



# Innovation Case Study

## Business Model Innovation

### Client – Leading Global PC Maker

**SALES**

**INVEST**

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# Increasing Warranty Sales

- **Project:** The entry costs of laptops and desktops have declined over the years. The entry level desktops cost as low as US\$400 and for laptops US\$ 649. Increasingly customers do not opt for the 3-year warranty of the product. **The company was experiencing declining warranty sales.**
- **Innovation Challenge:** Increase warranty sales in all their product lines
- **Process:** Using the D4 process, the team defined the **Job to be done** from a customer stand-point and used several lateral thinking tools to brainstorm more than 100 ideas to solve the problem. Converting the concept of linking the warranty price to the sale price of the computer, the team created three design concepts which were piloted for three weeks globally.
- **Solution:** Evolved a new business model, where the warranty has several feature options that the customer could pick and also in bands based on price of the products
- **Results:** Global warranty sales went up over 25% in the quarter that the new model was introduced

