



REGIONAL FORUMS for **SENIOR IT LEADERS**



CIO

PERSPECTIVES

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Accelerating the Innovation Process

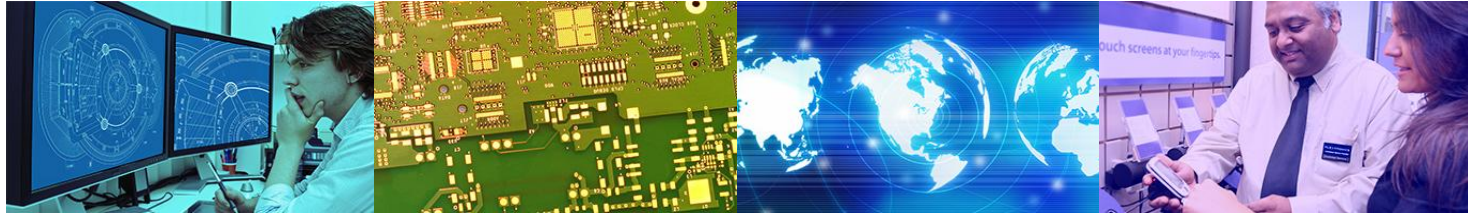
David Smoley

SVP & CIO

Flextronics International

Flextronics – Breadth and Depth

Design. **Build.** **Ship.** **Service.**



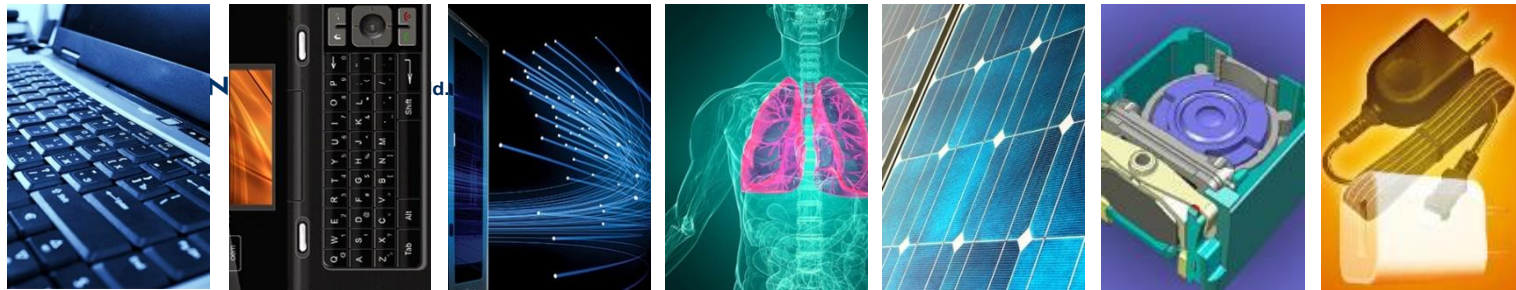
\$30 Billion Revenue

250,000 employees

130 Locations

30 Countries

27 million manufacturing square feet



Why Innovation is More Important Now than Ever

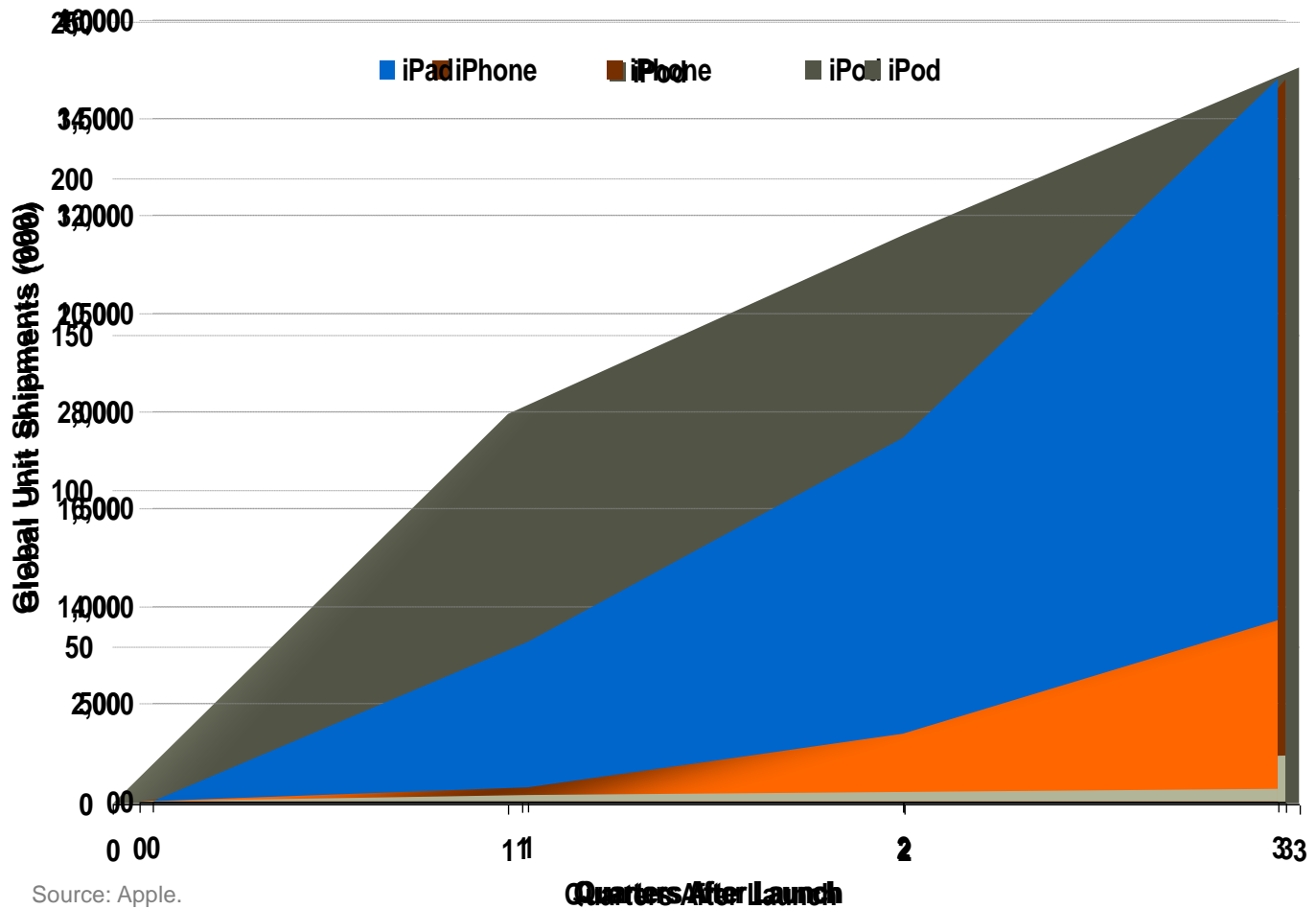


1. Social – Facebook, Jive, Linked-in...
2. Mobile – tablets, iPhone, Android, pda's...
3. Cloud – SAAS, PAAS, IAAS, private, public...
4. Consumerization – workforce drivers...
5. Big Data – predictive analytics, sensors...

... massively disruptive technology is driving innovation

Growth in Mobile Devices is Unprecedented

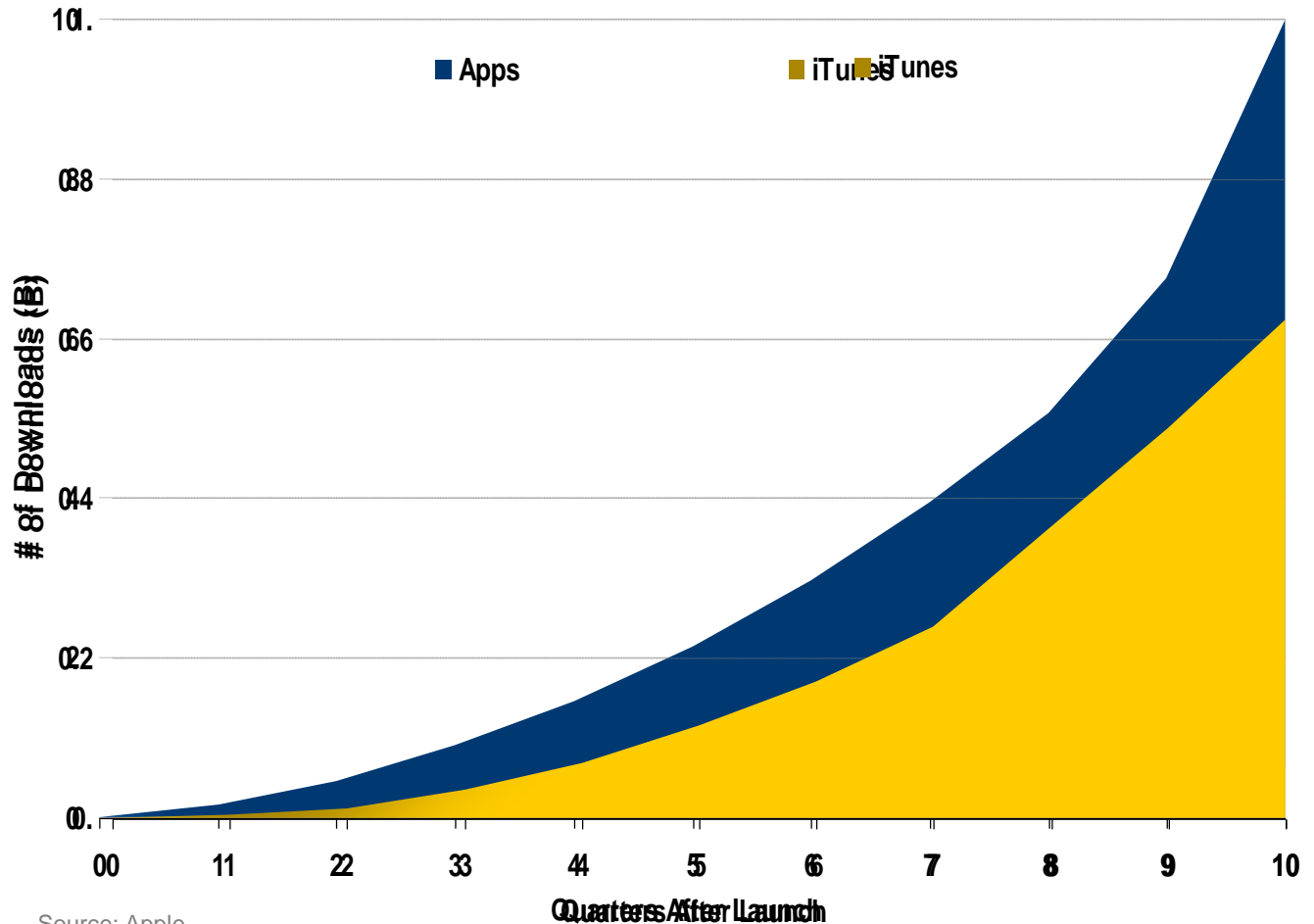
Cumulative First 3 Quarters Unit Shipments, iPod vs. iPhone vs. iPad



Source: Apple.

iTunes Changed the Media Industry...App Store Growth Leaves it in the Dust

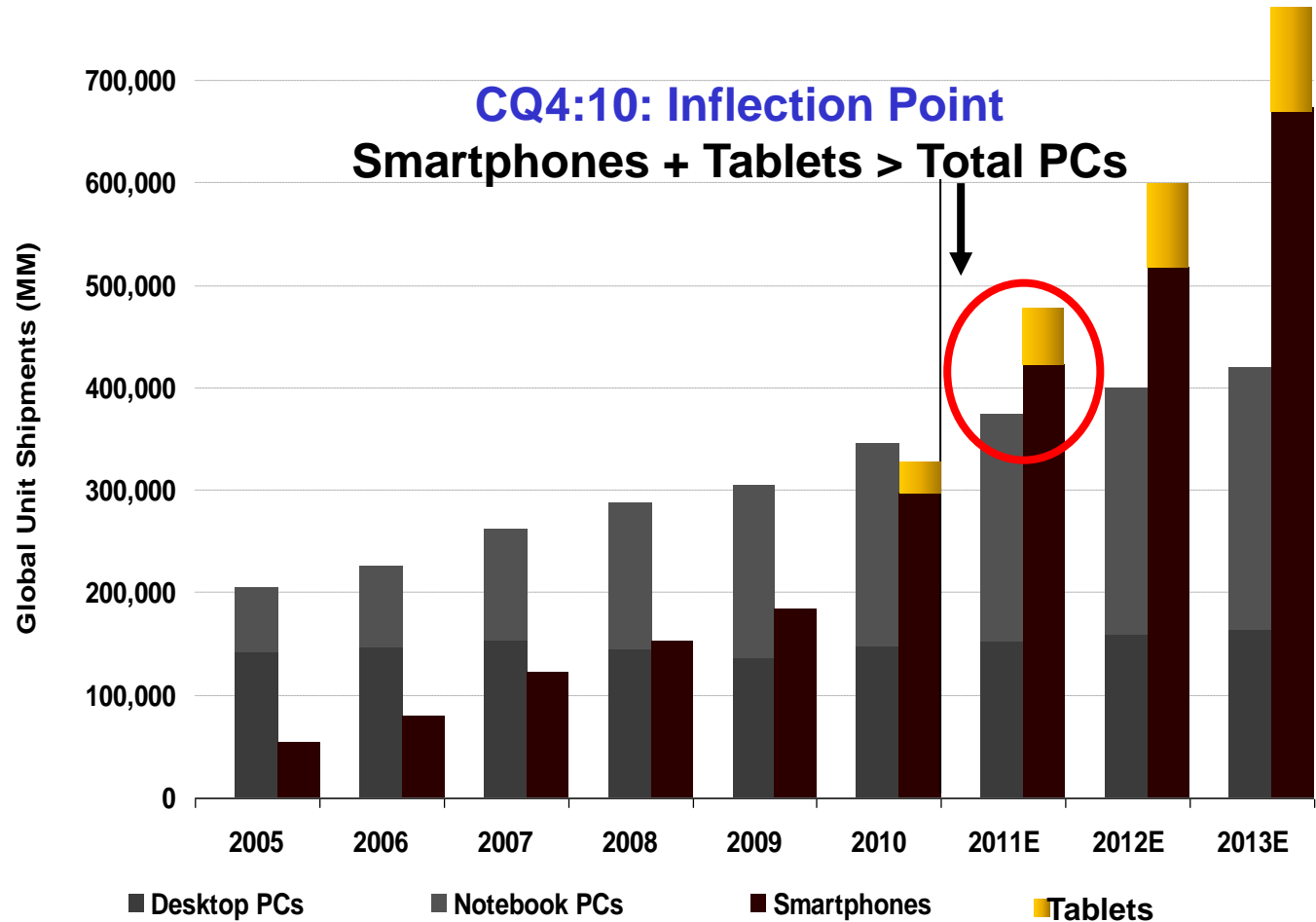
Cumulative Number of Downloads, iTunes Music / Video / Movie vs. Apps, First 10 Quarters



Source: Apple.



Smartphone + Tablet > PC Shipments Since CQ4:10



Note: Notebook PCs include Netbooks. Source: Katy Huberty, Ehud Gelblum, Morgan Stanley Research. Data and Estimates as of 2/11



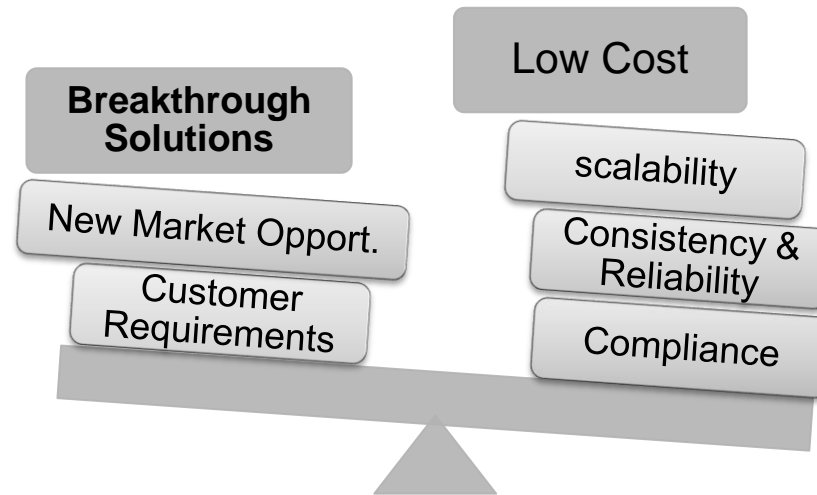
Virtualization & Cloud = Top Priorities for CIOs

CIO Technology	2010 Priority	2009 Priority
Virtualization	1	3
Cloud Computing	2	14

Source: Gartner CIO study, Q4 2009



The Innovation Conundrum



- **Too much** standardization can **stifle innovation**
- **Too little** of it could **cripple efficiency**, drive your enterprise users nuts and cost up
- Optimize with balance and flexibility

Innovation Accelerated by Constraints



*“...constraints shape and focus problems, and provide clear challenges to overcome as well as inspiration. **Creativity, in fact, thrives best when constrained.**”*

“...Disregarding the bounds of what we know or what we accept gives rise to ideas that are non-obvious, unconventional, or simply unexplored...”

Marissa Ann Mayer, Vice President, Google
Bloomberg BusinessWeek
February 1, 2006





Innovation Must Have Clear Business Drivers

- Don't innovate for the sake of innovation
- Understand and align with the organizational mission & goals
- Strategic innovation is focused on customer demands, business requirements.. Problems to be solved, how can it be done better, faster, cheaper
- Should be ROI based



How do you create a culture for innovation?



Encourage small experiments... nurture curiosity, make it ok to fail, kill the bad ones and move on, hold up the good ones and encourage/reward adoption

Partner with innovators... build off their energy, creativity, network, desire to be disruptive... not everything costs \$\$... Spend money with startups

It's all about speed... fail faster... better to go with an 80% solution in a month, then optimize, than to spend six months trying to get the 99% solution designed.

Walk the front lines and trenches... At Flex innovation occurs on the shopfloor where product is made... What are the customers asking for? What are the problems with getting it to them?

Build an IT Architecture that Enables Innovation



CORE FOUNDATION

Stable, reliable, low-cost...

mrp, financials
b2b
materials
engineering
hr
fin analysis

→ fewer outages, greater availability, scalable, repeatable

PERIPHERY

Fast, agile, innovative...

shopfloor
warehouse
repair/retail
pipeline

→ speed and flexibility in dealing with specific cust requirements
→ combining capability for new offerings.

GLOBALLY OPTIMIZED ORGANIZATION

program management excellence
strong business alignment

standard tools & processes
culture of innovation/experimentation

Innovation Accelerators are Everywhere ...

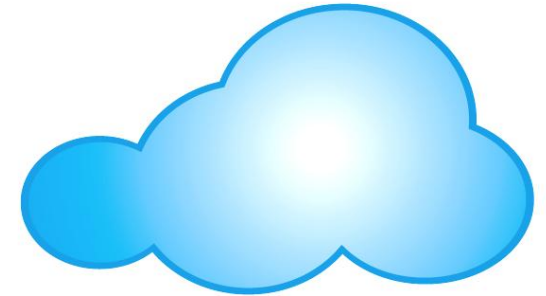


Experimentation
Solving problems with constraints
Under pressure
The perimeter of the org
Within the org... between departments
Rule breakers
Passion/motivation
Driven by customers
Enabled by partners & vendors
Best practice sharing with peers & others
Failing faster



Innovation from the Top

The problem: HR was moving to a centralized model, needed a global system to enable the new model.



Conventional wisdom pointed to established package software.

However, a SAAS offering appeared more usable, simpler, cheaper, faster... a differentiator

Assessing and recommending required innovative thinking. Partnering with the vendor delivered innovation in both organizations.

Saved Flextronics more than \$15 million...

*...set an example, lead from the top
...be willing to evaluate exceptions to standards*

Innovation from the Perimeter



The problem: How to leverage social networking model in the enterprise to speed up global collaboration internally.

Social is new, evolving rapidly, there are many existing and new solutions on the market

A Flex Ukrainian software team experimented by developing an internal “Facebook”... Whisper Enterprise Collaboration

Instead of killing the project we are piloting and expanding



...create an environment where risks/mistakes are ok

....identify best practices and standardize

Innovation From the Trenches

The problem: How to implement system monitoring without \$\$.

Network team began experimenting with opensource tools.

Created a standard package of tools now rolled out globally providing monitoring as a service for all critical apps and devices.

Saved Flex millions of dollars in license fees

...it is amazing what you can do for little or no money



Technology Driven Innovation

The problem: Create an internal “Youtube” for video sharing.

Collaboration team began evaluating options with hw & sw.

Looked beyond hardware based solutions costing hundreds of thousands of dollars to find an inexpensive cloud solution.

Delivered speed, security, flexibility for low cost

*...push to reach for the unlikely
even impossible*



Failing Fast with Blackberry Development



Approvals were taking too long...
capital
travel
credit
procurement



Top 2,000 execs have RIM devices

No experience, multiple development options

Partnered with RIM for an eight week sprint

*...partner with vendors
...encourage experimentation*



Accelerating Innovation

Take advantage of technology disruptions

Create constructive constraints

Optimize your architecture

Be clear on mission, strategy, & goals

Create an environment that nurtures innovation

