

Innovation on Demand

Paradox Interactive's Strategic Initiatives Division



*By Doru Apreotesei, VP of Product Verification and
former VP of Strategic Initiatives at Paradox Interactive*



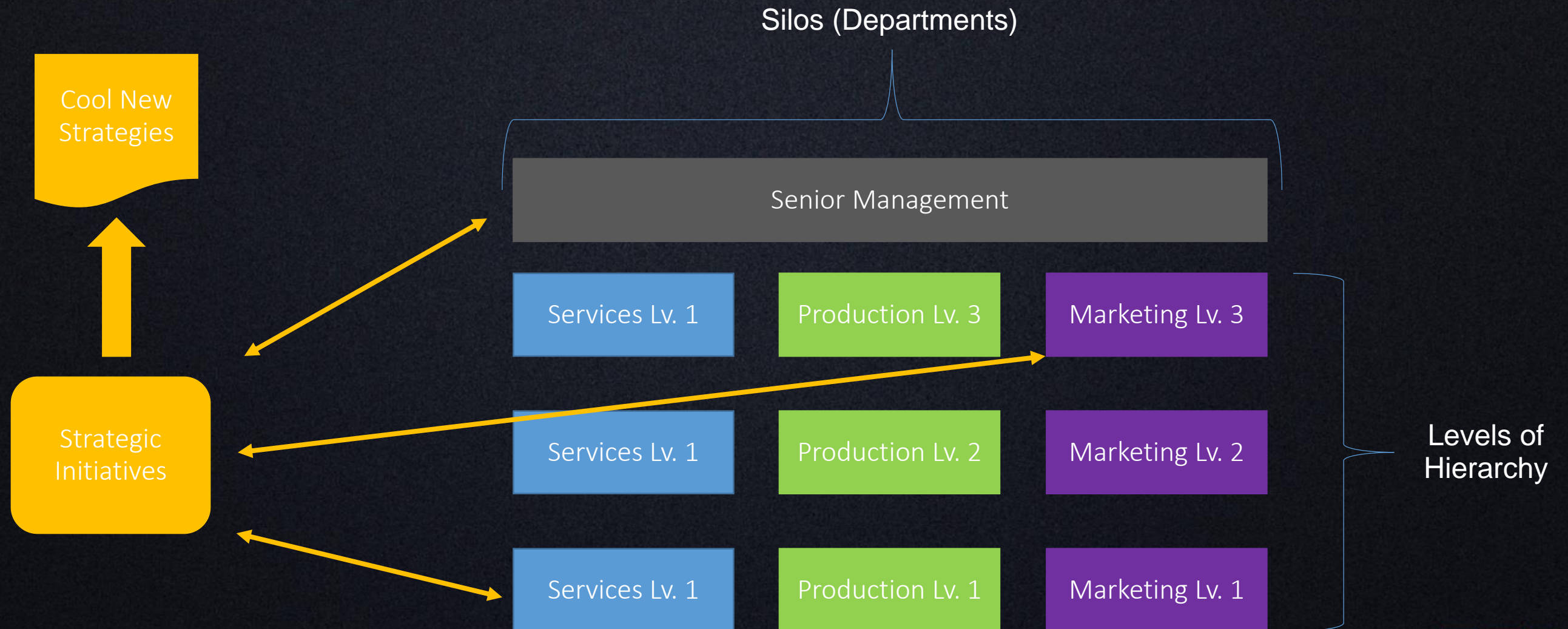
Background

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- The Paradox SI Division is largely the brainchild of Paradox CEO Fredrik Wester
- Paradox has enjoyed a fair bit of success and growth in recent years
- Fredrik wanted to make sure that qualities that made the company successful like...
 - ... company-wide collaboration
 - ... grassroots innovation
 - ... a friendly, familiar culture
- ... would not be lost just because the organization and number of staff changed*

This is a challenge as old as time!

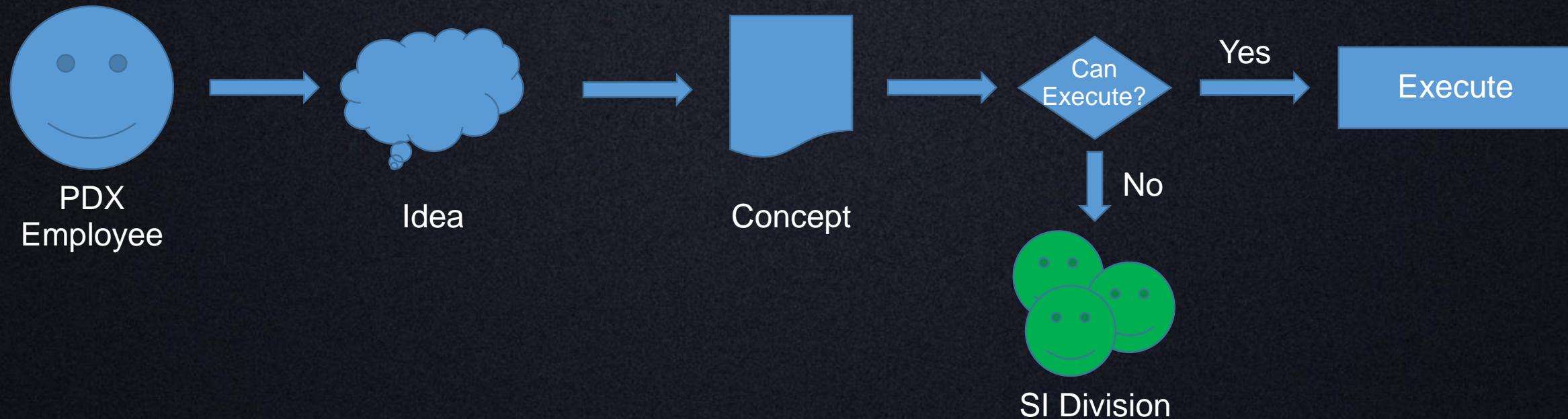
Background



The SI Workflow

The SI Workflow

A simple way of visualising what we hoped would happen:



The SI Workflow

So what kinds of challenges would require SI to “adopt” someone’s idea?

- Bandwidth/priorities
 - “Where does this new task fit along all the other stuff you’re having me do”
- Ownership
 - “Which department takes the lead on this and why”?
- Cross-functional dependencies
 - “What do we need and what can we expect from other departments/functions?”
- Unclear feasibility
 - “Should this even move beyond the idea stage?”

These challenges can all be solved, but it’s expensive, time-consuming and stressful – perhaps prohibitively so, especially for larger initiatives*

The SI Workflow

Once something did end up with SI*, the “execution” workflow would be:

1. Produce strategy that takes all of the previously mentioned challenges into account
 - a) (Feasibility, bandwidth, cross-department involvement, ownership)
2. Present this strategy to relevant stakeholders, making revisions as necessary
3. Get sign-off from relevant stakeholders
4. Hand the project over
5. Provide assistance as the initiative gets executed**

The Initiatives

The Initiatives

Q3 2015

The Creative
Workshop

Crowdfunding
Concept

Project X Post-
Mortem

“Gamebooks”

Q4 2015

PM Process

The Breakthrough Track

Internal Culture
Audit

Compendium
Concept

Q1 2016

Streaming
Partnerships

Staffing Agencies

Pricing Strategy

Selling Other
Publishers' Games

Q2 2016

Twin-SKU Games

Out-of-Home
Partnership

Career Path Definition
Process

Season Passes



The Creative Workshop

Source: CEO + SI

The Question

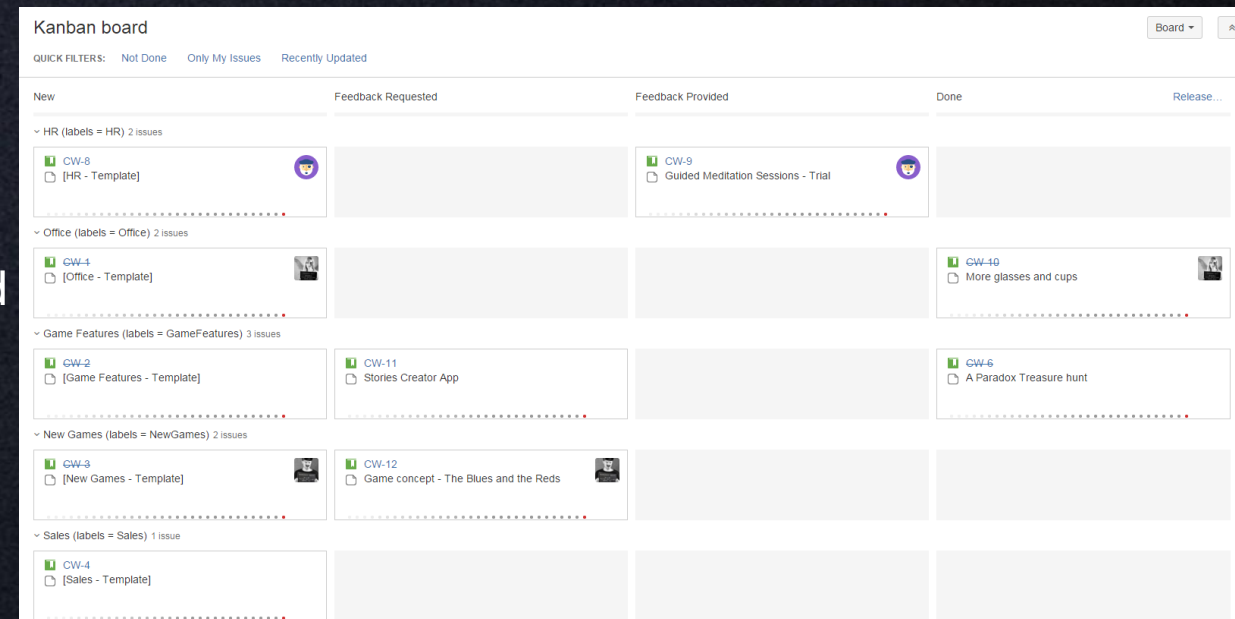
- How can we do a better job of identifying cool ideas from within the organization?
- Is there any way we can simplify the pitching of everything?
 - Games as well as other products, services and improvements
 - The first step in accomplishing the intended workflow

The Initiative

- The Creative Workshop concept was proposed and designed
 - Digital, online “idea box” for the whole organization

The Results

Mixed



Crowdfunding

Source: CEO + SI

The Question

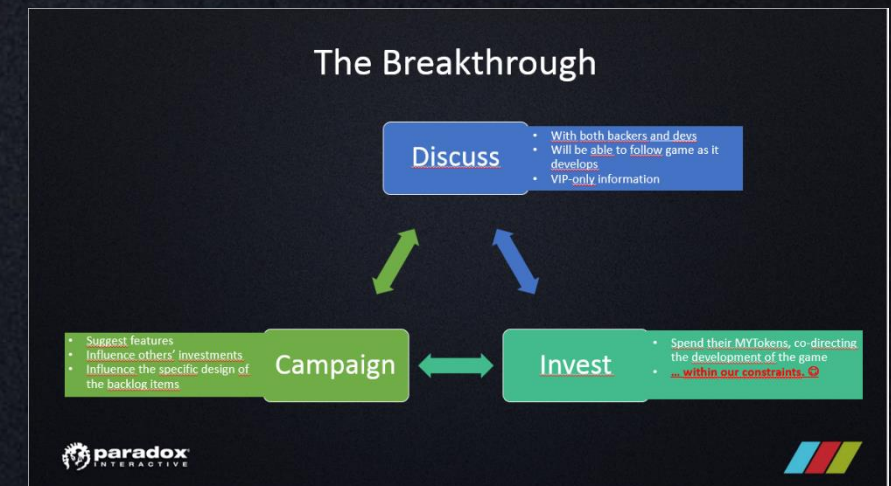
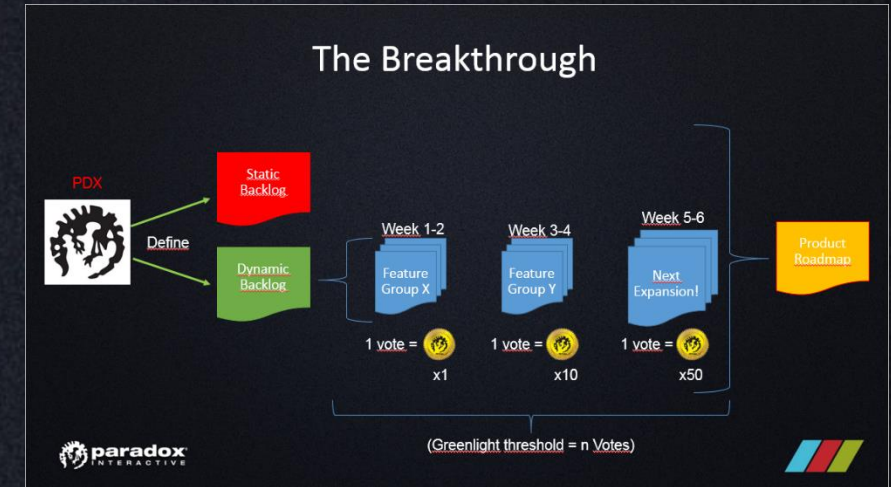
- Can we find a way to do crowdfunding at Paradox...
 - ... in a way that is consistent with our values and image
 - ... and is respectful of our fans
 - ... and has synergies with the many other ideas we have floating around*

The Initiative

- A multi-tiered concept called “Paradocracy” was designed
 - It featured “traditional” crowdfunding; glorified pre-orders
 - ... as well as experimental ideas like backers voting for game features
 - Central to the whole strategy was our having a virtual currency**

The Results

Not Executed



Internal Culture Audit

Source: SI + COO

The Question

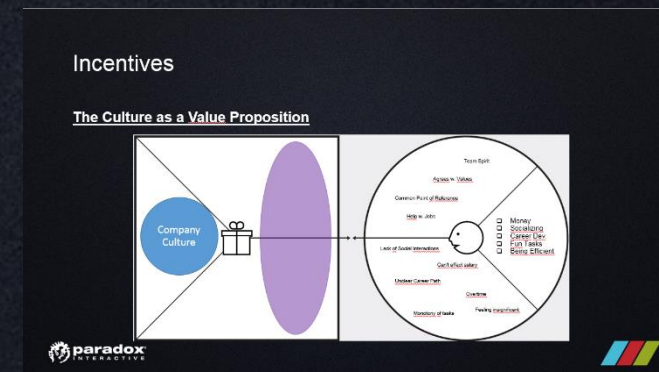
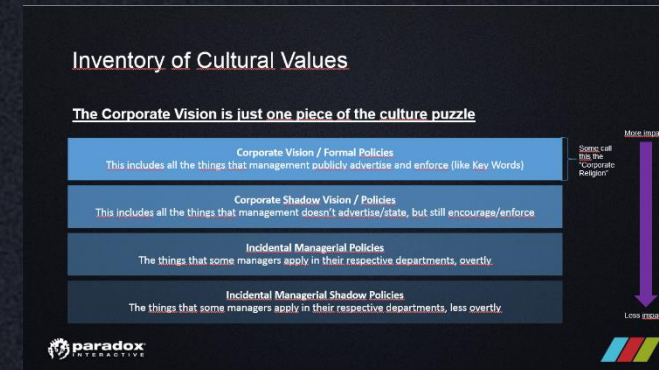
- How does our actual culture map to our desired culture?
- What means could we use to get closer to our goals?*

The Outcome

- The Culture Audit explored:
 - What an organizational culture actually is
 - What factors shape organizational cultures in general
 - Case studies from inside and outside the games industry...
 - ... and made an inventory of the Paradox culture

The Results

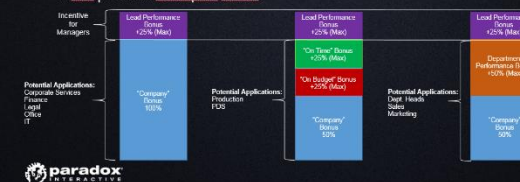
Good



Practical Ideas – Compensation

Role-Appropriate Bonus Scheme Models

- As suggested by Gerstner, having a bonus scheme with different incentives for different functions can be quite effective
- A few potential examples follow:



The Initiatives – Rates of Success

Good



~30%

Mixed



~30%

Not Executed



~40%

Learnings and Tips

Learnings and Tips

Tip: Take nothing at face value

- Simply accepting a premise will lead to false starts
- The people who describe a problem for you to solve...
 - ... will be constrained by their vantage points...
 - ... will engage in wishful thinking...
 - ... will confuse facts and timelines...
 - ... will be wrong in some other way*...

Learnings and Tips

Tip: Take nothing at face value

- So when you're given a mission, like...
 - ... “provide people with tools to innovate”...
 - ... “can we find ways to make people ‘live our culture’ more”...
 - ... “head up our new Innovation Department and incubate awesome stuff”...
- ... do everyone a favour and push back on the premise
 - Figure out what the background is, what is assumed and/or taken for granted...
 - ... so that you don't end up exhausting yourself working the wrong angles

Learnings and Tips

Tip: Stress test your mandate

- Some change will always come at the expense – real or perceived – of some people
- It follows that some people will have a vested interest in your failing
- The most important thing is not to figure out who these people are and target them...
- ... but rather to figure out what to do, in general, if and when this happens

Different people may work against you at different times for different reasons

Learnings and Tips

Tip: Stress test your mandate

- Apply good game dev prototyping practices:
 - Identify your deal breakers
 - Try to provoke those deal breakers to happen as early as you can
- At the very least, have uncomfortable hypothetical discussions
 - “Who has the right to say no to me, at what point and for what reasons”
 - “Who can I escalate to if I feel that somebody is being uncooperative”
 - “Once a decision’s been made, whose responsibility is it to enforce”
- Of course, hypothetical discussions aren’t as good as the real thing...

So when your progress grinds to a halt, make whatever’s blocking you the #1 priority*

Learnings and Tips

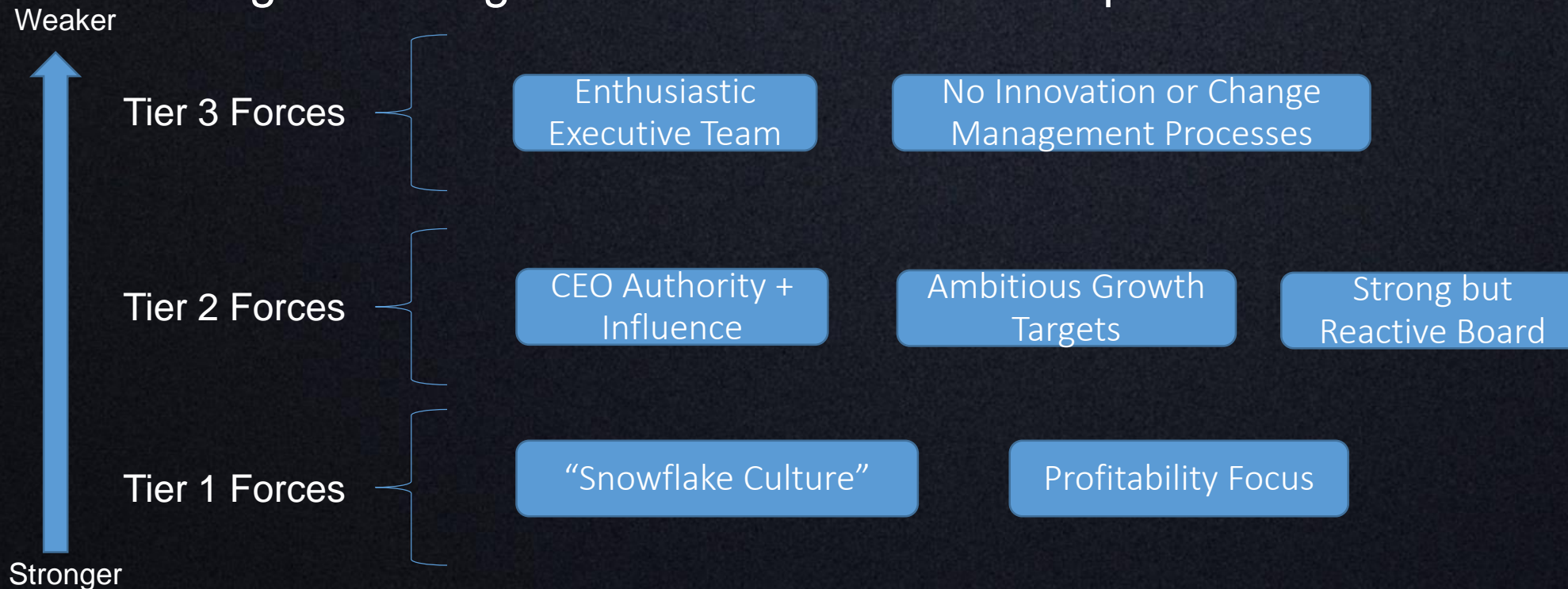
Tip: Itemize and map out the relevant forces

- Develop an understanding of the forces working for or against you, including
 - Individuals
 - Their role and formal authority, their informal influence, their stake in your success...
 - Culture
 - Relevant aspects, like “conservative”, “consensus-minded” or “apolitical”...
 - Company structure
 - Executive team makeup, department structures, roles and responsibility definitions...
 - Processes
 - What do and what don’t we already know how to do with consistent results...
 - Strategy
 - Where does the company see itself in the medium and long term, and where does “innovation” fit into that...

Learnings and Tips

Tip: Itemize and map out the relevant forces

- Assign a “strength” value to the factors and prioritize them accordingly, for example:



Learnings and Tips

Tip: Account for scale

- For the initiatives I've outlined, which factor was the biggest predictor of success?
- The short answer: the size of the initiative
- Every time an initiative scales up to involve more...
 - ... people...
 - ... departments...
 - ... resources...
- ... your challenges automatically multiply; there are simply more things that can fail
- This is the one thing we had hoped to solve that we didn't really manage to*
 - We still had an easier time than the average employee would have...
 - ... but that was mostly because we had the time and resources

Final Thoughts

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So was SI a good idea?

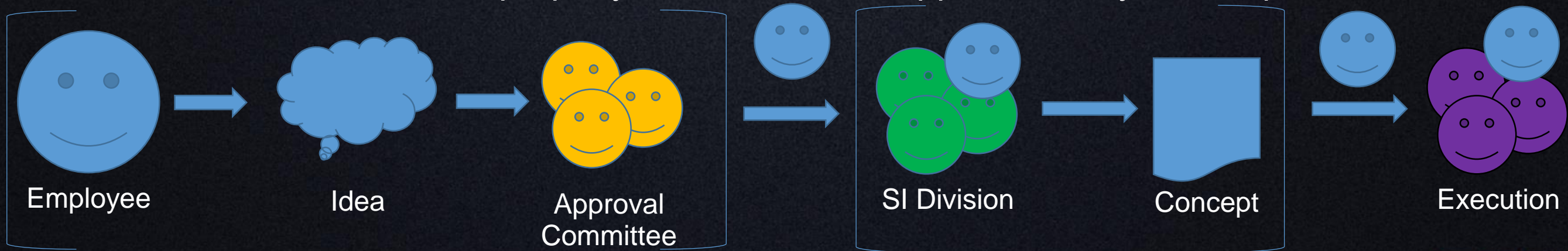
YES!

... but it may not be for you*

Final Thoughts

So was SI a good idea?

- If you don't want to take the plunge with both feet, consider a more flexible solution
- Maybe employees with cool ideas could be given a temporary seat in SI...
 - ... sort of like a “mission” to evaluate something further
 - ... maybe during “downtime” between projects
- ... and once their idea is properly fleshed out and approved, they can help execute



Thanks for your attention!

Any questions?