Innovation as Corporate Lifeblood

Speakers:

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Moderator:

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(Transcription by RA Fisher Ink)

Kampel: We have Mike Monahan who's the COO of Pitney Bowes, Max Furmanov from Accenture, Hari Hariharan from Celestica, and Slava Rubin from Indiegogo. Mike, I want to start with you, because many people here know Pitney Bowes for a lot of the legacy business, the historical meters, the postage. Talk a little about the state of Pitney Bowes, and how you're making that transformation into this new digital world.

Monahan: Sure. All those great things about postage meters, the mailing machines, are still a very valuable part of our business. It's only about 50% of our revenue today. We're a $3.5 billion dollar global business. We've focused very recently on what we call digital commerce. We've been evolving new businesses that really leverage a number of the capabilities we have within Pitney Bowes but in the new economy. What a lot of people don't know is about our location intelligence business. If you send a tweet, the location intelligence engine behind that is Pitney Bowes technology. If you ship globally as a seller on eBay, it's Pitney Bowes technology managing that. We have a growing software and e-commerce business platform. Our e-commerce business has gone from $12 million, to over $400 million dollars in the last four years. We see real opportunities to take our capabilities, apply new technologies, and grow in this environment.

Kampel: Prior to your role as COO, I think it's interesting, you were CFO.

Monahan: I was.

Kampel: When a lot of these organizations are thinking about investing in the future and making that an innovation, you were the one really evaluating and looking at the long-term goals of where to place those bets and make those investments. Has it shifted now that you're out of the CFO role, into the COO role, how you are evaluating different opportunities?

Monahan: Yes, I had an opportunity earlier in my career to be in product management, and also in general management, so when I went in to the CFO role I brought a different perspective to that. I think the challenge for any larger company, especially a company like Pitney Bowes, which is 100 years old and public, is to create that balance between investing in the new and sustaining the existing. We had a very valuable and profitable franchise. What we did is really made sure we were maximizing and optimizing that business. Investing in it to optimize that, but then being able to take that cash flow and invest in new opportunities.

Kampel: Slava, we've spoken a bunch about how big corporations are making those financial decisions. I think it was a couple months ago that we sat over lunch and you were telling me how big companies are actually turning to crowdfunding, over trying to navigate those channels internally to get the CFOs approval to make those investments. Talk a little about how companies like GE, and Whirlpool, and even Motorola are starting to look outside at other platforms like crowdfunding, and how you guys are working with them to help them innovate.

Rubin: Sure. Let me contextualize it for a second. We launched in 2008; we're a crowdfunding platform. People post ideas and get them funded, or not. We have lots of small projects that have gotten funded, over half a million projects and entrepreneurs, well over a billion dollars around the world. A few years ago, an interesting thing happened. We have Philips, a large corporation, that comes and they start using Indiegogo. They're like, "Can you help us?" We're like, "Yes, it's self-service. Just do whatever you want." They're like, "No, we want to pay you to help us." We say, "Nope, self-service. We don't take any money. Just do whatever you want, just post it." They're like, "No. We don't want to fail." Then they're like, "Yep. Self-service, just do what you want." So, they actually did it. They proceeded to move forward and it went pretty well. Then Google did the same thing, Marvell [Technology], the chip maker—these are all multibillion-dollar companies. Companies were knocking, saying, "We want to use Indiegogo." We weren't really ready to create an offering. About a year and a half ago, a little more than that, we decided to create an enterprise offering, and ensure that it is split into three different things, which are: 1) validate innovation, 2) source innovation, and 3) sponsor innovation. I'll just focus on the first two per the question.

Validate innovation. A really amazing thing is happening at the Fortune 500s. They are publicly traded, so they care about three months off, not three years. They have to care about their reports to the analysts, and they often play defense instead of offense, as it relates to going in to new markets. Because of that, their R&D budgets are getting cut and it's hard to break through their actual bureaucracy to channel conflicts, cannibalism, all kinds of different issues. GE is a good example, as Josh already mentioned. GE has been around for a while, they had an appliances division, a refrigerator line, that's well over $7 billion dollars. For them, innovation is going from a cherry wood handle to a walnut wood handle.

[LAUGHTER]

Rubin: I'm serious. No one wants to mess with their $7.5 billion dollar nut, that they have to go through Lowe's, and through Target, whatever they're going to sell. It's like, "Don't mess with my

numbers, because I have sales people that need to hit commissions, and everybody needs to be happy." But they were sitting on some interesting R&D here, it will be interesting to see how you react. The R&D group for 20 years has been sitting on research, which is that there's a segment of the market that likes chewable ice. They want porous, spherical ice, that they can chew on, instead of hard, rectangular, dense ice. Yet, it's never been able to break through. The senior executive team would always say, "Don't mess with my refrigerators." Finally, at some point, one of the folks said, "I'm going to do this on Indiegogo." They're like, "Yeah, yeah, whatever. Have fun."

They came out to Indiegogo, and they don't make countertop devices. They make big devices that you have to stand in front of as a sales person. For the sake of validation, they tested it out on Indiegogo. They didn't actually make anything, they just prototyped it. They proceeded to try and market it, and sell it through Indiegogo. They tried to raise a couple hundred grand, to prove there was a little validation. They were able to get over $2 million dollars in less than three weeks. The cool part is, it becomes one of the biggest media events for the entire company for the year. They have customers come in to the sales reps and say, "I like refrigerators with chewable ice." They say, "We don't have refrigerators with chewable ice." "Yes, you do." "No, I don't." "Yes, you do." "No. I don't." Then the customer walks out, they're really upset. Even more upset is the salesperson, because they're like, "How come I don't have the refrigerators with chewable ice?" So, they asked the local regional person, "How come I don't?" Then they ask the East Coast person, and then the head of sales. It was the head of sales that said, "Don't touch my refrigerators." Now, in that meeting when they said, "How come I don't have the refrigerators?" They then say to the CEO, "We need refrigerators with chewable ice." Now the funny thing is this little project, that was a side project, is now going to influence the $7 billion dollar line. From the GE perspective, the CFO will tell you, for the first time in their history, they are profitable before they made one product. Before they made one unit, they already had all the margin and all the money paid for.

Kampel: I think again, in looking at this idea of partnering. We have to sometimes go externally and partner. Hari, some of the people here might not be familiar with Celestica, so I'd love you to give a little description of what you guys do. You'll talk about as a manufacturer how you're partnering and helping companies innovate as well.

Hariharan: Oh, yes. Celestica is the sort of brand behind the brand. We have big companies, OEMs that are out there. They sell their final products into the market, but we are the ones who work behind the scenes, just like blood in our body. We just don't realize it is there until there is a cut in the body, that it is energizing us on a day-to-day basis. Let's use the example of Intel inside. You've got the brand name out there on a computer, so you know that Intel is the chip inside that's working. Celestica works hard behind the scenes to ensure that we jointly design the product, we manufacture the product, and we go through the entire supply chain system to deliver the product to the end customers. That's what we do. We also work quite a bit. We have what's called ReMAP organization. This is around 40 organizations chained together, research institutions, we have manufacturing, which is ourselves, then we have startups which

are all lined up together from a concept, to a design, to an end product that gets into the market. Our aim is to accelerate it through to the market at the fastest pace possible, through its quality and reliability built in.

Kampel: Great. Max, again, you sit in an interesting position at Accenture, both as a big company trying to stay relevant and innovate, as well as again, working with your partners, with your clients on innovation. You were telling me earlier about Liquid Lab in California. Talk a little about how these big companies are coming to Accenture with challenges and how you work through some of these issues.

Furmanov: You guys probably know Accenture is a large consulting company, we do all sorts of technology services for our clients. The theme over the last year, two to three years, has really been focused on innovation. Innovation to us, is what I think you guys are all describing, which is being able to bring changes, bring new ideas to market quickly. It's what Slava is describing. What he was doing for GE, this is what our focus is for our clients. It's taking technologies that enable acceleration of development and delivery of products and services, and helping our clients bring them to market. We build these Liquid Studios, which is our facilities for co-innovating with our clients, reducing the go-to-market time, sitting jointly with our clients, and understanding what their problem is. Co-creating, co-innovating, co-ideating. As we do that, you also mentioned Accenture itself needs to go through a transformation. We are a large company. We have 400,000 people. We have $32 billion dollars of revenue. About half of that is our applications services work, which is managing a lot of our client's large, complex, and in many cases legacy systems. As part of managing those, we need to help our clients transform, so we need to transform. We need to transform our workforce, we need to transform how we organize our people, the technologies we use and bring. How we accelerate that time to market.

Kampel: We talk again about how this innovation requires change. Max, you touched on change in the workforce, change in culture, change in leadership. Mike, as you guys were going through this transition, obviously the leadership team really had to change their minds and how they're thinking. Sunsetting products potentially, that drove top line at the expense of the market, looking at just top line but the low margin items. How did the shift of the leadership have to change as you move towards this idea of innovation?

Monahan: I think it's most importantly you've got to set a vision for the organization and get the organization lined up around that. I think culture is a very important part of it. A culture of innovation, a culture of exploring the willingness to disrupt your own businesses and those types of things. A very critical part of that is talent, right? Our CEO likes to say, "Fit for purpose talent." We have traditional businesses that require a certain management system and then we have growth businesses and they need to be given the right talent, the right capital, and the right time to do the things that they need to do. You can't hold those businesses to the same metrics as your traditional businesses. What we've done is focused on things like, "Do we develop that technology and that capability organically, do we acquire it, or do we partner to get it?" In the

case where we acquire, and I think borderfree.com is a good example, as we're building our e-commerce business, we identified that business as one that is very complimentary to what we had built organically. What we did is not integrate that business into our existing business. Actually, it was in New York where we established our e-commerce presence in New York and built around that to give it the right cultural approach and to be able to attract the right talent for that business. From a management perspective, it's very much looking at the portfolio, making sure that the strategy for each business is consistent with the end market opportunity that's around that.

Furmanov: If I may, I think you're touching on a very interesting point, which is kind of the operating model on how you run your business, and you organize, and how you build that culture. I'm a techie. I grew up at Accenture, I've been there for 17 years. I started out as a developer. I still write Node.js webservers on the weekends, to my wife's frustration. I love to solve techie problems, and I love to take technology and say, "Yes, this is how we can accelerate innovation, how we can accelerate cycles." But I think at the end of the day, most clients that we see—and you know 450 of the Fortune 500 are Accenture clients—when we look across that, we see that the way they're organized today, most of our large enterprise clients, they're organized by business units or they're organized by technology units. Those units do not necessarily control the end-to-end value chain of ultimately delivering value to their customer.

Where we're seeing successful innovation take place is where they're trying to take that apart bit by bit and organize end-to-end teams around the value chain. If you look at some of the digital natives of the world, companies that were born in the last year or two or three years. Look at Whatsapp. Whatsapp doesn't have an operations team. They don't have an engineering team. They have teams that are responsible for an end-to-end experience of their product. That's where we're seeing successful innovation and I think that is really key, aside from the technology aspect of it.

Kampel: As the big companies learn from new operating models, from startups, from Silicon Valley, it seems to be many companies opening these innovation centers, innovation labs in Silicon Valley. Just thinking, by proximity, this is a way to innovate, just being in there. Some companies are doing it differently. David and I were out, Celestica had recently opened a customer collaboration center in Silicon Valley. What's the importance of having a presence in the valley for a big company and what do you see as the value coming back to the core part of the business?

Hariharan: It is very important that we get into conversations with our customers right from the early stages. Physical presence closer to where the action items are, the action is happening, is so important. Being there within a 10-kilometer radius, you have almost everybody that counts as far as the innovators are concerned. We are going to be right there in the midst, making sure that we join them early on. There were conversations around time-to-market. What's important here is that you can be the early bird, you catch all the worms, but then you need to be alive to eat the worms as well. There's a whole bunch of quality and reliability associated with that as

well. Our intention is to ensure that we are with our customers right from the word go and we make sure that the products that come out not only meet the modern requirements but also meet the quality and reliability requirements.

Kampel: Again, I think when we talk about innovation, a lot of times people think that's synonymous with just technology. There is a lot of change happening in corporate culture and business model innovation. But also, we put a lot of pressure on the startups to say, "Oh, they're the ones doing it right. They have the agility, the flexibility." But the big companies also have a huge advantage, scale and resources. Slava, now that you've worked down to the smallest entrepreneurs of putting a single product on the platform all the way through the big companies, where do you see where maybe the big can learn from the small? Where can these big companies learn from these entrepreneurs and the startups?

Rubin: I think big companies struggle because mostly they're publicly traded and they have to think again always about three months and it's hard to think about three years. Often they'll have their unit set up in a way that everybody has their job and if you want to have something innovative it has to be a side hustle. That's not their key KPI and not where their main bonus is coming from. I think Whirlpool is a decent example of doing it creatively. They created a separate unit called W Labs. W Labs is its own holistic entity and makes its own decisions. It doesn't have to still hit its revenue number within the sales unit or still have to hit that product management. You're not borrowing a resource, it's its own unit. W Labs is trying to figure out where's the next appliance thing is going. It's probably not going to be a cuter, smarter dishwasher—that's already thought of.

This is pretty interesting. They came up with an innovation which is—it typically takes about a year to compost a banana organically into dirt. They've come up with an innovation where they can compost that banana in a machine in 24 hours. They expect that to be the new appliance that every home will have. Just the way you pull out your garbage, you'll pull out this composter, you drop all the stuff in, and tomorrow you'll have dirt. Believe it or not, it sounds all innovative, right? But, we know that this is risky. We haven't yet put it out on the market, so the CFO and the various organizations are like, "Don't start messing with my other messaging, I already have a good market angle here. Don't start confusing the customer." It's hard to go through the typical bureaucracy and all the typical gates. They put it into this separate unit, we worked with Indiegogo on it, and they were able to get nearly 100 million views—100 million—on Facebook. Right away it became a huge buzz. They were able to hit their numbers and again were able to be profitable with validation. Think about the things that you get, the way that it collapses. What's happening with Dollar Shave Club, why people buy that, why Jet is getting bought. These corporations are typically disintermediated from the most important people, which you said, "The customer." They're the most important people. It's nice to have distribution channels through Walmart, or through Sears, or whatever. These large companies are already starting to become direct to consumer. You could say that they have been but they're only really starting to take that on. You're getting to validate your ideas, and validation means less cost and more profit by being smarter. Number two, you get to test your marketing before you do huge

marketing campaigns. Number three, you get to actually get more promotion, because you're using the crowd. Number four, the most powerful, you create relationships with your customers. There's no other way to get funding on Indiegogo except for a customer to come directly to your campaign and give you money. Right to you, which means you get their email addresses, physical addresses, and now all of a sudden you have a relationship. There's nothing more powerful than that and I think corporations are innovating forward, some slower than others. But, I think you're seeing the natural trend in the world of Amazon eating everything. People are all trying to figure out, "How can I get closer to my customer?"

Kampel: Max, as these companies are trying to figure it out, they're probably confused in the market. They're hearing about all the trends, IOT, AI, augmented and virtual reality, blockchain—we'll have a lunch session on it. They're hearing these words, and they think they need to understand them, they think that they're somehow going to impact their business. When they come to a company like Accenture with all these buzzwords, how do you help them dissect where they should be focusing their attention around the different technologies?

Furmanov: I think there's a lot of confusion between innovative technologies and innovation. Blockchain, artificial intelligence, new buzzwords come out every week. These are all innovative technologies, they have a specific application and specific use cases. Innovation is the process by which you innovate. The process by which you solve problems in new and exciting ways. I think that's what we need to make sure people understand. To facilitate innovation, I totally agree with Slava, I think it's about being able to test stuff in the market, test new ideas. To do that, you need speed. You need platforms, you need organization, you need the ability and technologies to bring ideas that you can test out, get feedback from, and know what's happening. I think that ultimately that is very consistent with the public company model, because the faster you can bring things to market, the faster you get your feedback. Today, it takes most businesses six to twelve months to deliver a technology project, even something that's not complicated. Well, think about that. That's a fiscal year. The amount of planning, and the amount of bureaucracy, as you stated, that you have to go through to do that for the approvals is complicated. But, if you can do something quickly, easily, bring it to market, get feedback, and know what the result is very rapidly, I think it's very consistent with how large public companies need to operate.

Kampel: But, that takes a lot. We talked about again, change management and organizational change, and process change. If it was just that easy, right? If it was just that easy to say, "Hey, we're going to change our processes to adapt this way." How do you drive this message down deeper into the organization when you're talking about it at the scale that you guys are? How does the leadership team communicate that out to the field?

Monahan: It's partly about really communicating that vision, but then it's enabling people to get access to those technologies, to swim around them a little bit. What we've done in our organization is leverage partners a lot around that. A good example is with GE's Predix platform. They were looking for a commercial partner to go out and trial that technology. We

worked with them, we were the first commercial application for Predix. That challenged our engineering team to make sure we had the right type of talent on staff that could work with them to build that application. We delivered that in a large mail manufacturing type environment, where we've moved from managing machines to the entire production environment. We've worked with companies like eBay, where we provide the global shipping platform for them. The problem we were solving for them is, "How do you ship anything, anywhere?" When you start to think about how you solve that problem, we had a lot of capability around the idea of, "What is shipping? What are duties and taxes?" and those types of things. But then you need a technology solution that's scalable to solve that problem. The benefit we got, certainly from the relationship with eBay, is their user community. You get real-time feedback on what's working and what's not working. We were able to develop AI around, "How do you determine what an item is? How do you categorize that for duties and taxes? Is it actually shippable?" Once you do that, then you've got to figure out how you get it from point A to point B, cost effectively. What we did is guarantee that delivery. Basically, making a global transaction domestic for both the buyer and the seller. It took a lot of technology to do that, and we partnered. We brought the right talent in, and we solved that problem.

Kampel: We do have mike handlers if there's any questions. At this point, feel free to raise your hands. We have a question up here, if someone could get up here.

Kinée: Thank you. Kande Kinée , SAP. Slava, just a question. For example, a story you told about GE. What is the consequence to revealing these ideas to competitors? If there's a competitor that's more agile, that can get to that product, particularly because you said it was just a prototype, how does that play into that story?

Rubin: Sure. That's a good question. Corporation's counsel usually asks that question first. Twenty years ago I think it was very normal that you try not to expose your ideas and then come out from behind the red drapes and be like, "Voilá, here it is." That was definitely the right idea. Fast forward to now, I think the right idea, in my opinion, is you want to expose as much as quickly as possible, to get as much feedback, to improve and iterate on your product. Obviously, you want to protect your IP or get whatever patents or copyrights for whatever it is that you want to be able to get to be able to have a more defensible position. The thing about trying to make money with a product, at one point in life, eventually you'll need to let the customers know about it.

[LAUGHTER]

Rubin: When that happens, that's the point at which whatever you're worried about will still happen anyway, right? Then the question is, "What is the delta of potential cons versus pros between the point of time that I'm telling you should do this versus the point that you will have to do it?" I think now, in the world of social, direct to consumer, quick feedback loops, using technology to iterate very rapidly, there's no question that there's a lot more benefit. Now philosophically, you or your lawyers might never agree with me, and that's totally fine. That's just happening while the other companies are literally lapping around you. I'll just give you a tiny

little story about that. Which is, and this isn't a large corporation, but it is a company that was funded on Indiegogo, that had the former CEO John Scully of Apple as one of the partners. It was a real company, they ended up selling for a few hundred million dollars after they got funded on Indiegogo. They were creating an activity tracker, it was called Misfit. I don't know if you know Misfit, or if anybody has it on. It's a very simple story here, but it's the point in itself, which is, they were making silver or red or blue trackers. They were selling them for $99.00. I know Sonny, the founder. I was seeing in the comments a lot of people were saying, "I want black." I was talking to Sonny, and I'm like, "Sonny, you should offer black." He's like, "No, can't offer black," I'm like "It's a color, you can offer black," and he's like, "No, people just don't understand, it's highly technical of how to change the metal, to be able to turn it into black. Red or blue is really easy, I just paint over it. Black needs some different iodide." I don't even understand it.

The point is, no customer cares about understanding it. They just want black. He's like "I'm not going to do it, because it's going to cost more." I'm like, "Great. So charge more." He's like, "That's the dumbest thing I've ever heard. People are going to get a silver one for $99, a red one for $99, a blue one for $99, and they're going to pay more for black?" I'm like, "I have no idea if they're going to pay more for black. They say they want black, you say it costs more. Just charge more, and see if they pay for it." Keep in mind, he didn't have to make any black, this is not being made yet. This is all being checked online, on Indiegogo. He's like, "Okay, I'm going to charge. It's going to cost a lot more." I'm like, "How much more?" He's like, "I'm going to charge $149." I say, "Great!" He's like, "See? That's dumb." I'm like, "I have no idea." So, he puts it on for $149 and what happens? On fire, selling for $149. Can I explain that? I can't explain it, except that's what customers wanted. They wanted black, and they were willing to pay $50 dollars more. I have no idea why, we do crazy things all the time. It wasn't rational to him, yet because he got all that data in advance, he was able to then when he went to market sell at Best Buy a lot more black and all this stuff.

Kampel: We have a question down here, and one in the back as well. We'll start down here.

Sullivan: Hi, Tanya Sullivan from Thoughtworks. A quick example that leads to a question. I was talking to CEO of Dallara, which is an Italian company that makes all the chassis for the Indy 500 cars. He had mentioned that they were putting out an innovation challenge for their engineers to help bypass an issue with wind tunnels, yada, yada, yada. Their engineers worked on it for months and months and months and said, "Nope. There's no solution to this. We're not going to do this. This is ridiculous and we're just not going to do it." He took that same challenge to a local university, a bunch of people who had no idea what the restrictions were, and said, "Do whatever you want to do." They solved it within weeks. He was making the point of, obviously we have so many burdens on our mind when it comes to innovation and what innovation means and how we can bypass it. I'm just curious with some of the examples that you guys have, how important or how much have you seen that be more of an inhibitor than the actual innovation itself? I know a lot of companies have great ideas. To your point, 20 years of research just sitting there, and can't take it to fruition, can't actually take it to market.

Hariharan: I can answer or try to answer your question. The power of the human mind is just amazing. But, you've got to have the right set of fundamentals around it. You've got to put them in the right atmospheres, the right area. When you put the challenge in front of them, I've often found that you'll get the answer to the question very quickly. This is all around the world, not necessarily only here. We in Celestica, we are embarking on the same set of fundamentals as well, as I mentioned earlier. We have the universities, we have the sort of startups, all in the chain that's called the ReMap system. There are 40 entities in there, and that's a sort of powerhouse. You should be able to find solutions to every single—I don't think there is any problem where the solution is not there. It's a question of how quickly you can reach and how sustained it can be over a period of time.

Kampel: Again, looking outside. So we're here looking out at a university, sometimes we talk about—I think the key thing about Techonomy, we're bringing together people from healthcare, from financial services, and the learning cross-industry is really important. How do we facilitate that conversation, get out of our own headspace and what we think are the big challenges? I'm assuming Accenture, because you're sitting and meeting with clients across all industries are able to bring that.

Furmanov: Accenture has five industries we go to market with, right? We are very industry focused, and we develop a lot of industry expertise. We have an institute where we do industry research. Historically, we've come to clients and they would say, "What is my industry doing in this space? How do I bring this idea to market? What are others seeing?" Today, we're increasingly seeing clients ask the other question, "What's everybody else doing?" "Don't come talk to me about my industry, I want to know more about what someone else is doing." A lot of these innovative technology problems are applicable across industry. I think blockchain, which you guys are going to hear about in a little bit, is a great example where we're seeing that applied in financial services and also in the country of Honduras to manage real estate transactions. You're seeing this tremendous diversity in how technology can be applied. We're seeing that across industry.

Rubin: I'm biased but I'm a huge fan of the crowd. To give an example of how the crowd—We worked with Motorola, they need to be bold, because there's other companies that are really taking that market share. They've come up with an idea called the Moto-Z. The Moto-Z is the idea that usually to make your phone better, you need to add software, which is an app. That makes your phone better. They came up with the idea, not new in itself, but their approach is new, which is, we're going to come up with a phone that's modular. You can add hardware, literally like Lego pieces onto your phone, which will make your phone better. You will decide which pieces you want. Do I want a projector? Do I want to add that onto my phone so I can project? Do I want the diabetes test that's on my phone? Literally hardware pieces. They knew themselves that they had a closed system, they don't have enough brilliance to be able to come up with all the pieces. So, they sourced the ideas on Indiegogo from the crowd. From an IP perspective, it's interesting. You have people just literally giving you ideas for free. They're not even owning their own ideas. They got hundreds of different ideas and now they have 30 solid

ones, and it's because they're willing to have an open system, which allowed for people to be part of it, as opposed to a closed system, and they used that approach. It's just an example of not having to have all the ideas inside your own R&D lab.

Kampel: We have time for one more question back there.

Audience: This is a good follow-up. You guys are all masters of open innovation and different innovation capabilities in terms of product manufacture and go to market strategy. What about once the product reaches the market? Do you feel like there are specific implications from open innovation, co-creation, and co-design in the marketing funnel as well? Do you think that the lessons you learned in the open innovation sphere carry over to the "how" we should think about either in a B to B, or a B to C context? What are the implications and how are they staged?

Monahan: I'll jump in on that one. I mentioned about us developing a cross-border e-commerce business and we started that with very much a view towards shipping. Getting things from point A to point B and settling the payment. When we got into the retail side of that, and understood what retailers really needed in terms of help and support, what we found was it was really about gross merchandise value. It wasn't about getting it from point A to point B, that was a piece of the process, but they wanted to sell more stuff. What we were doing was giving them access to new markets through the ability to interact with a global consumer and get them connected and make it a simple transaction, streamline the payment, all of those types of things.

What we learned further to that though is, now focusing on gross merchandise value as the real driver, how do you get their goods into the places where consumers are buying? Just driving them to a localized version of their website is not necessarily the way in which a Chinese consumer wants to interact with that brand. How do you get their products curated for that marketplace into T-mall and other key sites? What we did is took advantage of the fact that we were learning who was buying what where, we're merchant of record for a lot of our retailers. Then took that back to them as ways of enhancing their go to market, to get the right products in front of the right consumers in the right markets. That was learning from the marketplace back and we modified how we developed our products and services to better meet the very specific needs of both the global consumer as well as the retailer.

Furmanov: I think it's really important to have that end-to-end view of the customer experience, and all aspects of the life cycle within that. You guys sit in an interesting place, because you sort of facilitate transactions in between multiple parties, right? You have that visibility, but I totally agree, it has to be end-to-end, which is how you can deliver value.

Kampel: Thank you to Mike, Max, Hari, and Slava for joining us.