

TEN TYPES OF INNOVATION

TACTICS OVERVIEW



a Deloitte business

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement	
<p>Premium Price at a higher margin than competitors, usually for a superior product, offering, experience, service or brand.</p> <p>Cost Leadership Keep variable costs low and sell high volumes at low prices.</p> <p>Scaled Transactions Maximize margins by pursuing high volume, large scale transactions when unit costs are relatively fixed.</p> <p>Microtransactions Sell many dollars for as little as a dollar—or even only one cent—to drive impulse purchases at volume.</p> <p>Forced Scarcity Limit the supply of offerings available, by quantity, time frame or access, to drive up demand and/or prices.</p> <p>Subscription Create predictable cash flows by charging customers up front (a one time or recurring fee) to have access to the product/service over time.</p> <p>Membership Charge a time-based payment to permit access to locations, offerings, or services that non-members don't have.</p> <p>Installed Base Offer a "core" product for slim margins (or even a loss) to drive demand and loyalty, then realize profit on additional products and services.</p> <p>Switchboard Connect multiple sellers with multiple buyers; the more buyers and sellers who join, the more valuable the switchboard.</p> <p>Action Allow a market—and its users—to set the price for goods and services.</p>	<p>User-Defined Invite customers to set a price they wish to pay.</p> <p>Freemium Offer basic services for free, while charging a premium for advanced or special features.</p> <p>Flexible Pricing Vary prices for an offering based on demand.</p> <p>Floater Receive payment prior to building the offering—and use the cash to earn interest prior to making margins.</p> <p>Financing Capture revenue not directly from the sale of a product, but from structured payment plans and after-sale interest.</p> <p>Ad-Supported Provide content/services for free to one party while selling listeners, viewers or "eyeballs" to another party.</p> <p>Licensing Grant permission to some other group or individual to use your offering in a defined way for a specified payment.</p> <p>Metered Use Allow customers to pay for only what they use.</p> <p>Bundled Pricing Sell in a single transaction two or more items that could be sold as standalone offerings.</p> <p>Disaggregate Pricing Allow customers to buy exactly—and only—what they want.</p> <p>Risk Sharing Waive standard fees/costs if certain metrics aren't achieved, but receive outside gains when they are.</p>	<p>Merger/Acquisition Combine two or more entities to gain access to core capabilities and assets.</p> <p>Consolidation Acquire multiple companies in the same market or complementary markets.</p> <p>Open Innovation Obtain access to processes or patents from other companies to leverage, extend, and build on expertise and/or do the same with internal IP and processes.</p> <p>Secondary Markets Connect waste streams, by-products, or other alternative offerings to those who want them.</p> <p>Supply Chain Integration Coordinate and integrate information and/or processes across a company or processes across members of the supply chain.</p> <p>Complementary Partnering Leverage assets by sharing them with companies that serve similar markets but offer different products and services.</p> <p>Alliances Share risks and revenues to jointly improve individual competitive advantage.</p> <p>Franchising License business principles, processes, and brand to paying partners.</p> <p>Competition Join forces with someone who would normally be your competitor to achieve a common goal.</p> <p>Collaboration Partner with others for mutual benefit.</p>	<p>Organizational Design Make form follow function and align infrastructure with core capabilities and business processes.</p> <p>Incentive Systems Offer rewards (financial or non-financial) to provide motivation for a particular course of action.</p> <p>IT Integration Integrate technology resources and applications.</p> <p>Competency Center Cluster resources, practices and expertise into support centers that increase efficiency and effectiveness across the broader organization.</p> <p>Outsourcing Assign responsibility for developing or maintaining a system to a vendor.</p> <p>Corporate University Provide job-specific or company-specific training for managers.</p> <p>Decentralized Management Delegate decision-making governance closer to the customer or other key business interfaces.</p> <p>Knowledge Management Share relevant information internally to reduce redundancy and improve job performance.</p> <p>Asset Standardization Reduce operating costs and increase connectivity and modularity by standardizing your assets.</p>	<p>Process Standardization Use common products, exceptional design, quality, and policies to reduce complexity, costs, and errors.</p> <p>Localization Adapt an offering, process, or experience to target a culture or region.</p> <p>Process Efficiency Create or produce more while using fewer resources—measured in materials, energy consumption or time.</p> <p>Flexible Manufacturing Use a production system that can rapidly react to changes and still operate efficiently.</p> <p>Process Automation Apply tools and infrastructure to manage routine activities in order to free up employees.</p> <p>Crowdsourcing Outsource repetitive or challenging work to a large group of semi-organized individuals.</p> <p>On-Demand Production Produce items after an order has been received to avoid carrying costs of inventory.</p> <p>Lean Production Reduce waste and cost in your manufacturing process and other operations.</p> <p>Logistics Systems Manage the flow of goods, information and other resources between the point of origin and the point of use.</p> <p>Strategic Design Employ a purposeful approach that manifests itself consistently across offerings, brands, and experiences.</p> <p>Intellectual Property Protect an idea that has commercial value—such as a recipe or industrial process—with legal tools like patents.</p> <p>User Generated Put your users to work in creating and curating content that powers your offerings.</p> <p>Predictive Analytics Model past performance data and predict future outcomes to design and price offerings accordingly.</p>	<p>Superior Product Develop an offering of exceptional design, quality, and/or experience.</p> <p>Ease of Use Make your product simple, intuitive and comfortable to use.</p> <p>Engaging Functionality Provide an unexpected or noteworthy experiential component that elevates the customer interaction.</p> <p>Safety Increase the customer's level of confidence and security.</p> <p>Feature Aggregation Combine existing features found across offerings into a single offering.</p> <p>Added Functionality Add new functionality to an existing offering.</p> <p>Performance Simplification Omit superfluous details, features, and interactions to reduce complexity.</p> <p>Environmental Sensitivity Provide offerings that do no harm—or relatively less harm—to the environment.</p> <p>Conservation Design your product so that customers can reduce their use of energy or materials.</p> <p>Customization Enable altering of the product or service to suit individual requirements or specifications.</p> <p>Focus Design an offering specifically for a particular audience for the expense of others.</p> <p>Styling Impart a style, fashion or image.</p>	<p>Complements Sell additional related or ancillary products or services to a customer.</p> <p>Extensions/Plug-ins Allow first- or third-party additions that add functionality.</p> <p>Product Bundling Offer several products for sale as one combined product.</p> <p>Modular Systems Provide a set of individual components that can be used independently, but gain utility when combined.</p> <p>Product/Service Platforms Develop systems that connect with other, partner products and services to create a holistic offering.</p> <p>Integrated Offering Combine otherwise discrete components into a complete experience.</p>	<p>Try Before You Buy Let customers test and experience an offering before investing in it.</p> <p>Guarantee Remove customer risk of lost money or time stemming from product failure or purchase error.</p> <p>Loyalty Programs Provide benefits and/or discounts to frequent and high-value customers.</p> <p>Added Value Include an additional service/function as part of the base price.</p> <p>Concierge Provide premium service by taking on tasks for which customers don't have time.</p> <p>Total Experience Management Provide thoughtful, holistic management of the consumer experience across an offering's lifecycle.</p> <p>Supplementary Service Offer ancillary services that fit with your offering.</p> <p>Superior Service Provide service(s) of higher quality, efficacy, or with a better experience than any competitor.</p> <p>Personalized Service Use the customer's own information to provide perfectly calibrated service.</p> <p>User Communities/Support Systems Provide a communal resource for product/service support, use and extension.</p> <p>Lease or Loan Let customers pay over time to lower upfront costs.</p> <p>Self-Service Provide users with control over activities that would otherwise require an intermediary to complete.</p>	<p>Diversification Add and expand into new or different channels.</p> <p>Flagship Store Create a store to showcase quintessential brand and product attributes.</p> <p>Go Direct Skip traditional retail channels and connect directly with customers.</p> <p>Non-Traditional Channels Employ novel and relevant avenues to reach customers.</p> <p>Pop-up Presence Create a noteworthy but temporary environment to showcase and/or sell offerings.</p> <p>Indirect Distribution Use others as resellers who take ownership over delivering the offering to the final user.</p> <p>Multi-Level Marketing Sell bulk or packaged goods to an affiliated but independent sales force that turns around and sells it for you.</p> <p>Cross-selling Place products, services, or information that will enhance an experience in situations where customers are likely to want to access them.</p> <p>On-Demand Deliver goods in real-time whenever or wherever they are desired.</p> <p>Context Specific Offer timely access to goods that are appropriate for a specific location, occasion, or situation.</p> <p>Experience Center Create a space that encourages your customers to interact with your offerings—but purchase them through a different (and often lower-cost) channel.</p>	<p>Co-Branding Combine brands to mutually reinforce key attributes or enhance the credibility of an offering.</p> <p>Brand Leverage "Lend" your credibility and allow others to use your name—thus extending your brand's reach.</p> <p>Private Label Provide goods made by others under your company's brand.</p> <p>Brand Extension Offer a new product or service under the umbrella of an existing brand.</p> <p>Component Branding Brand an integral component to make a final offering appear more valuable.</p> <p>Transparency Let customers see into your operations and participate with your brand and offerings.</p> <p>Values Alignment Make your brand stand for a big idea or a set of values and express them consistently in all aspects of your company.</p> <p>Certification Develop a brand or mark that signifies and ensures certain characteristics in third-party offerings.</p>	<p>Process Automation Remove the burden of repetitive tasks from the user to simplify life and make new experiences seem magical.</p> <p>Experience Simplification Reduce complexity and deliver specific experiences exceptionally well.</p> <p>Curation Use a distinct point of view to separate the proverbial wheat from the chaff—and in the process create a strong identity for yourself and your followers.</p> <p>Experience Enabling Extend the realm of what's possible to offer a previously impossible experience.</p> <p>Mastery Help customers to obtain great skill or deep knowledge of some activity or subject.</p> <p>Autonomy and Authority Grant users the power to use your offerings to shape their own experience.</p> <p>Community and Belonging Facilitate visceral connections to make people feel they are part of a group or movement.</p> <p>Personalization Alter a standard offering to allow the projection of the customer's identity.</p> <p>Whimsy and Personality Humanize your offering with small flourishes of on-brand, on-message ways of seeming alive.</p> <p>Status and Recognition Offer cues that infer meaning, allowing users—and those who interact with them—to develop and nurture aspects of their identity.</p>
CONFIGURATION				OFFERING			EXPERIENCE			