



The Culture of Innovation at Amazon: Driving Customer Success

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Amazon Web Services (AWS)

Business and Market Development, Financial Services Industry

a DEFINITION
HOW TO DESCRIBE
AMAZON AS A COMPANY

Is Amazon a retailer
or a tech company?

A marketplace or
a logistics company?

YES :-)

A publishing
platform or a
movie studio?

aws financial
services

**Culture of
Innovation**

*Enabling Innovation
for Everyone*

amazon

Amazon Started with Books...





To our shareholders

Amazon.com passed many milestones in 1997: by year-end, we had served more than 1.5 million customers, yielding 838% revenue growth to \$147.8 million, and extended our market leadership despite aggressive competitive entry.

But this is **Day 1** for the Internet and, if we execute well, for Amazon.com. Today, online commerce saves customers money and precious time. Tomorrow, through **personalization, online commerce** will accelerate the very process of discovery. **Amazon.com uses the Internet to create real value for its customers** and, by doing so, hopes to create an enduring franchise, even in established

Innovation has Manifested Across Many Domains...



Cloud Computing



Amazon Video



Kindle Reader



Home
Entertainment



Grocery Delivery



Advanced Shopping



Home Automation




Drone Development

The
Economist

« ...innovation is now recognized as the single most important ingredient in any modern economy...In short, it is innovation – more than the application of capital and labor – that makes the world go round »

aws financial
services



A photograph of several people's hands clasped together in a huddle, symbolizing teamwork and collaboration. The background is slightly blurred, showing office equipment like a computer monitor and a desk with a jar of snacks and a pen holder.

Understanding our **Innovative** Culture and Approach

OUR MISSION

We want to be earth's most
customer centric company

OUR COMMITMENT

We make our customers' lives
easier

WHERE INNOVATION STARTS

We start with the customer and
work backwards



<https://www.youtube.com/watch?v=Uf7FQXj71TM>

» Customer obsession

“Start every process with the customer and work backwards”

» Long term thinking

“Be stubborn on the vision but flexible on the details”

» If you want to be inventive, you have to be willing to fail

“We are willing to go down on a bunch of dark alleys and occasionally we find something that really works”

» You have to be willing to be misunderstood for a long time

“We are very comfortable being misunderstood”

Our beliefs for building a culture of innovation

STUBBORN ON THE VISION

But flexible on the details



How do we organize for innovation?

» Mechanisms

Working Backwards Process

Press Release

FAQ & Visualizations



» Culture

Our People: we hire builders, innovators, entrepreneurs

Our Beliefs: Amazon Leadership Principles

» Architecture

Micro-services Architectures


Loosely Coupled Applications

Self Service Platforms – No Gatekeepers

» Organization

Experimentation

Two Pizza Teams



Working Backwards Questions

Who is the **customer**?

What is the customer problem or **opportunity**?

Is the most important customer **benefit** clear?

How do you know what customers **need** or **want**?

What does the customer **experience** look like?

Introducing Amazon Kindle

Revolutionary Portable Reader Lets Customers Wirelessly Download Books in Less Than a Minute and Automatically Receive Newspapers, Magazines and Blog. No PC Required, No Hunting for Wi-Fi Hot Spots

SEATTLE (BUSINESS WIRE) – Nov. 19, 2007 – Today Amazon (NASDAQ: AMZN) today introduced Amazon Kindle, a revolutionary portable reader that wirelessly downloads books, blogs, magazines and newspapers to a crisp, high-resolution electronic paper display that looks and reads like real paper, even in bright sunlight. More than 90,000 books are now available in the Kindle Store, including 101 of 112 current New York Times Best Sellers and New Releases, which are \$9.99, unless marked otherwise. Kindle is available starting today for \$399 at <http://amazon.com/kindle>.

"We've been working on Kindle for more than three years. Our top design objective was for Kindle to disappear in your hands -- to get out of the way -- so you can enjoy your reading," said Jeff Bezos, Amazon.com Founder and CEO. "We also wanted to go beyond the physical book. Kindle is wireless, so whether you're lying in bed or riding a train, you can think of a book, and have it in less than 60 seconds. No computer is needed -- you do your shopping directly from the device. We're excited to make Kindle available today."

Write the press release

We read,
discuss,
debate
and ask
questions.

...knowing that Amazon will send them the right sized diaper at the right time.

Customer Benefit?

~~Babies need an average of about 3,800 disposable diapers across seven sizes in three years, and remain in a size anywhere between a few weeks to several months. A baby might need just one box of size 1 diapers but need as many as eight boxes of size 4 diapers. To complicate matters, weight – and not age – is the best predictor of a baby's diaper size.~~

With Amazon's Subscribe & Save program, customers previously created diaper subscriptions in a specific size which was replenished until the customer decided it was time to move up a size. This meant that parents needed to anticipate the change in diaper size and either cancel their existing subscription to create a new one, or go to the Manage Your Subscriptions page to update the existing diaper subscription with the new size. This caused endless frustration for parents, added to the stress of having a new baby, and the experience ran counter to the concept of a subscription that should run smoothly with minimal touch points.

Not a good name for this

With the introduction of the new auto-sizing feature, customers who subscribe to diapers will be asked to provide their child's weight, in addition to the existing child info. They will then be able to set up a single subscription that will take them through the various sizes at the right time. Customers will be notified before the next box of diapers is due to ship that it has automatically sized up – if it's too soon, there will be a simple one-click process to keep the current size.

Would a customer really say this?

"I love using Subscribe & Save. But for my older child, I have had to return boxes that were one size too small, which actually increased my work load," says Mara Steiner, who has used Subscribe & Save for her baby needs for several years. "As I expect my second child, I am very excited at the thought of having the right size diapers show up at my door each month. New parents have enough to do without having to keep calculating which size of diapers they should be buying for their baby."

~~"We want parents to always have the right sized diaper for their child at the right time," said Greg, director of Subscribe & Save. "This single subscription experience for diapers will ensure that customers can depend upon Subscribe & Save to do the work for them, and never have to worry about changing size as their children grow."~~

Amazon's Subscribe & Save ships thousands of items to their customers on a regular basis with additional discounts. With the diaper subscription service, the program has simplified the experience for new parents.

To learn more about Subscribe & Save's diaper subscriptions auto-sizing, go to www.amazon.com/subscribe

What about mobile?





Include both Customer FAQs and Stakeholder FAQs

Include the hard questions

Share your press release early to gather questions

write the FAQs

Customer FAQs - Customers ask the best questions because they are fundamental to any experience:

- How much will this cost?
- What type of support will I get?
- Where can I find this?
- How do I cancel this?

Stakeholder FAQs - What will your VP, partner teams, internal Amazon resources ask about your idea?

- What is the underlying technology?
- What will customers be most disappointed about in your initial release?
- How does this impact current systems?
- What is the business impact?
- How do we know what the customer needs?
- How can we launch this more quickly?
- What is provoking the most internal debate?

How do we organize for innovation?

» Mechanisms

Working Backwards Process

Press Release

FAQs & Visualizations

» Culture

Our People: we hire builders, innovators, entrepreneurs

Our Beliefs: Amazon Leadership Principles

» Architecture

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Two Pizza Teams



Every one of us is a leader on our mission

ob·ses·sion

/əb'seSHən/

noun

an idea or thought that continually preoccupies or intrudes on a person's mind.

noun

1. obsessão

2. idéia fixa



Every one of us is a leader on our mission

In short

Innovation is all about

- » Be customer obsessed
- » Invent on behalf of your customer
- » Keep building and improving

...and the vehicle is



Cloud Computing

AWS By The Numbers



\$5.44B

Q1 '18 Billed Revenue, 49%
YoY

Millions of

Monthly Active Customers

67

Price Reductions (since '06)

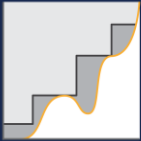
1,430

New Services and Features
introduced in FY 17

Insurance firms are transforming & innovating with AWS



Grid computing



Core systems



Data analytics



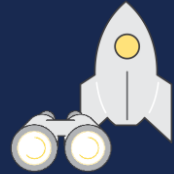
Digital channels



AI/Machine Learning



InsurTech start-ups



Widespread adoption today

Art of the possible

Digital channels are personalizing Insurance

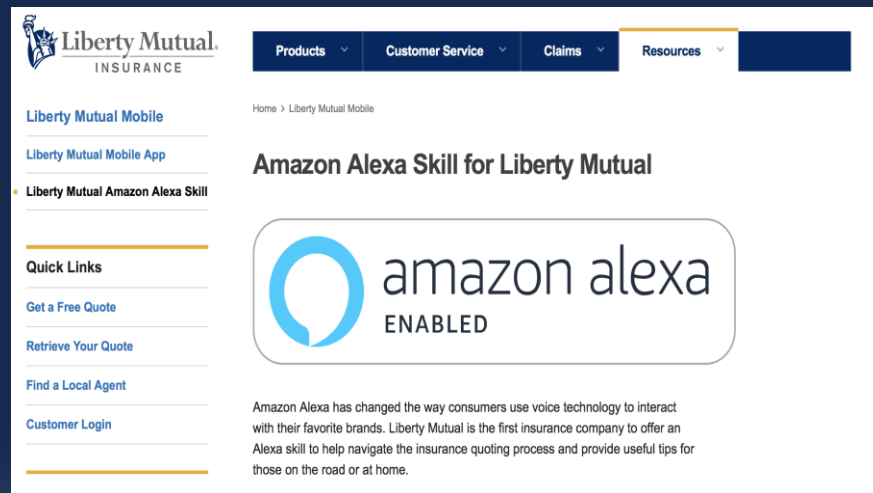
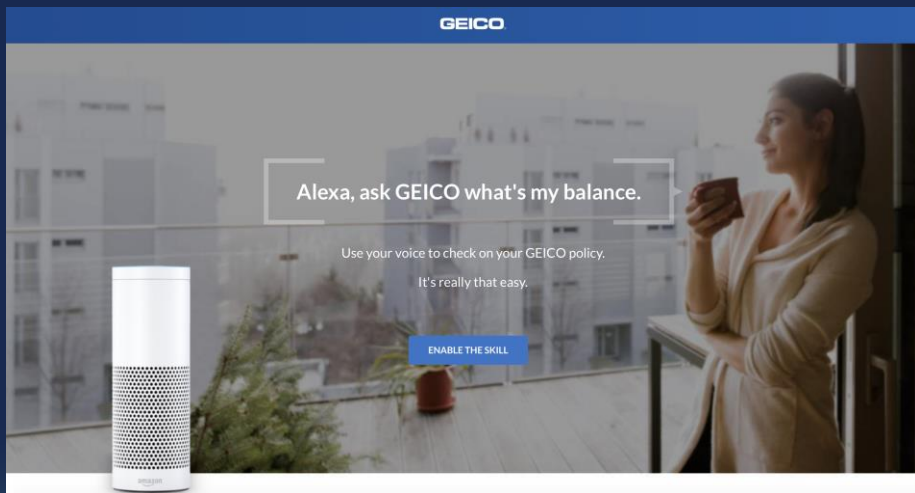


“Alexa, I need help with my vehicle”

“Ask GEICO to pay my bill”

“Alexa, open Liberty Mutual”

“Ask Liberty Mutual for an auto insurance estimate”



ALLSTATE put customer in the center of the strategy



ALLSTATE put customer in the center of the strategy



<https://www.youtube.com/watch?v=C19oqRCY3fQ>

Insurance Innovations powered by AWS

Risk calculation & time-sensitive Solvency simulations



Empowering enterprise
data excellence



PACIFIC LIFE

Overcoming hardware
Constraints

tal anx.

Versicherungen. Finanzen.

Running time-sensitive
simulations

AON

Deploying high-performance
computing capabilities

Youse

Let's innovate together!

Thank You!

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