



Winning Strategies in Challenging Times

‘Yes, we can!’ :)

*Pavlo Sheremeta
BMDA, 11 May 2012*



Designed by Apple in California
Assembled in China



In the 21st
Century:



**are we going to compete
with **China** on ‘**Assembled**’?**



**or are we going to compete
with **California** on ‘**Designed**’?**

3rd option:



Apple
\$368



iPhone 4, 16GB, GSM

\$560

Foxconn's margin \$7

components
\$178

assembly \$7



**Marketing and innovation
produce results;
all the rest are costs**

Source: Peter Drucker

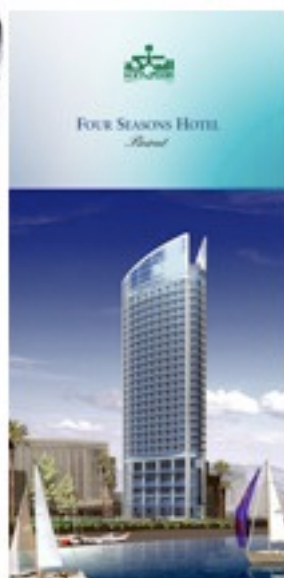
**What is our
innovation strategy?**



Incremental improvements targeting the **top** of the pyramid



Incremental improvements targeting the **top** of the pyramid



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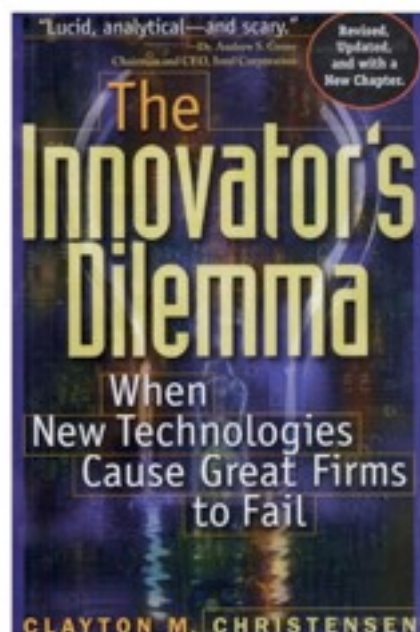
Clayton Christensen
#1 in the Thinkers50 ranking

Clayton Christensen receiving the Thinkers50 award from co-creator Des Dearlove

Winner: 2011 Thinkers50 Innovation Award

Biography / Watch Video

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	



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W. Chan Kim & Renée Mauborgne

#2 in the Thinkers50 ranking

Winner 2011 Thinkers50 Strategy Award

Biography / Interview

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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Value Innovation

The Thinkers
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Vijay Govindarajan

#3 in the Thinkers50 ranking

Winner: 2011 Breakthrough Idea Award

[Biography](#) / [Interview](#) / [Watch Video](#)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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Reverse Innovation



Frugal Innovation

© Cartoonbank.com



"It sort of makes you stop and think, doesn't it."

high-value / low-cost offering

Eliminate	Raise
Reduce	Create



**high-value / low-cost
offering**

André Rieu's Orchestra as a high-value / low-cost offering

Eliminate

philharmonic hall
stars

Raise

theater performance
emotions
popular music

Reduce

repertoire
music sophistication

Create

excitement
engagement

Radical simplification

targeting the **base** of the pyramid





Radical simplification, targeting the **base** of the pyramid



Radical simplification, targeting the **base** of the pyramid





Radical simplification, targeting the **base** of the pyramid

**THEIR NAMES AREN'T THE ONLY ONES
THAT CARRY A LOT OF WEIGHT**



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Radical simplification, targeting the **base** of the pyramid



Radical simplification, targeting the **base** of the pyramid



Radical simplification, targeting the **base** of the pyramid



Radical simplification, targeting the **base** of the pyramid

Value innovation:



start with non-customers

What are the **alternative** industries?



André Rieu's Orchestra



Stadium Show



Karaoke Bar

What are the **alternative** industries?



Cirque du Soleil



Theater Performance



Musical

What are the **alternative** industries?



Yellow Tail Wine



Beer

10 years ago ...

- 1 dream
- 5 friends
- 2 aircraft
- 2 destinations
- 200 staff
- 1,046,712 guests flown



Now Everyone Can Fly

airasia.com

10 years today...

- A low-fare revolution
- 3 times World's Best Low-Cost Airline
- 100 brand new Airbus
- 76 destinations
- 10,000 staff
- 142,038,583 guests flown



Thank you for making the last 10 years so awesome.
Now Everyone Can Fly

AirAsia
10 AWESOME



Who is the user?



What are customers' **pain** points?



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January 2, 2012 10:52 pm

The public image: Cebu Pacific Air

By Roel Landingin



Client: Cebu Pacific Air, Philippines
Agency: In-house
Verdict: 3/5

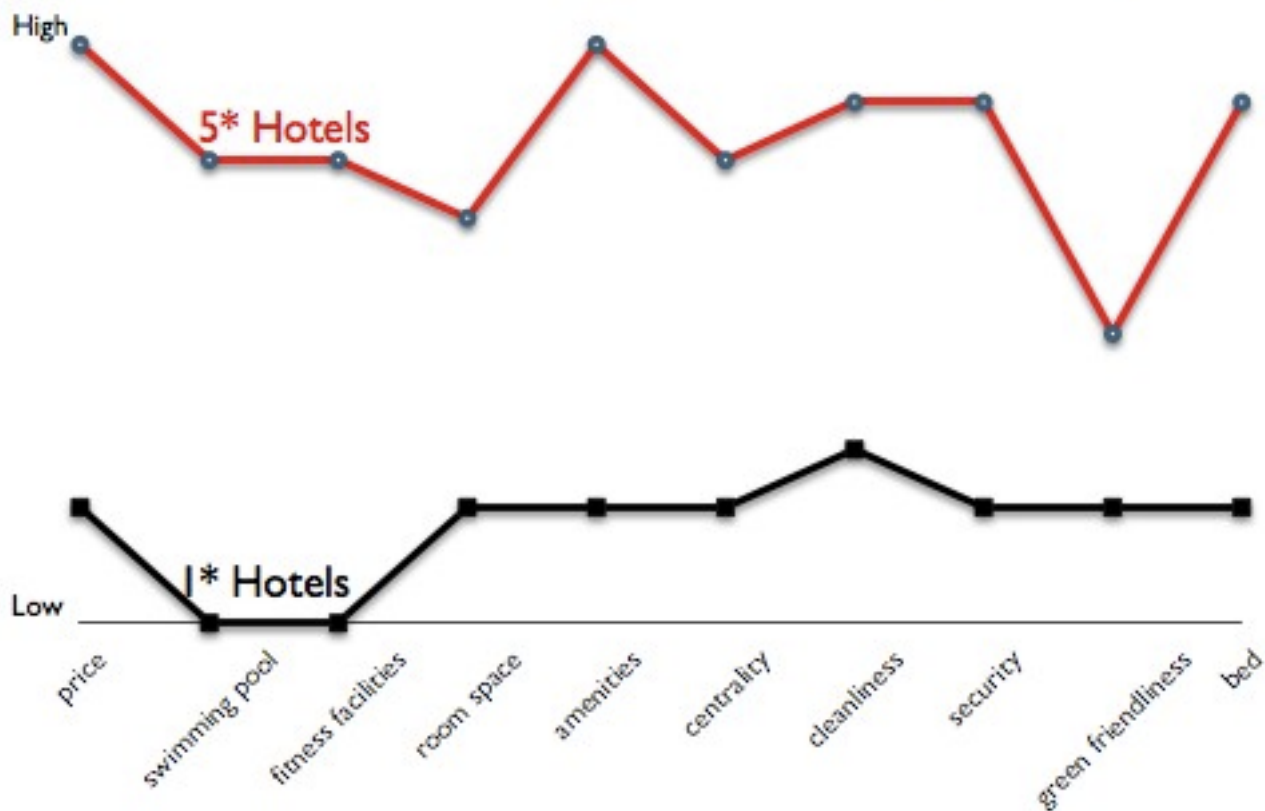
Cartier FINE WATCHMAKING MECHANICS OF FASHION



A YEAR AGO AT THE SIHH

ROSEAU DE CARTIER

What are the strategic groups?

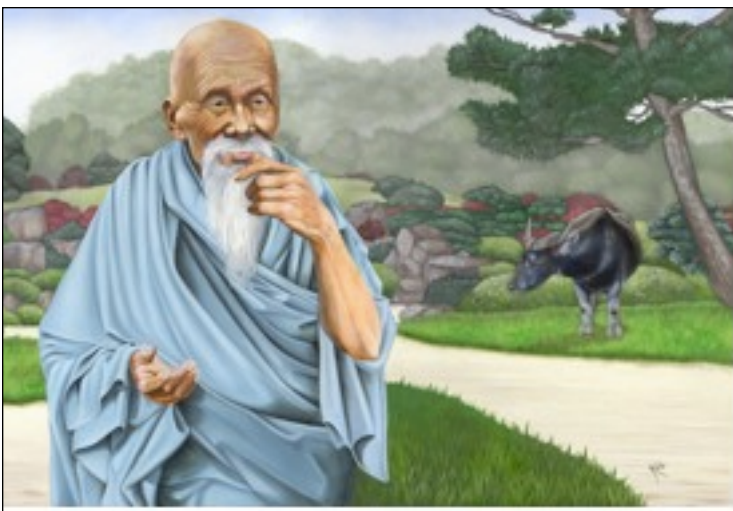


Tune Hotels' high-value / low-cost offering



Tune Hotels' high-value / low-cost offering





**In the pursuit of knowledge
everyday something is added.**

**In the pursuit of enlightenment
everyday something is dropped.**

Source: Lao Tzu