



## Stanford eCorner

### Innovation in Business Models

Jeff Raikes, *Microsoft*

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Video URL: <http://ecorner.stanford.edu/videos/916/Innovation-in-Business-Models>

Raikes talks about how Microsoft's success at innovating business models equals its success in technology innovation. Before Microsoft, there was no market for a company that did operating systems. The business model to license operating systems was novel and helped to propel Microsoft to success.



#### Transcript

We all tend to look at the opportunity for innovation, in the context of technological advancement. And that is very, very important. But frankly, I would say, equal to Microsoft's success in technology advancement or innovation, has been our success in innovating in business models. When Bill started the company-- and any kind of software company that did operating systems really did not exist. That was an innovation. The notion that you could go on license operating systems, the other hardware companies as opposed to them doing it themselves, that did not exist. That was an innovation in business model that really helped propel our operating system's success. The moving applications really helped propel us. So I would suggest to you that when you are thinking about your business venture, think about the technology advancement and what you might do on business models. Take for example, well, I think Steve Jobs started Apple with the stores.

I think you could say the Apple stores are innovation of business model. He has come up with a way to really showcase what the Mac environment, the Mac experience should be.