UIF Map*: A Systematic Methodology for Value Innovation

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*This presentation is based on the collaborative work with Prof. June Woong Rhee of Dept. of Communication in Seoul National University
Background for the Study

• From a project with company “S”
  – How to develop a new technology which can give real values to customers
    • From Technology-oriented to Customer-oriented
    • From “Innovation without Value” to “Value Innovation”

• Value Innovation Methodology from INSEAD
  – Blue Ocean Strategy [Kim and Mauborgne 2005]
    • Explains the framework and process of value innovation
  – Momentum Effect [Larreche 2008]
    • Investigate the value itself and emphasizes the ongoing value creation
    • The executive of the company “S” recommended the research team to read the “The Momentum Effect”
From The Momentum Effect [Larreche 2008]
- All businesses exist solely to create value for their stakeholders.
- Value creation starts with customers who spend their money to have their needs satisfied.
- Customers are the original source of all the value.
- **Customer Value Wedge**: A valuable tool for more thoroughly investigating the drivers of customer value.

Its shape evokes a metal wedge for splitting wood or stone to reveal what is inside. In a similar manner, firms need to crack the code of customer value.

UIF Map has been devised for systemizing the value investigation by refining the customer value wedge.

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UIF (Ultimate/Instrumental/Functional) Mapping with Customer Value Wedge

<table>
<thead>
<tr>
<th>Customer Value Wedge</th>
<th>Emotional Value</th>
<th>Ultimate Human Value</th>
<th>Basic Values of Human (Domain Independent: e.g. Roper Survey (Chow &amp; Amir 2006); Rokeach (1973); Schwartz (1994))</th>
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</thead>
<tbody>
<tr>
<td>Intangible Value</td>
<td>Instrumental Value</td>
<td>Domain (Product/Service/Situation) Dependent Practical Values</td>
<td></td>
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<tr>
<td>Functional Value</td>
<td>Functional Properties</td>
<td>Concrete/Functional Characteristics of Technology applied to Product/Services</td>
<td></td>
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- **Power Status**
- **Excitement**
- **Material security**
- **Courage**
- **Perseverance**
- **Health and fitness**
- **Fitness Material security**
- **Courage**
- **Power Status**

- **Striver**
- **Fun-Seeker**
- **Creative**
- **Devout**
- **Intimate**
- **Altruist**

- **Roper Survey (Chow & Amir 2006);**

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Use and Usefulness of UIF Map

UIF Map := Three-Layer Network of Values

- Top-Down vs. Bottom-Up Mapping
- A UIF path represents a episode.
- All the UIF paths comprise a scenario.
- UIF Map Data/Knowledge base Maintenance
- Brainstorming with Multiple UIF Maps

- Analysis of UIF Change in an industry
- Explore New Value Dimensions
- Explore the Value of new tech
- Explore the expectation on the new tech

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