

Innovation Leader Webinar

BUILDING VENTURES TO GATHER INSIGHTS: FASTER, CHEAPER, WEIRDER





**WE CO-CREATE
ADVANTAGED STARTUPS
TO SOLVE COMPELLING PROBLEMS.**



Our ventures are more likely to succeed,
and to achieve bigger outcomes faster

We partner with universities, corporations,
and entrepreneurs

WE **CO-CREATE**
ADVANTAGED STARTUPS
TO SOLVE **COMPELLING PROBLEMS.**

We build companies to produce
\$1B+ outcomes

REASONS ORGANIZATIONS PARTNER WITH US



**Cost-Efficient
Innovation**



**Access to
World-Class
Entrepreneurs**



**Strategic
Optionality**



**Accelerated
Learning**



**Balance Sheet
Funding**

HIGH ALPHA INNOVATION HAS LAUNCHED 14 STARTUPS SINCE 2021, WITH PLANS TO LAUNCH ANOTHER 20 THIS YEAR

2021 vintage



Supply chain risk
management



Obedience class for
veterinary records



On-site construction
communications



2022 vintage



Carbon marketplace for
livestock sustainability



Simplifying lifelong
care for pets



AI-augmented organ
transplant matching



Lifting the heart of
healthcare



Shared care plans for
patients & care teams



Real time attack
surface reduction



Simplifying complex
patient discharge



Equity in coordinated
healthcare



Employment pathways
for farm talent



Candidate experience
platform



The future of
productive developers



THE COMING AGE OF ABUNDANCE

COMMUNICATIONS

COMPUTING

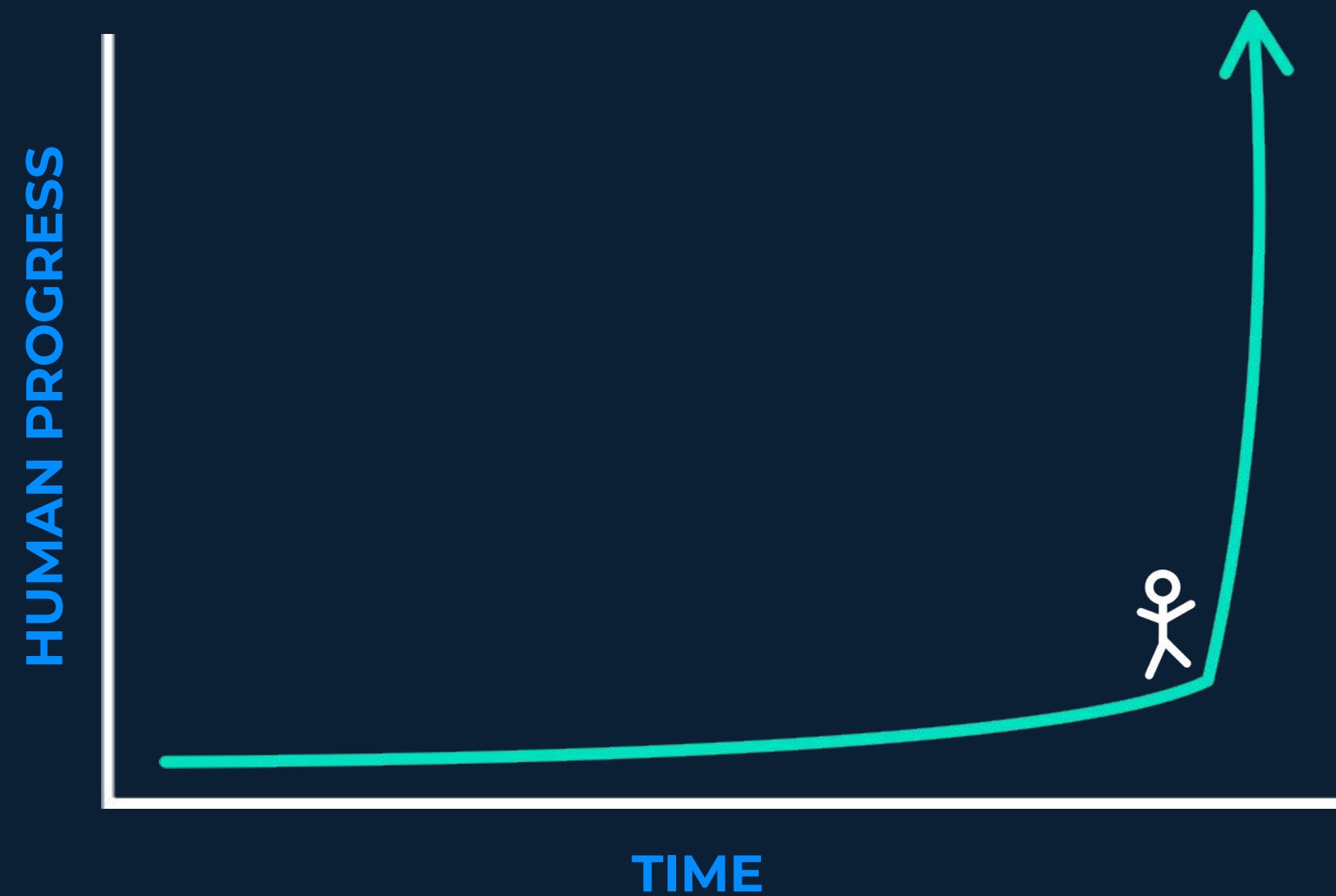
ENERGY



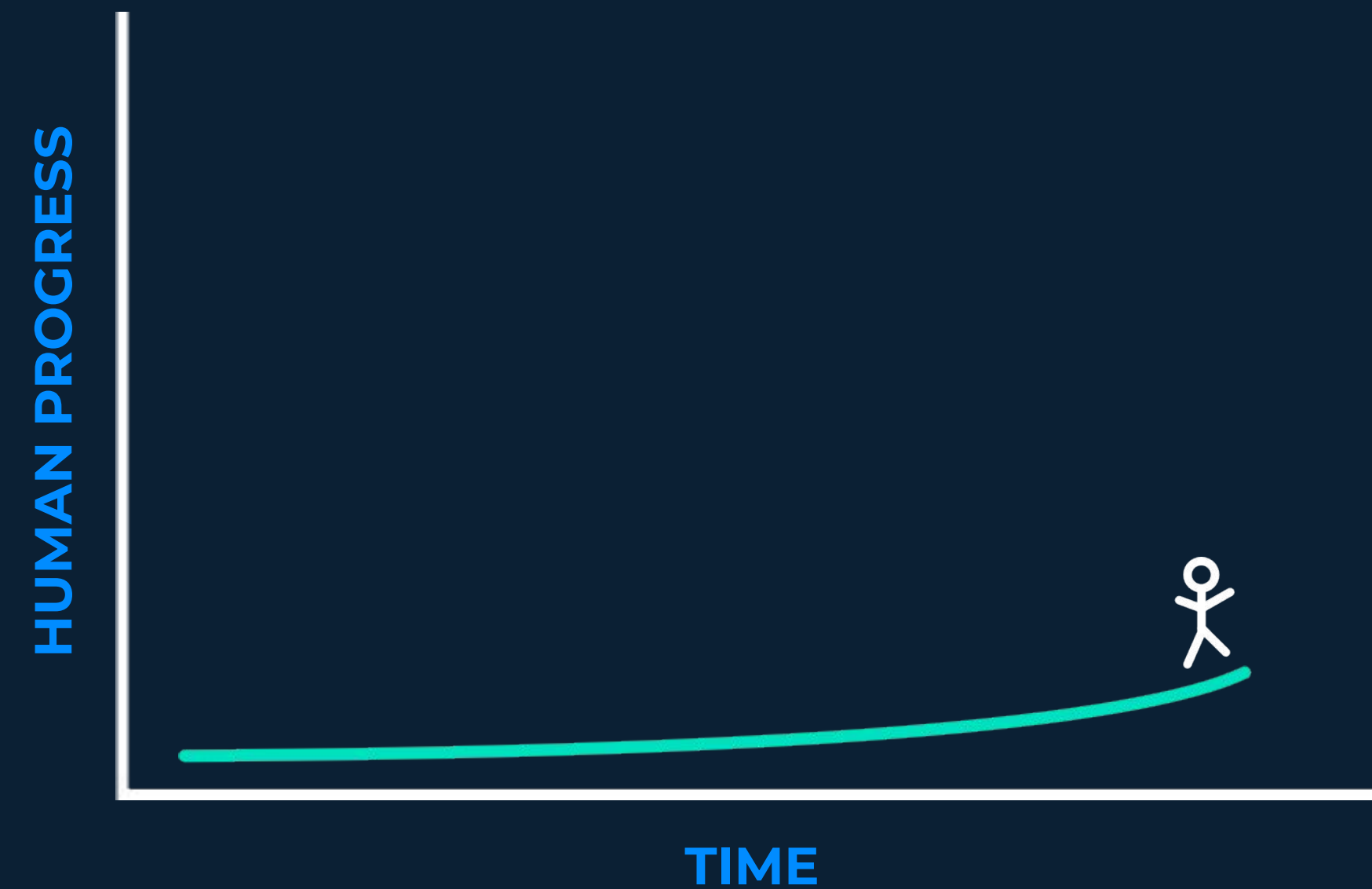
FREE AND
PERVASIVE

IT'S HARD TO PERCEIVE EXPONENTIAL GROWTH

What's actually about to happen

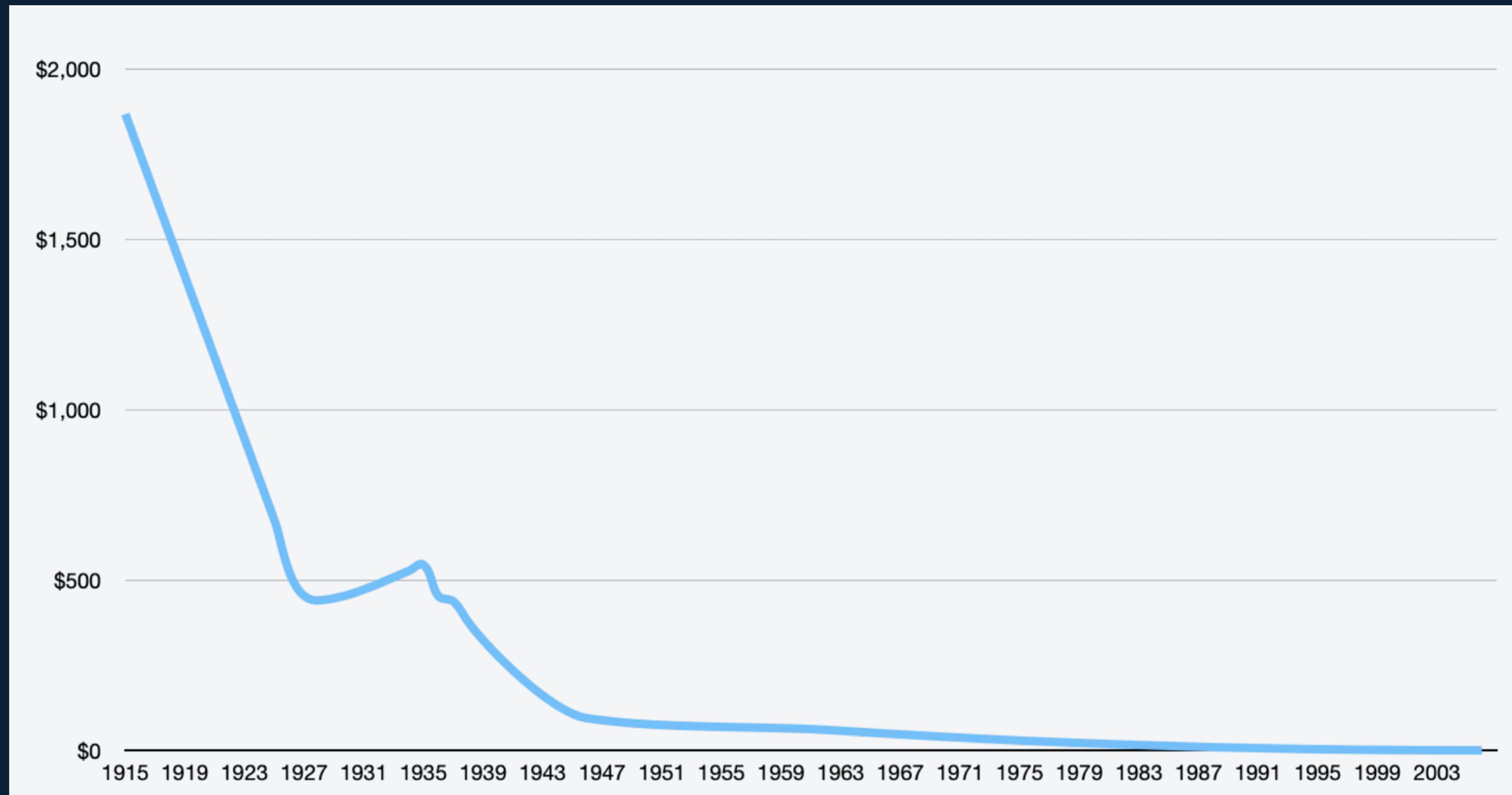


What it feels like in the moment



WHAT WILL THE LONG-TERM EFFECTS OF FREE GLOBAL COMMUNICATION BE?

Cost of a 10-minute call, NYC to LA, in 2021 dollars



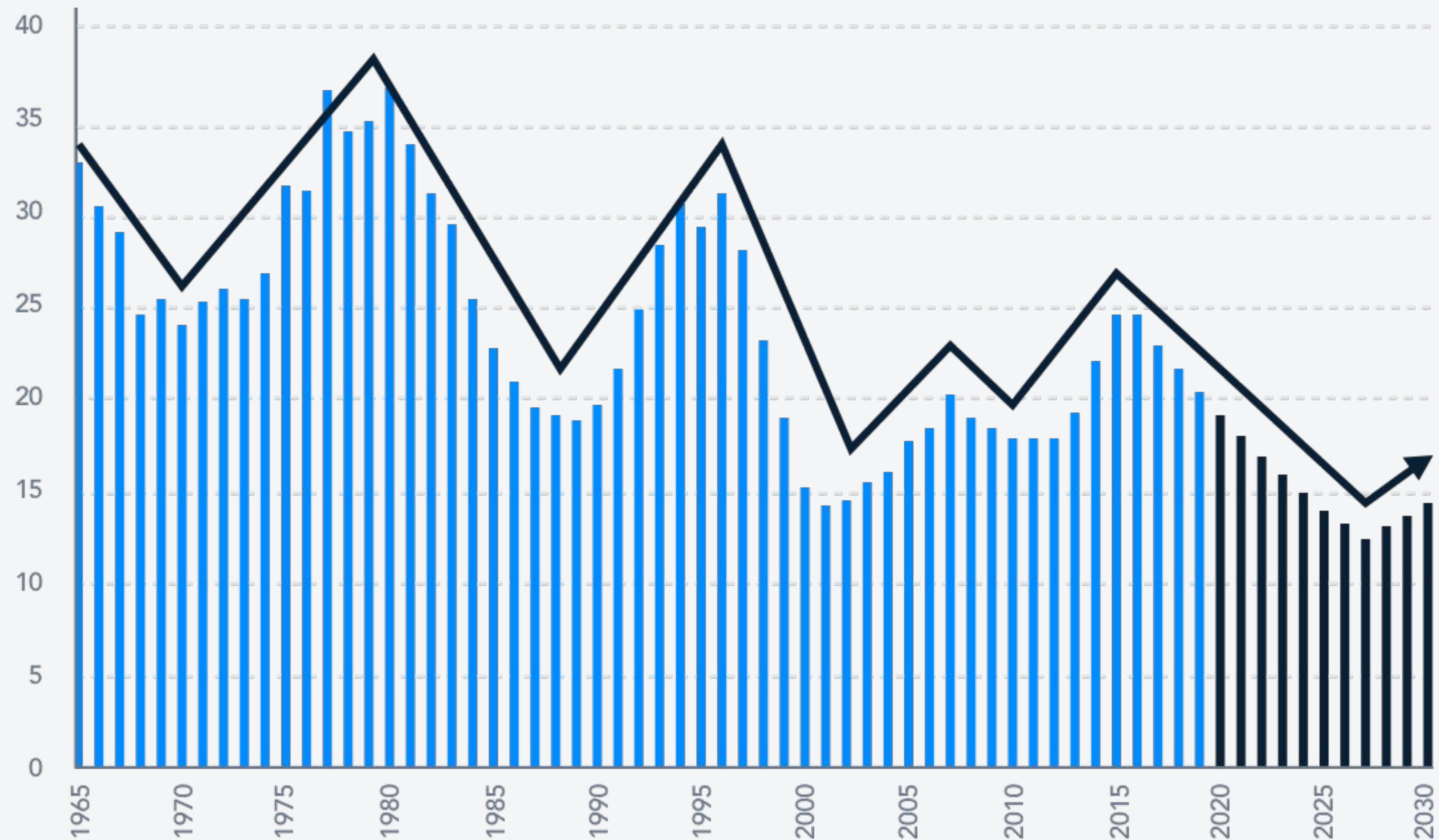
THE LAW OF ACCELERATING RETURNS

“The rate of change of progress accelerates because humans can use the technology at their disposal to progress faster than previous generations could without the technology.”

-Ray Kurzweil

THE PROBLEM: INNOVATION WILL GET HARDER

Average duration of S&P 500 companies



CORPORATE INNOVATION HEADWINDS

- Reduced R&D investment yield
- M&A more expensive than ever—good deals harder to find
- Struggling to manage disruption due to the ever-increasing speed of new venture-backed entrants
- Disruptors have unprecedented access to capital, expertise, and technology building blocks

THIS FORMULA DOESN'T WORK

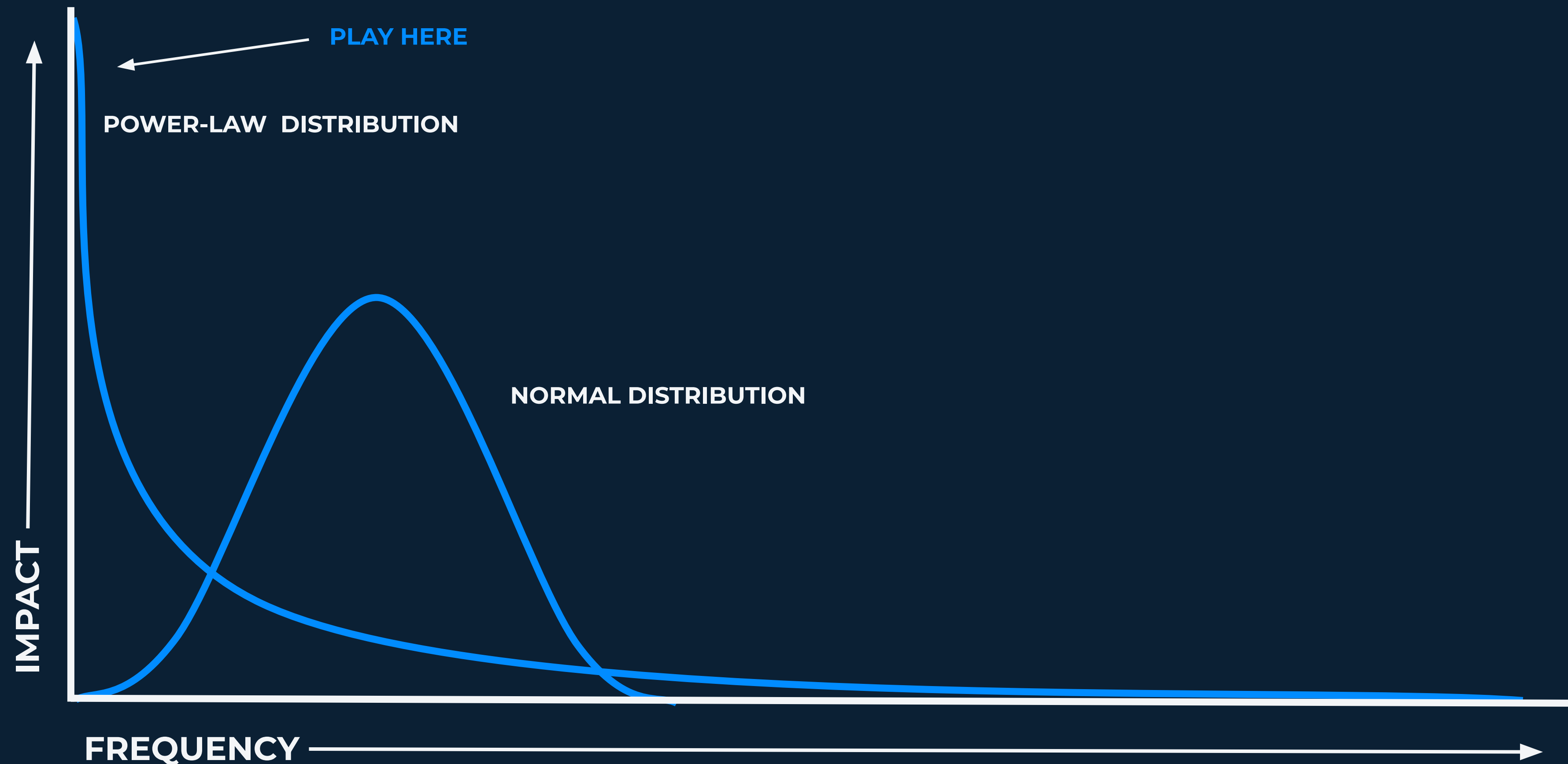




**THE WORST PLACE TO DEVELOP
A NEW BUSINESS MODEL
IS FROM WITHIN YOUR
EXISTING BUSINESS MODEL.**

-Clayton Christensen

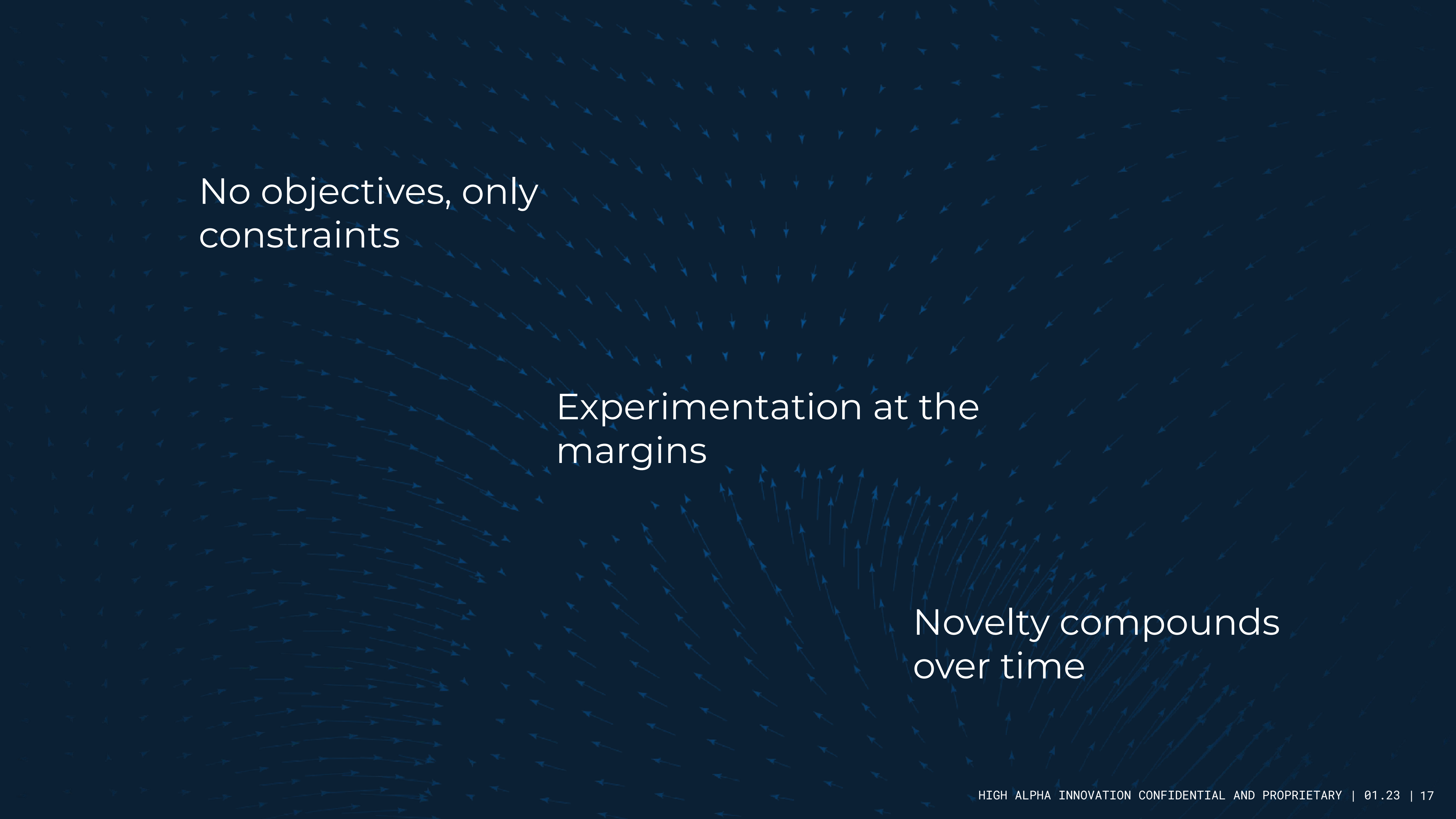
INSIGHTS OBEY POWER LAW DISTRIBUTION











No objectives, only
constraints

Experimentation at the
margins

Novelty compounds
over time

CORPORATE INNOVATORS SHOULD BE PROFESSIONAL INSIGHTS GATHERERS

EXPERIMENTS → ANOMALIES → KNOWLEDGE → INSIGHTS

WANT MORE INSIGHTS?

RUN MORE EXPERIMENTS: FASTER, CHEAPER, WEIRDER

SCALED ORGS ARE BUILT TO EXECUTE; STARTUPS ARE DESIGNED TO LEARN

SCALED ORGANIZATION

CASH NOW

MANAGERS

IMPATIENT

OPTIMIZED FOR SAFETY

INCENTIVES

TALENT

FUNDING

GOVERNANCE

STARTUP

EQUITY LATER

ENTREPRENEURS

PATIENT

OPTIMIZED FOR ACTION

INTERNAL VS EXTERNAL VENTURE?

Ask: Which route will create the most value in the least amount of time?

LAUNCH INTERNALLY IF:

There are more knowns than unknowns; execution is initially more important than learning

Moving at SCALE matters more than moving FAST in the beginning

Close integration with the core will be required (eg brand, technology, sales)

Required expertise can be accessed internally

The venture is strategically critical (i.e. the future of the core depends on the venture's success)



LAUNCH EXTERNALLY IF:

There are more unknowns than knowns; learning is initially more important than execution

Moving FAST matters more than moving at SCALE in the beginning

The business model or customers are different from the core's; the venture may even compete

Outside partners/participants with "skin in the game" can help accelerate

The venture is strategically interesting but not critical; optionality is a key objective

DON'T KILL NEW VENTURES BEFORE THEY START

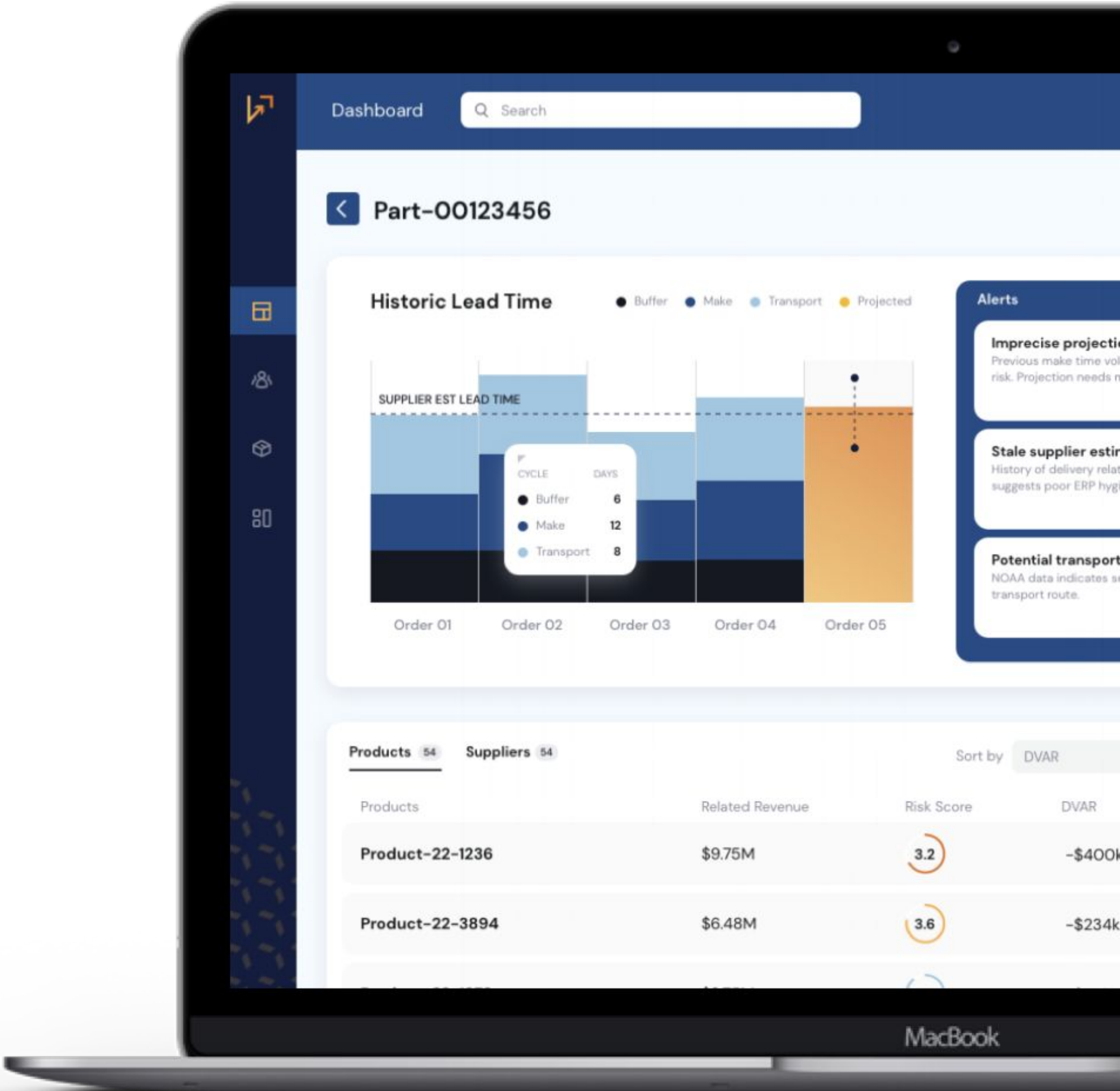
Don't constrain external ventures strategically or financially.

The goal is to generate insights and optionality.

**Majority ownership prioritizes efficiency over insight, safety
over surprise.**

**DECIDE WHETHER YOU WANT TO BE RICH OR KING.
YOU CAN'T BE BOTH.**

CASE STUDY



HOW TO INCREASE YOUR INNOVATION BUDGET

Hint: Make it easy for your CFO to say yes

Two things matter to your CFO:

01 EARNINGS

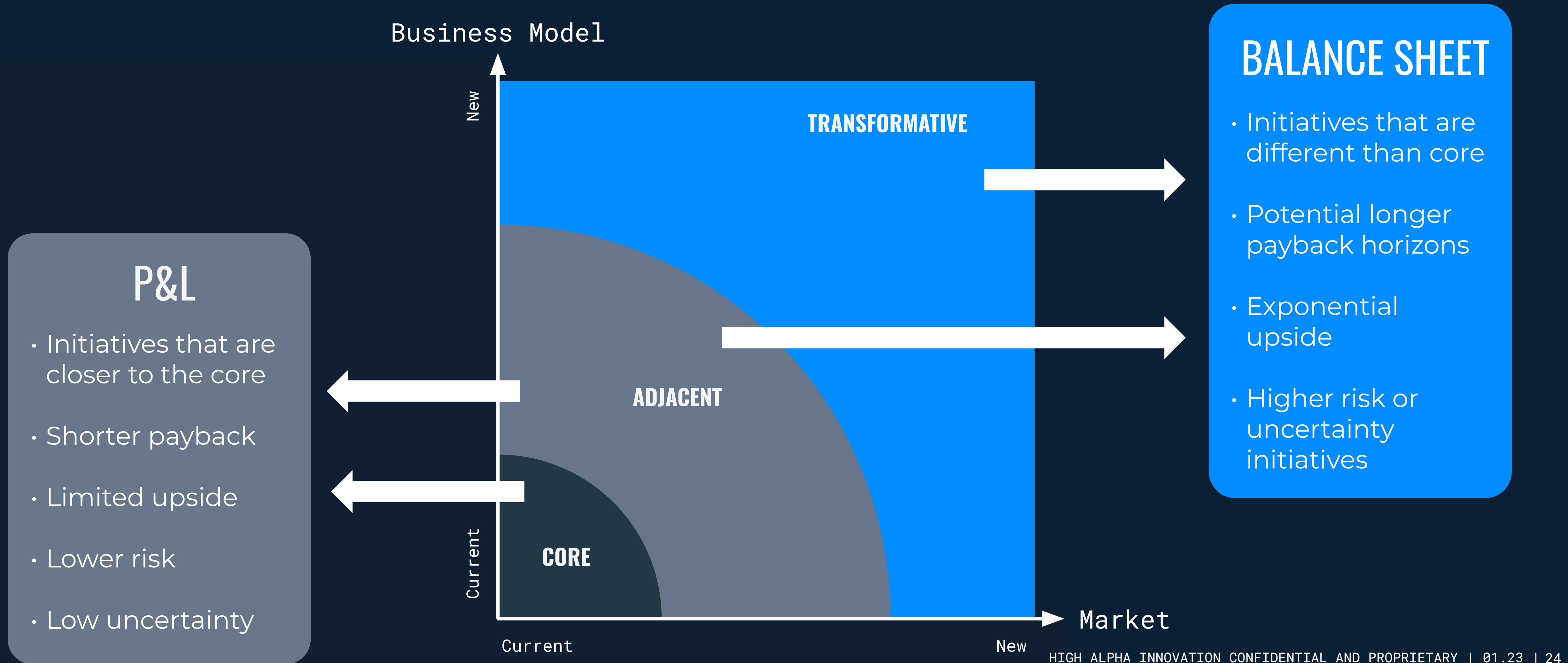
02 MULTIPLE

Corporate innovators can help:

Fund innovation from the balance sheet, not as an operating expense

Experiment in areas where multiples are higher, and show the company taking meaningful action while learning

THE BALANCE SHEET OFFERS AN OPPORTUNITY TO FUND NEW INNOVATION



NEW VENTURES SOLVE CFO PROBLEMS

- Removes negative impact of innovation on earnings
- Drives higher multiple (perception AND reality of innovation/growth)
- Leverages others' capital and expertise (if corporation is a minority investor)
- Creates strategic optionality and faster learning
- Caps downside risk, with no cap on upside potential
- Minimizes drain of innovation on operations / management focus



High Alpha Innovation



ELLIOTT PARKER

CEO

elliott@highalphainno.com

317.670.7450