ExO Sprint Summary

Selected excerpts from

Exponential Transformation:
The ExO Sprint playbook to evolve your organization to navigate industry disruption and change the world for the better

by Francisco Palao, Michelle Lapierre, and Salim Ismail
Letter from the Chairman - Why read this paper?

Technology is disrupting the world. The biggest market cap companies today are all technology companies, and as I write this both Apple and Amazon have recently crossed the $1 trillion threshold.

The real impact of technology is not the disruption—we’ve been dealing with that for centuries. It’s the pace, density and unpredictability that disruption brings. In the 15th century, the Gutenberg printing press changed the world. Today, thanks to computational advances, we have fully 20 such disruptions hitting us all at the same time, including solar, blockchain, AI, biotech, autonomous cars, drones and more. That so many are happening at once is unique in human history.

For our legacy organizations, it means that the metabolism of the external world now far exceeds the speed at which we can move. In the past, a company had years to figure out how to place its bets for slow-moving markets. Today, that time frame is down to months as a new breed of startups drive new business models and disruption. As an example, witness the pace at which Elon Musk has disrupted cars, space and energy.

The problem in our organizations, though, is not a lack of disruptive ideas—we have lots of those. The real problem is that if you attempt disruptive innovation inside a traditional organization (or institution), the corporate immune system will attack and you’ll spend all your time fighting the antibodies.

Today’s executives must do two things simultaneously:

1 - Suppress the immune system response of their organizations

2 - Find new ideas that can grow a company 10x. Think that’s not possible? Consider that in 2012, 80% of Apple’s revenues came from products less than four years old.

The ExO Sprint aims to achieve these goals, and our experience indicates that in just 10 weeks it can launch your leadership, culture and management thinking three years ahead.

After iterating and improving the methodology over three years with some of the world’s biggest companies, we are now open-sourcing the ExO Sprint and making it widely available.

We strongly believe that every Global 5000 company will have to go through this process. So, too, will any small or midsized organization. Waiting for months or years for your C-suite or board to wake up and smell the roses is an existential threat.

But don’t just take my word. Here are testimonials from companies that have adopted these groundbreaking ideas:

I will turn Gucci into an Exponential Organization.

Marco Bizzarri – CEO, Gucci

We were in the perfect place to be disrupted but didn’t know where to begin. The ExO Sprint was the answer. It completely transformed our culture, breaking down boundaries and opening a whole new world of innovation.

Francisco Casanueva – CEO, INTERprotección

If you are not already in the business of doing ExO Sprints and experimenting then you’re halfway to being disrupted already.

Tony Saldanha – VP, IT and Global Business Services at Procter & Gamble, P&G

Good luck!

Salim Ismail
Ready to implement the ExO model in order to transform your business and achieve exponential results?

Exponential Organizations are the businesses that succeed the most in this age of exponential technologies, but let’s be honest. Implementing the ExO model is not an easy task. Without the right process in place, many challenges—including your company’s own immune system—will conspire to prevent your organization from achieving the transformation you desire.

*Exponential Transformation: The ExO Sprint playbook to evolve your organization to navigate industry disruption and change the world for the better*, written by Francisco Palao, Michelle Lapierre and Salim Ismail, describes how any existing traditional business can transform itself into an Exponential Organization using the 10-week ExO Sprint process.

This package draws upon excerpts from *Exponential Transformation* to summarize how to run an ExO Sprint—step by step and week by week. After running the ExO Sprint, not only will your business be resistant to disruption, it will also be in a position to leapfrog current innovators and take a leadership spot within your industry. Or even invent a new one!
Challenges to Transformation

Applying the ExO framework to an existing organization will lead to transformation but it will also bring you face-to-face with a number of challenges.

FINDING THE RIGHT BUSINESS MODEL

Traditional business models are based on scarcity: value is derived from selling a product or service that is in limited supply. However, exponential technologies are generating an abundance of everything—from information to energy—so the main challenge that all industries face is finding new business models that work for abundance. Examples include:

**UBER**

**Product as a service**
A system that allows consumers to buy less and rent more. A good example is Uber, which users call on only when they need a car. Uber is able to leverage an abundance of both drivers and clients to provide its service.

**Sharing economy**
People rent unused resources, which encourages sharing and cuts down on waste. In the case of Airbnb, for example, individuals lease homes or rooms they are not using. Airbnb is able to leverage an abundance of places to rent.

**99designs**

**Platform**
Online software that connects and automates the processes between consumers and producers. An example is 99designs, an online graphic design marketplace that allows someone looking for a design (e.g., a logo) to post a request and have designers compete for the job. 99designs accesses an abundance of designers in order to offer its clients a wide range of designs.

**Ecosystem**
Beyond platforms, ecosystems connect different services and solutions to offer comprehensive value to the members of the ecosystem. Recently, emerging ecosystems have been extending the platform model. Successful global companies are building their own ecosystems, within which a number of companies exist. Not all of these companies have clear business models, but all contribute value to the ecosystem. For example:

- **Google** built its own ecosystem by creating entities such as Gmail, Google Maps and Google Drive.
- **Facebook** built its ecosystem by buying entities such as Instagram, WhatsApp and Oculus.

The real challenge is discovering the right business model for a certain organization or industry. Or—even more difficult—the right shape and configuration of the ecosystem for a given organization or industry.

If you are an established organization, you may want to transform your business model to connect with abundance by becoming a platform, creating your own ecosystem or choosing another abundance-based model. To find the right approach, experiment with new business models without risking your current organization.
THE CORPORATE IMMUNE SYSTEM WILL ALWAYS ATTACK INNOVATION

You may already be familiar with the business model that your organization should implement in order to connect with abundance. That’s great, but picking the right business model is the easy part. The challenge you will inevitably face is that any time a large organization attempts to innovate or transform itself, the corporate immune system—certain employees and processes hard-wired to prevent organizational transformation—will always attack.

The corporate immune system does its job for a good reason: established organizations usually have a working business, which is important to maintain. The goal here isn’t to kill the immune system; instead, it is to manage it.

The ways in which an organization introduces innovation tends to magnify the immune system problem. Organizations often ask external consultants what needs to be done to achieve transformation. Or they invest in or buy external startups to integrate into the main body. Either way, the organization’s immune system will attack any and all initiatives.

Why? Because the corporate immune system reacts to whatever it considers foreign DNA.

Balance innovation and risk by keeping the current business model as it is and running disruptive projects outside the main organization.

Execute the transformation process with existing employees, so that the organization’s DNA remains intact. Also, if you choose to buy an external startup, operate it outside the main organization, keeping it as a new entity within the greater ecosystem (as Facebook has done).

TRANSFORMING PEOPLE

Transforming an organization is not only about the organization itself, but also about updating the mindset and knowledge base of the people who work for it. This issue is strongly linked to the challenge posed by the corporate immune system. In order to tackle the latter, you must first address the former: transform your organization’s antibodies (its white cells) into organizational champions—red blood cells dedicated to driving innovation.

Key employees must be heavily involved in the transformation process. They should learn new concepts, practice using the new tools and generate their own transformation ideas. The new environment and changes will occasionally—even often—prove uncomfortable, so the leadership team must offer the employees their full support.
EXISTING EFFICIENCY-ORIENTED CULTURE, MANAGEMENT AND PROCESSES

Established organizations are focused on efficiency; their purpose is to maximize profits. Such management practices and processes don’t work, however, when the goal is disruptive innovation.

Why? By definition, early stage disruptive businesses don’t even have a clear business model. As a result, the focus isn’t on efficiency, but rather on searching for the right model. As Steve Blank said, “A startup is a temporary organization searching for a scalable and replicable business model.”

THE SMARTEST PEOPLE DON’T WORK FOR YOU

Regardless of your organization’s size, there will be always more people outside your organization than within. This fact has two important implications: First, you won’t always have access to the most knowledgeable person for any specific issue. Second, your customers, who have the answers to key questions about whether your innovation will succeed or fail, aren’t necessarily available either.

Open your innovation and transformation processes to the community in order to gain insight and validation and to discover what is required to successfully implement your innovative initiatives. To quote Steve Blank again: “Get out of the building!”

LACK OF SPEED (AND ENGAGEMENT)

The primary focus of an organization is to run its existing business, not to transform itself. As a result, innovative activities are always second-tier priorities. This slows the progress of disruption and transformation.

At the same time, running one-day workshops or small programs is not effective either. While such short-format programs are a great way to get people excited and open their minds, they don’t change behavior.

Use a “learning by doing” approach whereby your team gains knowledge about the different methodologies and executes the transformation process with the support of an external facilitator or coach (with Exponential Transformation serving as the playbook).

YOU DON’T LEARN HOW TO PLAY BASKETBALL FROM A BOOK

The following books outline some of the search-oriented methodologies previously mentioned: The Lean Startup, by Eric Ries; Four Steps to the Epiphany, by Steve Blank; and Exponential Organizations, by Salim Ismail, Michael Malone and Yuri van Geest.

Nonetheless, in the same way that nobody really learns how to play basketball from a book, your team won’t understand how to implement these methodologies simply by reading about them. It’s crucial that your team members own and run the transformation process themselves, which means they’ll need to adopt a hands-on approach to truly learn how it works.

Run a process that is neither too short nor too long. The goal is to achieve behavioral change and long-term engagement while sustaining enough energy to see the process through to the end.
ExO Sprint Approach

The ExO Sprint offers practical solutions and suggestions for tackling each of the challenges to transformation.

The processes outlined in *Exponential Transformation* are a culmination of the authors’ experiences running innovation and transformation projects for the past 15 years, initiatives that have involved more than 200 innovation consultants providing invaluable feedback.

In addition, the ExO Sprint has been successfully applied across a variety of industries and to many companies worldwide, including Procter & Gamble, Stanley Black & Decker, Hewlett-Packard and Visa.

By running an ExO Sprint, organizations will discover the right business model, which will then enable them to connect to abundance. They will also be equipped to manage the corporate immune system’s compulsion to block innovation and change, learn how to implement the right innovation-oriented methodologies and use a learn-by-doing approach to build internal capabilities within the organization.

All in just 10 weeks!

**DISCOVER THE RIGHT ABUNDANCE-BASED BUSINESS MODEL**

The outcome of an ExO Sprint is a set of ExO initiatives that will both improve the existing business model to make it more adaptable to external industry disruption and create next-generation organizations that have the potential to lead their industries.

**NEUTRALIZE THE CORPORATE IMMUNE SYSTEM**

To prevent a corporate immune system attack, have existing employees design and execute the transformation process rather than bringing in outside consultants. Allowing employees to come up with their own ideas will ensure implementation of the resulting initiatives, thus reducing the immune system response.

Another way to mitigate the immune reaction is to implement incremental innovation (initiatives that maintain the existing business model) within the company and develop all disruptive initiatives (those that involve a new business model) outside the company.

**SUPPORT PEOPLE IN THEIR TRANSFORMATION EXPERIENCE**

An ExO Sprint is an intensive experience and generally entails asking people to work in a completely different way than they are used to operating. During the course of an ExO Sprint, participants will need to engage with new tools and disciplines. They will also be required to validate imperfect ideas with clients, develop those ideas in the face of limited information and a high level of uncertainty about next steps, and prepare prototypes within days.

Our experience has shown that ExO Sprint participants embrace the experience . . . eventually. It may, however, take the entire process for them to get there. As a result, it’s important to be aware that participants will go through an intensive process, one that—although it will change their mindset forever, and for the better—will require psychological support, both from the company’s leadership team and the staff running the ExO Sprint.

**USE SEARCH-ORIENTED INNOVATION METHODOLOGIES**

The ExO Sprint supports the use of search-oriented innovation methodologies—Blue Ocean Strategy, Customer Development, Lean Startup and Design Thinking—in combination with traditional management methodologies.

**SUPPORT LEARNING BY DOING**

Running an ExO Sprint is a learning experience. Participants will learn about the principles, the process and the outside world as they complete the weekly assignments. Their mindset will shift as they practice and refine new methods of working, communicating and forming ideas. As a result of their experience, members of a completed ExO Sprint will serve as ambassadors in implementing ExO principles throughout the organization.

**LEVERAGE EXTERNAL TALENT**

While using the organization’s employees is crucial to circumventing the corporate immune response (in addition to many other benefits), involving outside coaches and advisors in the ExO Sprint maximizes the value of the outcome by drawing on external input and knowledge.

**FINISH IN 10 WEEKS**

In order to cement new habits among the participants, the ideal time span for the ExO Sprint is 10 weeks.
The ExO Sprint is conducted in three main phases, each consisting of sub-components.

**PREPARATION PHASE**
Focus on making sure all elements are in place before beginning the 10-week process.

**PLAN**
The organization defines the scope of the ExO Sprint and decides on key participants.

**AWAKE**
The organization understands the difference between linear and exponential thinking and makes sure participants understand the importance of running an ExO Sprint.

**ALIGN**
ExO Sprint participants receive training on the methodologies and tools they will need to execute the ExO Sprint, including the ExO model.

**EXECUTION PHASE**
During this 10-week phase, participants generate ideas and develop a set of ExO initiatives designed to transform the organization—and even the industry. Two streams run in tandem throughout this stage: The Core Stream is focused on innovation—adapting to external industry disruption without changing the existing business model (so as to avoid triggering an immune system reaction). The Edge Stream is focused on disruption—on creating the next generation of organizations (new businesses outside of the existing organization), which will eventually lead the industry. Both streams are coordinated for a coherent and comprehensive outcome.

**DISCOVERY**
During the first five weeks, participants come up with ideas for the transformation process, evaluating them as they go in order to identify the best options.

**DISRUPTION**
The best ideas are presented at the halfway point of the ExO Sprint, a session designed to obtain feedback, improve the initiatives and select the best ones for further development.

**BUILD**
Throughout the following five weeks, participants build prototypes around the top-ranked initiatives.

**LAUNCH**
At the close of the final week, participants present the top initiatives to the company’s leadership team and secure funding for those that are ultimately approved.

**FOLLOW-UP PHASE**
The resulting ExO initiatives are implemented. Some will be set up within the existing organization, others on the edge (i.e., outside the organization).

Note that the 10 weeks that comprise the core of the ExO Sprint are designed in such a way that the team generates as many ideas as possible during the first half of the ExO Sprint, with the second half dedicated to the most promising initiatives. This follows the innovation best practice of generation/synthesis.
ExO Sprint Roles

During an ExO Sprint, key roles are filled both from within and outside the organization. People from within the organization are key to maintaining the DNA of the company; their presence will help suppress the corporate immune response. Remember: organizational transformation is all about transforming the people who work for the organization.

At the same time, you’ll also need to recruit people from outside the organization if you are to access the necessary knowledge and expertise required to run your ExO Sprint. There’s no way all the smartest and most talented people in the world already work for you. As a result, you’ll need to connect your project to the external community.

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**Leadership and Coordination**

- **ExO Sprint Sponsor:**
  The main champion of the ExO Sprint and the transformation process. Ideally, the CEO of the organization fills this role.
  Support from the highest level possible within the organization is key to the success of an ExO Sprint.
  The ExO Sprint Sponsor should have the authority to fund and approve ongoing ExO initiatives following the completion of the ExO Sprint.

- **ExO Sprint Coordinator (Optional):**
  Depending on the number of ExO teams being formed, you may find this role helpful in assisting with administrative and logistical details.

- **ExO Sprint Observers:**
  You may want to involve leaders and middle management members who can provide continuous feedback on the progress of the ExO Sprint. (Without their involvement, you’re likely to find them acting as the immune system!) It’s imperative that these people attend the Awake Session and be properly trained in Exponential Organizations and the ExO Sprint methodology.

**Team Members**

- **ExO Edge Participant:**
  A member of an ExO Edge team, which is comprised of four to six members.

- **ExO Core Participant:**
  A member of an ExO Core team, which is also comprised of four to six members.

**External Support**

The team running the ExO Sprint will benefit from complementary support from and access to external resources.

- **ExO Head Coach**
  One per ExO Sprint. Oversees execution and provides support to individual ExO Coaches. Ensures that results are cohesive and that objectives are met. Has a good understanding of the ExO model and approach.

- **ExO Coaches:**
  One per team. Facilitates the process by supporting individuals in understanding and successfully completing exercises and assignments.

- **ExO Disruptors:**
  Those with a strong understanding of innovation in general and about the ExO model in particular. Can provide teams with feedback about their ExO initiatives during the Disruption Session and Launch Session. Should be independent of the organization and its leadership.

- **External Advisors:**
  Respond to particular requests for topic-specific insight and expertise in exponential technologies and ExO attributes. Should be available throughout the course of the ExO Sprint and depending on the specific needs of the team.

- **ExO Speakers (Optional):**
  ExO expert(s) able to deliver a “shock and awe” talk at the Awake Session and/or Disruption Session.

- **ExO Trainer (Optional):**
  Runs the Align Session to train the ExO Sprint participants on the ExO framework, processes and tools that they will use during the ExO Sprint.
Choosing Participants

Selecting the right people for the ExO Sprint teams is half the battle in achieving a successful outcome.

Setting a Schedule

Create a schedule of dates and daily flow before launching your ExO Sprint. Ensuring that all participants are committed to the schedule is crucial to its smooth execution.

Key events to schedule:

Awake Session

The ExO Sprint kickoff. We highly recommended conducting the kickoff as an in-person session; the event takes anywhere from one hour to a full day.

Align Session

Optional as an in-person meeting. Session can be either a set of in-person training sessions to educate participants about the processes and tools they will use during the ExO Sprint, or a series of learning activities (reading books and/or watching videos).

Disruption Session

The midpoint of the ExO Sprint. Teams update other ExO Sprint participants and the company’s leadership team on the progress of their initiatives and receive feedback.

Launch Session

Teams present the final version of their ExO initiatives to the company’s leadership team. Initiatives are then selected for continued development.

Scope definition

Defining and communicating the scope of the ExO Sprint to the ExO Coaches and ExO Sprint participants is crucial to getting the right outcome.

What do we want to accomplish?
Transform our organization, reinvent our industry or both?

What are we trying to transform?
The organization as a whole or a specific business unit?

What’s our playground? Our current industry, adjacent industries or any industry?

Optimal team size is four to six participants per team. All team participants should be available to spend a minimum of 10 hours per week on the ExO Sprint (we recommend approximately 20 hours per week). The workload should be spaced throughout the week.
One of the key elements of the ExO Sprint is making your organization aware of what’s happening in the world and what to do about it. Time to awaken the organization!

The goal is to ensure that the members of your organization understand why it’s so important to transform the enterprise. Everyone involved in the process should comprehend how external industry disruption might affect the industry, the difference between linear and exponential thinking, the tremendous opportunities exponential technologies bring in the form of abundance and how to take advantage of that abundance by building Exponential Organizations.

The format of this session should be an in-person session, focused on Exponential Organizations, emerging technologies and industry disruption. It might also include hands-on exercises to facilitate understanding.

Who should attend? An organization’s stakeholders, the top leadership and mid-level managers must attend the session, along with all ExO Sprint participants. Anyone else interested should be invited as well. The more people within the organization who get the message, the wider awake it will be as a whole.

Recommended content for the session:

- A message of welcome from either the CEO of the organization or the leader of the business unit undergoing the ExO Sprint. The talk should clearly outline why the process is so important for the organization, the expected outcome(s) and the scope of the project.
- A keynote speech on disruption given by someone who can effectively “shock and awe” the audience and bring awareness of the fact that every industry will be disrupted sooner or later. The speech should also inspire listeners to embrace the transformation process so that they will be in a position to leverage the opportunities exponential technologies bring as a result of implementing the ExO framework.
- A hands-on exercise (suggestions are included in Exponential Transformation) that illustrates the opportunities and risks that exponential technologies bring to the organization’s industry.

Also recommended either as a complement or alternative to the in-person Awake Session:

- Request that the leadership team and ExO Sprint participants read Salim Ismail’s book Exponential Organizations.
- Request that the leadership team and ExO Sprint participants watch one of Salim Ismail’s online speeches on Exponential Organizations.
- Request that the leadership team and ExO Sprint participants complete a “Linear vs. Exponential Thinking” exercise (as described in Exponential Transformation).

The Awake Session plays an important role in suppressing the corporate immune system, thus enabling the ExO Sprint outcome to advance more easily.
**Edge Stream**

The Edge Stream creates next-generation global organizations equipped to lead an existing or new industry.

**FEATURES**

The Edge Stream requires adopting a different mindset. While an established corporation requires control over execution and is predominantly focused on improving efficiency, creating an innovative organization requires search-based methodologies geared toward finding the right value proposition and business model capable of disrupting a specific industry.

**OPPORTUNITIES**

- Establish a global presence in an existing industry where you once only had a local impact.
- Disrupt an existing industry, overtaking current competitors along the way.
- Reinvent an existing industry.
- Create a new industry.

**CHALLENGES**

- Push people to think outside the box. We recommend bringing in entrepreneurs from outside the industry.
- Embrace failure as an inevitable part of the process and keep experimenting and iterating ideas until you find the right fit for the market.

**INPUTS**

- An industry or set of industries on which the new ExOs will focus. It is also possible to execute the Edge Stream without any framework, allowing teams to come up with new ExOs for any industry.
- A team of people willing and eager to spend the next 10 weeks creating new initiatives designed to build the future of an industry.

**OUTPUT**

An early stage ExO or set of ExOs that will eventually disrupt and lead an industry. ExO Edge Initiatives will include:

- A high-level and detailed description of the new ExO
- A set of experiments and lessons learned
- A development roadmap
- A prototype
- Potential first clients (early adopters)
**WEEK 1**

**Explore**

**TASK 1**

**Explore global challenges**

Think about and research issues the world is facing, as well as the global trends related to the scope of your project (either specific to your industry or in general).

Research social needs (education, poverty, energy, etc.) and trends (market, consumer behavior, competitors, etc.).

**TASK 2**

**Learn about exponential technologies**

Most exponential technologies (Artificial Intelligence, Robotics, 3D Printing, etc.) will impact your industry, either directly or indirectly. At the same time, disruption will bring new opportunities that you can and should leverage.

Consider how emerging/exponential technologies may impact (or have already impacted) your industry.

**TASK 3**

**Learn about disruptive startups**

Technology by itself doesn’t have any value to users. To be successful, organizations need to implement the right business model, which is the way to create, deliver and retain value.

Research new startups in your industry and other industries that are successfully executing new and disruptive business models. The goal is to discover new ways of doing business in your target industry.

**WEEK 2**

**Ideate**

**TASK 1**

**Define multiple Massive Transformative Purposes (MTPs)**

The starting point for defining an Exponential Organization is to ask yourself why you want to be in this world. Then describe what the world would look like if your project were successful. Keep in mind that your task is to define a set of MTPs—one is not enough!

**TASK 2**

**Define problem/solution pairs for each MTP**

Now that you have a set of MTPs, the next step is to think about specific problems and solutions related to those MTPs. Your task is to identify at least 10 pairs of problems/solutions relating to the previously defined MTPs. You can have one or more problem/solution pairs per MTP. Note that each problem/solution pairs with an ExO Edge Initiative.
**WEEK 3**

**Share**

**TASK 1**

**Define key hypotheses and design experiments**

The problems and solutions you have previously defined are a set of hypotheses, which now need to be evaluated. However, you won’t have time to evaluate all of them, so focus just on those key hypotheses that will enable your ExO initiative to succeed.

Your goal is to build an organization that leverages cutting-edge technologies and the ExO attributes to become exponential. The first step is to define experiments that help you find a real problem to solve, which is why you’ll run experiments focused on value generation; later phases will focus on scaling the organization.

**TASK 2**

**Run experiments to evaluate the ExO initiatives**

The next step is to run the experiments that you have defined. At this stage, most of the experiments will consist of interviewing potential clients (to evaluate problems/solutions) and/or tech people (to evaluate product feasibility), so reach out to arrange calls or meetings. Your goal with these interviews is to gather actual data.

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**WEEK 4**

**Select**

**TASK 1**

**Select the four most promising ideas**

Pick the best four ideas to present at the Disruption Session. You will evaluate them according to the previous week’s results (based on experiments and key learnings) and the following criteria:

- **The MTP**: Is it really massive? Does it inspire people? Did you learn something about it during the experiments?
- **The problem you are trying to solve**: Is it global? Was it validated by your experiments?
- **The solution you are considering building**: Is it scalable? Is it disruptive? Is it feasible, or will it be in the future due to exponentials? Was it validated by your experiments?

**TASK 2**

**Design the ExO Canvas**

In order to ensure your organization will become exponential by reaching and managing abundance, fill out an ExO Canvas, which will prompt you to think about how to leverage each of the 10 ExO attributes. You will design an ExO Canvas for each of the problem/solution pairs defined in the previous step. Each is a potential ExO!
**WEEK 4**

**Select**

**TASK 3**

**Define your business model (optional)**
A business model is the way an organization creates, delivers and retains value. If you have enough time, it’s a good idea to start thinking about and designing the business model for your ExO Edge Initiatives (if not, there will be time for this project later).

**TASK 4**

**Create an extended elevator pitch for each ExO Edge Initiative**
You will create a five-minute pitch for each of the ExO initiatives to be presented. You will also develop a presentation in support of each pitch.

At this stage of the process (idea-stage initiatives), we recommend composing an elevator pitch—a summary of each idea that could conceivably be delivered during a standard elevator ride. An elevator pitch is usually delivered in 60 to 90 seconds, but in this case, you’re going to write a five-minute version.

The elevator pitch should include the following items: MTP, Problem, Solution, ExO Attributes and Business Model (optional).

**TASK 5**

**Create a presentation in support of the pitch**
Consider creating slides to accompany your extended elevator pitch. Keep it simple, using a few inspiring and informative images and graphs.

**TASK 6**

**Practice your pitch!**
You will be presenting a large number of ideas, so your delivery must be concise and to the point. The more you practice, the better you will do.

Practice, practice, practice!

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**WEEK 5**

**Disrupt**

**TASK 1**

**Prepare the scenario and logistics**
Create the right environment for the presentations. You can deliver the presentations in person or online depending on everyone’s location and the parameters of your budget. If the Disruption Session is held in person, consider decorating the space to create a unique atmosphere. If you conduct it online, test the video conferencing system in advance.

**TASK 2**

**Present**
Each team will have 60 minutes to present its ExO initiatives and receive feedback.

The audience for the presentations: the company’s leadership team, other ExO teams and a group of disruption experts made up of three to five people from outside the organization who have specific experience in your industry or of innovation in general.
WEEK 5

Disrupt

**TASK 3**

**Gather feedback**

Take note of all feedback received from your peers and the disruption experts. Everything you hear is valuable. Keep in mind that this set of presentations, combined with the feedback you’ll receive, is yet another aspect of the experiments you’ve been running, and is included to improve your ExO initiatives.

**TASK 4**

**Debrief with the leadership team**

of the ExO Edge Initiatives is aligned with the general direction the company’s leadership wants to go.

**TASK 5**

**Narrow the number of initiatives down to three**

It’s time to select the most promising initiatives and take them to the next level. Digest the feedback received in the Disruption Workshop and during the meeting with the leadership team and pick the top three ExO initiatives (or those the management team chose).

**TASK 6**

**Improve the selected initiatives based on the feedback received**

Review the work you’ve done on the ExO Edge Initiatives and refine them.

WEEK 6

Prototype

**TASK 1**

**Define your business model**

If you haven’t defined a business model for your ExO Edge Initiatives before, now is the time to do it. If you already have a business model in place, this exercise will allow you to improve it based on what you’ve learned.

Since you are working on early stage ExO initiatives that will change frequently as you learn more about them, use the Business Model Generation technique to define your business model.

**TASK 2**

**Identify the key hypotheses you want to evaluate with your MVP**

Eric Ries, who launched the Lean Startup movement, defines an MVP as “a version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort.” In terms of an ExO project, the idea is to use the MVP concept to build something that will help you learn about your initiatives. Before designing and building your MVP, consider the outcome—i.e., think about what you want to learn as a result of building and testing your MVP.

The next step is to identify the key hypotheses to evaluate—those that are critical for success and to scale the business. At this stage, most of the hypotheses will be found in your ExO Canvas and Business Model Canvas.
WEEK 6
Prototype

**TASK 3**
Define your Minimum Viable Product (MVP)
You don’t need to build a full product or service to start learning and selling. There is no need to waste time and money building something that no one will want to use or pay for. Instead, experiment with a Minimum Viable Product (MVP).

Before developing that MVP, determine the minimum number of features required to launch a test version of your product or service.

**TASK 4**
Build Your MVP!
Build your first MVP based on the business model you defined earlier, including demonstrating your value proposition.

There are several techniques you can use to build your MVP. Some are focused on building an actual product, others on simply presenting the idea to potential clients. You will need to pick the one that works best for your product or service based on the amount of time you have to build the MVP. To that end, consider building an MVP based on a landing page, a video, wireframes or even a working prototype.

WEEK 7
Test

**TASK 1**
Find, reach and sell to early adopters
An early adopter is an individual or business that uses a new product or technology before others, shares your vision and is willing to try your MVP even though it may not yet have been perfected.

Your task here is to define where to find early adopters for your MVPs and how to reach them in order to test the product and/or the sales process. This is considered yet another experiment, one that is focused on attaining product/market fit.

Launch the different sales processes with early adopters and collect feedback. Remember that the real goal is not to sell, but to learn.

**TASK 2**
Measure results and learn
After building your MVPs and sales processes, you will have experience and data to use in evaluating your key hypotheses. Remember that the primary goal is to learn about the ExO attributes and business model (in particular the value proposition and revenue model).

After the sales processes are completed, the next step is to dig into the data you’ve gathered.
WEEK 8
Improve

TASK 1
Further develop your ExO Edge Initiatives
Just two weeks to build an MVP and encourage early adopters to buy your product or service may not seem like enough time. Despite the quick turnaround, however, it is possible.
Allocate several days this week to running experiments and further developing and iterating your MVP based on what you’ve learned.

TASK 2
Pivot, iterate or proceed!
Once you have gathered enough information (or don’t have any more time to run additional experiments or further develop MVPs), it’s decision time.
Depending on what you’ve learned, the next steps for your ExO Edge Initiatives are to pivot your business model, iterate your product/service or proceed with your current approach.

WEEK 9
Assemble

TASK 1
If possible, narrow the number of initiatives to be presented down to two
Select the most promising initiatives in advance of the final presentations.
Given what you’ve learned from running the experiments, you should be able to discard some of the ExO initiatives and focus on the two most promising options.
WEEK 10

Launch

**TASK 1**

*Prepare the scenario and logistics*

Create the right environment and set up the logistics for the presentations.

Presentations can be done either in person or online. Much depends on where people are located and the size of your budget.

**TASK 2**

*Presentations and discussion*

Teams will present their ideas to the leadership team and other relevant stakeholders. In contrast to the Disruption Session, this time the team will receive feedback and answer questions.

The final presentation format is longer than that for the Disruption Session, which relied on the elevator pitch technique.

**TASK 3**

*Final evaluation*

After the presentations are over, the leadership team and selected advisors will gather to make a decision about which ExO Edge Initiatives will move forward and how much funding to allocate to each.

Remember that the initiatives must be evaluated from the point of view of *disruption*. The way the industry currently operates may not apply here, even when it comes to existing regulations. The leadership team must also be careful not to take on the role of the corporate immune system.

**TASK 4**

*Announcements*

Informing ExO Sprint participants which ExO initiatives are being funded is key to keeping momentum going.
EXECUTION PHASE

Core Stream

The Core Stream allows you to adapt your existing organization to external industry disruption by embracing the adoption of new technologies and organizational techniques—all while maintaining your current business model.

FEATURES
In addition to facilitating a comprehensive understanding of the existing organization and industry, the Core Stream also explores disruption coming from outside the industry. Your current organization has a working business model and existing legacy that you can’t change from one day to the next, so even as you adapt it to external disruption—which can be viewed as either a threat or a great opportunity—you will preserve the basic foundation.

OPPORTUNITIES
• Make the organization more adaptable, flexible and agile in the face of external disruption.
• Improve the organization’s value proposition.
• Increase efficiency.
• Increase sales.
• Diversify revenue streams.
• Increase impact related to the MTP.

CHALLENGES
• Learn about and evaluate all external elements—technologies and business models, for example—that might disrupt your industry.
• Create strategies to survive and thrive amidst accelerating disruption.
• Deal with the corporate immune system in advance to avoid having it throw up barriers to new strategies and projects.
• Embrace failure as part of the process. Keep experimenting and iterating ideas until you find the perfect fit with the market.

INPUTS
• The Core Stream applied to the entire organization or to a specific business unit (or units).
• A team of people able, willing and eager to spend the next 10 weeks creating new initiatives in order to build the future of an industry.

OUTPUT
• An organization that is more flexible, agile and adaptable to external industry disruption.
• Generate exponential profits.
• Change the world for the better.
WEEK 1

Explore

**TASK 1**
Learn about exponential technologies
Most exponential technologies (Artificial Intelligence, Robotics, 3D Printing, etc.) will impact your industry at some point, either directly or indirectly. While these technologies may disrupt the industry as it exists today, they will also bring new opportunities that can be leveraged.

**TASK 2**
Learn about new business models that can disrupt your industry
New business models and startups both within and beyond your industry may disrupt your existing business. Learn about these before it’s too late to catch up.

**TASK 3**
Find out about new changes in the context of your organization
Changes in context (regulation, clients, providers, etc.) can be either a threat or an opportunity for your business. Identify those changes—both to prepare the company for disruption and to generate new opportunities.

**TASK 4**
Describe your current organization’s business model
A business model is the way an organization creates, delivers and retains value. At this stage of the game, you are going to describe your current organization’s business model, which will act as a framework for the ExO initiatives. Remember that the ExO Core Stream shouldn’t change your current business model—it should instead adapt it to external industry disruption.

Use the Business Model Generation technique to describe your business model in a way that allows you to achieve a high-level overview.

WEEK 2

Ideate

**TASK 1**
Define a (Massive) Transformative Purpose for the organization
Exponential Organizations have a vision and a mission. They also have a purpose. In order to adapt your organization to the current environment, you must define your purpose. If your organization already has a global market or aims to have one, you will need to define a Massive Transformative Purpose (MTP). If your organization is or aims to be focused on a local market only, you will define a Transformative Purpose (TP).

**TASK 2**
Define multiple external disruption/internal reaction pairs for your MTP
The first step is to think about any external disruptions that are relevant to your organization and its purpose. You’ll also want to think about internal reactions you can create to adapt to or take advantage of external disruption. To that end, you will define a set of external disruption/internal reaction pairs within the domain of the purpose outlined in the previous step. Note that each disruption/reaction pair is an ExO Core Initiative.
WEEK 3
Share

TASK 1 Define key hypotheses and run experiments

The innovative ideas previously defined are a set of hypotheses that now need to be evaluated to determine whether or not they are true. You won’t have time to evaluate all of them, however, so limit your focus to those hypotheses that will enable your ExO initiative to succeed.

The goal is to adapt the current organization to external industry disruption by implementing ExO attributes and using exponential technologies. Before doing so, however, you’ll need to evaluate whether the external disruption under consideration is a true threat and/or opportunity. You’ll also need to evaluate whether the defined internal reaction is feasible and fits the market.

Identify the key hypotheses and define experiments for each.

TASK 2 Run experiments to evaluate your ExO initiatives

The next step is to run the experiments you have defined. In addition to conducting further research on external disruptions, you’ll also interview users/potential clients (to evaluate disruptions/reactions) and/or tech people (to evaluate product feasibility).

WEEK 4
Select

TASK 1 Select the four most promising ideas

The first task is to pick the top four ideas to present at the Disruption Session. To narrow your options, evaluate each initiative according to the previous week’s results (experiments and key learnings) and the following criteria:

- **The external disruption you’re focusing on**: Is it global? Was it validated during the previous experiment?
- **The internal reaction you’re considering building**: Once completed, will it help the organization adapt to—or take advantage of—external industry disruption? Is it feasible to build? If not, will exponentials make it feasible to build sometime in the future? Was it validated it during the experiment phase?
**WEEK 4**

**Select**

**TASK 2** Design the ExO Canvas

In order to ensure your organization will be set up to adopt the ExO model—and thus adapt to external disruption based on the abundance being generated in your industry—the ExO Canvas will prompt you to think about how to leverage each of the 10 ExO attributes. Design an ExO Canvas for each of the disruption/reaction pairs defined in the previous step. Each represents a different ExO Core Initiative.

**TASK 3** Create an extended elevator pitch for each ExO Core Initiative

Create a five-minute pitch and supporting presentation for each of the ExO initiatives to be presented.

At this stage of the process (idea-stage ExO initiatives), we recommend composing an elevator pitch—a summary of each idea that could conceivably be delivered during a standard elevator ride. An elevator pitch is usually delivered in 60 to 90 seconds, but in this case, you’re going to write a five-minute version.

The elevator pitch should include the following items: MTP, External Disruption, Internal Reaction and ExO Attributes.

**TASK 4** Create a presentation to support the pitch

You may want to create slides to accompany your extended elevator pitch. Keep it simple, using a few inspiring and informative images and graphs.

**TASK 5** Practice your pitch!

You will be presenting a large number of ideas, so each pitch should be concise and to the point. The more you practice, the better you will do.

Practice, practice, practice!

**WEEK 5**

**Disrupt**

**TASK 1** Prepare the scenario and logistics

Create the right environment for the presentations.

You can deliver the presentations in person or online, depending on everyone’s location and the parameters of your budget. If the Disruption Session is held in person, consider decorating the space to create a unique atmosphere. If you conduct it online, test the video conferencing system in advance.

**TASK 2** Present!

Each team will have 60 minutes to present its ExO initiatives and receive feedback. The presentations will be given to the company’s leadership team, the other ExO teams and a group of ExO Disruptors made up of three to five people from outside the organization who have specific experience in your industry or of innovation in general.
WEEK 5
Disrupt

**TASK 3**
Gather feedback
Take note of all feedback received from your peers and the disruptors. Everything you hear is valuable. Keep in mind that this set of presentations, combined with the feedback you receive, is yet another aspect of the experiments you’ve been running, and is included to improve your ExO initiatives.

**TASK 4**
Debrief with the leadership team
You will have a debrief meeting with the management team to determine which of the ExO Core Initiatives is aligned with the general direction the leadership team wants to go. The management team also has the option of picking one of the MTPs presented—or even defining a new one.

**TASK 5**
Narrow the number of initiatives down to three
It’s time to select the most promising initiatives and take them to the next level. Digest the feedback received in the Disruption Session and during the meeting with the leadership team and pick the top three ExO initiatives (or those the management team chose).

**TASK 6**
Improve the selected initiatives based on the feedback received
Review the work you’ve done on the ExO Core Initiatives and refine them.

WEEK 6
Prototype

**TASK 1**
Further define your ExO Core Initiatives
During the previous weeks, you have identified external disruptions and defined internal reactions that will help adapt your organization to the external environment. You should also have defined which ExO attributes to implement.

It’s now time to think more deeply about the implementation details of the ExO Core Initiatives in order to identify key hypotheses and test them as soon as possible.

Since you may have different types of ExO Core Initiatives (internal projects designed to increase the flexibility or efficiency of the organization, new products or services, etc.), each will need to be further defined.

**TASK 2**
Frame your ExO Core Initiatives within your organization’s business model
To analyze the scope and impact your ExO Core Initiatives would have within your existing organization, include the different elements the ExO Core Initiative would contribute to your current business model (all without changing its foundation).
WEEK 6

Prototype

TASK 3  
Identify the key hypotheses you want to evaluate with your MVP

Eric Ries, who launched the Lean Startup movement, defines an MVP as “a version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort.” In terms of an ExO project, the idea is to use the MVP concept to build something that will help you learn about your initiatives. Before designing and building your MVP, however, consider the outcome—i.e., think about what you want to learn as a result of building and testing it.

The next step is to identify the key hypotheses to evaluate—those that are critical for the success of your ExO Core Initiatives. At this stage, most of the hypotheses will be found in the ExO Canvas and Business Model Canvas or based on what you learned from further defining your ExO Core Initiatives (the previous task).

TASK 4  
Define your Minimum Viable Product (MVP)

You don’t need to implement your ExO Core Initiative to start testing and learning about it. There is no need to waste time and money building something that no one might want to use or pay for. Instead, experiment with an MVP.

Before developing that MVP, determine the minimum set of features it should have at the outset.

TASK 5  
Build your MVP!

It’s now time to build the MVP, test it with potential users and stakeholders, and compile feedback.

There are several techniques you can use to build your MVP. Some are focused on building an actual prototype, others on simply presenting the idea to potential users and stakeholders. You will need to pick the one that works best for your ExO initiative based on the amount of time you have to build the MVP. To that end, consider building an MVP based on a landing page, a video, wireframes or even a working prototype.

WEEK 7

Test

TASK 1  
Find your Early Adopters!

An early adopter is an individual or business that uses a new product or technology before others, shares your vision and is willing to try your MVP even though it may not yet have been perfected. Your job here is to define how to find early adopters and get their buy-in for your ExO Core Initiatives.

Notice that for ExO Core Initiatives, early adopters may be external clients, internal stakeholders or users of your new idea.

TASK 2  
Measure results

After building and testing your MVPs, you will have experience and data to use in evaluating your key hypotheses.

ExO Core Initiatives shouldn’t be implemented across the organization as a whole, at least not at first. In addition to finding early adopters, you’ll also need to determine exactly where in the organization to begin the implementation process.

Once the sales process is complete, the next step is to dig into the data you’ve gathered.
WEEK 8

Improve

TASK 1

Further develop your ExO Core Initiatives

Just two weeks to build and test an MVP in two weeks may not seem like enough time. Despite the quick turnaround, however, it is possible. Allocate several days this week to run experiments and iterate your MVP based on what you’ve learned.

TASK 2

Improve and proceed!

Once you have gathered enough information (or don’t have any more time to run additional experiments or further develop MVPs), it’s decision time. Depending on what you’ve learned, here are the next steps for your ExO Core Initiatives: continue making changes in order to improve them or proceed as before.

WEEK 9

Assemble

TASK 1

Narrow the number of initiatives down to two

Select the most promising initiatives in advance of the final presentations. Given what you’ve learned from running the experiments, you should be able to discard some of the ExO initiatives and focus on the two most promising options.
**WEEK 9**

**Assemble**

**TASK 2**

**Extend your ExO Core Initiatives with key milestones and a budget**

Anticipate the evolution of your ExO Core Initiatives and define key milestones for the upcoming 12 to 18 months. You’ll also want to estimate your budget and associate milestones with the investment needed to reach them.

If you can, try to calculate the Return on Investment (ROI) of your ExO initiatives. Take into account, however, that it is difficult to accurately calculate ROI for innovative projects, so whenever you present these numbers be sure to emphasize that they are preliminary.

**TASK 3**

**Build a final presentation for the ExO Core Initiatives**

To prepare for next week’s final presentations, you’ll need to develop a deck for each of your ExO Core Initiatives.

Instead of using the short elevator pitch format, you will produce longer, more comprehensive presentations for each of the ExO initiatives. Follow the outline in the templates found later in this section.

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**WEEK 10**

**Launch**

**TASK 1**

**Prepare the setting and logistics**

Create the right environment and set up the logistics for the presentations.

Presentations can be done in person or online. Much depends on where people are located and the size of your budget.

**TASK 2**

**Presentations and discussion**

Teams will present their ideas to the leadership team and other relevant stakeholders. In contrast to the Disruption Session presentations, this time around the team will receive feedback and answer questions.

The final presentation format is longer than that for the Disruption Session, which relied on the elevator pitch technique.

**TASK 3**

**Final evaluation**

After the presentations are over, the leadership team and selected advisors will convene to make a decision about which ExO Core Initiatives will move forward and how much funding to allocate to each.

Initiatives must be evaluated from the point of view of how the ExO Core Initiatives will make the organization more adaptable to external industry disruption by avoiding threats and/or leveraging opportunities. In addition, the leadership team must be careful not to take on the role of the corporate immune system.

**TASK 4**

**Announcements**

Informing the ExO Sprint participants which ExO initiatives have been chosen for funding and further development is key to keeping momentum going.
Congratulations! You have now completed an ExO Sprint!

In addition to creating an organization—or set of organizations—primed to become exponential, your team has gone through a personal transformation process. As a result, they have:

- Learned new methods of working together across organizational boundaries.
- Acted as entrepreneurs.
- Experienced the productivity that real-time virtual collaboration and communication offers.
- Become “comfortable being uncomfortable” in presenting ideas to the leadership team in a far less polished form than they have likely been accustomed to. (The leadership team has also experienced the value of this format.)
- Been “forced” into a lean mindset by the pace and intensity of the weekly assignments.
- Seen the value of the fast iteration of ideas based on early feedback.
- Witnessed the disruption process in action.
- Come to understand that learning lies in “failure.”
- Gained experience across a range of business innovation models and practices—including the ExO model—which they can now carry into their daily work.

All participants in the ExO Sprint should now possess an exponential mindset that will ensure the innovation process continues to move forward throughout the organization.

The fact that your team ideated and developed the ExO initiatives helps maintain the company’s DNA, since all were created by employees with shared DNA (organizationally, at least). This makes each resulting ExO initiative compatible with your team and organization.

Depending on the goal you set at the beginning, you will have one of the following outcomes:

**If you are a leading organization** aiming to both reinvent an industry and transform your organization for an external industry disruption, the outcome of the ExO Sprint has been a set of ExO Edge Initiatives and a set of ExO Core Initiatives. While the ExO Edge Initiatives should result in next-generation organizations structured to lead your industry (and perhaps even others), the ExO Core Initiatives will help your organization adapt to external industry disruption—including the disruption posed by the new ExO Edge Initiatives.

**If you are an established organization** wanting to adapt to external industry disruption, the outcome of the ExO Sprint has been a set of ExO Core Initiatives. By successfully implementing these ExO Core Initiatives, your organization has the ability to remain relevant in a rapidly changing world for many years to come.

**If you are an entrepreneur or company builder** wanting to develop one or more Exponential Organizations in order to transform a specific industry, the outcome of the ExO Sprint has been one or more ExO Edge Initiative(s). Developing these ExO Edge Initiatives offers the opportunity to accomplish your goals and become the Next Big Thing in your industry.
**FOLLOW-UP PHASE**

If you ran the entire ExO Sprint, the outcome is more than a set of independent ExO initiatives. It represents a new ecosystem in which your organization has not only adapted to industry disruption but also to the ExO Edge Initiatives created.

If you ran the ExO Core Stream, the outcome is an organization adapted to external industry disruption—one that is ready to connect to other ecosystems that may be created within your industry.

As you can see, the ExO Sprint outcome represents not only the transformation of an existing organization, but one that may also contribute to the transformation of an entire industry!

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**EXPOENTIAL TRANSFORMATION!**

Running an ExO Sprint provides exponential results by transforming your organization so that it is able to keep up with external industry disruption and leverage exponential technologies.

But you can go even further! Here are some steps to take to create an Exponential Organization and exponentially transform it for global impact.

**Apply technology:**

The only way to scale something is by applying technology to access and manage abundance. OpenExO ([www.openexo.com](http://www.openexo.com)) is a global transformation ecosystem that provides online access to an abundance of certified ExO staff on demand (ExO Coaches, ExO Advisors, etc.) and other key resources for running an ExO Sprint. The OpenExO platform also enables and encourages ongoing feedback among participants, including the organization’s leaders and middle management.

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**Repeat!**

Whether or not you ran your ExO Sprint with external help (the support of ExO Coaches and other ExO-related roles), having completed this first one, you are now in an excellent position to run additional ExO Sprints on your own.

All ExO Sprint participants now have solid experience with the ExO model and other related innovation methodologies (Customer Development, Design Thinking, Lean Startup). You now have a team of people with the necessary knowledge and mindset to run or facilitate future ExO Sprints. It’s still a good idea to call on external ExO Coaches as needed, but chances are you’ll require much less of their time.

Companies periodically run ExO Sprints not only to define new initiatives, but also to encourage evolution, update skill sets and deepen employee knowledge of the company’s culture and commitment to evolve.

Having incorporated the ExO process within their DNA, your own team is best equipped to manage and lead future ExO Sprints.

Schedule your next ExO Sprint now!
Exponential Transformation is an indispensable guide for implementing the ExO Sprint to transform your organization and stay ahead of industry disruption.

Empower your transformation teams with everything they need to know to be successful:

- Awareness of the driving forces behind the ExO approach
- An understanding of the ExO attributes that comprise an Exponential Organization
- Knowledge of the ExO Sprint process required to build a new Exponential Organization or transform an existing organization

Visit [www.exponentialtransformationbook.com](http://www.exponentialtransformationbook.com) to learn more!