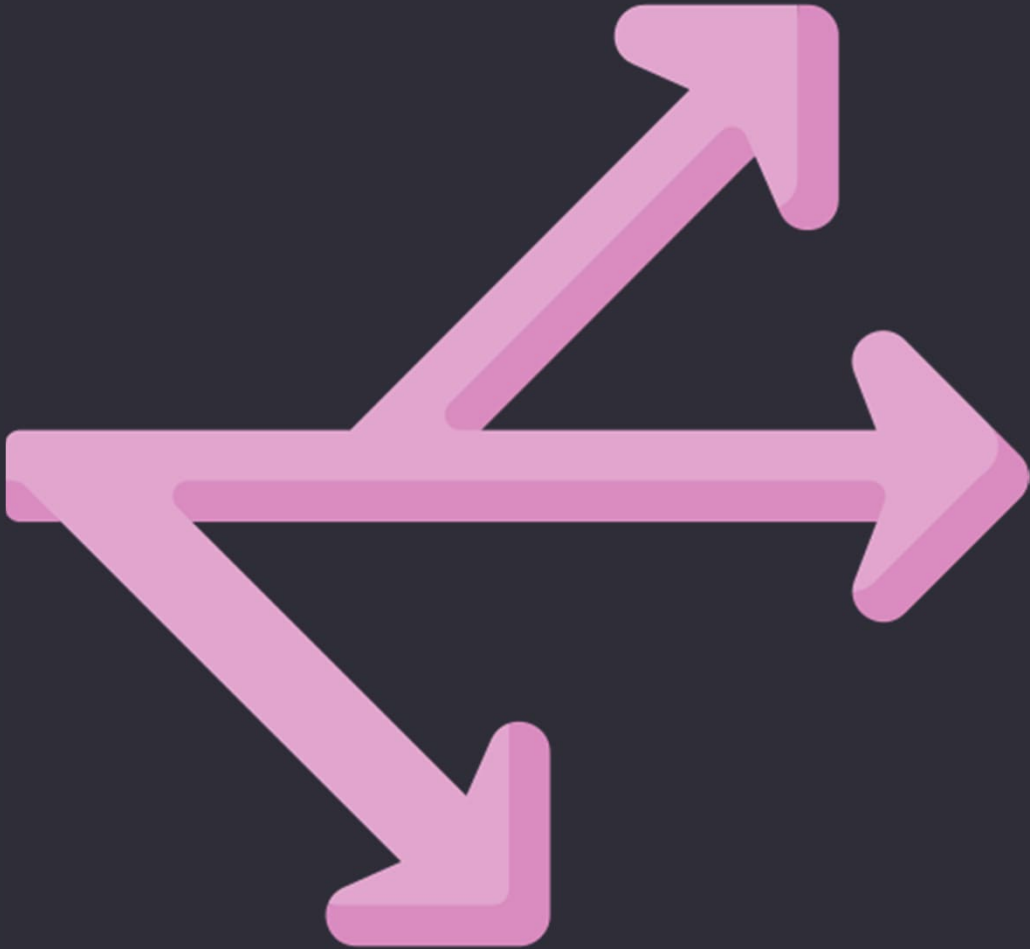
Experimentation can be defined as the iterative process of **learning what works and what doesn't.**





Convergent experiments

They are best suited for learning that eliminates options and converges on a specific answer to a clearly defined question (e.g., which of these three designs does the client prefer?).



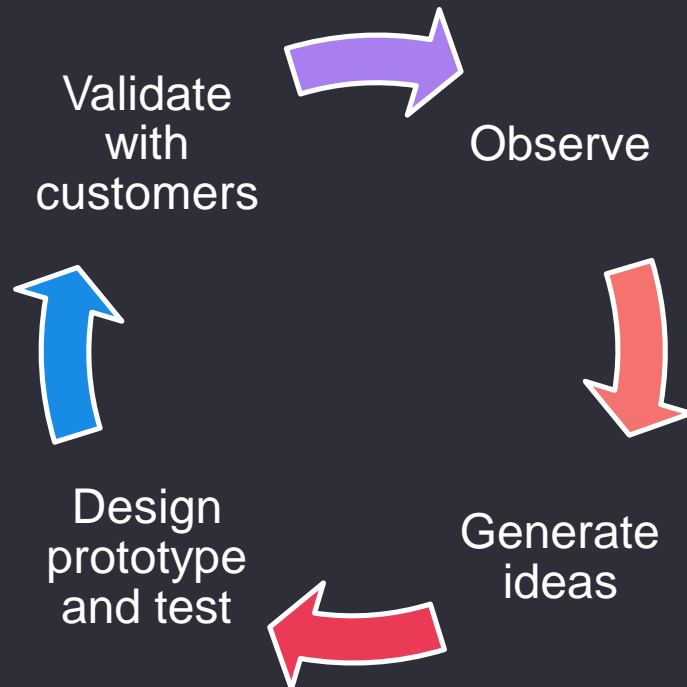
Divergent experiments

They are best suited for learning that explores options, generates ideas, asks multiple questions at the same time, and, when done well, generates new questions to explore in the next iterative stage.

The principles of experimentation

Learn early

Start experimenting from the start of your innovation efforts so you can learn as early in the process as possible.



Be fast and iterate

"The true measure of success is the number of experiments that can be performed in 24 hours." – Thomas Edison

Find a way to facilitate the innovation process in your company

- What if you have in your physical store a space to test products that are still in development?
- Or if you release a beta version of your service?

The principles of experimentation

Fall in love with the problem, not the solution

- Keeps you focused on the customer and their needs
- Pushes you to consider more than one possible solution



Accept that your ideas may be wrong.



Don't try to accommodate the problem to the solution.



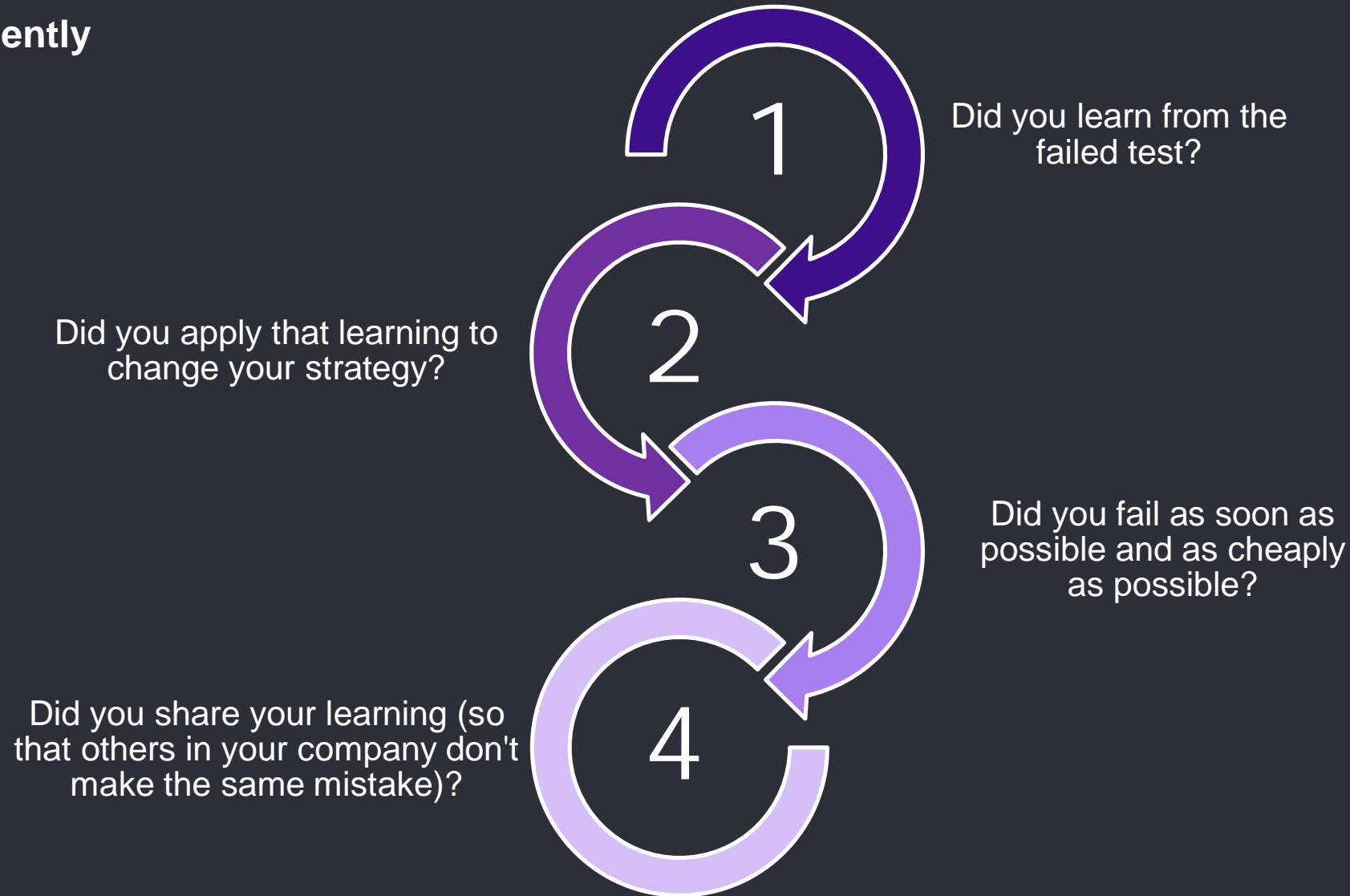
Remember that the solution you came up with is not valuable until it has been successfully tested with the client.

Get credible feedback

- ❖ They should be **actual or potential customers**, not yourself, your mom, collaborators, or boss.
- ❖ It can be a product, service or experience or a prototype. The important thing is that it is something real enough to generate meaningful results.
- ❖ Remember that you have to show, not count. Don't do a focus group to ask customers what they think of a certain feature of your app, but let them use it, experience it without your help.

The principles of experimentation

Fail intelligently



Tool: convergent experimental method

This experimental method is especially useful for innovating on existing products, services and processes; to optimize and continuously improve them; and to compare versions in the later phases of an innovation process.

1. Define an innovation effort

2. Define the question and its variables

3. Choose your population

4. Test and analyze


5. Decide

1. Define an innovation effort

Considering what you have learned in the course about your own business (business model, value proposition, operational model, customer experience)...

Propose a change you want to introduce to your product, service or experience

Examples:



The image shows a browser window titled "Website redesign" with three colored window control buttons (yellow, blue, green). The main content area contains three colored boxes with corresponding bullet points:

-  • Size and number of product photos
-  • Location of the "Frequently Asked Questions" section
-  • Shopping cart location
-  • Product or service recommendations before you pay

Variation of a product or service



- New ice cream flavor (Caramel salted /caramel-cookies&cream / caramel chocolate)
- New size
- New container (cone, glass, cookie)

2. Define the question and its variables



*Think about
your
innovation...*

If we do **X** what will happen to **Y**?

Examples:

- How will our **new service offering** affect **customer retention**?
- Which of these **two pricing tiers** will produce the **highest total revenue** for our new product line?
- How will the **redesign of our customer service portal** affect **customer satisfaction**?
- If I add this **feature**, will customers **spend more time** on my website?
- If I change this **interaction**, will customers **spend more money** in my shop?

Identify your variables

X - Independent variable (or cause): This is the factor to be tested in the experiment. It is usually a variation of a current business practice.

Y - Dependent variable (or effect): This is the factor that you expect might be influenced by the innovation. It is a measure of the impact of what is changing.

3. Choose your population

Before conducting a convergent experiment, you must identify a population whose responses you want to test, i.e. the group of customers to whom you will introduce your **innovation**.

Randomly assign members of that population to one of two groups:

- The **test group**, which receives the experience or offer being tested.
- The **control group**, which receives the standard experience or offer.

Describe your target population and the method you will use to have a random sample of participants.

4. Test and analyze

Describe what your test environment will be like vs. your control environment.

- What will the experience be like for the control group?
- What will the experience be like for the test group?
- How will you collect data to know the results (impact) of your innovation?
- How will you know that the results are not contaminated by other variables?



5. Decide

Decide if the results of your innovation were satisfactory or you should continue iterating.

Considering the question posed in step 2, define what will be the indicators that will measure the success of your innovation.

Examples:

Question	Indicator
How will our new service offering affect customer retention ?	35% increase in customer retention
How will the redesign of our customer service portal affect customer satisfaction ?	Increase in NPS (Net promoter score) by 5 points
If I add this feature , customers will spend more time on my website	50% increase in the amount of time spent on the website, resulting in a purchase
If I change this interaction , customers will spend more money in my store	Increase in money spent in the store by 20%

Tool: **divergent** experimental method

This method is particularly useful for innovations that are less well defined, such as new products, services and business processes.

1. Define the problem

2. Set limits

3. Observe

4. Generate ideas

5. Build an MVP

6. Test it

7. Decide

1. Define the problem

The problem must be rooted in a customer need or market opportunity. The advantage of defining innovation in terms of a problem is that it forces you to adopt the customer's point of view. Innovation should always focus on bringing value to the customer rather than on deploying the latest technology or product feature, or on beating the competition.

2. Set limits

Divergent experimentation is iterative and we are naturally inclined to continue before admitting failure, it is easy for your innovation project to keep going even when the prospects of success are slim. This is why it is essential to set boundaries from the outset.



Time limit



Budget limit



Scope limit

Tool: **divergent** experimental method

3. Observe

The aim of the observation is to deepen the understanding of the problem and to broaden the ideas for a solution.

1. Look at the context of the client, to better understand the problem you are trying to solve.

2. Learn as much as you can about the client, the nature of the problem and the context in which the solution must fit.

3. Look elsewhere for ideas - Look at other markets (how other customers are tackling the same problem) and other sectors (benchmarking beyond direct competitors in your sector).

4. Generate ideas

- Generate multiple ideas to solve the defined problem.
- You can do this ideation exercise with your team.
- Keep in mind that the goal should always be to generate multiple viable ideas, without discarding them.

5. Build an MVP

Remember that great ideas are worthless unless you can test them with the customer. Therefore, in this step you should translate your ideas into minimum viable prototypes (MVP).

MVP: minimum cost + maximum learning.

If an MVP is successful, further iterations will follow. As progress is made, successive prototypes should evolve from lower to higher functionality (e.g. from a sketch to a model to a functional product).



6. Test it

After building a minimum viable prototype of your idea, the next step is to test it.

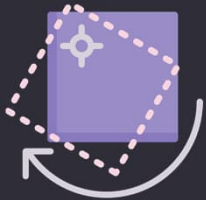
When choosing how and where to test, look for an environment that is as natural as possible, i.e. as close as possible to the real context in which the final solution will be used.

You should also test your prototype with an audience as close as possible to the customers you expect to use the final version.

7. Decide



Proceed: If your test has validated the potential success of your ideas, you can move on to the next iteration to improve your prototype.



Pivot: If your testing has revealed problems, you may need to adjust your idea based on what you have learned or try another solution to see if it is more promising.



Disconnect: If you have tried all solutions or have reached your time or budget limit, it is time to stop the process and evaluate what you have learned.

INDIVIDUAL CHALLENGE "Convergent and divergent experimental method".



Deadline: **Friday, 24 June**

See the ConnectAmericas Academy for detailed instructions.

Q & A

Thanks!

See you next Tuesday



Please click on the link below and give us your feedback on today's lesson:

<https://forms.office.com/r/cGgMDyFEv5>

Your opinion is very important to us.