Values-Based Innovation Management & The Business Innovation Kit



Overview

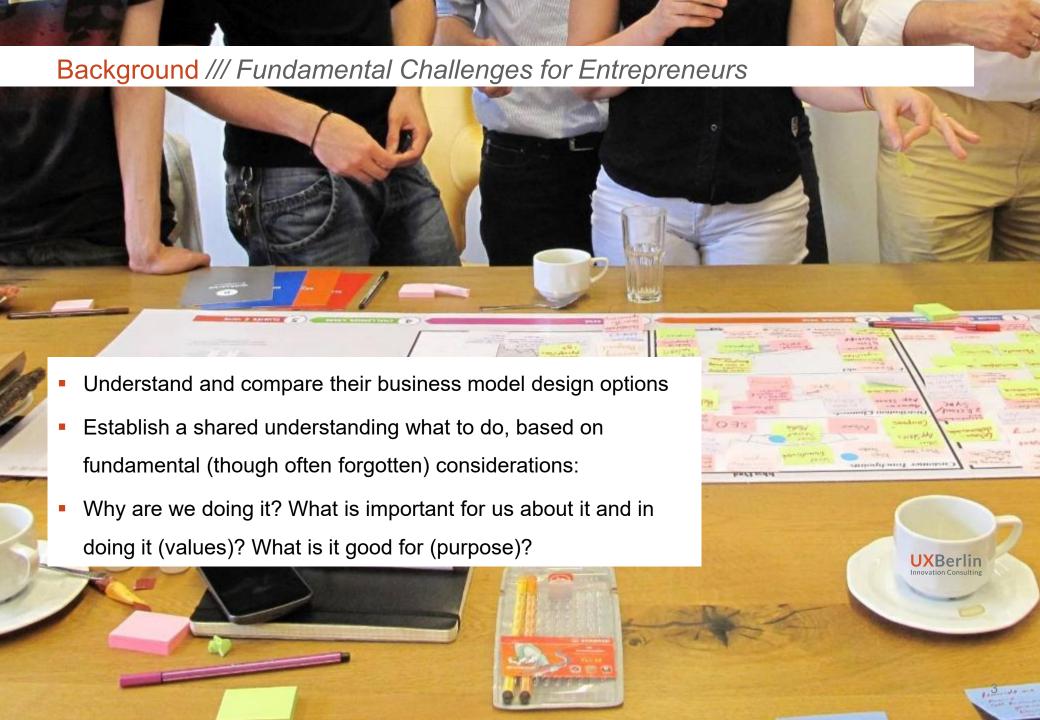
- Values-Based Innovation Management
- Cases of Aravind and Interface
- The Business Innovation Kit
- Sustainable Business Model Design 45 Patterns



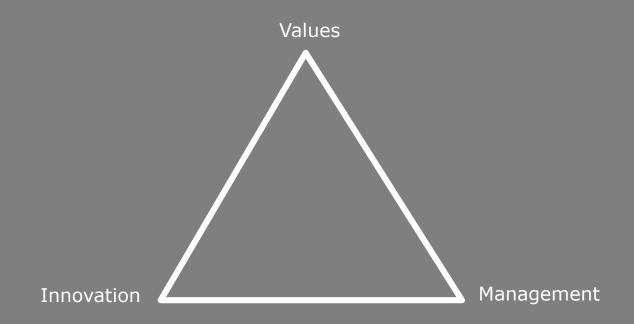
Sustainable Business Model Design

Florian Lüdeke-Fre Henning Breuer Lorenzo Massa

45 Patterns



Background /// Values play a key role in branding and human resources, but they are rarely used to explicitly inform or drive innovation and entrepreneruship.



- How do values (empirically) impact and direct innovation and its management?
- How can values (i.e. notions of the desirable / ordered systems of priorities) facilitate innovation-related practices?

HOW TO DRIVE INNOVATION BASED ON WHAT WE CARE ABOUT?





The dark side of invention persists:

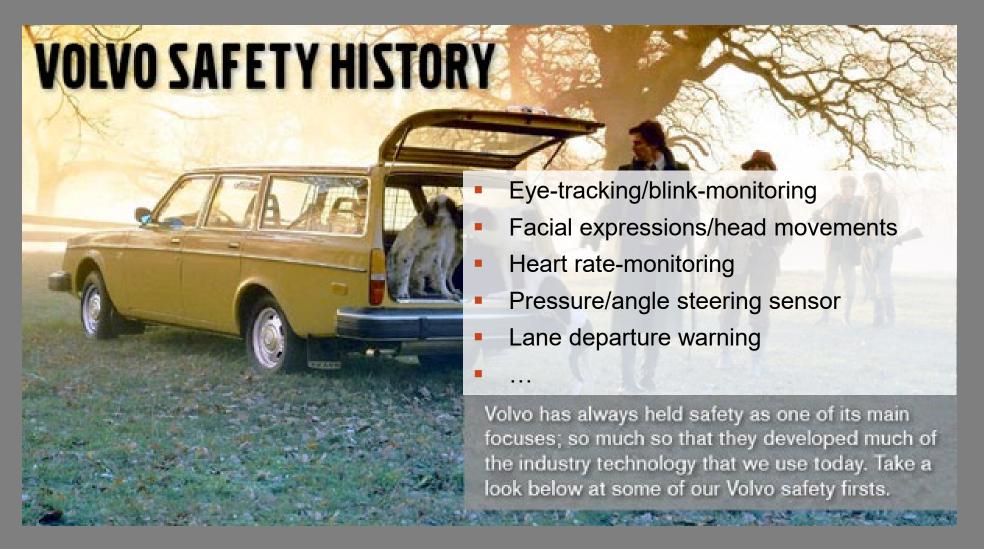
'To invent the sailing ship or the steamer is to invent the shipwreck. To invent the train is to invent the rail accident of derailment. To invent the family automobile is to produce the pile-up on the highway' (Paul Virilio, 2007, 10).



Background /// Even in the 60ies safety did not sell, until competing car companies succeeded in Europe with safety as main value (proposition).

- Cornings "Chemcor" glass failed on the 1960ies market: "Americans were having such a love affair with their cars that safety was not an issue" (Howard, 2005, 39). Safety did not sell.
- In Europe, in 1944, Swedish Volvo introduced the safety cage and laminated windshields, in 1959 the modern three point safety belt. "Cars are driven by people. The guiding principle behind everything we make at Volvo, therefore, is and must remain, safety" (Assar Gabrielsson and Gustav Larson, 1927).
- After European companies like Volvo succeeded in the 1980ies in the UK and then US with safety as a key value proposition, all manufacturers incorporated safety as a key value for their innovation efforts.

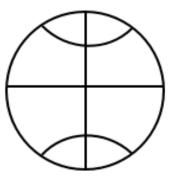
Background /// Today the market for driver safety for passenger cars is worth several billion Euros, estimated at 3.2 Billion USD by 2025.



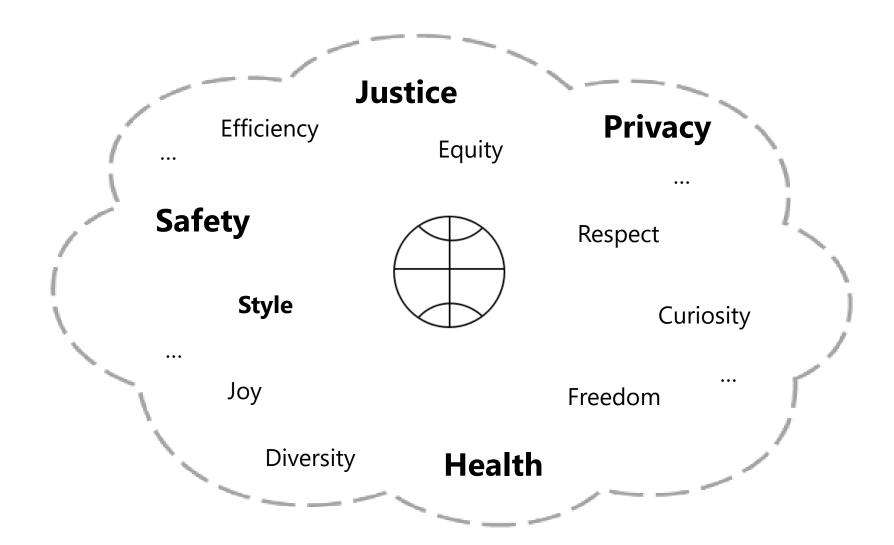
May we expect a similar prospect for sustainability-oriented innovation ...



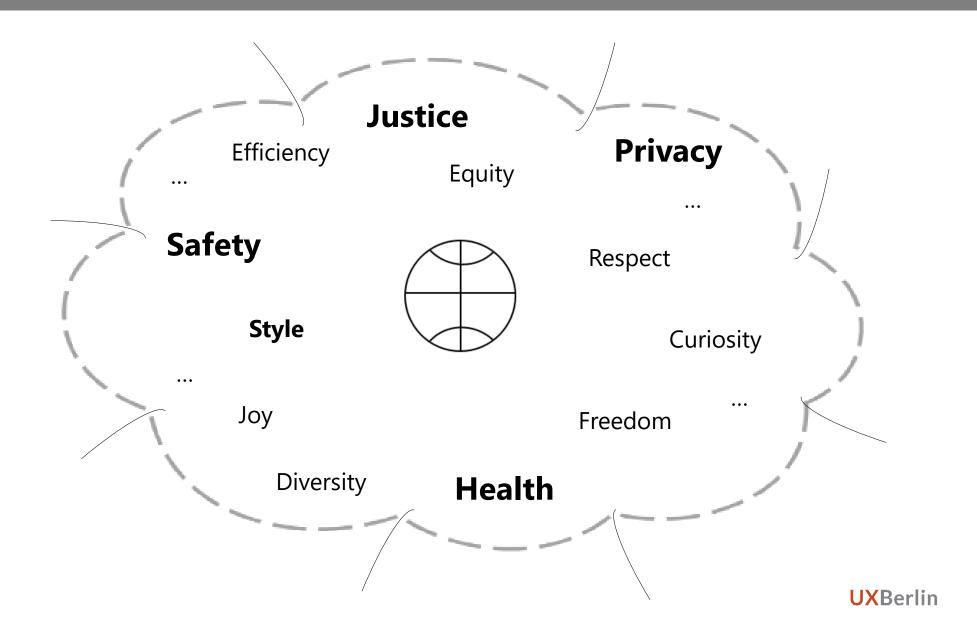
... or for other, currently subordinate values such as privacy ...



... or for something else we care about? Values abound!



Values impact our attitudes and activities, help to define normative orientations ...



... and open up opportunities to drive innovation and constitute new markets.

sustainability-oriented efficiency-oriented processes innovation innovation new health markets safety-oriented innovation you name it ...



... and open up opportunities to drive innovation and constitute new markets.

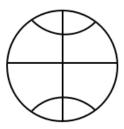
sustainability-oriented innovation

efficiency-oriented processes innovation



safety-oriented innovation





new health markets



you name it ...

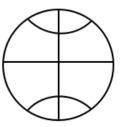




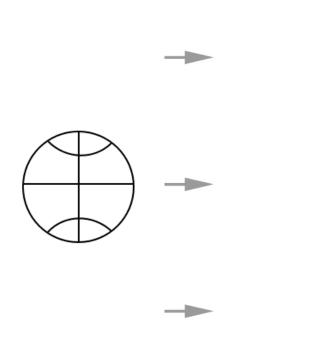




Values-Based Innovation Management /// A values-based approach applies the desirable (what each of us cares about) to understanding and managing ...



Values-Based Innovation Management /// ... different types of innovation ...

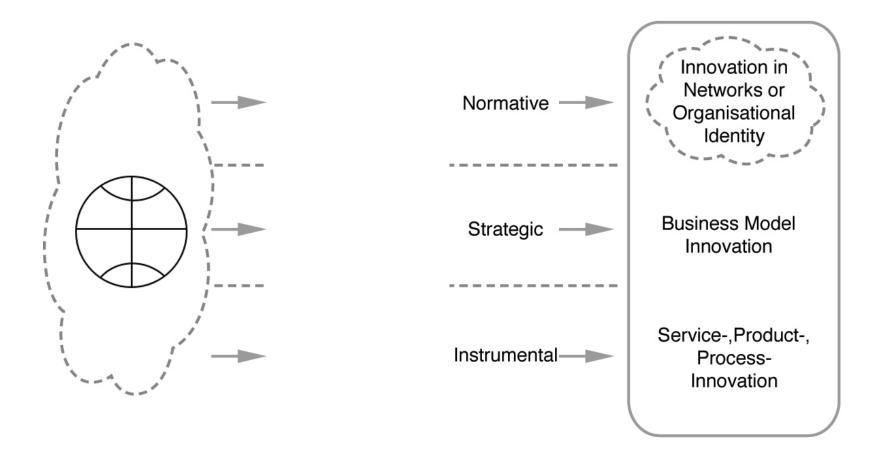


Innovation in Networks or Organisational Identity

Business Model Innovation

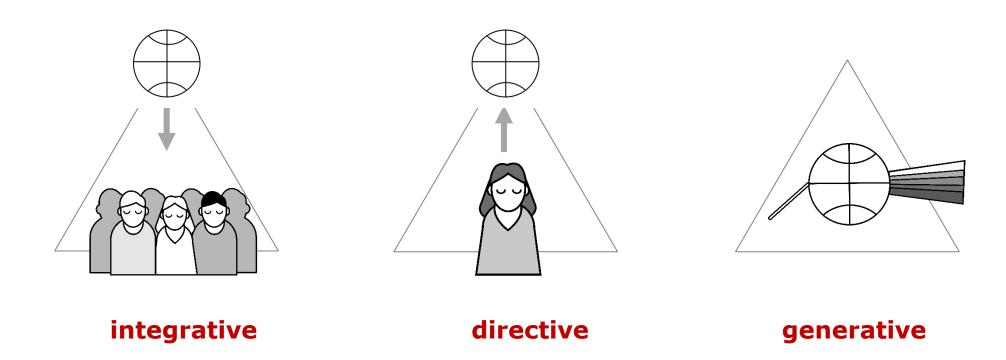
Service-,Product-, Process-Innovation

Values-Based Innovation Management /// ... on three management dimensions.

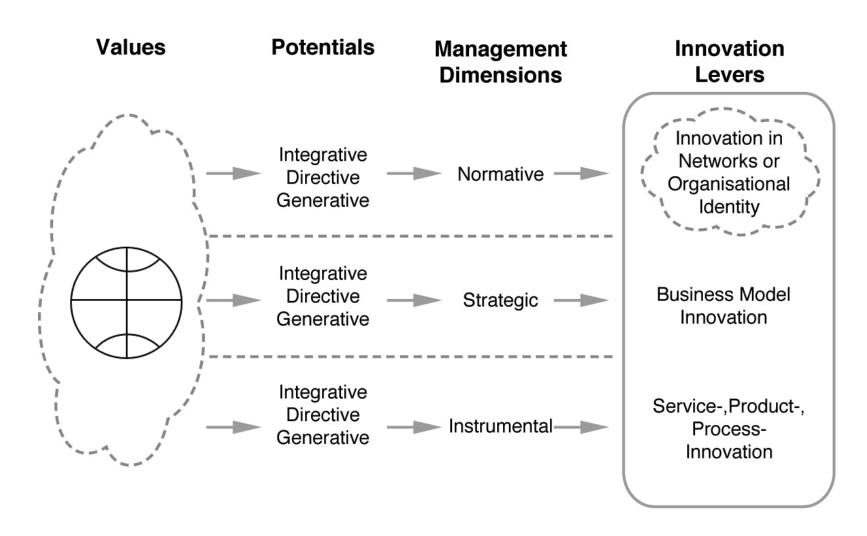




Values-Based Innovation Management /// Values can fulfil integrative, directive and heuristic functions for innovation or entrepreneurs.



Values-Based Innovation Management /// Managing innovation based on values demonstrates at least three potential functions for each.



Values-Based Innovation Management /// Cases show how values and normative orientations impact innovation and its management.



patagonia



































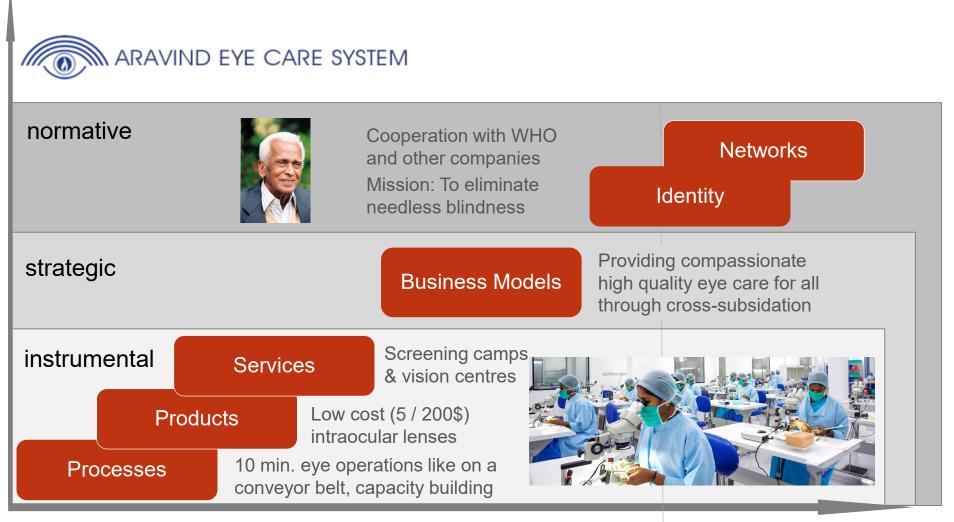




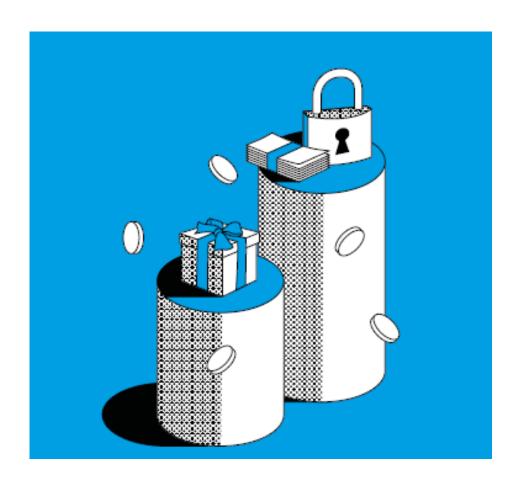


UXBerlin

Values-Based Innovation Management /// Innovation cannot be well understood, designed, or managed without recurring to values and normative orientations.



Values-Based Innovation Management /// Reusable models can be described as patterns of challenge-solution combinations, for instance the freemium pattern.

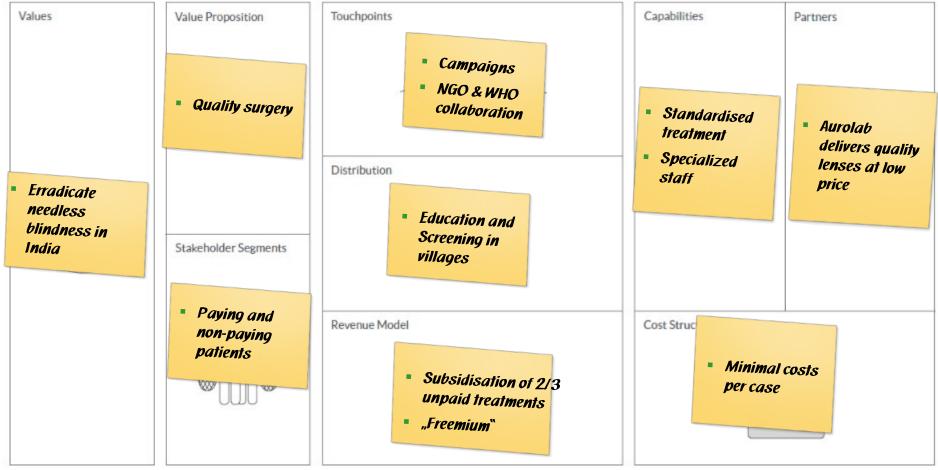


Challenge: Sustainability-driven businesses often face a lack of demand for their offerings. This makes it difficult to disseminate their solutions and build the critical mass required for economies of scale. How to set in motion a virtuous circle of growing demand, economies of scale, and widespread dissemination of more sustainable solutions?

Solution: The basic idea of *Freemium* (free + premium) is to unbundle an offering. A basic service or product is offered free of charge, while advanced features must be paid for. The free offering allows serving customers who are unable or unwilling to pay, while revenues are made from customers buying the premium offering.

Example: In India, there is a great need for eye care treatment, but the majority of people in low-income rural areas are unable to pay for eye care services. In addition to its devastating psychological and social effects, loss of sight often means the loss of one's livelihood. Aravind Eye Care System, a network of hospitals in India, operates a Social Freemium business driven by the mission to eliminate needless blindness.

Values-Based Business Modelling /// Values-based business model innovation in eye-surgery (Case of Aravind).

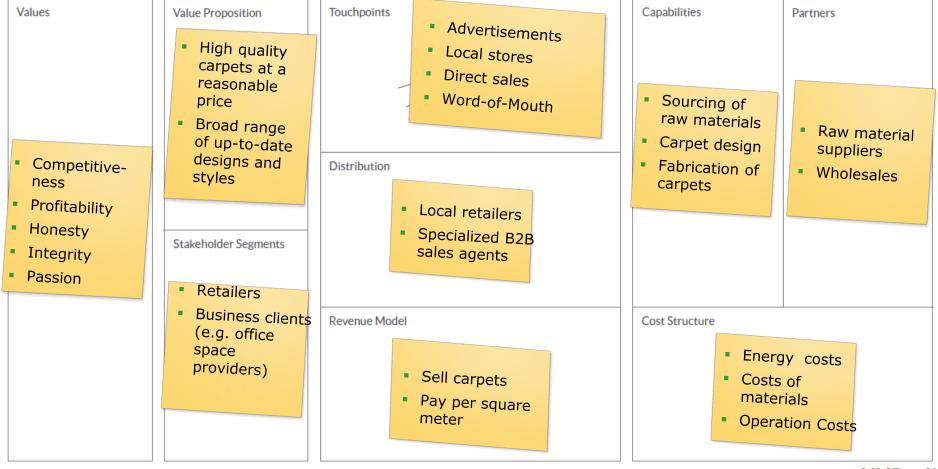


Values-Based Business Modelling /// The case of Interface and its "Mission Zero" illustrates the potential of values-based business modelling.

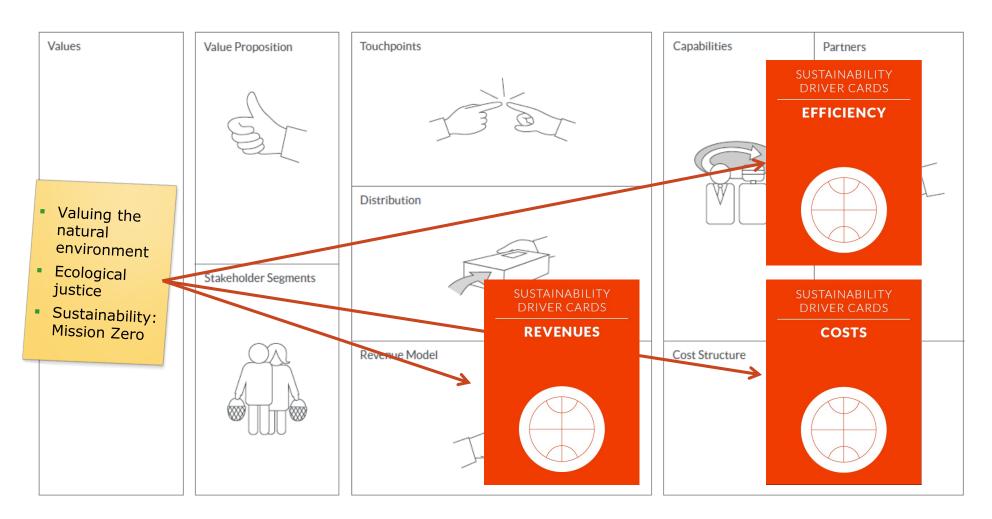


Ray C. Anderson commitment initiated sustainability-oriented business model transformation: "We believe that change starts with us and is transforming Interface from a plunderer of the earth to an agent of its restoration. Through this process of redesigning ourselves, we hope to be a catalyst for the redesign of global industry."

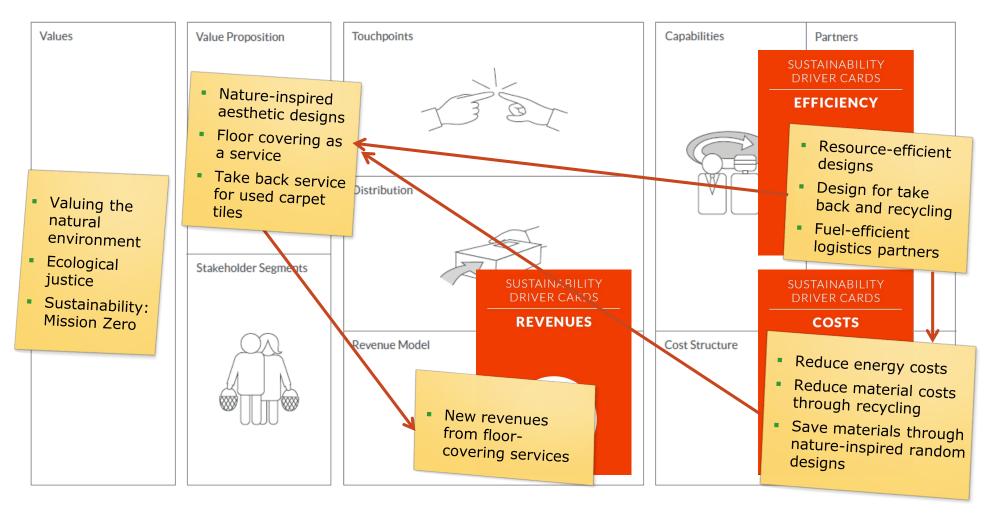
Values-Based Business Modelling /// A conventional business model of carpet producer like Shaw Floors or Interface in the early 90ies looks like this.



Values-Based Business Modelling /// Once the carpet producer revises its values and normative orientation, new business case drivers may be applied ...



Values-Based Business Modelling /// ... providing heuristic, directive and integrative potentials to uncover and exploit new business potentials.

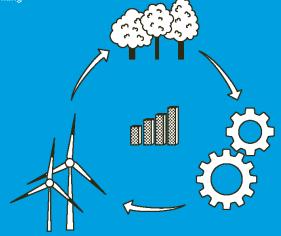


Sustainable Business Model Design /// How to work with patterns

9 Resource Efficiency and Productivity

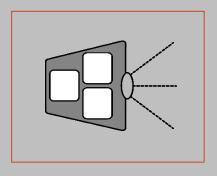
Maximising Resource Efficiency and Productivity reduces waste and helps save the Earth's limited resources. Combine whole-system thinking with the adoption of more efficient and productive technologies to embed these principles in different parts of your business model.

#overarchingpattern #resources #wholesystemthinking #technology



Values-Based Facilitation Methods /// Business Modelling



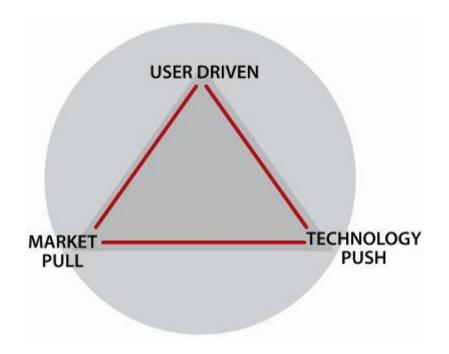








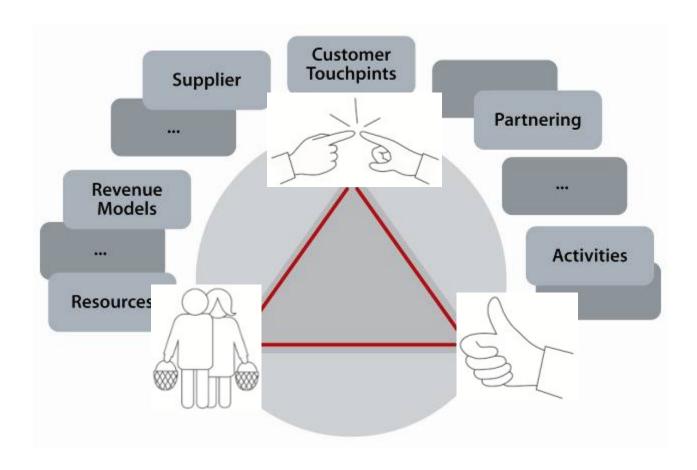
Business Modelling /// The dichotomy between technology- versus marketdriven innovation is being replaced by ...



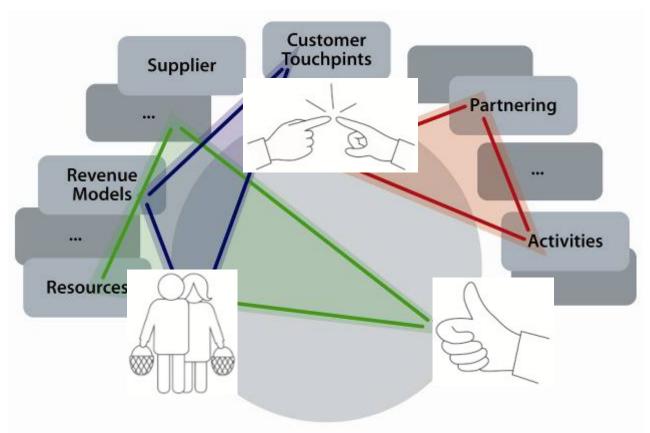
Business Modelling /// ... a systemic view on a multitude of components...



Business Modelling /// ... a systemic view on a multitude of components within business ecosystems ...



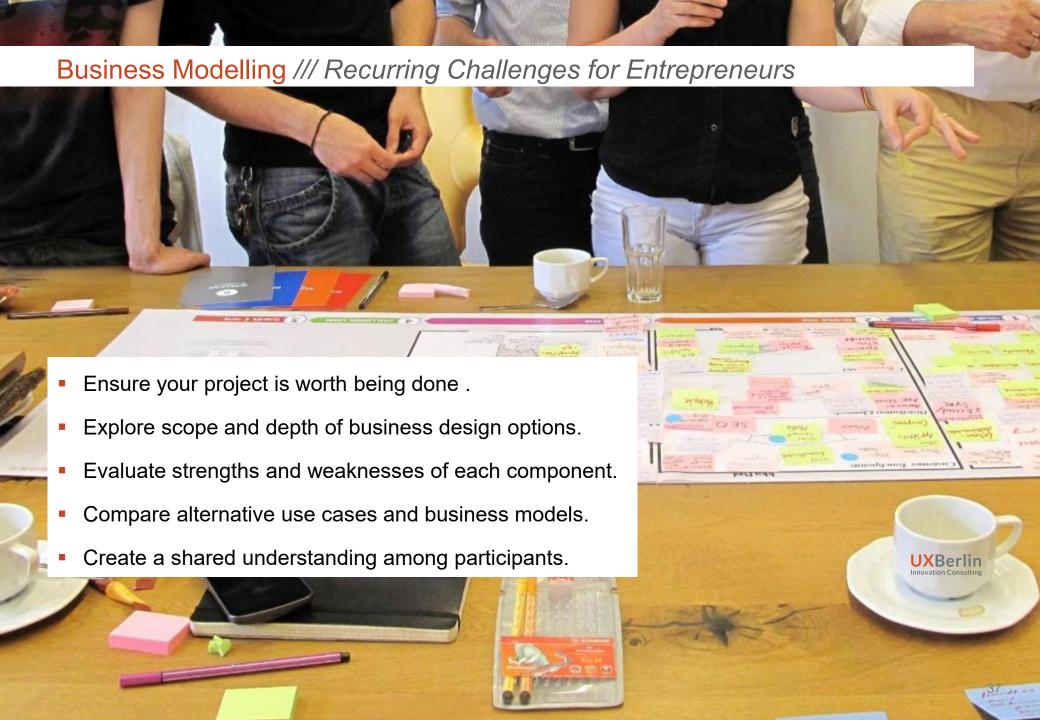
Business Modelling /// ... each relation becoming a potential source for innovation.



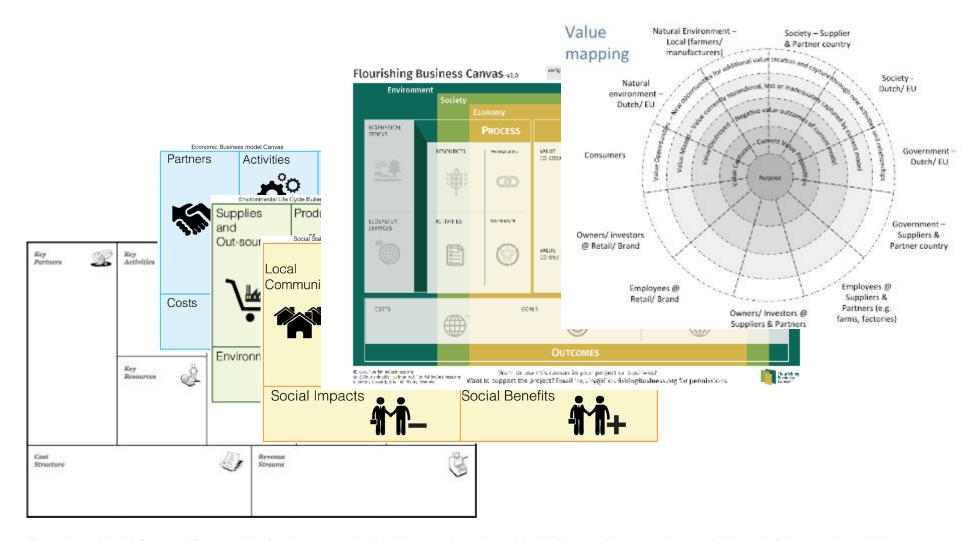
"A mediocre technology pursued with a great business model may be more valuable, than a great technology exploited via a mediocre business model" (Henry Chesbrough 2010).

Business Modelling /// Definitions of the term business model.

- "An architecture for the product, service and information flows, including a
 description of the various business actors and their roles; and a description of the
 potential benefits for the various business actors; and a description of the sources
 of revenues" (Timmers 1998).
- "Business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams" (Osterwalder et al. 2005).
- Aziz et al. (2008) defined business models also based on their components. Within their literature analysis they identified 54 business model components within various literature sources.



Business Modelling /// Different practitioner tools support mapping and ideation of new business models.



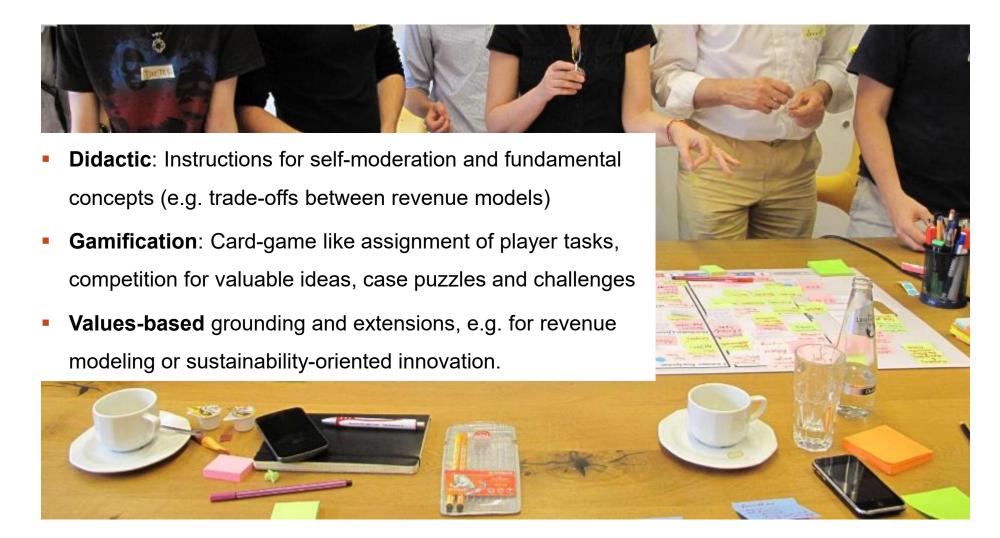
/// Business Model Canvas (Osterwalder & Pigneur 2010); Triple Layered Business Model Canvas (Joyce et al., 2015); Upward & Jones, 2015, Value Mapping (Bocken, Short, Rana, and Evans 2013); see comparative analysis in Breuer, H., Fichter, K., Lüdeke-Freund, F., Tiemann, I. (2018). Sustainability-Oriented Business Model Development: Principles, Criteria and Tools. International Journal of Entrepreneurial Venturing. 10(2):256-286.

Business Modelling /// The Business Innovation Kit applies a values-based view to business modelling ...

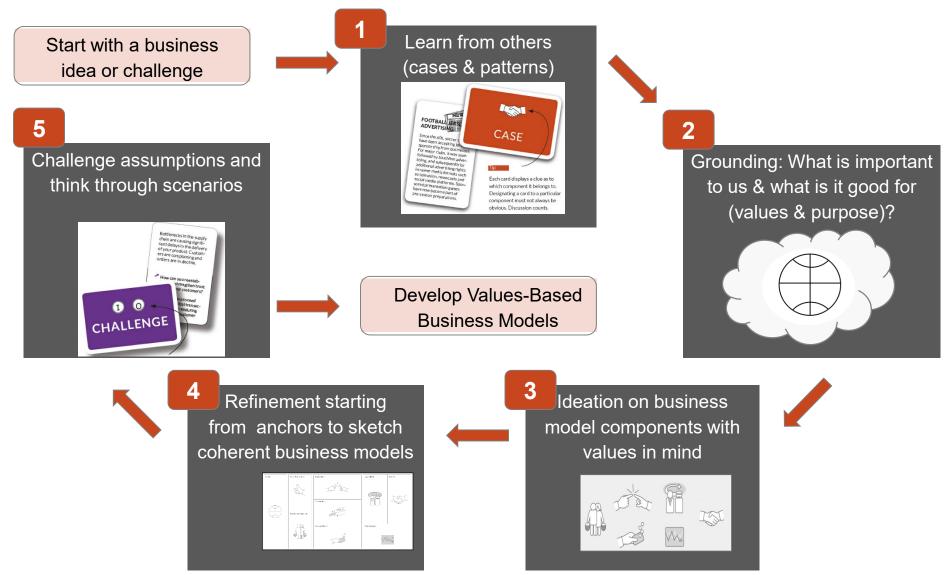


Business Modelling /// ... and applies a values-based view and adds didactic and gamification elements to provide a self-explanatory toolkit.

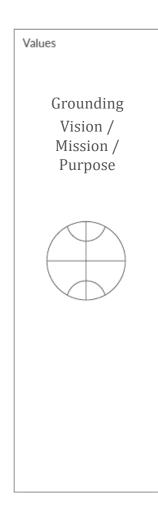




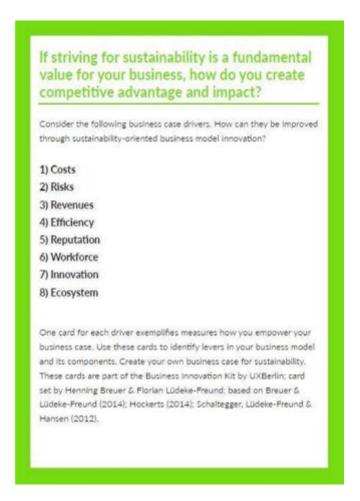
Business Modelling /// Workshop participants proceed in six steps.



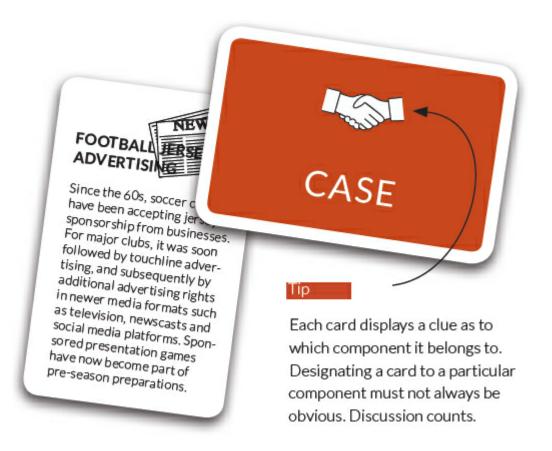
Business Modelling /// In a grounding exercise fundamental values are being explored and negotiated, sustainability-orientation may be enhanced.



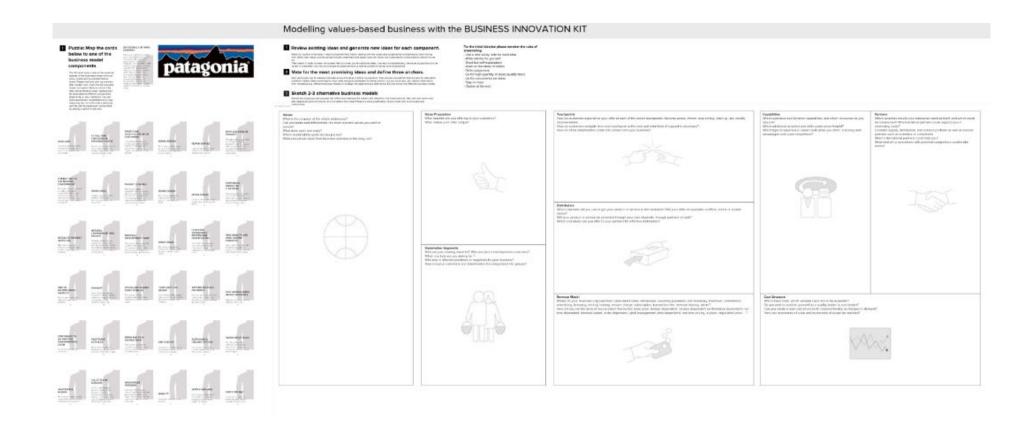
- What is your business idea all about? What is the purpose of the whole endeavor? State your Vision, Mission or Purpose.
- Establish common ground of fundamental values to work on with your team – even beyond economic success criteria. Is this also about values like privacy, health and/or sustainability?
- If sustainability-orientation is key to your idea business case driver cards help you to explore new business cases for sustainability.



Business Modelling /// Familiarize yourself with business model components and patterns through cases from the news and different industries.



Business Modelling /// Mapping Exercise to familiarize with components and to understand a sustainability-oriented business model in the fashion industry.

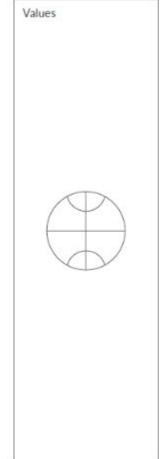


Business Modelling /// Workshop participants proceed in six steps.

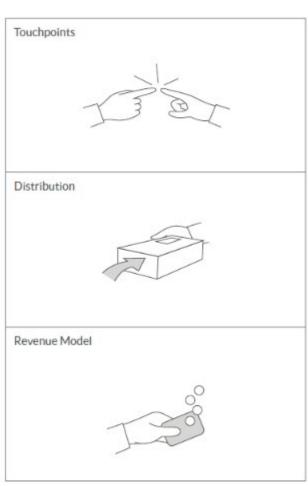


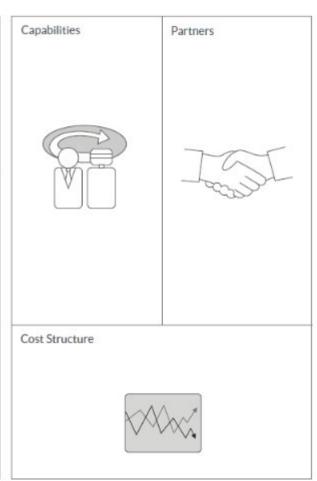
Business Modelling /// In the refinement excercise values-based anchors and the best, compatible ideas from the idea pool are being combined.











Business Modelling /// Challenger cards present scenarios what might happen to check the robustness of your assumptions.



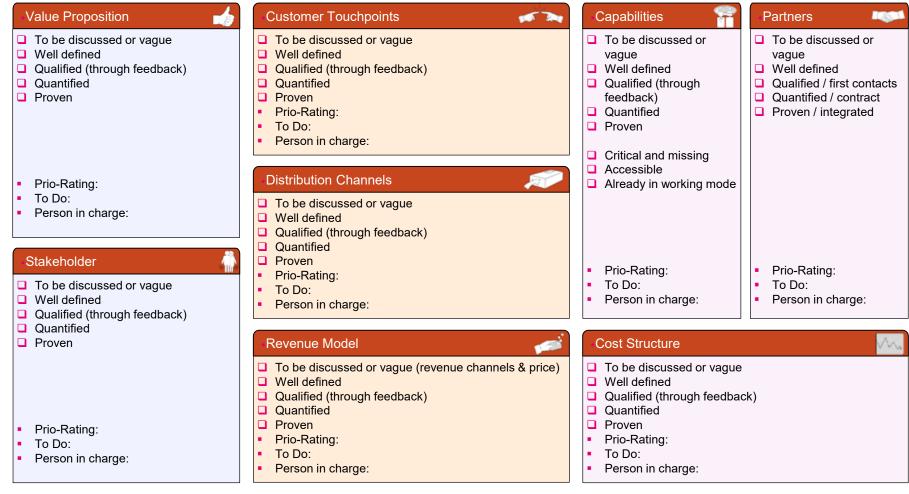
Tip

Challenger cards marked with I (conceptual ideas) help you to develop a new business model, whereas challenger cards marked O (optimization) help you to optimize and examine your business closely.

Business Modelling /// Extension sets for revenue models and customer touchpoints guide teams into further detail.

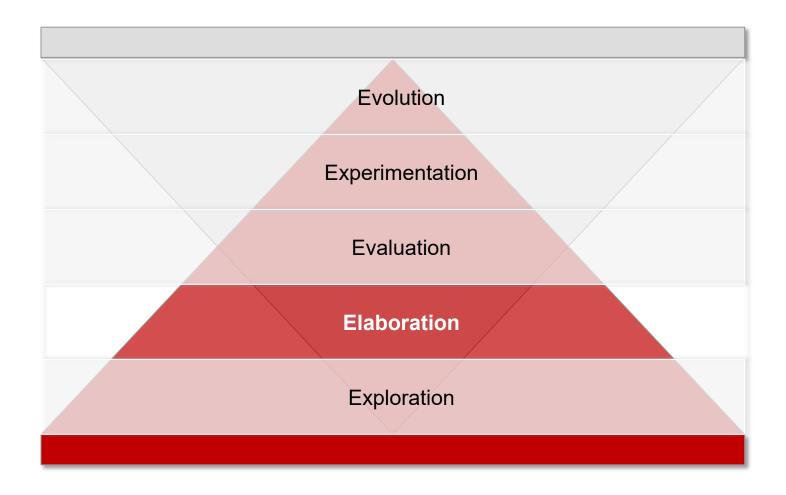


Business Modelling /// Seemingly viable models are based on assumptions, each needs to be checked with respect to maturity and need for action.

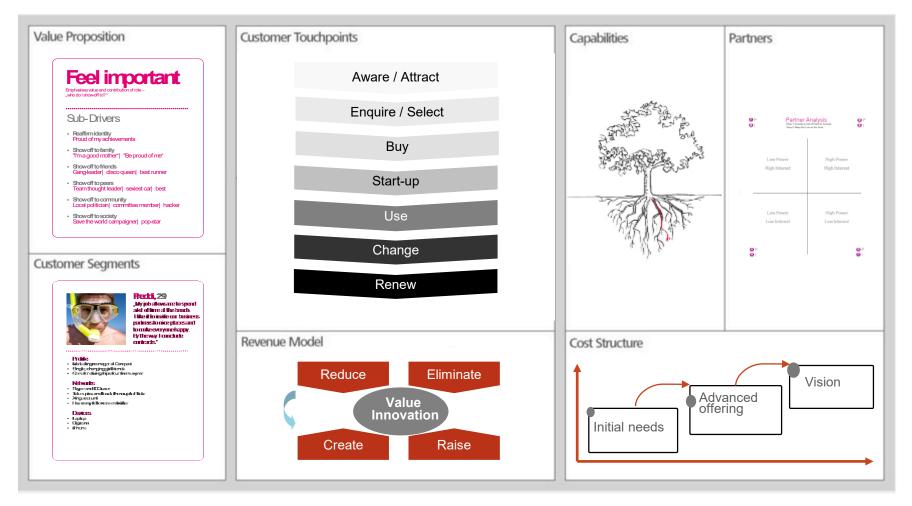




Business Modelling /// Five E pave the road from idea to market.



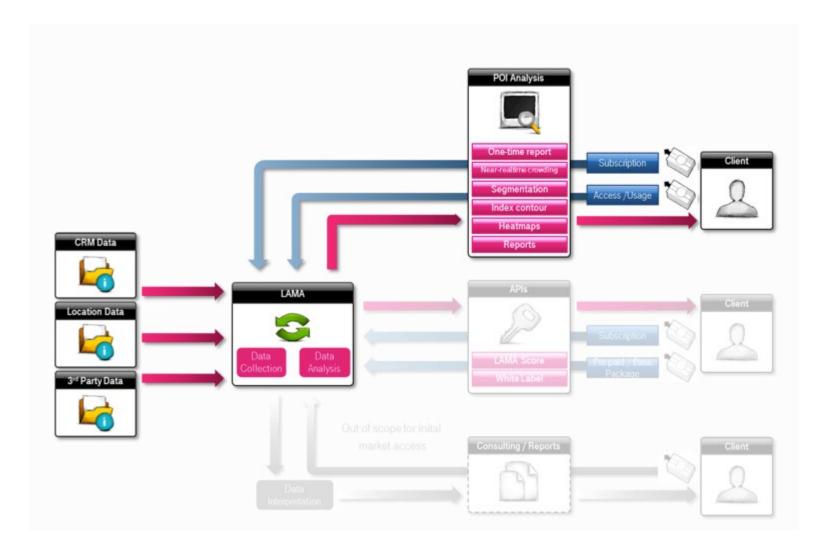
Business Modelling /// Creative elaboration explores the scope, breath and depth of each business model component and their relations.



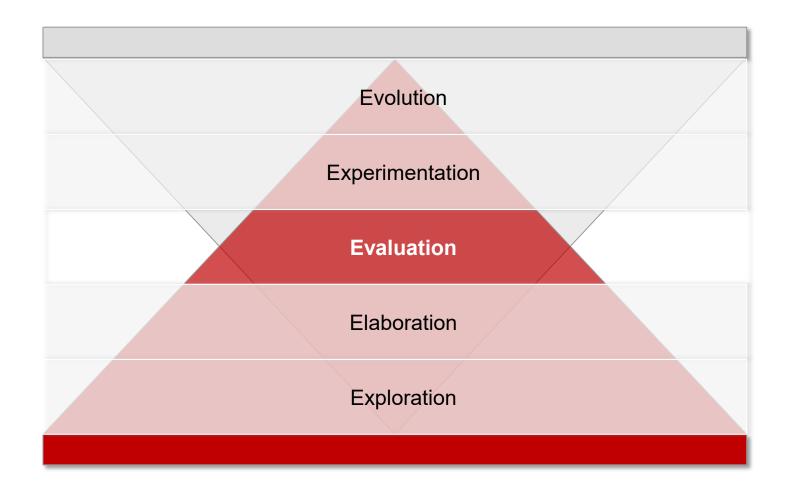
Business Modelling /// Systematically & creatively explore the range of options.



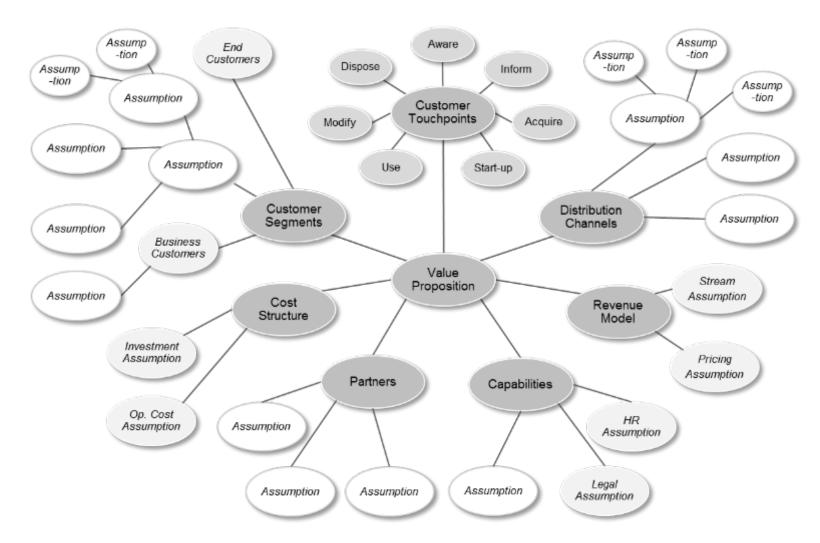
Business Modelling /// For instance, differentiate and prioritize revenue streams.



Business Modelling /// Five E pave the road from idea to market.



Business Modelling /// For every specification on a business model component implicit assumptions should be made explicit and evaluated.



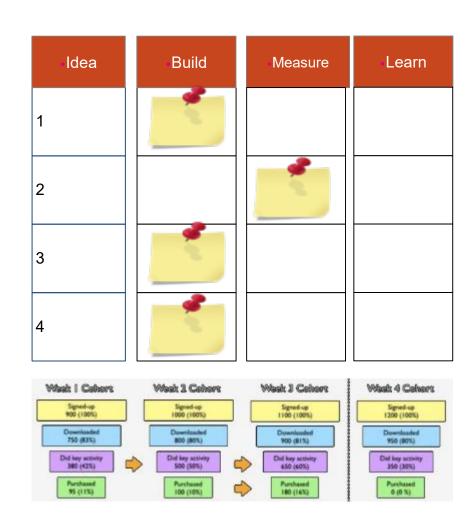
Business Modelling /// A five E framework distinguishes maturity levels and ...

Evolution Sustain business and exploit new opportunities Experiment Comparative testing and scaling solutions **Evaluation** Validate key assumptions and risks Elaboration Creative specification of business model components **Exploration** Understand design space and explore ideas Intrapreneurs & Entrepreneurs

Business Modelling /// A sprint plan for experimentation helps to understand reasons for success and failure.

Experiment Report

- Learning Goals
- Metric for Measure
- Research Scope
- Minimum Build Plan
- Hypothesis
- Results
- Key Insights and Consequences



Business Modelling /// ... suggests methods for specification and validation.

Evolution Release Planning, Future Scenarios Experiment Kohort Studies, User Clinics **Evaluation** Expert Interviews, Customer Development Elaboration Ethnography and Blue Ocean, Design Thinking Workshops **Exploration** Business Modeling Starter Kit, Futures Workshops Intrapreneurs & Entrepreneurs

Thank you for your attention! /// Some Online References

- What can innovation professionals learn from values-based stakeholder management? Fireside Chat of Edward Freeman with Henning Breuer at ISPIM 2021 International Conference: https://youtu.be/1oEXgiKxN7A
- Reinventing web search for sustainability or how Ecosia fights climate change with tree planting: Fireside Chat of Christian Kroll (Ecosia) with Kiril Ivanov at ISPIM 2021 International Conference: https://youtu.be/pMjiCFnG_1E
- Values-Based Business Model Innovation for the SDGs in the lab of tomorrow.
 Fireside Chat of Sven-Uwe Mueller (GIZ) with Henning Breuer at ISPIM 2021
 International Conference: https://youtu.be/ qBZsaQyFIE
- The Corporate Sustainability Innovation Game, introduction video by Henning Breuer and Kiril Ivanov, 2021: https://www.youtube.com/watch?v=i70UPui0iGU&t=6s
- How to teach gamification for innovation and entrepreneurship using gamification design patterns. Video summary of a train-the trainer workshop 2021: https://www.gamify.site/post/train-the-trainer-workshop
- 6. Values-Based Innovation Management, Webinar with CreativeLabs by Henning Breuer (6.7.2020, 55 min, covering ethnography, business model patterns and values to vision): https://youtu.be/IFYEzvRn2ho
- 7. Values-based and Sustainable Innovation Kick-off (14.07.2020, SIG introduction and topics): https://www.youtube.com/watch?v=-CGB28KQYbE
- Values-based Innovation (Matthias Rauterberg: Human values-based design Sven-Uwe Müller: Values-based business model innovation in the Lab of Tomorrow, 14.07.2020, 63 min, ISPIM Thought Leader Presentations): https://youtu.be/p2jcKnVrQrw
- 9. From good will to good practice (with Values-Based and Sustainable Innovation), (14.07.2020, ISPIM Panel Discussion): https://youtu.be/56CFvyFwgQk

- The Road to ISPIM Berlin 2021 from coping with the current crisis to caring for our common future, Joana Breidenbach, Allen Alexander, Henning Breuer & Klaus Fichter (14.07.2020, 32 min): https://youtu.be/TY9tN7cswXA
- 11. Values-Based Innovation Management with Dr. Henning Breuer, 24.6.2020, 41 min Podcast at Mothers Earth's Hero Show: https://radiopublic.com/the-mother-earths-heroes-show-8jvXnl/s1!0dddc
- Values-Based and Sustainable Innovation SIG by Henning Breuer and Florian Lüdeke-Freund (22.06.2020, 3 min, short introduction): https://youtu.be/phBUw1FYobQ
- 13. Webinar: The use of remote games to foster innovation, by Henning Breuer, Sune Gudiksen & Kiril Ivanov (22.06.2020, 51 min): www.gamify.site/post/the-use-of-remote-games-to-foster-innovation
- 14. Webinar Values-Based Innovation Management: Concepts, Methods and Applications (29.10.2019, focus on ethnographic research): https://www.youtube.com/watch?v=I2gUryMeRyU
- 15. Dive into values-based innovation management (12.07.2019,
 10 min, introductory keynote by Henning Breuer at NBM Conference 2019 focussing on personal values and business models): https://youtu.be/3djyBA2Bjpo)
- 16. Fishbowl Discussion with with Philip Baumann, Head of Product at Ecosia and Roman Meier-Andrae, Divisional Head of Corporate IT & Digitalisation & Member of the Executive Board at TÜV Nord Mobilität (20.8.2019, 30 min): https://youtu.be/AHPEI5p2PBo
- 17. Innovating with Values, PODCAST with Prof. Breuer & Meier-Andrae (14.7.2018, 54 min): https://www.ispim-innovation.com/post/henning-breuer-roman-meier-andrae-innovating-with-values
- 18. Values-Based Innovation Management, Interview with Henning Breuer (2017, 3 min, ISPIM short interview): https://youtu.be/Gi4iiKZ87hQ
- 19. Kundenzentrierte Geschäftsmodellinnovation (German), by Henning Breuer (04.11.2016, 15 min, at World Usability Day 2015): https://youtu.be/PIDXXcI7OH0

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More Resources

- New Podcast
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 - IMPACT: www.impact-project.site
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- Websites:
 - www.uxberlin.com
 - www.uxberlin.de
- Books:
 - www.valuesbasedinnovation.com
 - www.sustainablebusiness.design
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