

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?

Innovation @ Amazon

*Enabling Innovation for
Everyone*

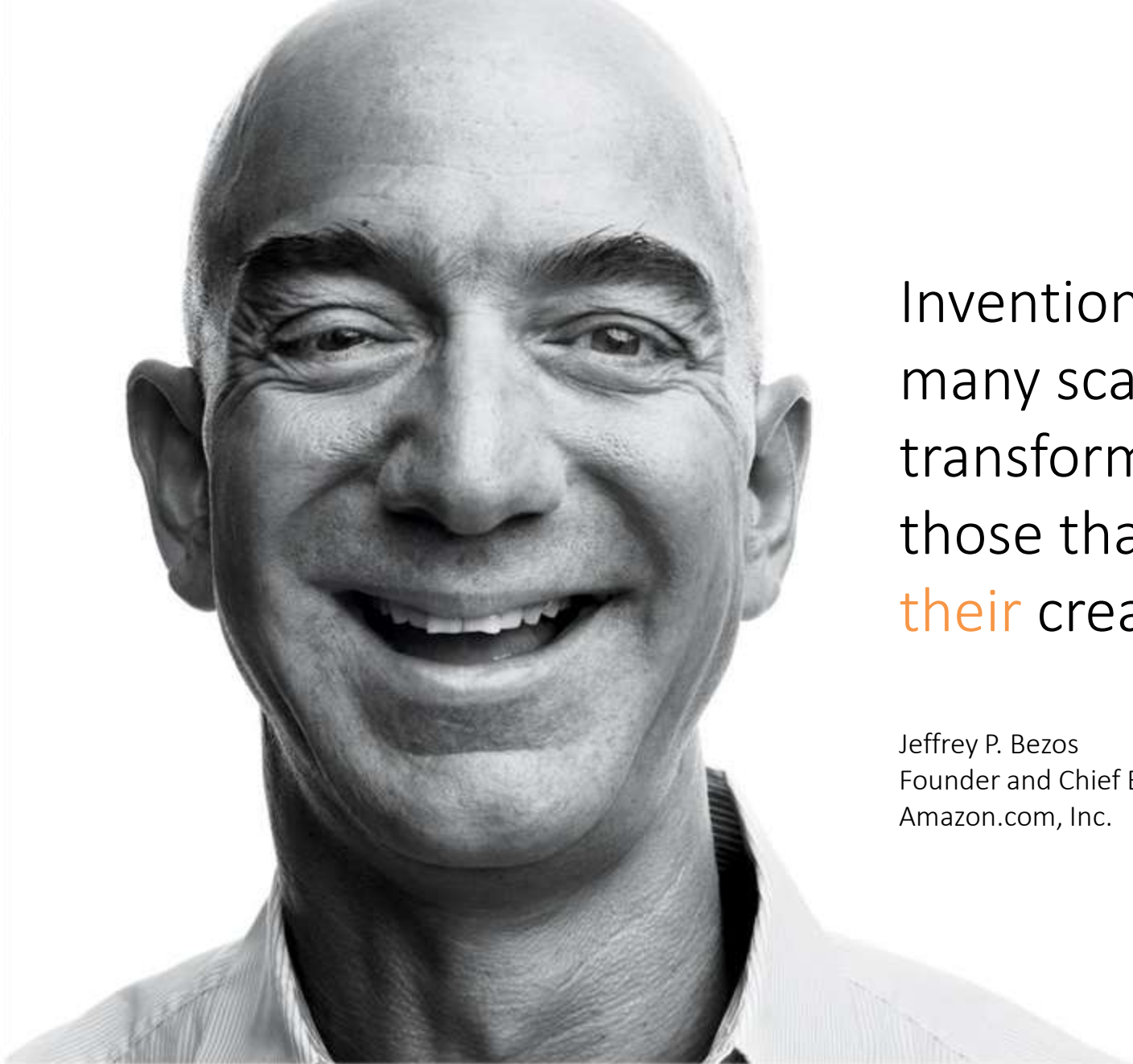
Roberto D. De La Mora

Principal - Business Development

Enterprise & Industry Verticals

LATAM

amazon



Invention comes in many forms and at many scales. The most radical and transformative of inventions are often those that empower **others** to unleash **their** creativity – **to pursue their dreams.**

Jeffrey P. Bezos
Founder and Chief Executive Officer
Amazon.com, Inc.



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 and large markets.

OUR MISSION

we want to be earth's most
customer centric company

OUR COMMITTMENT

we make our customers' lives
easier

WHERE INNOVATION STARTS

we start with the customer and
work backwards

Our culture of innovation

» 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.

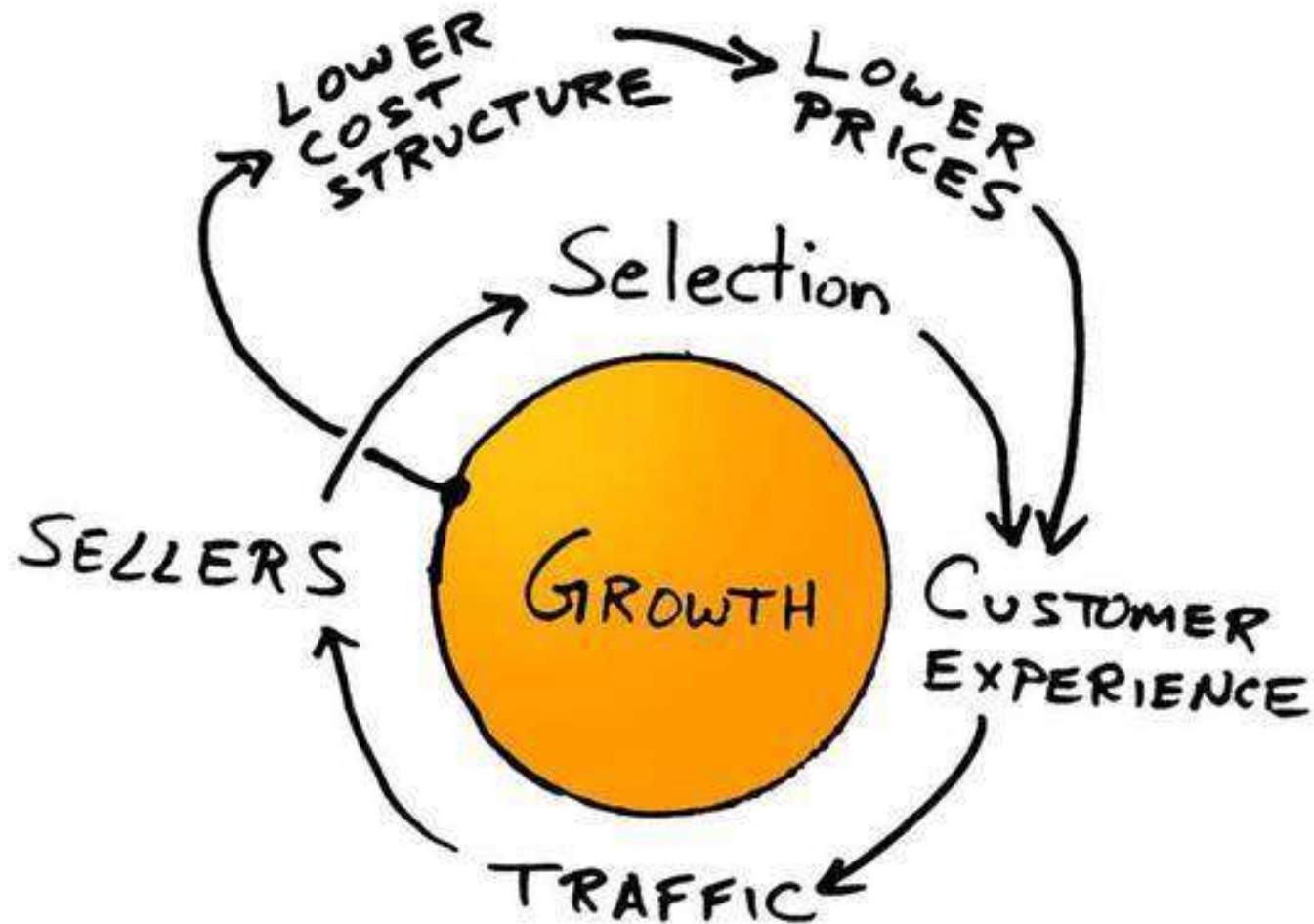
"We are willing to go down on a bunch of dark alleys and occasionally we find something that really works."

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

"We are very comfortable being misunderstood."



Amazon's Growth Flywheel



Value

Selection

Convenience





amazon FLEX

205

Deliver Smiles

Make **\$18-25/hr** delivering packages for Amazon with your car and smartphone. Be your own boss: deliver when you want, as much as you want.

amazon **Primenow**

Name

Enter Full Name

City

Enter City

Email

Enter Email

Mobile Number

Optional

[SIGN UP NOW](#)

Sign up now and we'll contact you.

STUBBORN ON THE VISION

but flexible on the details

“Alexa, ask Capital One®,
what’s my account
summary?”



Capital One®

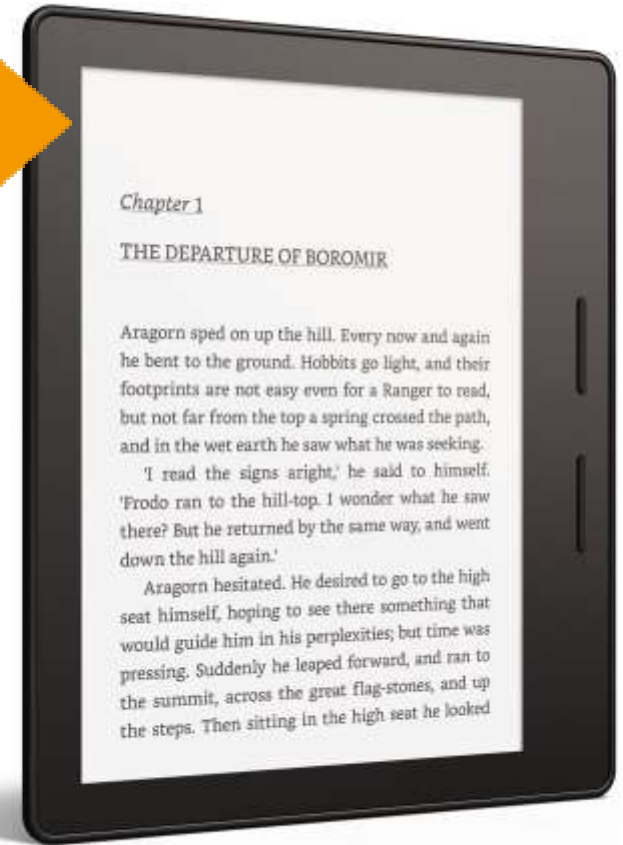
amazon echo

Frictionless shopping experience using connected home tech



WILLINGNESS TO BE MISUNDERSTOOD

for a long period of time



Chapter 1


THE DEPARTURE OF BOROMIR

Aragorn sped on up the hill. Every now and again he bent to the ground. Hobbits go light, and their footprints are not easy even for a Ranger to read, but not far from the top a spring crossed the path, and in the wet earth he saw what he was seeking.

'I read the signs aright,' he said to himself. 'Frodo ran to the hill-top. I wonder what he saw there? But he returned by the same way, and went down the hill again.'

Aragorn hesitated. He desired to go to the high seat himself, hoping to see there something that would guide him in his perplexities; but time was pressing. Suddenly he leaped forward, and ran to the summit, across the great flag-stones, and up the steps. Then sitting in the high seat he looked



TECH FORTUNE 500 See the [Fortune 500 list](#) 

Amazon Continues to Impress Wall Street Thanks to Cloud and Prime

by Reuters JULY 28, 2016, 4:17 PM EDT



CLOUD 

Amazon still crushing cloud competition, says Gartner Magic Quadrant for IaaS

Every year, AWS seems to be putting everyone but Microsoft and Google further into the rearview mirror. Here's how they're leading the public cloud pack.

By Matt Asay  August 5, 2016, 6:50 AM PST

One of Amazon's Fastest-Growing Businesses Has Nothing to Do With Prime Day

Amazon Web Services has become a financial juggernaut, bringing in \$2.6 billion in revenue during the first quarter.



Brian Sozzi  Jul 12, 2016 8:00 AM EDT

AWS By The Numbers (2017)

\$17.5B

Billed Revenue, 45% YoY

64

Price Reductions (since '06)

9.8%

of 2017 Consolidated
Amazon.com Revenue

1,430

New Services and Features
(2017)

\$4.3B

Operating Income

Millions

Monthly Active Customers

How do we
organize for
innovation?

» **Mechanisms**

Working Backwards Process

Andon Cord

Correction of Error (COE)



WORKING FROM THE CUSTOMER

backwards



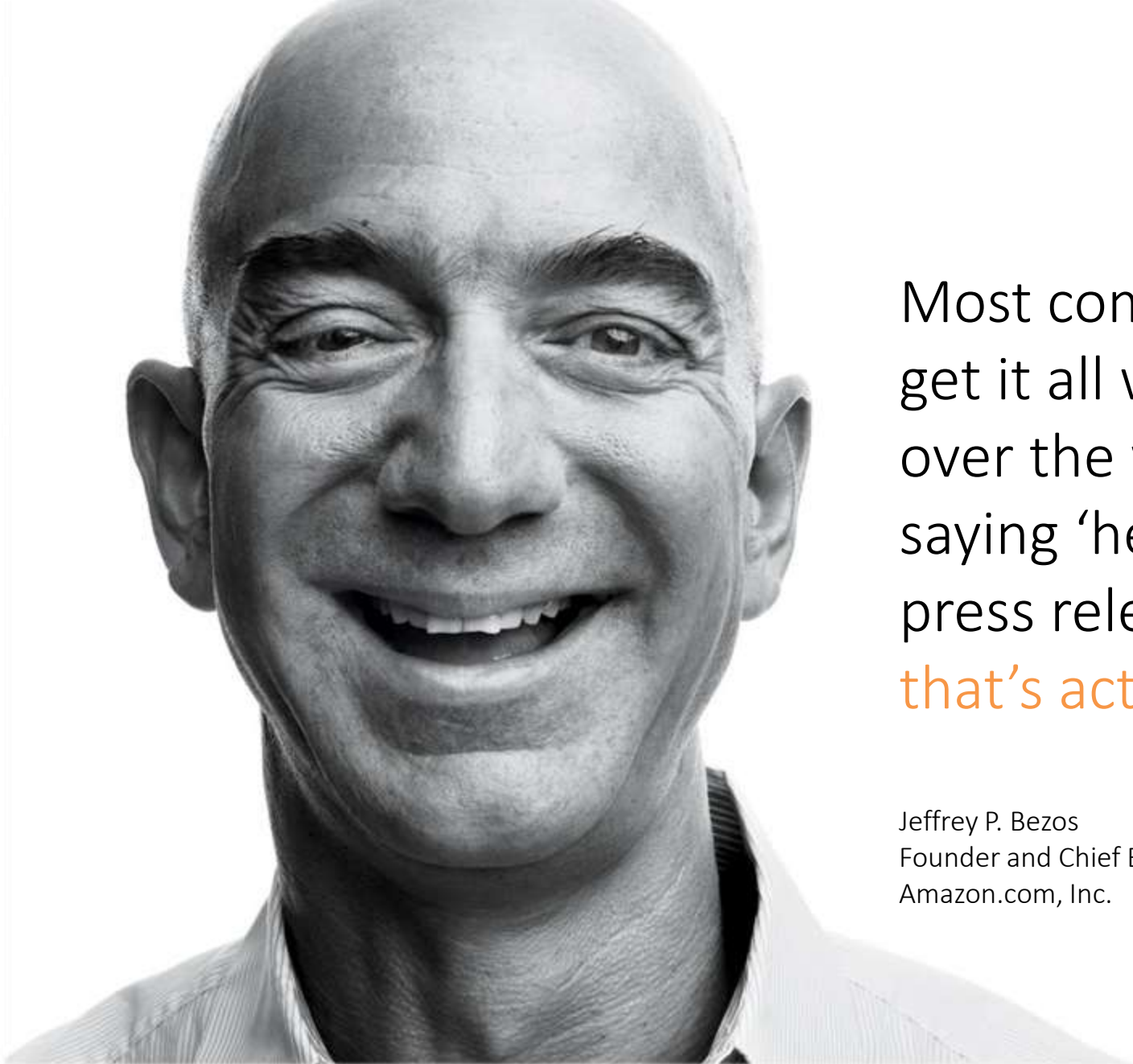
write the press release



write the FAQ



define the user interaction and write the manual



Most companies write the software, they get it all working, and then they throw it over the wall to the marketing department, saying ‘here is what we built, go write the press release.’ **That process is the one that’s actually backwards.”**

Jeffrey P. Bezos
Founder and Chief Executive Officer
Amazon.com, Inc.

How do we
organize for
innovation?

» **Mechanisms**

Working Backwards Process
Andon Cord
Correction of Error (COE)

» **Architecture**

Micro-services Architectures
Loosely Coupled Applications
Self Service Platforms – No Gatekeepers



Self-Service Platforms without **Gatekeepers**

*“We are creating powerful **self-service platforms** that allow thousands of people to **boldly experiment** and accomplish things that would otherwise be impossible or impractical.”*



Most Robust, Fully-Featured Technology Infrastructure Platform

TECHNICAL & BUSINESS SUPPORT

- Support
- Professional Services
- Optimization Guidance
- Partner Ecosystem
- Training & Certification
- Solutions Management
- Account Management
- Security & Billing Reports
- Personalized Dashboard

MARKETPLACE

- Business Apps
- Business Intelligence
- DevOps Tools
- Security
- Networking
- Databases
- Storage

ANALYTICS

- Data Warehousing
- Business Intelligence
- Hadoop/Spark
- Streaming Data Analysis
- Streaming Data Collection

DEV OPS

- One-click App Deployment
- Resource Templates
- Build & Test
- Application Lifecycle Management
- DevOps Resource Management
- Triggers
- Containers
- Analyze & Debug
- Patching

MOBILE SERVICES

- API Gateway
- Single Integrated Console
- Identity
- Sync
- Mobile Analytics
- Mobile App Testing
- Targeted Push Notifications

IoT

- Rules Engine
- Device Shadows
- Device SDKs
- Device Gateway
- Registry
- Local Compute

MACHINE LEARNING

- Custom Model Training & Hosting
- Image & Scene Recognition
- Facial Recognition & Analysis
- Facial Search
- Text to Speech
- Conversational Chatbots
- Deep Learning (Apache MXNet, TensorFlow, & others)

ENTERPRISE APPS

- Virtual Desktops
- Sharing & Collaboration
- Corporate Email
- App Streaming
- Communications
- Contact Center

HYBRID ARCHITECTURE

- Data Integration
- Integrated Networking
- Integrated Identity & Access
- Integrated Resource & Deployment Management
- Integrated Devices & Edge Systems

MIGRATION

- Schema Conversion
- Exabyte-Scale Data Migration
- Application Migration
- Database Migration
- Server Migration

APP SERVICES

- Queuing & Notifications
- Email
- Workflow
- Transcoding
- Search

INFRASTRUCTURE

- Regions
- Availability Zones
- Points of Presence

CORE SERVICES

- Compute**
VMs, Auto-scaling, Load Balancing, Containers, Virtual Private Servers, Batch Computing, Cloud Functions, Elastic GPUs, Edge Computing
- Storage**
Object, Blocks, File, Archivals, Import/Export, Exabyte-scale data transfer
- Databases**
Relational, NoSQL, Caching, Migration, PostgreSQL compatible
- Networking**
VPC, DX, DNS
- CDN**

SECURITY & COMPLIANCE

- Identity Management
- Access Control
- Monitoring & Logs
- Assessment & Reporting
- Web Application Firewall
- Configuration Compliance
- Key Management & Storage
- Account Grouping
- Resource & Usage Auditing
- DDOS Protection

MANAGEMENT TOOLS

- Manage Resources
- Service Catalogue
- Configuration Tracking
- Monitoring
- Server Management
- Resource Templates

How do we organize for innovation?

» Mechanisms

Working Backwards Process
Andon Cord
Correction of Error (COE)

» Architecture

Micro-services Architectures
Loosely Coupled Applications
Self Service Platforms – No Gatekeepers

» Culture

Our People: we hire builders, innovators, entrepreneurs
Our Beliefs: Amazon Leadership Principles



Entrepreneurial Culture

“We will make **bold rather than timid investment** decisions where we see a sufficient probability of gaining market leadership advantages. Some of these investments will pay off, others will not, and we will have **learned another valuable lesson in either case.**”

Jeff Bezos, 2013 Shareholder letter

At Amazon, we hire Builders and let them Build

Everyone of us
is a leader on
our mission



... unless you know
better ones.
Please be a leader.

How do we organize for innovation?

» Mechanisms

Working Backwards Process
Andon Cord
Correction of Error (COE)

» Architecture

Micro-services Architectures
Loosely Coupled Applications
Self Service Platforms – No Gatekeepers

» Culture

Our People: we hire builders, innovators, entrepreneurs
Our Beliefs: Amazon Leadership Principles

» Organization

Experimentation
Two Pizza Teams



Experiment Frequently

- AWS Services enable experimentation via primitives
- Companies can build on existing services
- Rapid prototyping and iteration are key
- Embrace failure





To our shareowners (2015)

This year, Amazon became the fastest company ever to reach \$100 billion annual sales. Also this year, Amazon Web Services is reaching \$10 billion in annual sales.

One area where I think we are especially distinctive is failure. I believe we are the best place in the world to fail (we have plenty of practice!), and failure and invention are inseparable twins. To invent you have to experiment, and if you know in advance that it's going to work, it's not an experiment. Most large organizations embrace the idea of invention, but are not willing to suffer the string of failed experiments necessary to get there. Outsized returns often come from betting against conventional wisdom, and conventional wisdom is usually right. Given a ten percent chance of a 100 times payoff, you should take that bet every time. But you're still going to be wrong nine times out of ten. We all know that if you swing for the fences, you're going to strike out a lot, but you're also going to hit some home runs. The difference between baseball and business, however, is that baseball has a truncated outcome distribution. When you swing, no matter how well you connect with the ball, the most runs you can get is four. In business, every once in a while, when you step up to the plate, you can score 1,000 runs. This long-tailed distribution of returns is why it's important to be bold. Big winners pay for so many experiments.



Learn from failures...

Amazon once had an auction site called Amazon Auction, which went head-to-head with eBay. Auction shut down eventually, but it helped Amazon launch its own online marketplace for third party vendors called Amazon Marketplace, which is now a big part of its overall business.



Shutterstock

amazon

Amazon's first smartphone, the Fire Phone, hasn't been discontinued, but it's been a pretty big flop so far. Amazon wrote off \$170 million worth of unsold Fire Phones last year, and its hardware division has been cutting jobs recently.



Twitter

Two Pizza Teams

- Decompose to Primitive Problems
- Single-threaded focus
- Small “Two Pizza Teams”
- Enables self-directed teams
- Fosters ownership & autonomy



How do we organize for innovation?

» Mechanisms

Working Backwards Process
Andon Cord
Correction of Error (COE)

» Architecture

Micro-services Architectures
Loosely Coupled Applications
Self Service Platforms – No Gatekeepers

» Culture

Our People: we hire builders, innovators, entrepreneurs
Our Beliefs: Amazon Leadership Principles

» Organization

Experimentation
Two Pizza Teams



INNOVATION AT THE EDGE

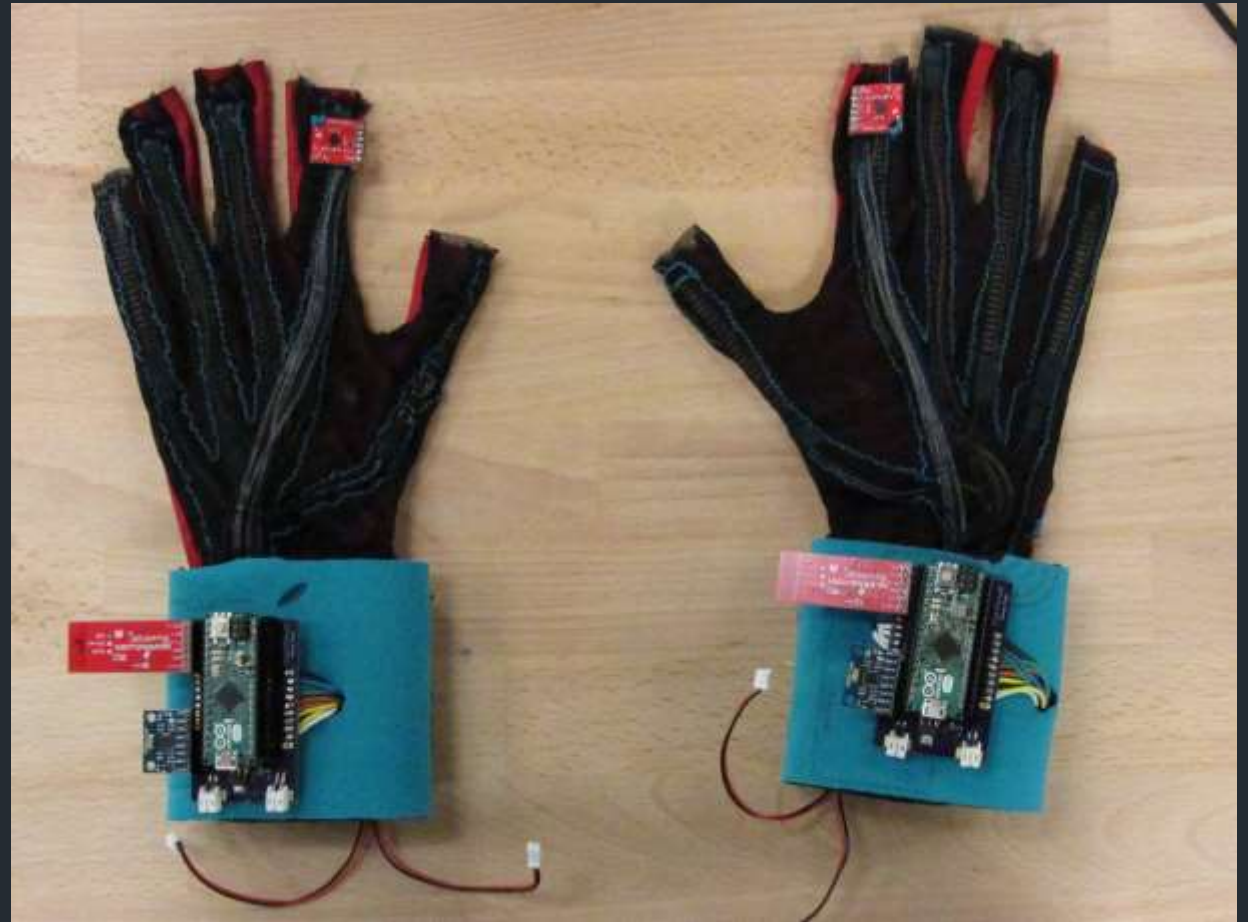
enable everyone to innovate



Translating Sign Language to Speech

- Bluetooth enabled gloves
- Records hand position and movement
- Uses deep learning to match gestures with words
- Text to speech

“SignAloud”





AMAZON'S INNOVATION EQUATION

$$f(i) = \text{Mechanisms} * \text{Architecture}^{\text{Culture} * \text{Organization}}$$

Innovation manifested across so many domains...



Drone Development



Video Streaming



Kindle Reader



**In-house
Entertainment**



Grocery Delivery



Advanced Shopping



Cloud Computing



Home Automation

FINAL RECOMMENDATIONS



- a. Take **control**. Lead the disruption.
- b. Deploy **technology** to break constraints.
- c. Lose out on efficiency and go for effective **disruption**.
- d. **Don't be terrified**, the odds are better than you think!
- e. We're here to help, **work backwards** from your customer outcomes.

Innovation is **everyone's responsibility**



We had three big ideas at Amazon that we have stuck with for 20+ years, and they are the reason we are successful: **put the customer first, invent and be patient.**

Jeffrey P. Bezos
Founder and Chief Executive Officer
Amazon.com, Inc.

THANK YOU