

## About the series

This paper is the first in a series of use case scenarios intended to communicate the value of Kyield for a few of the many potential scenarios in organizations. While these specific individuals and companies are hypothetical, the series is based on thousands of actual communications over 14 years of applied R&D and testing. To view a current list of papers, please visit our publications site.

## SCENARIO 1: Maya in the global parcel delivery business

Maya is a 29 year old single mother of three school-aged children who are constantly on her mind. She lives in an emerging market where the national economy has been rapidly expanding for most of her life, raising the standard of living, but also the costs. While Maya is a highly intelligent and motivated worker, substantial prejudice still exists based on gender, education, and ethnicity; presenting her with few career opportunities in her region, so she works on a small family farm on the outskirts of a growing city.

*A naturally gifted individual with internal motivation fails to receive a well-matched education and career path, but proves to be an exception; delivering more value to the company than most who did.*

Maya's first choice would have been to pursue a career in engineering for she has always demonstrated a strong aptitude for problem solving and design. She had a dream of one day opening a design and engineering studio in part to improve the economic conditions near her home, but given her situation she needed immediate income, so when a friend told her about a job opening with a regional parcel delivery company, Maya applied immediately.

The delivery company was previously featured by an international publication for gender bias, resulting in a series of high profile customer defections. Management reacted by initiating a hiring policy favoring women in the position of delivery drivers with the highest exposure to the public. Maya matched the company's profile and other recruiting goals well; intelligent, good driver, hard working, positive attitude, and consistent work history. Just two days after her second interview, the regional manager called Maya with the good news; she would become the first female driver for the company in her region. After a brief training period, Maya settled into her routine, enjoying her new job, fellow employees, and interaction with customers.

When not focused on her route or her children, Maya often thought about how improvements could be made during her daily work, which was encouraged by her supervisors. In her third month working for the company, Maya submitted a sketch of a mechanical design for improved logistics productivity.

A few months later Maya's supervisor presented her with a reward equaling a week's salary along with a copy of the corporate newsletter reporting that her innovation had been formalized into a patent application by engineers back at headquarters and was in the process of being implemented worldwide. The article quoted the company's head of logistics who claimed that the innovation had saved his unit several million dollars, and that he was planning to license it to others. The article didn't mention Maya by name, but she had never been recognized for her design skills, so was very proud, as were her family, friends, and co-workers.

### **Mobile workforce innovation**

Maya began researching intellectual property (IP) issues on the Web with the new notebook she bought with her reward, and kept sketches and notes on her ideas. She discovered that many companies encourage internal innovation by covering the cost of developing and protecting IP while sharing a portion of the revenue or cost savings with innovative employees.

*Maya learns through the Web that other companies have found it profitable to protect and reward the intellectual contributions in shared cost-reward models that align interests between the individual and employer.*

Maya calculated that even at the lower end of the common incentive programs she found described on the Web, her previous submission would have generated enough income to send her three children to college, take care of her aging parents, and secure her retirement. The more she learned about IP, the more Maya felt abused by her company, which negatively affected her morale and prevented her from submitting additional ideas, including one she was confident could save the company far more money than her previous submission.

Maya's new idea began one day when she was delivering a package on a new route to an address on the outskirts of urban sprawl. The map on her new hand-held computer didn't accurately reflect the street signs, so she eventually called the customer on her mobile phone for directions. The customer was at home, pleasant, and provided clear directions; a rare combination. When she arrived at her destination, the customer informed her that each time a new driver delivers to his neighborhood, which was several times per year; they eventually called for directions.

The company's new mapping program was reported to be much improved over the previous model, but mistakes were still common due to the dynamically changing environment, and didn't provide the opportunity for drivers to make updates or correct mistakes. Maya began tracking her lost time due to errors on the digital map program, discovering that on average she wasted over three hours and 50 miles of driving each week, which reflected millions of dollars per year in losses for her company alone, and importantly to Maya; tons of unnecessary hydro carbons released into the atmosphere that contributed to an unhealthy future for her children.

Maya worked on her new idea in her rare spare time, which evolved into a software application companion to her hand-held computer that would enable drivers to click a menu of choices next to the map, leave a short note, and drag an icon to the precise location. The identity of the note's author would be linked so that an email, text message, real-time chat, or phone call could be achieved with two taps of the finger while the driver's name, topic, and location would be automatically delivered to the recipient. Drivers covering a new route could take a moment to review known issues prior to leaving the warehouse.

### **Maya discovers the dysfunctional IP system**

Maya calculated that such a program could reduce the loss of time and mileage she experienced by 40-60%, so she developed her idea to the point of researching patents online and attempting to draft a patent for her new design. After several weeks of work, Maya found the patent system so complex and confusing that she did not feel confident in performing the process well on her own.

Maya then considered submitting her idea to one of the venture capital (VC) firms that had been sprouting up in her country the past few years, so she researched blogs online, finding many horror stories from inventors who gave first-hand accounts about having their ideas copied or stolen by both domestic and international VC firms. The 'me-too' problem was especially severe with products like her idea that could be reverse engineered and copied. Even a few well-known venture partners and entrepreneurs in the U.S. and EU warned inventors and innovators not to share unprotected ideas.

Maya was shocked to learn that the only proven method of protecting intellectual work was to not share it at all, particularly over computer networks where copying was the norm. Since she couldn't afford a patent attorney, would never be able to afford the millions of dollars required to defend a patent in court even if awarded, and didn't trust her own company, Maya's new design hit a ceiling and stalled. Maya toiled internally for weeks, wondering how the current IP system could be good for anyone. Her hope of earning a path towards financial security for her family's future seemed impossible. Like so many other inventors and innovators, Maya had lost trust in the system. For the first time in her life Maya felt a depression lasting day after day.

A few months later Maya received a text message on her mobile phone from a fellow inventor she met online referring her to an article in a trade magazine about a new parcel delivery company entering her country. The article described a revolutionary new 'holistic' system the company was testing that provided many benefits, but Maya was most interested in how the system featured incentives for innovation while protecting individual and team work in large organizations like her own.

*Originally designed to protect individual inventors, the national patent systems and legal prosecution have become too complex and expensive for a super majority of individuals worldwide.*

## Innovation within innovation systems

Rather than an idea box controlled by invisible layers of management, this system called Kyield was a software and communications platform integrated with human resources, engineering, legal, and finance. The system provided both transparency and security tailored to each organization, country, business unit, project, and individual. Maya could see how this new competitor to her company would be far more trustworthy than her current employer's methods, and would attract workers who shared an interest and passion for improvement through innovation.

The following weekend Maya updated her resume and submitted with a cover letter to the new parcel delivery company via the Web. Three days later she received a polite email inviting her to interview on her next day off. Maya and the recruiter seemed to communicate in sync immediately. The recruiter asked Maya to interview with two additional associates and encouraged her to contact other drivers who had recently transitioned from her old parcel delivery company. A month later Maya started her new job at slightly higher pay, improved benefit package for her family, and a more progressive culture.

*The company employing the more progressive platform attracts a rising star with a transparent yet secure system.*

Since drivers are mobile workers constantly on the go, laptops are impractical and not provided by Maya's new employer, but the hand-held computers were similar, containing a small key board, browser, and wireless access so that drivers can be fully functional from the field.

During a training session in her new job, Maya was surprised to discover a program in their mobile mapping system similar to her own design. Upon further investigation and testing in the field, Maya determined that the program wasn't as well conceived as her own design, so she decided to submit a modified design as a suggested improvement for the next version.

Maya improved her idea with sketches and detailed text descriptions at home on her notebook, and then saved the work in a common file format on a memory storage card. On one afternoon when she returned to the warehouse a few minutes early, Maya logged on to the corporate Intranet with her hand-held computer, clicked on the submission link which opened a new browser window titled 'My Kyield'. She then proceeded to make a few predefined menu selections, some of which were generic while others were tailored specifically for the company, her business unit, and specific job.

In Maya's case, the company had selected a highly transparent option in the administration (CKO) module, enabling the individual to choose from a list of potential reviewers whose bios were displayed on photo mouse-over similar to what she had observed in social networking sites. A short message over the submission button read as follows:

### **What to expect after submitting your project for review:**

- 1) An email will be sent to your account with further instructions and a link back to your personal module.
- 2) A project team leader will be assigned within 48 hours to your project submission who will oversee the process, using a project module that will be linked from your personal module.
- 3) The project team leader will propose additional reviewers of the submission. You will have an opportunity to confirm or veto each reviewer prior to the information being shared.
- 4) Your personal module will automatically alert you to any changes made, seek your personal action when necessary, and display all individuals who have access to your submission.

For a complete description of this system, the corporate policy on intellectual property, revenue/cost sharing table, and staff contacts please visit this site ([new window](#)).

### **Automated transparency and fulfilling promises**

Maya read the entire policy and terms agreement, inserted her memory card, saving the files, then attached her project files to the submission form and pressed the button. She immediately received an encouraging automated email letter signed by a group of corporate executives, including the company CEO, business unit manager, HR manager, and engineering manager, thanking her for her submission. She was surprised to see that the letter introduced and copied an innovation ombudsman who was also a corporate officer with an invitation to contact anytime.

During the test phase of the system, the company encouraged reviewers to participate by offering a small portion of the cost/revenue sharing program. The reviewer program in the project module was intended to better organize and streamline the company's more laborious IP system, including both formalized patents as well as project innovations. A much larger reviewing platform for all digital files in the system was fully automated with security and transparency regulated through the CKO module, tailored specifically for each business unit, regulatory environment, and nation, adapted regularly for changes such as the new country business unit Maya represented.

Over the course of the next several days Maya visited her project site regularly, pleased to see that the process was moving forward just as described. She received an email asking her to review the project team, studied the proposed team of reviewers and bios, all of whom seemed logically qualified for the project. A checkbox confirmed that every proposed reviewer had agreed to confidentiality, so she approved each one.

*The company philosophy is clearly visible within the compensation plan as one that embraces meritocracy over the long-term.*

*Unlike the rigid enterprise software systems of the previous generation, Kyield is intentionally adaptable to enable and encourage a continual process of improvement, while reflecting the specific values and culture of the people and organization*

Maya had selected to be alerted by email when a review was submitted. Within a few days the alerts started to arrive. One suggestion from a member of the corporate CIO team recommended moving forward with the project, which would require approval from senior management.

After the reviews were complete, the project team leader submitted the project for approval, notifying the corporate CIO and COO. A few days later the project was approved with brief positive messages from senior management who had reviewed the project. Upon approval, Maya noticed that her project module was now integrated with the company's project management software; a widely used product.

Maya received an email from her supervisor congratulating her on the project approval with a link to schedule a teleconference with a program manager recommended by the HR department. The parties agreed that it would be favorable for Maya to continue working in her current job with a substitute driver covering one day per week to free Maya to work on the project design team. Maya's vision and experience in the field would continue to be valuable in every phase of the project development, from further design modifications through testing.

### **Transformative architecture**

Maya's design for the improved version of a mapping system went through a process of collaboration more familiar to other members of the team who had previous product development experience in large organizations. Maya struggled at times with the group ownership of her original idea, but thrived on providing the vision and pragmatic influence from the perspective of the user in the field, learning a great deal in the process from other members about engineering principles, project management, software development, and remote teamwork. The project grew over time, particularly through the testing phase when prospective licensees in Kyield's partner network were involved, including a leading digital map company that had agreed to a license scheme.

Even though Maya's percentage of the total revenue was small, she felt that it was fair given the contributions by so many others involved with the project; each of whom were clearly displayed in her project module, constantly reminding her of the many contributions and significant investment made by the company. In addition to the sales revenue, an accountant was calculating internal cost savings, a small portion of which was shared by all of the members of her company involved with the project.

*In this case incentives for innovation are tied to actual performance experienced by the company; aligning interests between workers, management, customers, partners, and owners.*

The compensation structure was designed from inception to make payments on a quarterly basis. Maya's first compensation check from her innovation was small, but each quarter the amount grew exponentially, surpassing her regular salary by the end of the first year of disbursements.

One morning Maya received an email from a co-worker with a link to an article in a business journal announcing the sale of her former company. The article detailed how her former employer had lost key people and market share consistently for several years, leading to operating margins at the bottom of the industry, and significant losses that forced the discounted sale. While the news wasn't surprising to Maya or her ex-coworkers, the article vividly demonstrated the importance of enterprise system design that align interests between workers and their organizations in the highly competitive global economy, so she posted a link to the article with a note describing her experience on a blog she had recently started in the corporate Intranet, which attracted record volume and a lively discussion.

### **Maya realizes her dream**

Maya continued her role on the project team on a continual basis as the software program was now updated regularly through the Internet rather than major revisions. The team leader announced one day that he was being promoted and would be leaving the project. Soon thereafter Maya was invited to become team leader for the project where she worked full-time while growing, contributing, and earning for several years until she had accumulated enough savings to cover the many obligations that burdened her as the only person in her extended family who had ever earned a significant amount of money.

With her family's future now secure and children attending college, Maya finally embarked on her long-held dream of establishing a local product design studio with an emphasis on green engineering. Her studio was met with strong interest and support from her local community who were inspired by her story as reflected in multiple articles. Maya's first major customer was Kyield.

January, 2010

Author: Mark Montgomery

Phone: +1.505.629.5433

Email: [markm@kyield.com](mailto:markm@kyield.com)

[www.kyield.com](http://www.kyield.com)

Copyright © 2009--2010, Kyield. All rights reserved.

This document is provided for information purposes only and the contents hereof are subject to change without notice. All individuals, organizations, and events in this use case are hypothetical. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.