



CHALLENGE DESIGN TOOLKIT

GUIDELINES TAB

INTRODUCTION

Welcome! The purpose of the HeroX Challenge Design Toolkit is to support clients like you in drafting, publishing, and launching their very own Crowdsourcing Projects.

WHAT IS CHALLENGE DESIGN?

Challenge Design refers to the process of assembling the proper elements* in order to effectively launch and market a Crowdsourcing Project.

*Elements can refer to:

- Background Story
 - Problem Statement
 - Current Solutions
 - Pain Points
 - Desired Outcome
- Sponsor Story
- Challenge Type
- Challenge Structure
- Prize Purse
- Challenge Timeline
- Judging Criteria
- Submission Forms
- Intellectual Property Agreement

For the purpose of this guide, we are only going to cover the elements required in the Guidelines Tab of your Challenge Page: Challenge Type, Challenge Structure and Prize Purse. A guide to all other elements can be found in the [Knowledge Base](#).

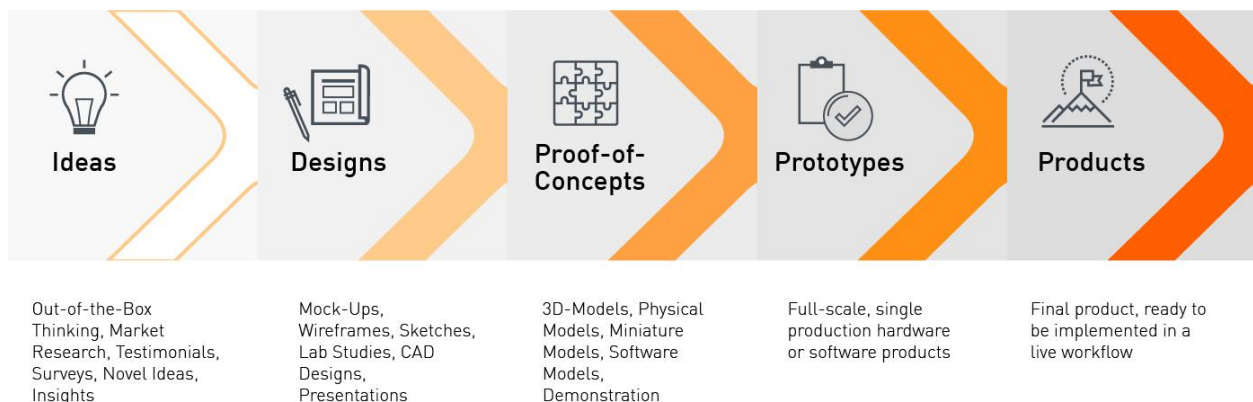
CHALLENGE DESIGN PROCESS

Similar to [this report](#) written by Deloitte, our process “treats prize design not as a linear, step-by-step process, but rather as an iterative activity that requires making integrated choices to solve a carefully defined problem and then generating outputs that achieve a larger set of outcomes.” See our Challenge Design Process graphic below. For the Guidelines Tab, we are mostly covering the “Research” and “Design” steps in this timeline.



CHALLENGE TYPE

Early on, determine which Challenge Type your project falls within: Idea, Design, Proof-of-Concept, Prototype, or Product. Clearly communicate this requirement to your Innovators on the Guidelines Tab.



Note: Most of our challenges start in the Ideation Phase, then Sponsors take the winning Ideas and start a new Design Phase challenge. Do not be afraid to start small.

CHALLENGE STRUCTURE

The HeroX platform gives Sponsors the flexibility to have multiple phases in one competition.

For instance, on one Challenge Page, you could have:

- Phase I: Ideation Round where several diverse competitors submit novel ideas
- Phase II: Design Round where the top 10 ideas advance to submit thorough wireframes or mock-ups
- Phase III: Proof-of-Concept Round where the top 3 designs advance to create software or miniature models

Another way you can structure multiple phases is to have:

- Phase I: Competitors submit resumes or credentials and Request to Participate
- Phase II: 20 eligible Semi-Finalists advance to participate and compete
- Phase III: 5 Finalists pitch at an in-person event or advance to participate

You can be creative with your Challenge Structure. Remember to incentivize properly at each phase in order to encourage participation.

PRIZE PURSE

For prize purse guidance, visit herox.com/explore-all and see what other challenges have selected for incentives.

Sponsors often decrease the prize purse to discount for risk of low-quality or a low-number of solutions. However, a lower prize purse almost guarantees lower quality.

Consider, if you had the solution, how much money could you make? How much would it cost you to get a solution another way?

When designing a challenge, there are a variety of levers that can be pulled in order to determine the “right” competition that will motivate innovators to get involved.

- Number of Phases

- Purse Size
- IP Ownership
- Prize Structure: multiple winners, crowd favorite, participation award
- Degree of Ideation vs. Implementation

Also, consider Non-Monetary incentives:

- Public Recognition (Note where winners will be recognized)
- Personal Travel Experience
- Business Travel Experience
- Attendance to an Event (Industry Conference)
- Capacity (Skill) Building
- Networking (Judging Panel, Investors, Executives)
- Commercial Benefits (Prototype Testing)

TIPS

PRIZES WORK WHEN...		PRIZES DON'T WORK WHEN...	
The best solution is not obvious, but the desired outcome is clear and measurable.	✓	Area is already poised for transformation due to influx of capital, consumer demand, or industry movement.	X
People don't think that it is solvable.	✓	Area is on lockdown by the government.	X
Capital is not available or when capital is available, but not focused.	✓	Rules are unclear.	X
Incentives are aligned.	✓	The problem is unsolvable.	X
Industry constrains any change or transformation.	✓	The solution is too easy or already available.	X
Society constrains any change or transformation.	✓	No one is interested in trying to solve the problem.	X
Solutions are mainly governmental and there is no private market to drive efficiency.	✓	No one is interested in the results of the competition.	X
There are few competitors in the market.	✓	Someone can cheat or game the system to win.	X

Stay in the Problem Space

Common Mistakes

"If someone comes to you with a problem, you start thinking of a solution. That's natural — everyone does it. But as soon as you start thinking of a solution, you unconsciously begin shutting off possibilities for getting a deeper understanding of the problem and therefore of finding a truly breakthrough solution." Read more, by Harvard [here](#).

Tips

Stay in the problem space and help remind your client to avoid presupposing what solutions may be. More from Harvard, "Go deep. Look for underlying issues. What's the real obstacle you face? Once you've found it, go deeper still. What's the essence of that obstacle? Then search for different viewpoints on the obstacle. Go far afield. Look for people who have faced that same essential challenge, and tap their insights." To get help on finding the root cause, read [this article](#) about the 5 Why's.

Clearly Define the Rules

Common Mistakes

Challenges that fail are most often challenges that were not clear enough in communicating to solvers exactly what is required to win.

Tips

Your challenge must be measurable and clear, objective. Make sure you explicitly understand and describe what must be done to win. In the original XPRIZE, the Ansari XPRIZE, the winning team had to build and fly a privately funded spaceship capable of carrying 3 adults to 100 km altitude, land safely, and make that flight again within two weeks. Note: the challenge rules did not say "the winning team must build and fly a spaceship to new heights, safely, and able to prove repeatability." The challenge designers defined what each metric meant in numbers.

Find the right "First Domino"

Common Mistakes

Some challenges try to "boil the ocean." In other words, they are unsolvable. You want to find the perfect balance between audacious and achievable so that the challenge can be won.

Tips

In the original XPRIZE, the Ansari XPRIZE, the winning team had to build and fly a privately funded spaceship capable of carrying 3 adults to 100 km altitude, land safely, and make that flight again within two weeks. Note: Although commercial space travel may be the ultimate goal, the Winning Team statement was not “the winning team had to build and fly a privately funded spaceship capable of carrying 3 adults to Mars.” That Winning Team statement may be the 15th domino, but if you properly incentivize the first domino, the others will follow.

Understand desired Technical Readiness

Common Mistakes

There is a big tradeoff between innovativeness of a solution and feasibility of a solution. Almost all clients start out wanting both the most innovative and the most feasible solutions proposed. In most cases, a client will need to choose one or the other.

Tips

Ask yourself: “Would you rather have a solution that was incredibly innovative and novel but required work to implement, or a solution that was ready to implement but not very unique or innovative?”