

A System Dynamic Model of BOP Innovation Driven by Value Innovation Using
the Example of the Netbook

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Abstract

The interaction between the public welfare “One Laptop Per Child” project launched by MIT, and the very competitive and fast changing private PC manufacturing industry resulted in the introduction of Netbook. Value innovation has driven New Blue Ocean (BOP innovation). The way that value innovation drives BOP innovation is associated with corporate product innovation management. This is an important issue worthy of study. Most scholars tend to examine product innovation management using statistical data. Thus, by using Netbook as an example, this study attempts to construct the system dynamic model by which value innovation drives BOP innovation via system dynamics (SD) that are able to analyze complicated system. It was found that quality capacity, cost competitiveness, the suppliers’ integration ability and market compatibility guided by Netbook value innovation were for driving forces behind BOP innovation. They are also important factors that should be important to companies that are searching for New Blue Ocean.

Keyword : BOP Innovation, Case Study, Netbook, System Dynamics, Value Innovation