Reinvent the Dinosaur from within

A design plan for reinventing ADT Medical Alert
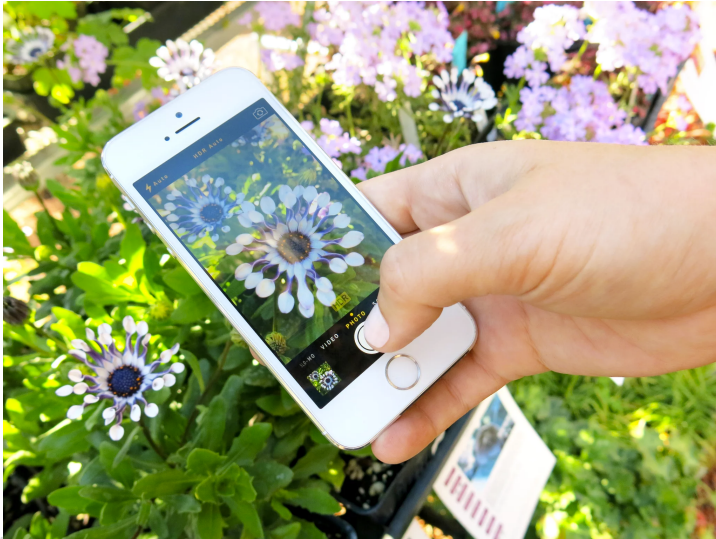
Andy Schultz
aschultz@adt.com
10/16/2017

Why did the dinosaurs die?

They had no control over the environment and their demise was inescapable.

It happened to Kodak.

In 1976, Kodak had invented the digital camera. They owned the IP and had the first-mover advantage. This is a company that should have owned it all.

Instead, in 2012, Kodak filed for bankruptcy, put out of business by the very technology they had invented.

Kodak was married to the "paper and chemicals" (film development) business; their most profitable division, while the R&D on digital cameras was a cost center.

The same year, Instagram, another company in the image business, was acquired by Facebook for $1 billion with only 13 employees at the time.

Why Billion-Dollar, 100-Year-Old Companies DIE

The primary reasons

1. True disruption means threatening your existing product line and your past investments. Breakthrough products disrupt current lines of businesses.

2. Companies have too many experts who block innovation. True innovation comes from perpendicular thinking. While this isn't always true, experts are fantastic at telling why a breakthrough can't possibly occur.

3. Technology is changing exponentially — disruption is coming from outside the field — and large companies are unable to keep up. Technologies that used to be in a completely different field are now disrupting complete new arenas, like Ring!

4. The day before something is truly a breakthrough, it's a crazy idea. And experimenting with crazy ideas requires a high degree of tolerance for risk-taking. Large companies have a lot to protect and therefore are not willing to take big risks. A large company taking a risk can threatens its stock price.

Dinosaurs died because of the drastic environment change. To escape death, reinvent your environment...industry.

Begin with an industry that lacks innovation.

ADT	Life Alert	Life Station	Medical Alert	Philips Lifeline	Rescue Alert

Noteworthy: Philips Lifeline allows agents and customers to communicate through a speaker

The **medical alert industry** is primed for disruption. **Not only are the products outdated but so are the ads and message.**

help! I've fallen and I can't get up!®

In 1989, LifeCall began running commercials which haven't changed in 28 years.

Design <u>experience systems</u> that exceed customer expectations.

SIMPLE

The controls and displays are easy to figure out. I know what they are and what they do.

ACCESSIBLE

Everything I need is easy to see and reach.

ENGAGING

The more I use the system, the more I enjoy it.

AESTHETICS

The look and feel of the system is important to me.

QUALITY

The system is well put together and performs at a high level.

Connect Seniors to a safety and security ecosystem

Aging at home while maintaining one's independence is "freedom" and a goal for **ADT's Medical Alert team.**

The objective is to tie as many activities to create **emotional experiences**. Results produce stronger competitive advantage, higher retention and customers' golden years are more fulfilling.

Groupings are in no particular order

Shopping
- Grocery Store
- The Mall
- Discount Store
- Eye Store
- Pharmacy

Outside Activities

Managing Finances/Estate
- Insurance Agent
- Lawyer
- Accountant

Socializing
- Travel
- Volunteer
- Church

Inside Activities
- Taking medicine
- Cleaning
- Bathing & Showering
- Watching Grandkids
- Facetiming with relatives
- Watching TV
- Sleeping
- Surfing the web
- Getting the mail
- Answering the door
- Cooking & Baking

Exercising
- Golf
- Swimming
- Tennis
- Gardening
- Walking

Health
- Pharmacist
- Specialist
- Doctor
- Dentist

Getting Around
- Dealership
- Gas Station
- Taxi/Car Service

Meet Patty, a retired accountant living in San Antonio, TX

What senior's value:

Staying connected with friends and family
84% of seniors cite that technology connects them to the world around them.

Staying healthy
86% percent of seniors say that they are confident in maintaining a high quality of life (65% of seniors report having at least two chronic health conditions).

Remain behind the wheel longer
An enormous benefit is keeping seniors in their cars longer.

More intuitive products
To keep seniors participating in mainstream social activities and prevent isolation, common platforms and simpler user interfaces are needed.

Sources: https://www.ncoa.org/news/press-releases/connections-with-community/
https://money.usnews.com/money/blogs/the-best-life/2012/08/06/10-things-aging-americans-want

ADT Medical Alert is replaced by services and devices sold today which are reconfigured to meet senior lifestyles.

Remember how seniors want to stay connected with family and friends?

"ADT's Medical alert devices are replaced with products that make it easy staying connected in the real and digital worlds."

For the kitchen

Echo Show
The brains behind ADT's monitoring service for two-way communications. Just say "Alexa, call ADT" when you need help.

For the bedroom & office

Echo Spot
An alarm clock that's Echo enabled to manage devices and make free video calls to family and friends.

For on the go

Fitness Pendant
Fitness coach, location tracker, and fall detector, keeps loved ones safe on the go and synced to Echo.

For the car

ADT Go
Track family member locations and places they visit. Receive alerts if loved ones go beyond particular boundaries.

Business Benefits

ADT stops manufacturing medical devices, freeing up resources to focus on creating better experiences.

ADT uses technologies even the grandkids will be impressed by.

ADT upgrades the pendant that encourages a healthy lifestyle and keeps seniors connected to the Care Team.

ADT broadens the use of ADT GO to the medical alert market for literally no cost.
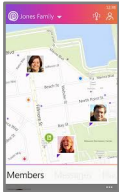
A day in the life of : Morning

Time	Trigger	Interactions
7:00 AM	**Wake up:** Daily alarm	• Spot announces "today's weather forecast" • Spot gives a Fitness Pendant reminder • Spot also provides a medication reminder • Spot reminds of today's appointments • Soothing and warming music is programmed to play • Automations turn on lights at 7 AM
8:00 AM	**Breakfast:** Refrigerator door opens (A motion sensors is connect to the door)	• Show gives breakfast recommendations per doctor's request *("good morning, Patty, no muffins, doctor's orders!")* • Patty schedules a tennis lesson through the Echo Show • Show runs the top news stories • Patty asks to see video cameras
9:45 AM	**Workout:** Daily alarm	• Morning yoga on YouTube is played from the Echo Show and on the TV via Echo Fire *(outside of offering).* • Steps and heart rate are tracked

A day in the life of : Afternoon

Time	Trigger	Interactions
12:00 PM	**Lunch:** Daily alarm	• Patty asks for Groupon and lunch specials nearby • Echo show provides medication reminders (a weekly medication adherence report is sent to doctor) • Patty asks Alexa to warm the house
12:45 PM	**Arm Away:** Errands	• Patty asks Alexa to Arm Away while out, doors are locked and garage opens via automations • ADT Go notifies the daughter that mom has left the house
1:30 PM	**Incoming Call:** On the go	• Incoming call from Patty's friend • Steps are tracked, data sent to Alexa • Returns home, returns to Geo Fence *(daughter is notified mom is back home)* • Thermostat warms up house and turns on music

A day in the life of 👩 : Evening

	Time	Trigger	Interactions
	3:00 PM	**Upcoming Event:** Dinner	• Alexa wakes Patty to get ready for dinner • Pendant monitors sleep – data sent to daughter • Receives Facebook updates of grandkid events
	3:30 PM	**Incoming Call:** Daily call	• Grandkids call for their daily check-in and fun dance • Patty takes selfie and posts to Facebook
	4:30 PM	**Upcoming Event:** Dinner reminder	• Lights turn when the system is Armed Away • Patty stumbles on a step, ADT calls to check on her – "just a scare, everything is okay" • Patty leaves a GEO Fence and enters a Geo Fence *(daughter is notified of both events)*
	8:30 PM	**Bedtime:** Bedtime reminder	• At home, Alexa reminds Patty of tomorrow's schedule • Alexa gives sleeping recommendations • Alexa plays the nightly bedtime meditation

This is one way to save the 100 year-old dinosaur.

Start the project following Google's Innovation Framework

1. Encourage bold/crazy ideas: start with a bold 'ideation challenge' that clearly identifies a big problem for your current customers with unique, highly differentiated solutions.

2. Select the best idea for experimentation: Experiments require time commitment from employees, so you need to be selective in picking experiments that test critical questions for potential bold new solutions.

3. Use a rapid 'sprint' experiment process: First, assemble a sprint team of four to seven people who can dedicate an uninterrupted week to the experiment. This is quite a time commitment, so the people assigned must be willing, able and co-located to participate.

4. Interpret results, accelerate action: Learn from the results and fast-track the tested solution through your innovation process. Then move the solution into ADT's portfolio of active product development projects for commercialization.

http://innovation-framework.com/en/experimenting-your-way-to-bolder-ideas

Service Pros & Cons

Pros

- ADT & Amazon deliver the future of Aging in Place

- ADT's monitoring service (its bread & butter) has a long-term revenue channel

- ADT deepens its relationship with Amazon

- ADT extends its Life360 investment

- ADT builds no hardware

- ADT delivers products and services customers desire

- Seniors' lifestyles are supported by the latest and coolest technology

Cons

- ADT doesn't control all the data to profit from

- ADT owns a fraction of the Amazon ecosystem

- Amazon could be the wrong partner

- It's out of the Medical Alert team's comfort zone

Next Steps

1. Integrate 360Live into the Medical Alert offers

2. Run through the Innovation Framework for a week

3. Pitch the concept to Amazon or Google

4. Conduct financial analysis

5. Conduct a customer needs analysis

6. Build small elite team

7. Develop a project plan

8. Execute