



Incentive Prizes

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“By defining our goal more clearly,
by making it seem more manageable and
less remote, we can help all peoples to see
it, to draw hope from it, and to move
irresistibly towards it.”

- President John F. Kennedy

June 10, 1963

Commencement Address,
American University



Strategy for American Innovation

“The Federal government should ... use high-risk, high-reward policy tools such as prizes and challenges to solve tough problems.”

*-President Barack Obama
August 5, 2009*



Long Track Record of Spurring Innovation



“[T]otal funds from large prizes have more than tripled over the last decade to surpass \$375 million.”

*- And the winner is...
McKinsey 2009*



Benefits of Prizes

1. Shine a spotlight on a problem or opportunity
2. Pay only for results
3. Target an ambitious goal without predicting which team or approach is most likely to succeed
4. Reach beyond usual suspects to tap top talent
5. Stimulate private sector investment many times greater than the prize purse
6. Bring out-of-discipline perspectives to bear
7. Inspire risk-taking by offering a level playing field
8. Establish clear target metrics and validation protocols



America COMPETES Reauthorization Act

“Each head of an agency, or the heads of multiple agencies in cooperation, may carry out a program to award prizes competitively to stimulate innovation that has the potential to advance the mission of the respective agency”

-Congress

December 21, 2010





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Featured Challenges

1 2 3 4



Startup America Policy Challenge

by **The White House**

Help knock down barriers to innovation and entrepreneurship in health care IT, clean energy, and learning technologies.



3 months left to submit



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Browse Challenges

CATEGORIES

Defense (19)

Economy (12)

Education (32)

Energy & Environment (31)

Health (53)

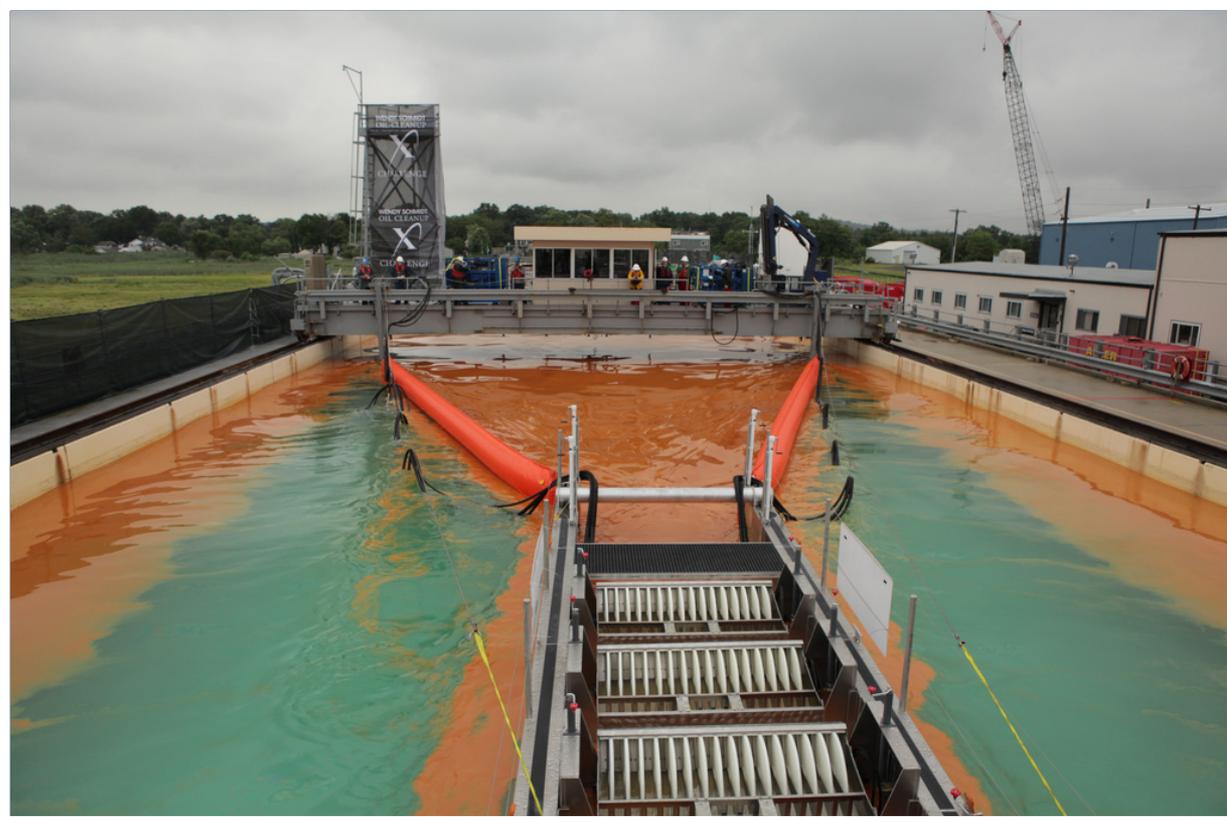


Prize Types

1. Exemplar (recognition)
2. Point-solution
3. Exposition
4. Participation
5. Network
6. Market stimulation



Wendy Schmidt Oil Cleanup X Challenge



- Target: 2500 gpm at 70% efficiency, 2x today's standard oil recovery rate
- 350+ narrowed down to 10 finalist teams
- \$1,000,000 First Place Winner **Elastec** (Illinois)
- Achieved **4x** today's standard oil recovery rate in <6 months product development
- 4670 gallons per minute at 89.5% efficiency



NASA Green Flight Challenge



- \$1.65 million prize purse
- 14 teams invested >\$6 million
- 2 winning teams exceeded requirements by nearly a factor of two
- >200 miles on energy equivalent of half a gallon of gas



AFRL Vehicle Stopper Challenge

- \$25,000 for design for a system that could safely stop uncooperative fleeing vehicles without harm
- Solution in 60 days
- Winner was a retired 66-year-old mechanical engineer from Lima, Peru
- Solution was a remote electric-powered vehicle that can accelerate up to 130 mph within 3 seconds, position itself under a fleeing car, and then automatically trigger a restrained airbag to lift the car and slide it to a stop

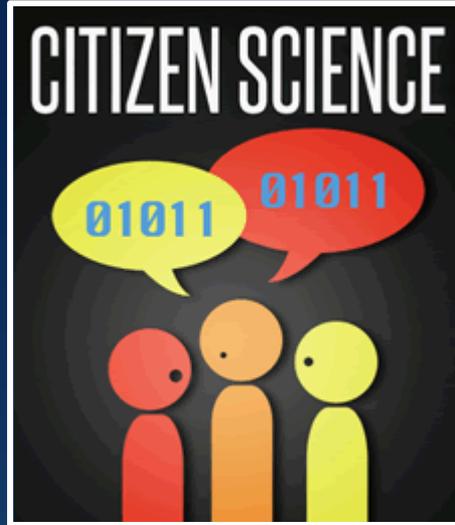


Aspen Prize for Community College Excellence

- \$1M prize to recognize community colleges with outstanding academic and workforce outcomes
- New body of data about community college programs
- Winner: Valencia College (FL)
- Four finalists-with-distinction:
 - Lake Area Technical Institute (SD), Miami Dade College (FL), Walla Walla Community College (WA), and West Kentucky Community and Technical College (KY)
- Year 2 under development



International Space Apps Challenge



- Codeathon-style event led by NASA and 17 other global partners
- 2100 participants took part in 24 cities around the world over 2 days
- More than 100 solutions for 61 challenges related to space exploration and social need
- Global winners being selected by panel of VC investors and other experts



Prizes Community of Practice



- Training events
- Listserv of 500+ agency innovators
- HowTo.gov capturing best practices
- NASA Center of Excellence for Collaborative Innovation



Prize Design Stages

1

PROBLEM DEFINITION:

Identify a problem or opportunity that impacts your mission and strategy

2

IDEATION:

Deconstruct the problem
Brainstorm approaches
Identify available resources and datasets

3

PLANNING:

Draft competition guidelines
Establish measurable success criteria
Define outreach plan
Identify partners



Considerations in Prize Design

START WITH:

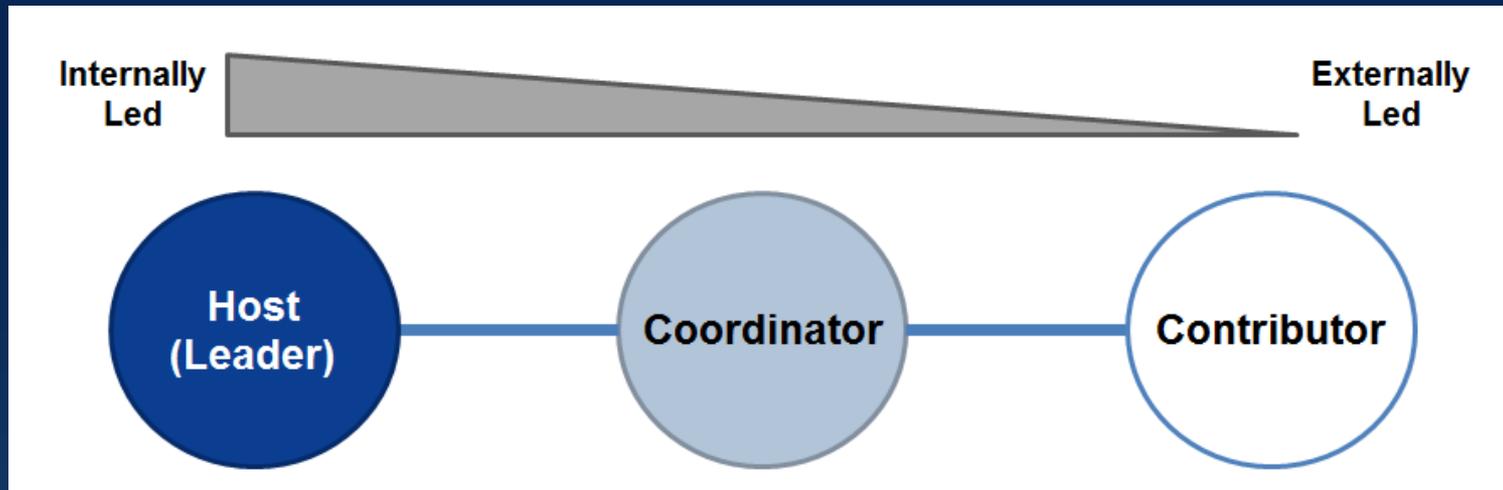
- What problem, gap, or market failure will be addressed?
- Why a prize instead of another form of R&D or engagement?
- Who do you hope to mobilize to compete?

THEN CONSIDER:

- Target audiences
- Potential partners
- Metrics, judging, evaluation
- Size of prize purse
- Non-monetary incentives
- Intellectual property strategy
- Estimated operating funding
- Milestones/stages/timeline
- Key risks

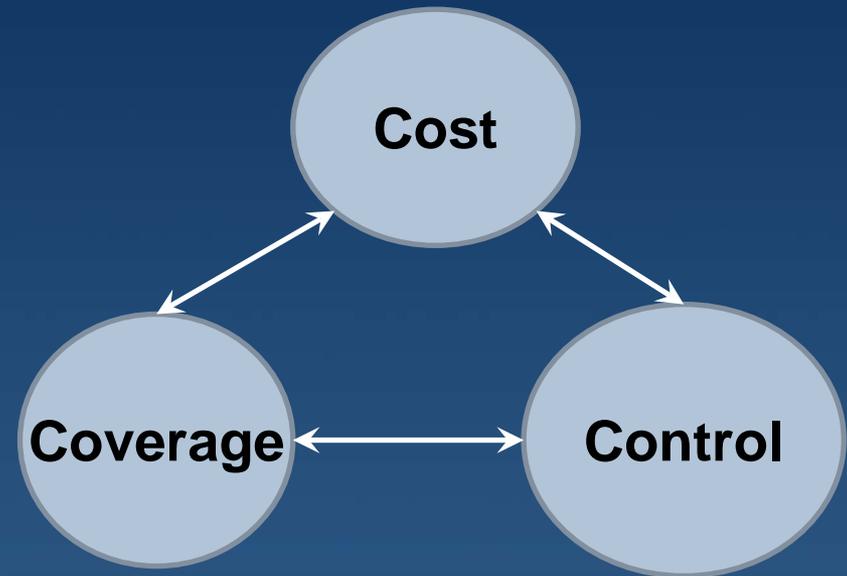


Public-Private Partnerships for Prizes*



Types of Partners

- Sponsors
- Paid vendors
- Unpaid collaborators



***CREDIT:** *Public-Private Partnerships for Organizing and Executing Prize-Based Competitions*, R. Tong & K. Lakhani, Berkman Center for Internet & Society, Harvard, June 2012



Prize Administration Stages

1

LAUNCH:

Announce the prize
or challenge
Recruit solvers
Engage the public

2

COMPETITION:

Support and
encourage solvers
Create transparent
process for judging
Report on progress
towards goal

3

AWARD:

Publicly announce
the top-performing
solutions
Present awards to
winners

4

LEGACY:

Support winners and
new solutions in
creating lasting
impacts



Thank You

