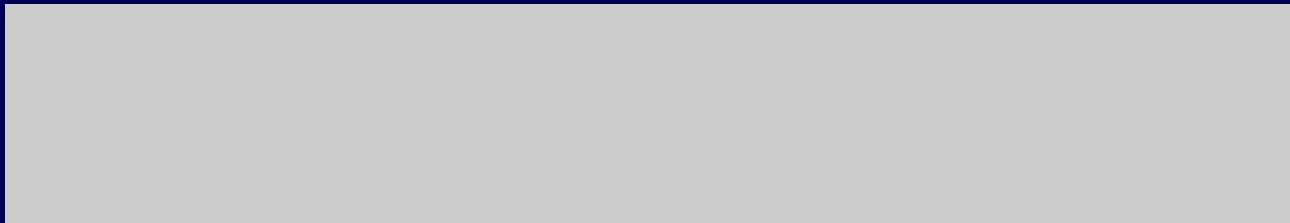




20 May 2009

Making Innovation Work

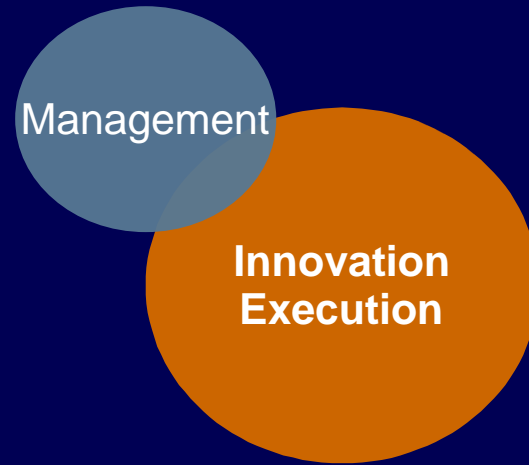
PLM BEST PRACTICE CONFERENCE 2009
SEOUL KOREA



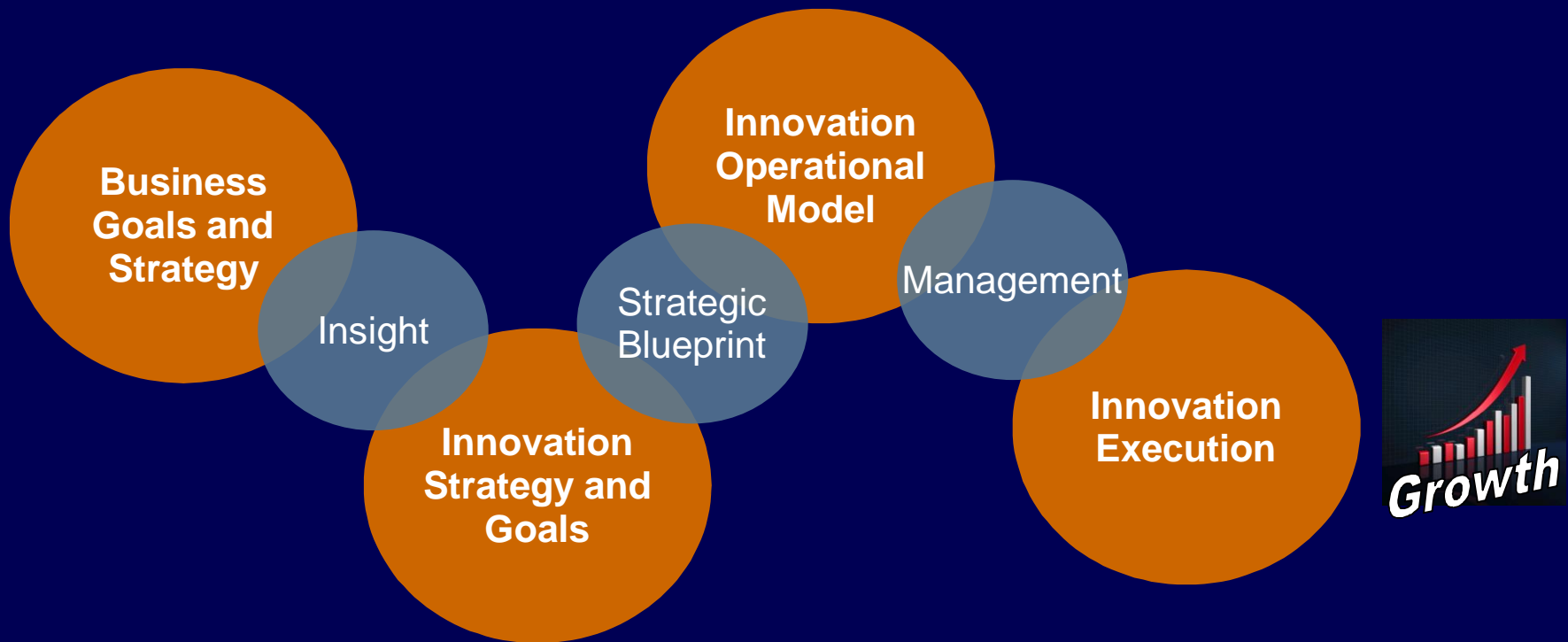
Management
Consultants

Where Innovation Operates

Innovation Starts Much Earlier than Execution

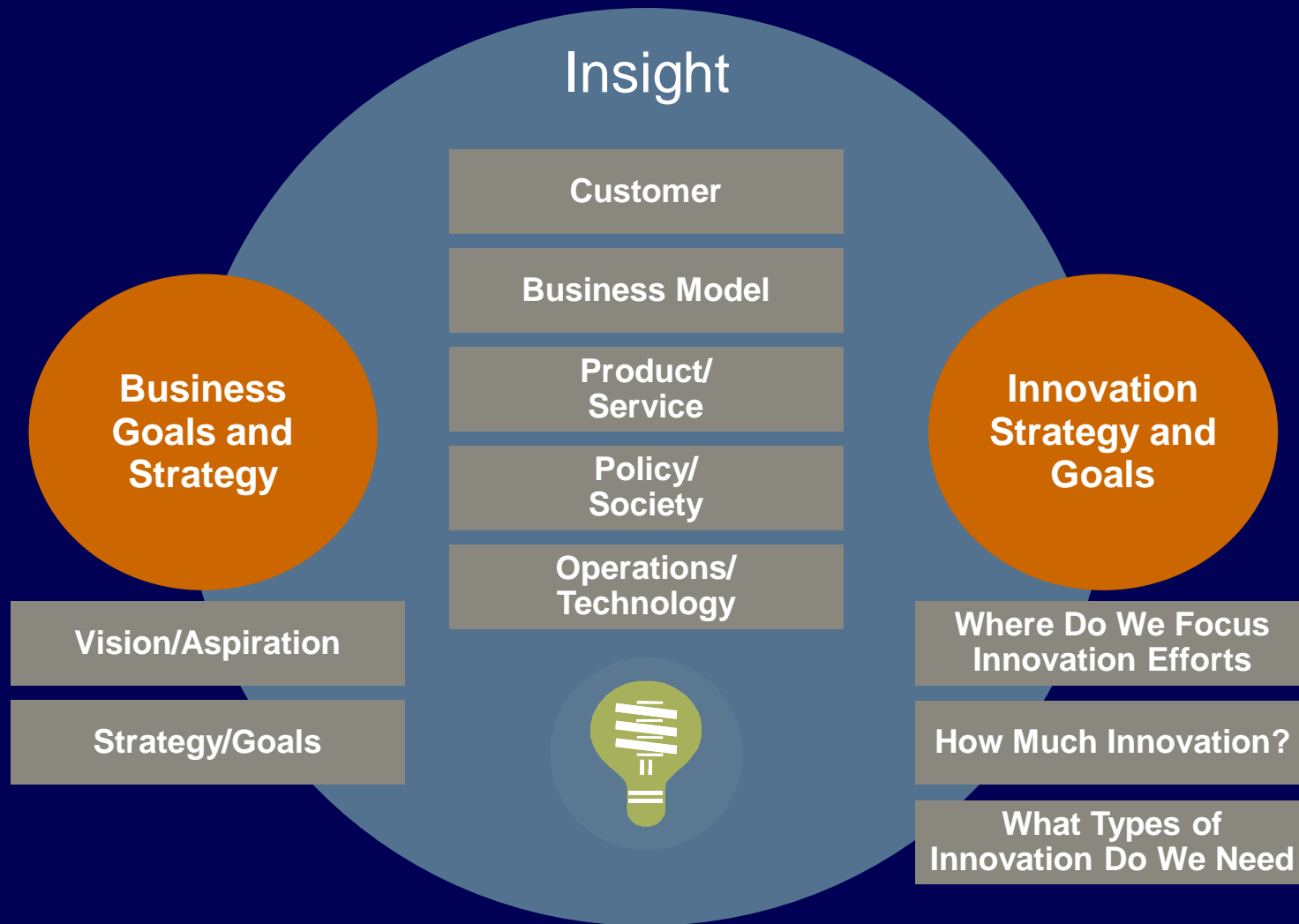


Innovation Originates with Business Strategy

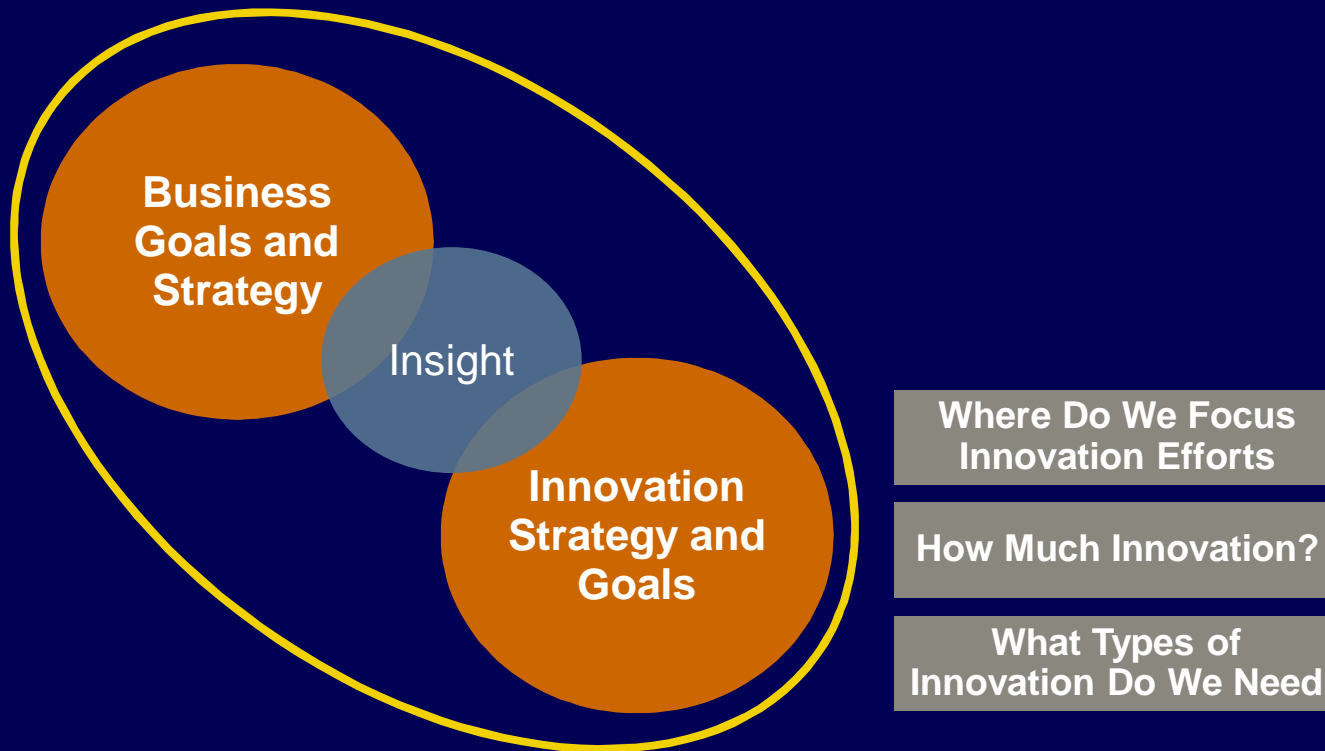


How You Innovate Determines **What** You Innovate

Insight Bridges Strategies and Goals

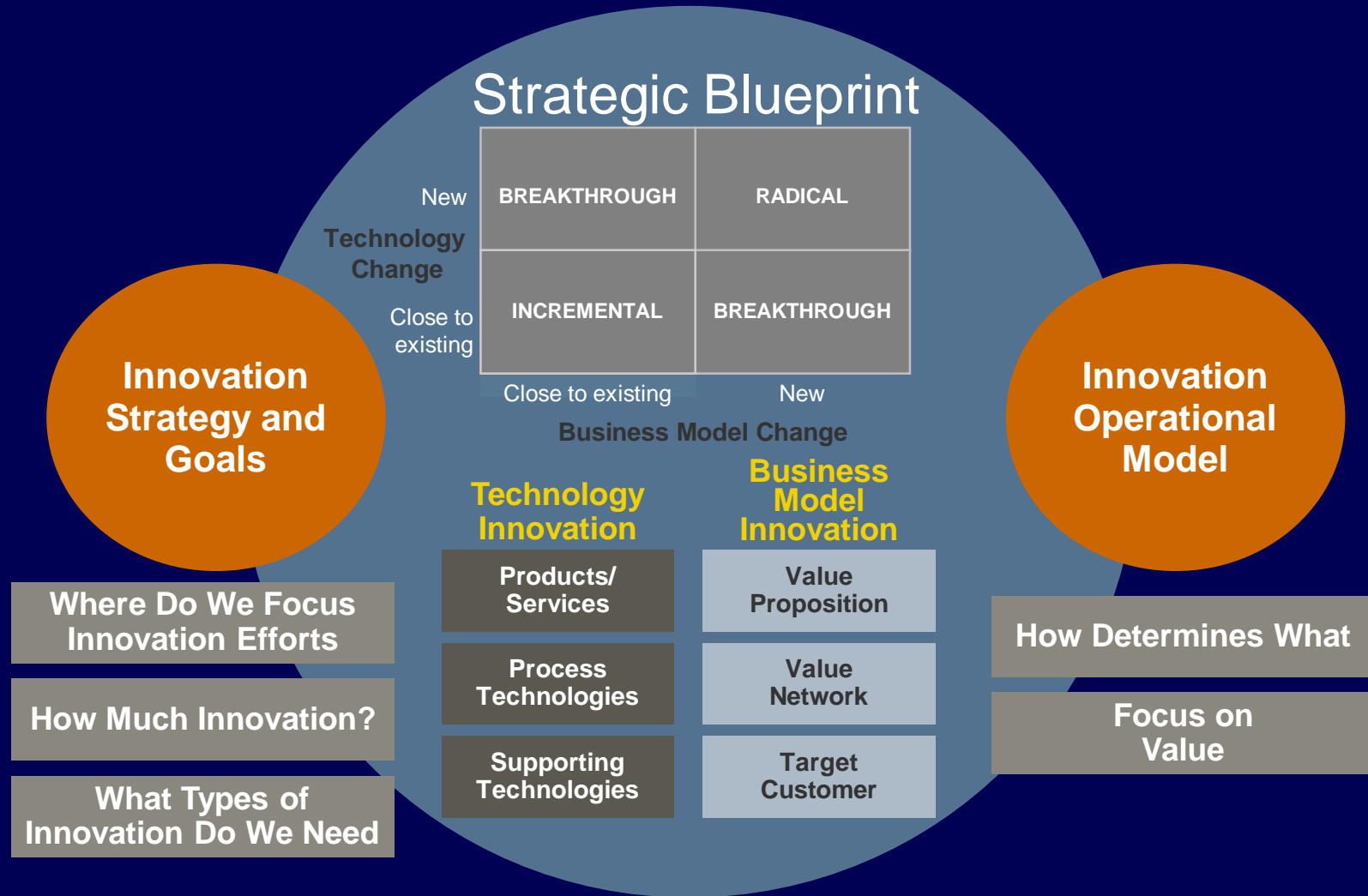


Business Strategies Must Align

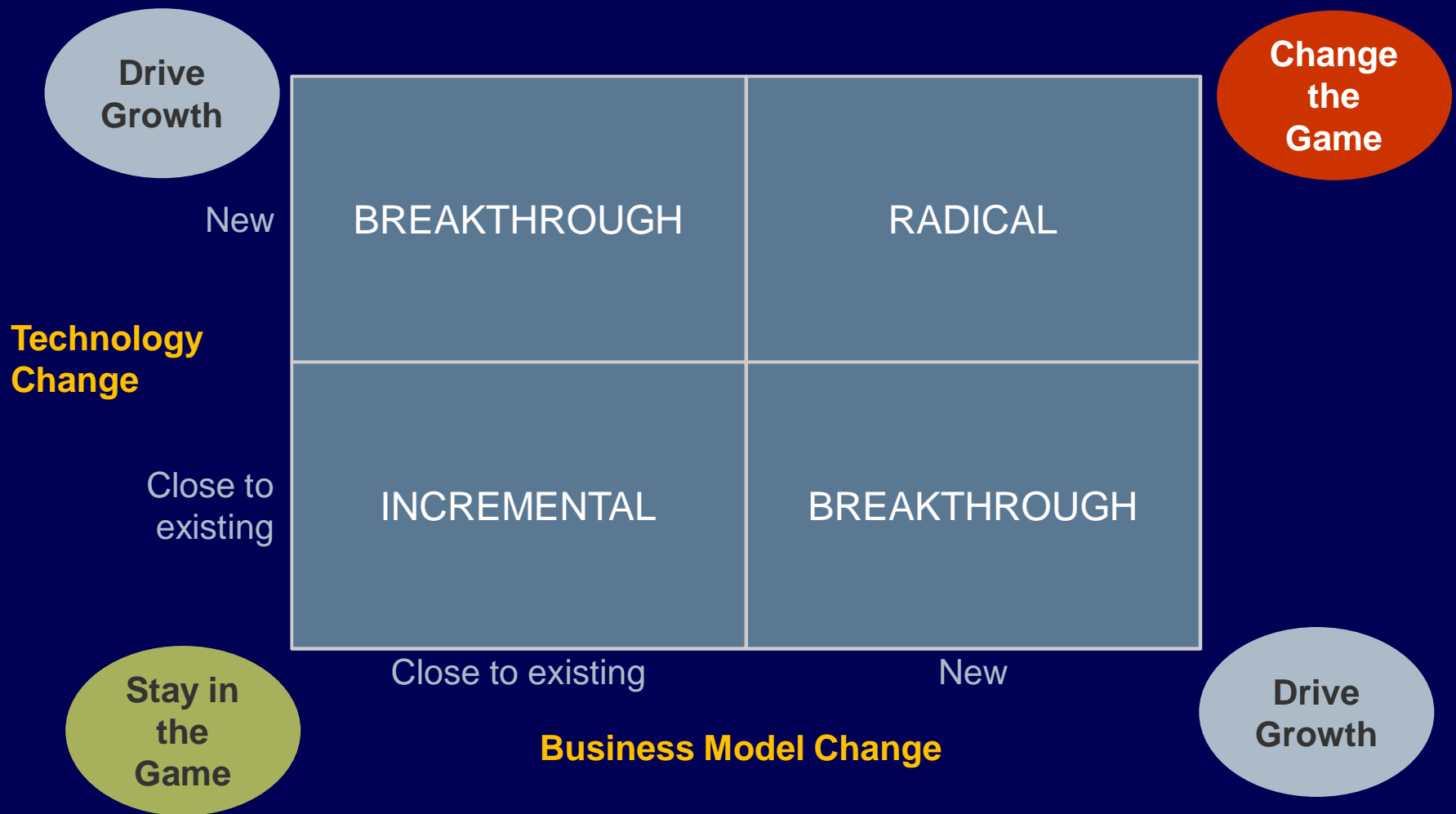


How You Innovate Determines **What** You Innovate

Strategic Blueprint Bridges Innovation Strategy



Innovation Portfolio Describes Innovation Goals



Making Innovation Work, Davila, Epstein, Shelton: Wharton School Publishing, 2006.

Six Major Levers of Innovation

Business Model Innovation

VALUE
PROPOSITION

VALUE
NETWORK

TARGET
CUSTOMER

Technology Innovation

PRODUCTS/
SERVICES

PROCESS
TECHNOLOGIES

SUPPORTING
TECHNOLOGIES

Making Innovation Work, Davila, Epstein, Shelton: Wharton School Publishing, 2006

Six Major Levers of Innovation: *Technology*

Technology Innovation

What product or service should the company offer in the marketplace?

What features or offering should the company develop?

PRODUCTS/
SERVICES

- Performance
- Packaging Integral to Customer Value

Can we reduce the cost of our current offering?
Can we improve the quality of existing products or services?

PROCESS
TECHNOLOGIES

- Manufacturing and Assembly
- Service Delivery

Can we improve the inventory or quality control?
How can we leverage the IT backbone to create a faster, better, cheaper product?

SUPPORTING
TECHNOLOGIES

- Information Systems
- Logistics/ Inventory

Making Innovation Work, Davila, Epstein, Shelton: Wharton School Publishing, 2006.

Six Major Levers of Innovation: *Business Model*

Business Model Innovation

- Customer Experience
- Brand Value

VALUE
PROPOSITION
“What”

How do you define the customer experience?
What value do customers want?
What is the solution?

- Value Network/
Supply Chain
- Ecosystem of
Value Offerings

VALUE
NETWORK
“How”

How can you optimize the supply chain?
What part will you play in the ecosystem?
How do you shape the customer experience?

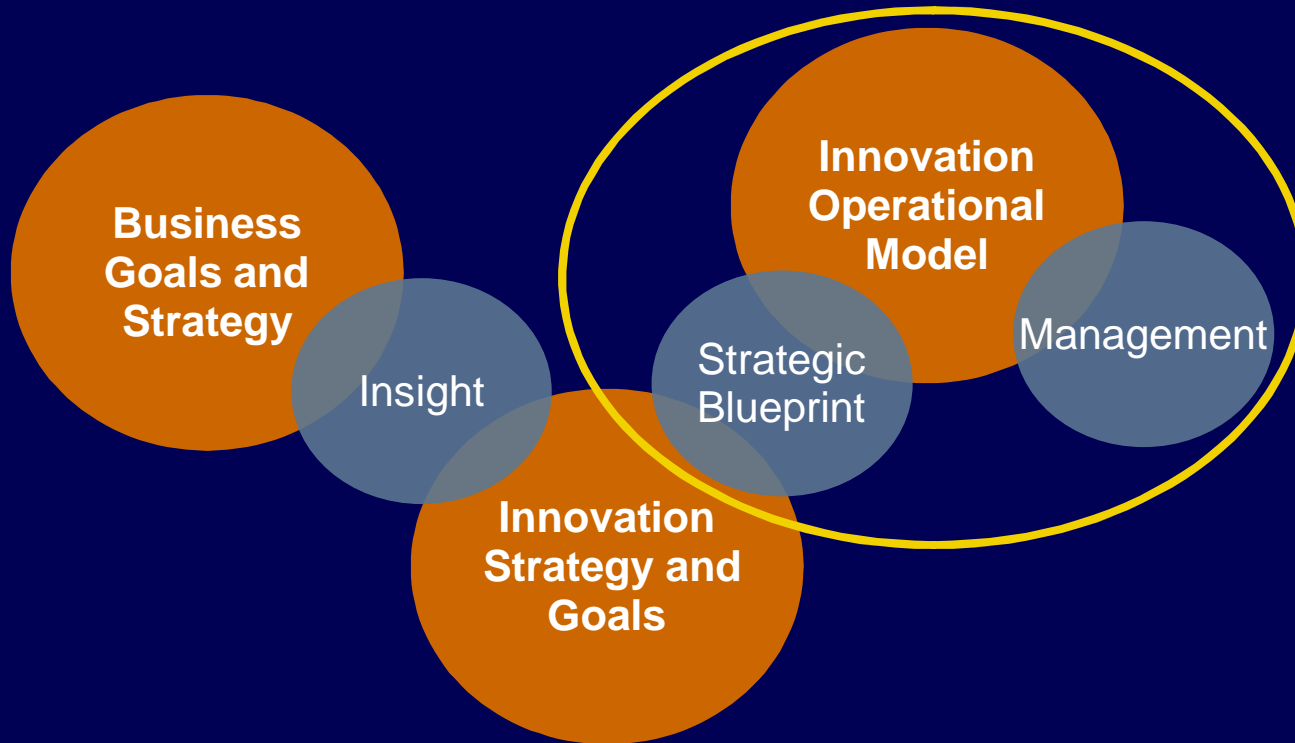
- Buyers and
Influencers
- Marketing
Methods

TARGET
CUSTOMER

Who are the targeted customers? Who is excluded and why?
What do different segments want with regard to the customer experience?

Making Innovation Work, Davila, Epstein, Shelton: Wharton School Publishing, 2006.

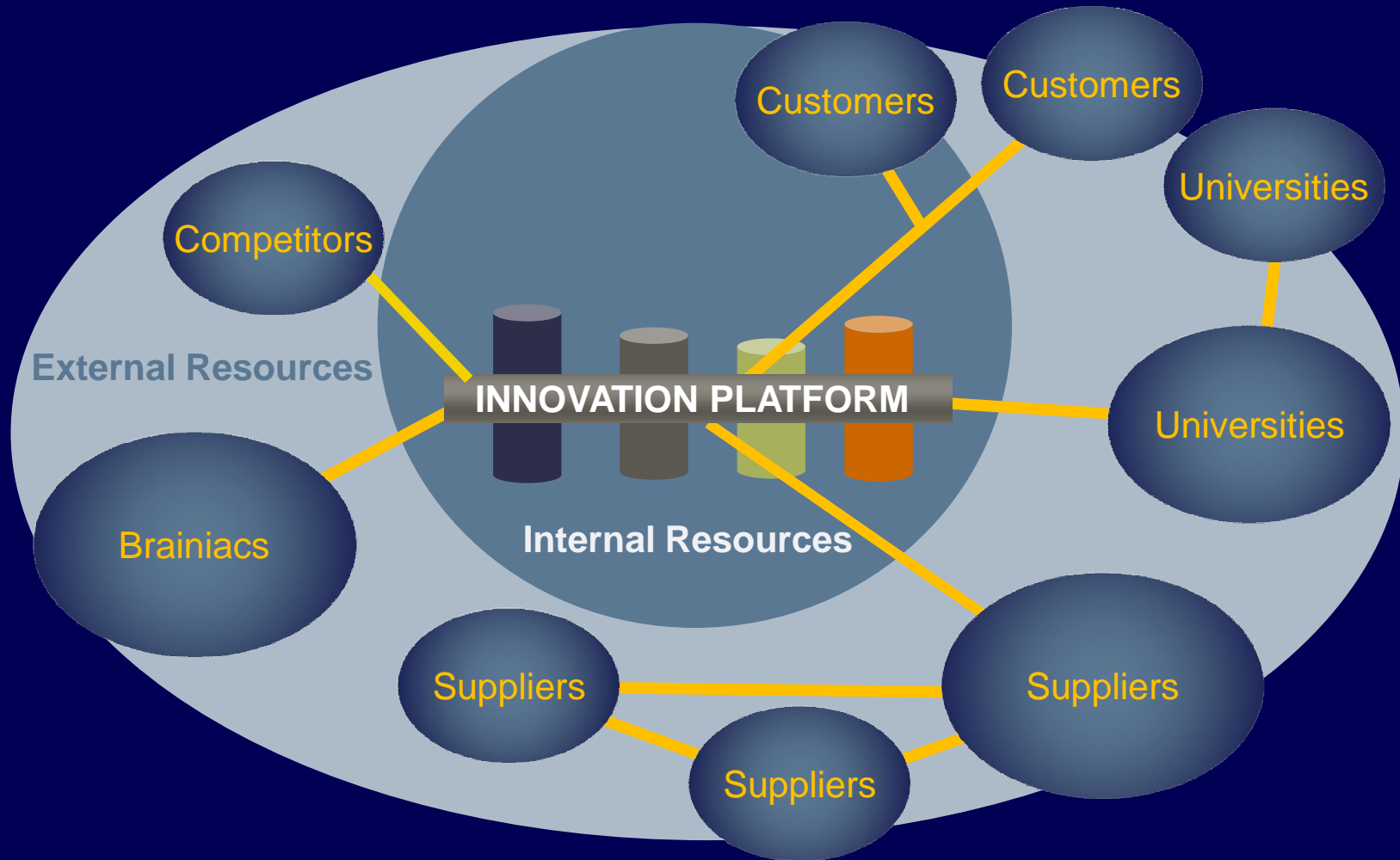
Design Your Innovation Operational Model to Fit



How You Innovate Determines **What** You Innovate

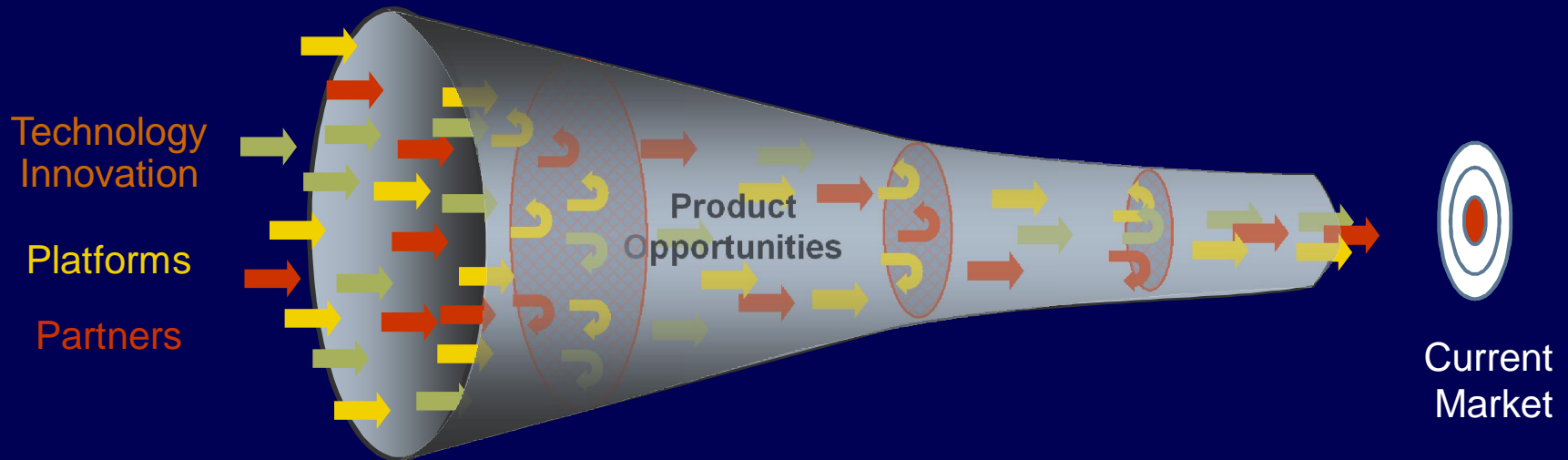
Making Innovation Work, Davila, Epstein, Shelton: Wharton School Publishing, 2006.

Partnerships Are a Core Competency of Leaders



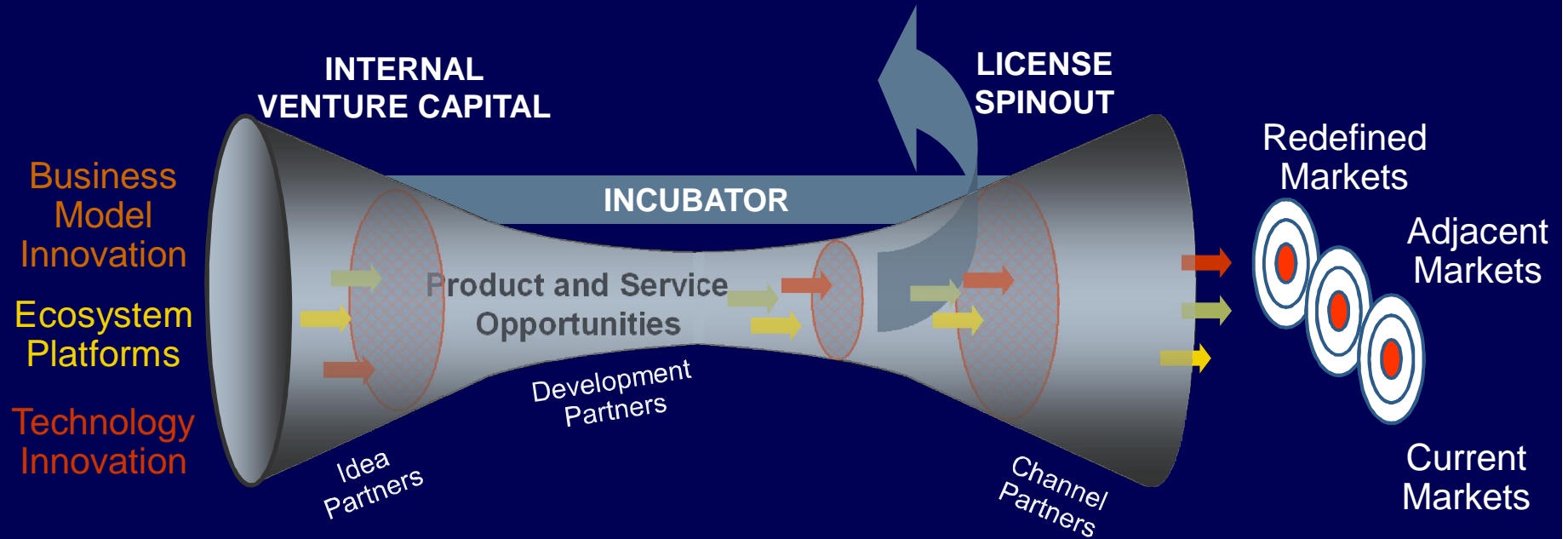
Making Innovation Work, Davila, Epstein, Shelton: Wharton School Publishing, 2006.

Operational Model: *Directed Innovation*



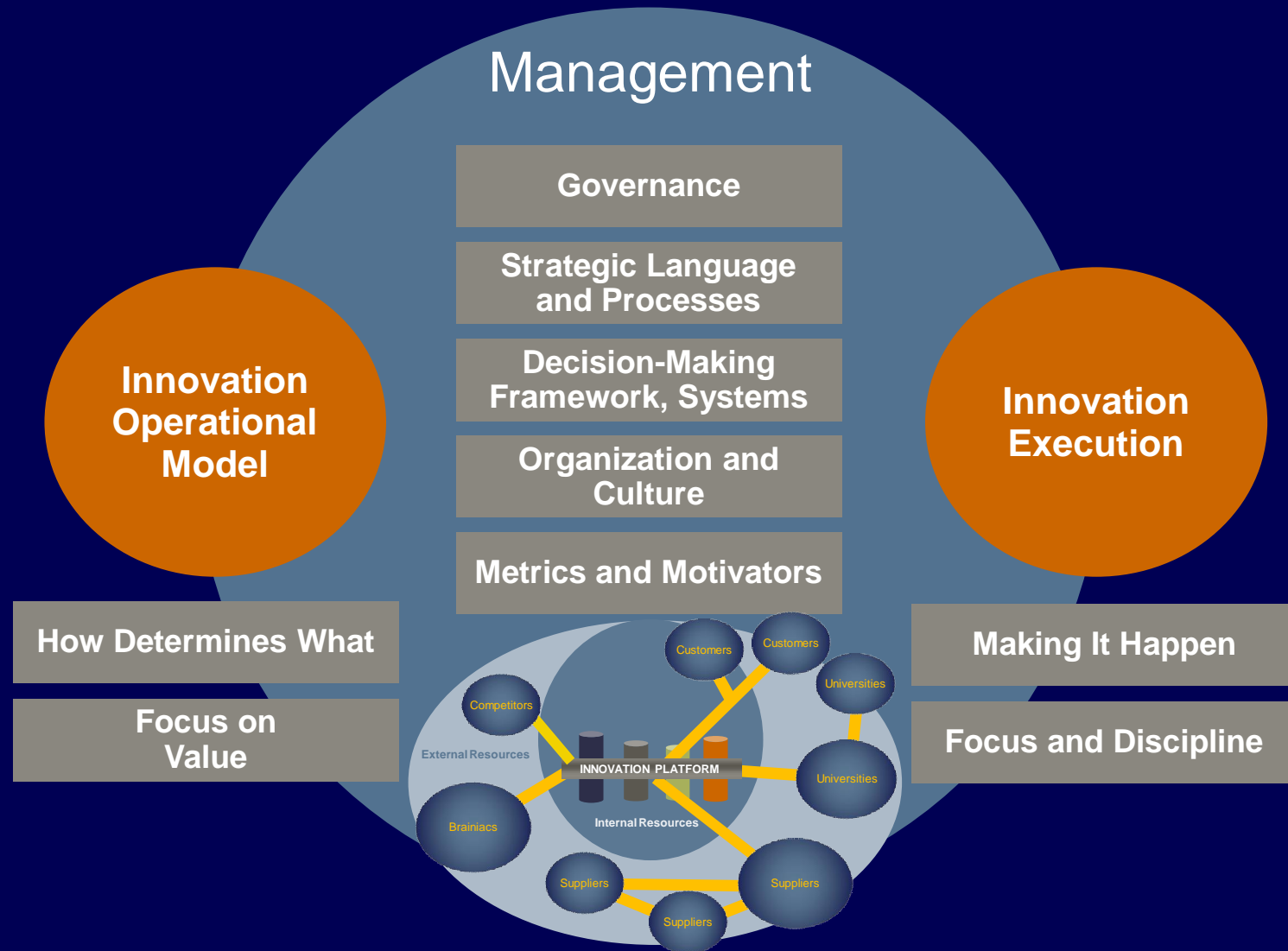
Business Strategy	Hold Position: Steady revenues and margins
Innovation Goals	Steady Growth—No Surprises
Innovation Strategy	Play Not to Lose
Innovation Portfolio	Mostly Incremental Innovations
Innovation Operating Model	Do More with Less Standard Technology Co-Development; Limited Collaboration

Operational Model: *Open Innovation*

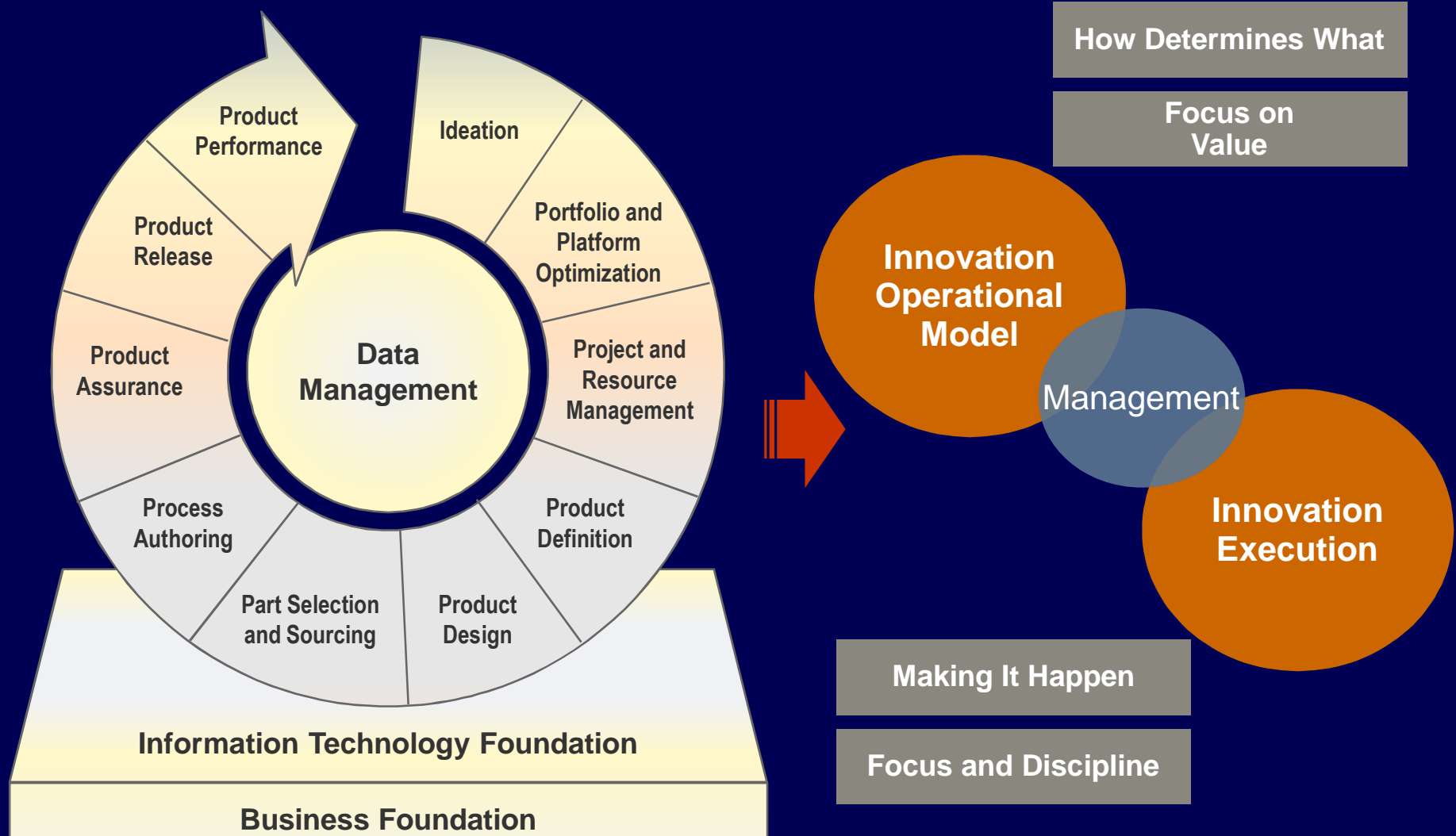


Business Strategy	Dominate: Significantly grow revenues/margins
Innovation Goals	Redefine Competitive Environment
Innovation Strategy	Play to Win
Innovation Portfolio	Mostly Breakthrough with Support from Incremental Innovations
Innovation Operating Model	Create Extraordinary Value Open Innovation Collaboration

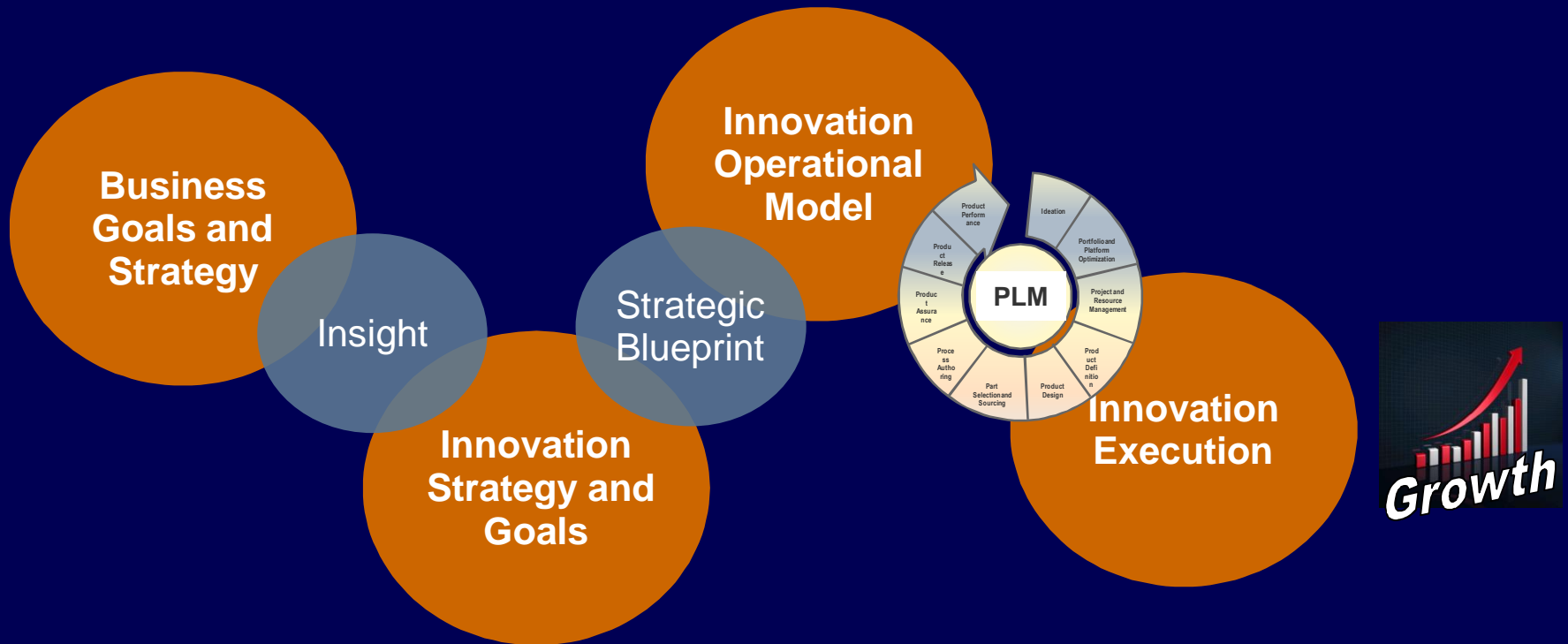
Management Systems Provide a Bridge to Execution



PLM Spans the Range of Management Systems



Aligned PLM Supports All Aspects of Innovation



How You Innovate Determines **What** You Innovate

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