THOUGHT LEADERSHIP SERIES

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Innovation

Innovation isn't a luxury, it's essential

In our Thought Leadership Roundtable, executives from Eleven Fifty Academy and Level Up Development talk about the increasingly important role innovation plays in business success and the health of Indiana's economy.

Q: Why is innovation essential in business and for our state economy?

Scott Jones: Change is the only constant. Our businesses and our state must constantly identify current problems that need solutions. Ideas are not enough. Innovation involves identifying problems, ideating to get to solutions, and implementing those solutions to effect useful outcomes. This moves our businesses and our state forward in what is always a competitive landscape.

Eric Marshall: Things change from what people want to how people want to consume them, not to mention the costs of creating these things. Innovation is the only way to compete today. If you are not innovating, you are likely to lose market share. So, a state that's keen on innovation is a state that will have a lot of thriving businesses and communities in the future. Communities should not be left out when thinking about innovation.

The way people want to live and work is also subject to innovation. Today people can work from wherever they'd like, and that's not going to change. If we want the best and brightest to stay here in Indiana, we need innovation in our cities and businesses.

Q: How can business leaders foster an innovative culture, even if it disrupts existing products or business models?

Eric Marshall: Business leaders should be making innovation a part of their business model and strategy while challenging the people within their organization to innovate and want to innovate. You should constantly challenge your organization on how you want to evolve and how this helps the business ecosystem. And then, create rewards with outlines of how to achieve them. Celebrate the changes people make that enhance the value of your organization.

Scott Jones: As a business, it's absolutely essential to always challenge the assumptions of how everything has always been done. Not creating the space for failure means that new innovations will be stifled. If a business is not trying to "disrupt" its own business, one can be sure that someone else will come along and do it.

Q: Why do large companies tend to struggle with innovation?

Scott Jones: Large companies typically can't move fast because there are many who need to be involved when changes are made to an existing business product, service, or paradigm. Large businesses must typically protect the legacy operations that support their products and/ or services. Small companies have the freedom to "disrupt" large companies with disruptive innovation that usefully makes a product more beneficial for reasons of cost, function, aesthetics, etc.

Eric Marshall: Innovation needs a mission or a reason. The struggle happens when people want to change just to change.

The true path to innovation is creating a culture with a product mindset. Create a practice around generating targeted value propositions for the areas you want to change. Understand who is receiving the value; is it a customer, an employee, or a partner that benefits, and how do they benefit?

Q: What is the relationship between innovation and the attraction/retention of top talent?

Eric Marshall: The people who like solving problems, learning, and teaching others are your top talent. If you're not doing anything different, then the role is boring. Unfortunately, the lack of intellectually intriguing work has led a lot of the top talent to start their own companies in the last decade, not just for the financial benefits but also for the excitement of learning and growing that separates the top-tier talent from the rest.

Scott Jones: Having top talent with the right skills to compete is THE most important propellant for innovation. For Indiana, it's most important that we develop, retain, and attract top talent. I've always said in my career that an A-player is 10x better than a B-player. And a B-player is 10x better than a C-player, which makes the A-player 100x better than a C-player. This is commonly overlooked in places that are swarming with C and D players. Top talent seeks to be around other top talent. When this critical mass of top talent happens, there can be massive innovation in short periods of time.

Q: What role does having a diverse staff play in creating a culture of innovation?

Scott Jones: Research definitively shows that diversity creates the best crucible for innovation, because new ideas best come from a diverse set of backgrounds, attitudes and experiences. Shifting perspectives are essential to seeing products, services, and entire industries in a new light.

Eric Marshall: Innovation is all about viewing challenges and the world from different perspectives. What better way to do that than with people from all walks of life? In Indianapolis, you can find people from Vera Cruz, Gandikota, Karachi, and Liverpool—basically people

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from around the world. People from different backgrounds see the world from different perspectives.

The mindset difference is what leads to new ways of thinking and experimenting. Without diverse thought, you are stuck in groupthink. It's hard to challenge your cognitive biases when everyone around you thinks in a similar way.

Q: How can companies deal with failure and keep it from killing innovation?

Eric Marshall: You may see a recurring theme here—thought processes that change how people think about failure. Failure plays a massive part in innovation when you use it correctly. Failure leads to change and change leads to innovation. The key is to fail fast, not fail big. Companies need a framework in place that helps guide their teams and people in this endeavor. The framework should help them break down the pieces from vision to execution and provide a way to measure the potential and actual impact.

Scott Jones: My personal and business motto is 'do.' The key is to quickly define what success looks like, measure everything, and fail fast. When you know what failure and success look like, there is an objective: upfront understanding of when the lifecycle of an initiative has expired or needs adjustment. Rarely does an organization hit a home run every at-bat, but organizations that foster a culture of fearless creativity don't strike out watching the ball. Failure serves as an opportunity to try again, which takes perseverance and resilience, the real foundation for a culture of innovation.

Q: What role should state and local governments play in spurring innovation in our state?

Scott Jones: Indiana does not have an unemployment problem, but as clearly stated by the state's top leaders and visionaries, Indiana has a severe "under-employment" problem, which means that we are not producing skilled talent that matches the needs of employers. Innovation will happen organically when the workforce problem is meaningfully addressed, which means that Indiana and its local communities will need to invest far more in high value workforce development (for example, an investment of merely 1% of its $37 billion budget would be a great place to start) for the skills that innovative employers actually need. Innovation happens when the right mix of skilled workforce and capital come together. Government should decrease policy constraints to allow unbridled innovation to happen. Choking investments is a good way to stifle innovation. Innovation is NOT predictable, so government must stop trying to "control innovation" into existence. That never works.

Eric Marshall: Innovation relies on people, and the government can help make our state a great place to live. Indiana has a lot of great things to do throughout the state. Creating solutions to help promote the exploration and enjoyment of Indiana will help keep our people here and support tourism. For example, look at New York City and how they leverage technology to enable exploration of their parks and city.

The government also needs to showcase to the rest of the world innovative companies within Indiana, the funded and self-funded, the large and the small. You can see how Miami is doing this with their views on crypto and how they showcase their local web3 companies. You see a few cities promoting technology like this. Also, create policies that make it easy and beneficial for people to invest in companies founded and operated in Indiana.

Q: What areas of Indiana's economy are best positioned for innovation?

Eric Marshall: Logistics, manufacturing, and agriculture. All of these industries will change as autonomous technologies continue to advance. Finance will also start to change as decentralized finance and other web3 technologies begin to make their way into the industry through big players like Bank of America.

"Practically all areas of Indiana's economy are ripe for innovation as long as stakeholders are willing to embrace change and disruption."

SCOTT JONES, ELEVEN FIFTY ACADEMY

Scott Jones: Practically all areas of Indiana's economy are ripe for innovation as long as stakeholders are willing to embrace change and disruption. Innovation means being open to small and big new ways to do things "differently"— even disruptively—in the fields of agriculture, manufacturing, health care, logistics, information technology, and beyond.

Q: What exciting innovations do you or other companies have in the works that you can share with our readers?

Scott Jones: Eleven Fifty Academy is constantly innovating. For example, Eleven Fifty Academy innovated educational training programs that achieve 100% pass rates for globally-recognized certifications at a velocity that is 16 times faster than a traditional tech degree and at a 90% savings for students to acquire those skills. Eleven Fifty Academy also invented an innovative 0% interest, "no obligation until you have a living wage job" financial instrument for Hoosier students to skill up without incurring traditional student debt issues.

Eric Marshall: We have a few. Impersonate.ai and Alphablocks.io are finally making their way into the world.

Alphablocks.io is a low-code back-end platform that allows engineers to build applications faster without sacrificing the user experience. We created this to release functionality into the wild faster and cheaper. Alphablocks.io is currently powering applications like Community Compass and the Stick & Hack app.

Our second innovation comes in the form of Impersonate.ai. If you see a robot on Virginia Avenue driving itself, that's Impersonate.ai. Impersonate came about through our exploratory efforts into Vision ML. Look for our newly designed robot to be out and about next summer. It may end up delivering your next package.●

Scott Jones is president and founder of Eleven Fifty Academy, one of the world's top-ranked software development and cybersecurity, full-immersion training bootcamps. Jones is an Indiana University computer science alumnus and was a research scientist at the MIT AI Lab. He has raised over $200 million for his various companies, resulting in over $5 billion of investor returns, and co-founded the world's largest voicemail provider.

Eleven Fifty Academy

As CEO, **Eric Marshall** has steered Level Up Development toward transformative solutions that have helped clients become industry leaders and stay ahead of the curve. While LUD helps partners achieve success through software-driven transformation, Eric relies on human-powered innovation (and the occasional robot) to inform his decisions. Seriously, take a look: impersonate.ai.

LEVEL UP DEVELOPMENT

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