

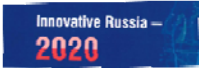








Russia's Leaders are committed to innovation DOBLIN 2

				
<p>“Russia has to rise to the top 20 in terms of ease of doing business...” <i>St-Petersburg IEF, 2012</i></p>	<p>“Innovations remain and will be an absolute priority ...” <i>Rosnanotech, 2011</i></p>			
				

YouTube: ≈ 72 hours of new videos are uploaded every minute....

DOBLIN 3

A revolution in SHARING

SO YOU WANT TO WATCH YouTube

VLOGGER

SOMEONE ELSE

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Khan Academy: 3,500 videos watched over 200 million times....

DOBLIN 4

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KHAN ACADEMY

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The Site The Team Our Interns Discovery Lab Blog

A free world-class education for anyone anywhere.

A revolution in TEACHING

The Khan Academy is an organization on a mission. We're a not-for-profit with the goal of changing education for the better by providing a free world-class education for anyone anywhere.

All of the site's resources are available to anyone. It doesn't matter if you are a student, teacher, home-schooler, principal, adult returning to the classroom after 20 years, or a friendly alien just trying to get a leg up in earthy biology. The Khan Academy's materials and resources are available to you completely free of charge.

The ONE WORLD SCHOOL HOUSE
EDUCATION REIMAGINED
SALMAN KHAN
founder of THE KHAN ACADEMY

The Khan Academy
 $\frac{d}{dx} (x^2 \ln x) = 2x \ln x + \frac{d}{dx} (x^2) \cdot x$
Salman Khan

www.KhanAcademy.org

M-PESA: Innovation assessment DOBLIN 5

Which of these things is not like the other?

M-PESA LAUNCH
6th March 2007

And this is where the story begins...

More →

1 MILLION M-PESA USERS!
1st November 2007

1,041,522 mobile active M-PESA users.

More →

M-PESA GROWTH
1st March 2012

14,652,593 million active M-PESA users

More →

10 MILLION SUBSCRIBERS
30th June 2010

M-PESA subscribers stand at 10,232,805 active mobile users. Approximately a third of the Kenyan population.

More →


A revolution in PAYMENT

8 types:

Profit Model	Network	Architecture	Process	Product Performance	Product System	Service	Channel	Business Model	Customer Engagement
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CONFIDENCE CREDIBILITY EXPERIENCE

Learning from World of WarCraft... DOBLIN 6



A revolution in DISCOVERY

WORLD OF WARCRAFT
WRATH OF THE LICH KING

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The scale of modern data sets is staggering... DOBLIN 7



Walmart collects 2.5 petabytes of data on customers per hour...
One petabyte ≈ 20m filing cabinets worth of text!

A revolution in VOLUME

Digital October: Finding the Future First DOBLIN 8

Three critical discoveries help make innovation more of a science...

- 1 Innovation comes in Ten Types.** Once you know this it's easier to conceive compelling innovations
- 2 What people want and need now is platforms not products.** Good platforms make it easy to do hard things
- 3 Now you can build great innovations from modules.** Highly sophisticated innovations can be built from smart components

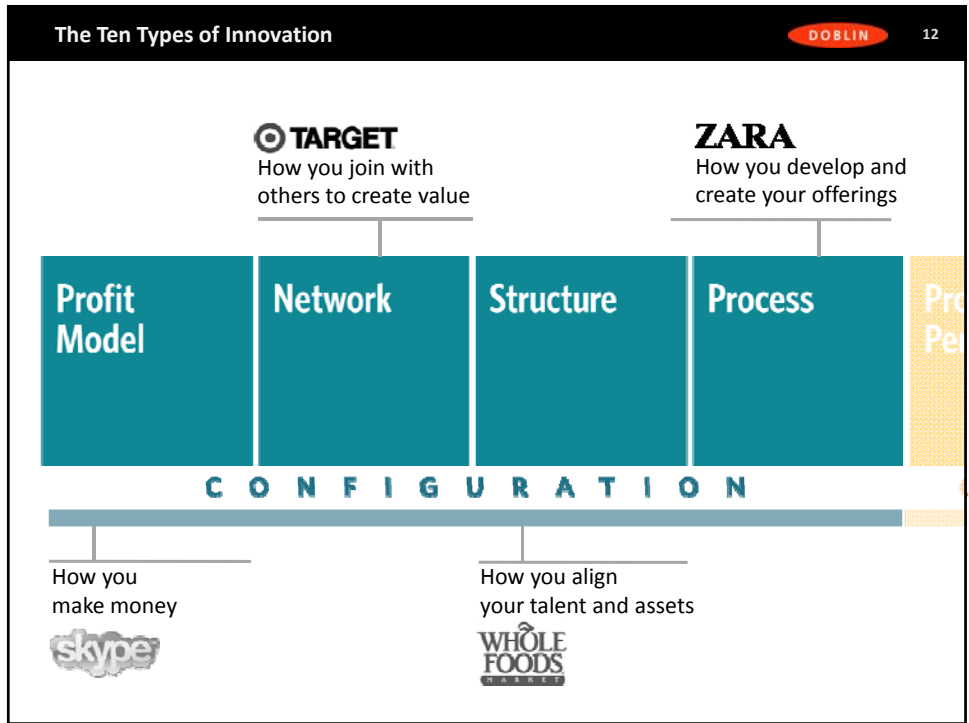
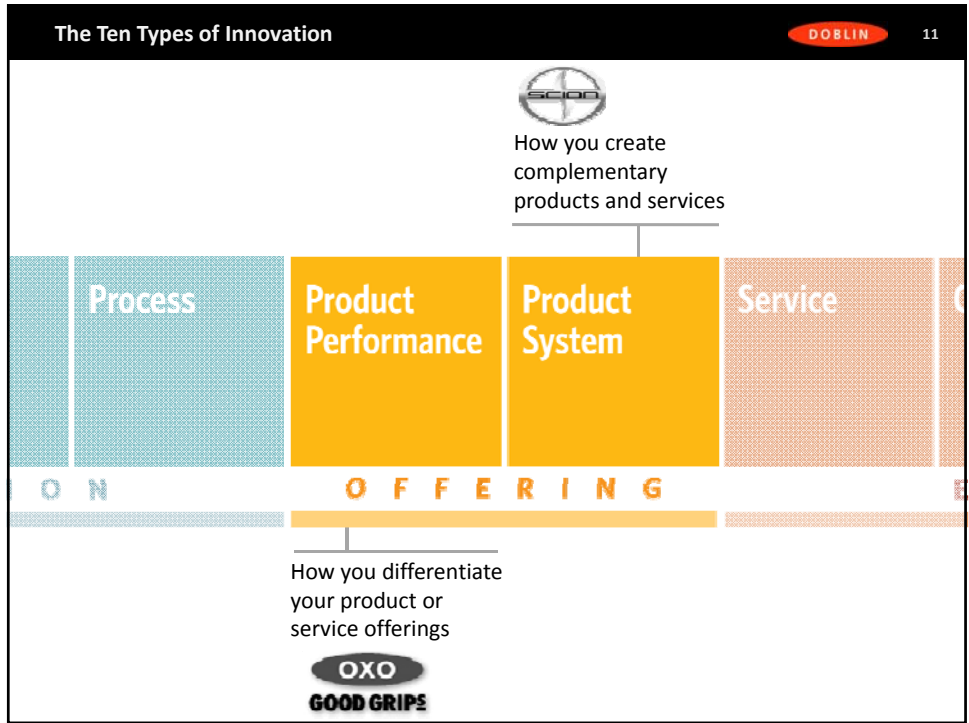


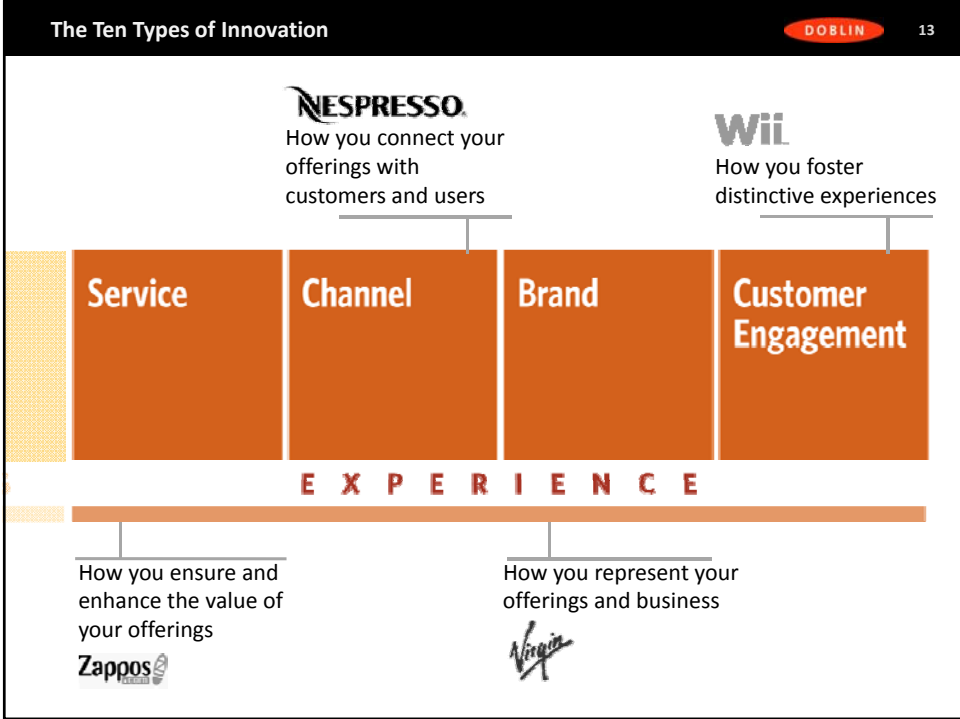
Fundamental innovation discovery DOBLIN 10

THE TEN TYPES OF INNOVAT10N

THE TEN TYPES OF INNOVAT10N

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
C O N F I G U R A T I O N				O F F E R I N G		E X P E R I E N C E			





The Ten Types of Innovation DOBLIN 14

	How you...	Such as...
CONFIGURATION	Profit Model	make money skype
	Network	join with others to create value TARGET
	Structure	align your talent and assets WHOLE FOODS MARKET
	Process	develop and create your offerings ZARA
OFFERINGS	Product Performance	differentiate your product or service offerings OXO GOOD GRIP
	Product System	create complementary products and services WALKER
EXPERIENCE	Service	ensure and enhance the value of your offerings Zappos
	Channel	connect your offerings with customers and users NESPRESSO
	Brand	represent your offerings and business Virgin
	Customer Engagement	foster distinctive experiences Wii

Google: Innovation assessment DOBLIN 15

9 TYPES:

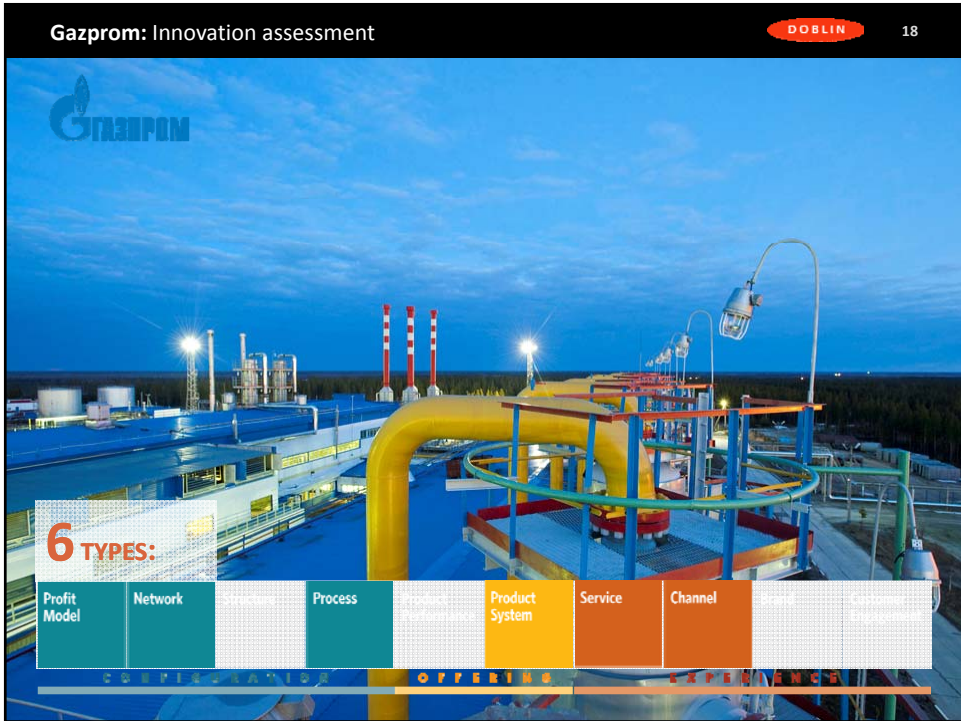
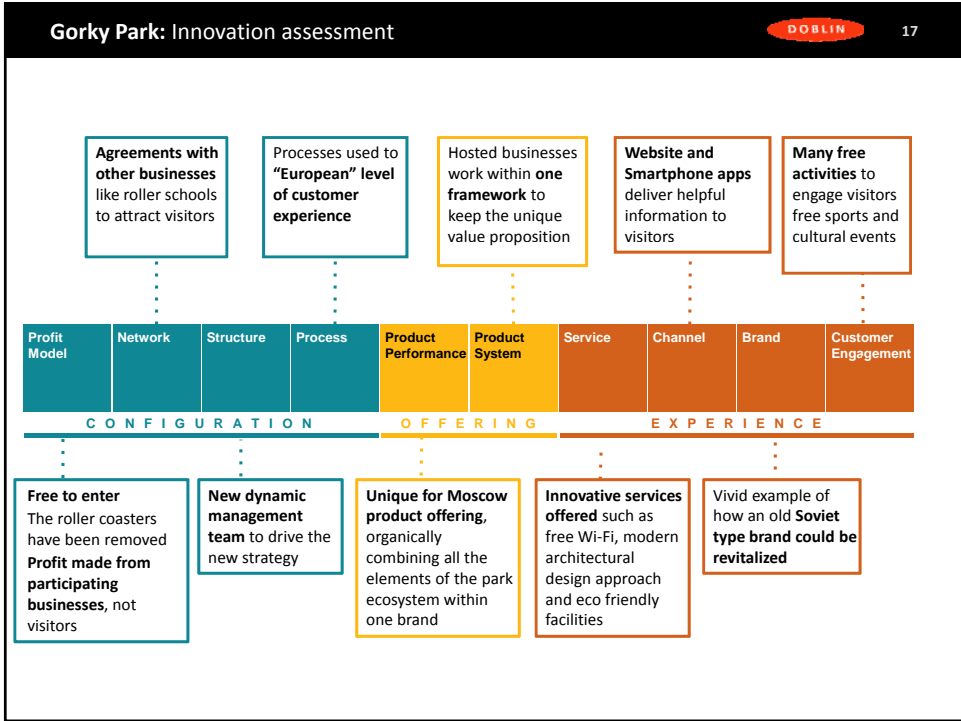
Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION				OFFERING		EXPERIENCE			

Gorky Park: Innovation assessment DOBLIN 16

Renovated infrastructure

Diverse and user-friendly activities

Safe and clean environment



2

Platforms:

Make it easy to do hard things

Platforms matter...

All the important stuff now cuts across companies and markets

The collage features the following items: Microsoft Windows XP logo, Google logo, World of Warcraft logo, Harry Potter logo, Facebook logo, Intel logo, Angry Birds logo, an iPod, an iPad, a Citi AAdvantage credit card, and a pair of high-heeled shoes.

A platform...
*is an **integrated offering** that creates a **unique and holistic customer experience** only loosely controlled by the **platform owner**;*
*It is typically anchored by **proprietary technologies**, and leverages **interdependent products and services** provided through a **network of business partners**.*
Or put simply, for users:
A great platform makes it easy to do hard things

Most popular Consumer platforms...

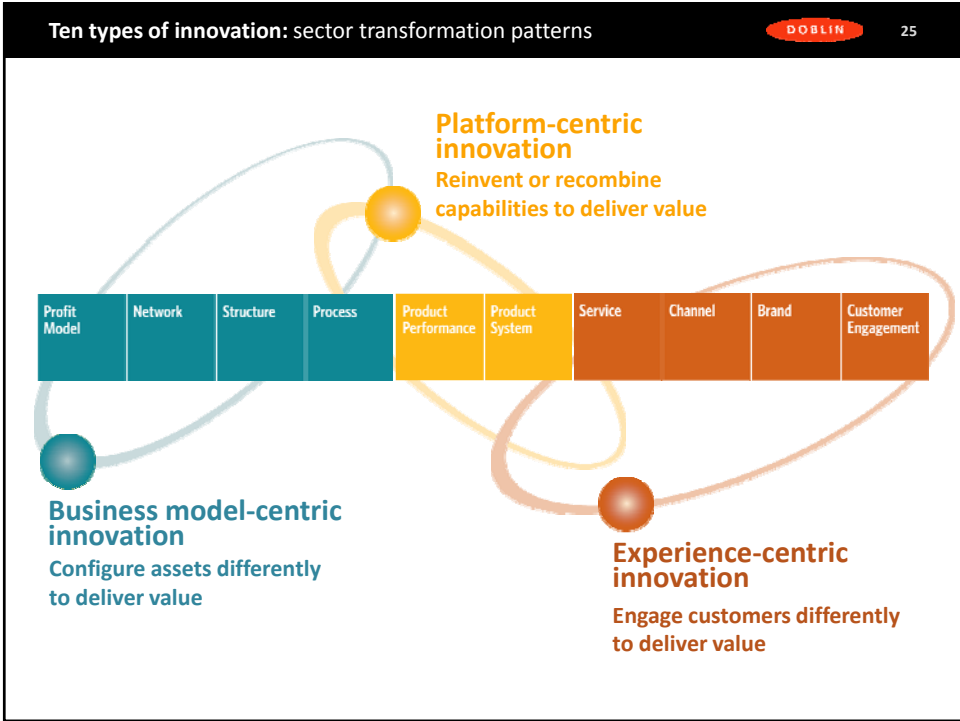


Platforms amplify innovation ROI DOBLIN 23

Most popular B2B platforms...

The image displays a variety of logos for prominent B2B platforms and operating systems. The logos include: IBM WebSphere software, SIEBEL, Walmart scm (Save money. Live better.), Unica, BlackBerry, SAP, ORACLE, Linux (with the Tux penguin mascot), Microsoft Office, Microsoft Windows, Windows Mobile, Windows Vista, Google AdSense, LINUX.COM, and ONYX.

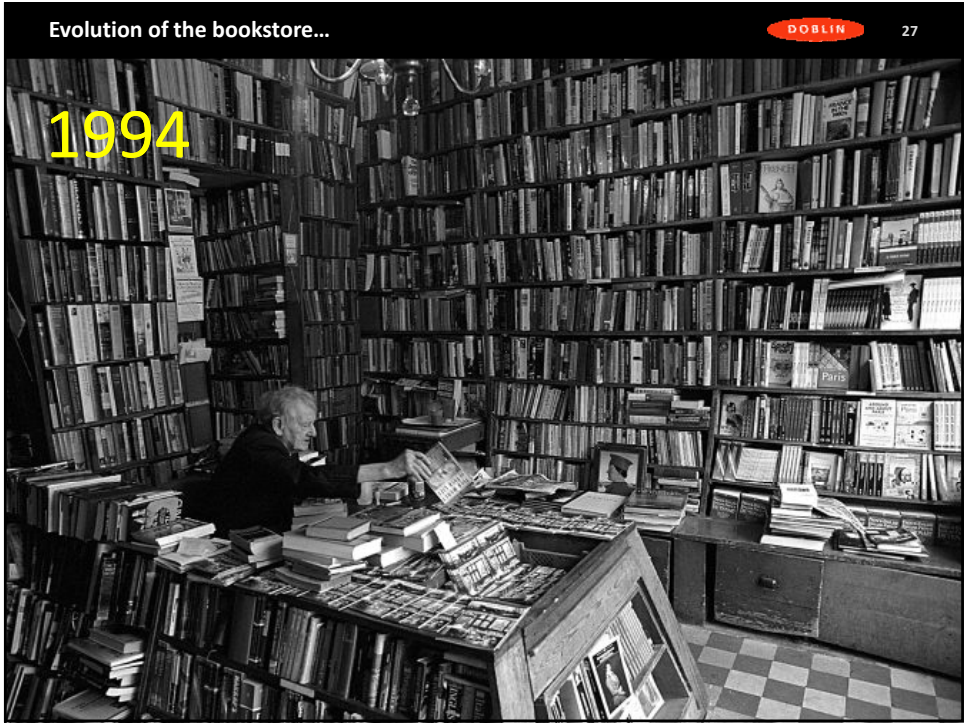
Shifts:
Leaders must see and manage the transitions when industries change...

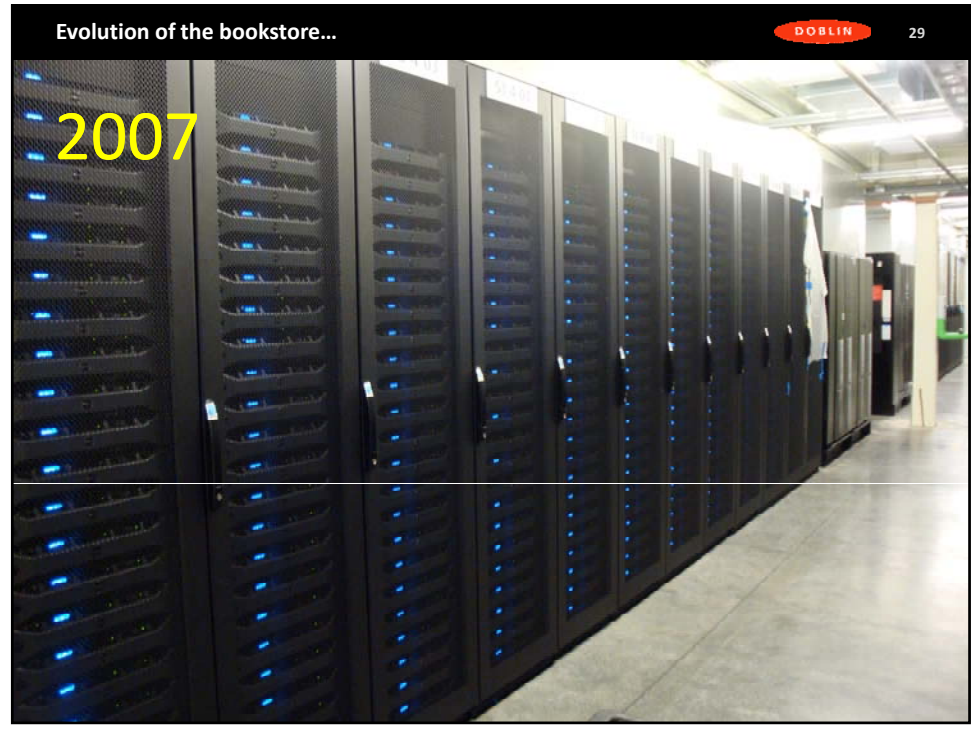


Amazon evolves over time DOBLIN 26

Learning from amazon.com

1. The world's largest online retailer
2. Market capitalization of ~\$95Bn
3. Sells roughly three of every four e-books—almost twice the number of hardcover books they sell
4. And yet books and other media (e.g., DVDs, CDs) comprise only half of its \$25Bn in revenue





3

Building breakthroughs:

If you know some basic building blocks you can construct great innovations that work reliably

Building blocks of innovation



A better set of building blocks: Innovation tactics

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
Premium	Merger/Acquisition	Organizational Design	Flexible Manufacturing	Feature Aggregation	Cross Selling	Try Before You Buy	Expansion	Co-branding	Process Automation
Cost Leadership	Consolidation	Talent Systems	Standardization	Added Functionality	Extensions/Plug-ins	Guarantee	Flagship Store	Brand Leverage	Automation
Predictive Analytics	Open Innovation	Incentive Systems	Localization	Superior Product	Product Bundling	Loyalty Programs	Go Direct	Private Label	Simplification
Metered Use	Secondary Markets	IT Integration	Process Efficiency	Ease of Use	Modular Systems	Added Value	Non-Traditional Channels	Brand Extension	Curator
Forced Scarcity	Supply Chain Integration	Outsourcing	Process Automation	Engaging Functionality	Product/Service Platforms	Concierge	Pop-up Presence	Novel Branding	Experience Enabling
Subscription	Complementary Partnering	Crowdsourcing	On-Demand Production	Environmental Sensitivity	Integrated Offering	Total Experience Management	Indirect Distribution	Component Branding	Mastery
Membership	Alliances	Shared Back Office	Lean Production	Safety		Supplementary Service	Cross-selling	Transparency	Enabling
Installed Base	Franchising	Corporate University	Logistics Systems	Simplification		Superior Service	On-Demand	Values Alignment	Autonomy and Authority
Switchboard	Coopetition	Decentralized Management	Strategic Design	Customization		Personalized Information		Certification	Community and Belonging
Auction		Knowledge Management	Intellectual Property	Focus		User Communities/Support Systems			Personalization
Freemium				Conservation		Lease or Loan			Whimsy and Personality
Flexible Pricing				Styling					
Float									
Financing									
Microtransactions									
Volume									
Ad-Supported									
Licensing									
Multi-Level Marketing									

Using the Ten Types tactics to construct breakthroughs DOBLIN 33

A better set of building blocks: Innovation tactics

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
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- 112 unique innovation tactics spanning across the Ten Types of Innovation
- Definitions and examples for each tactic
- Simple protocols for how to use the cards for innovation activities

Experience ecosystem innovation: Apple iTunes DOBLIN 34

9 TYPES:

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION				OFFERING		EXPERIENCE			

Experience ecosystem innovation: Apple iTunes

DOBLIN 35

CONFIGURATION **OFFERING** **EXPERIENCE**

Radical optimization innovation: ARAVIND

DOBLIN 36

ARAVIND EYE CARE SYSTEM

Aravind Eye Hospitals

INTRACULAR LENSES

SINGLE/THREE PIECE LENSES

FOLDABLE LENSES

CAPSULAR TENSION RINGS

CUSTOM DESIGNED LENSES

ARAVIND EYE CARE SYSTEM

5 TYPES:

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION			OFFERING			EXPERIENCE			

Radical optimization innovation: ARAVIND DOBLIN 37

Process Standardization
Use common products, processes, procedures, and policies to reduce complexity, costs, and errors.

Corporate University
Provide job-specific or company-specific training for managers.

Cost Leadership
Keep variable costs low and sell high volumes at low prices.

Performance Simplification
Omit superfluous details, features, and monotonies to reduce complexity.

Experience Enabling
Expand the realm of what's possible to offer a previously unobtainable experience.

Profit Model

Product

Structure

Process

Product Performance

Product System

Service

Channel

Brand


Customer Engagement

CONFIGURATION
OFFERING
EXPERIENCE


Timken's Milltec—Using predictive failure to create solutions DOBLIN 38

TIMKEN
Where You Turn

MILLTEC® Rolling Mill Program



6 TYPES:



Profit Model

Product

Structure

Process

Product Performance

Product System

Service

Channel

Brand

Customer Engagement

CONFIGURATION
OFFERING
EXPERIENCE

Timken's Milltec—Using predictive failure to create solutions

DOBLIN 39

The diagram illustrates the integration of three key components into a product offering and customer experience:

- Licensing:** Grant permission to some other group or individual to use your offering in a defined way in exchange for a specified payment.
- Competency Center:** Cluster resources, practices and expertise into support centers that increase efficiency and effectiveness across the enterprise.
- Localization:** Adapt an offering, process, or experience to target a culture or region.

These components are combined with **Ease of Use** and **Experience Simplification** to create a comprehensive offering and experience.

7 TYPES:

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Brand	Customer Engagement
CONFIGURATION			OFFERING		EXPERIENCE			

Collaborative consumption innovation: amazon web services

DOBLIN 40

The diagram illustrates the integration of Amazon Web Services components into a product offering and customer experience:

- Amazon Elastic Compute Cloud (Amazon EC2):** A cloud-based computing service that allows you to quickly provision capacity with minimal management.
- Amazon Simple Storage Service (S3):** A simple, scalable, and highly durable storage service for all kinds of data.
- AWS Marketplace:** A place to find, buy, and sell AWS services and solutions.

These components are combined with **Service** and **Brand** to create a comprehensive offering and experience.

7 TYPES:

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Brand	
CONFIGURATION			OFFERING		EXPERIENCE			

DOBLIN 41

Collaborative consumption innovation: amazon web services

Metered Use
Allow customers to pay for what they use.

Scaled Transactions
Maximize margins by pursuing high volume, large scale transactions when unit costs are relatively fixed.

Collaboration
Partner with others for mutual benefit.

Predictive Analytics
Model past performance data and predict future outcomes to design and price offerings accordingly.

Target obtained exclusive deals with designers to develop unique goods mass retail channel. This increased differentiation and provided the data access for a broader audience within their individual brands.

GE Aviation analyzed real-world engine maintenance data and shifted its business from selling engines to selling "as long" (assembly pricing, the new leasing, and service offering) for the most cost-effective for airlines than buying their engines.

+

Superior Product
Develop an offering of mechanical design, quality, and/or experience.

Product/Service Platforms
Offer up services that connect with other service products and services to create a holistic offering.

+

Supplementary Service
Offer and share services that fit with your offering.

Brand Extension
Offer a new product or service under the umbrella of an existing brand.

Profit Model

Network

Structure

Process

Product Performance

Product System

Service

Channel

Demand

Customer Experience

CONFIGURATION OFFERING EXPERIENCE


Digital October

DIGITAL OCTOBER

Go get 'em!

Access to these notes:
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