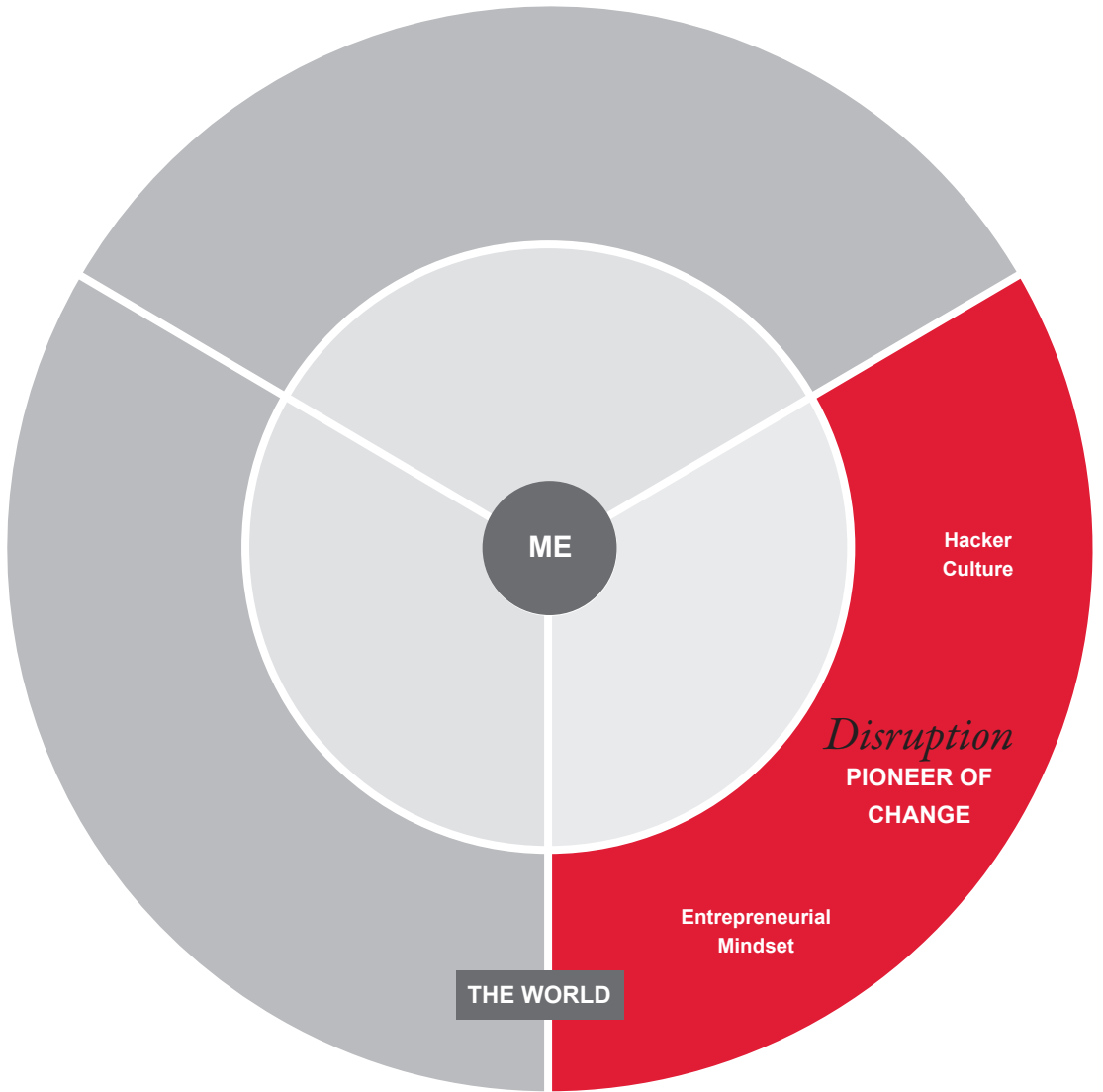


# PIONEER OF CHANGE



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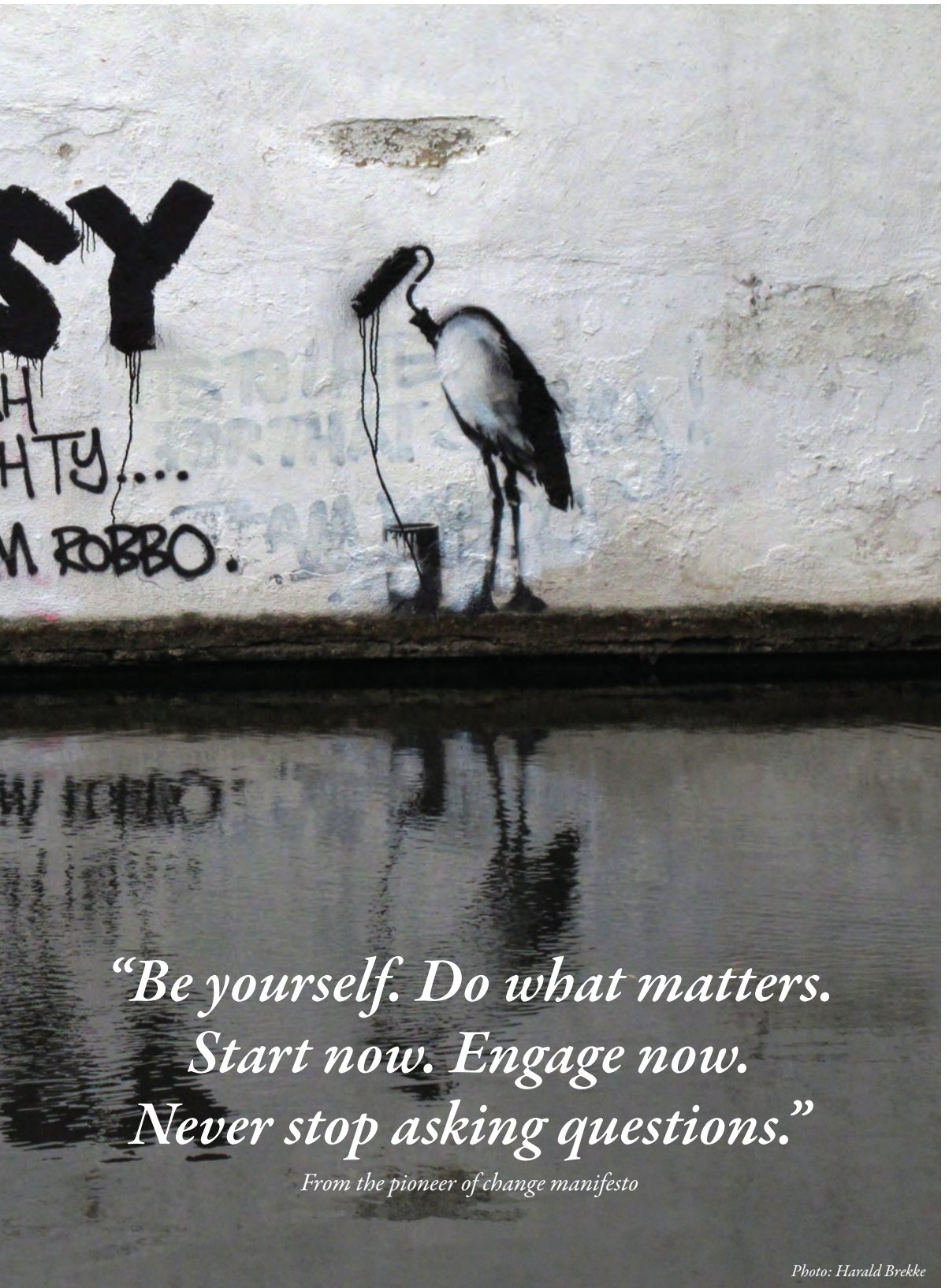
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**BANKS**

HE'S NOT THE MESSIAH  
HE'S A VERY NAUGHTY

ROBBER-TEACHER



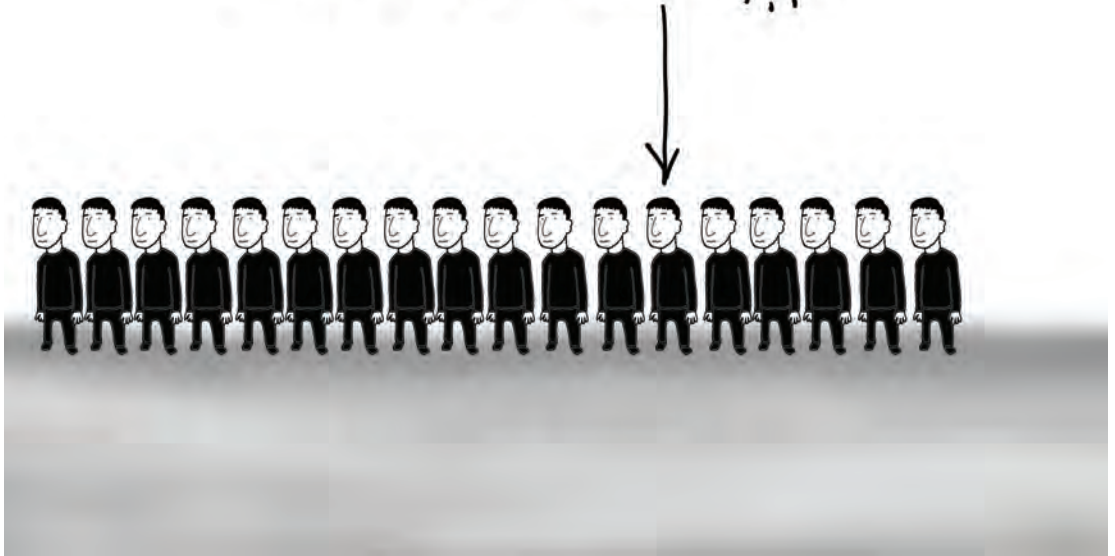


*“Be yourself. Do what matters.  
Start now. Engage now.  
Never stop asking questions.”*

*From the pioneer of change manifesto*

*Photo: Harald Brekke*

Bob is changing the system  
FROM THE INSIDE !!!



## EMOTIONAL DRIVER: DISRUPTION

Thanks to connectivity and affordable technology, people around the globe can operate alone or form loose-knit alliances to become **Pioneers of Change**. They are creating the future they aspire to by challenging and **disrupting** the system they belong to.

## DEFINITION: PIONEER OF CHANGE

People don't just analyse and critique their immediate environment - they identify with the whole world and the whole world matters. They are able to see the benefits or drawbacks of different local systems and to pick and choose what they want to see happen in their own environment. For **pioneers of change**, it's no longer 'them and us' – just 'us'.

Lacking trust in the 'establishment', people aspire to self-reliance and look for tools to enable them to achieve independence from the systems and institutions they perceive as tying them down. With constantly evolving technology, they can connect with others – or work alone - to bring about change in both their own societies and those far away. **Pioneers of Change** hold a global mindset but also have the know-how to bring about innovation and change at a local level. These '**positive deviants**' do not merely talk or blog about change, they make it happen. If the connected world used to represent a **think-tank** it is now being transformed into a **do-tank**.

In this do-universe, everyone is a plucky entrepreneur or displays a **Beta Mindset**: people are becoming resourceful to negotiate and navigate changes in today's climate of uncertainty. Trial and error suits them fine, and they enjoy risk-taking and creative approaches – as individuals, as networked pioneers and as agile businesses – and all have highly adaptable ideas.

In tangent, we're experiencing an emergent and benevolent **Hacker Culture**, which goes against the grain of established practices. Hacking and mashing up products and services has become a business practice in its own right. Others are 'hacking for good' by exposing the wrongdoing of corporations and institutions. Led by **positive deviants**, they seek to create a global creative society that everyone can benefit from and that is appropriate for the planet.

The **Entrepreneurial Mindset** and **Hacker Culture** are relishing independent thought, embracing change and inspiring pioneering business models.

*“These ‘positive deviants’ do not merely talk or blog about change they make it happen.”*





## INSIGHTS

**FLEXI BIZ:** *“Our current environment is defined by a completely new set of circumstances. Today it’s very much about responding to the context and being flexible with your business idea.”*  
*Michael Obrist, Feld72*

**POSITIVE DEVIANTS:** *“This is what positive deviants do. They work around perverse policies and rules, bringing others along with them. And they are out there.”*  
*Sara Parkin, Founder Director, Forum for the Future - December 8, 2010*

**BETA MODE:** The internet and media have made entrepreneurship more visible and more heroic. It has been hard to miss the triumph of the junior entrepreneurs behind Facebook, Twitter and Google. After a decade or so of start-up mania, that plucky mindset has now migrated out of the purely virtual realm and into the everyday material ideas.  
*Betapreneurs LS:N Global 2010 (en.wikipedia.org/wiki/Software\_release\_life\_cycle)*

**IDEAS IN BETA MODE:** A new entrepreneurial mindset is taking hold. It’s about an understanding of business and possibility that is formed entirely by knowledge of the web, the digital world and the power of launching ideas in beta mode. *Betapreneurs LS:N Global 2010*

**HANS ROSLING & GAPMINDER FOUNDATION:** Significant innovation in infographics transforms reams of economic and public-health data into gripping stories. Gapminder was acquired by Google and is partly available under Google Motion Chart. Rosling says *“I had to become the Robin Hood for free data.”* *The Economist, December 11, 2010*

**REWRITING THE RULES:** With brave innovation as their mantra, our Betapreneurs are rewriting the rules of 21st-century commerce, doing anything but ‘more of the same’ – much in the way today’s established companies once did when they were starting out.  
*Betapreneurs LS:N Global 2010*

**REDEFINE THE LIMITS:** The Betapreneur landscape is full of these quirky, counterintuitive business ideas that start small with minimum capital investment, yet are redefining the limits of retail, food, fashion, hospitality, beverage, design, marketing and branding formats. *Betapreneurs LS:N Global 2010*

**BETA NETWORKS:** It’s Networks that are a crucial part of the testing process. The second rule of the Betapreneurial approach, just as in the software development world, is to have a network ready to test the success of the project. The Betapreneur is therefore deeply involved in a product’s ecosystem. He or she creates the product or service for a niche community and is heavily reliant on feedback from those individuals. *Betapreneurs LS:N Global 2010*

# THE ORIGINAL COPY



## FACTS & FIGURES

- 75% of the Fortune 500 companies started in a recession. *The Kauffman Foundation 2010*
- In 2007, the last pre-recession year, young entrepreneurial firms accounted for two-thirds of the economy's new jobs. *The Kauffman Foundation 2011*
- Roughly 25% of successful high-tech startups over the last decade were founded or co-founded by immigrants. *The Kauffman Foundation 2011*
- On average, one-year-old businesses create nearly one million new jobs a year, while ten-year-old firms generate just 300,000. *The Kauffman Foundation 2011*
- Facebook Founder Mark Zuckerberg is now known as a young billionaire who made his debut in 2004 at the age of 19 years. He is also a philanthropist who donated 10 mill US\$ for schools in the district of Newark NJ. *bybusiness.net 2010*
- Start-up activity in 2009 among jobless managers and executives reached a four-year high in the US, up 69% from 2008. *Challenger Gray & Christmas 2009*
- "In 10 or 20 years, the idea of the network will be as powerful as the idea of the free market versus the government. It will constitute the 3rd component in economic models." *Matt Mason, The Pirate's Dilemma 2010*
- A loose coalition of more than a dozen small parties and activist groups had issued a Facebook call for a 'day of rage' to coincide with Police Day on January 25th, recently declared a national holiday. Some 80,000 Egyptian web-surfers signed up, pledging to march on the streets to voice demands for reform. *The Economist, December 29, 2010*
- Twitter reaction upon government cuts, UK Uncut: [ukuncut.org.uk/press](http://ukuncut.org.uk/press)

1

*The Original Copy - Photo: Kjaer Global*

2

*Creative Hub Culture in New York - Photo: Kjaer Global*



## SUB-TREND: ENTREPRENEURIAL MINDSET

Jobs cuts, salary cuts and hiring freezes have contributed to a new wave of ‘change agents’ who are challenging the established dynamics of business. With a **Beta approach**, this group see entrepreneurship as a way to further and create their ideal career.

Alongside the rise of social enterprises - small, flexible and niche businesses are flourishing. With tiny start-up costs, thanks to the prevalence of technology and the ability to re-write the rules, these new entrepreneurs have high ambitions for creating sustainable success. Inspired by start-ups like Foursquare, Skype and Spotify, they see no barriers to innovation and no limit to their potential for growth.

This is confirmed by Richard Rumelt from McKinsey & Co who recently said: *“In times of structural break, it is those who take advantage of the fact that old patterns have vanished and new ones emerge who will be the ones to succeed. The wrong way forward in a structural break is to try more of the same.”*

The Betapreneur understands that perfection is no longer a prerequisite. As long as the idea is good and underpinned by passion it can survive. Being original is a key factor in the **Entrepreneurial Mindset**. Finding something not yet catered for or simply creating new needs is the way forward.

*“In times of structural break, it is those who take advantage of the fact that old patterns have vanished and new ones emerge who will be the ones to succeed.”*



## INSIGHTS

**DEDICATED TO ENTREPRENEURSHIP:** *“There’s a whole different animal out there. Today it’s about experimenting and testing ideas out, not getting caught up with a 200-page business plan.” Karen Wilson, senior fellow Kauffman Foundation, the Missouri organisation dedicated to entrepreneurship*

**THE MARKET DECIDES WHAT IS RELEVANT:** The first rule of the Beta mindset is to realise that it’s fine to produce something that is still in development – something that isn’t yet perfect. The market will decide what works and what doesn’t. *LSN Betapreneurs, 2010*

**OPEN-SOURCE MINDSET:** *“There’s been a culture shift. In the past, people were tight with their business ideas – they had more to risk on experimentation. But today, we work collaboratively, with an open-source mindset, we crowdsource, we tap into existing communities and, for that reason, we have less to lose.” Gary Vaynerchuck, Crush It, a Betapreneurs’ bible on turning a passion into business*

**VIRTUAL WORLD FATIGUE:** *“The stuff that digital technologies have catalysed online and on screens is starting to migrate into the real world of objects. Ideas and possibilities to do with community, conversation, collaboration and creativity are turning out real things, real events, real places and real objects.” Russell Davies*

**BIG SOCIETY BANK:** *“This is a change in mindset, a change in approach, it’s bringing entrepreneurship to social issues and it’s never happened before. Even if you got banks to donate lots of money philanthropically, it wouldn’t achieve that. The organisation Big Society Bank reflects a change in approach which empowers entrepreneurs to deal with UK’s social problems.” Sir Ronald Cohen Business Zone interview - February 2011*

## FACTS & FIGURES

- The fastest-growing company on the 2010 Inc. 5000 list is a Dallas-based energy retailer called Ambit Energy. It was founded early 2006 and in 2009, it recorded revenues of \$325 million. *State of Entrepreneurship - Kauffman Foundation 2011*
- French street artist JR doesn’t believe in corporate sponsorship so he funds the endeavors himself. However he was recently, and unexpectedly, bestowed the 2011 TED prize, an honor that comes with \$100,000. *BoingBoing by Xenii Jardin - February 2011*
- Exeter Local Food Ltd is close to raising £135,000 from about 200 people to set up a ‘Real Food’ store, bakery and café in the city, sourcing produce from local farms. *Judith Schwartz, Green Futures*

1

*‘The Wrinkles of the City’ by French street artist JR in Venice, CA 2010 - Photo: Shannon Cottrell*

2

*Betapreneurs proto typing a project 2010 - Photo: Tina Dhingra*





## SUB-TREND: HACKER CULTURE

People are increasingly challenging governments and corporations through the creation of 'hacking networks'. This is '**Hacking for good**', led by groups and individuals referred to as positive deviants. These are Generation D - digital natives - individualists with unorthodox but successful behaviours or strategies, fuelled by unconventional thinking and approaches to problem solving.

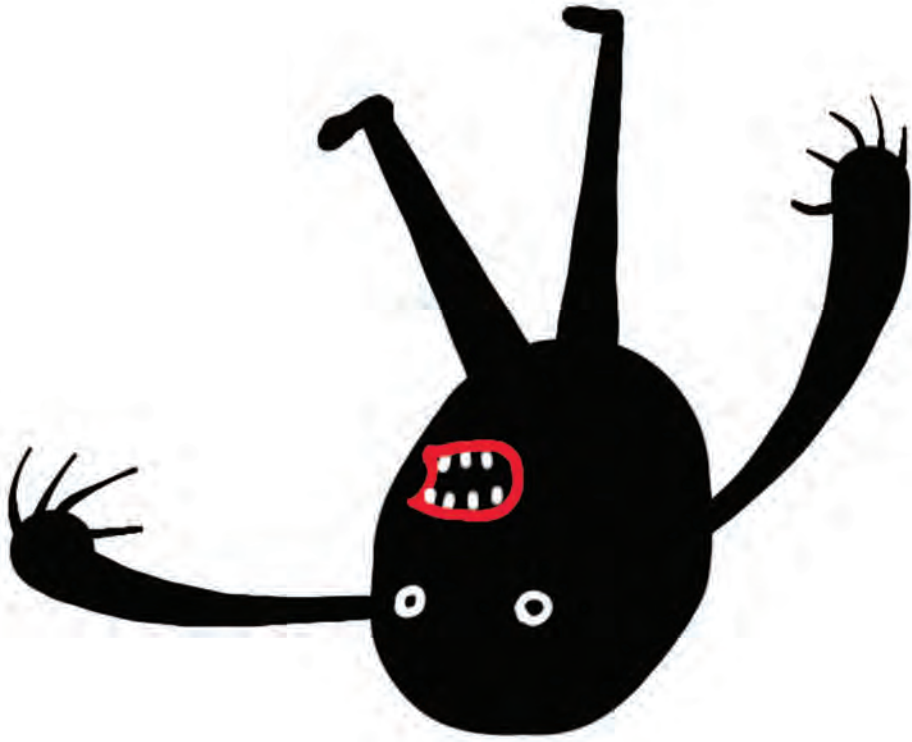
Working tirelessly to challenge the system, they possess the '**Weapons of Mass Disruption**' and know that the process of hacking has potential to create paradigm shifts. Hackers improve technology by deriving new uses; they enhance the security of managing data by showing up its flaws; they make business systems better by testing their limits.

Hacking is becoming a business and innovation model. Entrepreneurial benchmarks like Google and Facebook are actively encouraging and growing hacker culture because they recognise that the most vigorous ideas of tomorrow will emerge from hackers of today.

More and more organisations now hold '**hack days**' – free for all, no-idea-rejected innovation sessions. This mode of innovation brings people from a variety of disciplines together with software developers and creative technologists to, as they put it: "**make interesting new things**".

The benefits of these hacker sessions are two-fold. They help contribute to the greater good of the entrepreneur community and give both founders and developers access to inside resources and APIs (application program interface).

*“Working tirelessly to challenge the system, they possess the ‘weapons of mass disruption’ and know that the process of hacking has potential to create paradigm shifts.”*



## INSIGHTS

**CYBERSECURITY:** US army employs teens for country's cybersecurity. *Wired 2010*

**HACKER EVENTS:** As part of the launch of Startup America, a national campaign to 'celebrate, inspire, and accelerate high-growth entrepreneurship in the US', Facebook has announced a new initiative called 'Startup Days.'

**GEN D(IY):** Used to hacking, 'modding' (modifying) and personalising their virtual worlds, Gen Ds will expect customisation in the real world too. *"These fully-fitted digital fabrication workshops make everyone in the community, including small children, capable of turning ideas and concepts into reality."* *Neil Gershenfeld, head of CBA Center for Bits and Atoms, MIT*

**HACK YOURSELF A MAC:** If you can't afford an Apple Mac, no problem. Communities at dxvuser.com and nextgenboards.com can show you how to load the Mac OS onto a cheap netbook, to make your own 'Hackintosh'. *LS:N Global 2010*

## FACTS & FIGURES

- When technology is not fit for purpose, Generation Ds 'mod,' as in modify, or hack it: one in six (16%) of US teens hack computers and phones. Of those who do, 34% had started by age 13, 84% by age 16. *"They want everything their way because it's what they're used to."* *Teenage Hacking Habits survey by Tufin 2010*
- Microsoft's Kinect software is open-source and now hackers are putting the technology to ever-more inventive use. With 8m controllers sold in 50 days, it is the "fastest-selling gadget" ever. Previous holder was Apple's iPad with 3m sold in 80 days, and 7.4m by the end of September 2010. *The Observer, January 16, 2011*
- Members not only create content, but debate, comment, 'friend' and rate the things they see. They ask others to rate and subscribe to their content. 7 out of 10 (72%) say they are willing to friend a brand in Habbo Hotel compared to 1 in 4 (40%) of adults on Facebook. They are much more likely to 'friend' a brand. *Betapreneurs LS:N Global 2010*
- Technology offers a platform for strong growth. It reduces start-up costs, broadens networks of expertise and brings clients from across the globe. The punk capitalists are arriving, experimenting, testing ideas and launching high-growth businesses with less than £1,000. *Betapreneurs LS:N Global 2010*

1

*Gen D(IY) - Illustration: Alfred Brekke*

2

*Move: Choreographing You - Hayward Galley London 2011 - Photo: Harald Brekke*



## CASE STUDY: PIONEERS OF CHANGE NETWORK

Pioneers of Change fosters understanding, capacities and relationships needed by young people committed to creating the change they want to see in the world. Pioneers of Change is a global learning network founded in 1999, by a group of people from 16 countries and now includes participants from around the world all adhering to the following 5 principles.

**1. BE YOURSELF:** It is up to each of us, as moral beings, to decide how to act and to freely form our contribution to the whole.

**2. DO WHAT MATTERS:** The world needs us more than ever. It needs pioneers to be treating problems at the root causes, not just the symptoms, to be making change at a systemic level.

**3. START NOW:** The future is created by how we live now. It is not necessary to compromise who we are in the present, or to wait to take off the lid that is keeping us from allowing our creative expression to be put to use in areas that matter to us and the world.

**4. ENGAGE WITH OTHERS:** Connect with something bigger than yourself. Search for those who are working on similar or related things, share ideas with them. Engage across diversity, for that is how we learn.

**5. NEVER STOP ASKING QUESTIONS:** Understanding is constantly evolving, and there is always the possibility of future discovery. As Einstein said: *“No problem is solved from the same consciousness that created it.”* [pioneersofchange.net/](http://pioneersofchange.net/)



THE FOUR ROOMS OF THE

# MILLION DONKEY HOTEL

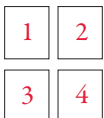
PRATA SANNITA INFERIORE (CE), ITALY



## CASE STUDY: START SMALL THINK BIG

*“Our current environment is defined by a completely new set of circumstances. Today it’s very much about responding to the context and being flexible with your business idea.”* Members of the local community run the Million Donkey Hotel as a rather rough boutique hotel, and guests are invited to pay whatever they think their stay is worth. *“We went into the project as a bit of an experiment. Lateral thinking is what defines our mindset.”* [milliondonkeyhotel.net](http://milliondonkeyhotel.net)

*“Today it’s very much about responding to the context and being flexible with your business idea.”*



*Images: 40 volunteers of Prata Sannita transform these spaces into a non-commercial ‘Hotel’*

# METRO BANK

## PROMISE

- SURPRISE & DELIGHT  
EVERY CUSTOMER
- DELIVER UNLIMITED  
CONVENIENCE
  - 7 DAY BRANCH BANKING
  - ONLINE BANKING
- NO STUPID BANK RULES
- SATISFACTION GUARANTEED





## CASE STUDY: METRO BANK

Metro Bank has promised to revolutionise the British banking experience by offering retail opening hours, unparalleled service and a range of products it pledges are suitable for everyone. It has also promised customers that it will take just 15 minutes to open an account in one of its branches - including obtaining a credit or debit card, which will be printed in store.

Metro Bank plans to expand its network to more than 200 outlets within the M25 during the next decade. *“We think of ourselves as a retailer and want to improve the experience people have in banks.”*

The mission to make banking a more pleasant experience extends as far as having lavatories for customer use in branches, as well as allowing dogs inside and providing them with a bowl of water and a bone. The group will also have free coin-counting machines in branches, which can be used by both customers and people who do not bank with it, as well as safe deposit boxes that can be rented out for £100 a year. [metrobankonline.co.uk/about-us/](http://metrobankonline.co.uk/about-us/)

1

*The Metro Bank Promise - Photo: Metro Bank*

2

*Metro Bank interior detail - Photo: The Guardian*



CULTURE

PHITIDE

HACK DAY

CULTURE

PHITIDE

## CASE STUDY: CULTURE HACK DAY 2011

Culture Hack Day was an event that took place over the weekend of 15-16 January 2011, bringing cultural organisations together with software developers and creative technologists to make interesting new things. *Video: [culturehackday.org.uk](http://culturehackday.org.uk)*

*“...bringing cultural organisations together with software developers and creative technologists to make interesting new things.”*

1

*Culture Hack Day 2011 - Photo: [flickr.com/photos/rooreynolds](http://flickr.com/photos/rooreynolds)*

2

*Logo design: Dean Vipond*



## CASE STUDY: POETICS OF HACKING

The amazing device for Xbox 360, Microsoft Kinect has been hacked before to work partially with Windows and Mac OS X with some open source drivers. Now, the Microsoft Kinect has been used to create a digital shadow puppet show.

Emily Gobeille and Theo Watson used the Kinect controller which was hacked and connected to a laptop using the open source Kinect drivers. *Video: [bit.ly/bb5HJq](http://bit.ly/bb5HJq)*

**MORE KINECT HACKS:** Kinect hackers take control of the action. A collection of Kinect hacks, including air guitar, animated puppets and a virtual piano. *[guardian.co.uk/technology/2011/jan/16/microsoft-kinect-software-hacks#history-link-box](http://guardian.co.uk/technology/2011/jan/16/microsoft-kinect-software-hacks#history-link-box)*

*“...the Microsoft Kinect has been used to create a digital shadow puppet show.”*

1

*Emily Gobeille and Theo Watson demonstrating the digital shadow puppet show*

2

*Theo Watson hacked the Kinect controller and connected it to a laptop using the open source Kinect drivers*



## CASE STUDY: GOOGLE DOCS, CLOUD CONNECT

Google have taken steps to grow the role of Google Docs beyond just an online supplement to Office - and, in doing so they are directly invading Microsoft territory.

The search giant has launched a new tool to sync Microsoft Office with Google Docs, creating a seamless transition from one program to the next. The tool is called Cloud Connect and the plugin installs to the toolbar of any Office application, whether Word, Excel or PowerPoint, and enables users to 'share and simultaneously edit' documents. Using the Google plugin, all files and revisions are synced to the cloud and continuously backed up through Google.

Rather than try to reinvent the wheel, Google is aiming to better integrate itself with market leader Microsoft by doing what it does best: cloud computing and real-time collaboration. As an ad for the new plugin says: *"You gain all the benefits of the cloud without learning anything new or updating existing software."*

If the product were ever to become popular, it'd be a huge branding coup for Google: a Google toolbar incorporated prominently into one of Microsoft's most ubiquitous programs.

VIDEO: [bit.ly/eA3H2X](http://bit.ly/eA3H2X)

*"Rather than try to reinvent the wheel, Google is integrating itself with market leader Microsoft by doing what it does best."*

1

*Google, a threat to Microsoft? Illustration by Daryl Gagle*

2

*Google Cloud Connect Plugin - seamless integration of Google Docs into Microsoft Office by Google*





## CASE STUDY: WANTED: YOUR IKEA HACKS

We just can't leave IKEA alone, can we? Hacking, personalising, repurposing IKEA products into the very thing we want is the new thing. All the IKEA hackers love sharing their creation with others. If you have an IKEA hack you would love everyone to see - simply post it. *Blog: [ikeahackers.net](http://ikeahackers.net)*

*“Hacking, personalising, repurposing IKEA products into the very thing we want is the new thing.”*

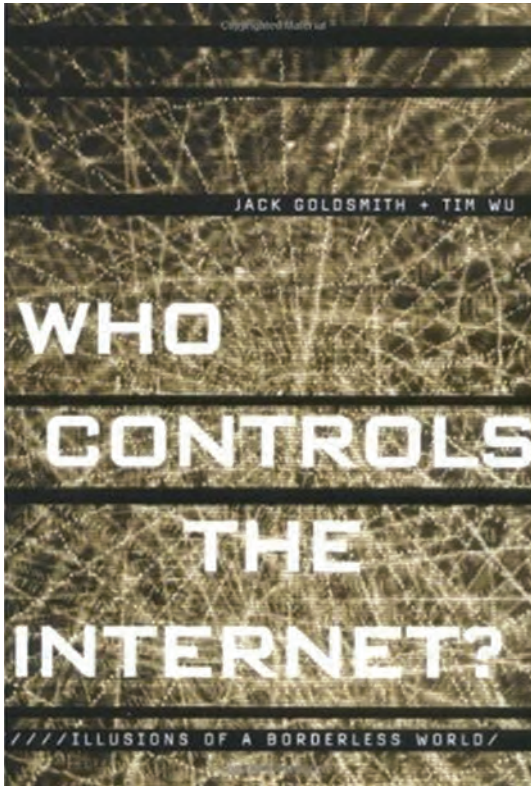
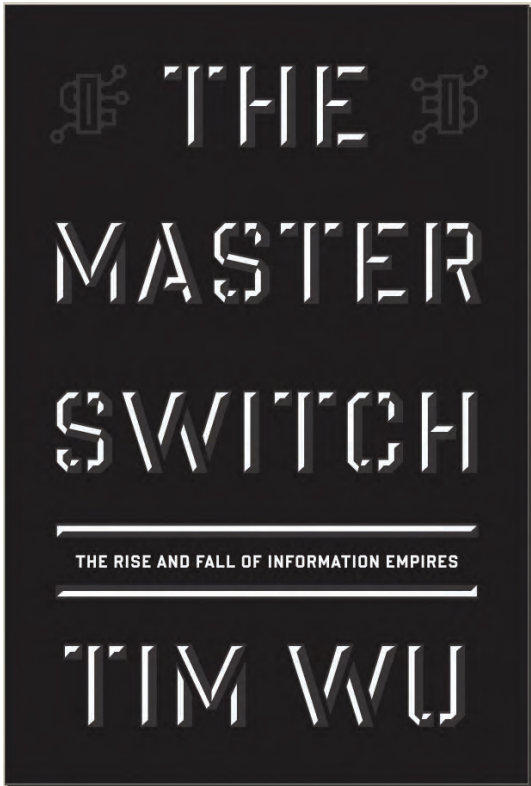
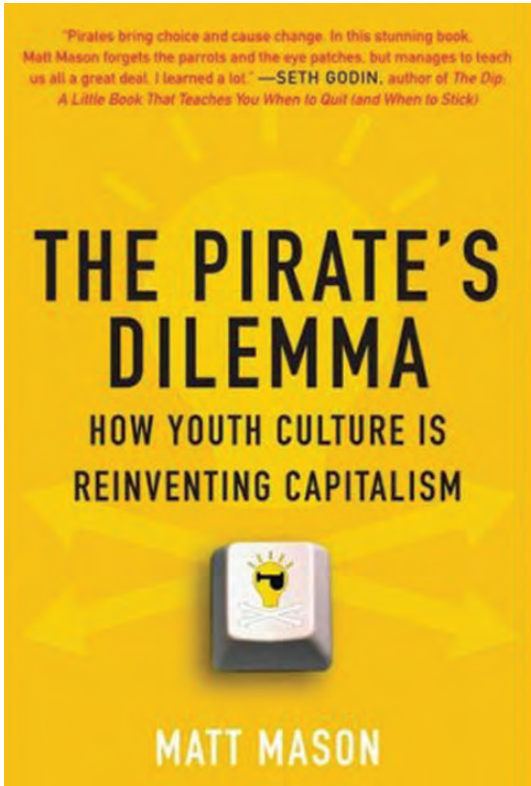
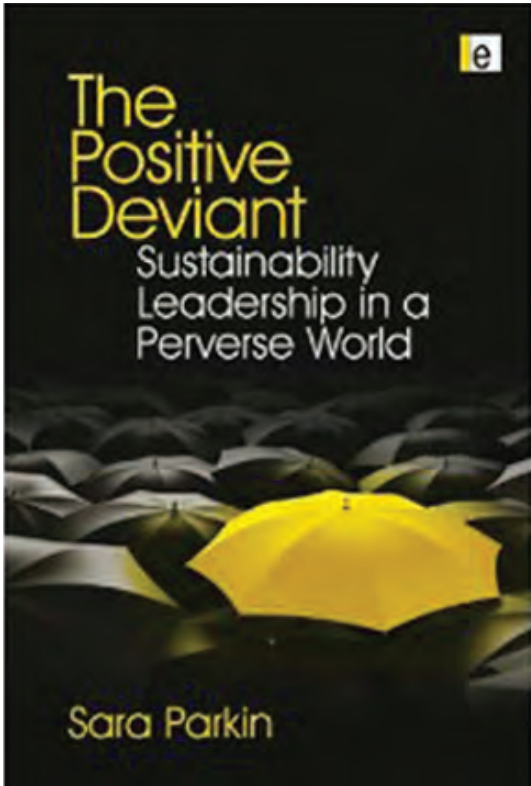
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*IKEA hacker*

2 3

*IKEA Hacker Style: Laptop Desk 2011*

*IKEA Hacker Style: Bedroom dress boys 2010*



## INSPIRATIONAL SOURCES & CASES

**THE POSITIVE DEVIANT:** Sustainability Leadership in a Perverse World by Sara Parkin. We need the best possible leaders to guide us on to the path of a sustainable future. A 'how-to' guide to sustainability leadership. [earthscan.co.uk](http://earthscan.co.uk)

**THE PIRATE'S DILEMMA:** How Youth Culture is Reinventing Capitalism by Matt Mason. Pirates are innovators, they signal market problems and lead the way to new business models. Nevertheless, they are tagged as thieves by many. [Download Book: thepiratesdilemma.com/download-the-book](http://thepiratesdilemma.com/download-the-book)

**THE MASTER SWITCH:** The Rise and Fall of Information Empires (2010) by Tim Wu. The time perception of communications and IT 'progress' is paradoxical. Wu examines this paradox by asking whether the Internet truly is different? [jbking.com](http://jbking.com)

**WHO CONTROLS THE INTERNET?** Illusions of a Borderless World by Tim Wu and Jack Goldsmith. The authors present some of the most prominent individuals, ideas and movements that have played key roles in developing the Internet. [slate.com/id/2131182/](http://slate.com/id/2131182/)

**THE PIONEERS OF CHANGE:** We will, in an on-going process, develop the commitment, understanding, and a network of relationships to create or transform systems that they may come to serve Life. [pioneersofchange.net/](http://pioneersofchange.net/)

**METRO BANK:** The Metro Bank - an alternative to the traditional banking experience. It aims to 'ease the troubles and inconveniences of banking by tailoring its services to match the ways in which people actually use banks'. [metrobankonline.co.uk/about-us/](http://metrobankonline.co.uk/about-us/)

**HACK THINGS BETTER:** "I don't want to buy new stuff all the time. I want to hack the stuff I already have so it works better for me." Jane, inventor of Sugru. [sugru.com](http://sugru.com)

**MIX YOUR OWN FREE MUSIC:** They find new music for free too, from Internet radio and streaming sites such as Grooveshark, Jamendo ([jamendo.com](http://jamendo.com)), Jango ([jango.com](http://jango.com)), StumbleAudio ([Stumbleaudio.com](http://Stumbleaudio.com)) and TubeRadio ([tuberadio.fm](http://tuberadio.fm))

**PALANTIR:** This platform integrates, visualises and analyses the world's information by supporting a variety of data including structured, unstructured, relational, temporal, and geospatial. [palantirtech.com](http://palantirtech.com)

**GETITMADE:** Innovators with a product idea can test the market and use social networking to generate pre-sales and get the product made. Getitmade invite innovators to take their ideas to the production stage by pre-selling on getitmade to raise money. [getitmade.com](http://getitmade.com)

1	2	<i>Image: The Positive Deviant</i>
		<i>Image: The Pirate's Dilemma</i>
3	4	<i>Image: The Master Switch</i>
		<i>Image: Who Controls the Internet?</i>



## LATAM: (Brazil and Mexico)

## KEY MARKETS



EUROPE: (UK, Spain and Germany)



## IMPLICATIONS

*“Undermine their pompous authority, reject their moral standards, make anarchy and disorder your trademarks. Cause as much chaos and disruption as possible but don’t let them take you alive”.* Sid Vicious

Connectivity and technology have enabled people to become **Pioneers of Change**. This is positive for society, as individuals are becoming more engaged with the world around them and more connected to each other - forming networks of disruptive change.

Eric Schmidt, founder of Google talks about services such as Google Chrome, Google translate and YouTube as **Disruptive** innovations. These **Disruptive** innovations, according to Schmidt, enable people to create a more democratic world. With falling household incomes across Europe, people are looking for disruptive ways to achieve self-reliance. They embrace a hacker mindset where they are not afraid to try and do things for themselves.

As an organisation we have the opportunity to support people who want to challenge and question established systems and institutions. We can learn from **Pioneers of Change** how to embed a beta and open-source mindset into our organisational culture. It’s the challenger mindset that created the success of both the O2 brand and Telefónica’s ‘spirito de innovacion’ ethos – and this approach needs to be nurtured to engage in a credible manner with the **Pioneer of Change** mindset.

**Pioneers of Change** are not afraid to try and fail, which is essential to an innovative vision. They have a **Beta Mindset**, which we can learn a lot from. This has been the key to Google’s success – it updates its OS every 6 months and is not afraid to launch innovations almost on a monthly basis in beta versions. Brands such as Lego, Google and Apple, that have embraced **Disruptive** mindsets have built legions of fans. One recent example of embracing the **Hacking** movement from Microsoft - the XBOX Kinect Hacker – showed that embracing a disruptive movement can bring a broad following of evangelists to a brand. Similarly, the IkeaHackers concept, dedicated to ‘modifying and repurposing Ikea products’, has attracted a large fan base. As a global organisation, we need to create a culture that is open to crowd-sourcing and disruption to ensure we nurture the creative capital of our people and customers.

Additionally, as our mission is to become a sustainability leader, we have the opportunity to engage with positive deviants to create global and local change. Initiatives, such as **Think BIG**, are the perfect platform to engage with the positive deviant mindset. We can also link **Think BIG** to our open-innovation platforms such as **Blue Via** to harness the power of developers to create innovations.

As our measure of success is fandom, to create deep engagement with our customers, we need to provide them with products and services that allow them to become the **Pioneers of Change** they – and we – aspire to become.





## PIONEER OF CHANGE: UK

O2 entered the market in 2002, as a challenger brand, disrupting the category by innovating on a brand and business level. We have retained our challenger mindset, but now we need to ensure we capitalise on our disruptive heritage to engage with the **Pioneer of Change** trend. Demonstrating a point of view and a strong set of values, and showing how we can benefit customers' lives, especially as household incomes are falling, are key ways to win over **Pioneers of Change**.

BlueVia our global developer open-innovation platform - is proof that Disruptive customers are already willing to engage with the O2 brand. We need to grow our efforts to engage with this community to ensure we are perceived as an innovative brand. Setting up an O2 Vision & Hacker Lab with two annual showcases, like the Guardian event this January in Kings Place, could be another good way to engage with **Pioneers of Change**. Blue Via is already planning an event later this year in London to inspire and engage with this online community.

Furthermore, the Telefónica O2 UK **Social Media Tracker** provides invaluable insights into the mindset of the most prolific social media commentators. This enables us to build ties with influencers who have access to global networks. GiffGaff - our people-powered mobile network - is also an opportunity to engage with **Disruptive** and **Hacker Mindsets**. GiffGaff empowers consumers, especially from the lower income groups, to manage their mobile products and services on their own terms. The challenge is to create an ecosystem around GiffGaff that enables consumers to feel in control while retaining some kind of structure and organisation so that we can manage and improve the customer experience and grow our user base.

The government is supporting this by introducing an 'entrepreneurs' visa' to make it easier to hire top tech talent from abroad (Financial Times, 'East London marketed to rival Silicon Valley', 2010). For Telefónica O2 UK, this will increase the importance of creating more flexible services to ensure new entrepreneurs can access the technology they need. Another initiative is the East London Tech City, launched by Prime Minister David Cameron, to expand the existing cluster of Silicon Roundabout (Old Street) tech companies and create a world-leading technology centre. Members of our The LAB and Blue Via teams are already working from there.

The recession has given a push to the entrepreneur sector. Faced with the prospect of unemployment, UK citizens are starting their own businesses. Last year there was a rise of 12% in new companies compared to 2009 (Companies House, November 2010), and the increase in sole traders has pushed the number of businesses in the UK to a record high of 4.8m (BIS 2010). Telefónica O2 UK has the opportunity to support **Pioneers of Change** by providing products and services that suit consumers from all social demographics.

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*Open Shoreditch - Promotion of environmental needs, a not for profit company formed by local people.*

2

*Silicon Ditch, London's Silicon Valley - Photo: Time Falls Digital's photostream Flickr*



## PIONEER OF CHANGE: SPAIN

Spain has attractive conditions to nurture the **Entrepreneurial Culture**. Workforce productivity is good, with high quality professionals and global talent attracted by the quality of life. R&D is both low cost and globally competitive and it is a centre of excellence in software development. Additionally, it has a lower infrastructure cost base, pan-european commercial and exit possibilities and innovation, R&D initiatives and entrepreneurship are encouraged through fiscal incentives and subsidy programs.

When it comes to innovation in the public sector, Spain is also leading the way (Innobarometer 2011) - top when it comes to service-innovation (93%) and in new methods of communicating (87%). However, cloud culture and open innovation need to be embraced in order to work with the already innovative service providers in Spain.

Openness is extremely important in the creation of new business areas for Spain. It is the second most active country after the USA, with 9 out of 224 licenses distributed under the creative commons (Creative Commons Monitor, 2011).

As a champion for innovation, Telefónica has the opportunity to support entrepreneurs by offering them tailored packages and mentoring. Just as in the UK, Telefónica Spain could organise networking events for entrepreneurs, as well as strategic and development support. O2 could set up a 'Hacker Academy' or sponsor a division at the Esade Ilumni in Barcelona as this would help TiD tap into young talent.

BlueVia also enables Telefónica to engage with the **Hacker Mindset** and to harness the power of people who want to make a difference. In addition to this, embedding a **Beta Mindset** within our organisation could help us trial and test innovations with customers instead of trying to launch a product perfectly on our own. For TiD this could be a real opportunity to engage more closely with the wider organisation and our customers.



## PIONEER OF CHANGE: GERMANY

Historically, Germany hasn't nurtured entrepreneurship because working as an employee tends to be more attractive for individuals than starting their own business, with its associated financial risks and red tape. Therefore, in Germany, it is often '**necessity entrepreneurs**', who set up their own business because they see no other way to make a living. However, the new government initiative 'Gründerland Deutschland' (startup nation Germany) aims to increase the number of business startups and looks to California's Silicon Valley for inspiration.

A large catalogue of measures, ranging from PR campaigns to establishing a public-private venture-capital fund is proposed to **boost entrepreneurial spirit**. Chancellor Angela Merkel believes that encouraging start-ups can help propel the economy from crisis to sustainable growth. Forward-looking recommendations, such as how to move more effectively toward electric cars and the smart grid, rest on sobering assessments of government programmes, trends in technology transfer, and conditions for entrepreneurs and investors.

Already, the burgeoning cluster in Mitte, central Berlin, is producing startups such as Soundcloud, hiogi, Babel, Twinity, SongBeat and aka-aki. Nokia which recently bought UK Silicon Roundabout start-up Dopplr also set up an innovation lab among the beating heart of Berlin's startups. Hamburg has spawned many others include Qype, Europe's Yelp, and more recently the interesting Apprupt.

We have the opportunity in Germany to be part of this initiative by **encouraging and supporting entrepreneurs**. Telefónica O2 Germany could, like the UK, decide to champion entrepreneurs by offering them tailored packages, alongside support and mentoring. This could help create more engagement, in a market that is driven by value and functional benefits.

Additionally, the hacker mindset trend suggests that open-innovation platforms, such as BlueVia, should harness the potential of German developers.

1

*Connecting entrepreneurial students with successful entrepreneurs, academics and investors - [idea-lab.org](http://idea-lab.org)*

2

*Debate between like-minded entrepreneurs to encourage the exchange of ideas - [idea-lab.org](http://idea-lab.org)*

3

*Welcome to the Idea Lab! - Der Gruenderkongress! - [idea-lab.org](http://idea-lab.org)*



## PIONEER OF CHANGE: LATAM

Latin American nations exhibit especially high levels of entrepreneurial activity. A mix of government and private sector programmes in Brazil has created a healthy **pool of capital for entrepreneurs**. The Brazilian **Entrepreneurial Mindset** matured during 2009, with significant growth of information resources and events. Internet usage is exploding, with Internet penetration expanding rapidly, thanks to government-sponsored access. Broadband access is also proliferating, and mobile web usage is maturing as mobile data costs fall and smartphone adoption jumps. This series of compounding growth factors is creating fertile ground for new independent startups armed with a model of success and an eye on global markets.

Brazil has started to eye-up opportunities beyond its own borders, especially in the large open platforms. As the 3rd largest Twitter population (based on unique users from Google AdPlanner), Brazil also boasts a popular URL shortener in Migre.me. A Farmville-like casual game, Colheita Feliz, has already amassed 12 million users on Orkut - more than Facebook and Twitter users combined - (still the dominant social network in Brazil) and has set the stage for a home-grown social gaming company in the spirit of Zynga and Playfish.

Brazil has enough technical talent to launch independent startups as well as big players on the major platforms (there are tens of thousands of computer science grads every year), and it has a **wealth of creative talent** that assures many of these startups will launch innovative products.

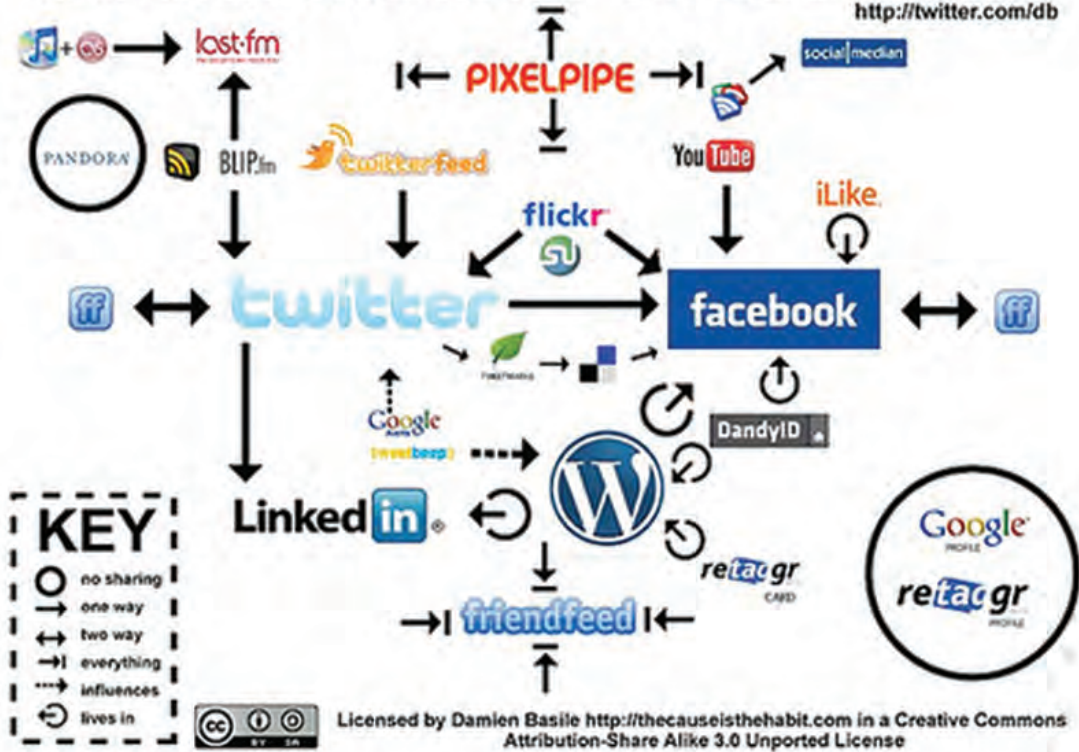
In Mexico the Hacker Culture is gaining momentum with the SHDHMC pushing its way forward. In just 2 years its monthly hack-a-thons have swelled from 2 cities to 9, with more than 100 people attending the events (SHDHMC, 2011).

Mexico is also aiming for a more innovative future, with 451,000 students currently enrolled in technical and engineering careers. This result is surprising, when you consider that in the US there are only 370,000 students enrolled in these careers (The Catalist, 2011). Mexico is currently ranked within the top 30% of countries where the regulatory environment is favorable for the operation of a business (World Bank, 2010).

Telefónica has the opportunity in LATAM to support this **Entrepreneurial Mindset** and also to harness the **Hacker Culture** through BlueVia. As an organisation, we can help these **Pioneers of Change** develop their business concepts and enable them to create **Positive Disruption**.

# Social Media Process v. 1.0

<http://twitter.com/db>





## OPPORTUNITIES: SOCIAL MEDIA

**Pioneers of Change** engage with each other via their chosen platforms. They are unlikely to engage through brand platforms as they want to retain their freedom of expression. Social Media is their platform of choice as it enables them to move from one network to the next easily. It is a democratic platform of communications that enables all consumers to have a voice.

It follows then, that in order to engage with this Disruptive audience, we need to engage with social media. In the UK, our social media tracker enables us to understand who are the most important influencers for our brand. We can engage in conversations with them on their own terms, and seed specific communications on social networks and blogs that are the most relevant. This enables us to **create active participation** between people and our brand, on their own terms.

Learning from these online exchanges enables us to spot opportunities and also to solve problems, in real-time. We could extend this social media tracker to all our markets to give us a global overview of people's sentiments towards our organisation and generate more **cross-sharing and learning** across markets. This would also enable us to adopt a beta approach to innovation, whereby we could try and test a product, service or piece of communication simultaneously in several markets and, based on its success or failure, decide to roll it out.

Enabling consumers to hack into our company culture will enable us to create more community engagement around our organisation.

Consumers, and especially the ones that have a **Pioneer of Change** attitude, do not expect companies to always deliver perfectly, but engaging them in our trials could increase their engagement with our organisation and boost our credibility among this important and influential group.



*I think you'll be  
delightfully surprised  
by the quality of my work  
on this assignment.  
I crowdsourced it.*



## OPPORTUNITIES: OPEN-INNOVATION

Open-innovation platforms such as BlueVia, provide a network for people to **test, trial and create change**, supported by our platform.

Google Android is popular because it is the most open for developers. Already, there have been 150,000 apps created for Android phones. HTC sold 3m smartphones in the UK in 2010, compared with Apple's 5m. But in the last quarter of the year HTC sold 1.1m, close to Apple's 1.4m. (The Observer, February 2011). Google and HTC are close partners and the search giant's team used HTC phones when they were developing Android. Android now outsells all its competitors combined in the US.

Using **Open-Innovation** and **Crowdsourcing** enables organisations to reach global scale at low cost. For instance, companies like Facebook, Microsoft and Google are using crowd-sourcing to translate their services. This enables them to harness the power of their fans, on a global scale.

With Blue Via, we have the opportunity to give people access to the education of the future, focused on developing each individual's ability to harness the power of technology. Coding, for instance, is not taught at school but is becoming as important as writing for the **citizen of the future**. Litmus in the UK proposed a '**coding for kids**' initiative a few years ago, which could be revived.

In the UK, initiatives such as **O2 Crowd** and Yammer are steps towards creating more crowd-sourcing innovation, leveraging our existing pool of talent. We could create more cross-sharing by opening these platforms to other organisations within the group such as TiD and Jajah.

In addition to this, we are seeing a rise of open-source hardware, whereby device designs can be freely replicated and modified by others, provided that credit is given to the original designer and that the derivative work is openly available to modification. Arduino is an open-source electronics prototyping platform based on flexible, easy-to-use hardware and software. It's intended for artists, hobbyists, and anyone interested in creating interactive objects or environments. This is the ultimate way for people to become self-reliant, creating the objects they have dreamt of. More than 150,000 Arduino units have been sold. Other OSHW companies include Bug Labs, Chumby and Adafruit.

More than gadgets for hobbyists, **open source hardware** can be considered 'infrastructures that contribute to the autonomy of communities taking care of their livelihoods, through action and production,' as the Manchester conference website put it. OSHW is the next step for our open-innovation platform if we want to capitalise on the **Pioneer of Change** trend.

1

*HTC powered by Google Android - a free mobile operating system - Photo: kochivibe.com*

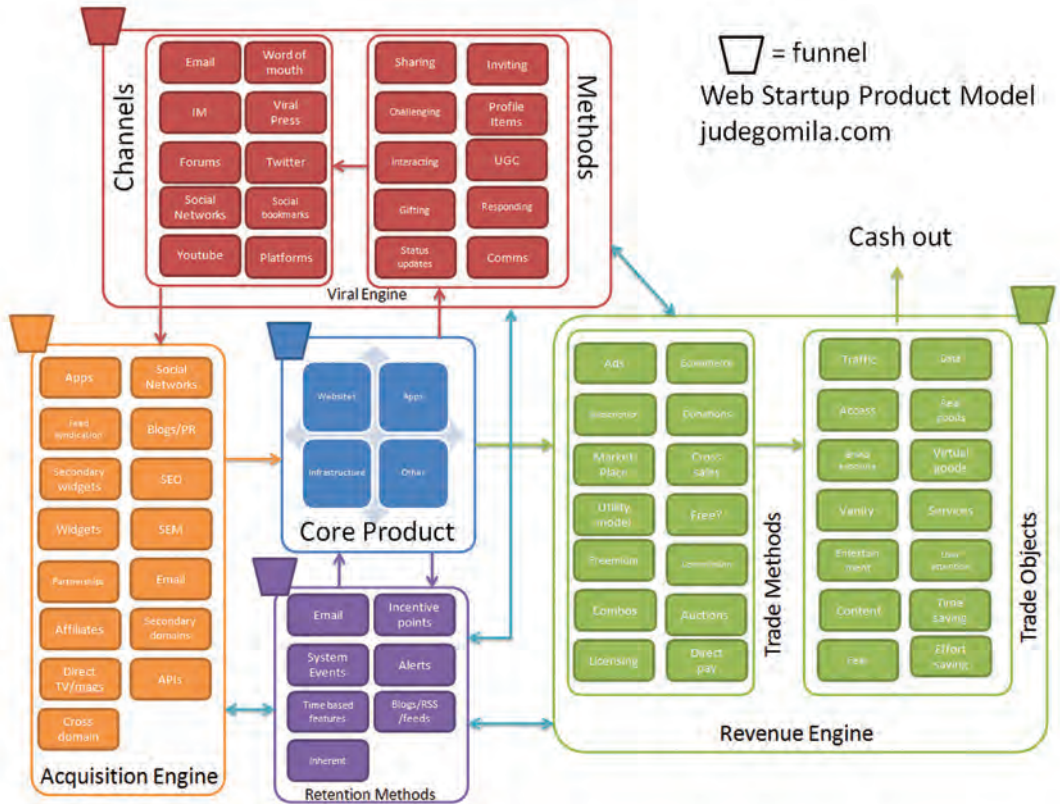
2

*"I crowdsourced it." - Illustration: Rob Cottingham - bloomfieldknoble.wordpress.com*

☐ = funnel

# Web Startup Product Model

judegomila.com



## OPPORTUNITIES: ENTREPRENEURS

The top 10 in-demand jobs in 2010 did not exist six years ago. We are not arming the workforce with the skills and knowledge needed to support economic growth because we are not educating our students to **meet the demands of a 21st-Century economy**. As Bill Gates said: *“Training the workforce of tomorrow with today’s high schools is like trying to teach kids about today’s computers on a 50-year-old mainframe.”*

**Entrepreneurship** should be a required course for every young person in the world and then we could build an economy of innovators able to adjust to the ever-changing global landscape. **Seeding the entrepreneurial mindset** is a vital strategy to build a **robust and resilient economy** for decades to come. The **Disruptive** mindset yearns for new skills to be able to change established systems and institutions. Technology is a key enabler for them to be able to **engage on a global scale**.

Developing solutions that are flexible and agile to support Entrepreneurs’ needs could provide us with a competitive advantage. Indeed, growth in the UK is expected to come from SMEs, with 81% expecting to see their profit increase within the next two years and 1 in 10 expecting a growth of 21-50% (YouGov Plc, Growing Britain into Recovery: Putting Midcaps on the Map, 2010).

It’s interesting to note that SMEs tend to have an innovative and Disruptive mindset, with 69% viewing their company as innovative and 63% as entrepreneurial. In addition to this, 25% invest in entering new geographical territories - with £11bn in overseas investment planned over the next two years.

SMEs have specific needs when it comes to technology. 50% of SMEs in the UK are home based, as Home working is a recession-proof employment concept and enables them to recruit and retain talent while controlling costs. This opens up opportunities for us to **provide safe and secure solutions** for people to work from home and for SMEs to be able to engage with their remote workforce. We have the opportunity to offer local propositions that can be globally scaled, depending on each individual SME’s needs.

Another opportunity is to leverage our retail estate to offer business hubs for SMEs. Our retail estate could offer **free wifi working spaces** and we could create a higher level of engagement by providing them with networking opportunities. For instance, in the UK, the O2 SME team has organised a series of breakfast seminars where entrepreneurs can learn about specific topics and also network with other businesses. This has proved to be highly popular with SME customers and could be replicated across markets.











## NOTES:

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**PIONEER OF CHANGE**