



IIM Presentation

'Review the recent innovation history (say, over the past five or ten years) of a company of your choice that is involved in manufacturing, product development or service provision, anywhere in the world.'

Team Caernarfon

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'The interesting difference between Amazon and many of the tech brands that we're surrounded with is that much of their innovation comes from within.' (Daisley, 2021)

KEY TAKEAWAYS

- ▶ The Amazon Dash Button lives on in virtual form.
- ▶ Amazon Fresh has expanded to more than 5,000 cities and towns.
- ▶ Amazon Prime Air aims to deliver by drone in 30 minutes.
- ▶ Fire TV has a substantial share of the streaming device business.



amazon dash
BUTTON

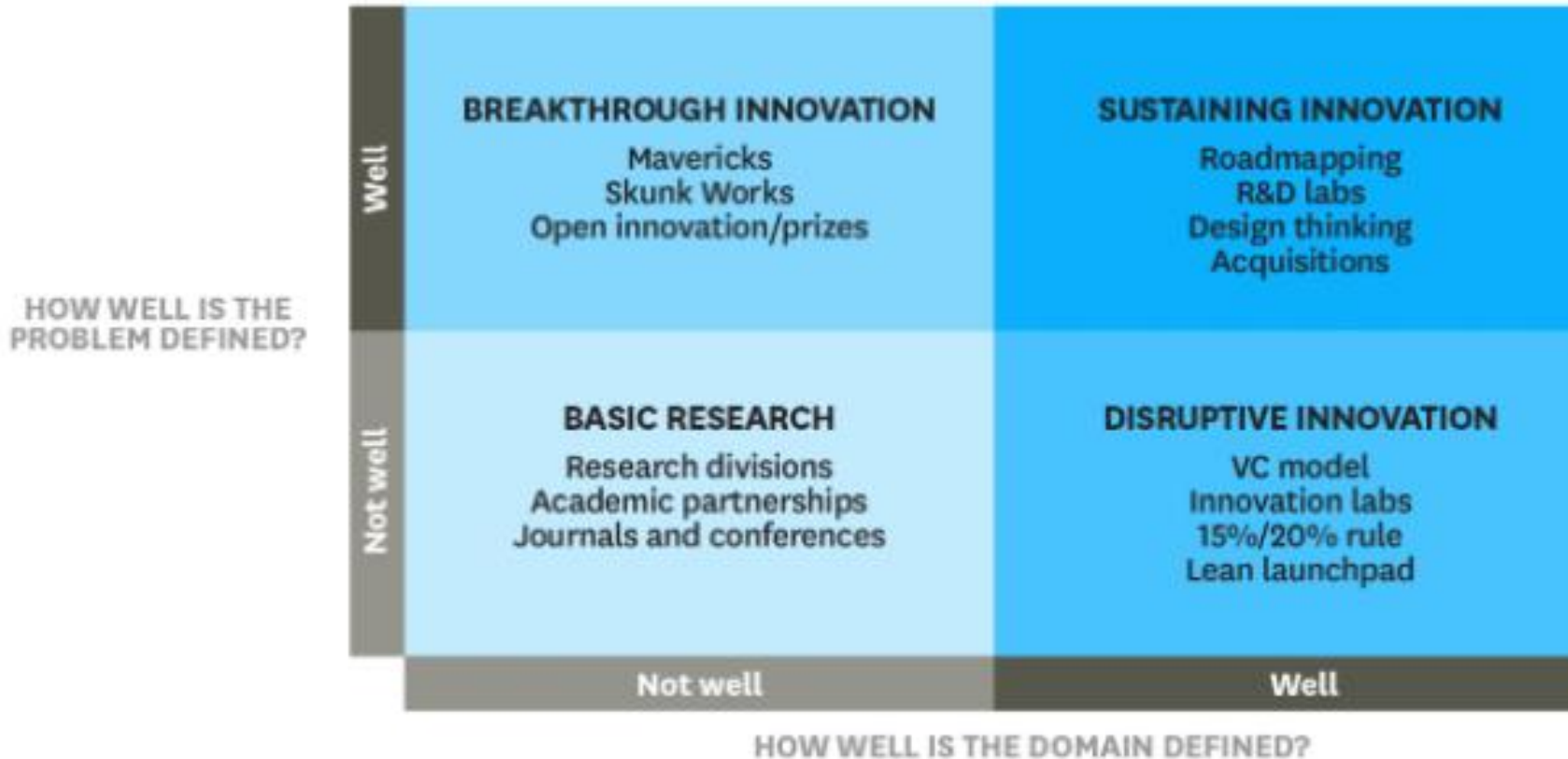


Leadership Principles (July 1, 2021)

- ▶ Customer Obsession
- ▶ Ownership
- ▶ Invent and Simplify
- ▶ Are Right, A Lot
- ▶ Learn and Be Curious
- ▶ Hire and Develop the Best
- ▶ Insist on the Highest Standards
- ▶ Think Big
- ▶ Bias for Action
- ▶ Frugality
- ▶ Earn Trust
- ▶ Dive Deep
- ▶ Have Backbone; Disagree and Commit
- ▶ Deliver Results
- ▶ Strive to be Earth's Best Employer
- ▶ Success and Scale Bring Broad Responsibility

'Don't (JUST) Build A Brand, Build A Platform' (Satell, 2013)

4 Types of Innovation



SOURCE GREG SATELL

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2,606 RESULTS FOUND

Science at Amazon enables new customer experiences and addresses existing customer challenges whenever there is limited or no existing prior art. Science complements the company's engineering and product disciplines, and is critical to all Amazon businesses focused on delivering increased customer value.

Principal Applied Scientist, Compliance Technologies

RO, Bucharest | Job ID: 1992608

Posted March 21, 2022
(Updated about 2 hours ago)

Economist, Amazon B2B Payments

US, WA, Seattle | Job ID: 1992450

Data Scientist, Music Personalization

US, CA, San Francisco | Job ID: 1992478

Posted March 21, 2022
(Updated about 5 hours ago)

Research Scientist, Amazon Talent

US, WA, Seattle | Job ID: 1991019

Quantum Research Scientist, Optics

US, MA, Boston | Job ID: 1991348

Posted March 21, 2022
(Updated about 16 hours ago)

Applied Scientist - Engagement Automation, Prime Video Engagement Automation

US, WA, Seattle | Job ID: 1991734

Posted March 21, 2022
(Updated about 11 hours ago)

Applied Science Manager - Personalization, Recommendation Systems, Data Science, Applied Science, Machine Learning, Personalization

GB, MLN, Edinburgh | Job ID: 1983286

Posted March 15, 2022
(Updated 7 days ago)

Meet the Robots



SUSTAINING INNOVATION

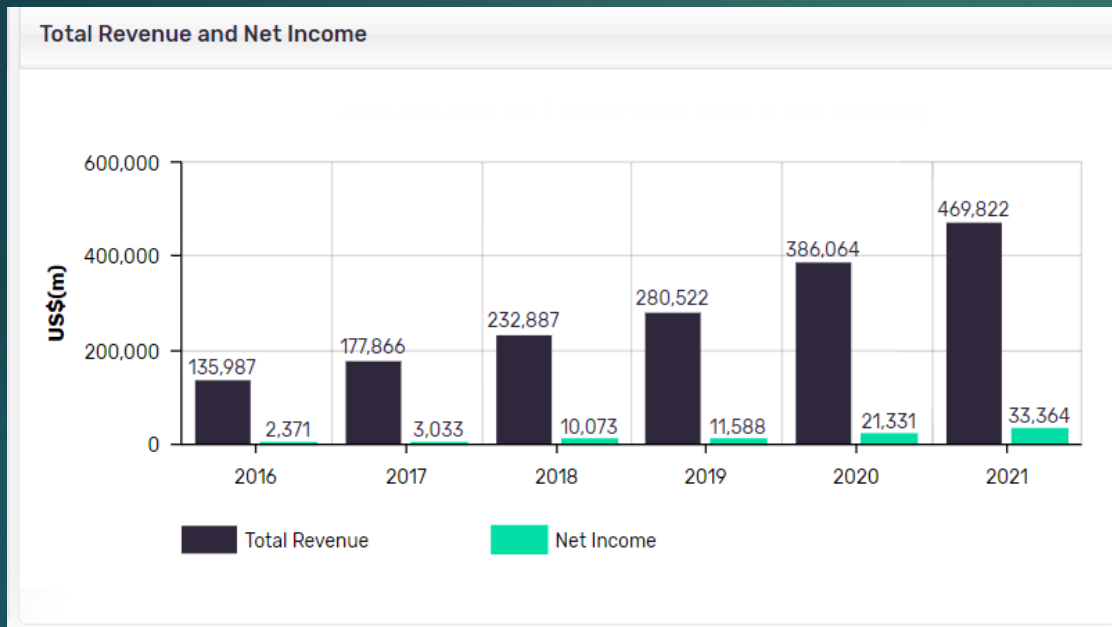
‘You pursue sustaining innovation by...R&D engineering process, accessing technology you need through suppliers or acquiring companies that have developed technologies’ (Satell, 2017)

- ▶ Acquiring Companies is Key in Amazon’s Innovation Strategy
 - Acquisition of Kiva Systems in 2012
 - \$775 million investment (DePillis & Sherman, 2021)



MARKET POSITION

- MarketLine data represents growth of Amazon over past 6 years

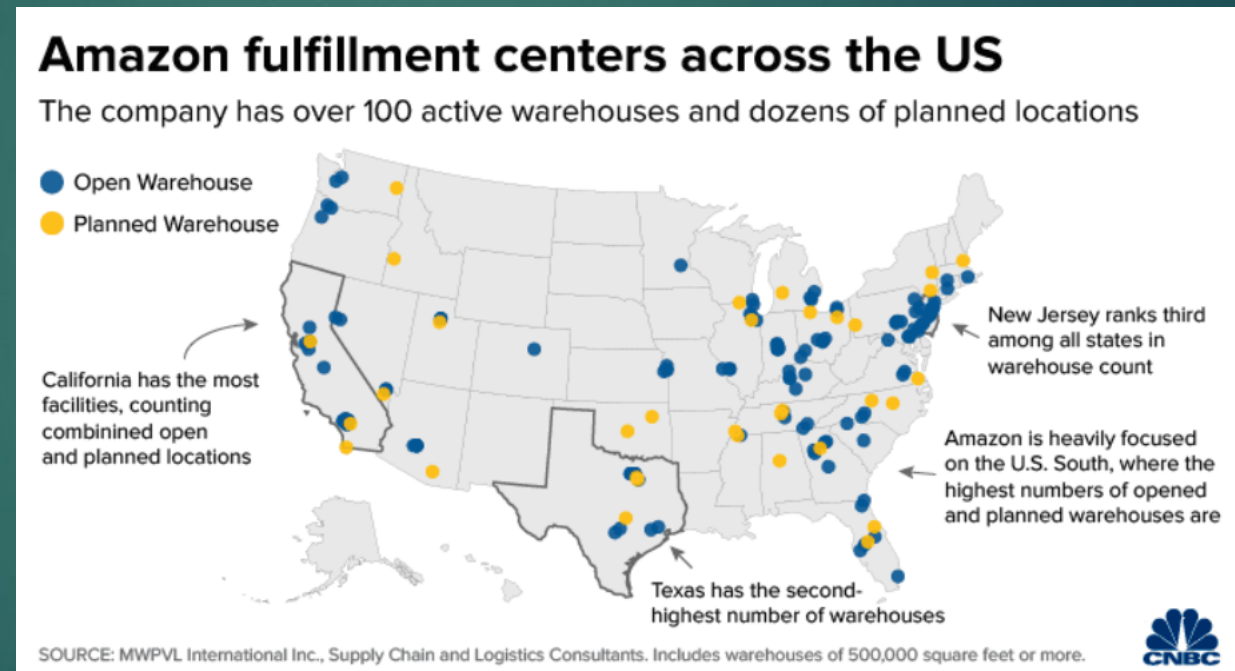


(MarketLine, 2022)

- Amazon introduce Warehouse Robots
- Opened 34 new fulfilment centres since 2012 (MarketLine, 2022)

- Incremental
 - Sustaining
- ‘It is these types of innovations that produce the most value’ (Satell, 2017)

- ▶ 14,000 robotic vehicles in operation by 2014 and now has more than 200,000 across fulfilment centres (Edwards, 2020)
- ▶ Accelerated growth in two key areas:
 1. Online Retail
 2. Logistics



- Considered one of the top 10 logistic companies by 2020 (Edwards, 2020)

Technology Dependant?

- ▶ 4-5 times faster than humans (Lynn, 2019)
- ▶ Increase efficiency and safety in the work place
- ▶ Produce more skilled jobs – 300,000 jobs since 2012 (Amazon Staff, 2018)
- ▶ Increase capacity
- ▶ Improve customer satisfaction – Introduction of Amazon Prime & Sunday Deliveries
- ▶ Inventory Management

The Amazon Prime logo is displayed on a white rectangular background. It features the word "amazon" in black lowercase letters, followed by a blue curved arrow pointing from the 'a' to the 'z', and then the word "Prime" in blue italicized uppercase letters.

The Kiva Systems Acquisition

- ▶ One of the biggest acquisitions of Amazon is Kiva Systems, which has mastered itself in Artificial intelligence with machines working for you.
- ▶ This has skyrocketed the speed at which the deliveries are handled at the warehouses.
- ▶ The right opportunity of acquiring the right business at the right time, has indeed, sped up its deliverables and hence increased it's efficiency.



Customer Centric business Model?

- ▶ Many trade pundits e.g. Capitalism.com, believe, Amazon is a customer centric business. However, our observation is that Amazon is also a strong Supply chain centric business model. With an unbelievable pool of suppliers, Amazon is able to meet the requirements of its consumers.
- ▶ This brings us to the point of Supply and Demand equation. If the supply chain is weak, then the demand can't be met and the company's future is up in the air.
- ▶ Hence, a strategic strong supply chain is a key to the success of a business.
- ▶ Strong Supply chain is established, based on the competition between the suppliers. Amazon has definitely and arguably done its best in this regard. One platform with thousands of products from 10s of thousands of suppliers (e.g. An iPhone can be bought from many suppliers on Amazon).

Customer Centric business Model?

- ▶ The supply is from multiple sources rather than from one particular source. Localised pockets of supply are established with one platform, Amazon website. This makes Amazon a winner in achieving the success it is enjoying.
- ▶ Out of the box thinking and Frugality in marketing and innovative ideas are real game changing attributes for Amazon.
- ▶ Amazon has invested heavily in the technology i.e, Software development, Artificial Intelligence and acquiring businesses.
- ▶ Offering Entrepreneurship to small business and to individuals is also a key contributor to Amazon's branding.

“They defined the expectations for the modern consumer,”
Scott Gravelle, the founder and CEO of Attabotics, a warehouse automation startup.

The implementation of the automated warehouse robots has been a successful innovation with regards to productivity, efficiency, cost reduction and customer satisfaction (same day deliveries).

Where to next?

- ▶ Will the robots replace more of the warehouse staff?
- ▶ The robotics technology needs to evolve in order to take this innovation further
- ▶ Automated packing machines, new mobile robots
- ▶ The robotic grasping problem will be solved in the next decade – Jeff Bezos



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