



UNIVERSITA' DEGLI STUDI
DI ROMA TOR VERGATA



**UNIVERSITY ROME TOR VERGATA
SCHOOL OF ECONOMICS PRESENTS**

BUSINESS MODEL INNOVATION

A COURSE BY:

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Lesson #1

The 5 W of Innovation

Today

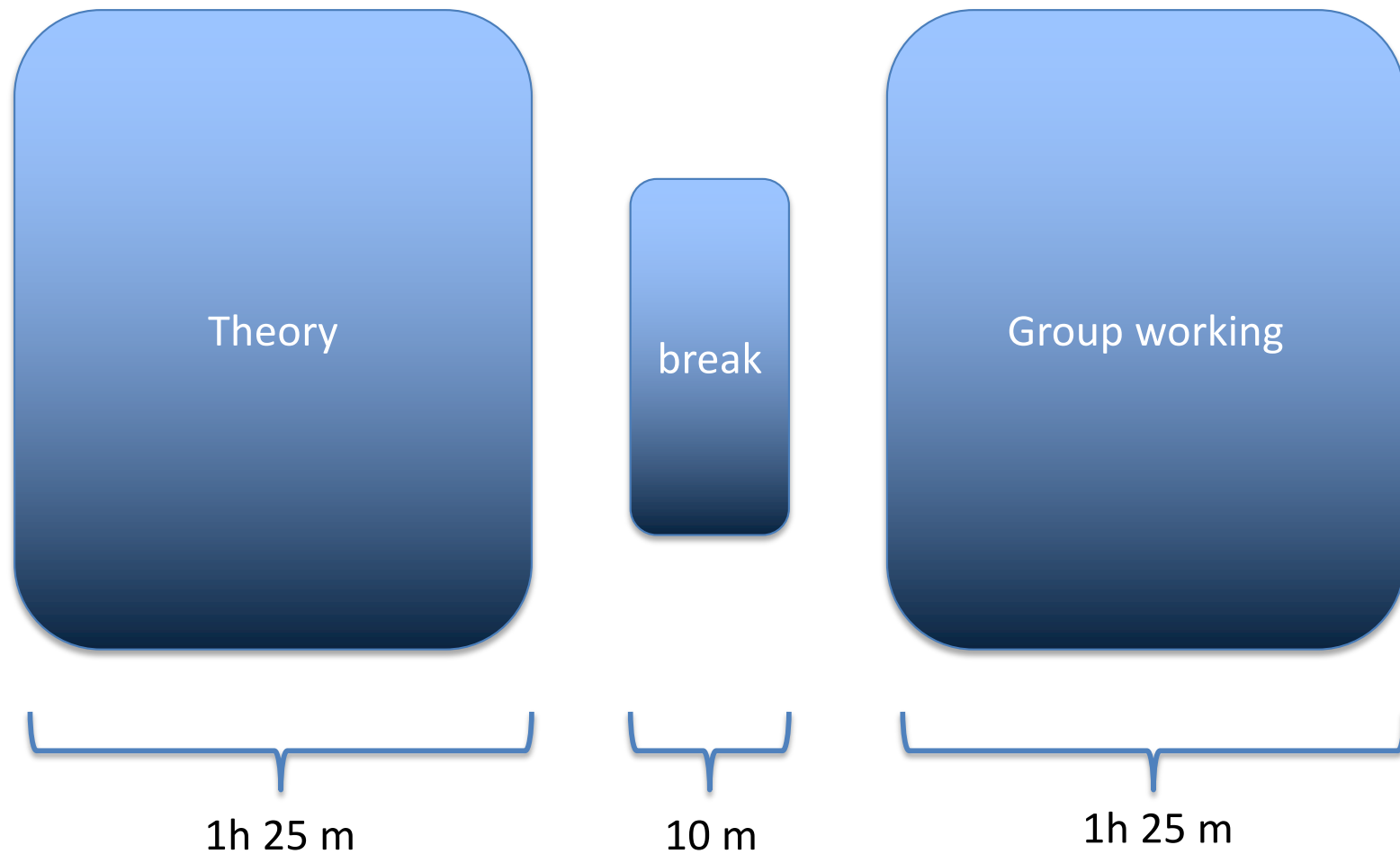
Course overview

- The 5Ws of Innovation
 - What
 - Why
 - Where
 - When
 - Who

break

- Case study session
 - Build working group (4-5 persons/group)
 - Case assignment
 - Case analysis in groups

Structure of each lesson



The 5Ws of Innovation

1. What
2. Why
3. Where
4. When
5. Who

WHAT Innovation?

Definition?

- over 40 definitions
- **OECD (OCSE) Definition:**
Innovation is: production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome.
- **Business Dictionary Definition:**
The process of translating an idea or invention into a good or service that creates value or for which customers will pay.
To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. In business, innovation often results when ideas are applied by the company in order to further satisfy the needs and expectations of the customers.

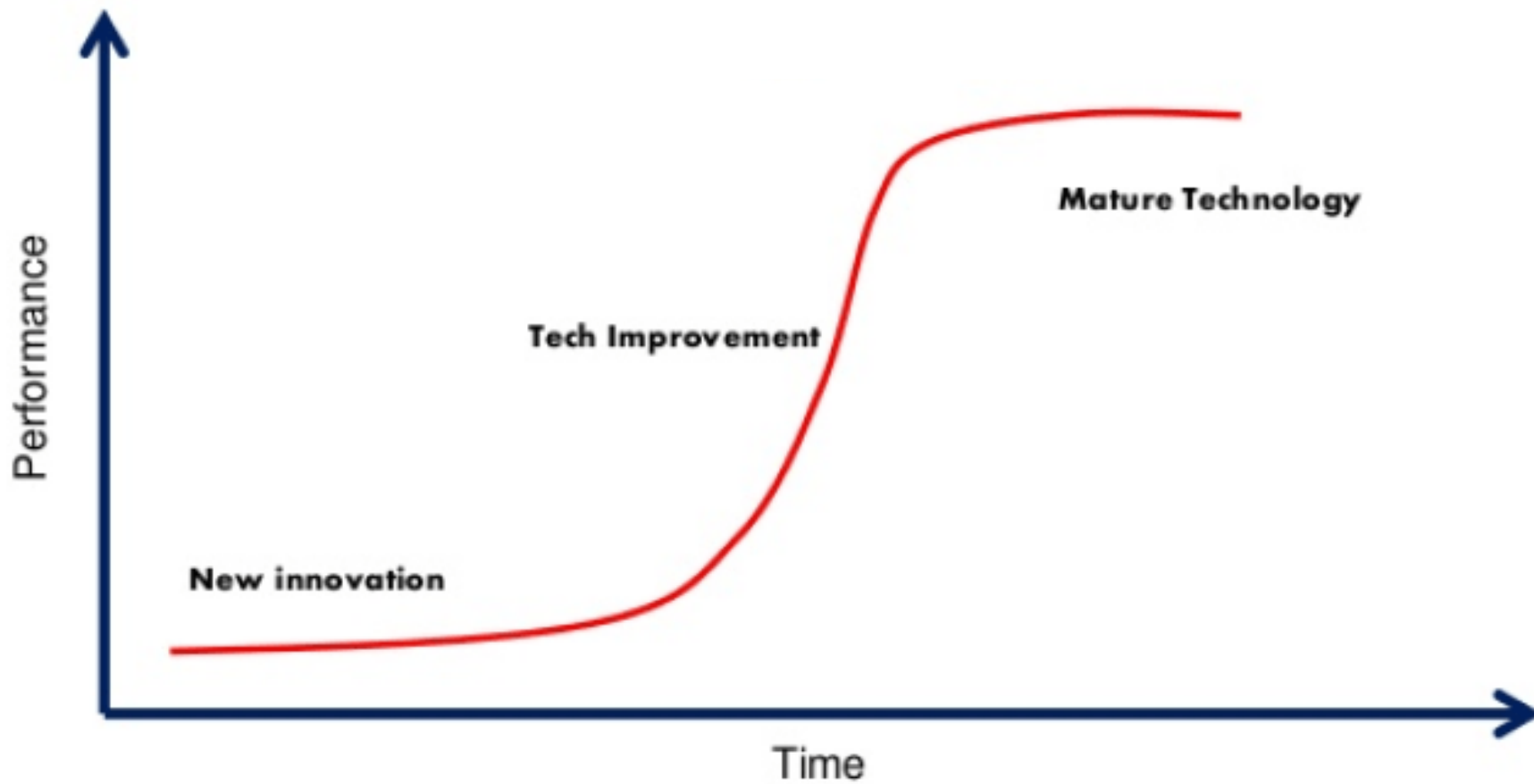
WHAT Innovation?

$$\text{Innovation} = \text{Invention} + \text{Exploitation}$$

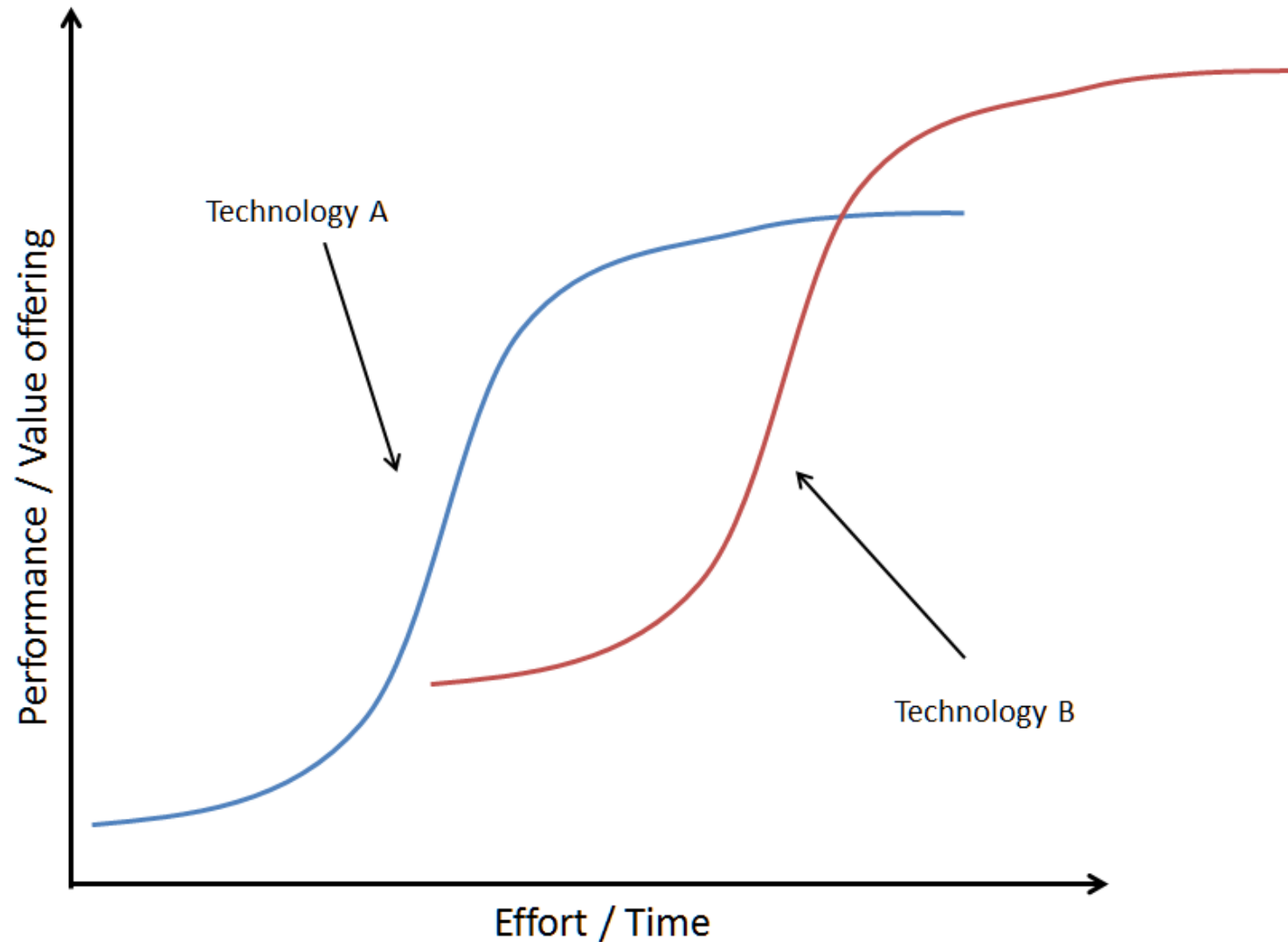
(Roberts, 1988)

- Product/Service innovation
- Process innovation
- Disruptive innovation
- Continuous innovation

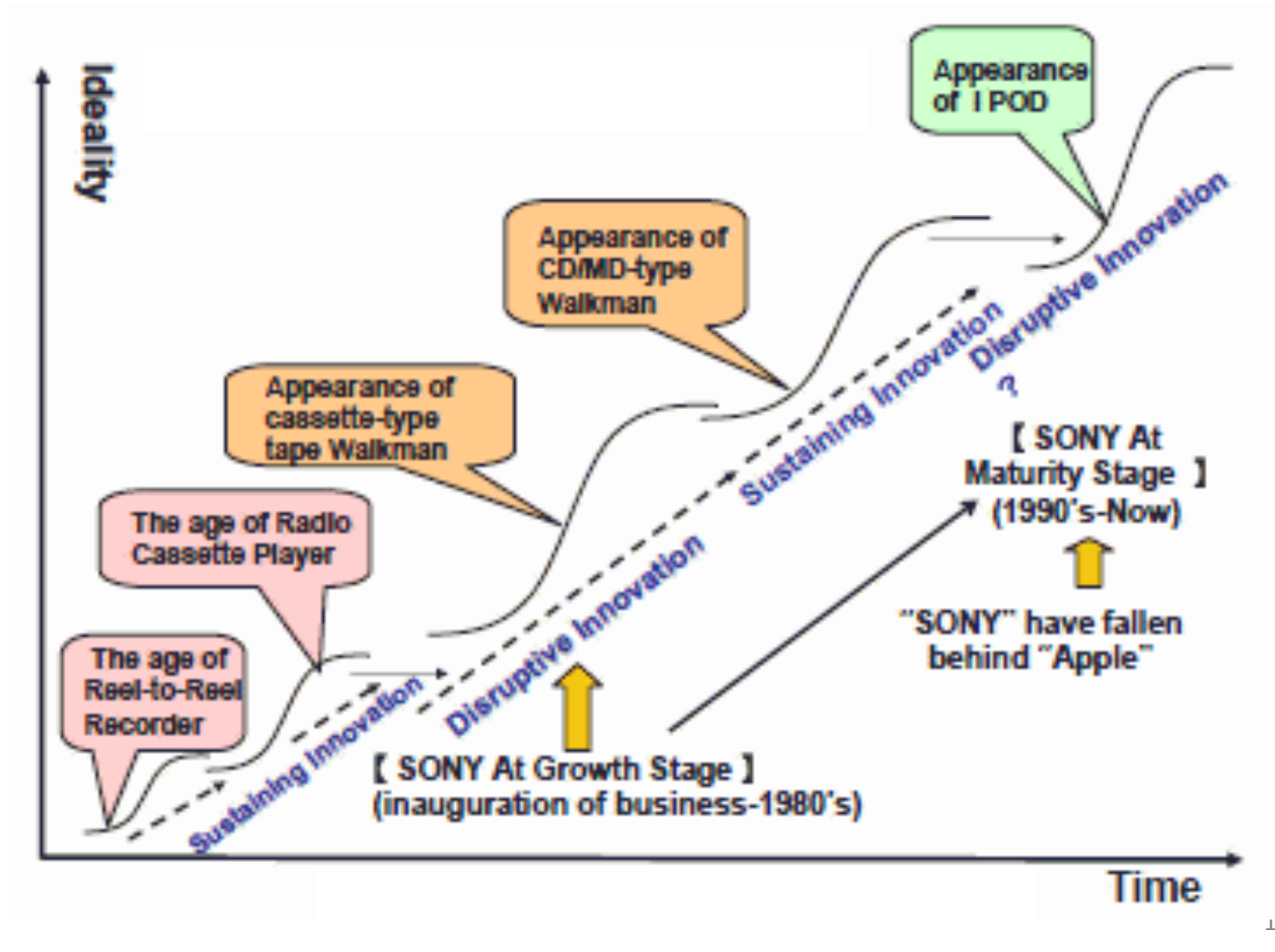
The S curve



The technology change S curve



The perpetual S curve

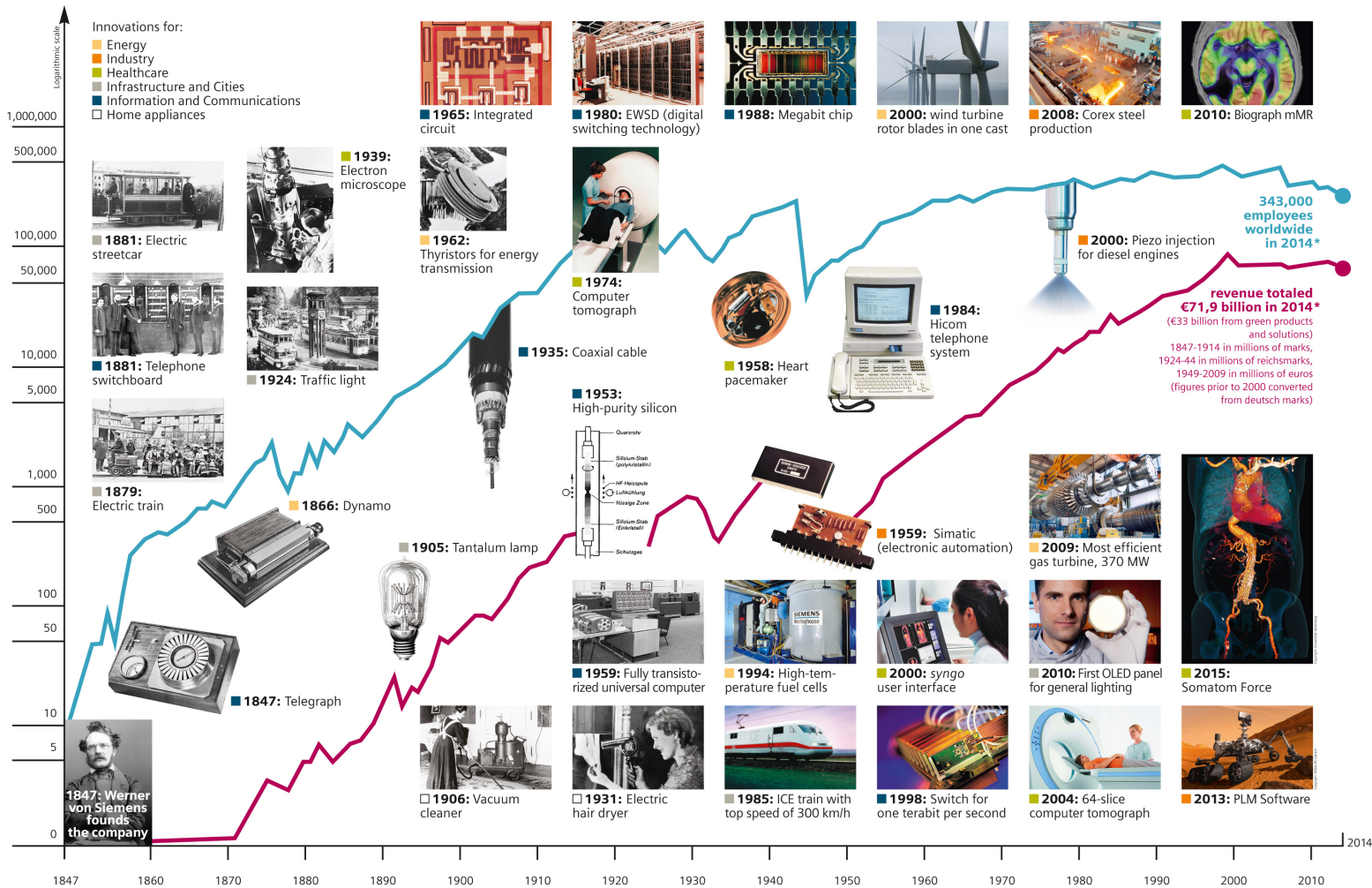


WHY Innovation?



WHY Innovation?

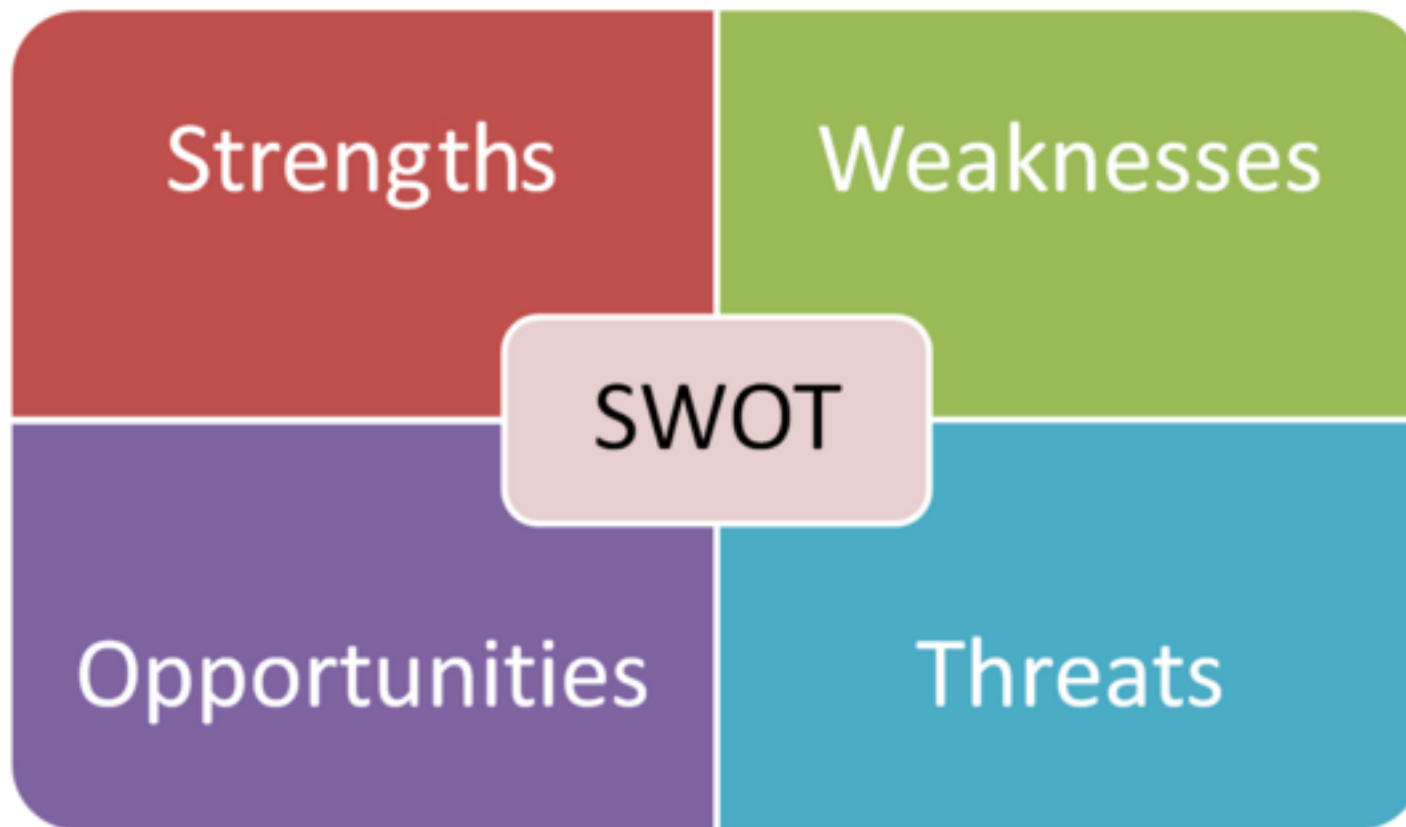
Historical point of view – Siemens evolution



✱✱ from continuing operations

WHY Innovation?

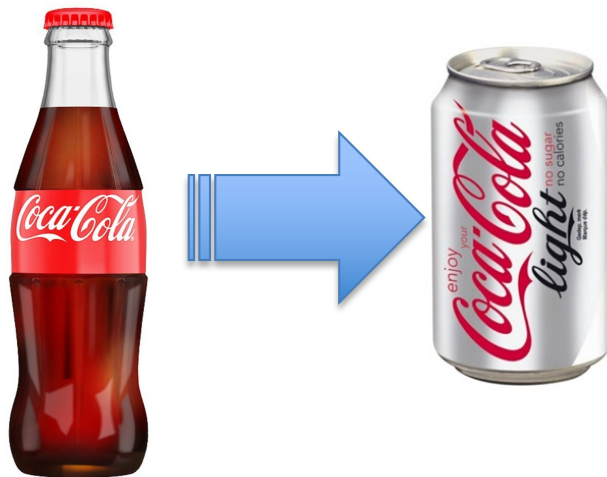
- Economic point of view



WHY Innovation?

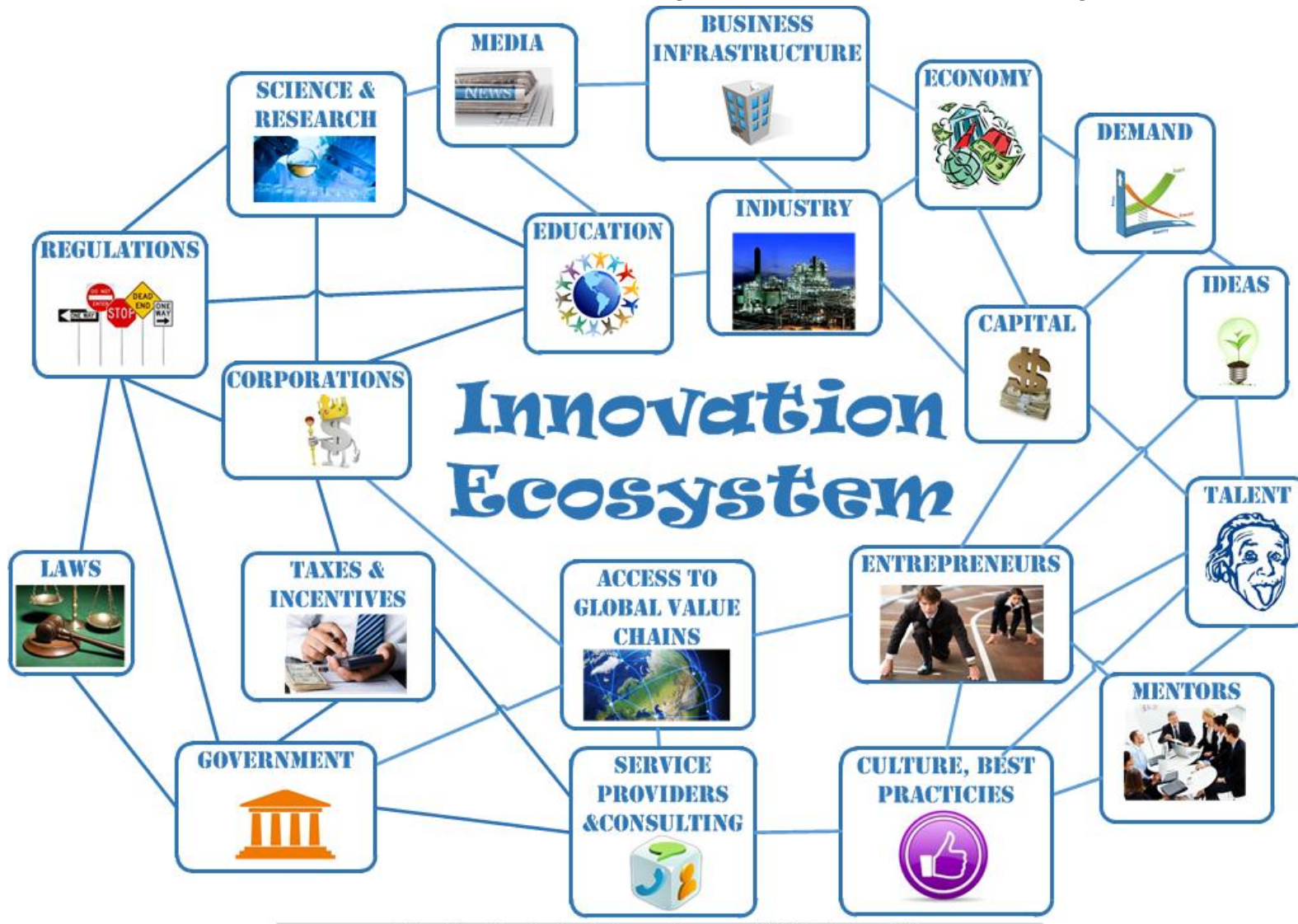
- Why not?
- When the VALUE is in “not changing” (traditional products) you still need to innovate your business model

YOU HAVE TO INNOVATE SOMETHING!



WHERE Innovation?

- The Innovation Ecosystems concept

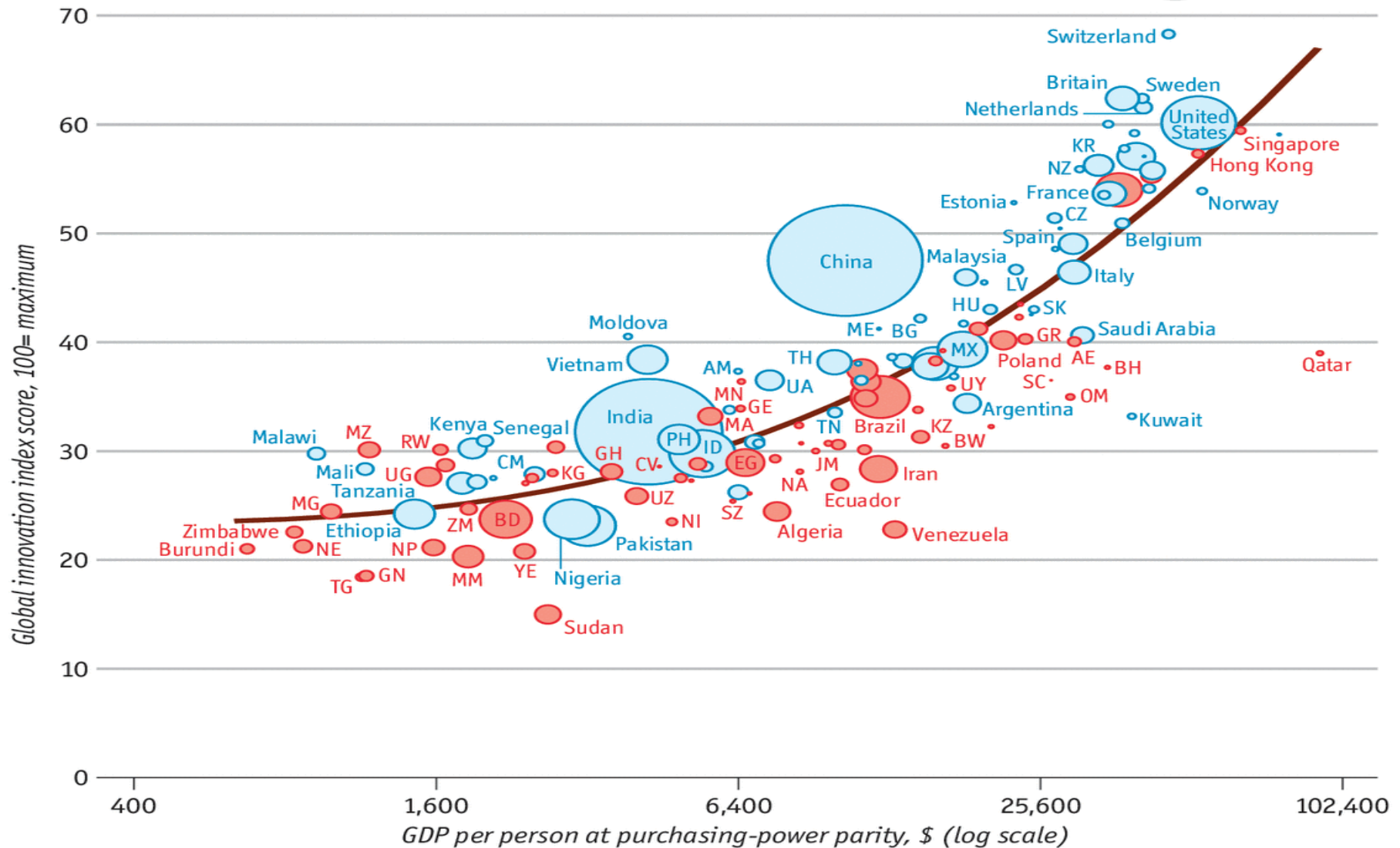


WHERE Innovation?

Global Innovation Index
2014 or latest available year

● Efficient innovators
● Inefficient innovators

1bn
Circle size = population



Source: Global Innovation Index, 2015

WHEN Innovation?

- When is too late?



WHEN Innovation?

- It's early to innovate?



Friendster is Taking A Break

The redesigned Friendster came about through an enduring passion to make a difference. Over the years, we have built a vibrant community and received valuable support and encouragement.

However, due to the evolving landscape in our challenging industry, the online gaming community did not engage as much as we had hoped for. Profound development in the gaming industry has also led us to rethink our strategic priorities.

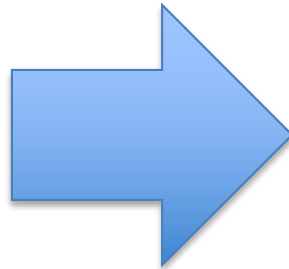
We have thus made the decision to take a break and pause our services effective June 14, 2015.

We remained enthusiastic to try new things in the future and we look forward to providing more information on Friendster's imminent direction in time to come. We cordially invite you to join our email distribution list to be notified as soon as this information becomes available.

For members with valid Friendster Wallet, kindly check your registered email inbox as we will be facilitating an email detailing ways to transfer your remaining balances. For added enquiries on Friendster Wallet, please contact Friendster Support at help@friendster.com.

WHEN Innovation?

- Unstoppable innovation



WHEN Innovation?

- Anticipate innovation

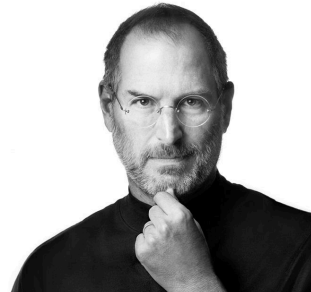
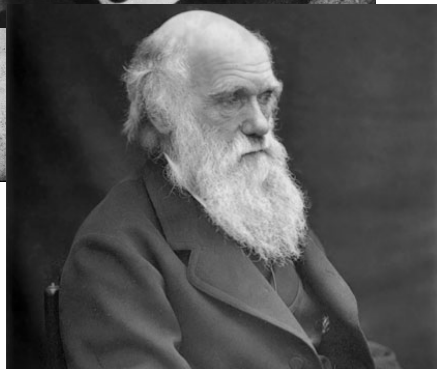
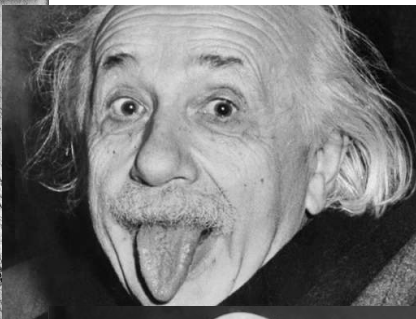
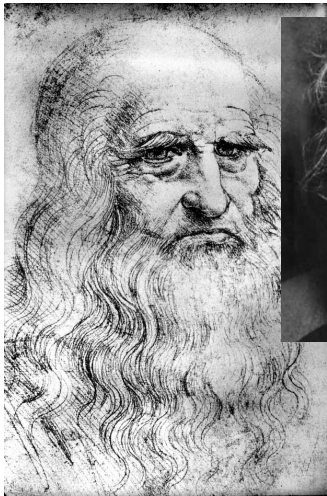


WHO Innovation?

Inventors vs Innovators

=

Researcher vs Entrepreneur



Who is an Innovation Manager?



Here are seven characteristics to look for in a successful Innovation Manager:

- They're phenomenal problem solvers.
- They're adaptable.
- They're outstanding communicators.
- They're results-focused and resourceful.
- They set up the team with the necessary conditions for success.
- They're great facilitators and connectors.
- They're multi-capable.

Case Studies

Case Studies

- **Grom** (<http://www.grom.it>)
- **N26** (<https://n26.com/>)
- **Verisure** (<https://www.verisure.it>)
- **Satispay** (<https://www.satispay.com>)
- **Eataly** (<https://www.eataly.net>)
- **Space X** (<https://www.spacex.com>)
- **Telegram** (<https://web.telegram.org>)
- **Starbucks** (<https://www.starbucks.com>)
- **Iliad** (<https://www.iliad.it>)
- **Airbnb** (<https://www.airbnb.it>)
- **Dyson** (<http://www.dyson.com>)

Today's Case Study Objectives

- Case study session
 - Build working group (4-5 persons/group)
 - Case assignment
 - Case analysis in groups
 - General context & market
 - History
 - Organizational structure
 - Financial