



Stanford eCorner

Three Types of Innovation

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Video URL: <http://ecorner.stanford.edu/videos/2087/Three-Types-of-Innovation>

JLABS' CEO Judy Estrin breaks down innovation into three varieties. First, there's incremental innovation, which is a significant improvement on an existing tool (such as the shift into Web 2.0). Estrin also spotlights breakthrough innovation, which are significant revolutions in tools and thinking (akin to the discovery of DNA). A third type, orthogonal innovation, is about repackaging an existing tool in a new fashion to create a new user experience - consider what the iPod and iTunes did for the MP3. All have merits for the entrepreneur and the engineer alike.



Transcript

So, let me just talk a little bit about the fundamentals. First of all, when you say innovation, it means a lot of different things to different people. And when you were talking about how to encourage innovation or inspire innovation, you have to know what type of innovation you're talking about. Because there is incremental innovation, which is change which makes something better or a new product like, again, Web 2.0 as opposed to Web 1.0. That's incremental innovation. Significant, but incremental. There is breakthrough innovation. The original PC, the discovery of DNA, are examples of breakthrough innovation. And then I actually coined a third term which is I call Orthogonal Innovation. Because there are times when you have very disruptive products and services that actually don't come from breakthroughs in technology, but they're not quite incremental.

And my best example of this is iTunes and the iPod. The iPod was not about brand new technology. It was really taking something and looking at the problem differently because it was not about an MP3 player. It was about delivering a different type of music experience. And that's a type of innovation that comes from using existing tools, services, products, but applying them in different ways.