ECONOVATION™

5 OPPORTUNITIES FOR THE NEXT DECADE

STEVE FAKTOR

IDEAFAKTORY

ABOUT

The **RED, WHITE,** and **BLUE PILL** for
AROUSING INNOVATION

econovation™



stevefaktor

IDEA FAKTORY

AMERICAN EXPRESS

MasterCard

SAMSUNG JVC RadioShack.

WPP Group plc F·A·O·SCHWARZ

Microsoft

ANDERSEN

UBS

GE Money

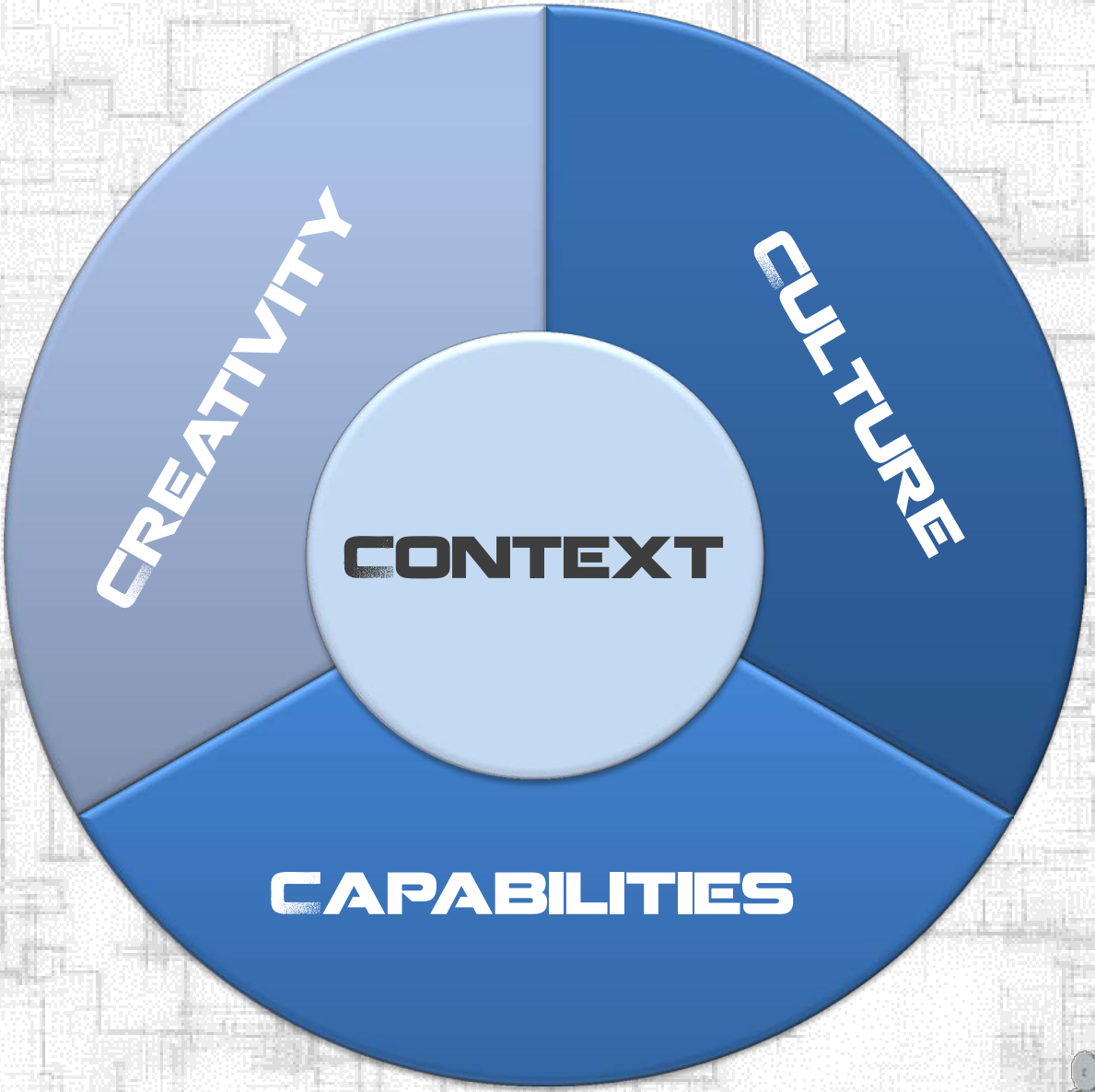
citi®

Wyeth Pharmaceuticals PSE&G USTS

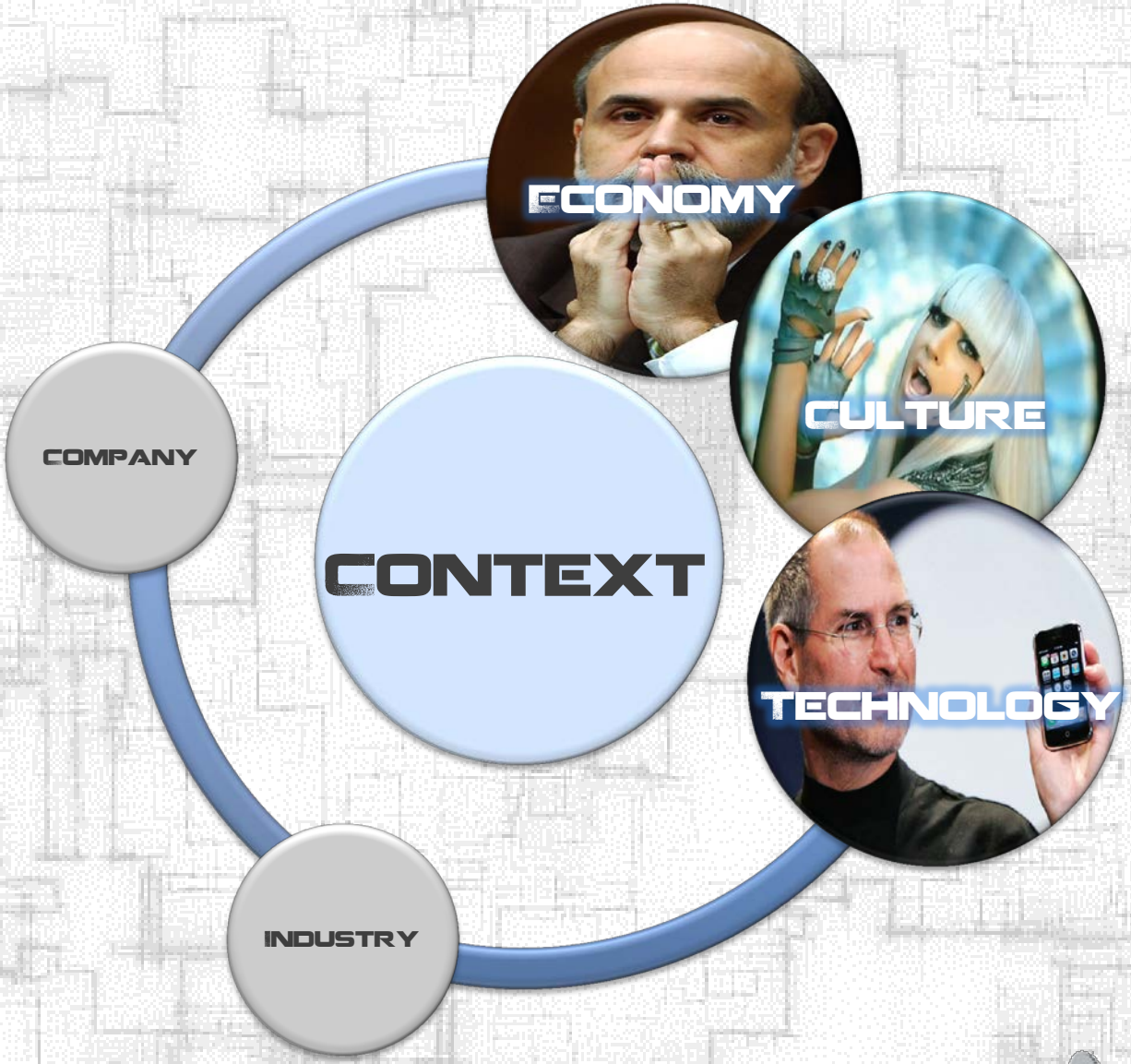
LendingClub BOMBARDIER

IDEA FAKTORY

THE 4C'S OF INNOVATION™



CONTEXT



THINGS DON'T SEEM TOO BAD...



MADE THERE



MADE HERE


Google
twitter
tumblr.
in the looop
Pinterest
facebook
digg
instagram

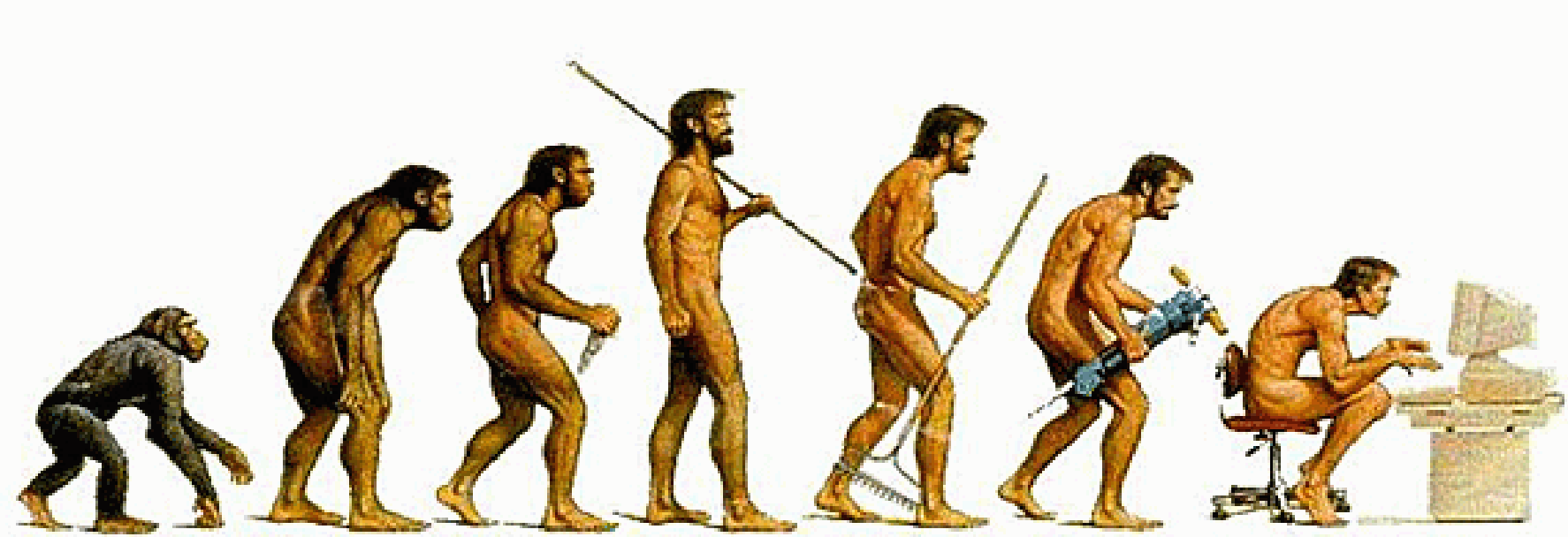
MADE FAMOUS


KIM KARDASHIAN
THE VOLUPTUOUS NEW FRAGRANCE
AVAILABLE EXCLUSIVELY AT
SEPHORA
sephora.com

SO WHERE'S IT GOING?

IDEA FAKTORY

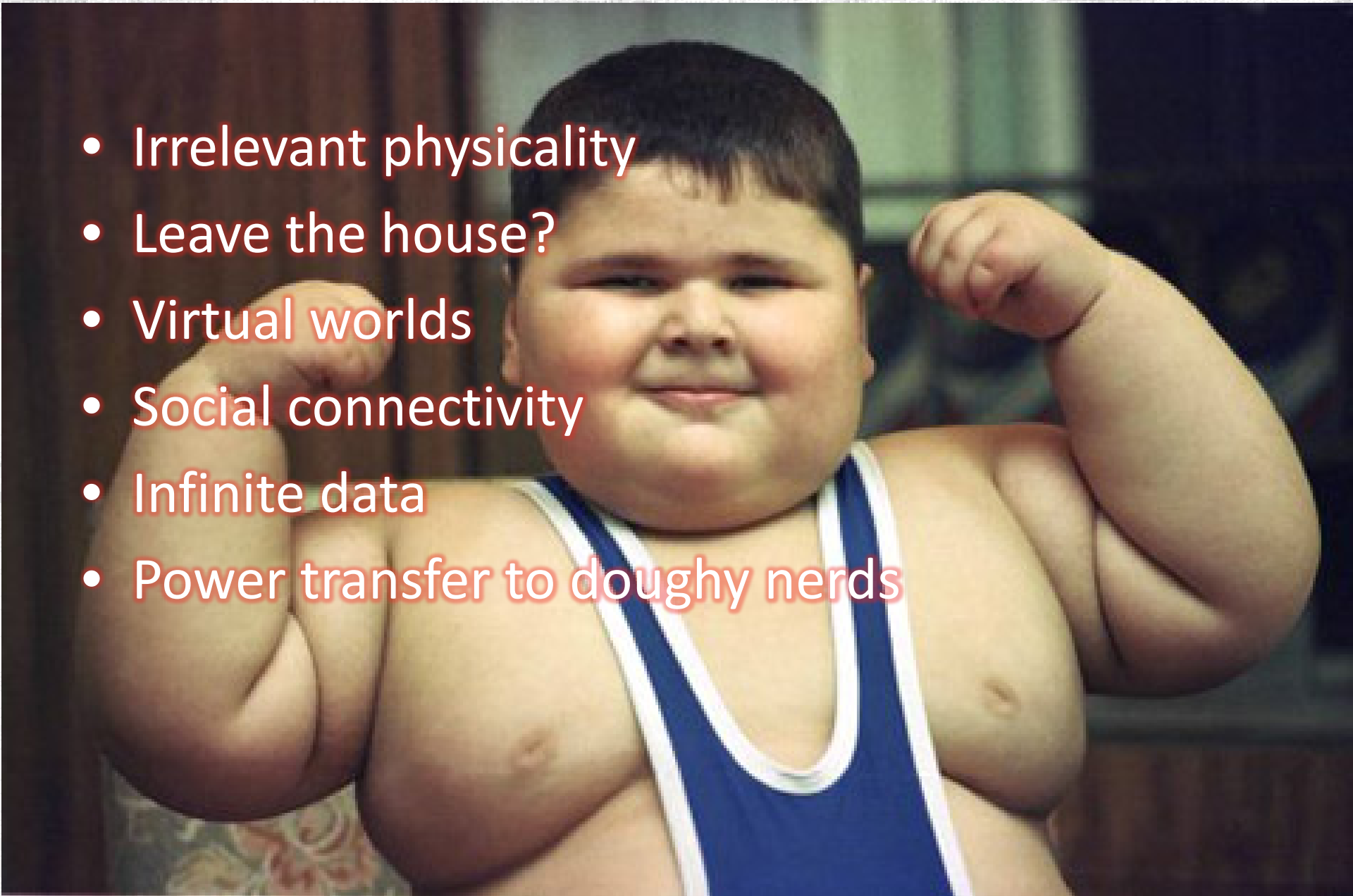
AN ADAPTIVE BEAST



50,000 Years

100 Years

BIOLOGY VS. TECHNOLOGY



- Irrelevant physicality
- Leave the house?
- Virtual worlds
- Social connectivity
- Infinite data
- Power transfer to doughy nerds

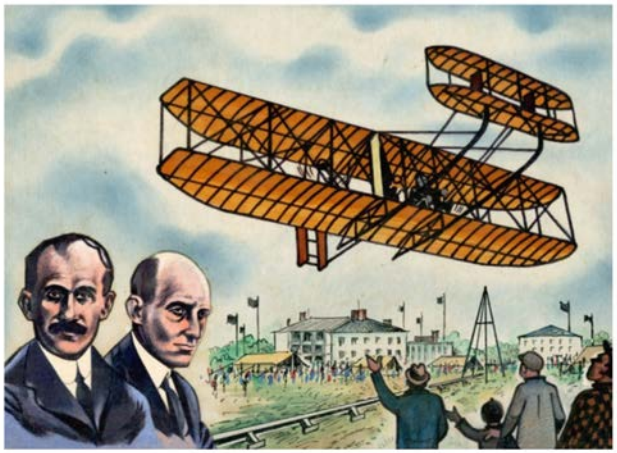
ROAD TO THE MATRIX?




NOT SO FAST!
2112
2022

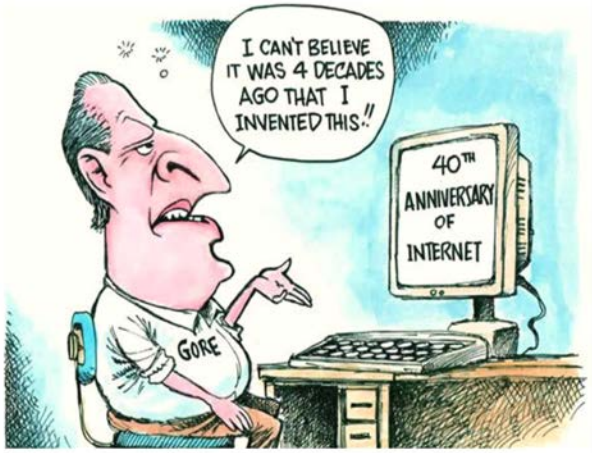
A COUNTRY THAT INVENTED...













IDEA FAKTORY

WE SHOULD LIVE LIKE...





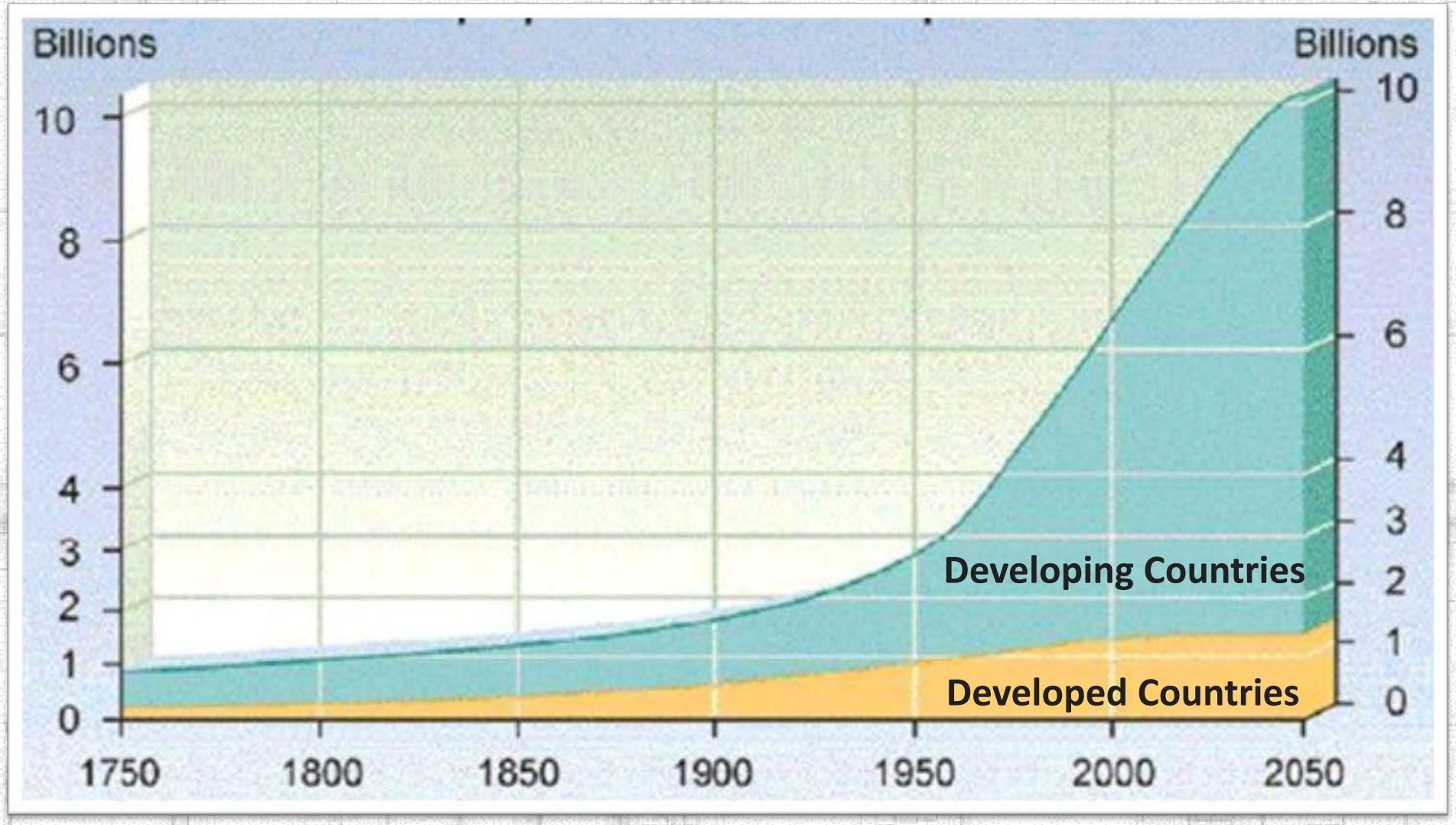


IDEA FAKTORY

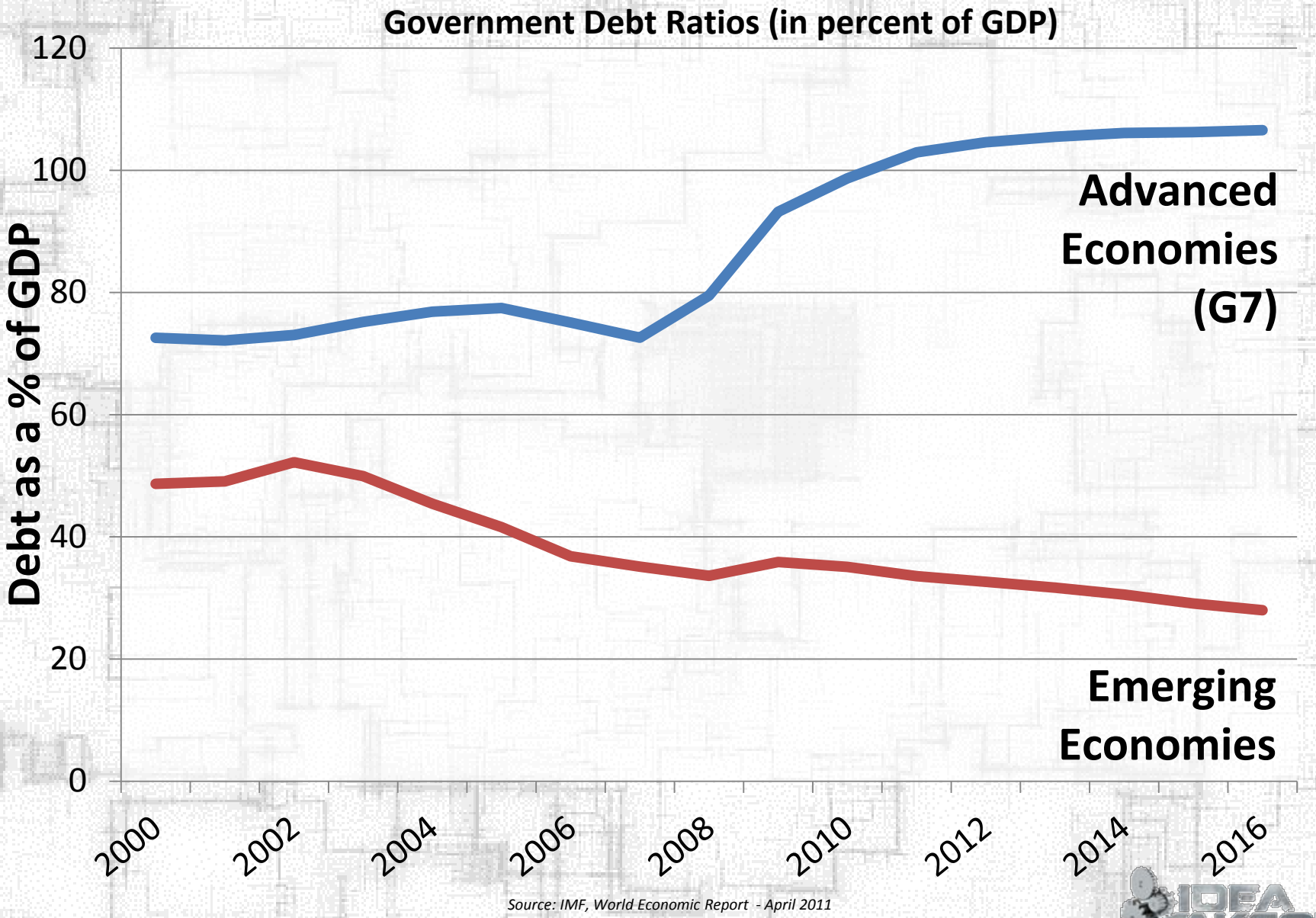
INSTEAD...



POPULATION GROWTH



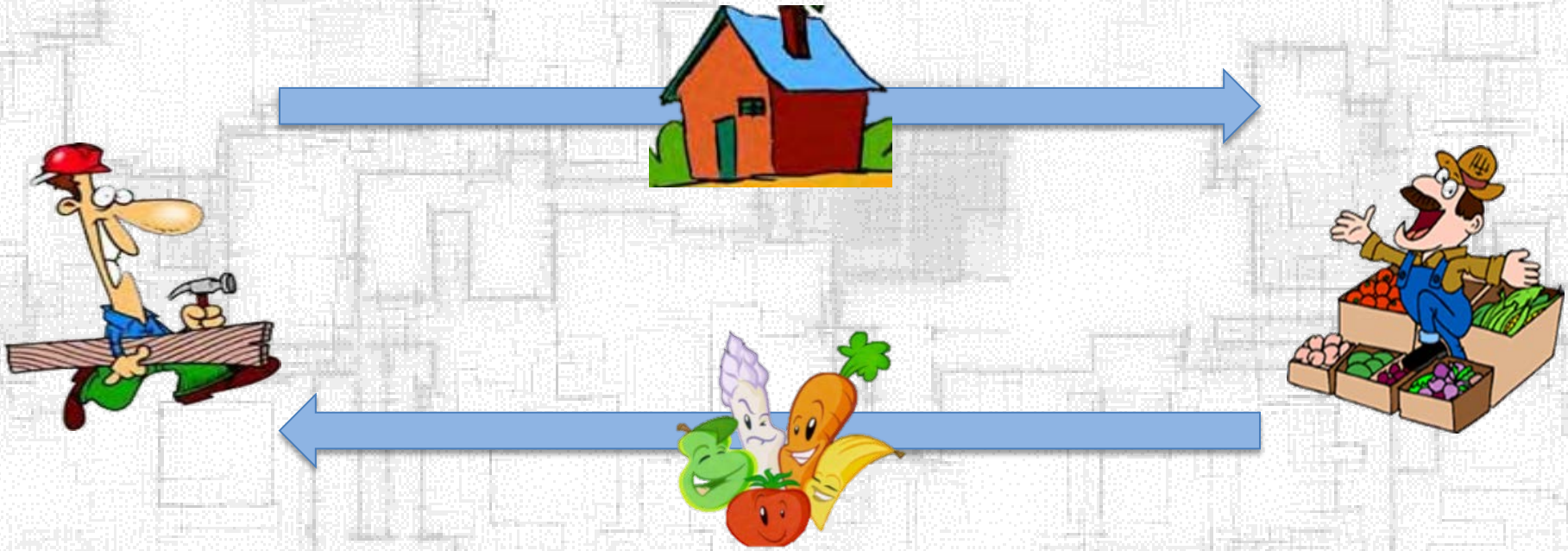
DIFFERENT PATHS



Source: IMF, World Economic Report - April 2011

IDEA FAKTORY

THE FUNDAMENTALS HAVEN'T CHANGED



SERVICE ECONOMY





Marketing

Financial Services

Strategy & Design

Administration

Legal

Risk Management

Customer Service

I.T.

Education

Government





IDEA FAKTORY

MIDDLEMEN RARELY EXPORT

Trade deficit



Marketing

Financial Services

Strategy & Design

Risk Management

Legal

Education

Administration

I.T.

Customer Service



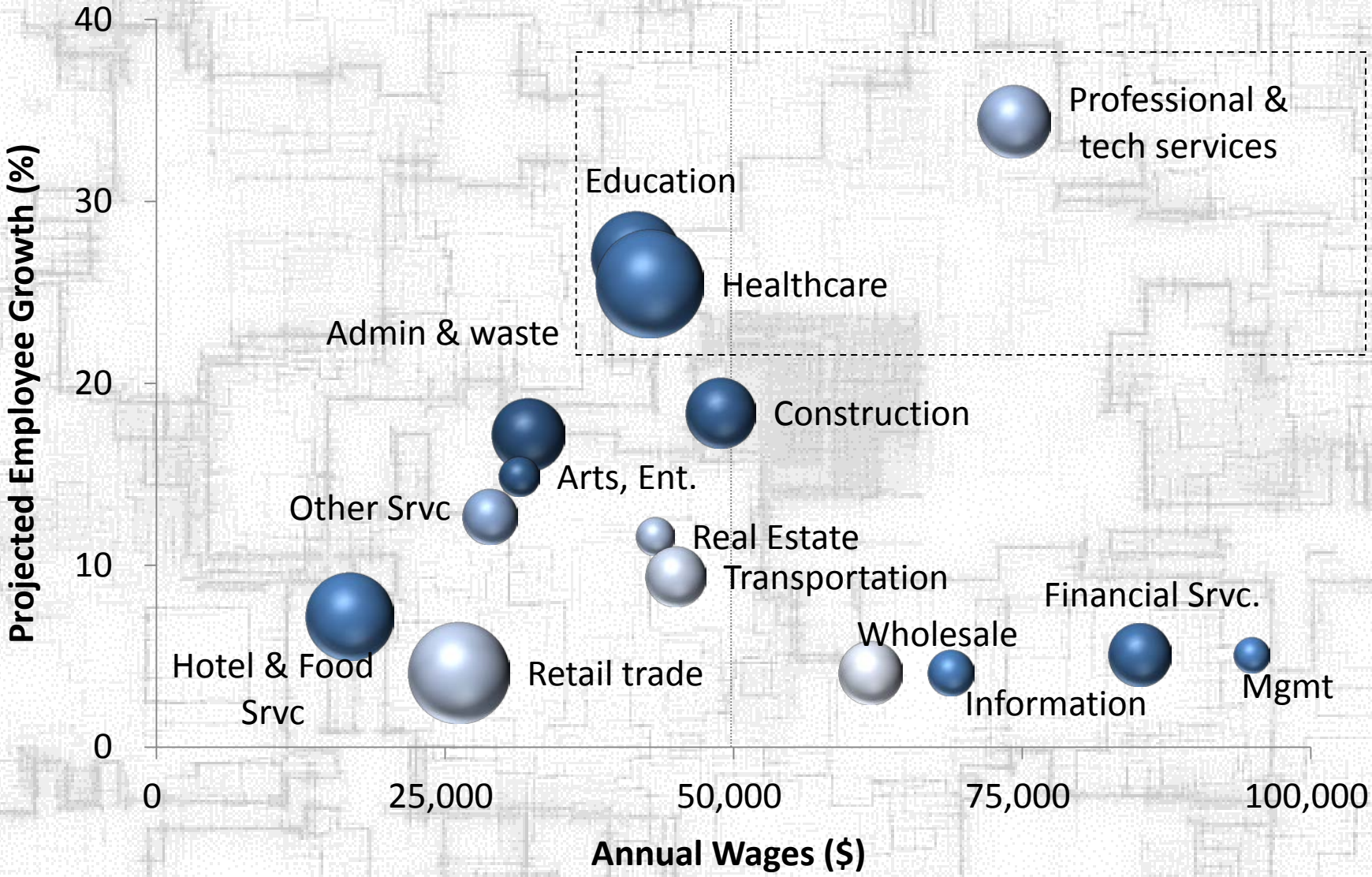






IDEA FAKTORY

10 YEAR GROWTH RATES



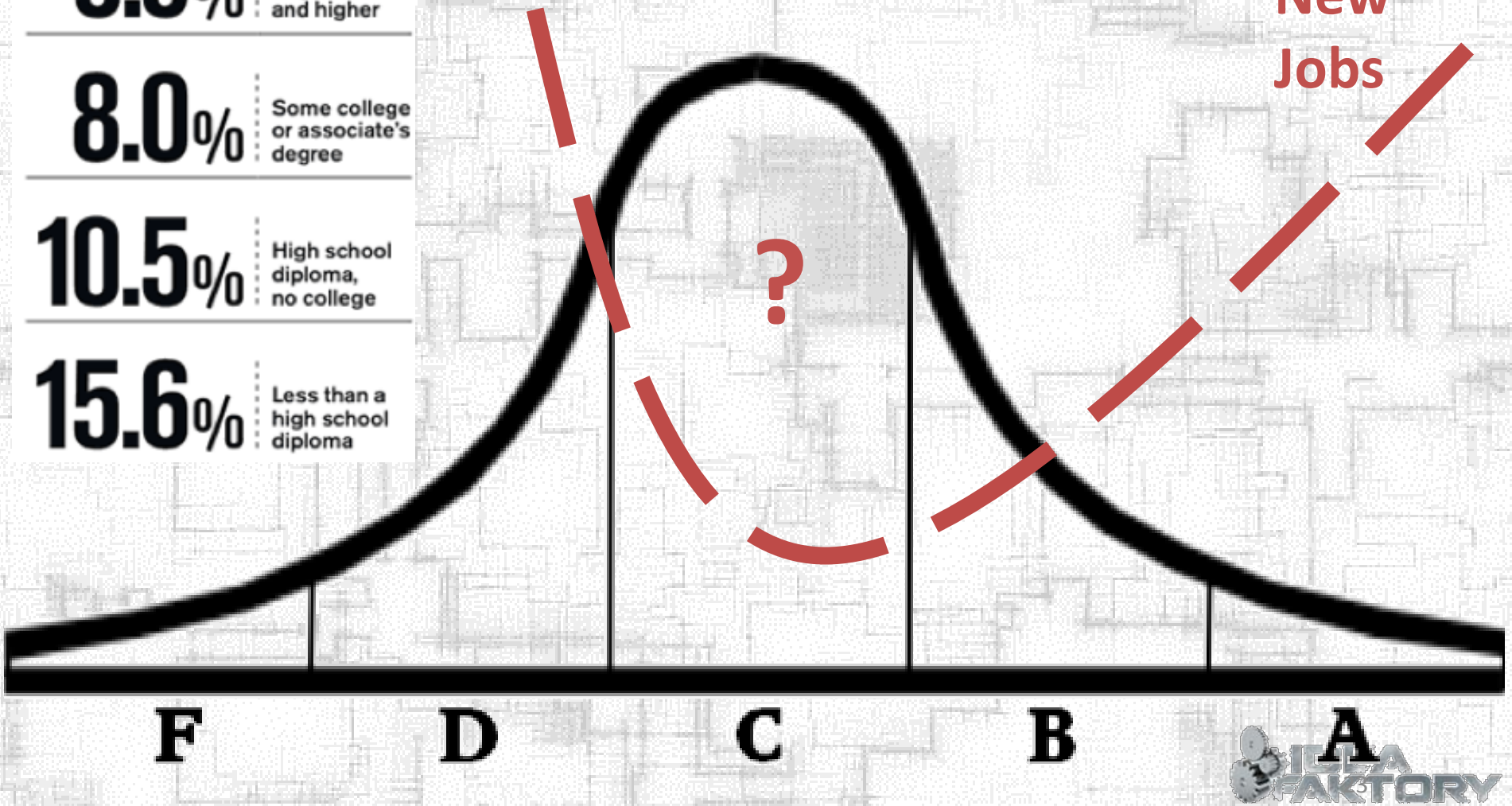
Source: BLS

Bubble Size = # of Employees (2008)

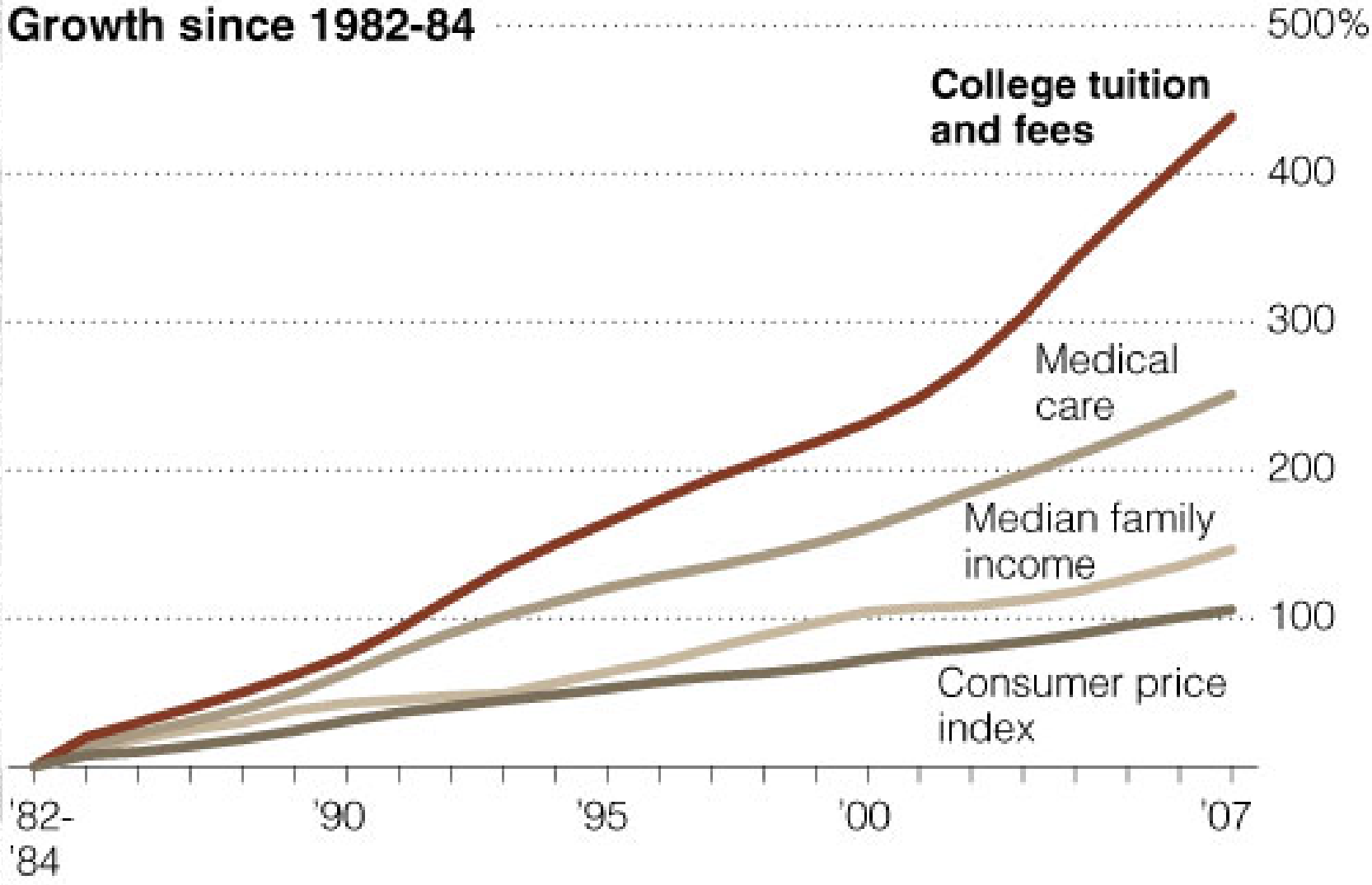
NEW JOBS MISMATCH

Unemployment rates by level of education*

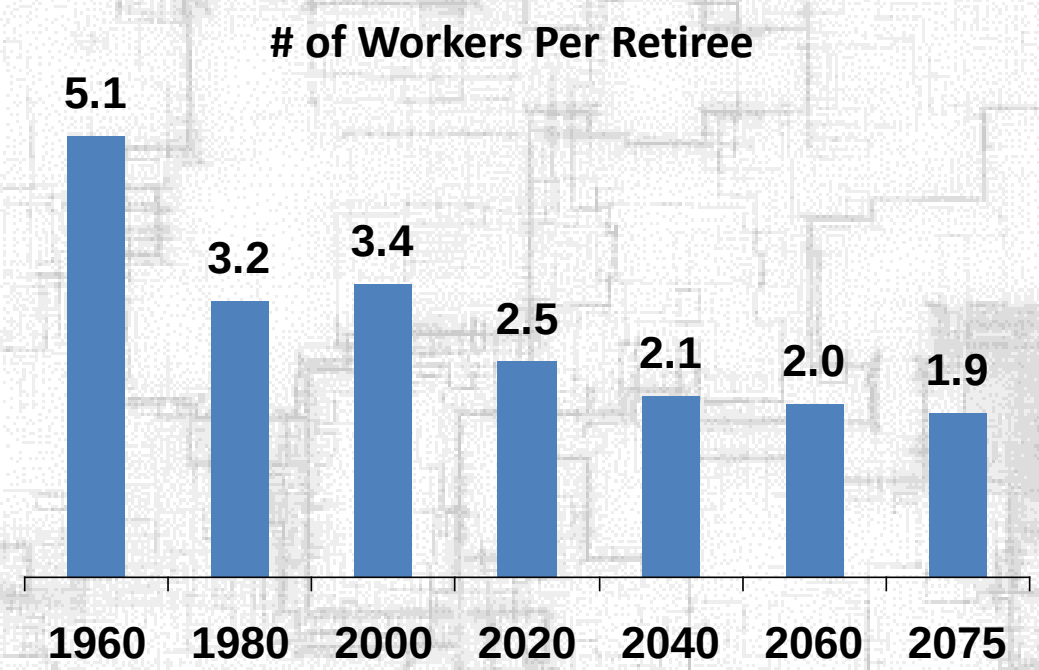
5.0%	Bachelor's degree and higher
8.0%	Some college or associate's degree
10.5%	High school diploma, no college
15.6%	Less than a high school diploma



SOARING COSTS



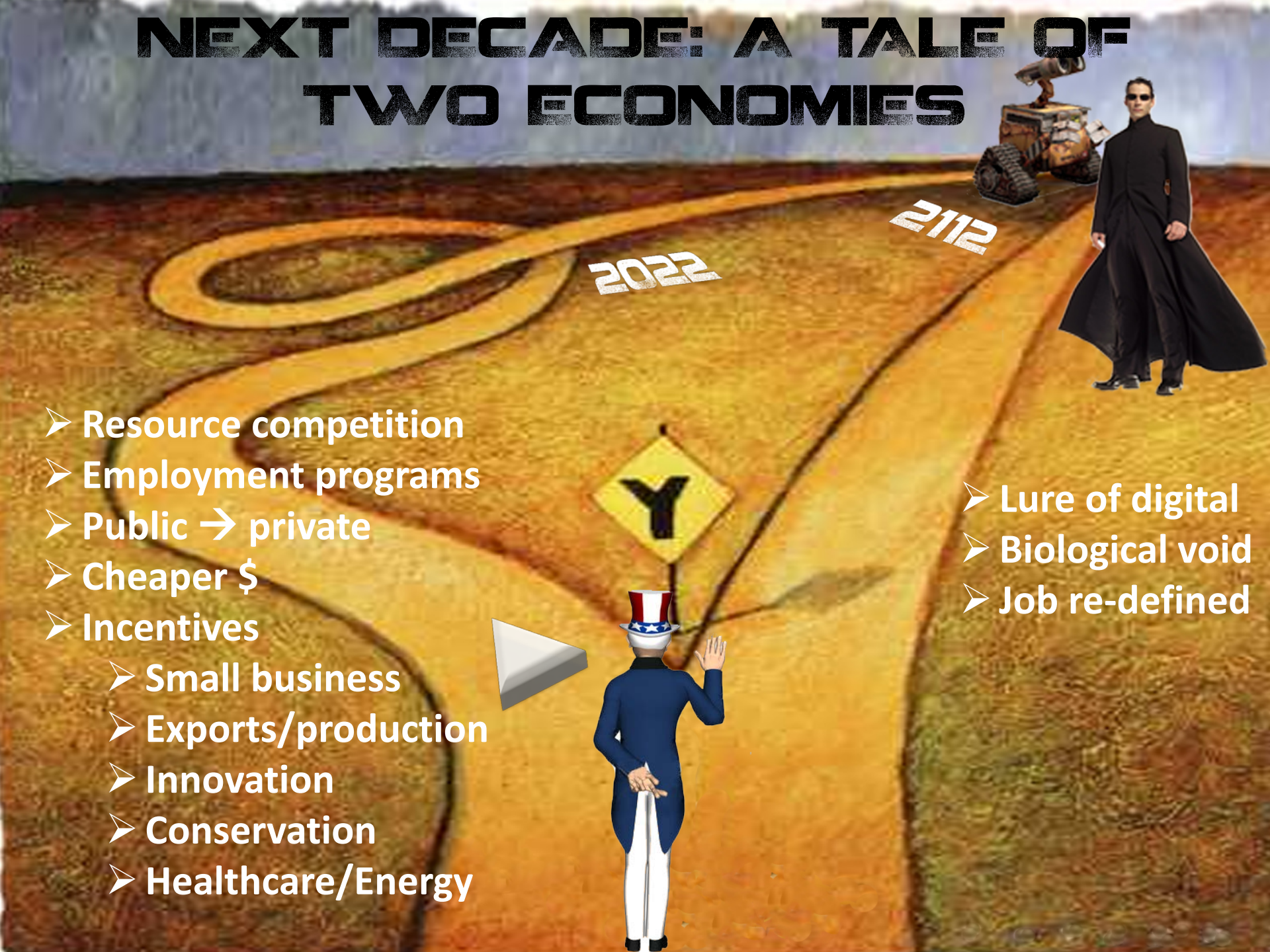
BACK TO WORK, GRANDPA!





Source: National Center for Policy Analysis

NEXT DECADE: A TALE OF TWO ECONOMIES



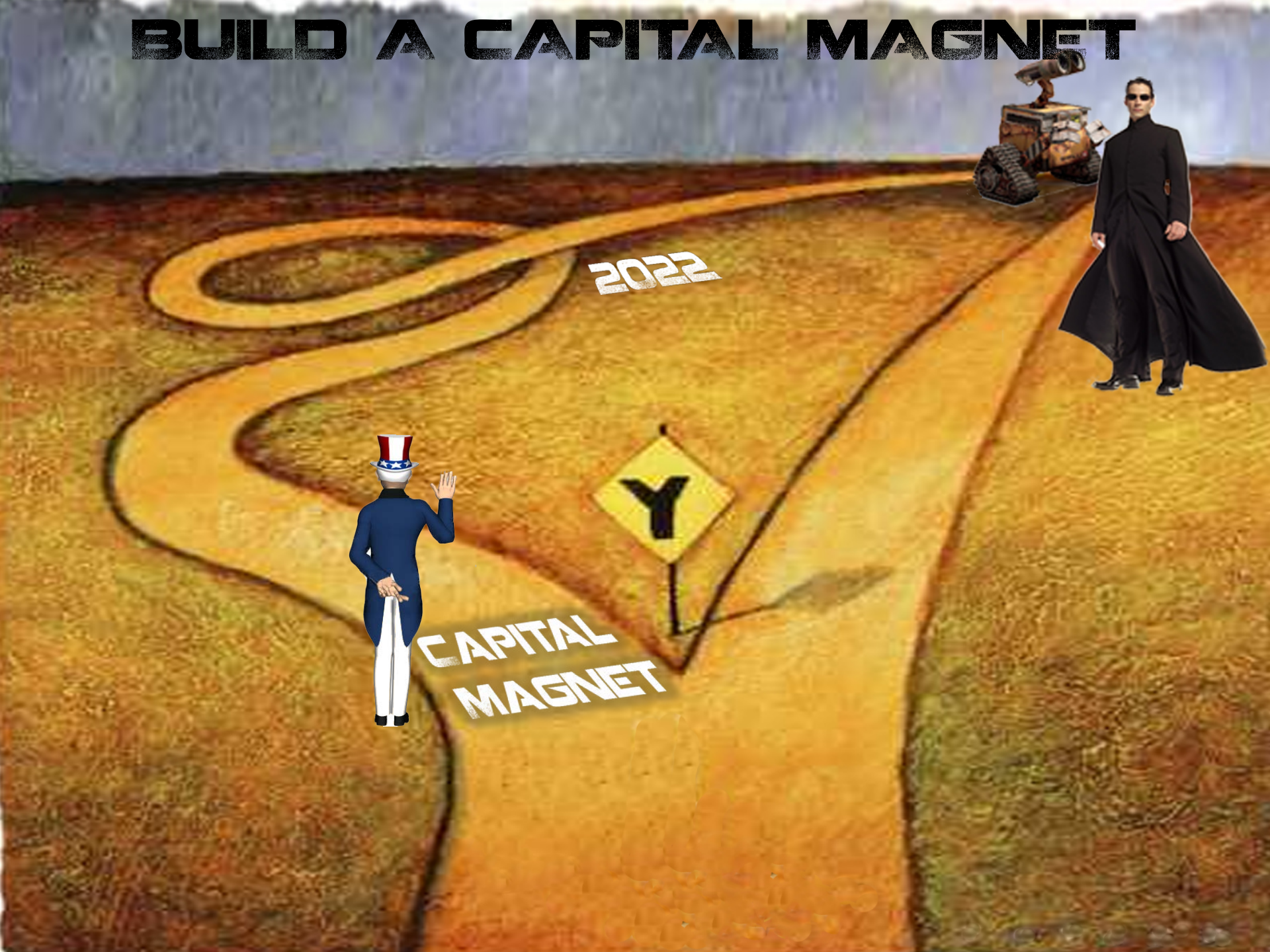
- Resource competition
- Employment programs
- Public → private
- Cheaper $
- Incentives
  - Small business
  - Exports/production
  - Innovation
  - Conservation
  - Healthcare/Energy

- Lure of digital
- Biological void
- Job re-defined

LUMPINESS



BUILD A CAPITAL MAGNET



A CAPITAL MAGNET

Grow Exports + Replace Imports + Attract Foreign Capital

"HERE COMMERCE"





"HERE COMMERCE"



- Domestic ingredient labels
- Change sourcing habits
- Lure foreign manufacturers
- "Disney dollars"

EXPORT BUSINESS MODELS

connect + develop℠

P&G

P&G Global Operations

Home | About Connect + Develop | Submit Your Innovation | Browse P&G's Needs | Media Center

Log in to your account.

Not registered? Register here.
Username:
(This is your email address)

Password:

▸ Log in
Forgot your password?

User Home

Submit Your Innovation

Browse P&G Needs

Browse P&G Assets

FAQ

Also Visit:

P&G FutureWorks

P&G Academia Initiative–Russia

Connect + Develop Examples

Olay® Derma-Pod
The fastest-growing Olay sub-brand is the Derma-Pod, a small, one-use portion of Olay with a unique applicator. This deal focused on packaging and design, and was done with Cardinal Health.



Open to ideas

P&G's Connect + Develop open innovation strategy has established more than 1,000 active agreements with innovation partners. Connect + Develop enables us to share our R&D, commercialization and brand strength with partners worldwide, bringing great ideas to market—and into the lives of consumers—faster.

HOW SWIFFER DUSTERS GOT THEIR START

Could your **INNOVATION** be the next **GAME-CHANGING DEAL?**

Did you know that more than 50 percent of product initiatives at Procter & Gamble involve significant collaboration with outside innovators?

Do you have a promising product, technology, business model, method, trademark, package or design that can help improve the lives of the world's consumers? Or do you have new ideas for existing P&G brands? If so, the Connect + Develop(SM) team at P&G wants to work with you.

Watch these six exciting videos from members of the Connect + Develop team to learn how your ideas can come to life. Then, take the next step. Consider a partnership with P&G — and work together toward a better future.

▸Learn more about getting your ideas heard by

Browse P&G Assets

Are you looking for opportunities to access and license P&G's trademarks, technologies or other innovation assets?

▸Browse P&G's innovation assets.

▸Learn about accessing P&G's assets.

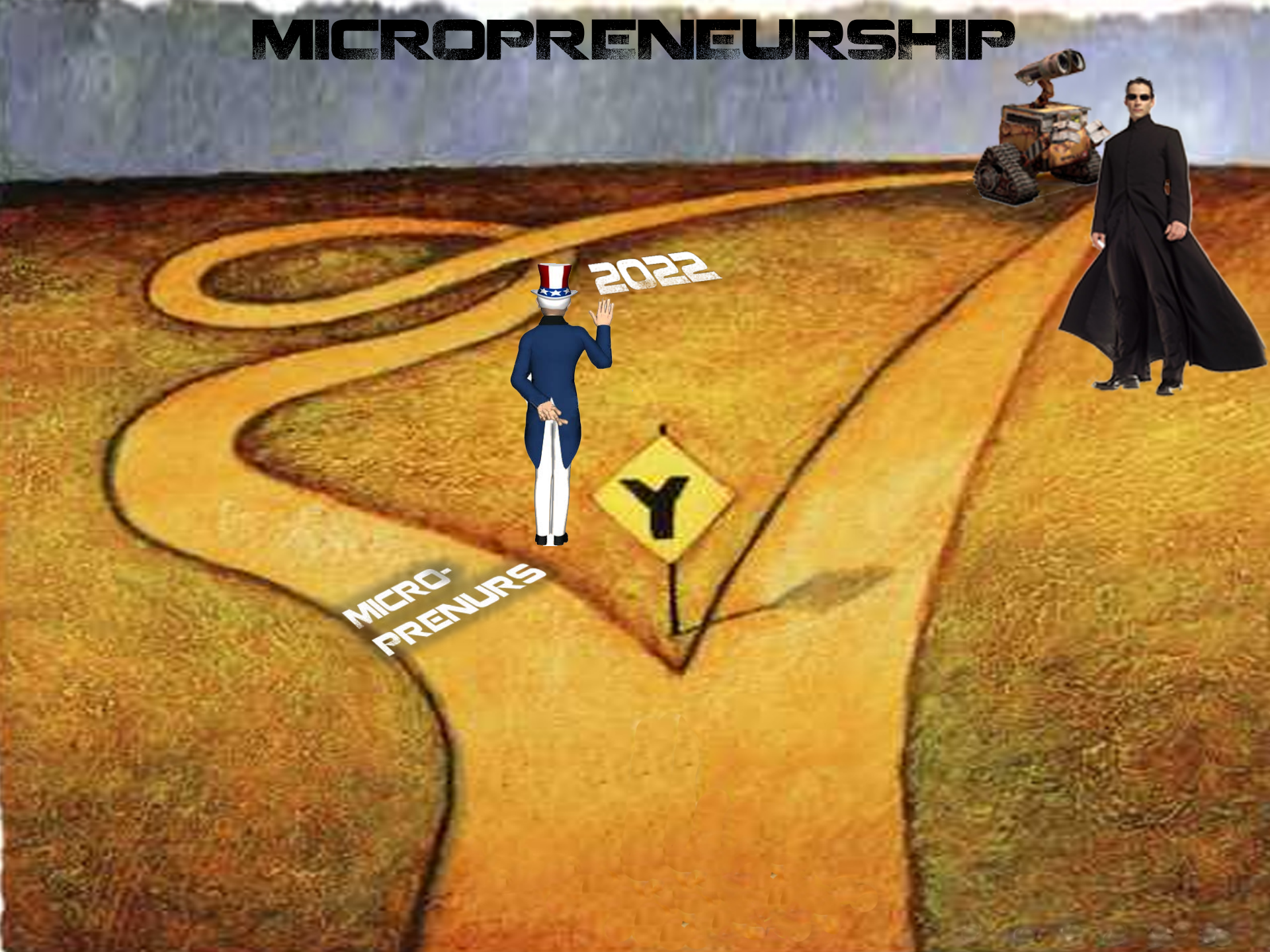
IDEA FAKTORY

THE NEXT INTERNET: 3D PRINTING



IDEA FAKTORY

MICROPRENEURSHIP



CROWDFUNDING 1.0: KICKSTARTER

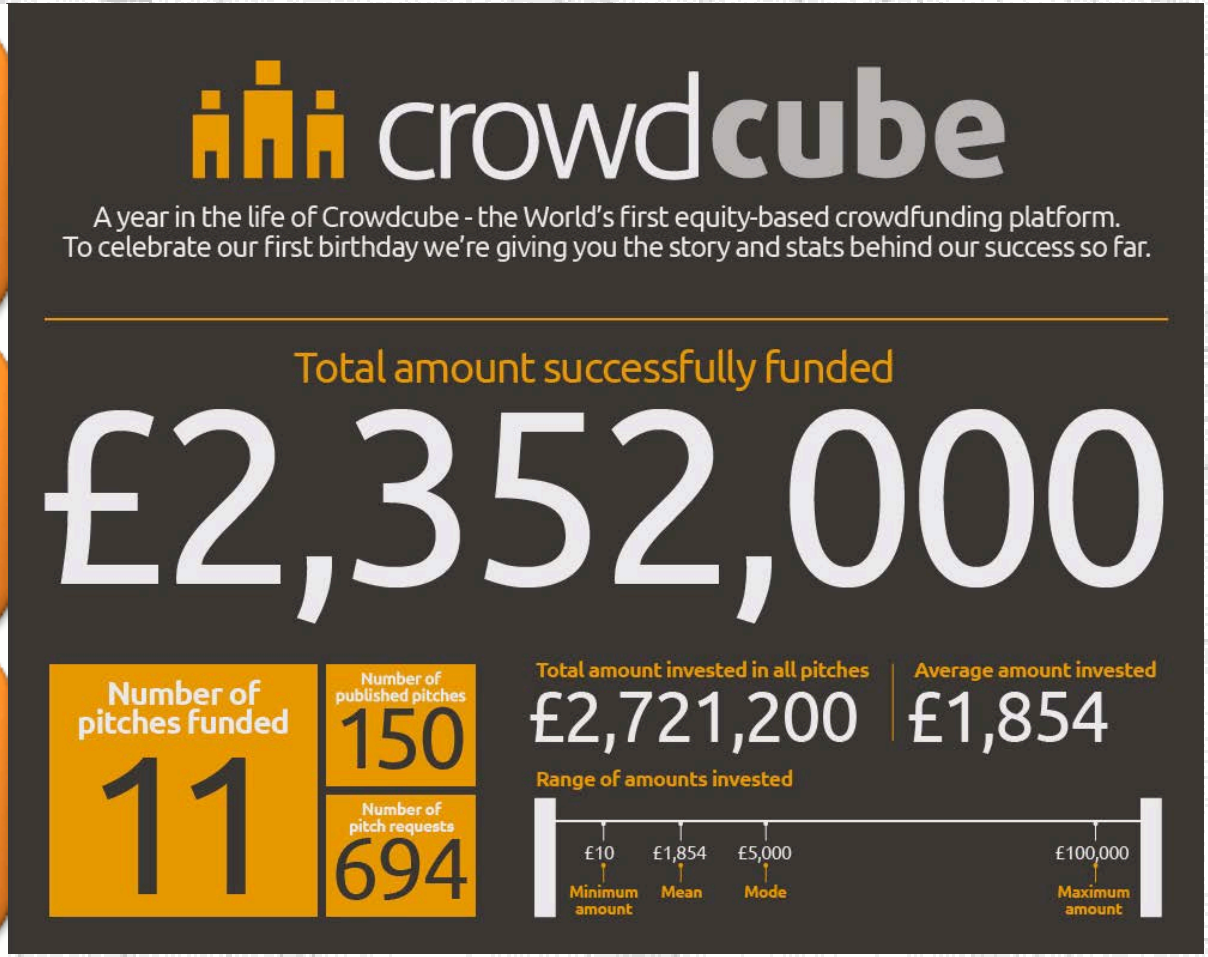


CROWDINVESTING

Create an online Pitch

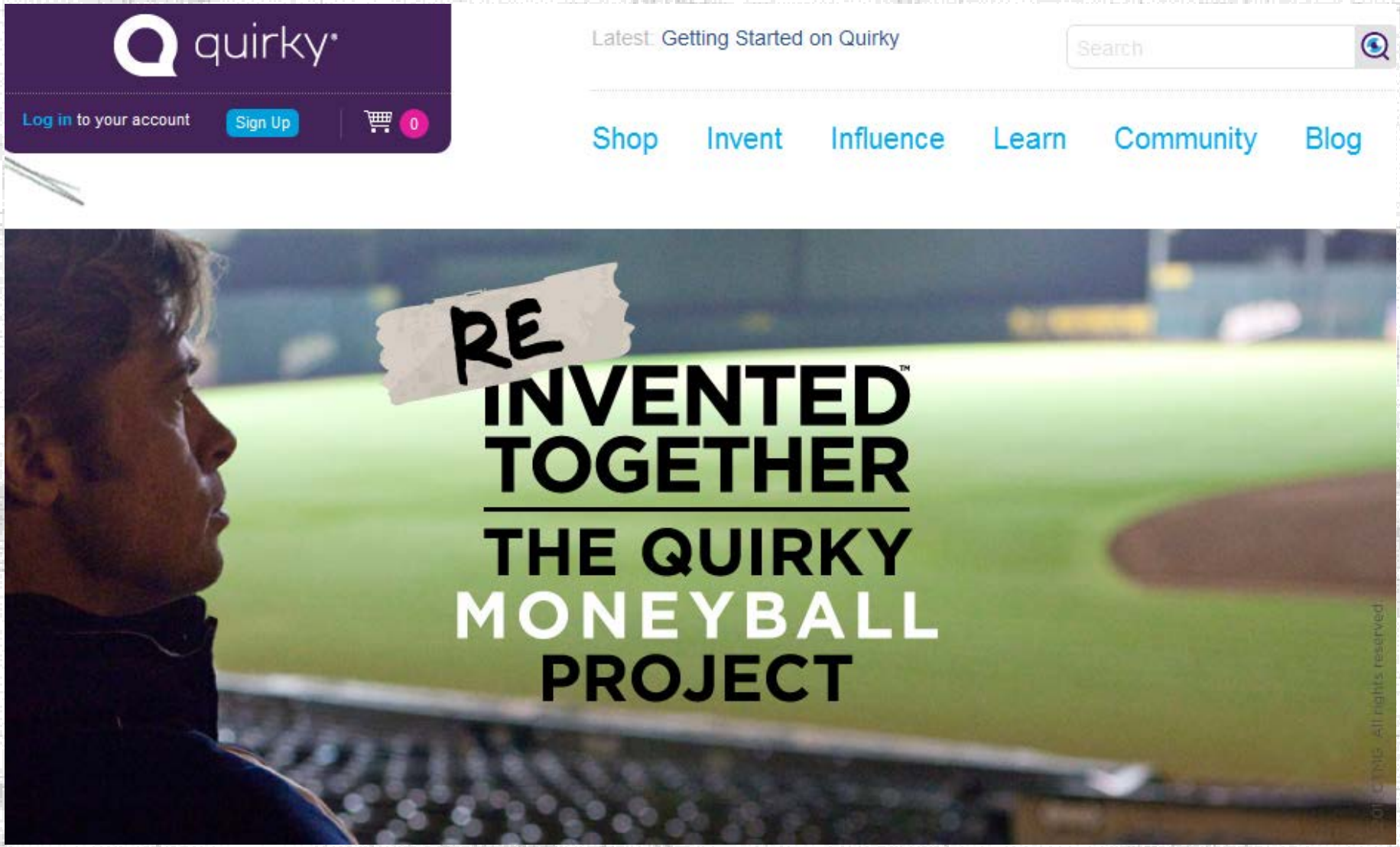
Promote your Pitch

Get investment



IDEA FAKTORY

CROWD-MAKING




MAKE MAKERS
2022
MAKE
MAKERS

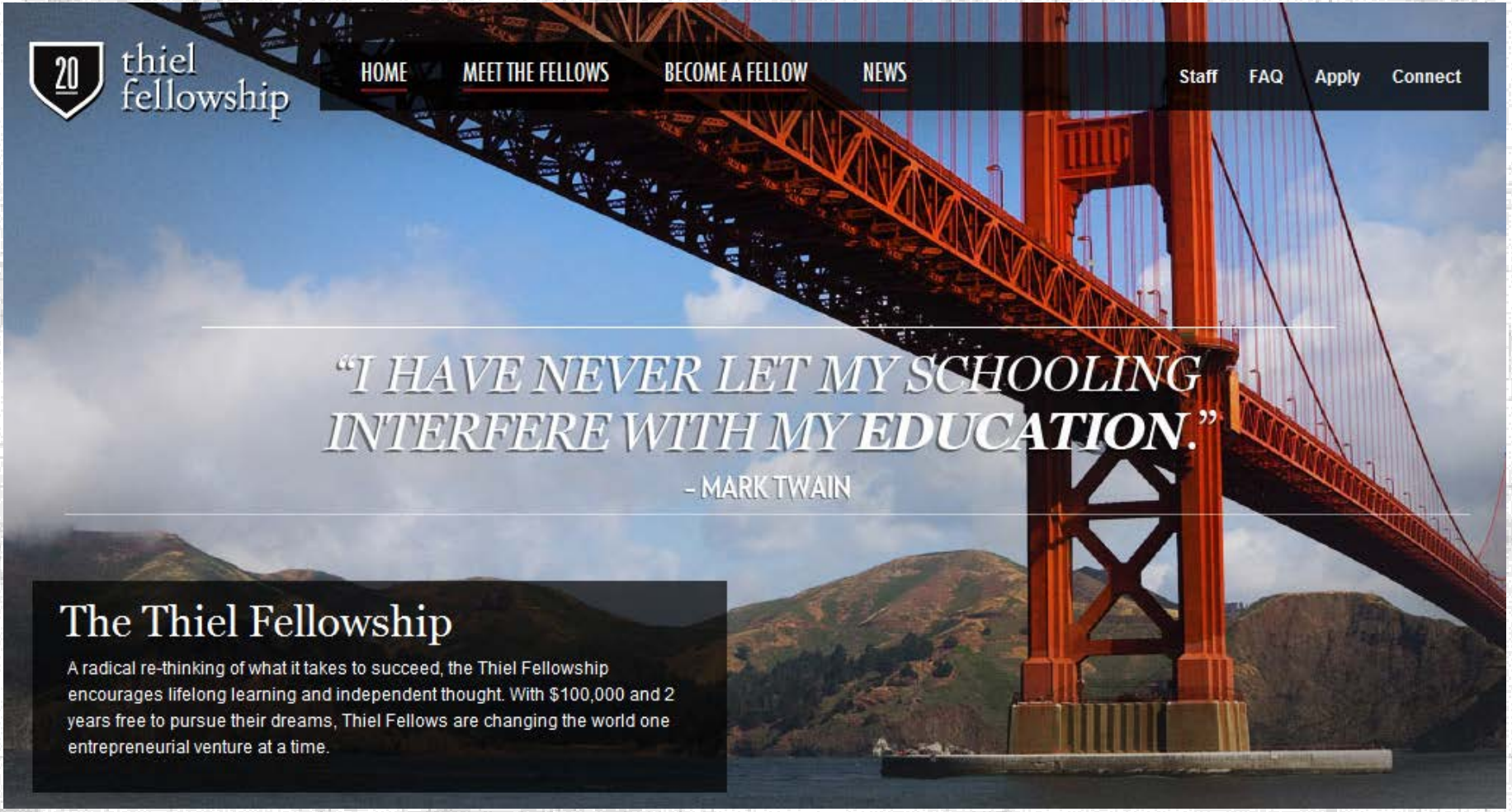
KINDERGARTEN SHOP CLASS



SCALED EDUCATION



NO EDUCATION



IDEA FAKTORY

EDUCATION IS FREE



MITx will offer a portfolio of MIT courses for free to a virtual community of learners around the world. It will also enhance the educational experience of its on-campus students, offering them online tools that supplement and enrich their classroom and laboratory experiences.

The first *MITx* course, 6.002x (Circuits and Electronics), will be launched in an experimental prototype form. Watch this space for further upcoming courses, which will become available in Fall 2012.



MITx COURSES WILL BE OFFERED ON AN ONLINE LEARNING PLATFORM THAT:

- organizes and presents course material to enable students to learn worldwide
- features interactive instruction, online laboratories and student-to-student and student-to-professor communication

SPRING 2012 COURSE OFFERING



Circuits and Electronics

6.002x

More information & Enroll

Taught by Anant Agarwal, with Gerald Sussman and Piotr Mitros, 6.002x (Circuits and Electronics) is an on-line adaption of 6.002, MIT's first undergraduate analog design course. This prototype course will run, free of charge, for students worldwide from March 5, 2012 through June 8,

IDEA FAKTORY

APPRENTICESHIP

SKILLSHARE | LEARN | TEACH | We're Hiring! | Sign up | Log in

You're invited! Please join us at our first education conference, **Penny**, on April 20th, 2012 in NYC. Find out more here →

Share your skills.

Anyone can teach, including you.

Post Your Class

Posting a class is free!



Join **thousands** of teachers already teaching on Skillshare!

Getting Started

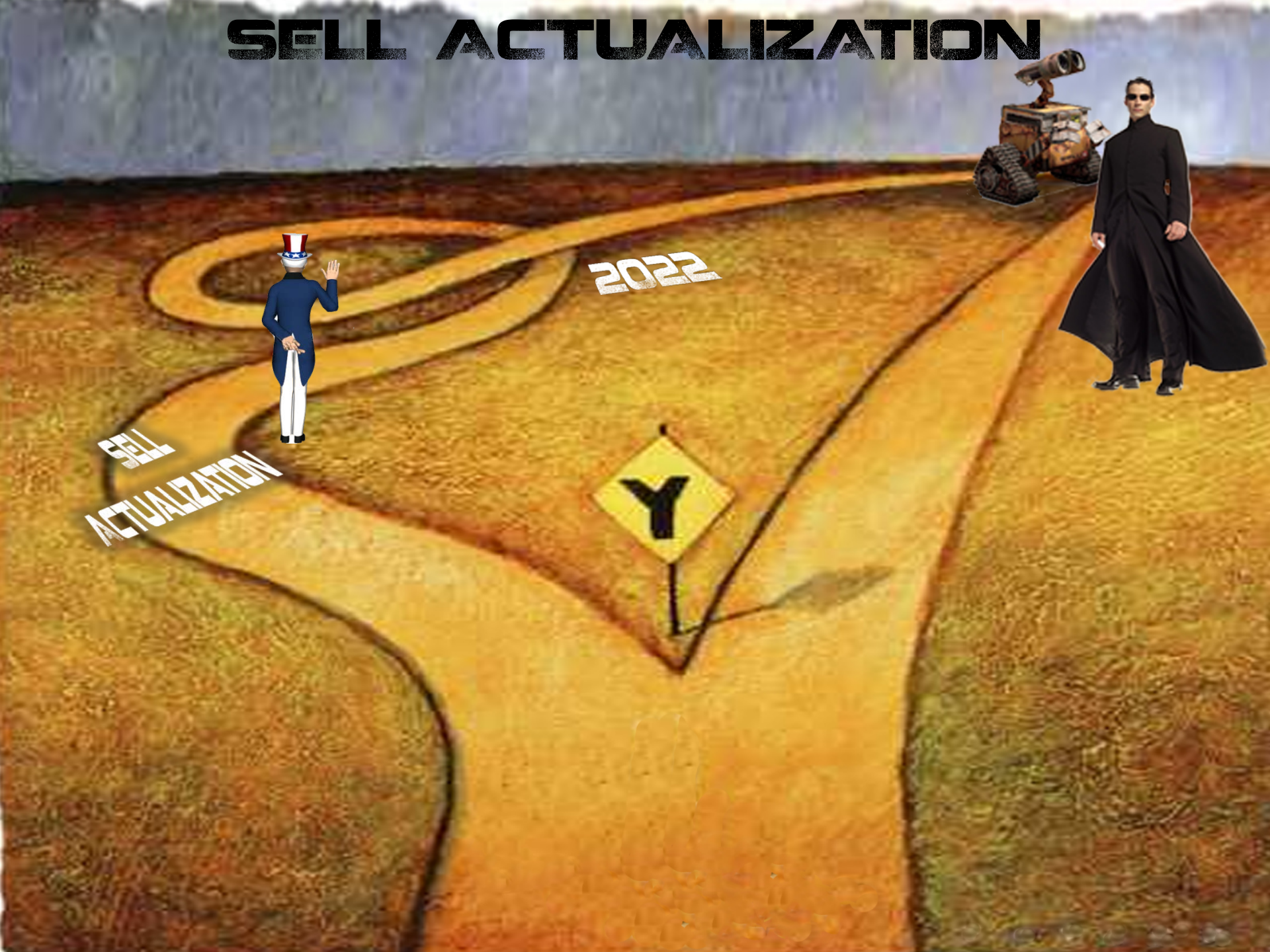
Post Your Class 1

Market & Sell 2

Share Your Skills 3

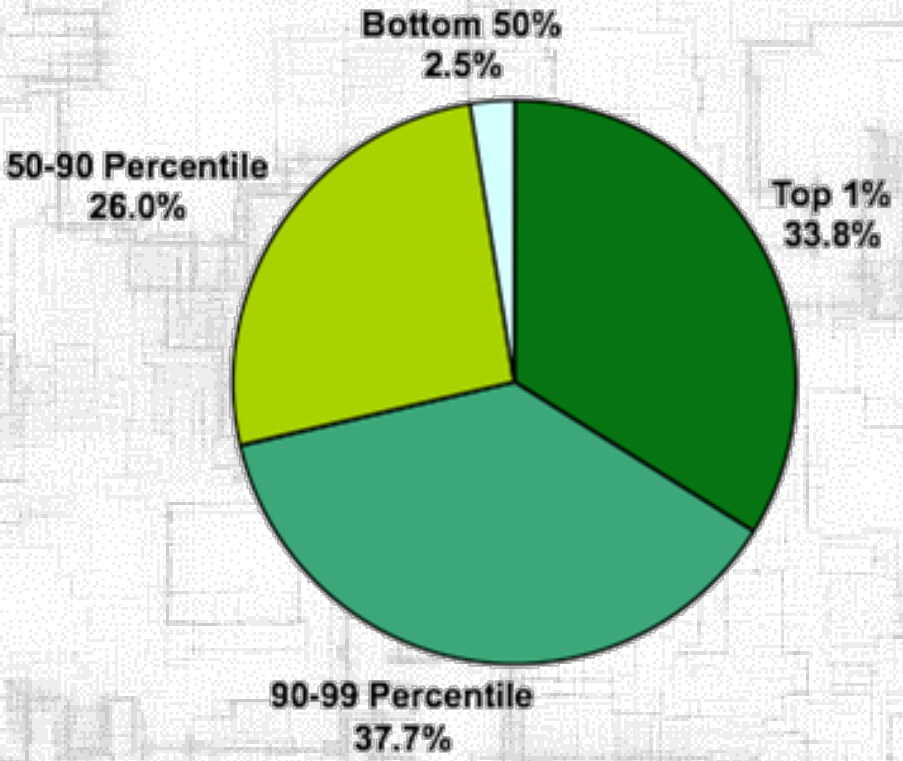
Refine & Repeat 4

SELL ACTUALIZATION



A RE-ORDERING

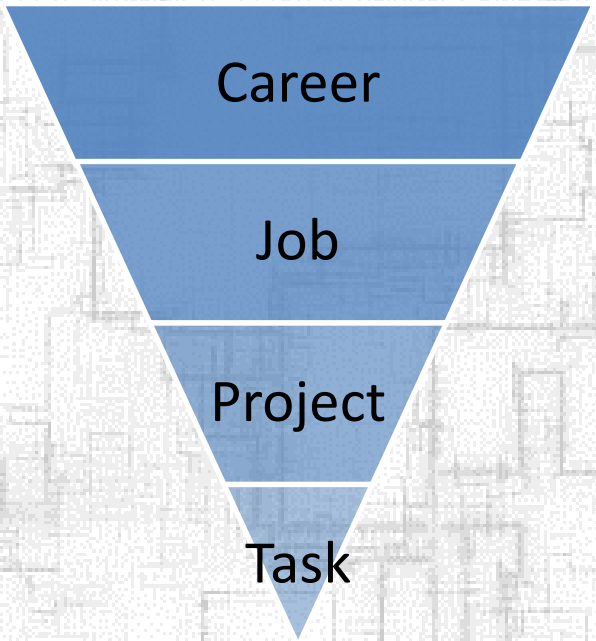
Distribution of Wealth, 2007



Shifting Economic Identities

Top 1%	1%-ification
Top 10%	Famification
Top 50%	Gamification

A SEARCH FOR MEANING



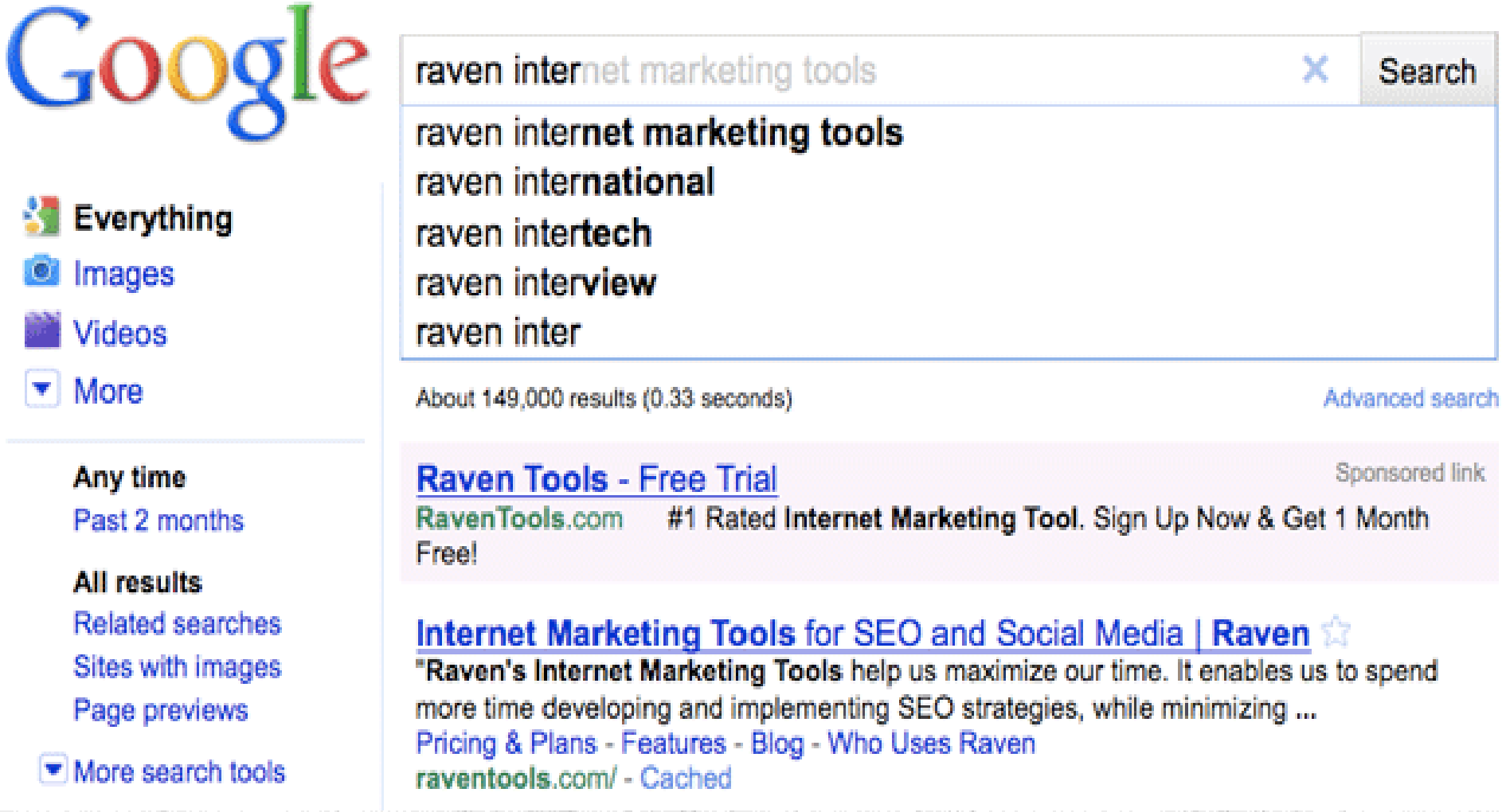
Pay

Middle manager	**Airplane engineer**
Mechanical Turk	**Craftsman/ Artist**

Toiling/ Administrating → **Satisfaction** → **Creating/ Helping**

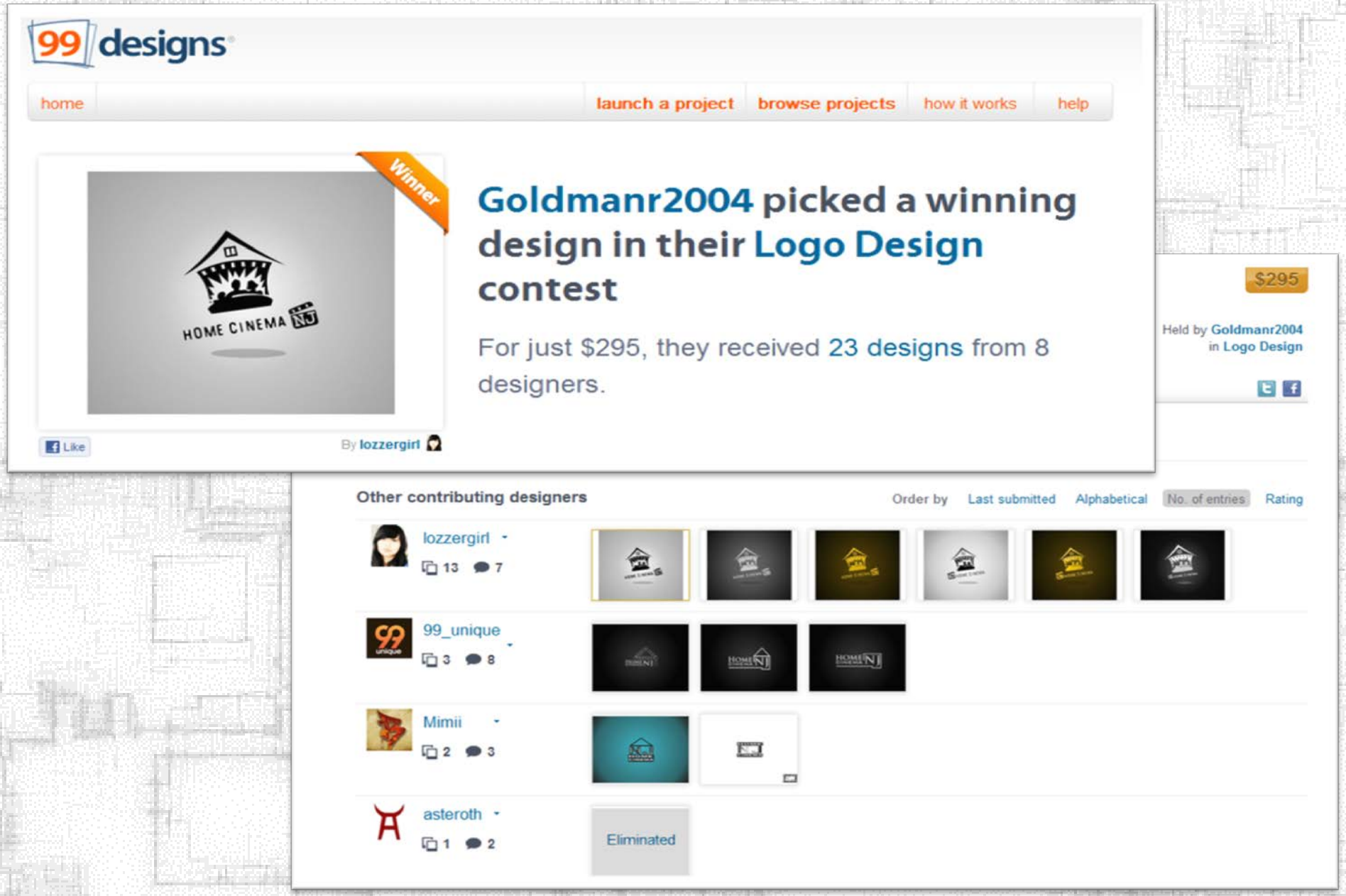
IDEA FAKTORY

AUDITIONING 2.0: 'INSTANT' JOB AT GOOGLE



IDEA FAKTORY

AUDITIONING 2.0: 99 DESIGNS



FAMIFICATION: FOLLOW BRET!

Seeking Alpha α
Read. Decide. Invest.

Home | Portfolio | Market Currents | Investing Ideas | Dividends & Income | ETFs | Macro View | ALERTS

8 Reasons To Buy This $1.30 Lottery Ticket

March 11, 2012 | 18 comments | about: NVAX



Bret Jensen

2 on Basic Materials
2 on Dividend Ideas
3 on Long Ideas

Articles (721)
Instablog (11)
StockTalks (55)
Comments (2,831)
Profile

2,803 Followers
32 Following

Follow
Send Message

Novavax (NVAX) reported earnings on Friday. It beat on the bottom line but was a little light on the top line. It had a mild selloff in reaction. I think the market is missing the potential of this small biotech and it is a great high risk/high reward pick for aggressive investors who like to spread several bets around in this space.

Novavax - "Novavax, Inc., a clinical-stage biopharmaceutical company, focuses on developing recombinant vaccines for infectious diseases using its virus-like particle platform (VLP) technology. It develops vaccine product candidates that target pandemic influenza, including H1N1 and H5N1 strains; seasonal influenza; and respiratory syncytial virus (RSV)." (Business Description from Yahoo Finance).

8 Reasons to buy NVAX at under $1.50 a share:

- Insiders are showing confidence in its prospects and have been net buyers of over 350,000 shares over the past six months.
- Revenues are going up exponentially. NVAX booked under $1mm in sales in FY2010, it took in just under $15mm in revenues in FY2011 and analysts have it having over $35mm in revenues in FY2012.
- The company is significantly improving its cash burn rate. It lost $6.3M in 4Q10, but only $3.7M in 4Q11.
- The stock has a solid balance sheet with over $18mm in net cash which should be sufficient until the company becomes cash flow positive.
- It has two full years on a 3yr/$97mm government contract. The contract can also be extended for another two years for an

IDEA FAKTORY

GAMIFICATION OF JOBS

amazonmechanical turk
Artificial Artificial Intelligence
beta

Your Account | HITs | Qualifications

Already have an account?
Sign in as a Worker | Requester

Introduction | Dashboard | Status | Account Settings

Mechanical Turk is a marketplace for work.

We give businesses and developers access to an on-demand, scalable workforce.
Workers select from thousands of tasks and work whenever it's convenient.

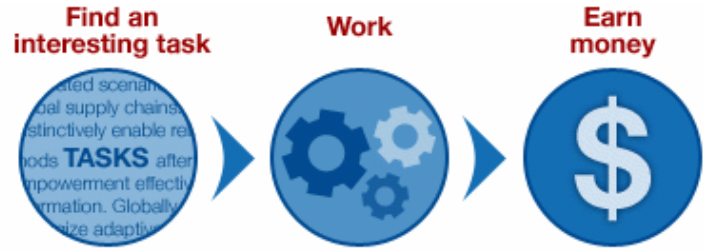
126,697 HITs available. View them now.

Make Money
by working on HITs

HITs - *Human Intelligence Tasks* - are individual tasks that you work on. Find HITs now.

As a Mechanical Turk Worker you:

- Can work from home
- Choose your own work hours
- Get paid for doing good work



Find HITs Now

or learn more about being a **Worker**

Get Results
from Mechanical Turk Workers

Ask workers to complete HITs - *Human Intelligence Tasks* - and get results using Mechanical Turk. Register Now

As a Mechanical Turk Requester you:

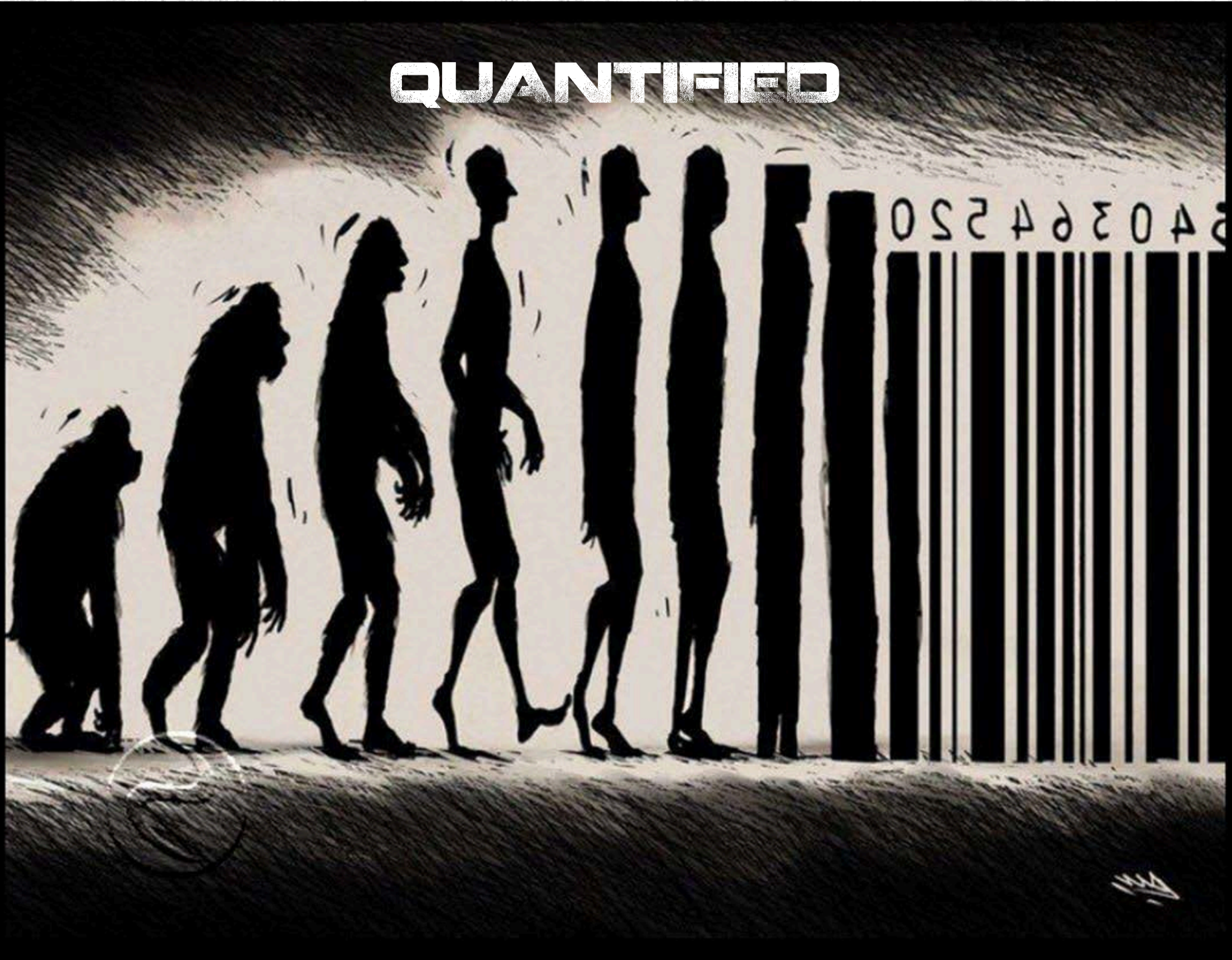
- Have access to a global, on-demand, 24 x 7 workforce
- Get thousands of HITs completed in minutes
- Pay only when you're satisfied with the results



Get Started

IDEA FAKTORY


INCENTIVE-NATION
INCENTIVES
2022


QUANTIFIED

Behavioral Bribery: Rewards





Earner



Gamer



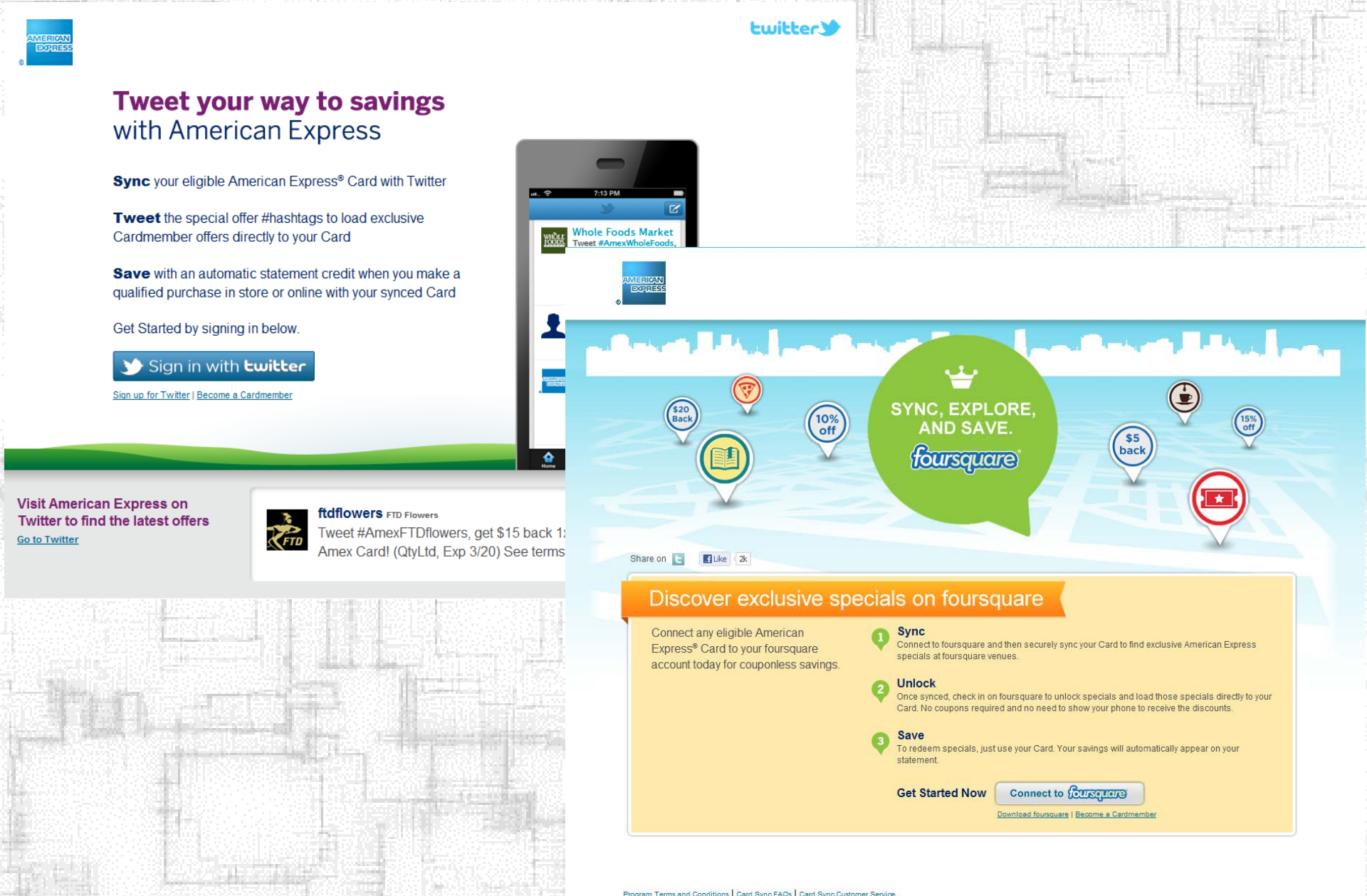
Saver



Dabbler

IDEA FAKTORY

EARN YOUR DEALS!



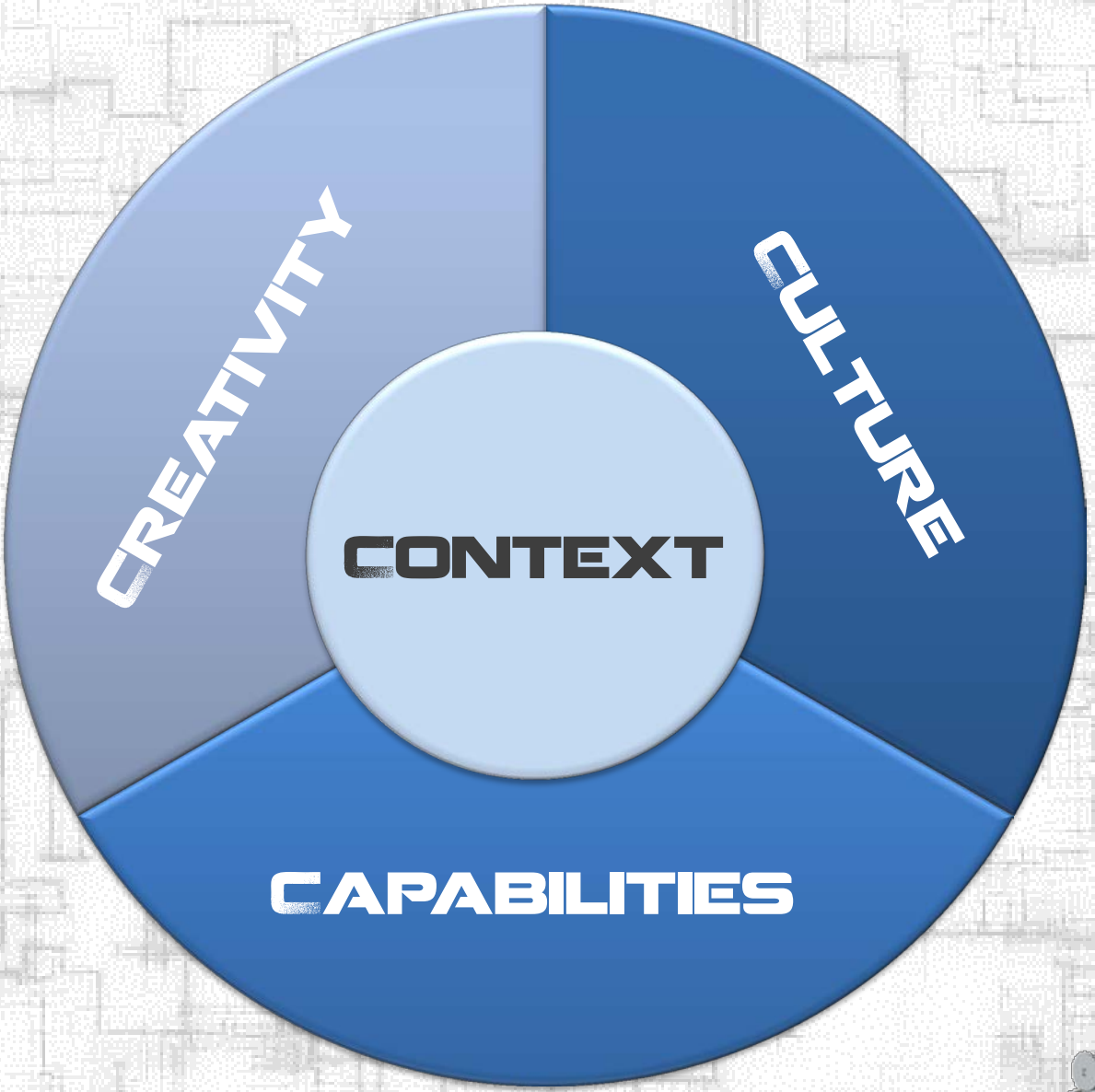
NEXT: INSTALLING LEVERS FOR RESOURCE ALLOCATION



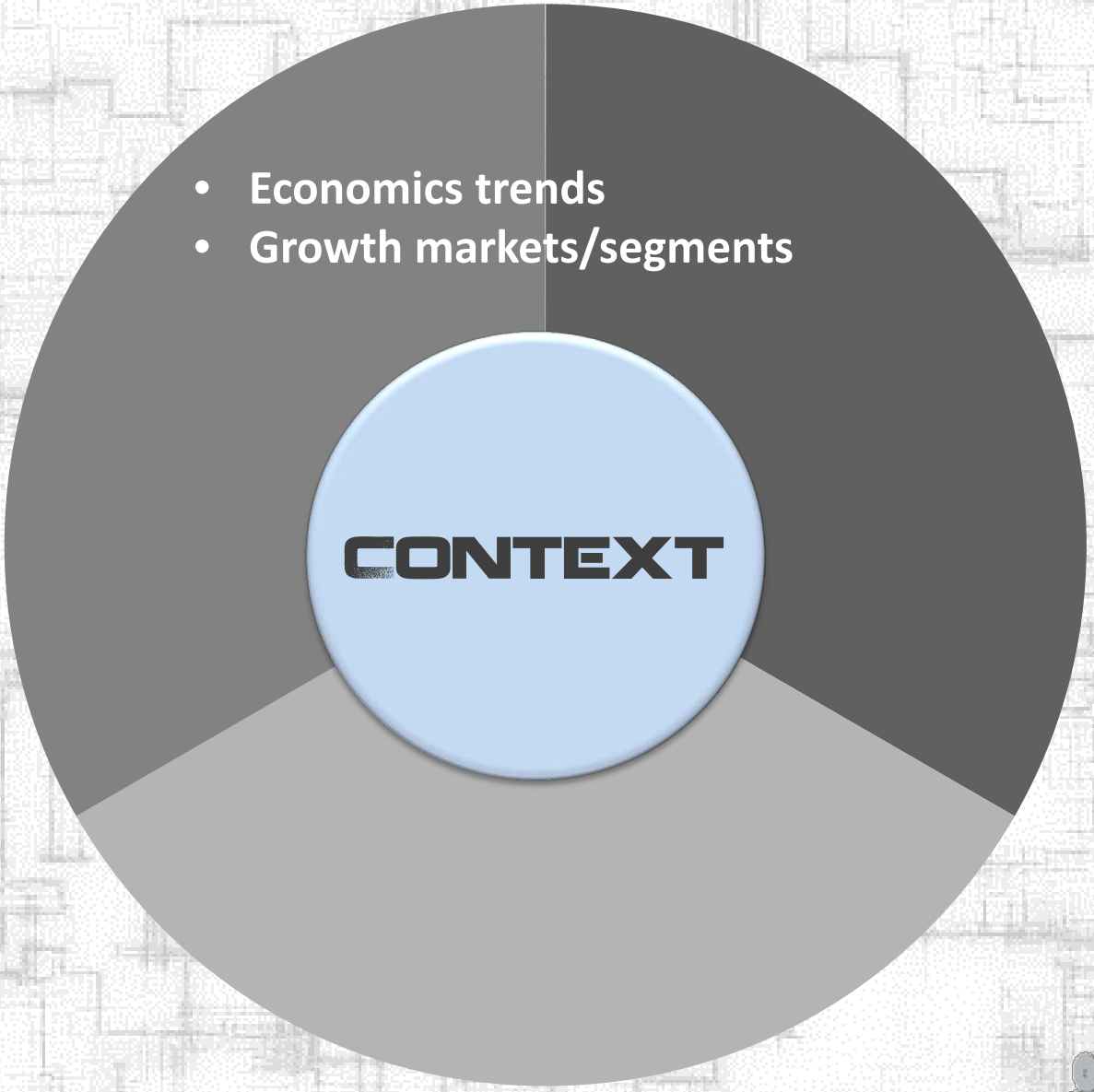
ROLE OF THE CFO IN INNOVATION



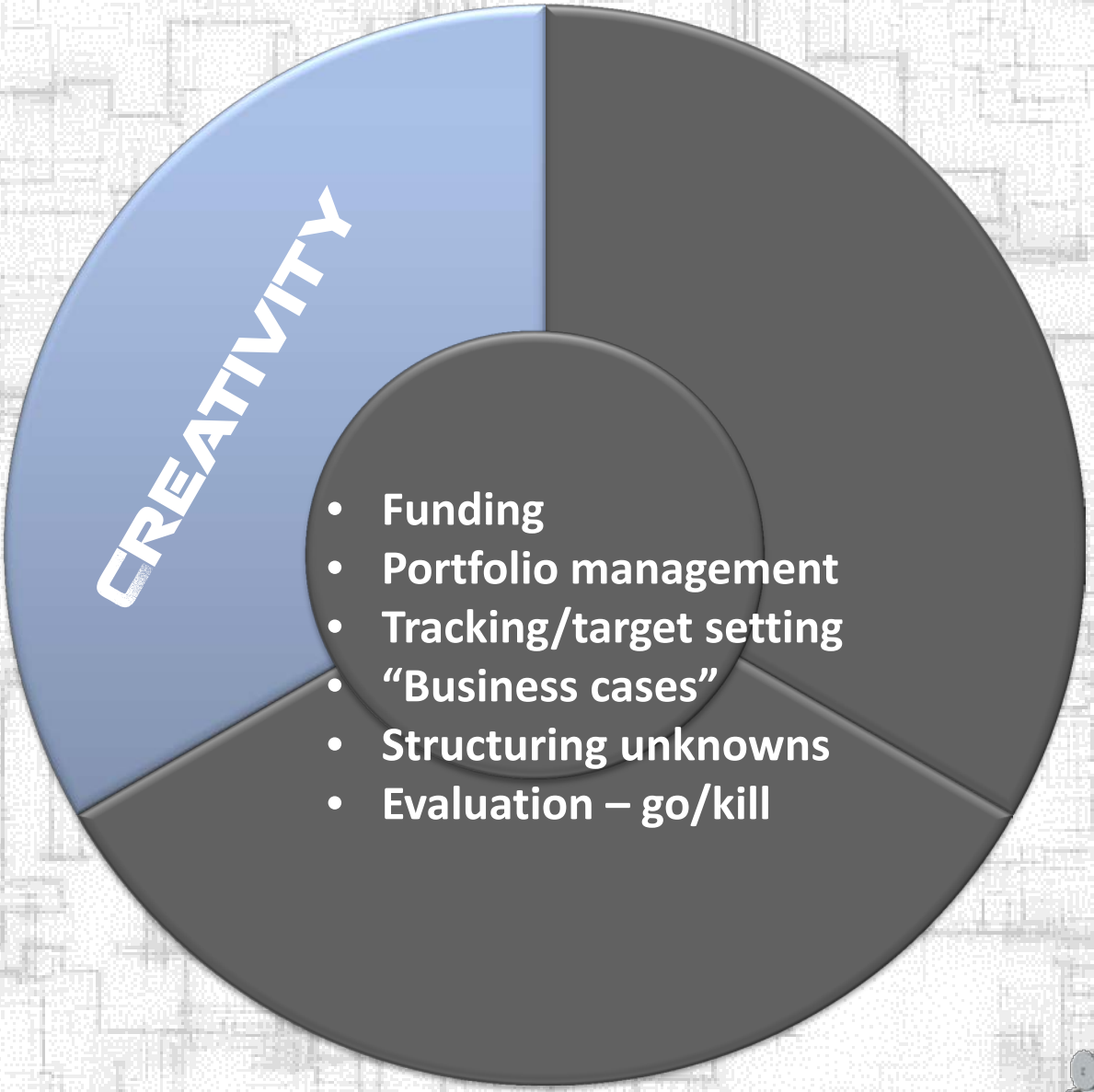
THE 4C'S OF INNOVATION™



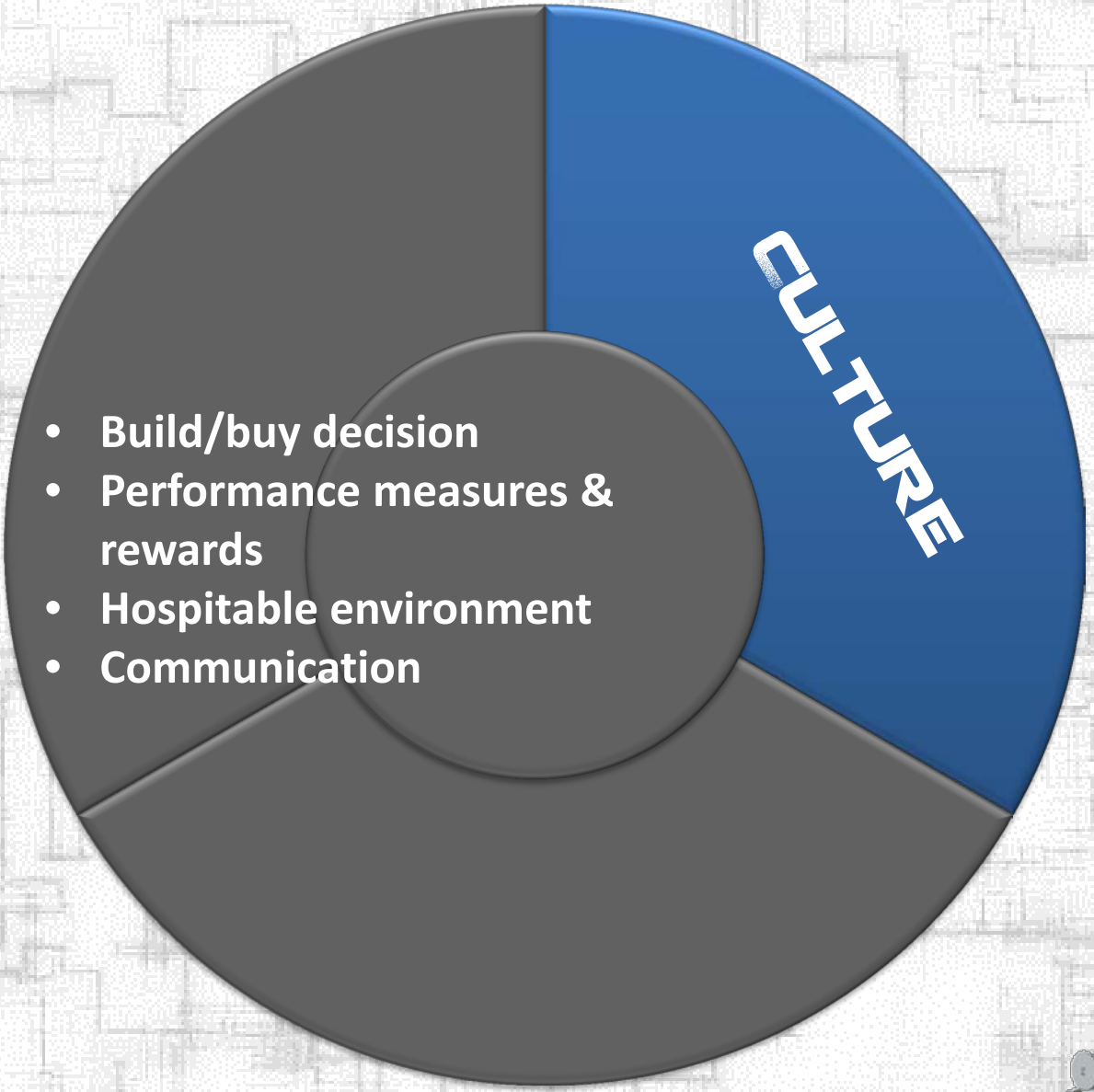
CONTEXT



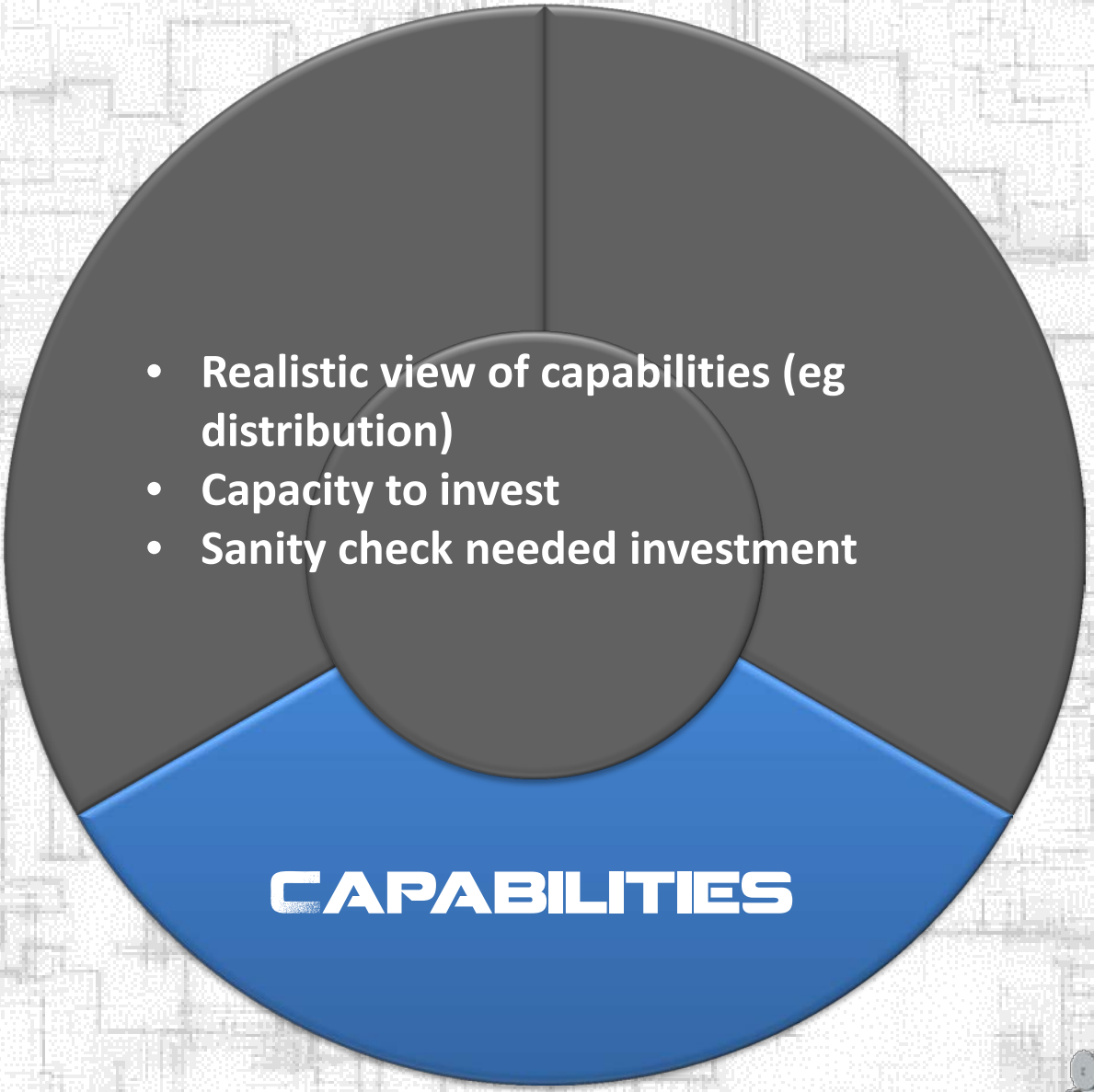
CREATIVITY


CREATIVITY
• Funding
• Portfolio management
• Tracking/target setting
• “Business cases”
• Structuring unknowns
• Evaluation – go/kill

CULTURE


CULTURE
• Build/buy decision
• Performance measures & rewards
• Hospitable environment
• Communication

CAPABILITIES



THE END?

CONTACT

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web: ideafaktory.com

twitter: @ideafaktory

facebook.com/ideafaktory

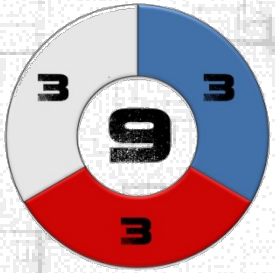
BOOK SIGNING

During the break



COMING SOON

ECONOVATION™ SCORE



IDEA FAKTORY