

# Ten Types Workshop

by Scott Decker

Innovating requires identifying the problems  
that matter and moving through them  
systematically to deliver elegant solutions.

- LARRY KEELEY

The goal of today's workshop is to explain the Ten Types, generate ideas in each type, and identify ideas which this group will pursue

- We'll start by explaining the Ten Types
- We'll provide some examples of each type
- We'll see how the types work together to form a robust strategy
- We'll brainstorm some ideas of each type
- We'll identify our best ideas and assign owners to push on them
- We'll document our decisions
- We'll reflect on how successful this exercise was and how we can incorporate this framework into our steady-state processes





# Let's get loose

- Choose 1 question to answer
  - What's one thing you admire about one of your kids (or pets)?
  - If you could be the best in the world at one thing, what would it be?
  - Share one photo of yourself doing something you love (non-work related)
  - If you could tell your 25-year-old self one thing, what would it be?
- Get a pen and paper to jot down ideas as you have them throughout the workshop



# Let's build a company

- Work in teams of 2-4
- Each team gets 5 cards + a company
- Use your 5 Innovation Tactics cards to redefine your company

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

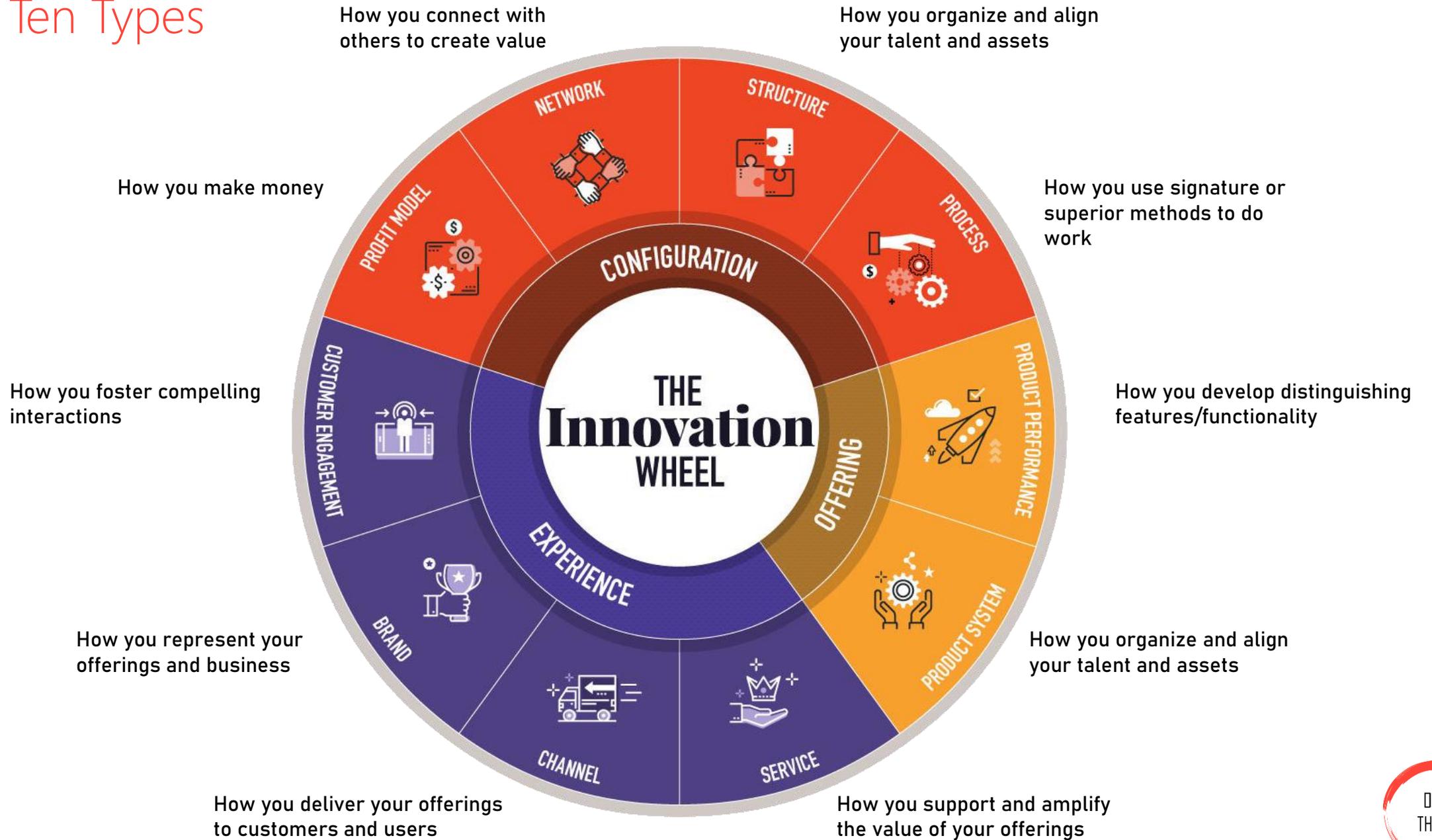


- After 15 mins, we'll be sharing our new companies with each other



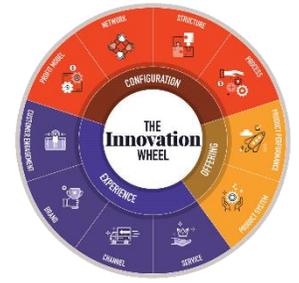


# The Ten Types





# Let's see if you can spot the innovation types in these articles



DESTII

A special program titled Work Perks aims to reposition some of the hotel's 268 rooms as day-use offices.

According to Managing Director Connie Wang, the set-up launched in June and is a great opportunity for work-at-home warriors to get out of their houses and spend workdays in clean, quiet and socially distanced spaces that come with high-speed WiFi, unlimited printing privileges and free parking.

Profit Model

"They want a calming and relaxing atmosphere, away from the distractions of working at home," Wang said, noting that the 350-square-foot rooms sell for \$129 per day, with an option to extend to an overnight stay for an additional \$20. "For some people, this has become a real treat."

The "Fig," as it's known locally, isn't the only traditionally overnight accommodation pivoting toward day-use during the pandemic; across the country other properties have taken similar leaps. Strategy behind these moves is simple: Hotels will try anything to offset revenues that have dropped as much as 50 percent since public health-driven shutdowns began in March. As a result, hotels have started a host of new revenue streams at a time when every dollar counts.

## Room and board

Take The Wythe, a boutique hotel in Brooklyn. The hotel recently announced a partnership with co-working office space company Industrious through which it is repurposing 13 second-story guest rooms to serve as offices for up to four people.

Each of the rooms has a small outdoor terrace, and dogs are welcome. Pricing starts at \$200 and goes up to \$275, depending on how many people use the space.

The Sawyer, in Sacramento, California, is offering pool cabanas for use as outdoor offices, complete with fast WiFi, free parking and catered lunch for \$150 per day.

Network



EDITORS' PICK | 196 views | Jul 28, 2020, 11:24am EDT

## Ferrari Unveils Huge Esports Championship—And You Could Be Its Next Driver

**Matt Gardner** Senior Contributor @ Games  
*I'm a British writer who covers current and retro gaming*

It's been a tough year for sports, but while many teams are simply adapting to new, restrictive schedules without their fans, others are debuting events and developing entirely new audiences from exploding demand. Now, the world's best-known racing organization is solidifying its grip on esports.

Channel

Today, Ferrari unveiled the "Ferrari Hublot Esports Series": a tournament that's open to all gamers who fancy themselves behind the wheel in their own home. This brand-new GT esports championship will use *Aspetto Corsa's* software platform to deliver a range of competitions in which drivers will all race in a Ferrari 488 Challenge Evo, exclusively made available to everyone taking part.

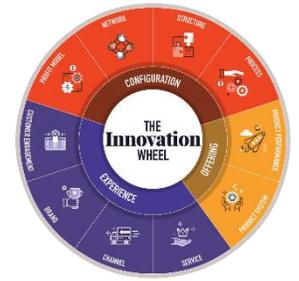
Network

In a live Zoom presentation held today at 4pm CET (10am ET), the organization, alongside Ferrari F1 driver and self-confessed esports fan Charles LeClerc, revealed to a selection of the world's international media—including Forbes.com—that it was looking for fresh talent to join its debut competition. While professionals will also be invited to the series, Ferrari expects the competition from amateurs to be fierce, with battles going into "hundredths of a second."

Customer Engagement



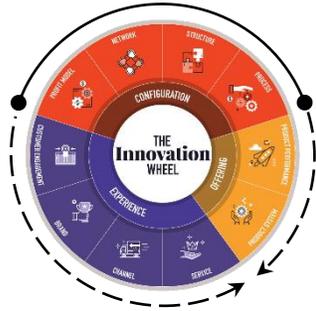
# Where are our blind spots



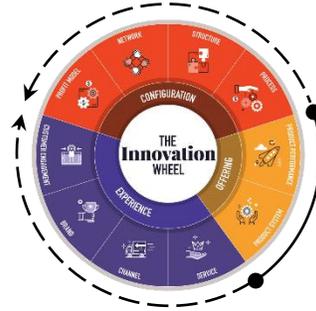
- Facilitator to write down all innovations and their identified types in Facilitator Heat Map sheet
- What does our heat map look like? Where are the low spots?
- Are our competitors innovating in any of those types? Where are the low spots in the industry?
- What could we do to innovate in our overlooked areas?
- What are the “just how things are done” areas?



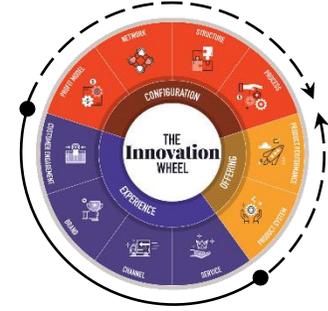
# Which type of shift do we think applies to us at this point?



Business Model Shift



Platform Shift



Customer Experience Shift



- Most successful when there are fewer opportunities to win by creating better offerings and more opportunities by changing how you create and deliver them

## When to focus on a Business Model Shift

- Elements of the value provided are significantly over/under priced
- Significant group of customers that would love to use the primary offering but can't afford it
- Few variations in process, org structures, etc and few collaborations between players

- Most successful when customers struggle to do challenging tasks and when you see fresh opportunities to help them by connecting previously disparate communities or offerings

## When to focus on a Platform Shift

- Customers can't get the solutions they need without exerting considerable skill/effort
- Community or group with shared interests/needs but no central hub/forum
- Broad demand for a particular set of capabilities or assets in a market, but too complex for customers or other players to develop

- Most successful when you can build enduring relationships with customers, when they are hungry for fresher interactions, and particularly when normal industry experience is a drag

## When to focus on a Customer Experience Shift

- Customers routinely complain about their buying/service experiences
- Significant group of customers that ignore a market because its touchpoints lack personalization, wit, or elegance
- Most players focus on capturing customers by creating punitive switching barriers such as long contracts with termination penalties



# Common Innovation Plays: Business Model Plays

Play	Summary	Tactics	Types	Visual
<b><u>Open Invitation</u></b>  GlaxoSmithKline	Encourage other people to work with you, whether they're individual experts or strangers in the crowd	Open Innovation or Crowdsourcing + Competency Center	Network, Structure, Process	
<b><u>Collaborative Consumption</u></b> 	Leverage connectivity to upend traditional forms of ownership and change the way customers relate to your goods and services	Metered Use or Switchboard + Process Automation + Safety or User Communities or Values Alignment	Profit Model, Process, Product Performance, Service, Brand	
<b><u>Free-Based</u></b> 	Give away basic offerings for free to attract many users and then make money off of them in multiple ways	Freemium + Engaging Functionality + Microtransactions or Membership or Ad-Supported or Switchboard	Profit Model, Product Performance	
<b><u>Radical Optimization</u></b> 	Move beyond standard operational efficiencies to make it painful for other firms to compete with you	IT Integration + Process Automation + Process Standardization + Guarantee	Structure, Process, Service	
<b><u>Predictive Business</u></b> 	Mine data to model behaviors and breakdowns, allowing you to make promises, predict outcomes, and drive efficiencies for customers	Risk Sharing or Metered Use + Predictive Analytics + Product Bundling + Guarantee	Profit Model, Process, Product System, Service	





# The Ten Types helps move companies from Red Ocean to Blue Ocean

- Red Ocean: many companies fighting each other in a blood-bath over incremental improvements
- We have all Ten Types at our disposal!
- Blue Oceans are usually adjacent to where we already are
- Blue Ocean attitude looks for increased value with decreased costs



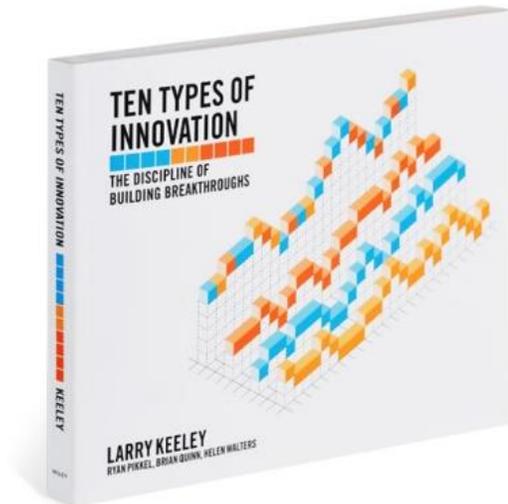
# Summary

- The Ten Types Framework helps us see the business holistically, allowing us to innovate in ways which may not have been challenged in decades and could lead to a competitive advantage for decades to come
- Categorizing our innovations can help us see where we tend to get traction as well as where we tend to overlook
- Innovations can range from Core (Change the Known) to Adjacent (Change the Boundaries) to Transformational (Change the Game) and it's important to know/agree on what level innovation we're pursuing
- The Ten Types can help us move from Red Ocean to Blue Ocean
- These concepts not only apply to our business but those of our clients as well

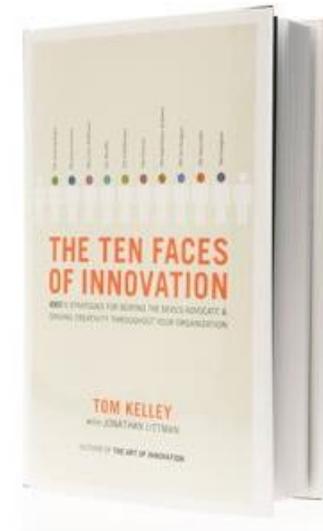




# Recommended reading to continue building on these concepts



*Ten Types of Innovation* by Larry Keely



*The Ten Faces of Innovation* by Tom Kelley