



# Three Tools to Drive Customer-Centric Innovation in **Financial Services**

MARCH 29, 2023



ABOUT US

## At a Glance

We are a global strategy consulting firm focused on helping forward-thinking organizations to navigate disruptive change and **OWN THE FUTURE**

We help companies imagine and build new ways to grow, both in their core businesses and in markets that don't yet exist

Our clients tell us we change the way they think and see, enabling them to do things they could never do before



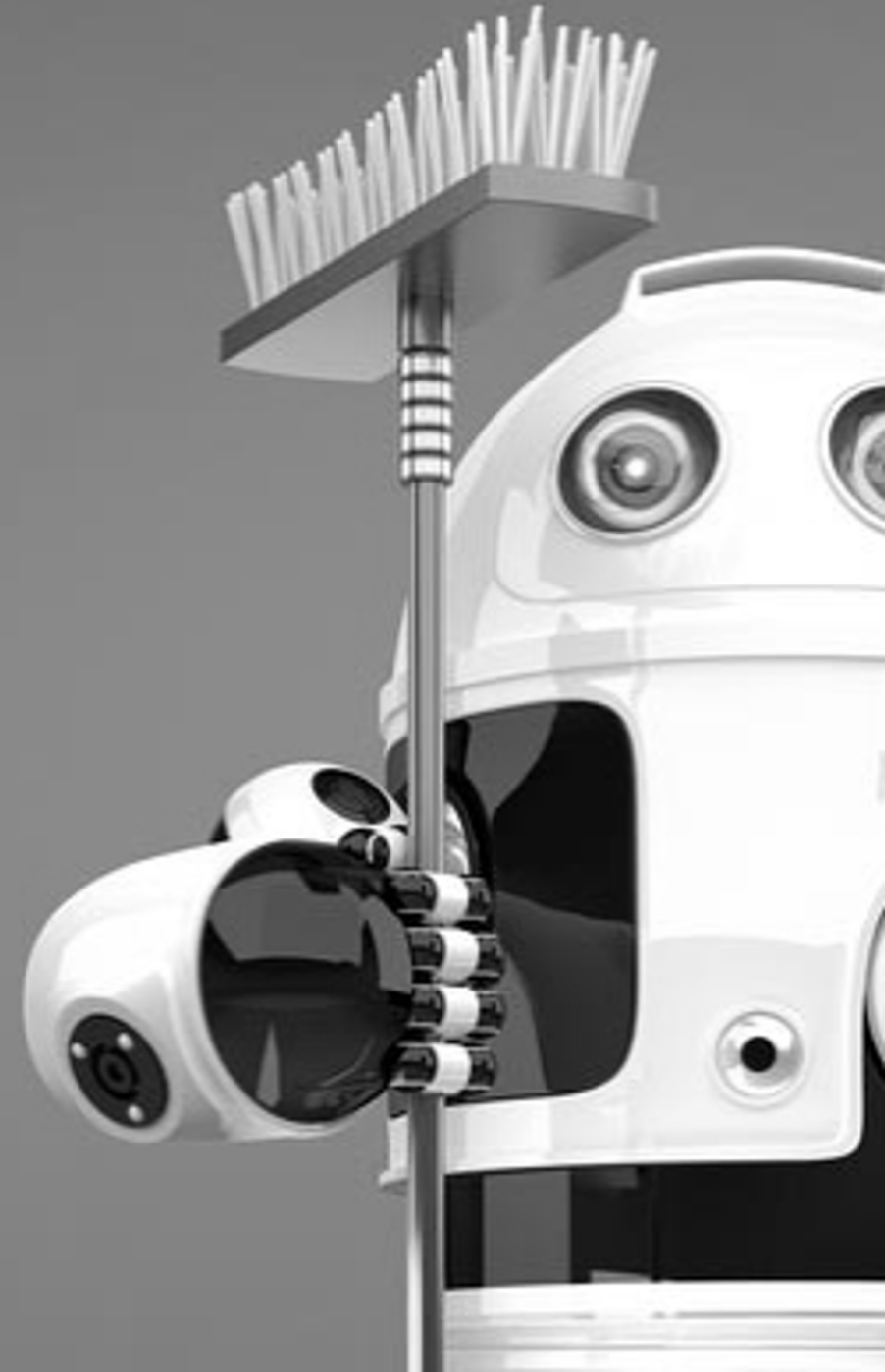
**Alasdair Trotter**  
Managing Director



**Matt McGrath**  
Senior Director

# Housekeeping Notes

- The webinar is being recorded
- The link to the recorded webinar and to the presentation slides will be shared
- All participant lines have been muted
- Please submit questions using the **"Q&A"** function that appears in the toolbar; we plan to answer questions as we go
- When we have **Poll** questions, please make sure to click the "submit" button
- Feel free to comment in the **Chat**, but we may not be able to monitor or respond





**We know HOW to build things the  
*RIGHT WAY...***

**But the real question is ...**

**...WHAT are the *RIGHT THINGS* we  
should build?"**

# Three challenges to successful customer-centric innovation

CHALLENGE:

**Lack of clarity on which customer & need is being addressed**

KEY QUESTION:

How do we understand the broad landscape of potential customer problems that we might address?

CHALLENGE:

**Investment dollars spread too thin to make an impact**

KEY QUESTION:

How do we drive clarity on the specific opportunity on which we will focus?

CHALLENGE:

**Undifferentiated solutions brought to market**

KEY QUESTION:

How are we going to solve that problem better than anyone else?



# Poll

Which of these **three challenges resonate** most with you and your organization?

Select **all** that apply



Lack of clarity on which customer & need is being addressed



Investment dollars spread too thin to make an impact



Undifferentiated solutions brought to market

# Three tools to address these challenges

1



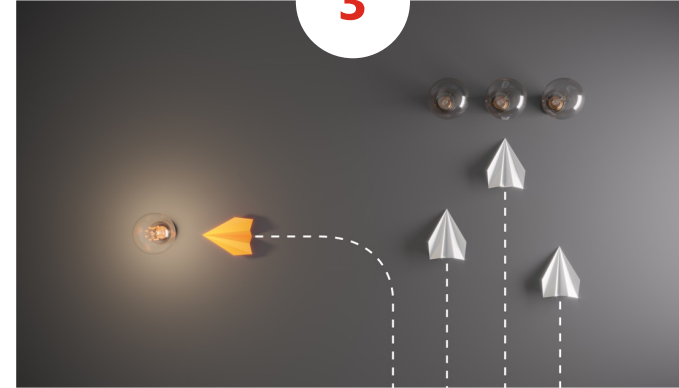
Visualize the  
opportunity space  
with  
**Market Maps**

2

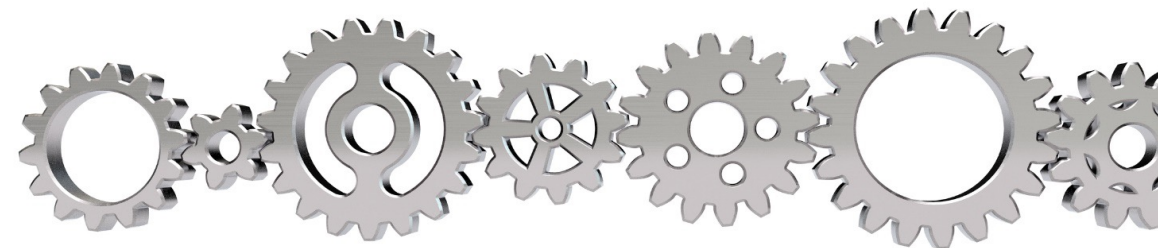


Drive clarity with  
**Strategic  
Focus Areas**

3



Identify  
differentiation  
opportunities with  
**Performance Maps**



# Three tools to address these challenges

1



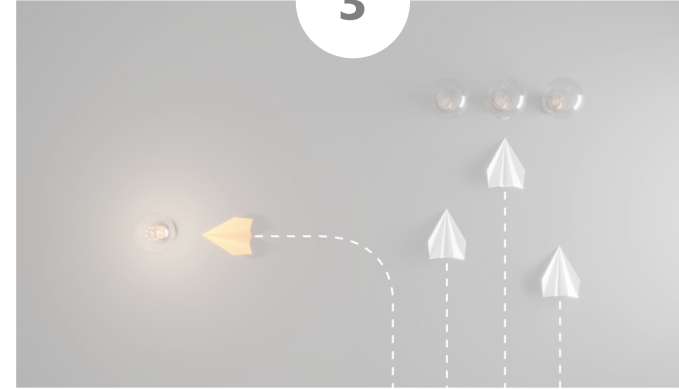
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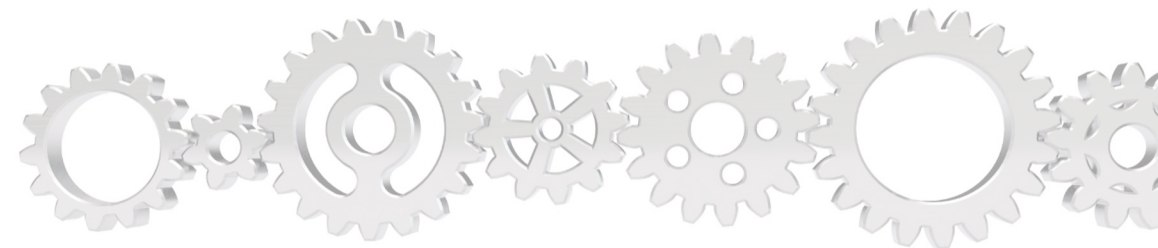


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BANK

MIL

CIRCUMSTANCES

Industry Vertical Cluster  
(~89% of SMBs)

Examples

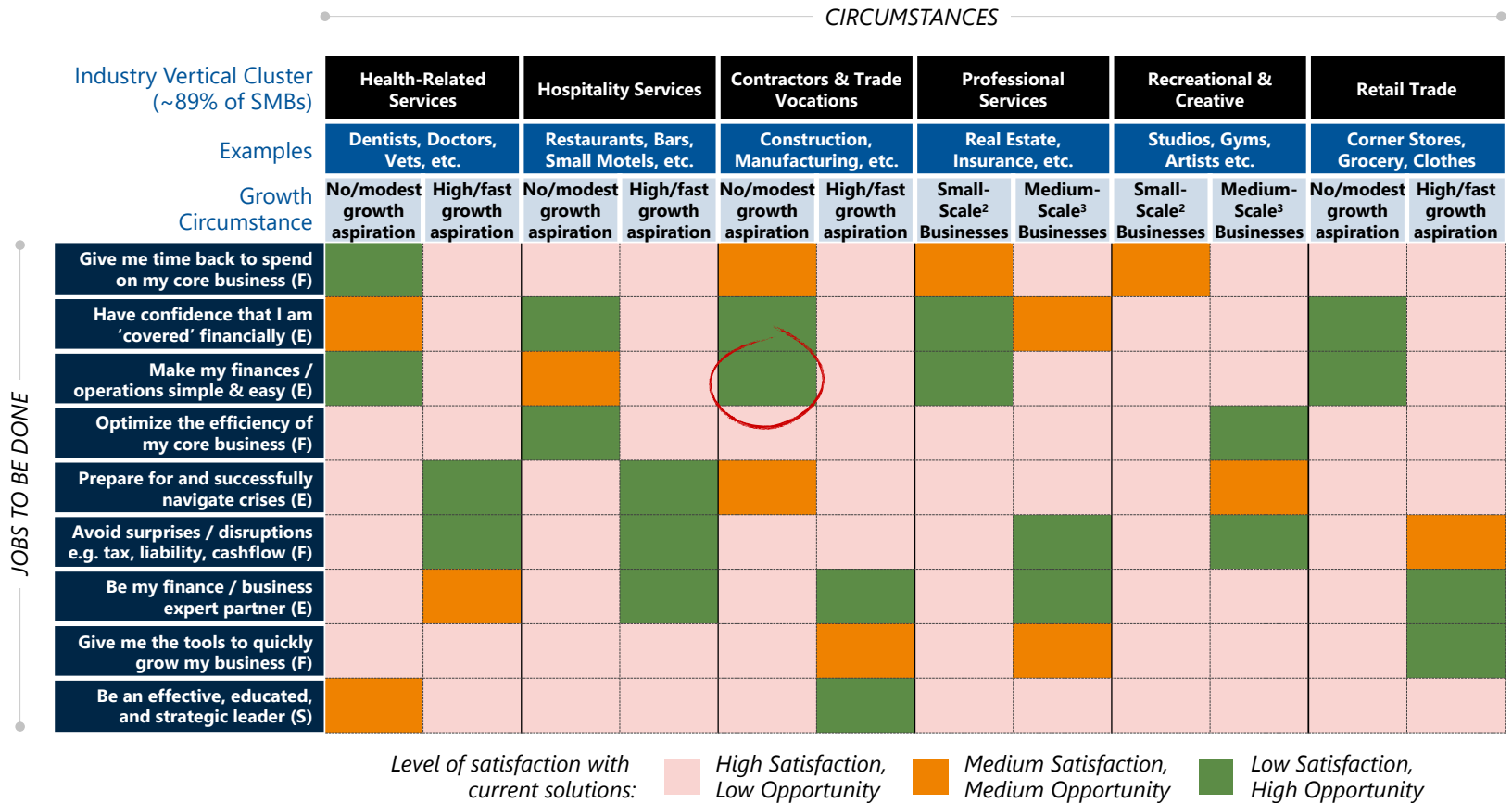
Growth  
Circumstance

	Health-Related Services		Hospitality Services		Contractors & Trade Vocations		Professional Services		Recreational & Creative		Retail Trade	
	Dentists, Doctors, Vets, etc.		Restaurants, Bars, Small Motels, etc.		Construction, Manufacturing, etc.		Real Estate, Insurance, etc.		Studios, Gyms, Artists etc.		Corner Stores, Grocery, Clothes	
	No/modest growth aspiration	High/fast growth aspiration	No/modest growth aspiration	High/fast growth aspiration	No/modest growth aspiration	High/fast growth aspiration	Small-Scale <sup>2</sup> Businesses	Medium-Scale <sup>3</sup> Businesses	Small-Scale <sup>2</sup> Businesses	Medium-Scale <sup>3</sup> Businesses	No/modest growth aspiration	High/fast growth aspiration
Give me time back to spend on my core business (F)	Green	Pink	Pink	Pink	Orange	Pink	Orange	Pink	Orange	Pink	Pink	Pink
Have confidence that I am 'covered' financially (E)	Orange	Pink	Green	Pink	Green	Pink	Green	Orange	Pink	Pink	Green	Pink
Make my finances / operations simple & easy (E)	Green	Pink	Orange	Pink	Green	Pink	Green	Pink	Pink	Pink	Green	Pink
Optimize the efficiency of my core business (F)	Pink	Pink	Green	Pink	Pink	Pink	Pink	Pink	Pink	Green	Pink	Pink
Prepare for and successfully navigate crises (E)	Pink	Green	Pink	Green	Orange	Pink	Pink	Pink	Pink	Orange	Pink	Pink
Avoid surprises / disruptions e.g. tax, liability, cashflow (F)	Pink	Green	Pink	Green	Pink	Pink	Pink	Green	Pink	Green	Pink	Orange
Be my finance / business expert partner (E)	Pink	Orange	Pink	Green	Pink	Green	Pink	Green	Pink	Pink	Pink	Green
Give me the tools to quickly grow my business (F)	Pink	Pink	Pink	Pink	Pink	Orange	Pink	Orange	Pink	Pink	Pink	Green
Be an effective, educated, and strategic leader (S)	Orange	Pink	Pink	Pink	Pink	Green	Pink	Pink	Pink	Pink	Pink	Pink

JOB TO BE DONE

Level of satisfaction with current solutions:  High Satisfaction, Low Opportunity  Medium Satisfaction, Medium Opportunity  Low Satisfaction, High Opportunity

# Visualize the opportunity space with **Market Maps**



## KEYS TO SUCCESS

- ✓ Focus on circumstances that change what products / services customers are looking for
- ✓ Be expansive when considering other solutions (e.g., look at non-consumption or outside-of-industry solutions)
- ✓ Group opportunities together into clusters to pursue

# Three tools to address these challenges

1



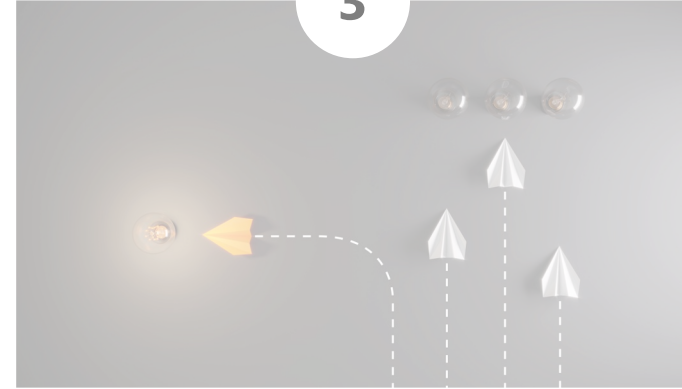
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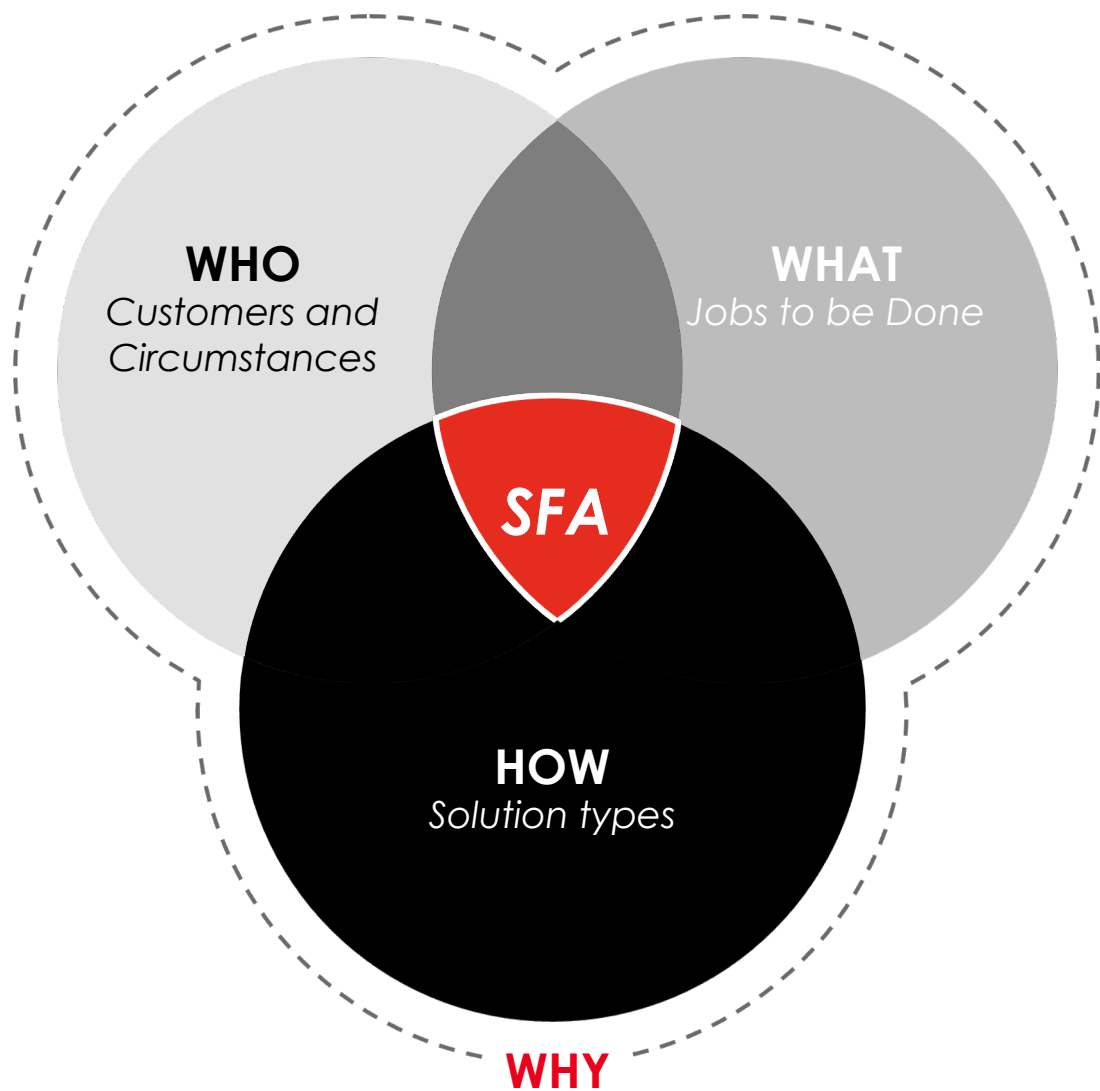
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Performance Maps





Strategic Focus Areas are **actionable areas of growth** that combine what, who, how, and why

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**WHAT** is the important, unsatisfied job?



**WHO** is the customer?



**HOW** can we help address this job?



**WHY** us and why now?



Item	Amount	Amount	Amount
1. Labor	100	100	100
2. Material	200	200	200
3. Overhead	150	150	150
4. Selling Expense	100	100	100
5. Administrative Expense	100	100	100
6. Total Customer Contract	750	750	750
7. Total	750	750	750

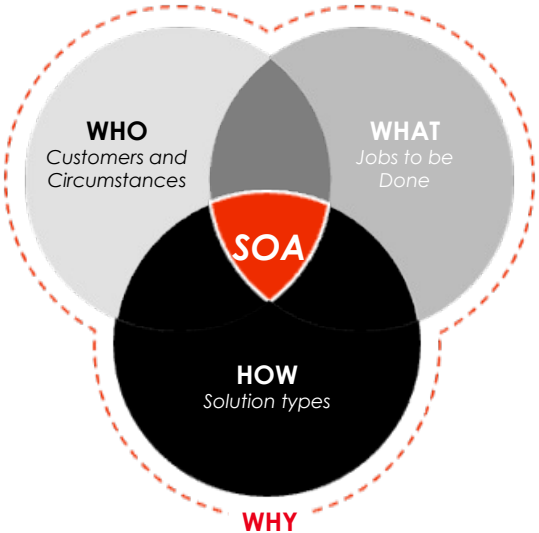
Signature: [Signature]





Company: [Company Name]

Document with text and a barcode, held by the woman.

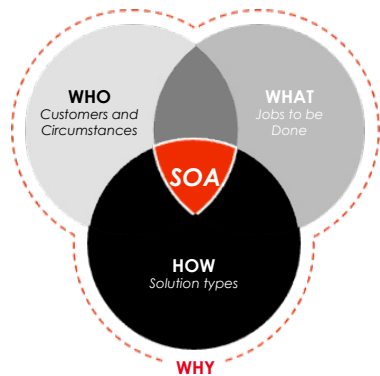


# Strategic Focus Area for Highly-Paid Gig Workers







	<p><b>WHAT:</b></p>	<p>Help consumers with inconsistent or volatile income streams prove they are credit-worthy</p>
	<p><b>WHO:</b></p>	<p>Gig-economy workers with high, but inconsistent incomes who are considering purchasing a new home or car</p>
	<p><b>HOW:</b></p>	<ul style="list-style-type: none"> <li>• Cash flow-based underwriting models</li> <li>• Alternative creditworthiness indicators</li> </ul>
	<p><b>WHY:</b></p>	<ul style="list-style-type: none"> <li>• &gt;\$10B opportunity by 2025</li> <li>• High growth segment currently unaddressed by any competitors</li> </ul>

# Drive clarity with **Strategic Focus Areas**



## Strategic Focus Area for Highly-Paid Gig Workers

	<b>WHAT:</b>	Help consumers with inconsistent or volatile income streams prove they are credit-worthy
	<b>WHO:</b>	Gig-economy workers with high, but inconsistent incomes who are considering purchasing a new home or car
	<b>HOW:</b>	<ul style="list-style-type: none"><li>• Cash flow-based underwriting models</li><li>• Alternative creditworthiness indicators</li></ul>
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### **KEYS TO SUCCESS**

- ✓ Prioritize and specifically fund a small number of Strategic Focus Areas for your business – as few as 3 to 5
- ✓ Start with the customer and their needs – solutions come second!
- ✓ Use Strategic Focus Areas to communicate your strategy across the organization

# Three tools to address these challenges

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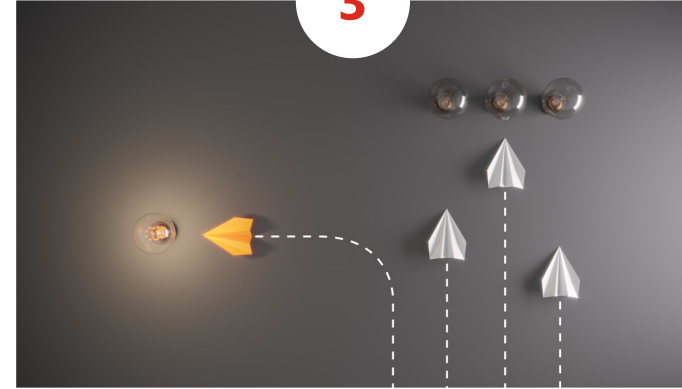
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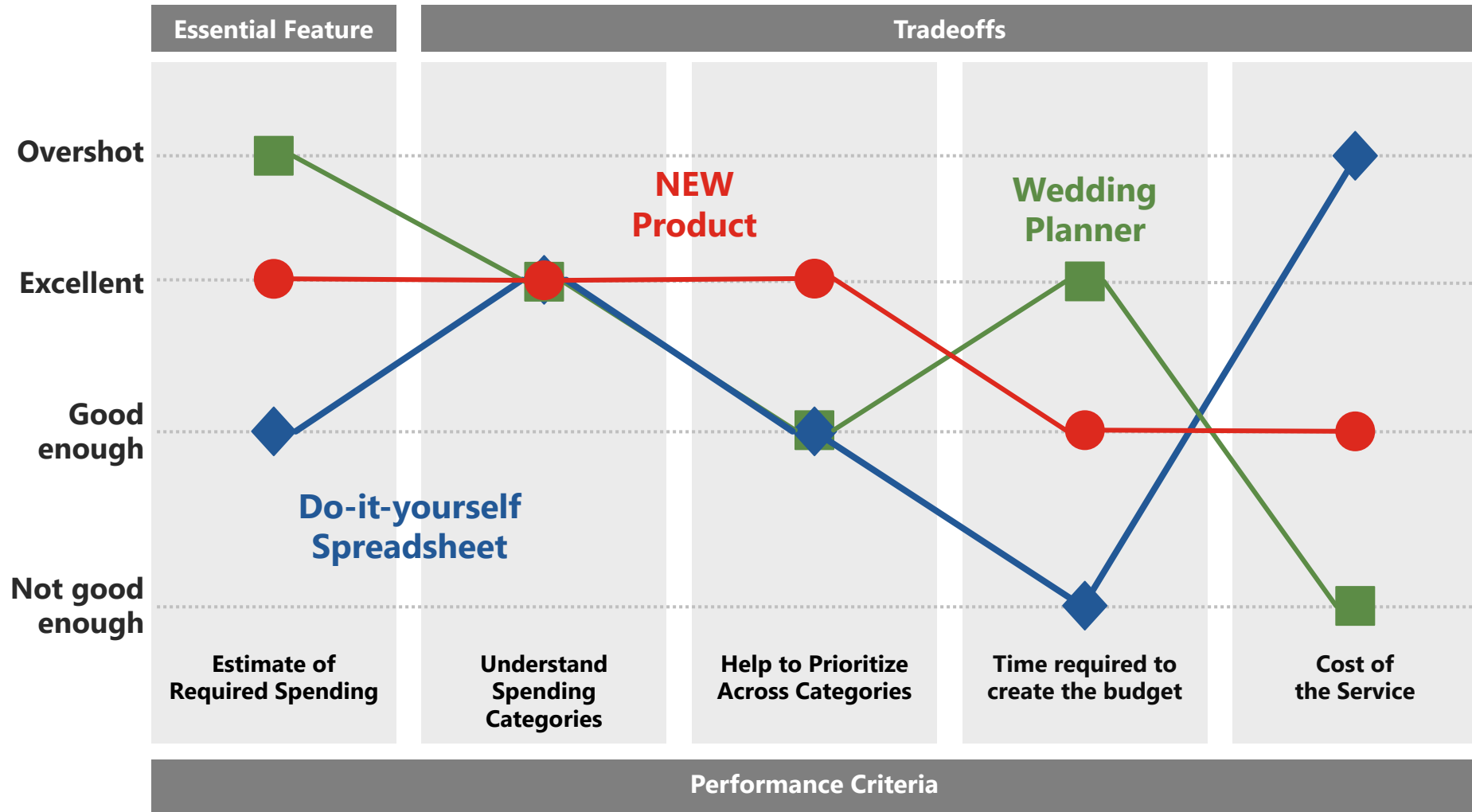
Wedding Planner

vs.



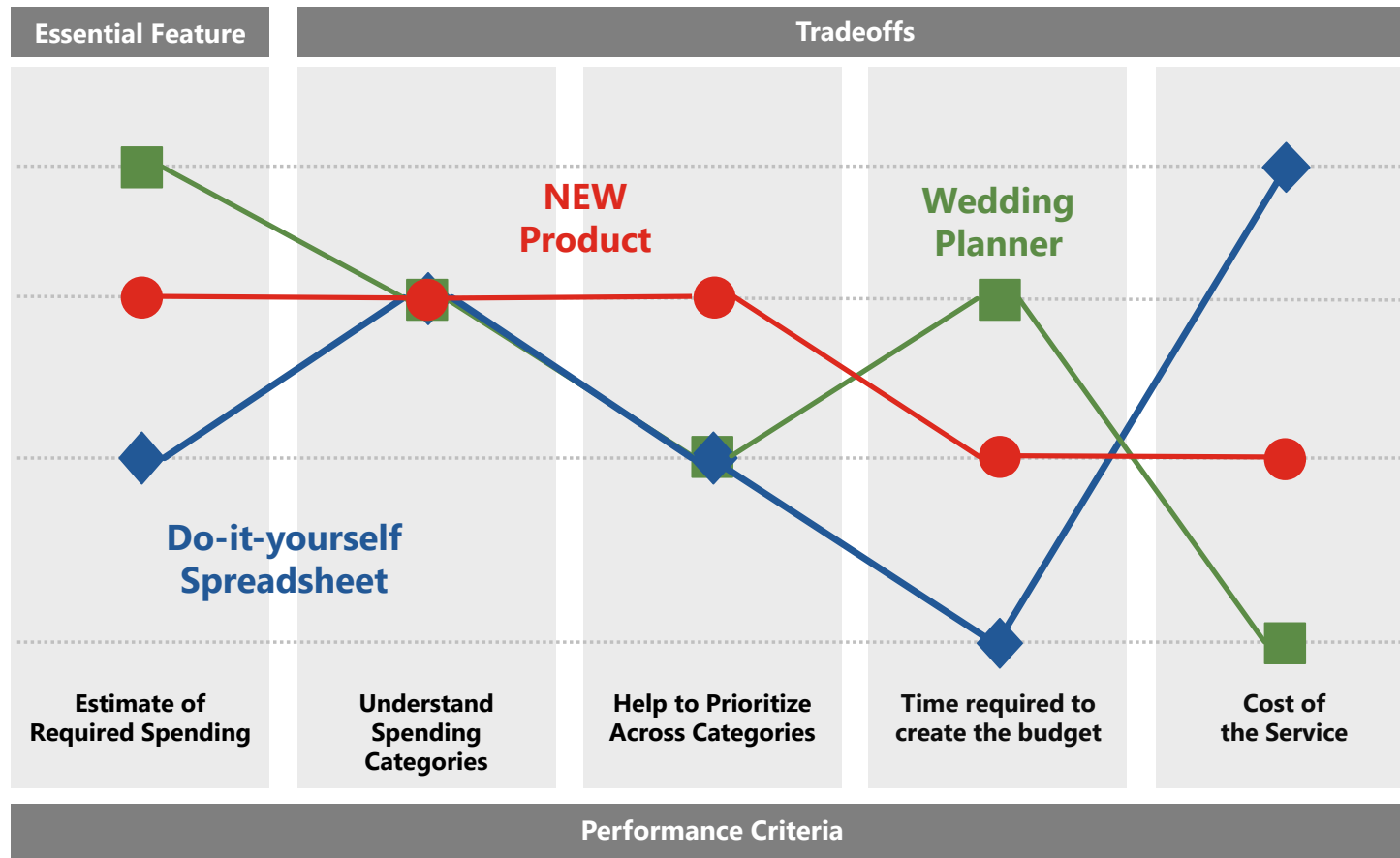
Do-it-yourself Spreadsheet

## Example job: **Create a budget for my wedding**



# Identify differentiation opportunities with Performance Maps

Example job: **Create a budget for my wedding**



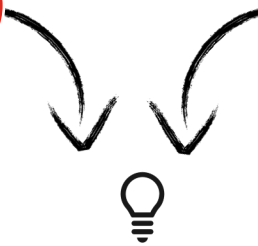
## KEYS TO SUCCESS

- ✓ Take the customer's point of view, not your own or the "standard" industry language
- ✓ Focus on the tradeoffs where customers will accept less of one feature to get more of another
- ✓ Understand what workarounds or other coping mechanisms customers use

# Use these tools during the early stages of your **strategy, innovation, and product development processes**

Visualize the opportunity space with **Market Maps**

**1**

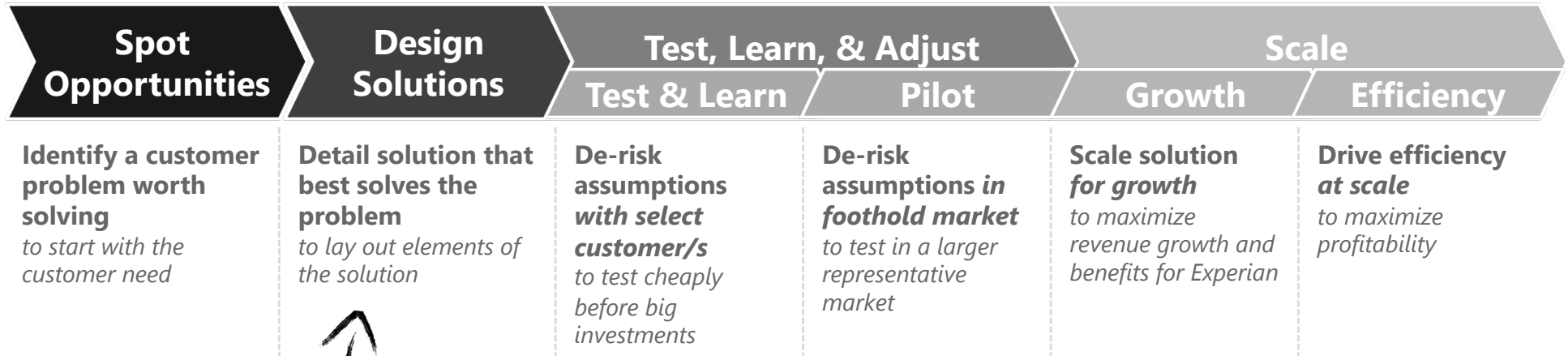


**2**

Define **Strategic Focus Areas** for your high-priority opportunities



INNOSIGHT  
INNOVATION  
PATHWAY



**3**

Design differentiated solutions with **Performance Maps**

For more on Innovation Pathways, see [Innosight's Innovation Performance Hub!](#)

# Q&A

Please use the 'Q&A' or 'chat' functions to ask questions



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