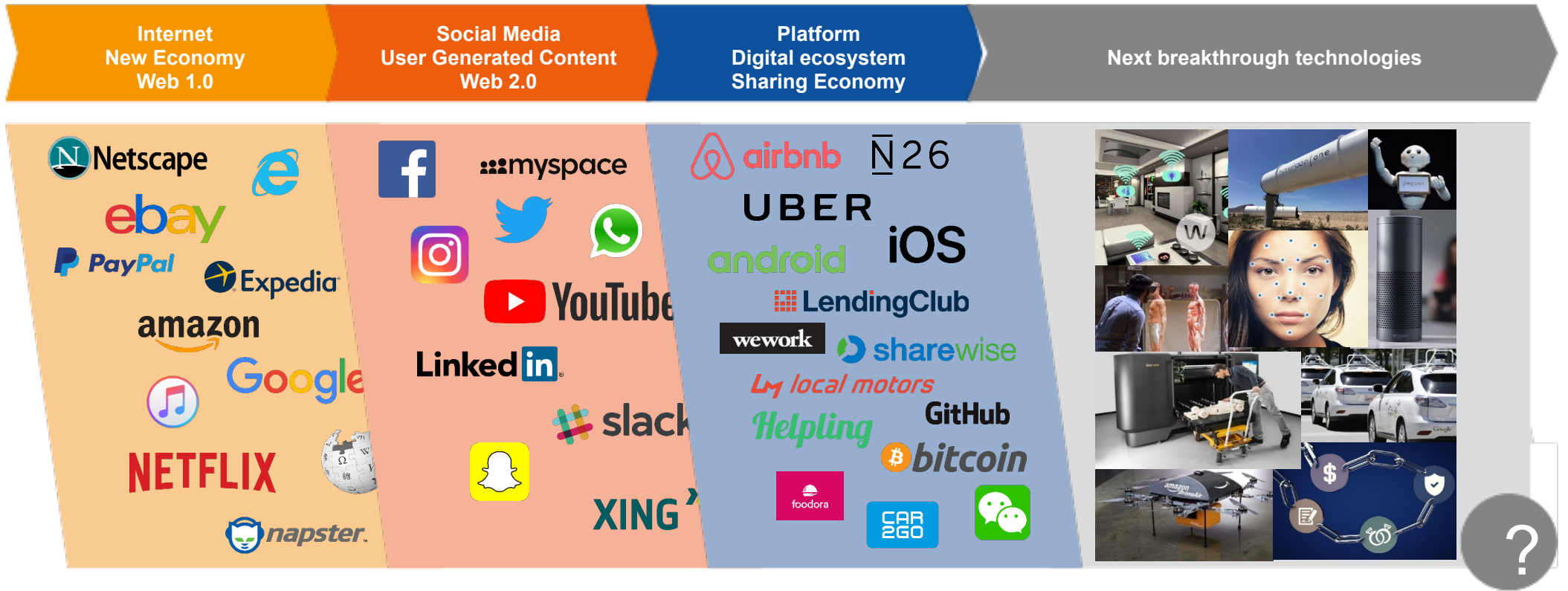# Insights from the Innovation LAB of DZ BANK

05/17/2019, Frankfurt, Patrick Steiner
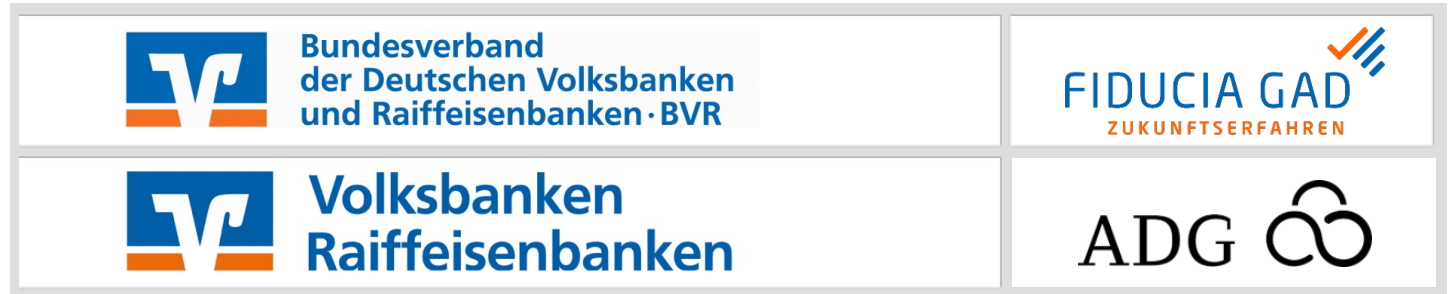
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From digitization to increasing permeation of technology in our society

Internet New Economy Web 1.0	Social Media User Generated Content Web 2.0	Platform Digital ecosystem Sharing Economy	Next breakthrough technologies

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Innovation in the Cooperative FinanceGroup
Networking at all levels

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Strategic innovation management

The strategic innovation management process at DZ BANK

Trend- / Technology scouting	Ideation	Prototyping	Implementation
Trend and technology radar	Ideation workshops	Innovation LAB *of DZ BANK Group*	In business divisions
Fintech radar	Design Thinking	Rapid Prototyping	Transfer to partner within CFN*
Innovation radar	**GENOhub** *with Fiducia & GAD and ADG*		Spin-off
	GENOhackathon	GENOlab	
	Subject related hackathons		Cancellation

Cooperation	TechQuartier	HHL SpinLab	(Fintech-)Startups

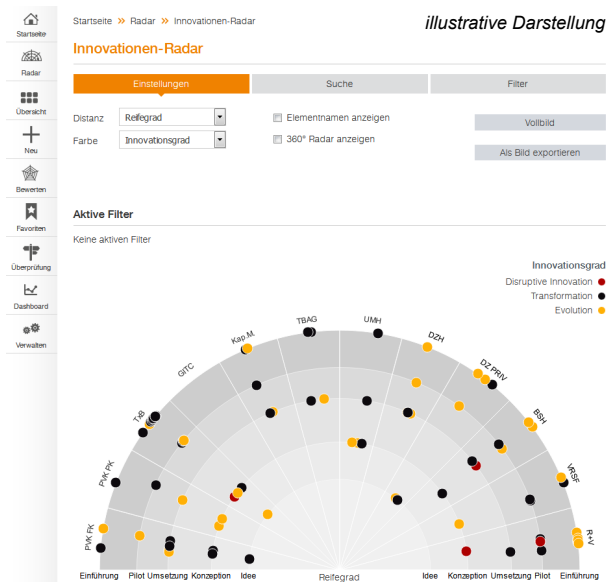Innovation round table   Innovation blog   Trendscouting team   Speeches / publications

* Cooperative financial network

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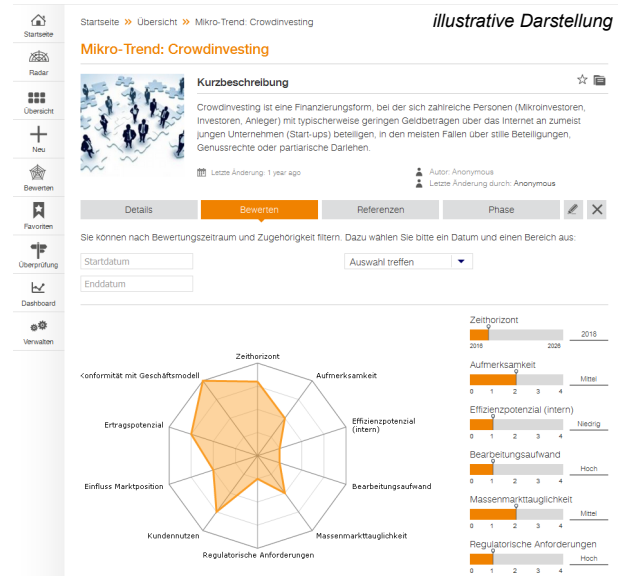
Innovation radar platform creates transparency
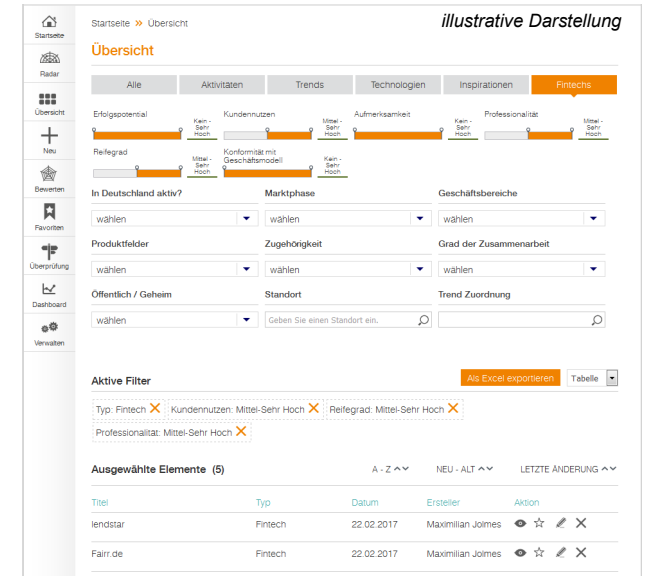## Connecting own activities, trends and fintech companies

Innovation radar

Trend-/technology radar

Fintech radar

▶ **Transparency about own innovation activities within DZ BANK Group.**

▶ **Overview on more than 80 current innovation projects.**

▶ **Evaluation of trends / technologies per business segment / group company.**

▶ **Over 300 users evaluate and scout more than 170 trends / technologies.**

▶ **Market overview of fintech startups and transparency about existing cooperation.**

▶ **More than 800 (Fintech-)startups are analysed and evaluated.**

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Ideation formats and agile working methods

Design Sprints, Challenge & Inspire, Rapid Prototyping, Hackathons


Internal ideation formats

- "Challenge & Inspire" for business model innovations
- "Rapid Prototyping" for visualising solutions
- "Google Design Sprint" for developing and validating innovations

GENOhackathons

- Joint format of Fiducia & GAD, ADG and DZ BANK Group
- 5 GENOhackathons held with over 500 participants
- Approx. 60 ideas processed, 12 of which are in further development

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How Fintechs act to meet customer expectations

Lean Startup methodology with the Build-Measure-Learn feedback loop
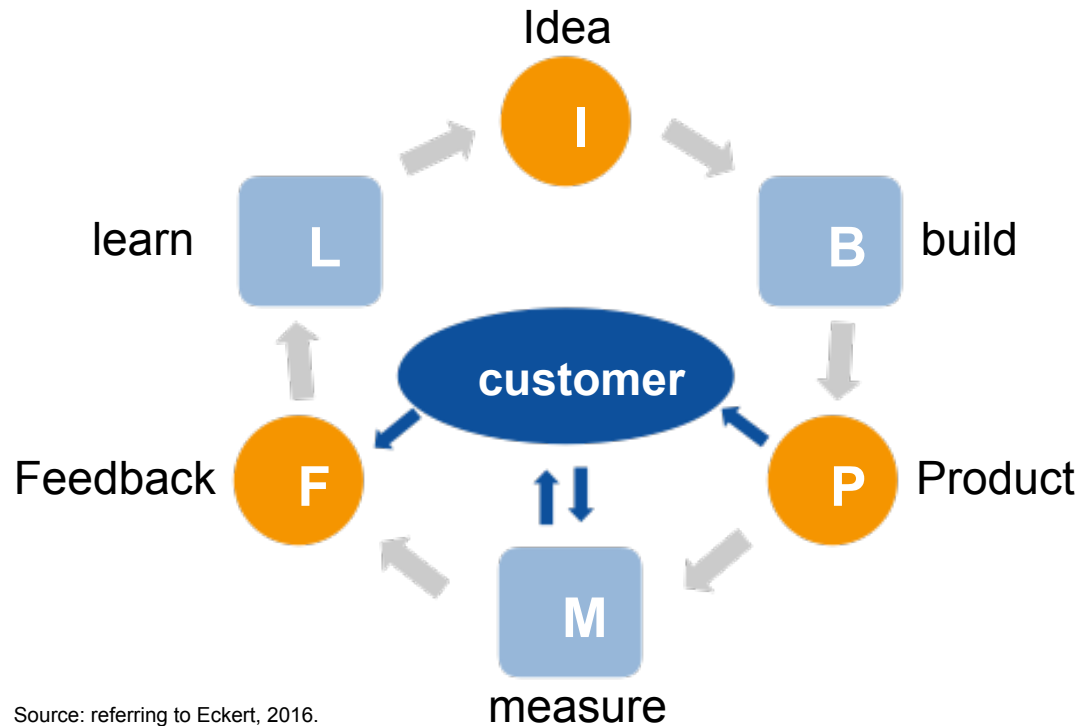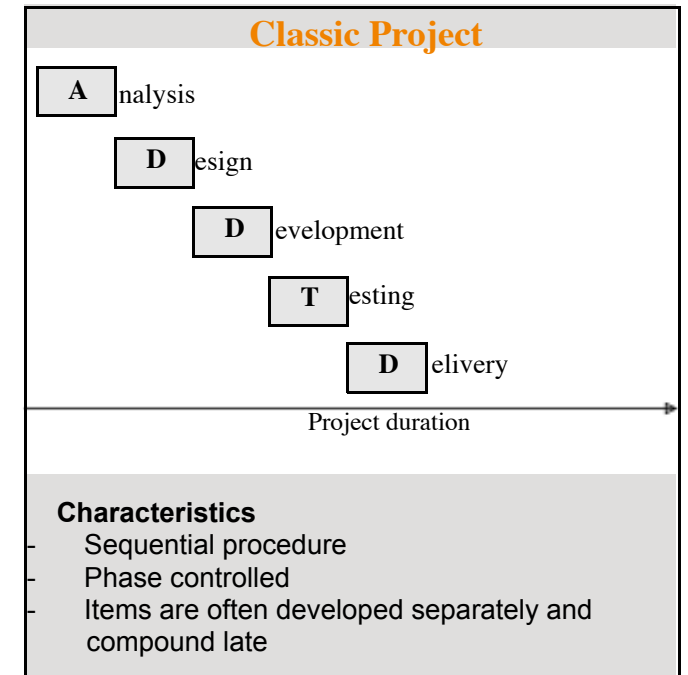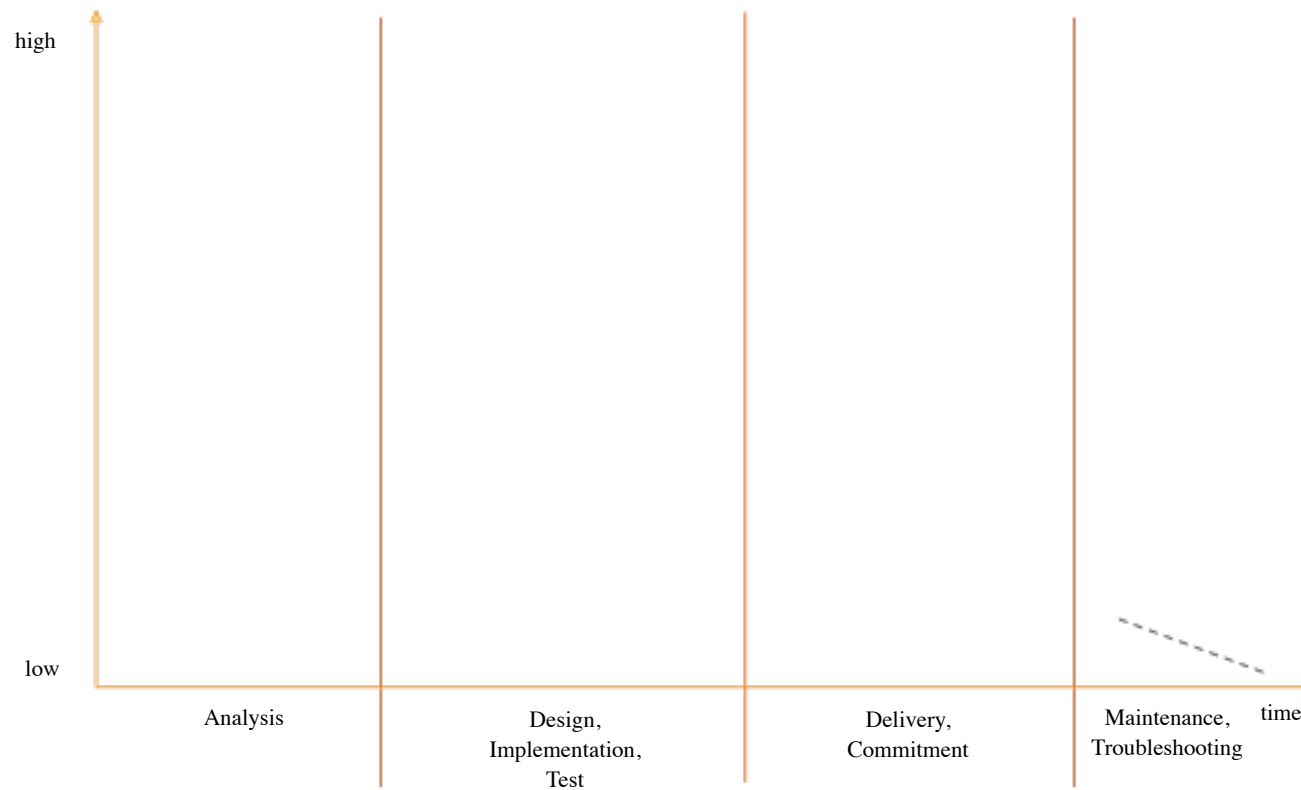

Source: referring to Eckert, 2016.

- Concept by Eric Ries (Silicon-Valley-Entrepreneur)
- Rapid development of the simplest possible prototype ("Minimum Viable Product")
- Early market testing to get measurable customer feedback
- Learning-by-doing

The customer is always the center of the business and his needs have top priority in business model development.

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Classic methodology

A big iteration until delivery

Customer satisfaction,
Iteration length

high

low

Analysis

Design,
Implementation,
Test

Delivery,
Commitment

Maintenance,
Troubleshooting

time

Classic Project

A	nalysis
D	esign
D	evelopment
T	esting
D	elivery

Project duration

Characteristics
- Sequential procedure
- Phase controlled
- Items are often developed separately and compound late

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Agile Methodology

Many small steps are the biggest success factor of the agile approach

Characteristics
- Fast Feedback
- Iterative (fail fast, fail often)
- Incrementally (product grows) → Items work together from the beginning
- Wide range of tasks for the implementer
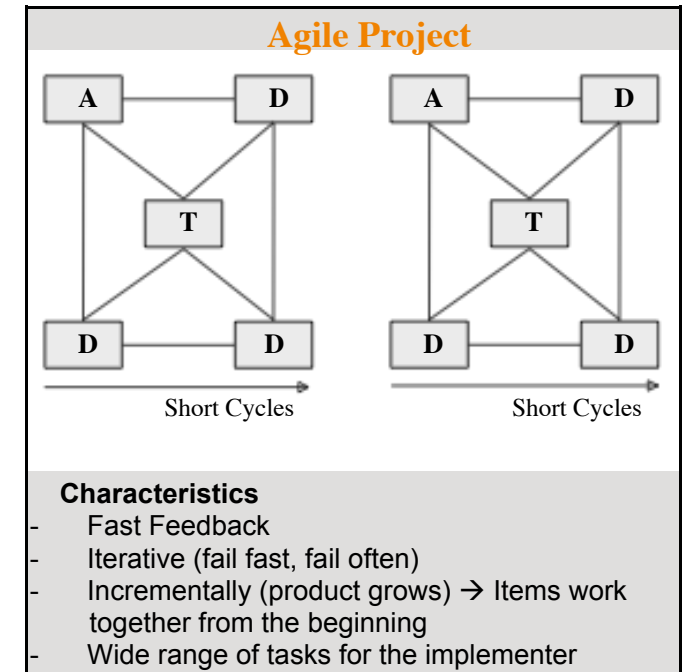
The agile approach relies on a high degree of personal responsibility of the development team and requires a rethinking of the stakeholders.

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Innovation LAB
Internal accelerator for innovation projects from all over DZ BANK Group
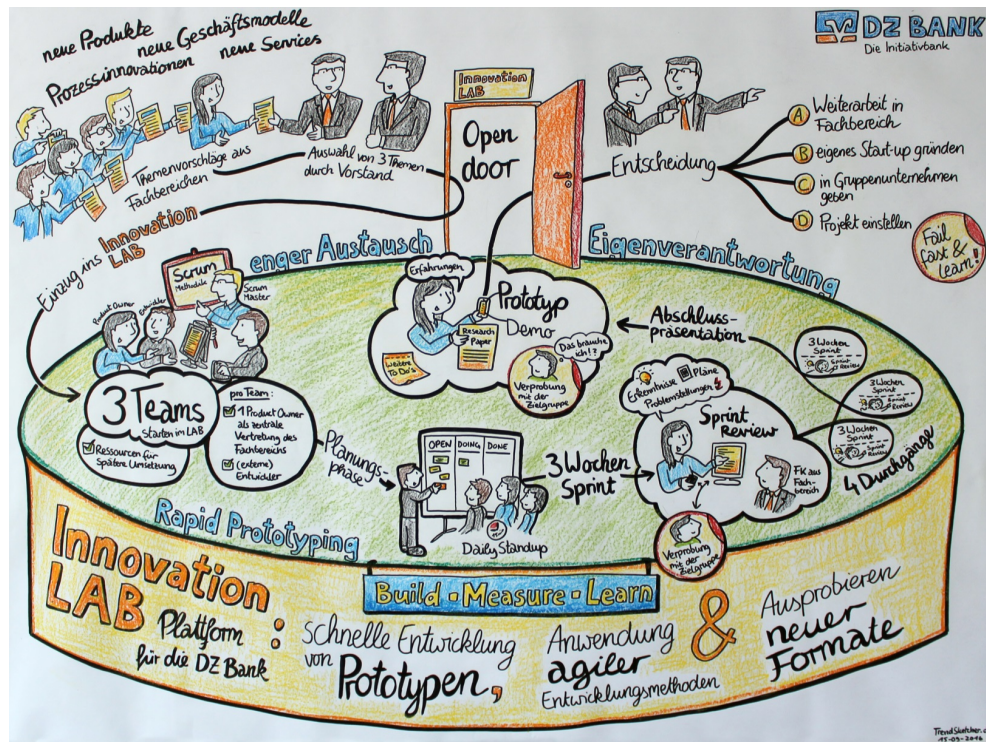
Selection
- Application by business units / subsidiary companies
- Board selects two to four projects for the LAB

Team
- Product Owner from applying business unit in full- or part-time
- Up to two external developers
- Support from Scrum master and innovation coaches

Method of operation
- Agile development based on Scrum in sprints
- "Build → Measure → Learn" process allows for customer-centric development / continuous iterations based on customer feedback
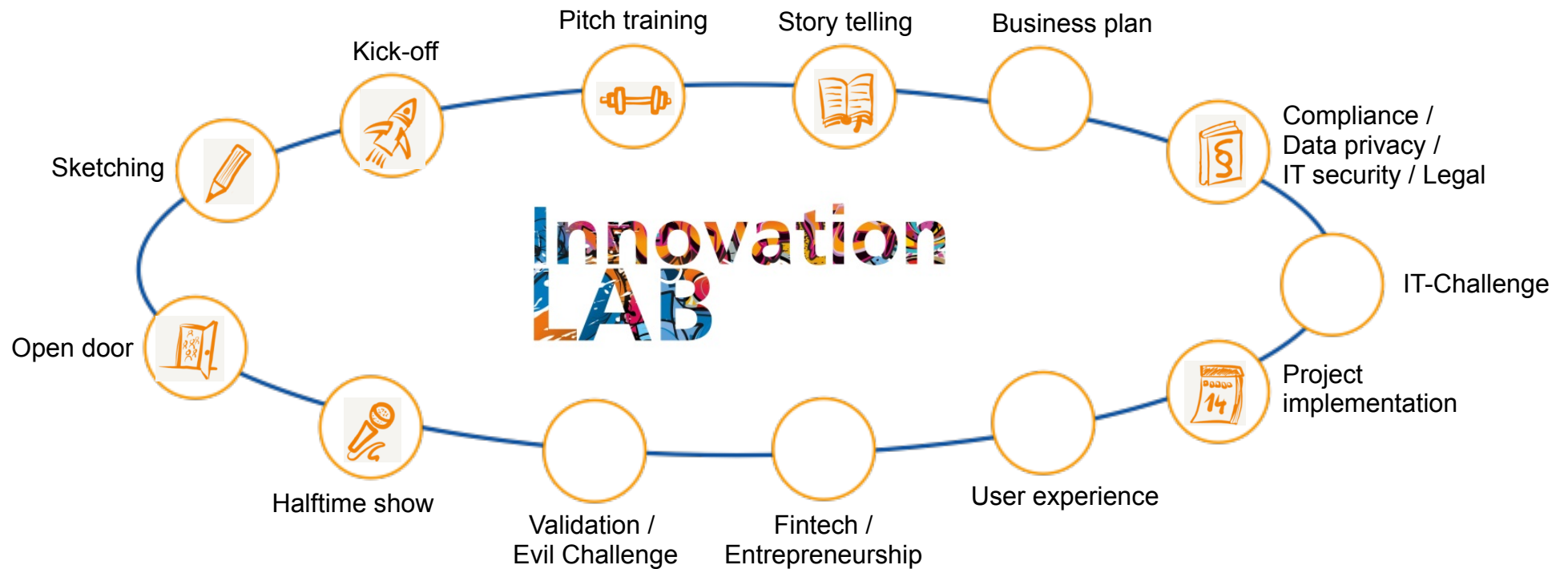
Output
- Development of prototypes
- Research paper and viable business case
- Pitch in front of the board presenting possible further developments

▶ **Teams can apply to move into the Innovation LAB for a time frame of three months. Currently the ninth batch of teams is working in the LAB.**

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Innovation LAB

Entire range of workshops and coaching

In the style of successful startup-accelerators, the teams in the Innovation LAB are offered a well-structured and closely interleaved program of various events, workshops and coaching in order to support the product owner and their projects in the best possible way.

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Innovation LAB of the DZ BANK Group (1/2)

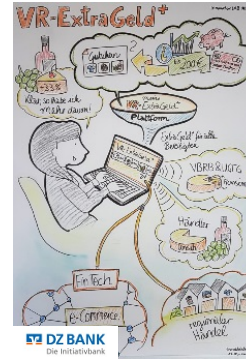## The topics at a glance

VR-Farming 4.0

VR-FINANZGUIDE

InGen

VR-EXTRAPLUS

InsureBOX

VR InitiativNavigator

VR GeschäftsNavigator

HUGO

LUISA

fymioEcho

bankomoLending

PasstGenau

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Innovation LAB of the DZ BANK Group (2/2)
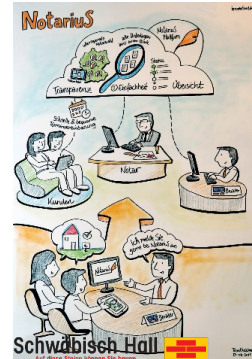## The topics at a glance

GPdirekt

1tract

NachfolgePortal
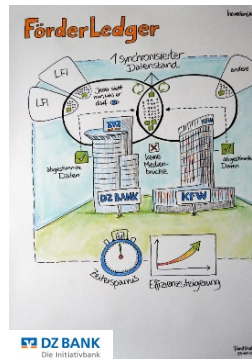

NotariuS

ViTT

SalesCockpit

UDO!

DZ iReport

FörderLedger

SmartDerivativeContract

FördermittelDialog

ESGlocate

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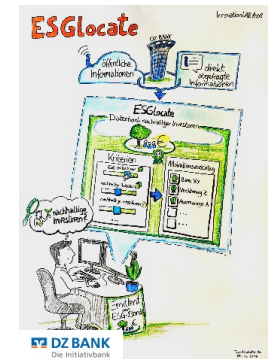
Facts about the Innovation LAB

First six solutions went live

24 teams in the LAB as of now

8 batches completed

>1.500 visitors to events such as open doors and demo days

about **50** colleagues have been certified in agile methods and will serve as prospective multipliers in the group

in **3** months from an idea to a working prototype

5 collaborations with fintechs / startups

2 projects cancelled; **19** former LAB projects are being further developed

already **6** solutions live; **9** expected in **2019**

>100 banks from the cooperative financial network have helped testing prototypes

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Success factors
Lessons learned from the Innovation LAB's five batches

Commitment of business unit
Further development after LAB is secured

Agile development
Speed and efficient allocation of resources

Lack of gadget
LAB as an engine room, not a playground

Interdisciplinary teams
Thinking outside the box

Transparent communication
Encouraging dialogue, improving innovative culture

Internal accelerator-program
Various workshops and coaching sessions

Open space
Exchange of information between teams and the organization

Absolute customer focus
Integrating customers in the process and challenging one's beliefs

Innovation LAB

Icons made by Freepik, Madebyoliver, Eucalyp, Becris from www.flaticon.com

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Thank you very much

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Backup

Current (Fintech-)cooperation in DZ BANK Group

Spin-offs

VR-SMARTGUIDE

VISUALVEST

BAUFINEX

WILHELM
DER SMARTE VERSICHERUNGSSPEZIALIST

Investments

Architrave
High Performance. Simply Delivered.

paydirekt
sicher. einfach. direkt.

Selected collaborations

aircloak

Barzahlen
Online bar bezahlen

crossinx.
cloud document exchange

compraga
kaufen + zahlen

HYPOPORT

FastBill

figo

microblink

giroxx

IDnow

ripple

SENSAPE
Interactive Infotainment

virtualQ
THE WAITING SERVICE

finstreet

optiopay

DigiSigner

Overarching Cooperation

TechQuartier

PLUGANDPLAY

SPINLAB THE HHL ACCELERATOR

InsurLab Germany

GTEC | German Tech Entrepreneurship Center

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Scouting trends, sharing know-how and strengthening innovation culture

Trainees as Trendscouts at DZ BANK

Objective and tasks

- Monitor trends and technologies
- Share know-how within the bank
- Promote and strengthen innovation culture

Activities and measures

Creative Job Poker
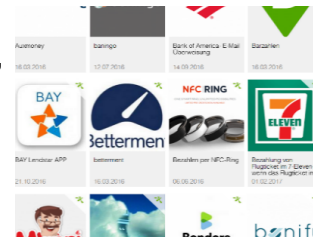Quickly develop creative ideas seven batches, 210 participants

Social Media Workshops
Workshops for beginners, experts and professionals

Presentations
Presentations on trends and technologien three batches, 200 participants

Innovation radar
overview on trends, technologies and initiatives

Innovation day
Innovation fair at DZ BANK 160 participants

Innovation blog
publishing of aticles every week more than 100,000 views

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