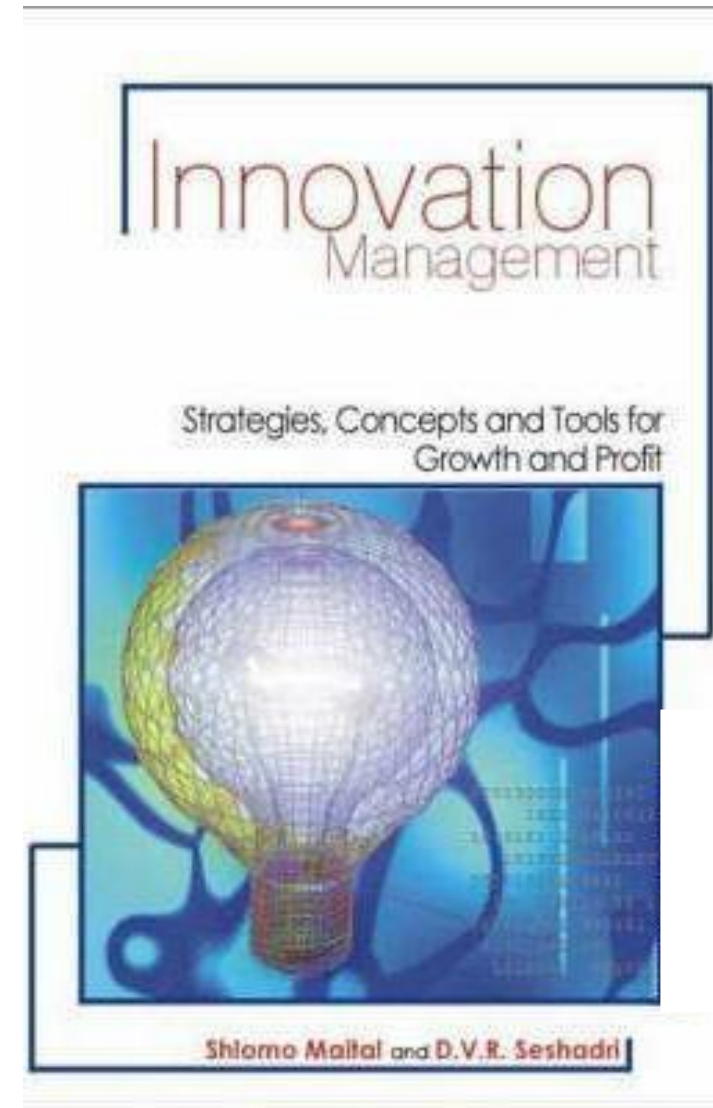


## Chapter two

### What to Innovate?

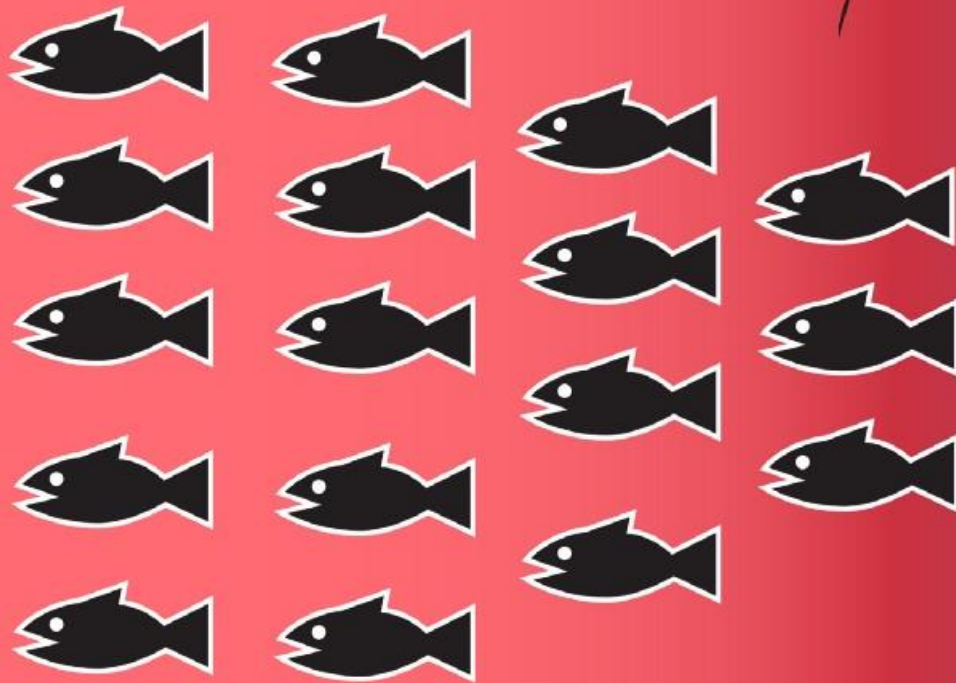


The vast majority of launches were incremental improvements within existing industries

They accounted for:  
62% of revenues  
**38% of profits**

The minority of launches were in new industries (not existing before)

They accounted for:  
38% of revenues  
**62% of profits**



source: Kim and Mauborgne; 2015. Blue Ocean Strategy

## The three core messages

1. Vision, not greed, drives successful innovation
2. Innovation is completely different in start-ups and established companies
3. Successful innovation create powerful feelings and emotions, and satisfy well-defined needs

# Vision, Strategy and innovation

Vision:



What is today

What will be in 5-10 years

What ought to be in 5-10 years



# Vision, Strategy and innovation



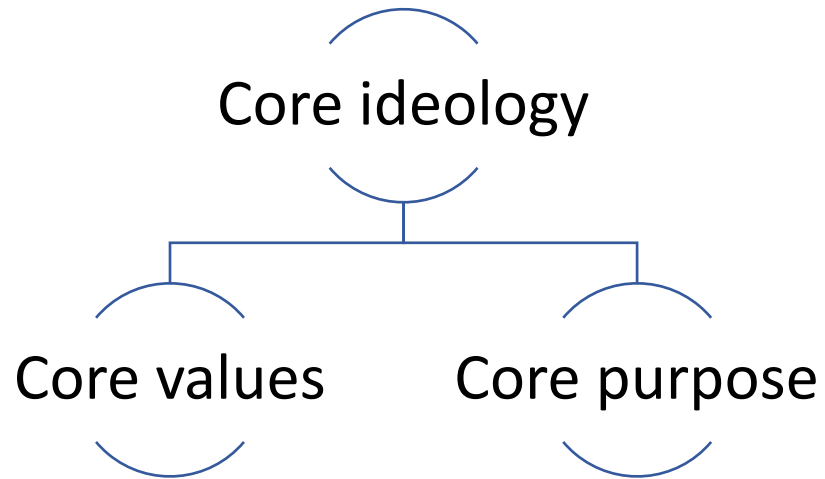
**Vision defines what ought to be**



**Estrategy is a plan to get there**



To set a vision a company needs to know its core ideology.



**values** never change  
**purpose** may change according with  
technology and market conditions



# Innovation is completely different in start-ups and established companies



Existing companies seeks several incremental launches while knowing how to implement a radical one

Start ups aims radical innovation, otherwise they cannot defeat powerful incumbents



# Innovation portfolios for established organizations

Incremental: new version of an existing product

Standard: inclusion of an attribute that did not previously exist in a product

Radical: Creation of several new attributes that did not previously exist (new product)

Resources and time invested in innovation			
	Low risk	Moderate risk	High risk
Incremental	70%	50%	25%
Standard	20%	30%	15%
Radical	10%	20%	50%



## Successful innovation – asking the right questions

- **How does your idea change your customer's or client's lives?**
- **What specific aspects of people's lives are improved?**
- **What specific feelings are generated?**
- **What specific needs are met?**

Every winning idea has a powerful UVP

### **UVP – Unique Value Proposition**

A short sentence stating how your product or service creates substantial added value for customers in ways that competitors do not

# Successful innovation – creating feelings

Experience x Commoditization

To like is not enough. Customers need to love your product / service

Profits and loyalty

**Transformation:** The individual is the offering

**Experiences:** The encounter is the offering

**Services:** the process is the offering

**Goods:** the product is the offering

**Commodities:** the material is the offering



# Searching for innovation opportunities

Find and solve a pain

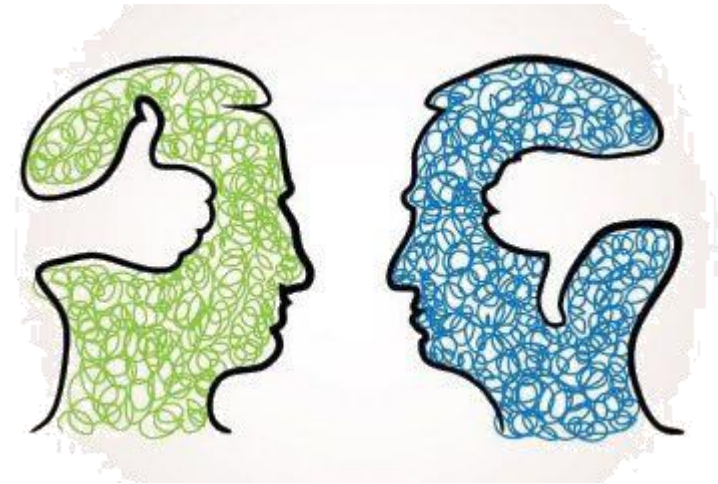


## Conclusion



Innovation is not about having big ideas  
Ideas came naturally in an innovator ambience

The main effort is to focus on good ideas and fit  
them into the business





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Apresentador do programa Fundo...



Thank you!