

The 12 Dimensions of Business Innovation

Dimension	Definition	Examples
Offerings	Develop innovative new products or services.	<ul style="list-style-type: none"> • Gillette Mach3Turbo razor • Apple iPod music player and iTunes music service
Platform	Use common components or building blocks to create derivative offerings.	<ul style="list-style-type: none"> • General Motors OnStar telematics platform • Disney animated movies
Solutions	Create integrated and customized offerings that solve end-to-end customer problems.	<ul style="list-style-type: none"> • UPS logistics services Supply Chain Solutions • DuPont Building Innovations for construction
Customers	Discover unmet customer needs or identify underserved customer segments.	<ul style="list-style-type: none"> • Enterprise Rent-A-Car focus on replacement car renters • Green Mountain Energy focus on "green power"
Customer Experience	Redesign customer interactions across all touch points and all moments of contact.	<ul style="list-style-type: none"> • Washington Mutual Occasio retail banking concept • Cabela's "store as entertainment experience" concept
Value Capture	Redefine how company gets paid or create innovative new revenue streams.	<ul style="list-style-type: none"> • Google paid search • Blockbuster revenue-sharing with movie distributors
Processes	Redesign core operating processes to improve efficiency and effectiveness.	<ul style="list-style-type: none"> • Toyota Production System for operations • General Electric Design for Six Sigma (DFSS)
Organization	Change form, function or activity scope of the firm.	<ul style="list-style-type: none"> • Cisco partner-centric networked virtual organization • Procter & Gamble front-back hybrid organization for customer focus
Supply Chain	Think differently about sourcing and fulfillment.	<ul style="list-style-type: none"> • Moen ProjectNet for collaborative design with suppliers • General Motors Celta use of integrated supply and online sales
Presence	Create new distribution channels or innovative points of presence, including the places where offerings can be bought or used by customers.	<ul style="list-style-type: none"> • Starbucks music CD sales in coffee stores • Diebold RemoteTeller System for banking
Networking	Create network-centric intelligent and integrated offerings.	<ul style="list-style-type: none"> • Otis Remote Elevator Monitoring service • Department of Defense Network Centric Warfare
Brand	Leverage a brand into new domains.	<ul style="list-style-type: none"> • Virgin Group "branded venture capital" • Yahoo! as a lifestyle brand

3.5-liter V6) to power its upscale models of a midsize sedan (Altima), large sedan (Maxima), luxury sedans (Infiniti G and M series), minivan (Quest) and sports coupe (350Z). Clever modifications of the common engine allow the production of anywhere between 245 and 300 horsepower, creating enough distinctiveness between the vehicles while gaining efficiency advantages.

Solutions A solution is a customized, integrated combination of products, services and information that solves a customer problem. Solution innovation creates value for customers through the breadth of assortment and the depth of integration of the different elements. An example here is Deere & Co., which has combined an array of products and services (including mobile computers, a Global Positioning System-based tracking system and software) to provide an end-to-end solution to farmers who

need to improve their sowing, tilling and harvesting, as well as manage the business aspects of their operations more effectively.

Customers are the individuals or organizations that use or consume a company's offerings to satisfy certain needs. To innovate along this dimension, the company can discover new customer segments or uncover unmet (and sometimes unarticulated) needs. Virgin Mobile USA was able to successfully enter the U.S. cellular services market late by focusing on consumers under 30 years old — an underserved segment. To attract that demographic, Virgin offered a compelling value proposition: simplified pricing, no contractual commitments, entertainment features, stylish phones and the irreverence of the Virgin brand. Within three years of its 2002 launch, Virgin had attracted several million subscribers in the highly competitive market.

