

Digital Innovation Shop for Design and Bringing to Market Solutions for Mobile Applications, Consumer Engagement and Online Marketing



Don Smithmier
Co-Founder & CEO
GoKart Labs

CEOCFO: *Mr. Smithmier, what is the concept for GoKart?*

Mr. Smithmier: GoKart is a digital innovation shop. That means we work with companies ranging from startups to Fortune 20s, helping them solve business problems by inventing digital solutions and bringing those solutions to life. We are part strategy and ideation, but we are equal parts design and execution. We have all the talent under one roof to design, build and bring to market anything that we invent with our clients.

CEOCFO: *Is it a growing trend to bring both of those pieces together or is that still a little ahead of the times?*

Mr. Smithmier: I think we are ahead of the times, and it is starting to change as we speak. I think there is recognition that in the digital world, things change so quickly that if you do not have the ability to try things as you are creating, you can go down the wrong path and miss out on important creative time. Not having the in house skills to execute can really slow down strategy.

CEOCFO: *Would you give us an idea of typical projects?*

Mr. Smithmier: More typical would be a company coming to us saying that they feel they are behind when it comes to mobile; they do not have a good mobile experience, they do not have an app for their customers, and we want to catch up and potentially leapfrog the competition. We would go in and work with them to co-invent, design and develop a new mobile product, mobile experience or app. That would be more typical and what I would consider on the simple side, not that the mobile strategy is simple, but creating mobile experiences would be very typical. The more complex would be working with an organization in media that might say they are not sure how to even engage their consumers anymore. They may be in a category that is dying because it is more traditionally based, and they need to reinvent and become more relevant to consumers going forward. That is a big, capital "S" strategic issue that they are dealing with, but solving it requires a better sense of where things are going digitally in addition to what is possible, what is working and what is not in other industries and companies.

CEOCFO: *When you are helping a company, how do you design for today and for the future?*

Mr. Smithmier: We have a method that GoKart has created that we call Iteration Zero. The idea is that this is a time-boxed, intentionally constrained process that takes place over the course of about eight weeks. In the course of those eight weeks, we are deeply immersed in the category, the company and the problem. We do very focused co-invention sessions with the clients who have a lot of knowledge and ideas and need some outside help. Then we design and develop a strategy that includes a long term vision, say three to five years, but ends with a minimum viable product -- the MVP that we think you should create immediately to start testing these hypotheses and proving your way there. Our goal is to get something in market as quickly as humanly possible, and very often that is measured in just weeks so we can get real market data and consumer insights. It is tied to a longer term vision and strategy, so everyone knows if it works, when it works and what they are going to do next.

CEOCFO: *How do companies find GoKart? What might they search for?*

Mr. Smithmier: Hopefully they do not actually search GoKarts because we do get those calls, and someone wants to rent a track for the afternoon. They might be searching digital agencies, mobile development companies, web design or online marketing. The value that we bring is that we have all four of those talents in house. That is the design of the lab from inception. We wanted invention and strategy, design, software development and market all under one roof and team.

CEOCFO: *Is it more difficult to find staff that understands the concept of what you are trying to do as opposed to a more traditional method of consulting or development, or are you attracting people that enjoy that duality?*

Mr. Smithmier: Truly talented digital natives can work anywhere they want right now. They are in demand and we know that. It is very competitive. A big reason they come to work for us is not just because they get to work on really important problems like healthcare and education for a really great organization, but because we are also an active incubator. We have created and spun out a number of companies of our own since 2009. I think that particularly this generation is very much drawn to that. They love the idea of being able to truly learn how startups work, how companies are formed, how they are built, funded, and how they get traction. I think that has been an appeal for clients as well. They know we have built businesses and totally understand how challenging, difficult, and amazing it is when they work.

CEOCFO: *Are you actively looking for companies to take on in your incubator? What is the business side?*

Mr. Smithmier: For the most part, the ideas that we incubate come from within. We have defined stage gates and an investment process internally so that when an employee has an idea for a product or business, they can bring that forward, and they then have to get through certain gates in order to unlock the next level of funding and investment from GoKart. That is an exciting thing for them to be able to bring their own concepts forward and try to get them funded. In one case, we had an outside entrepreneur come to us with a concept that we really got excited about. That became a business called BringMeTheNews, which is a curated news platform here in Minnesota that we recently sold to the Pohlman family. In that case, it was a long time, 20 plus year investigative journalist and news anchor who we felt was someone to invest in, and we were very excited about his concept. In that case, we funded something from the outside.

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CEOCFO: *Is being in Minnesota meaningful? Are people more looking for a Silicon Valley group?*

Mr. Smithmier: Ninety-nine days out of one hundred, I think it is an advantage because we have more Fortune 500 companies per capita than any market in the country. It is a very robust economy. I believe that 17 or 18 Fortune 500s are based right here, which creates a great deal of opportunity. Minnesota is especially strong in healthcare and retail. Target is here, Best Buy is here. It has United Healthcare, the Mayo Clinic and Medtronic, so two really robust industries. The talent base is excellent, well educated. I think it is so cold here that most of the time people just want to stay in and work. The Scandinavian culture up here pays off. The one day out of 100 where it is a disadvantage is when you are in the startup phase and you are seeking outside funding or specific kind of talent. Those tend to be more favorable on the coast, especially the west coast. People have a tendency to overlook Minnesota when it comes to newer opportunities like that.

CEOCFO: *What have you learned along the way?*

Mr. Smithmier: One thing I have learned is there is a clear lessening in the difference of skills these days. The talent set is much less siloed than even five to ten years ago. It is not uncommon now to meet a software developer who is a brilliant graphic designer. It is not uncommon to meet a marketer who knows how to write code. It is not uncommon to meet either one of those that has some actual experience with a startup because they might have done something in college or in another point in their life. That blend of skills is very different than when I started and certainly from ten years ago.

CEOCFO: *How do you stay on top of new technology and trends? How do you know when Facebook is over and Instagram is ready? How do you make it work?*

Mr. Smithmier: You certainly do not make it work all the time. If I truly knew that, I would have put everything I had into Facebook when it went public. I thought it was over then and I was clearly wrong. Facebook continued to grow after I thought that party was essentially over. One thing that we actively do here is give a lot of space for people to share ideas or concepts with the team, so we use Slack, which is becoming a replacement for email. It is a great sharing platform where people can put things up in different channels and share cool tools they saw, or an article they just read, but it is only inside our company. Then we do what we call “tune-ups” over lunch, where people can put together a tune up on any topic they want and people bring a brown bag to hear the presenter talk about maybe presentation techniques, or cool new mobile apps that they have experienced, or a new development language that they are playing around in. That just creates a culture of learning. I think the more we can reinforce that learning culture, the more it helps all of us stay on top of it.

CEOCFO: *Why choose GoKart Labs?*

Mr. Smithmier: I think the three unique things about GoKart are that first, we have a proven track record of inventing and building actual business with real jobs and real revenue, and I think that is unique. Two is that we have all the talent in house to invent, design and bring to market anything that we create. Three is that we have methods and techniques that are documented. We try to not be mysterious or opaque. This is how we do what we do -- we have done it a lot, it works consistently well, and we are going to take you through this process to solve your problem.

CEOCFO: *Do you find that approach gives your clients confidence?*

Mr. Smithmier: It does. I think what it eliminates is nasty surprises, and I think that is what clients often fear the most when they hire a company like us. They do not want to be surprised by budget impact, deadlines being missed, or the wrong problem being solved. We feel it is really important to share our message and our techniques so that there is total transparency in what we are doing and how.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



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