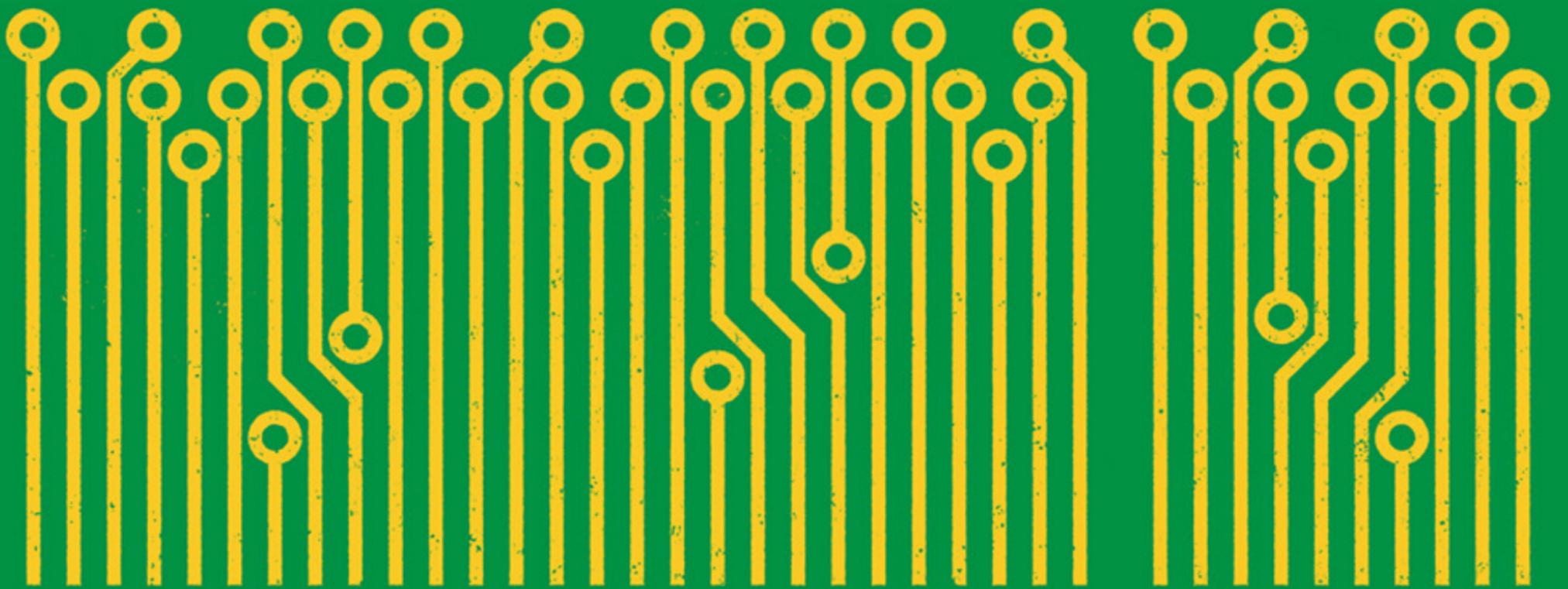


# Seven essentials for business model innovation success →



Source: “Business Model Innovation: Seven Essentials”

# 1

## **Pair novelty with operational discipline.**

Novel ideas grab attention, but operational excellence sustains success. Companies like Spotify didn't just disrupt with streaming — they built strong user lock-in, efficient distribution, and strategic partnerships. Novelty alone won't carry you past the hype cycle.

# 2

## **Make efficiency a strategic advantage.**

Breakthrough models need robust operational infrastructure. Shein combines AI-driven trend prediction with extreme operational efficiency to launch 1,000+ styles daily. Your systems must scale with your ambition to maintain competitive advantage.

# 3

## **Align your business model with strategy.**

Business model novelty must fit your competitive positioning. Warby Parker's online-first model aligned with differentiation strategy, while Southwest Airlines paired novel operations with cost leadership. Ask: Is our model aligned with our strategy?

# 4

## **Use AI to supercharge your entire system.**

AI isn't a business model — it's an enabler. Duolingo uses AI for personalized learning, efficient content delivery, and gamified user retention. Netflix leverages AI across recommendations, streaming efficiency, and content strategy. Connect AI innovation to value capture.

# 5

## **Integrate sustainability into value creation.**

Real sustainability leadership means redesigning how you generate and capture value. Patagonia's circular model creates lock-in through values, while Ørsted transformed from coal to renewables by reconfiguring its entire business approach, not just operations.

# 6

## **Match complexity to company capacity and tech maturity.**

In new tech environments, startups thrive with simple models, while large companies need complex configurations. In mature markets, this flips. Small companies can handle complexity; large ones benefit from simplicity. Match your model to your context.

# 7

## **Design coherent value-capture systems.**

For outlier success, novelty is necessary but never sufficient. Companies like Airbnb, Square, and Stripe embedded novel ideas within comprehensive value-capture mechanisms. Think system design, not just sizzle — your business model elements must work together.