AWS re:Invent

NOV. 29 – DEC. 3, 2021 | LAS VEGAS, NV

INO201

Amazon’s culture of innovation

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AWS

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Specialist WW Innovation Program Manager
AWS

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Our mission:

To be Earth’s most customer-centric company

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Where innovation begins:

Start with the customer and work backwards

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> **Customers are always beautifully, wonderfully dissatisfied**, even when they report being happy and business is great. Even when they don't yet know it, customers want something better, and your desire to delight customers will drive you to **invent on their behalf**.

Jeff Bezos

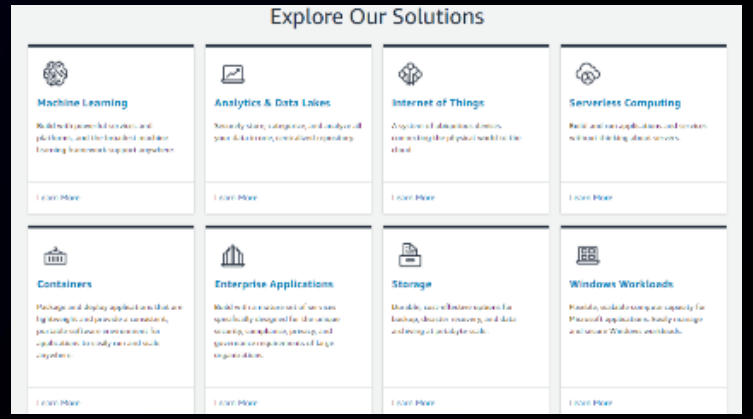
Founder and Executive Chair, Amazon

2016 Letter to Shareholders

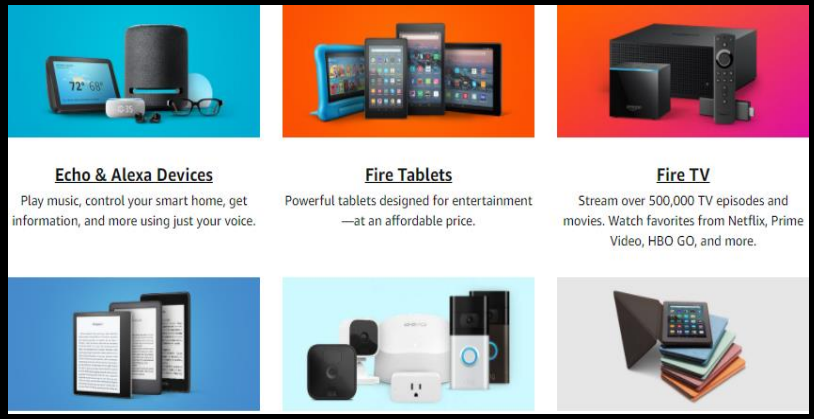
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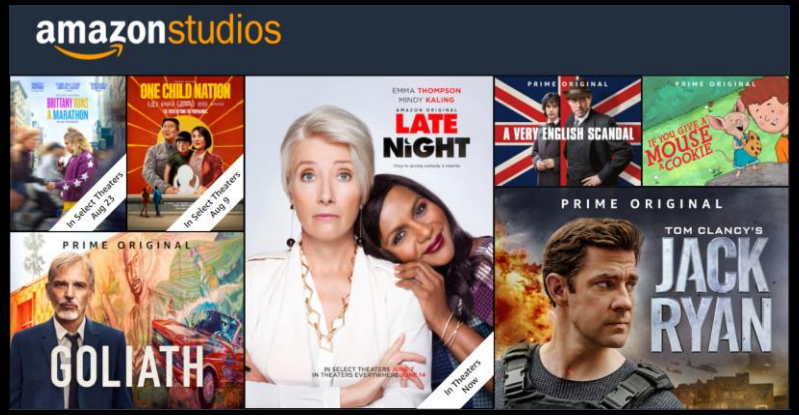
Ecommerce



aws



Devices



Streaming content



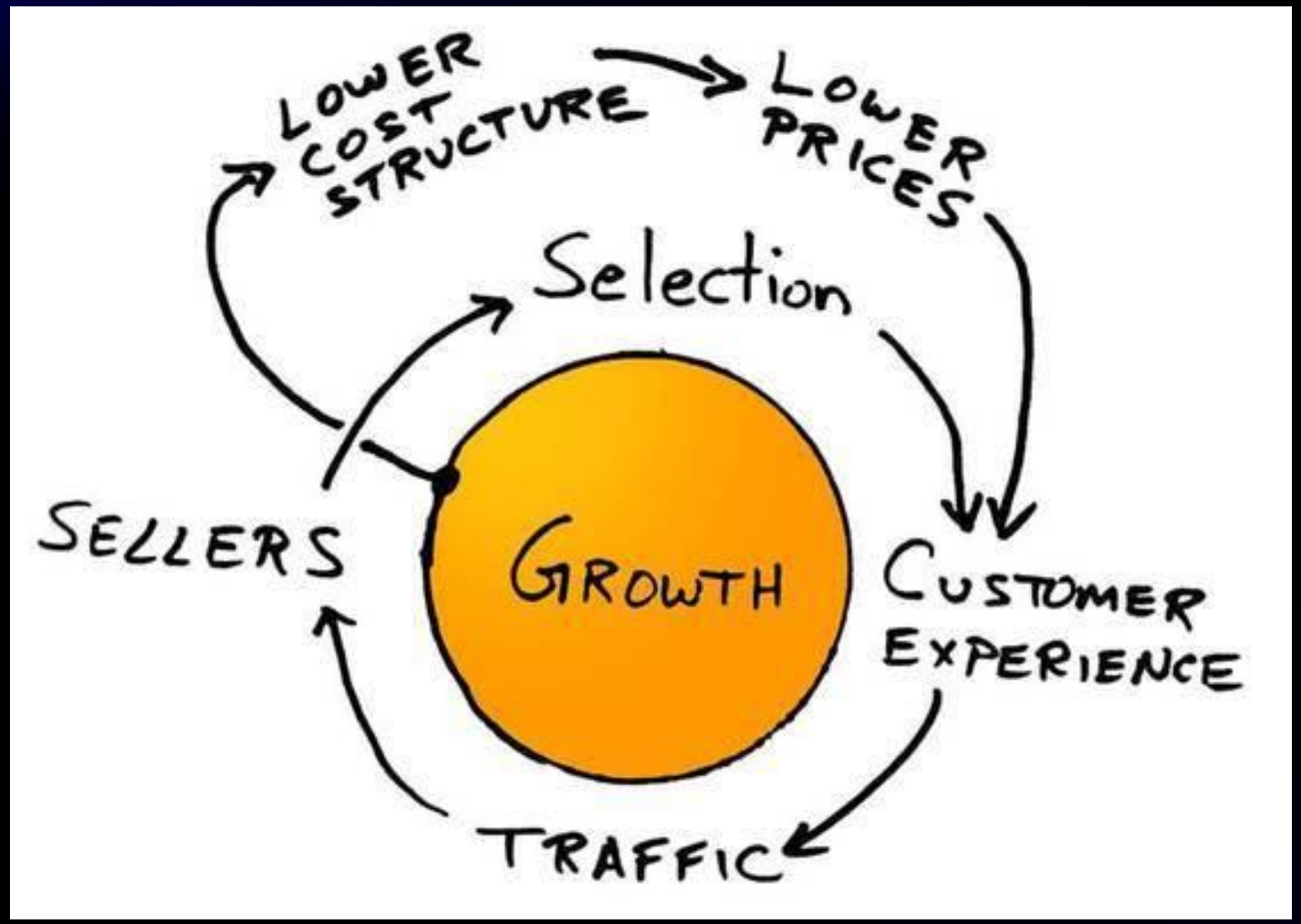
Consumables



Physical retail

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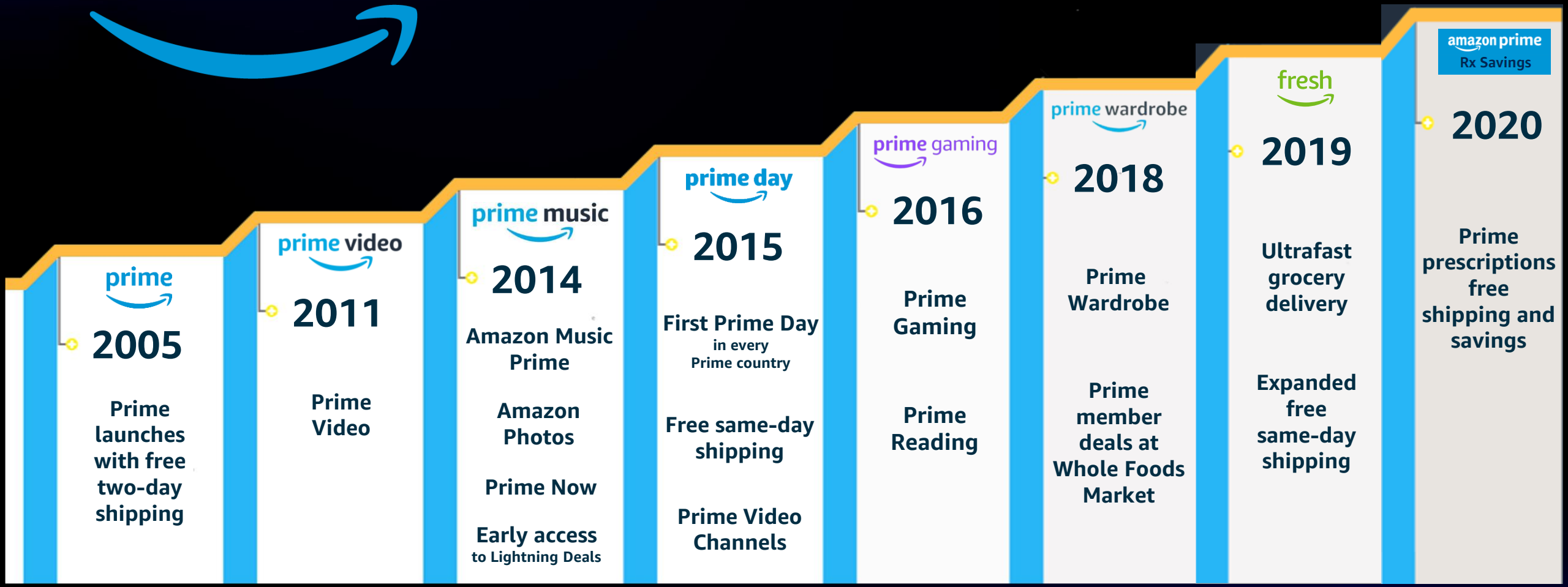


Growth Flywheel

- Price
- Selection
- Convenience

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prime



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109

Price reductions (since ‘06)

200+

Fully featured services

100,000 partners

From 150 countries

New significant services and features released



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How do we organize for innovation?

Culture

- Customer obsession, hiring builders, supporting them with a belief system

Mechanisms

- Encoded behaviors that facilitate innovative thinking

Architecture

- Technical structure and tools that support rapid growth and change

Organization

- Small, empowered teams who own what they create

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amazon

Leadership Principles



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

Our Leadership Principles

https://www.aboutamazon.com/about-us/leadership-principles

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Customer Obsession

Leaders **start with the customer and work backwards**. They work vigorously to **earn and keep customer trust**. Although leaders pay attention to competitors, they **obsess over customers**.

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The most important person in the room



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Invent and Simplify

Leaders expect and require innovation and invention from their teams and always find ways to simplify. They are externally aware, look for new ideas from everywhere, and are not limited by “not invented here.” As we do new things, **we accept that we may be misunderstood** for long periods of time.

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Willingness to be misunderstood for long periods of time





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Bias for Action

Speed matters in business. **Many decisions and actions are reversible** and do not need extensive study. We value calculated risk taking.

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Is it a one-way or a two-way door?

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A mechanism is a complete process



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Working backwards: A mechanism for innovation

Use it to get clarity, not to document what you've already decided to do

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Who is the customer?

Be specific about context and needs

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Working Backwards from the customer



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Working Backwards artifacts

Press release

Amazon Campus

Amazon Campus Launches First Multi-Channel Student Store at the University of California Berkeley

www.amazon.com/Campus & berkeley.amazon.com

SEATTLE-(BUSINESS WIRE) – August 31st, 2014 – Since returning to school for the Fall semester, Be
experienced a fresh take on the college bookstore as the new Berkeley Student Store opened at an
berkeley.amazon.com.

The Amazon-run online Student Store brings Amazon's broad selection, low prices, and convenient
of Berkeley's campus and offers a number of additional student-focused features. With the launch
students can now pay for any purchase on Amazon with their Cal1Card, buy course materials in any
Learning Management System or directly on Amazon.com, pick up orders at convenient locations a
One-Day Shipping on textbooks sent to the campus area. Amazon Student members at Berkeley are
Shipping to campus on millions of additional products plus FREE Two-Day shipping on millions more

"I've been an Amazon Student member for two years," explained Senior Aubrey Primason, "Getting
was huge. I've been ordering everything from Amazon since I got back to school. I may never have

Students can access these campus-specific payment methods and shipping benefits, along with the
textbooks - typically available only through the university's licensed bookseller - by activating the B
experience when they visit berkeley.amazon.com, sign up for Amazon Student and select 'Berkeley
to Amazon within the Berkeley Learning Management System.

In place of a traditional campus bookstore, Amazon has deployed Lockers across campus and built
a space that features a package pick up desk, technology showroom, and lounge area for students

FAQs

Amazon Campus

II: Student Customer FAQs

Q4: What do I get when Amazon is on my campus? Students get a number of benefits when Amazon is on campus. By activating the co-branded experience on Amazon, students receive Free One Day shipping on textbooks to campus addres
textbook selection, the ability to pay with their university ID card, and the ability to pick up Amazon.com orders
campus. On campus, all students will have access to an Amazon Student Lounge.

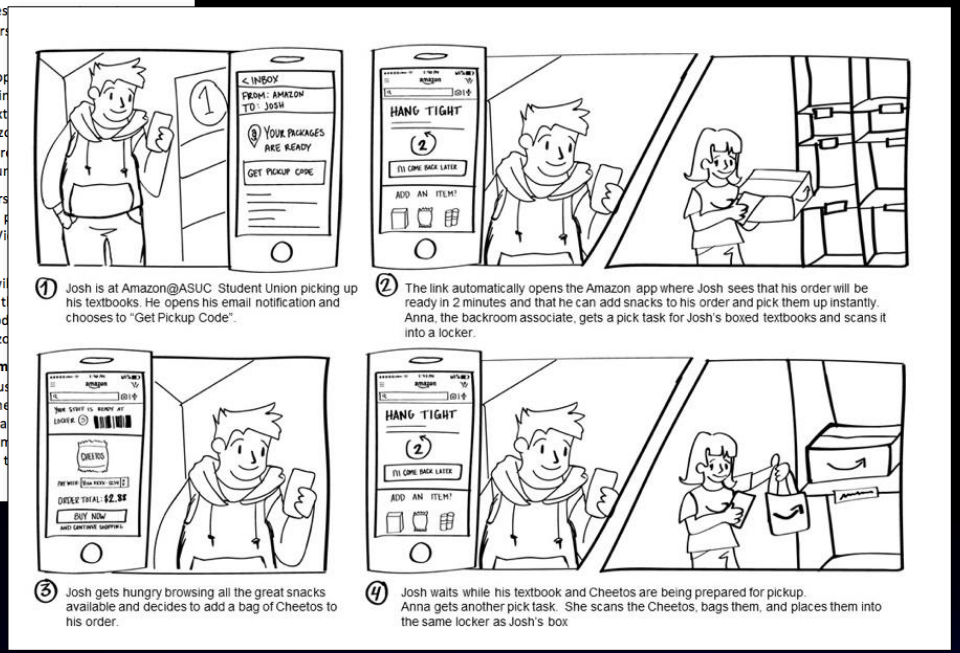
Q5: How do I activate the co-branded experience? Students at client universities will have four methods for op
branded experience: 1) visiting the co-branded subdomain directly by typing the URL (berkeley.amazon.com) in
clicking an external link, 2) joining the Amazon Student program and selecting their school, 3) shopping for text
their school's Learning Management System, 4) clicking on a Student Store merchandising placement on Amaz
customers have opted in, they will see a persistent co-branded toolbar on the top of the page whenever they r
Customers can turn the experience off at any time by navigating to the 'Account Settings' menu in 'Your Accour

Q6: What do I get if I sign up for Amazon Student when Amazon is on my campus? Amazon Student members
the standard benefits of the program *plus* Free One Day shipping to the campus area on millions of top selling p
benefits include Free Two-Day shipping on Prime eligible items, unlimited instant streaming of Prime Instant Vi
access to the Kindle Owners' Lending Library. The cost of a Student membership will remain $39/year.

Q7: Why aren't there any 'grab and go' items available for purchase at the Student Lounge? At launch, we wi
products to customers "on demand" at the Student Lounge because we do not have a Point of Sale system or t
inventory for sale on site. However, we intend to offer this in the future for a small selection of top-selling proc
meantime, customers may order items displayed in the Lounge by using the bar code scan feature in the Amazo

Q8: Why is Free One Day shipping limited to campus addresses? Why don't I get Free One Day shipping to m
By working directly with a university, Amazon is able to reduce costs associated with shipping orders to campus
to pass on to all students at the school via Free One Day shipping for textbooks, and to our Amazon Student me
Day shipping on millions of other eligible products. However, in order to provide these benefits at no additiona
the geography in which we offer this benefit to those zip codes served from our on campus delivery station. An
members always receive Free Two-Day shipping on Prime eligible items, to campus or most other addresses in t

Visuals



1. Josh is at Amazon@ASUC Student Union picking up his textbooks. He opens his email notification and chooses to "Get Pickup Code".
2. The link automatically opens the Amazon app where Josh sees that his order will be ready in 2 minutes and that he can add snacks to his order and pick them up instantly. Anna, the backroom associate, gets a pick task for Josh's boxed textbooks and scans it into a locker.
3. Josh gets hungry browsing all the great snacks available and decides to add a bag of Cheetos to his order.
4. Josh waits while his textbook and Cheetos are being prepared for pickup. Anna gets another pick task. She scans the Cheetos, bags them, and places them into the same locker as Josh's box

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

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.

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.

"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 basi
additional discounts. With the diaper subscription service, the program has simplified the
new parents.

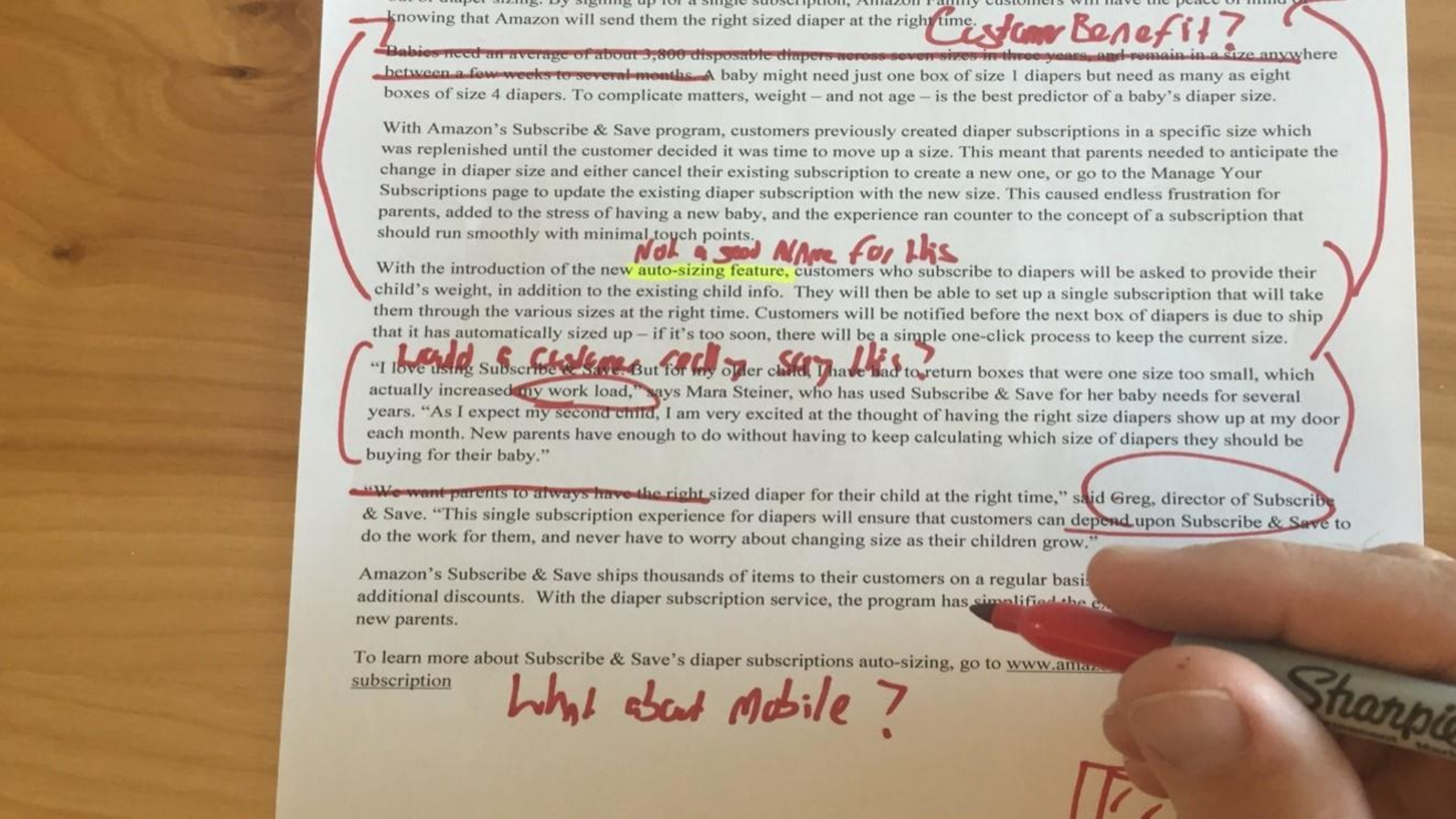
To learn more about Subscribe & Save's diaper subscriptions auto-sizing, go to www.amaz
subscription

Customer Benefit?

Not a good Name for this

Would a customer really say this?

What about Mobile?



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Culture

- Customer obsession, hiring builders, supporting them with a belief system

Mechanisms

- Encoded behaviors that facilitate innovative thinking

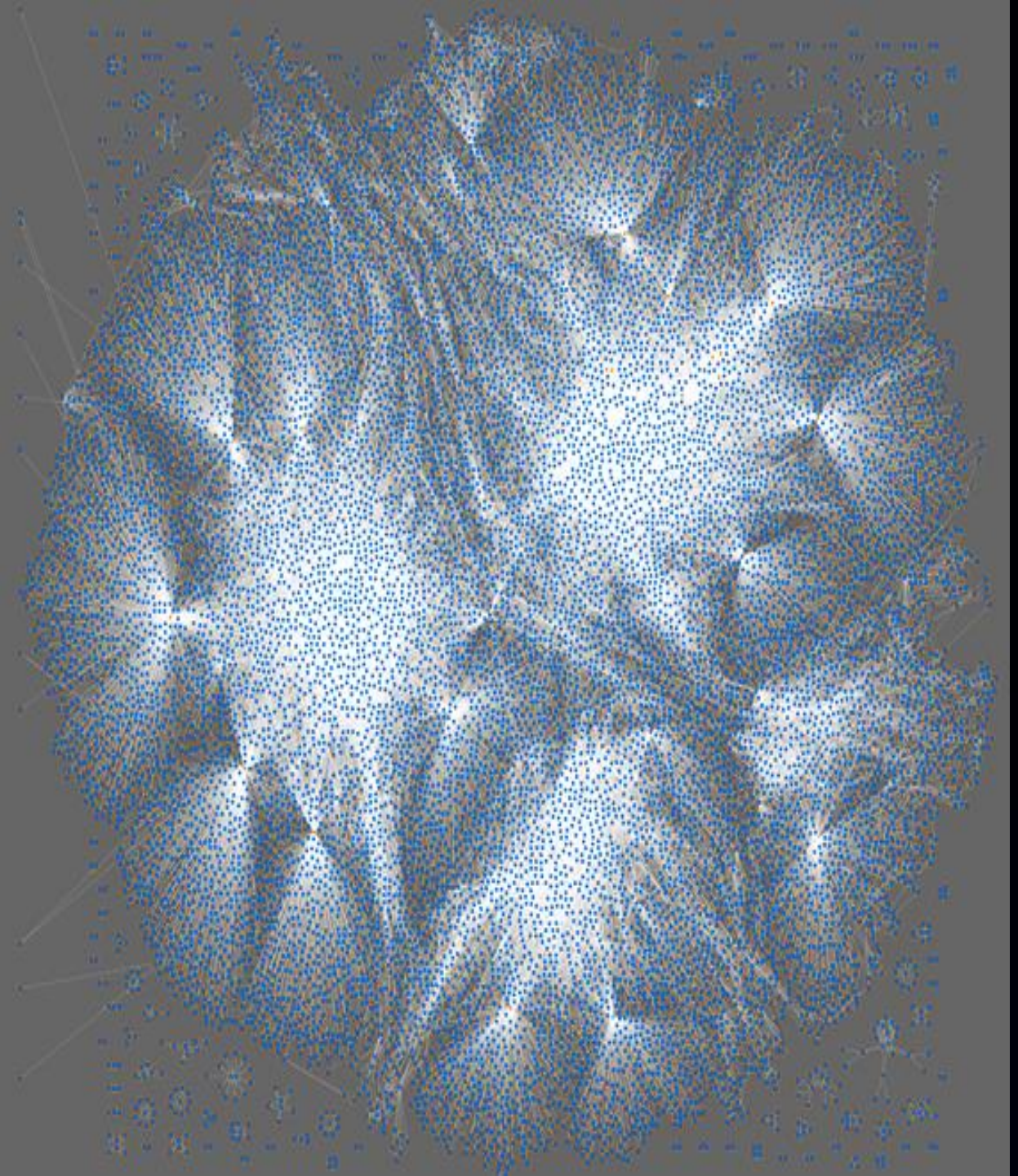
Architecture

- Technical structure and tools that support rapid growth and change

Organization

- Small, empowered teams who own what they create

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A shift to microservices

- Decoupled architecture of single-purpose services
- Business logic and data only accessible through hardened APIs
- Increased speed, agility, and innovation

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Self-service without gatekeepers



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Accelerate the pace of innovation

Our technical architecture

- Allows for instant experimentation
- Lowers the cost of failure
- Enables rapid scale and iteration



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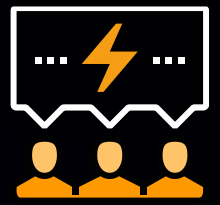


Amazon hires builders and lets them build

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Two-pizza teams are fast and agile, fostering ownership and autonomy



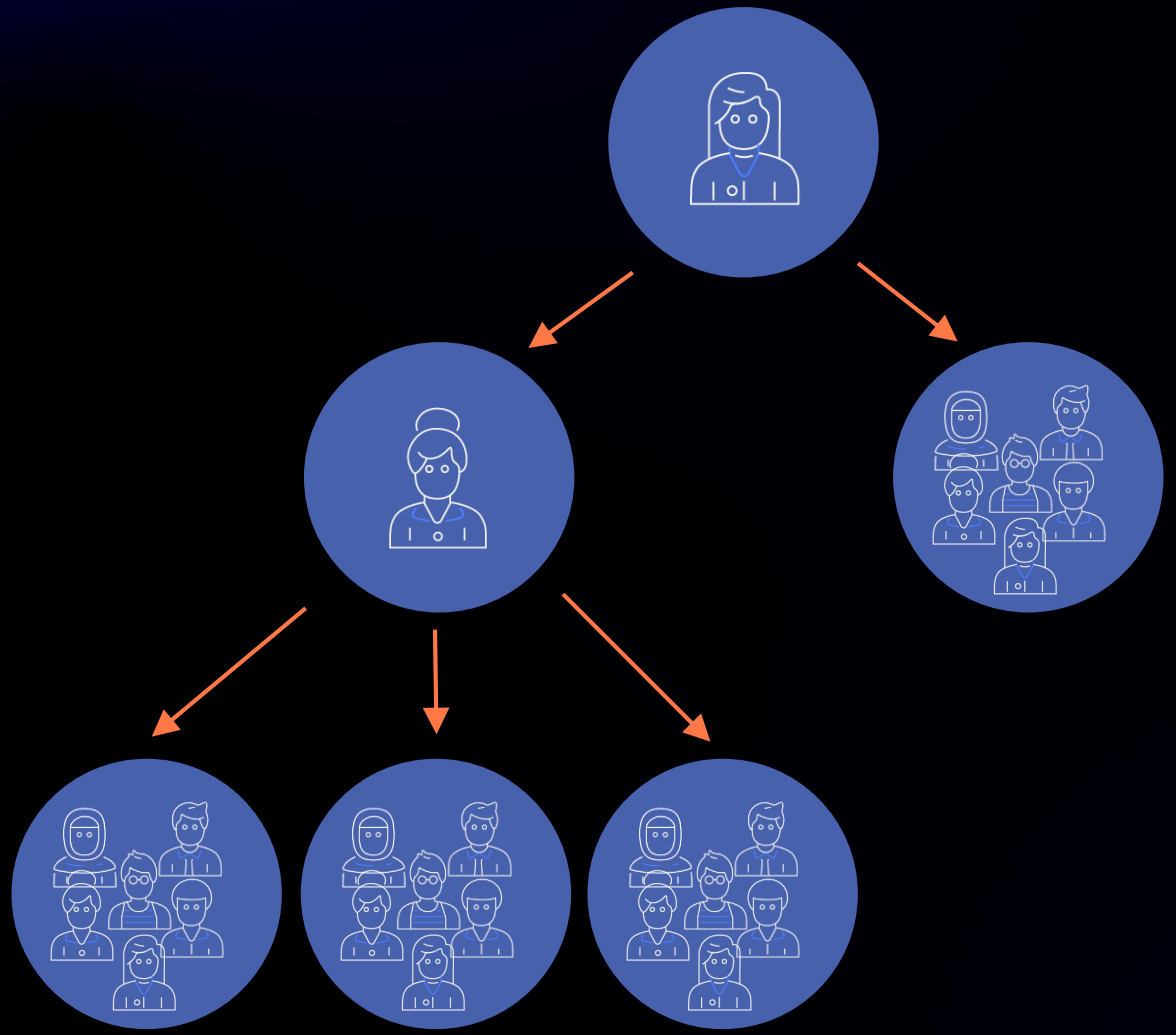
Small, decentralized, nimble teams



Own and run what you build

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Single-threaded leaders

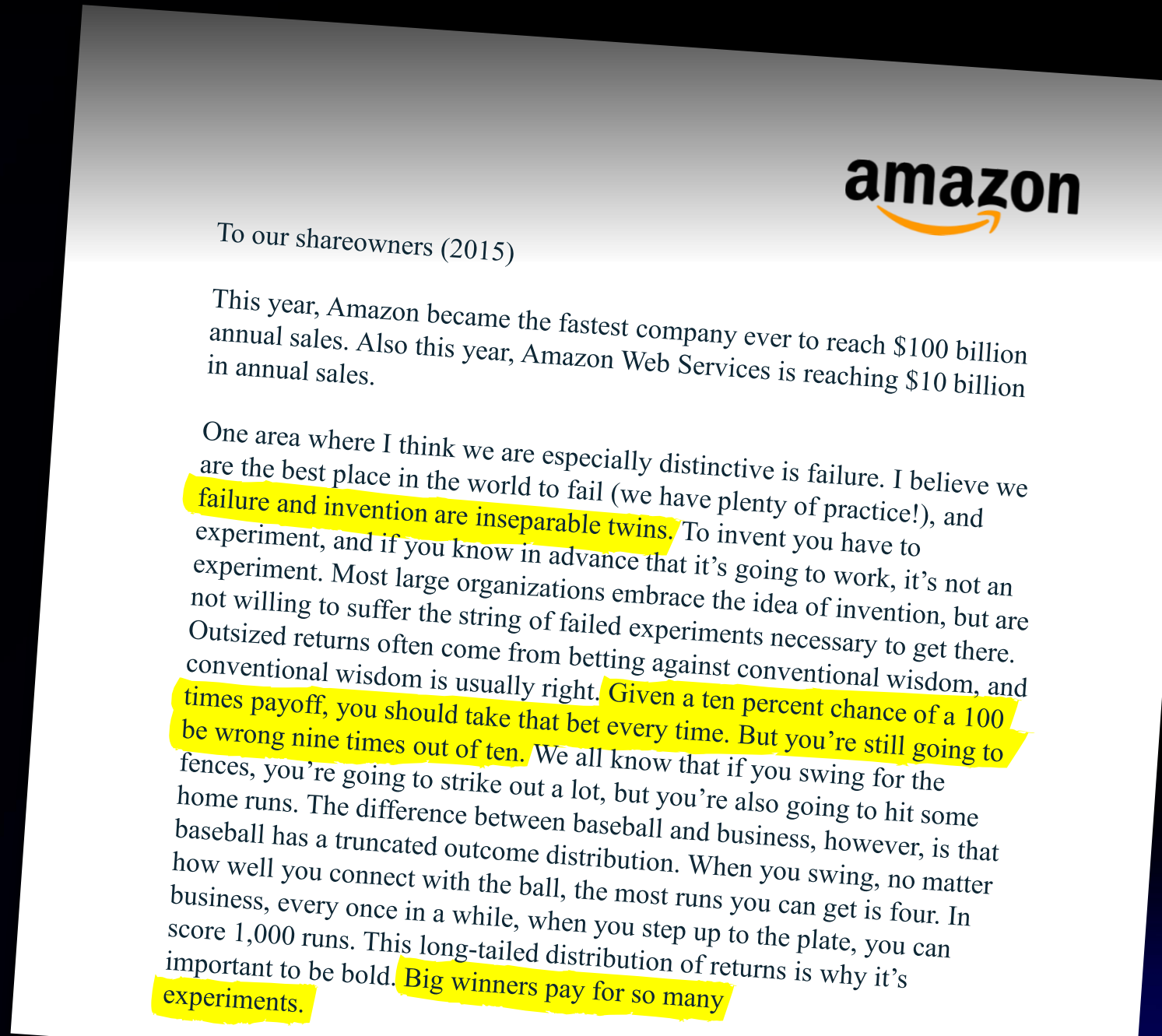


- Logically grouped to maintain ownership
- Keeps two-pizza teams focused on their customers
- Brings business-level accountability and helps with prioritization and resourcing

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“ . . . **failure and invention are inseparable twins** . . . 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 . . . **Big winners pay for so many experiments**.”

Jeff Bezos, Founder and Executive Chair, Amazon
2015 Letter to Shareholders



amazon

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

Auctions, zShops, Marketplace



Fire phone



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Thank you!

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