Lessons Learned from Corporate Application of Prediction Markets

Jim Lavoie
1979/1999 – EVP Public Technology Co.
2000/Today – CEO Do-Over
I asked Koleman if he was sure this was a good idea.

Unlike most of you, my quest was not to predict outcomes; it was to provoke thought, align interests, and create meaningful opportunities for my organization.

My goal is to remain relevant in retirement.
You are all experts and provide an arsenal of tools for predicting outcomes. As a businessman; God bless you.

As a leader; I need to create organic growth opportunities to apply your tools. That’s where the real problem lies in businesses today and the focus of my discussion.

The right tool makes any job easier, but only if you have raw materials to work with.
The Ghost of Christmas Past
Meanwhile, On the golf course...
DID WRONG
Shareholders, Pyramids, Financial Goals, Innovation...

DID RITE
FUN: Working with Smart People!

DID WRONG
...Boxes, Titles, Innovation.
● Fill the Funnel
● Let the Flogging Begin (murder board)
● Discourage the funnel fillers (but…)
● 1st Predict in accordance with seniority
● 2nd Predict in accordance with sales/profit
● Announce the winners
● Throw money at them
● Highlight successes
● Hide the failures
● Fill the funnel.................
Funnel Failure
Funnel Failure

Type B’s
Bold Type B’s & Sensitive Type A’s

Type B’s
Funnel Failure

- Bold Type B’s & Sensitive Type A’s
- Less Sensitive Type A’s
- Type B’s
Funnel Failure

Stubborn Type A’s

Less Sensitive Type A’s

Bold Type B’s & Sensitive Type A’s

Type B’s
Funnel Failure

Type B’s

Bold Type B’s & Sensitive Type A’s

Less Sensitive Type A’s

Stubborn Type A’s

Stupid Type A’s

Type B’s
Funnel Failure

Sources of Ideas

- VPs
- Bold Type B’s & Sensitive Type A’s
- Less Sensitive Type A’s
- Stubborn Type A’s
- Stupid Type A’s

Idea Protection Program
You too can minimize innovation within your organization!
Frozen Food Aisle

lean Six Sigma CUISINE

Roasted Potatoes, Broccoli & Cheddar Cheese Sauce

5g fat 220 calories
0g trans fat
NO PRESERVATIVES

Macaroni & Cheese

Tender macaroni in a creamy cheddar cheese sauce
7g fat 290 calories
0g trans fat
NO PRESERVATIVES
Be different

Learn for our mistakes

Solve for Y, because we are pre-X-toric

Innovate Everyday

99mph fastball (not!)

Take advantage of depth (passions) and breadth (perspective)
Be Different
Transactional/Temporary Relationship

Offer the Position?

Do A Job/Get Paid

Are They Behaving?
Do They Belong?

Care About the Future

Are They Important?

Do A Job/Get Paid

Are They Behaving?

Offer the Position?

Transactional/Temporary Relationship

Meaningful/Lasting Relationship
Do They Belong?

Think About the Future

Do we Trust them?

Care About the Future

Are They Important?

Do They Belong?

Do A Job/Get Paid

Are They Behaving?

Offer the Position?

Insert Any Logo Here

Transactional/Temporary Relationship

Meaningful/Lasting Relationship
Do They Belong?

Contribute to the Future

Do we Trust them?

Are we Listening?

Care About the Future

Do They Belong?

Are we Asking?

Are we Recognizing them?

Meaningful/Lasting Relationship

Transactional/Temporary Relationship
Do They Belong?

Contribute to the Future

Think About the Future

Care About the Future

Offer the Position?

Are They Important?

Do we Trust them?

Are we Listening?

Are we Rewarding Them?

Was it Fun?

Are we Asking?

Are we Recognizing Them?

Do They Belong?

Are They Behaving?

Do A Job/Get Paid

Think About the Future

Care About the Future

Offer the Position?

Meaningful/Lasting Relationship

Transactional/Temporary Relationship
Do They Belong?

Are we Rewarding Them?

Care About the Future

Think About the Future

Contribute to the Future

Can I Stay Involved (Alumni)?

Do they Behaving?

Do they Belong?

Are we Recognizing Them?

Are we Asking?

Are we Listening?

Are they Important?

Do we Trust them?

Offer the Position?

Do a Job/Get Paid

Was it Fun?
Can they Help Me?
They Contribute to MY Future!
Am I Seeing Rewards?
Can I Stay Involved with Them?
Are they Listening?
Are they Helping Me?
They Think About MY Future!
Do they Trust me?
Are they Asking?
Are they Behaving?
Do They Belong?
Care About the Future
Think About the Future
Contribute to the Future
Was it Fun?
Can I Stay Involved (Alumni)?

Win a Contact
Do A Job For Me
Be Satisfactory
Can they Help Me?
They Care About MY Future!
Do they Trust me?
They Think About MY Future!
Are they Listening?
They Contribute to MY Future!
Am I Important?
It Was Fun?
Can I Stay Involved with Them?
Making Innovation Everyday a Reality

The Must Bees

Sticky

FUN

Involves Everybody

Elicit Opinion

No Gauntlet

Provoke Thought

Harvest Collective Genius
1. Learn how to play
2. Training and support documentation
3. Examine the market and allocate your opinion across ideas (provokes thought)
4. Ideas to save money and be more efficient (recurring return)
5. Adjacent innovations that represent low risk (probable return)
6. Gap innovations requiring learning and exploration (higher risk)
7. Quick Surveys
8. Keyword searches on Budge-IT items
9. Graphics and statistics
10. Ticker Tape

An example of the Mutual Fun Menu (All items have a menu like this)

Navigation:
- Mutual Fun
  - My Portfolio
    - Current
  - Research
    - Snapshot
    - Savings Bonds
    - Bow Jones
    - SPAZDAQ
    - All
  - Analyst Reports
    - Latest
    - Stock

Banner:
- The Power of ALIGNED THOUGHT
- Start Here

Ticker Tape.....Ticker Tape
My Lessons Learned...

- Quiet genius has emerged
- Teams have self-formed
- IP has evolved
- Attrition has declined
- Two ideas have generated revenue
- Two ideas have saved money
- One idea has attracted investors
- Three ideas have generated other ideas
- Momentum is mine
- I have relieved myself of the burden of being right
- I can go be alumni now
Thank You For Your Time!