



The Renaissance Innovator joins the INSEAD bloggers network!

From today, our blog, *The Renaissance Innovator*, is part of the official INSEAD bloggers network. So if you arrived here through the INSEAD blog, Welcome to our blog and read on for what this blog is about. For our loyal regular readers, nothing changes, you can read our blog posts exactly as you did before, and we'd also recommend checking out some of the other excellent posts on the INSEAD blog.

I often open my industry engagements on innovation with a simple thought experiment for our participants — I ask them to think of the most innovative organizations and identify what exactly they did that made them so innovative. The answers we hear are very predictable— no matter if we pose this question to a diverse group of MBA students or to a group of very senior managers from a single company, or to leaders from the non-profit world. Irrespective of the background of the audience or the setting, a majority of our participants identify the inimitable products to have come out of the Apple stable, small but substantial groups highlight the technological advances in biotechnology, information technology (including household names such as Google and Facebook) and the rapid advances in medicine. To us, it is not the product, technology or market innovations on the list that are most notable, but the innovations that the participants invariably leave off the list. Consistently, our participants leave out a breed of innovators; innovators that bring existing products to satisfy existing needs but use innovative business models to do so.

For instance, Henry Ford, [Michael Dell](#), Amancio Ortega and the companies they founded, the Ford Motor Corporation, [Dell Computers](#) and [Inditex \(Zara\)](#) almost never make the list. These iconoclast innovators revolutionized the automobile, computer equipment and the fashion apparel industries, created immense wealth and spawned many imitators. But none of them developed cutting edge products, nor did they introduce new technology. Instead, they reinvented the operating model of the industry, or the way in which the industry provisions the product to the market. Henry Ford's assembly line represented a radically different production process for the automobile. Michael Dell realized that it was better to assemble computers to order, rather than in advance of orders. And Amancio Ortega felt that, when it comes to fashion apparel, speed and responsiveness to the latest trends is

much more important than keeping logistics and production costs low. Each of these examples represented a different operating model for the industry. Ford Motors, Dell Computers and Inditex all used the strengths of this different operating model to become leaders and they forever transformed their respective industries. Ford came to completely dominate an industry, which, before Ford, had 600 competitors. Dell grew from zero to \$60B sales in less than 25 years. Inditex grew faster than such acknowledged innovation leaders as Apple, Pfizer or Merck. If these are not innovation examples, then which ones are?? Yet, somehow they consistently escape managers' attention.

The impact of these innovators and their consistent exclusion from the pantheon of great pioneers are both unquestionable. From our engagements with leaders in many different sectors, we have observed that the vast majority of managers interpret innovation to imply innovation through developing new products and introducing new technology and they do not consciously think of inventing new business models as a viable mode of innovation. The examples of these three innovators highlight just a small subset of the many innovation opportunities that managers overlook due to this blind spot of business model innovation. Even these managers who do recognize business model innovations seem to think that these examples are one-off, accidental innovations, which are unique to a particular industry at a particular time.

The goal of the renaissance innovator blog is to 1) Sensitize our readers to a simple fact: ***“Innovation comes in many shapes and forms, including in the form of new business models”*** 2) We attempt to show that, albeit seemingly very different, most if not all innovations of this type can be systemized and created proactively using a single framework.

Looking forward, we believe some of the greatest opportunities for impacting different industries and

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making the world a better place lie in innovating business models. Think of the healthcare industry. A century of technological advances has generated a wide variety of innovative therapies to cure some of the most severe maladies. However, despite these vast advances, in the developing world, the vast majority of the suffering is not due to inadequate therapies; but due to inappropriate business models for the provision of these therapies to the neediest. In the developed world, poorly designed incentive systems around provision of healthcare services lead to a poor allocation of healthcare resources leading to surprisingly large levels of suffering, arguably more suffering than incurable diseases. So what kind of innovation is likely to have the most impact– New Therapies or New Business Models that improve access to these therapies?

To read more about identifying, selecting and refining new business models, check out some of our [courses on business model innovation](#)

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