TEN TYPES OF INNOVATION

Profit Model

- Price: charged as a premium over costs to achieve margin and profit
- Cost: charged as a premium over costs to achieve margin and profit
- Quality: charged as a premium over costs to achieve margin and profit
- Experience: charged as a premium over costs to achieve margin and profit

Network

- Merger/ Acquisition: combine two or more entities to access capabilities and assets
- Consolidation: acquire multiple companies in the same market or complementary markets
- Flexible Pricing: vary prices for an offering based on demand
- Float: receive payments prior to building the offering, using the cash earned interest prior to margin costs
- Financing: capture revenue not directly from the sale of a product, but from structured payment plans and after-sale interest
- Ad-Supported: provide context/services for free in return for selling listeners, viewers or email addresses to another party
- Licensing: grant permission to use others' intellectual property
- Metered Use: charge customers a fee for using a given amount of service
- Bundled Pricing: offer a bundle of services for a lower price
- Disaggregated Pricing: offer a package of services for a lower price
- Software-as-a-Service: allow customers to buy or lease software application services over the Internet
- Collaboration: partner with others for mutual benefit

Structure

- Organizational Design: define roles and responsibilities and measure performance
- Marketing: develop strategies and tactics to achieve the company's goals
- IT Integration: integrate technology and processes to support the business
- Competency Center: cluster resources, practices, and expertise to support centers that improve efficiency and effectiveness
- Supply Chain Integration: manage upstream and downstream services to drive profitability
- Data Management: use data to improve decision-making processes
- Process Automation: automate manual processes to reduce costs and improve efficiency
- Feature Aggregation: combine existing features to create new, more valuable offerings

Process

- Process Standardization: create a set of best practices for processes
- Product System: define offerings that would otherwise need to be created or developed
- Innovation: develop new products or services to meet customer needs
- Lean: focus on eliminating waste and improving productivity
- Agile: develop products and services in small, iterative increments
- DevOps: integrate development and operations teams to improve productivity
- Data-Driven: use data to inform decision-making processes

Product Performance

- Superior Product: develop an offering of exceptional design, quality, and functionality
- Ease of Use: make your product simple and enjoyable to use
- Engaging Functionality: offer an unexpected, delightful experience
- Price: maximize margins by pursuing low prices
- Profitability: maximize margins by pursuing high margins
- Customer Engagement: develop relationships with customers

Product System

- Complements: sell additional related or ancillary products or services to a customer
- Extensions/Plug-ins: offer additional functionality to enhance the core offering
- Product Bundling: offer several products as a single package
- Added Value: offer additional services to customers
- Modular Systems: offer several products or services as a single offering
- Price/Service Platforms: develop systems that connect other products and services to create a holistic offering

Service

- Try Before You Buy: provide customers a trial version of an offering to allow them to experience it before purchasing it
- Guarantee: offer a guarantee that the customer will be satisfied with the offering
- Flagship Store: develop a flagship store to showcase the company's brand and product offerings
- Go Direct: stop traditional retail channels and connect directly with customers
- Non-Traditional Channels: employ novel and relevant avenues to reach customers
- Pop-Up Presence: create a temporary presence to showcase offerings and sell offerings

EXPERIENCE

- Context Specific: offer offerings that fit with your offering
- On-Demand: offer offerings on demand
- Personalization: provide offerings that are personalized for individual customers
- Customer Engagement: develop relationships with customers

Customer Engagement

- Process Automation: automate processes to improve efficiency
- Community and Belonging: develop communities to engage customers
- Whimsy and Personality: develop offerings with small, fun additions or on-message ways of seeming whimsical
- Status and Reputation: offer cues that affirm meaning, allowing customers to identify with those who interact with them—to develop and maintain aspects of their identity