

The UNITE Value Creation framework

The UNITE value creation framework outlines how a company or organization generates value for its customers, stakeholders, and shareholders. It involves identifying the key activities, resources, and capabilities that contribute to creating value, as well as understanding the needs and preferences of the target audience.

A part of the Digital Leadership Strategy Management Reference Content: #DL-MS-SM-VCF.
More information on this model is [available here](#)

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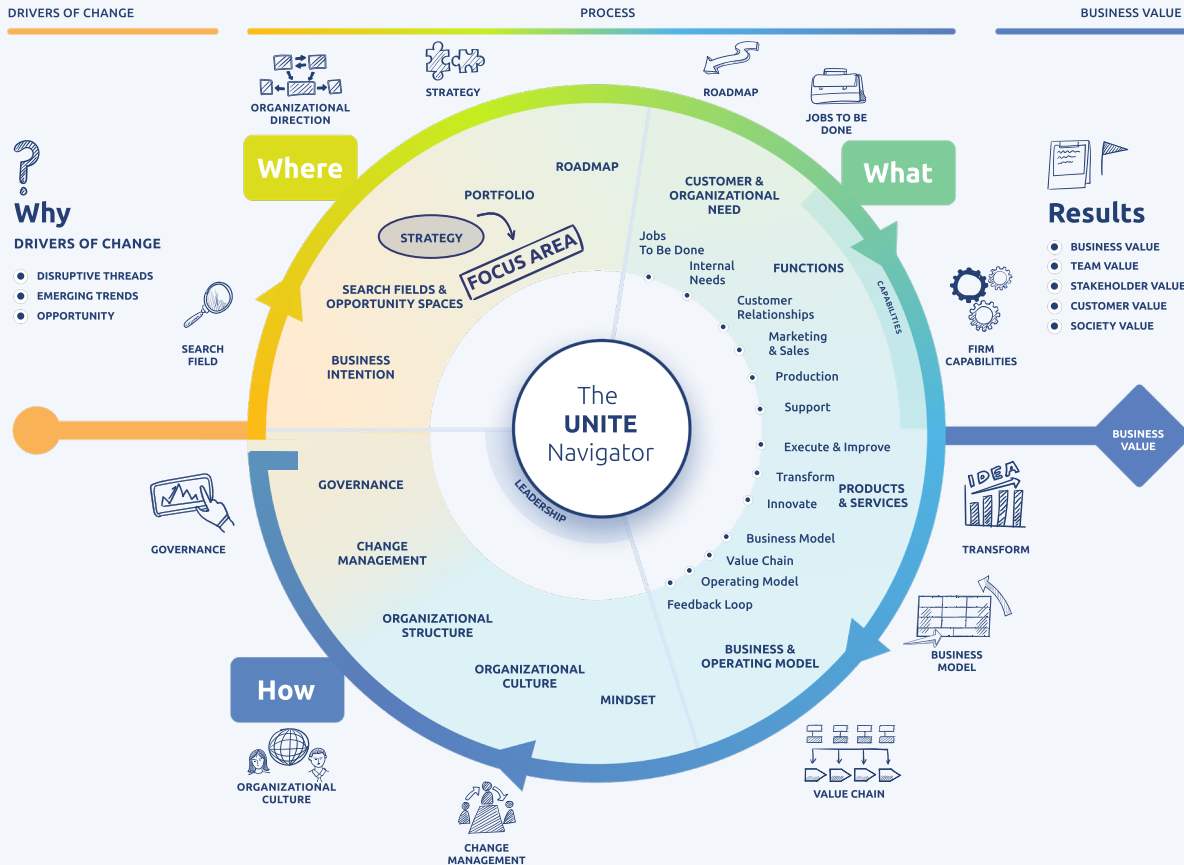
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- > The UNITE models are the by far largest library of innovation and transformation models on the Internet. They cover all areas of digital strategy, innovation, transformation as well as any related field.
- > The UNITE Navigator provides an introduction and overview of all digital-related fields.
- > **As part of today's presentation, we will focus on the mechanics of *value creation*.**

Background to the UNITE Value Creation Framework

Why we use it

Organizations leverage value creation models to understand and design how they *could* create value for customers, stakeholders, and shareholders.

Working with a value creation framework increases the understanding of the key factors and levers in the value creation process. It can thus help gain new perspectives, develop strategies to increase differentiation, and ultimately create competitive advantage.

A nicely defined value creation framework is an excellent way of communicating how you create value.

How it works

The UNITE value creation framework is nicely laid out in four different sections:

- > **Resource inputs** summarize the different inputs your organization and society at large add into the value-creation process.
- > **Value creation** defines the core process of how you create value, your value propositions, overarching business intention and purpose as well as your audience.
- > **Value outputs** define the results you create.
- > **Impact** takes it one step further: what is the larger impact you are creating on your organization and society?

By understanding and ultimately optimizing the interplay among these key value-creation factors, organizations can improve how they create value for customers and generate profits.

The value creation framework can be leveraged in various settings: from creating start-ups or new business models to corporate communication or board room communication, it is a highly valuable framework that can be used in numerous ways.

What is the goal

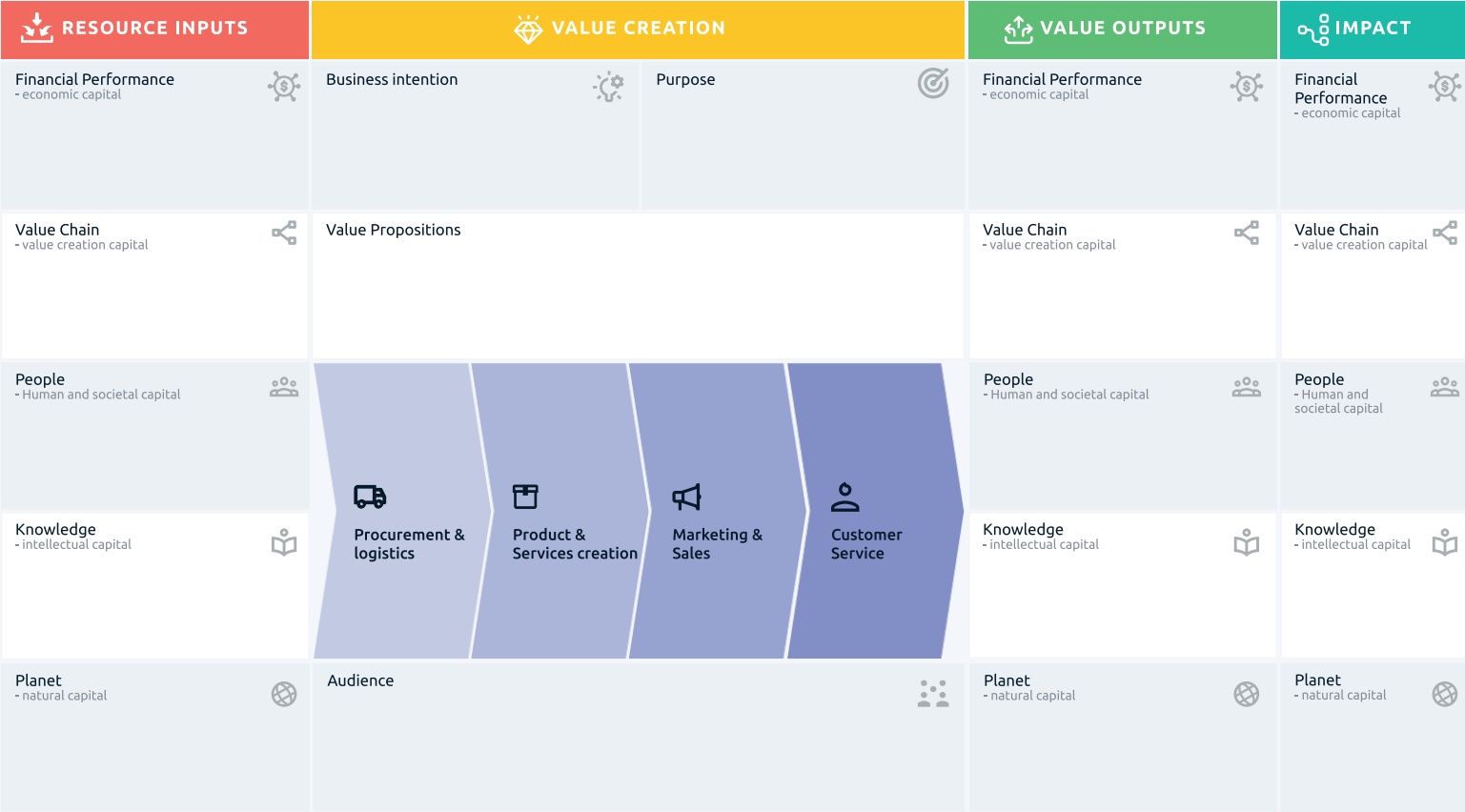
Gain a complete perspective on your business.

The goal of a value creation framework is to help develop a sustainable competitive advantage by creating unique and valuable offerings that meet the needs of customers more effectively and potentially sustainably than existing alternatives.

This helps building a loyal customer base and generate profits for the company.

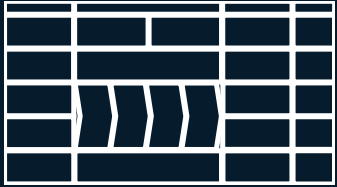
THE UNITE INNOVATION & TRANSFORMATION MODELS

THE UNITE **VALUE CREATION**



Potential ways to start working on your own Value Creation Model

- > Start by defining the **target audience** and their **needs and preferences**. This can be done through research or brainstorming.
- > **Identify the key resources, capabilities, and activities** that contribute to creating value for the target audience. This could include unique features, quality, price, convenience, or innovation.
- > Analyze the competition and **identify ways to differentiate** the offering from existing alternatives. This could involve identifying gaps in the market or developing new features or benefits.
- > **Prioritize the key factors** that contribute to creating value and identify areas for improvement or investment.
- > **Develop strategies** to optimize the value creation process and generate profits for the company. This could involve cost control, marketing, or partnerships with other companies.
- > **Evaluate the effectiveness** of the value creation model over time and make adjustments as necessary to ensure continued success.
- > **Share the results** of the exercise with stakeholders and team members to align on the value creation strategy and **develop a plan for execution**.

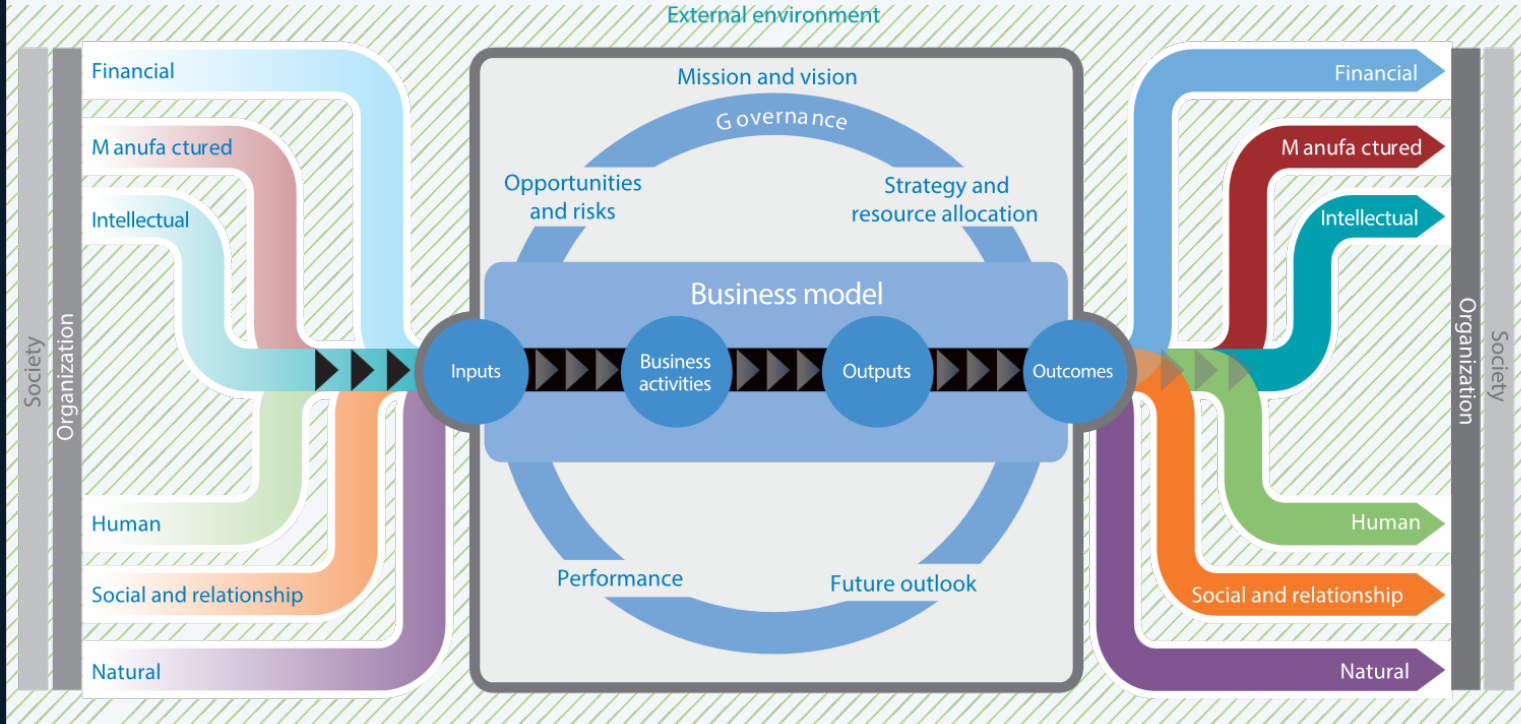


Value Creation – practical examples

There is no right way or wrong we how to design a value creation framework. On the opposite: it must be adapted to your intended usage scenario. We will therefore review a number of practical examples to see how you could leverage it in practice.

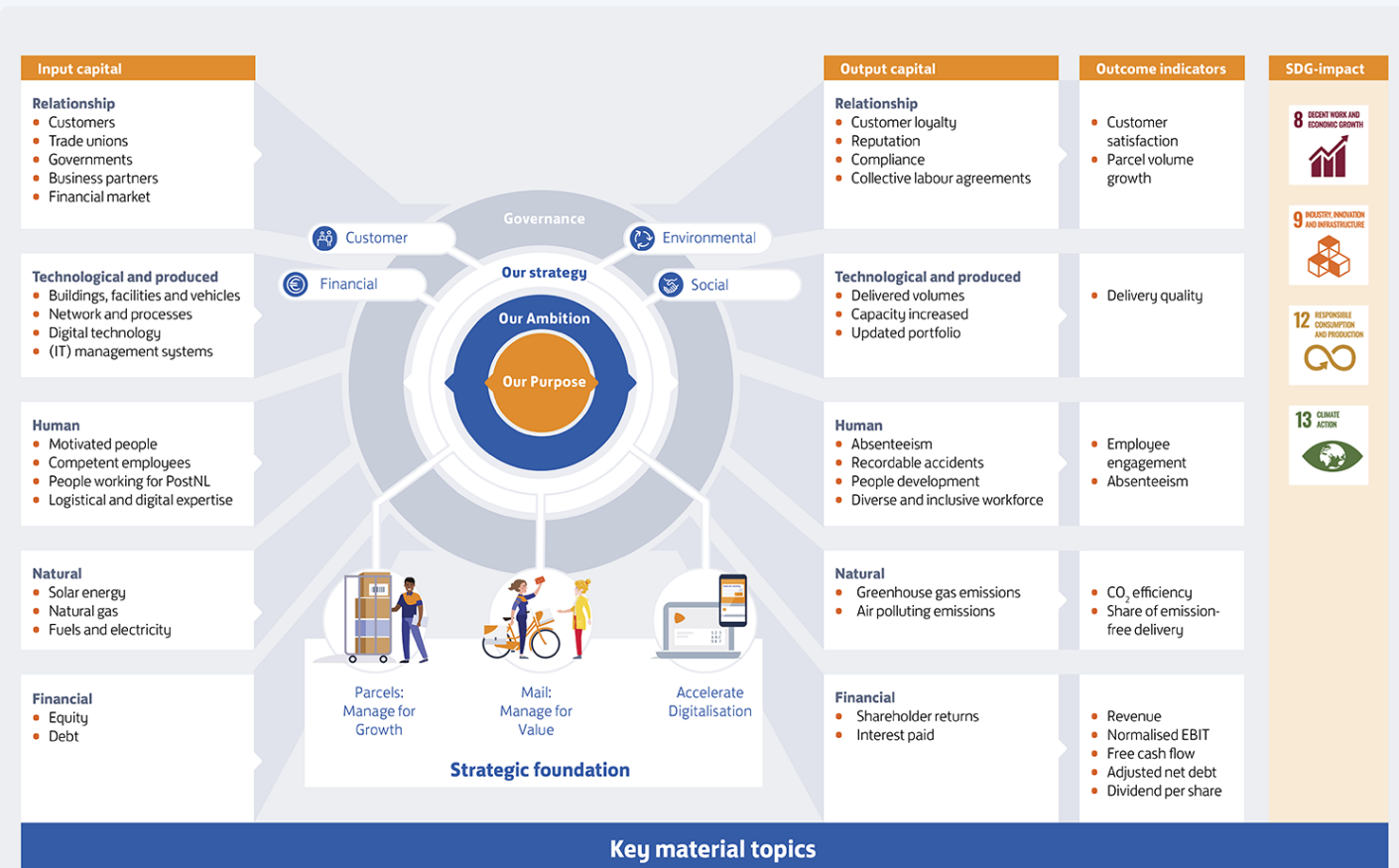
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THE VALUE CREATION PROCESS AS PRESENTED IN THE INTEGRATED REPORTING FRAMEWORK



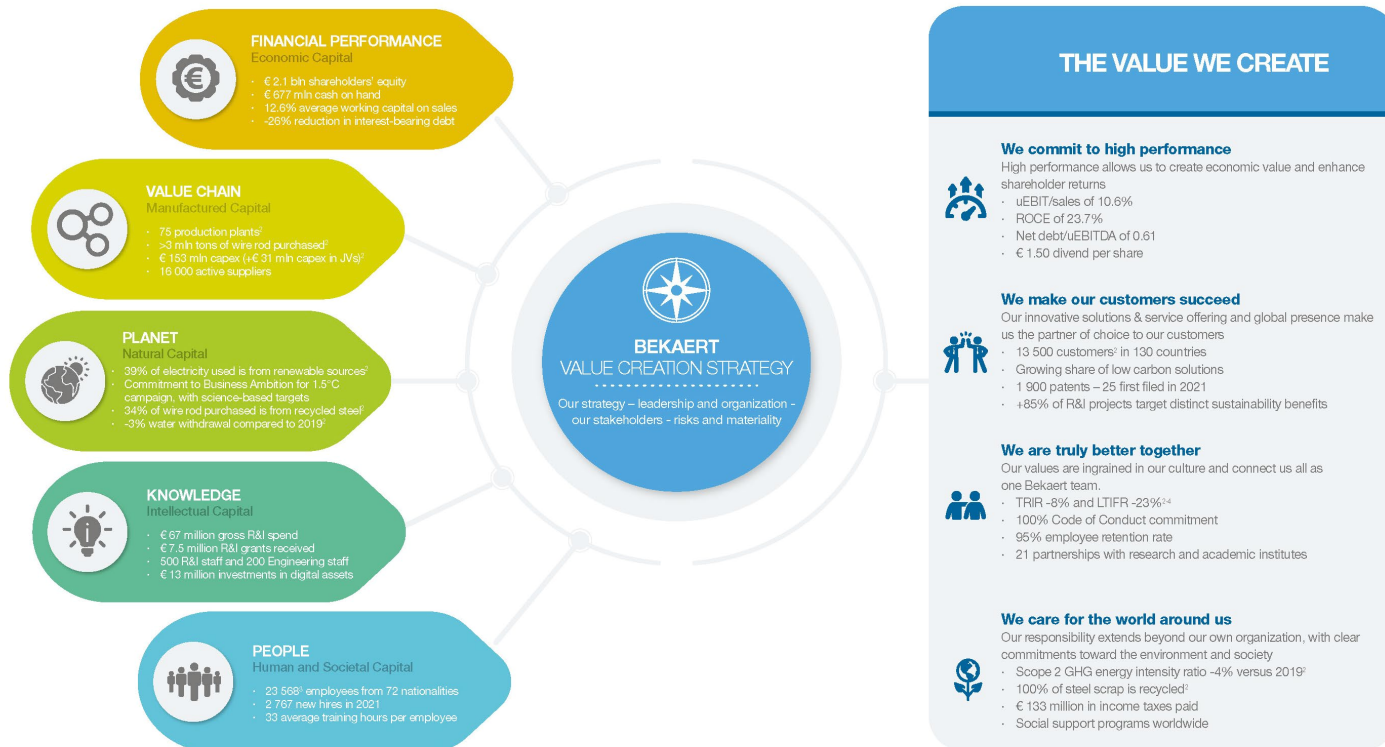
- > The Integrated Reporting Framework attempts to provide a conceptual basis for connecting the IFRS Accounting Standards with the new IFRS Sustainability Disclosure Standards.
- > It places an emphasis on the inputs and outputs. The value creation process of the enterprise is less structured however.
- > It attempts to promote a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.

THE VALUE CREATION MODEL OF THE DUTCH POST



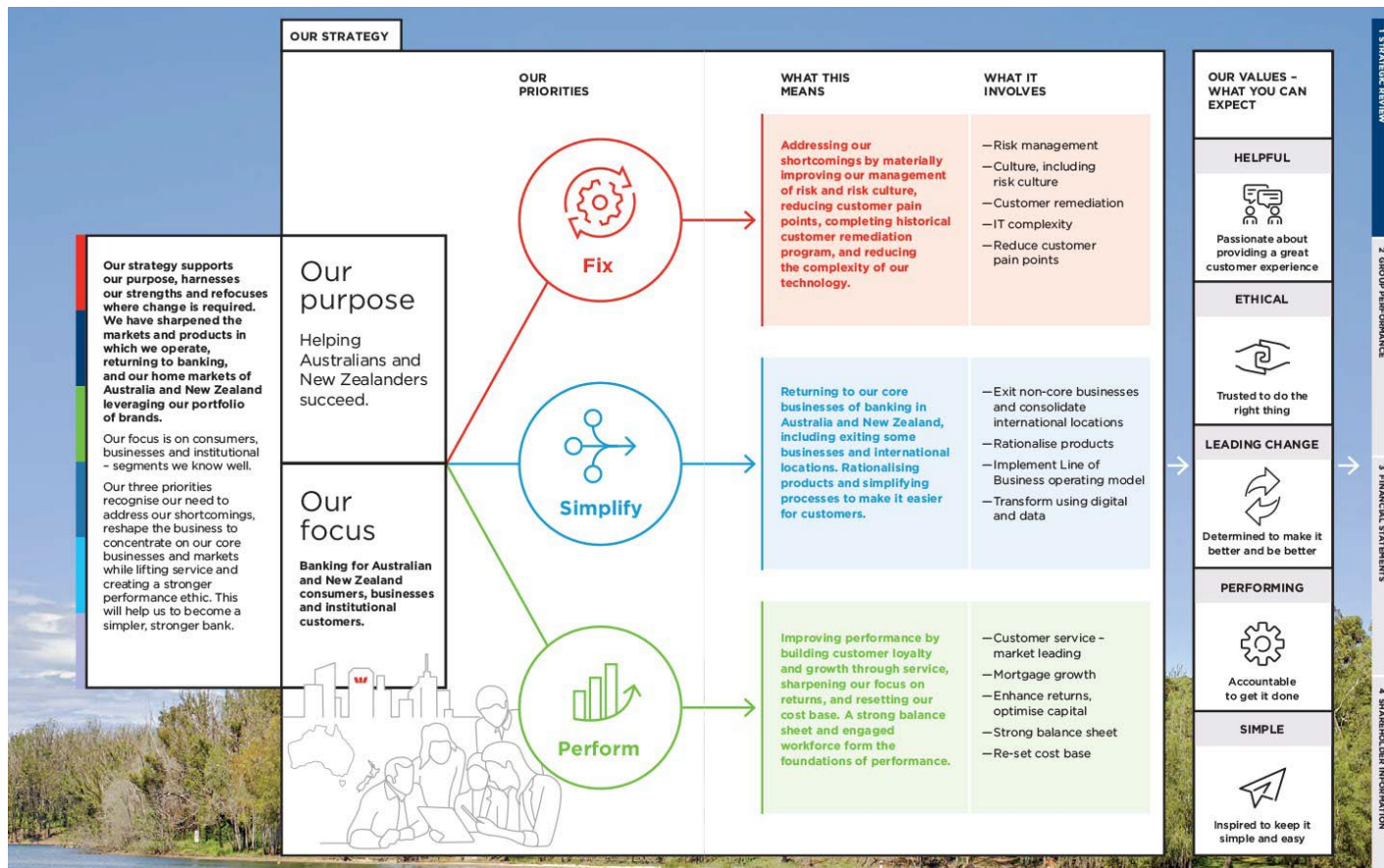
- > The value creation model of the Dutch Post nicely breaks down the key elements, without however further detailing out what they really mean.
- > While the overall setting is well structured, the value creation model in the center feels a bit out of touch due to it's high level of abstraction.
- > Nicely, the outputs and outcomes are connected to the Sustainable Development Goals by the UNITED Nations.

BEKAERT VALUE CREATION MODEL



- > Bekaert is a global company headquartered in Belgium. Its primary business is steel wire transformation and coatings.
- > It's interpretation of the value creation model focuses on quantifying the inputs and outputs and demonstrating how it has improved its resource utilization.

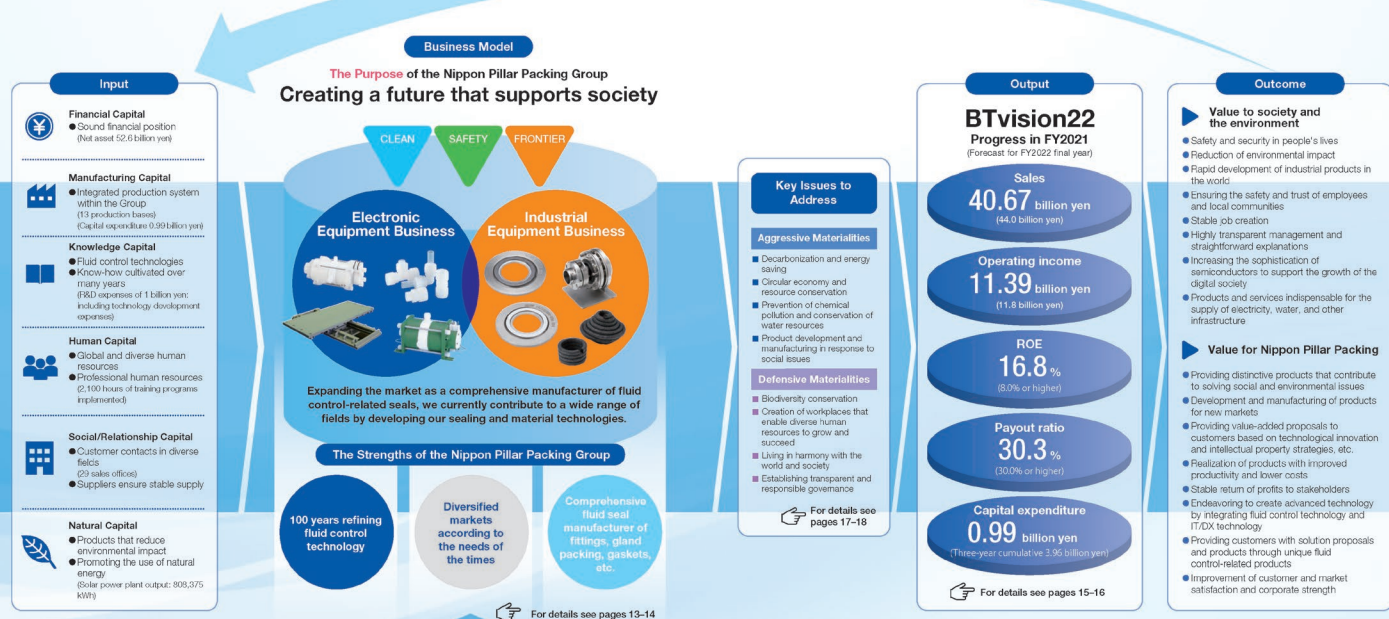
WESTPAC VALUE CREATION MODEL



- Westpac is an Australian multinational banking and financial services company headquartered in Sydney, Australia.
- It's value creation model focuses more on communicating its high-level strategy and how the strategy is supported by a set of values.

The Value Creation Process of Nippon Pillar Packing

As stated in our Purpose, the Nippon Pillar Packing Group is committed to providing value to the world with an awareness of social challenges and our materiality, focusing on our two businesses—electronic equipment and industrial equipment—so that we may create a future that supports society.



Management Strategy

Business Overview

ESG Initiatives

Data

➤ Nippon Pillar Packing, a Japanese industrial sealing solutions provider, has created a relatively detailed value creation process, incorporating financial figures, their business model in a nutshell, key challenges, the external environment as well as the outputs and outcomes.

➤ References on the following pages of their annual report provide further details, the Value Creation Process depicted thus almost serves as a visual summary and table of contents.

Social Issues [External Environment]

Global environmental conservation

Expansion of eco-friendly business
Providing new products to new markets such as batteries for electric vehicles, sealing materials using high performance materials for hydrogen and ammonia, pharmaceuticals, and the food industry

Climate change

Further growth in the semiconductor field
Providing cleaner, more energy-efficient products that also contribute to protecting the environment

Human rights issues

The age of IoT, where sensors are installed in everything
Providing sensing in harsh environments where higher temperatures than ever before and chemical resistance are essential

Respect for diversity

Rapid expansion and contraction of market size
Opportunity losses due to technological innovation, resource shortages, and other factors resulting from unexpectedly rapid market expansion and contraction in the semiconductor and LCD markets, etc.

Shift to IoT/DX

Structural changes and tightening of regulations, etc.
Unexpected changes in the political or economic system in the country of operation, as well as increased restrictions on raw materials due to conflicts, natural disasters, infectious diseases, environmental considerations, etc.

Labor shortages

Decline in international competitiveness due to emergence of competition, cost fluctuations, etc.
Decline in international price competitiveness due to emergence of competitors with innovative technologies, change in manufacturing processes, increased infrastructure costs, etc.

OUR VALUE CREATION MODEL

Our purpose is to make people's lives better by unlocking the world's natural resources through innovation on the ground.

Incitec Pivot Limited

Who we are

IPL is a recognised world leader in the resources and agricultural sectors. We manufacture ammonium nitrate-based explosives, nitrogen and phosphorus fertilisers, and nitrogen related industrial and speciality chemicals.

5 Continents
60 Manufacturing facilities
4,859 Employees
2m tonnes per annum fertiliser produced
3m tonnes per annum ammonium nitrate explosives supplied

Through our two customer facing businesses, Dyno Nobel in the Americas (DNA) and across Asia Pacific (DNAP), and our fertiliser business – the largest in Australia, Incitec Pivot Fertilisers (IPF), we make people's lives better by unlocking the world's natural resources through innovation on the ground.

Our advanced technology, manufacturing excellence and world class services are focussed on the diverse needs and aspirations of our customers, ensuring IPL's continuing key role in developing the efficiency and sustainability of the world's resource and agricultural sectors.

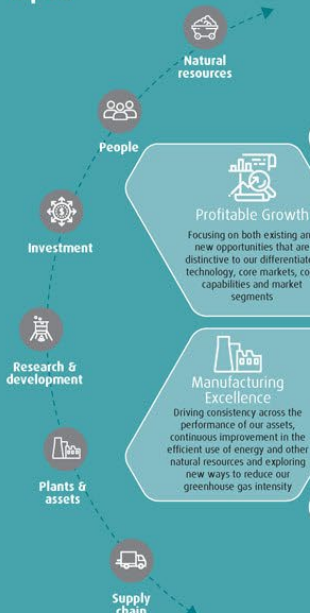
Issues most material to our business' sustainability

- Workplace health and safety
- Managing the impacts of climate change
- Ensuring ethical conduct
- Managing, engaging and ensuring a diverse workforce
- Sustainable economic performance
- Managing environmental impacts
- Sustainable products, services and customer relationships
- Resource efficiency and GHG emissions
- Product quality
- Caring for our communities

Our strategy

To deliver sustainable growth and shareholder returns while caring for our people, our communities and our environment.

Inputs



OUR STRATEGIC DRIVERS



Outputs

Employees
29% TRIFR reduction on prior year
27% Reduction in Tier 1 & 2 Process Safety Events
50% female Board members

Customers
7 joint research partnerships
300+ Agronomists trained in the last three years

Shareholders
\$3.9b Revenue for 2020
\$374.5m EBIT for 2020

Environment
36% Reduction in NOx per tonne of nitric acid produced against a 2015 baseline
10% Reduction in GHG emissions per tonne of ammonia produced against a 2015 baseline

Community
\$0.5m Community investment
1,826m Metric tonnes of resources mined using our explosives
32m Metric tonnes of food and fibre grown by Australian farmers using our fertilisers

Outcomes

A safe, diverse and high performing workplace built upon easy-to-use systems and processes, non-negotiable safety and environmental standards, a high level of ownership and accountability, a learning culture, and innovation enabled through diversity of people and perspectives.

Mutually beneficial partnerships with our customers that provide them with efficient, quality products that reduce their environmental and social impacts, improve operational safety, and give them access to ongoing research and development.

Sustainable returns for our shareholders driven by our focus on new opportunities, continuous improvement and cost efficiency, and strategic management of climate risk.

Continued drive towards environmental improvements through consistently applying non-negotiable environmental standards, using energy and water more efficiently, and exploring new ways, such as solar hydrogen, to reduce greenhouse gas emissions.

Long-term and meaningful relationships with our local communities through an active and grassroots approach to community engagement, the measures we use to monitor, manage and prevent potential negative impacts, the economic development that flows from employment provided by our business and the resources our products unlock, such as quarry and construction materials, iron ore and other metals, and increased crop yields.

➤ The value creation model can vary depending on the industry, market, and company's specific goals, but generally, it involves creating a unique offering that meets a specific customer need or solves a problem more effectively than existing alternatives. This can be achieved by focusing on differentiating factors such as quality, convenience, price, or innovation.

Governance

We are committed to achieving and demonstrating the highest standards of corporate governance. Our governance framework and practices are consistent with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition).



Code of Conduct



Climate Change Policy

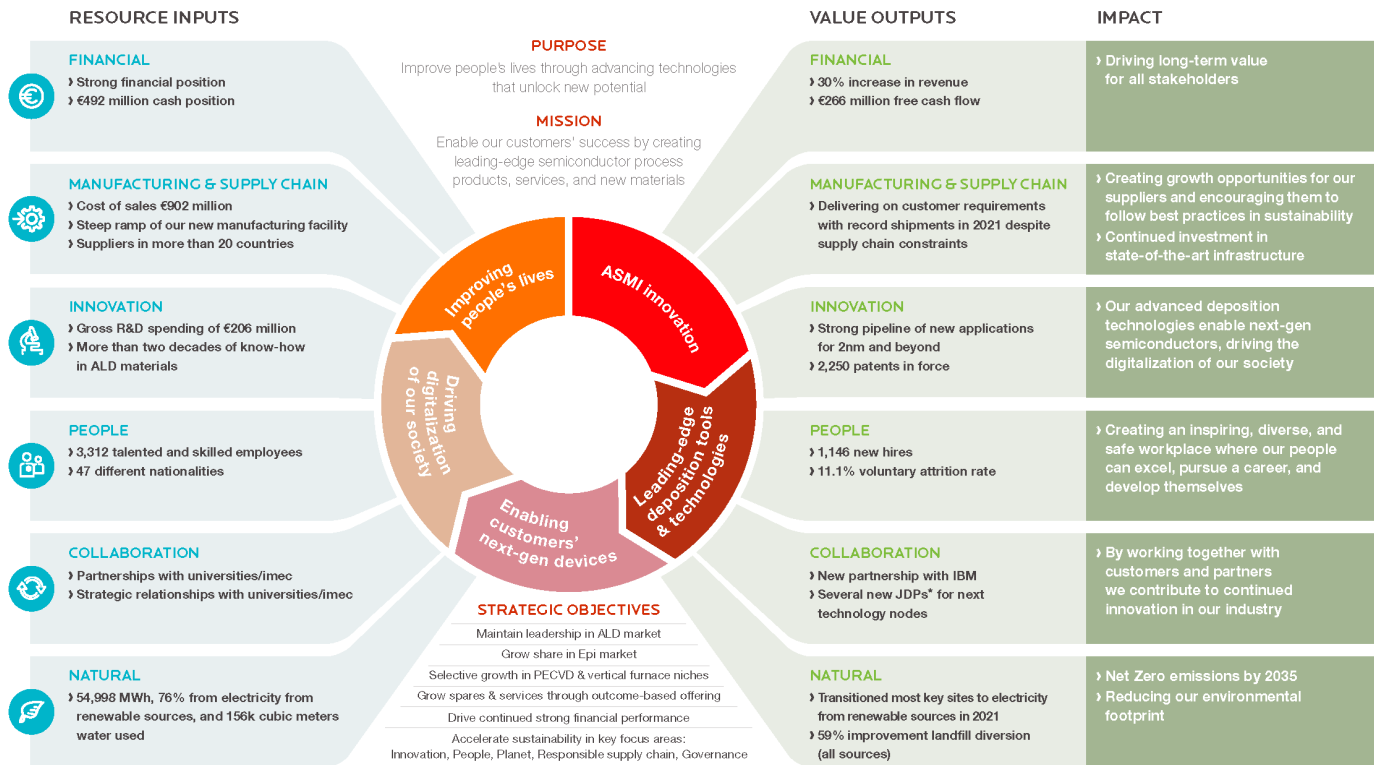


Modern Slavery Policy



Diversity Policy

HOW WE CREATE VALUE: GROWTH THROUGH INNOVATION



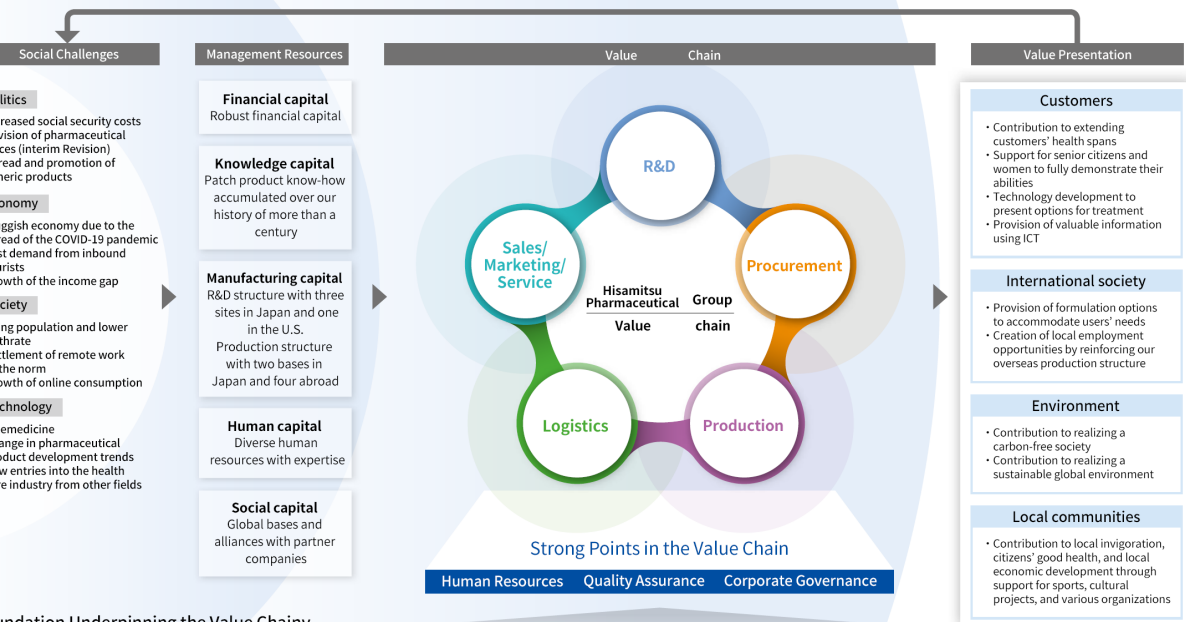
* Joint development programs

Numbers refer to 2021 unless indicated otherwise.

ASMI's enterprise value creation and reporting models are informed by the Value Reporting Foundation's integrated reporting framework and SASB Semiconductor Accounting Standard.

Source: ASMI Annual Report 2021.

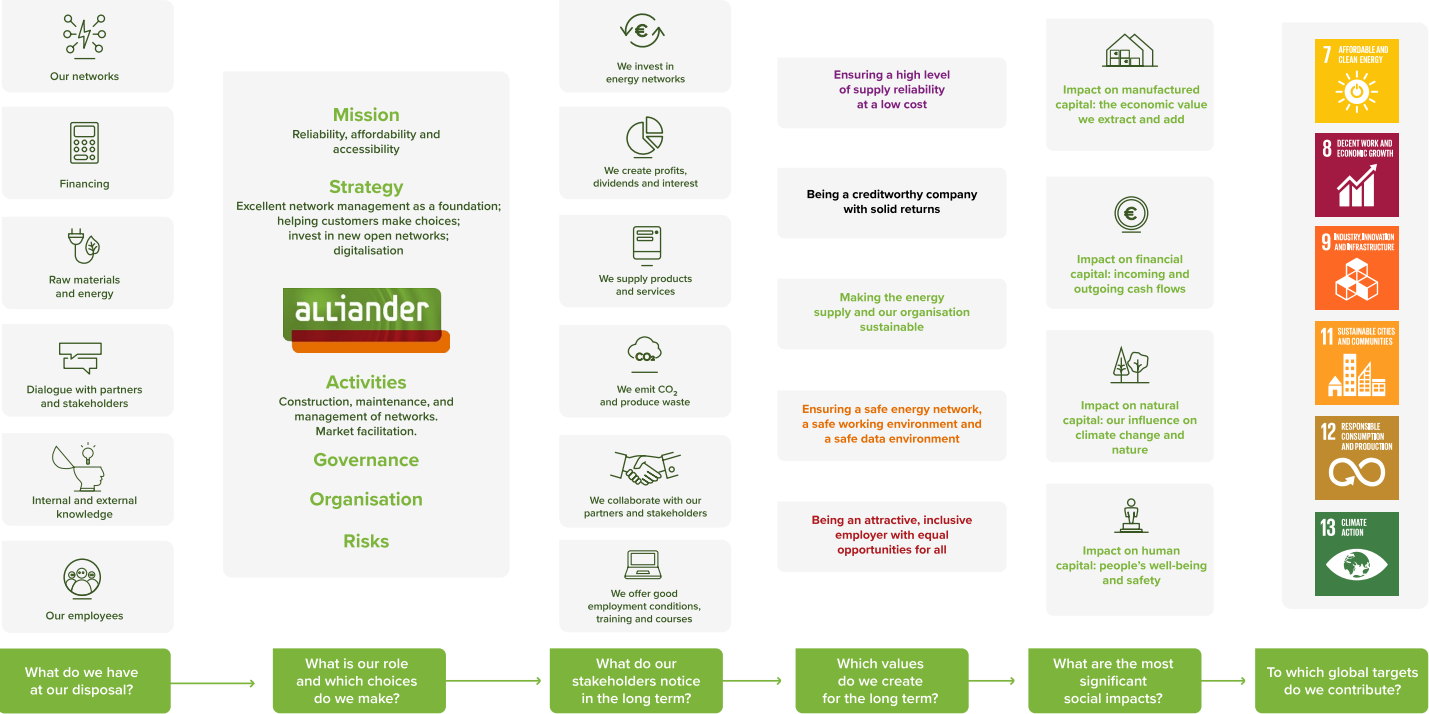
> Growth through innovation is a value creation model that involves identifying and leveraging new ideas, technologies, and processes to drive growth and competitiveness. This model emphasizes the importance of continuous improvement and experimentation, as well as collaboration across different functional areas within the organization. Key elements of this model include conducting market research, fostering a culture of innovation, investing in research and development, and developing strategic partnerships with suppliers, customers, and other stakeholders. By adopting a growth through innovation approach, organizations can create new products and services, improve existing offerings, and gain a competitive edge in the marketplace.



Striving to solve social challenges and deliver a better QOL to the world through compassionate “TE-A-TE” culture

- > Foundation underpinning the value chain is a model that emphasizes the importance of a strong foundation in driving value creation throughout the value chain.
- > This model recognizes that the success of an organization depends on a range of factors, including the quality of its suppliers, the effectiveness of its logistics and distribution systems, and the reliability of its manufacturing processes.
- > Key elements of this model include supply chain management, process improvement, and the use of data and analytics to identify areas for improvement.

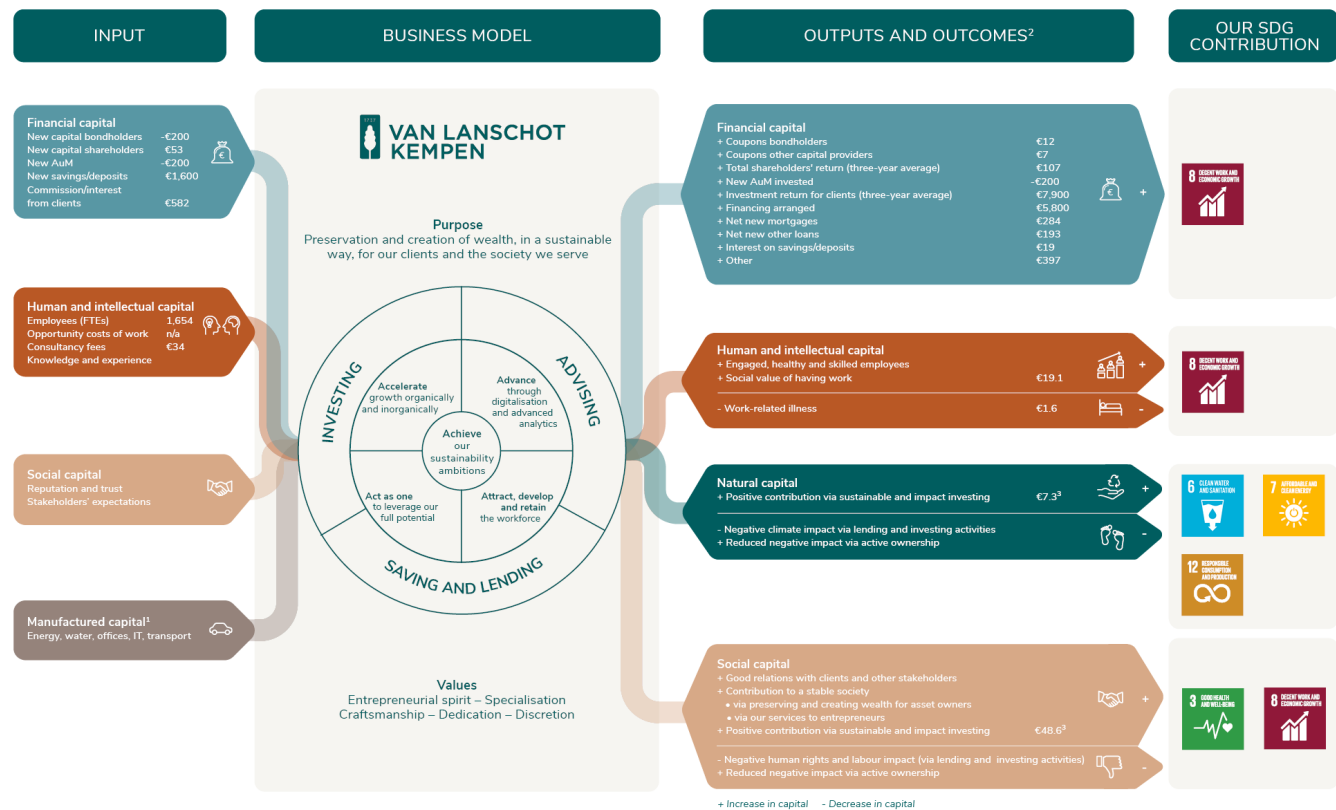
ALLIANDER HOW WE CREATE VALUE



- > Alliander, a Dutch energy network company, creates value through its focus on sustainability, innovation, and customer-centricity. The company leverages technology and data analytics to optimize its energy network and increase efficiency, while also investing in renewable energy sources to reduce its environmental impact.
- > Alliander also places a strong emphasis on customer service, offering a range of digital tools and services to improve the customer experience.
- > By prioritizing sustainability, innovation, and customer satisfaction, Alliander is able to create long-term value for both its customers and shareholders.

EXAMPLE

VAN LANSCHOT KEMPEN VALUE CREATION MODEL



1 Manufactured capital has been deemed non-material and is therefore not included in the sections that follow.

2 For various stakeholder groups.

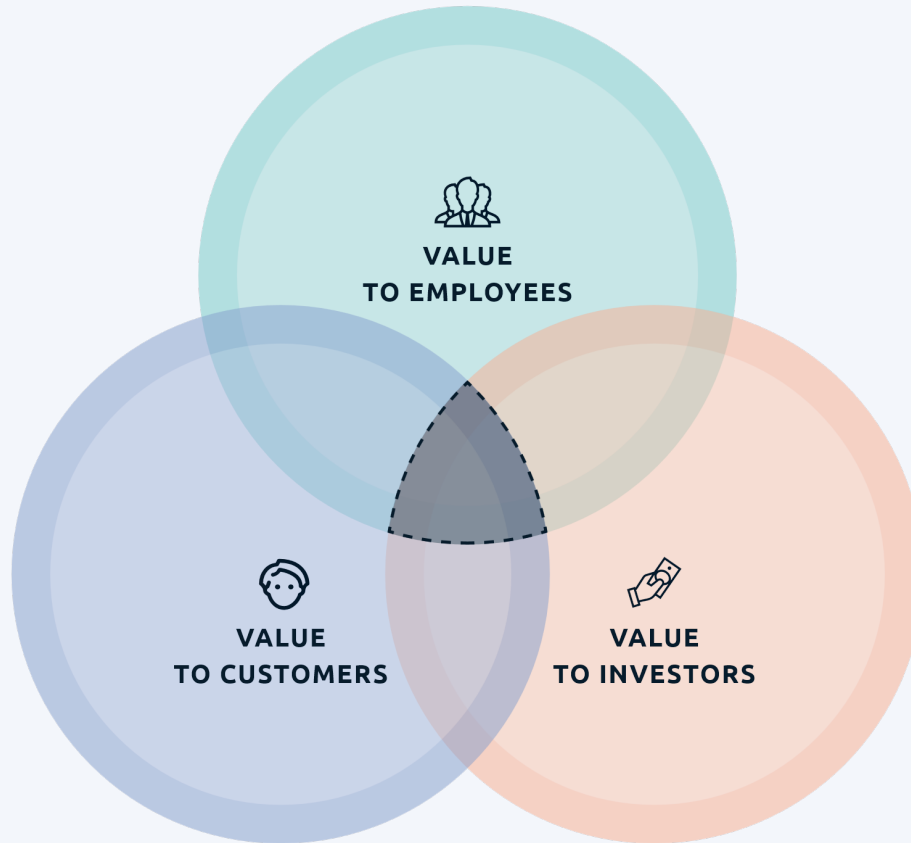
3 Figures are based on four sustainable investment funds amounting to €1,081 million.

2021 figures
Amounts are in € million unless otherwise stated

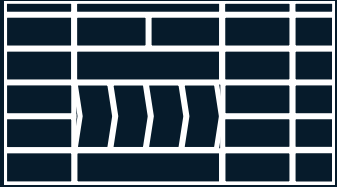
Source: Van Lanschot Kempen 2021 Annual Report

- > Van Lanschot Kempen, a Dutch wealth management and investment company, utilizes a value creation model that involves understanding customer needs and providing personalized solutions through a combination of expertise and innovation.
- > The model includes a focus on sustainability, long-term investment strategies, and a commitment to providing exceptional customer service.
- > By leveraging its expertise and experience in the financial industry, and taking a long-term perspective on investment opportunities, Van Lanschot Kempen is able to create value for its clients and build lasting relationships based on trust and transparency. The company's focus on sustainability also aligns with the growing trend of socially responsible investing, positioning Van Lanschot Kempen as a leader in the industry.

VALUE CREATION DIMENSIONS



- > The value creation model can vary depending on the industry, market, and company's specific goals, but generally, it involves creating a unique offering that meets a specific customer need or solves a problem more effectively than existing alternatives.
- > This can be achieved by focusing on differentiating factors such as quality, convenience, price, or innovation.
- > Typically, the value created is considered for at least the customers, the investors as well as internal stakeholders / employees.
- > With a more sustainable model in mind, the value to the planet or wider ecosystem is to be considered.

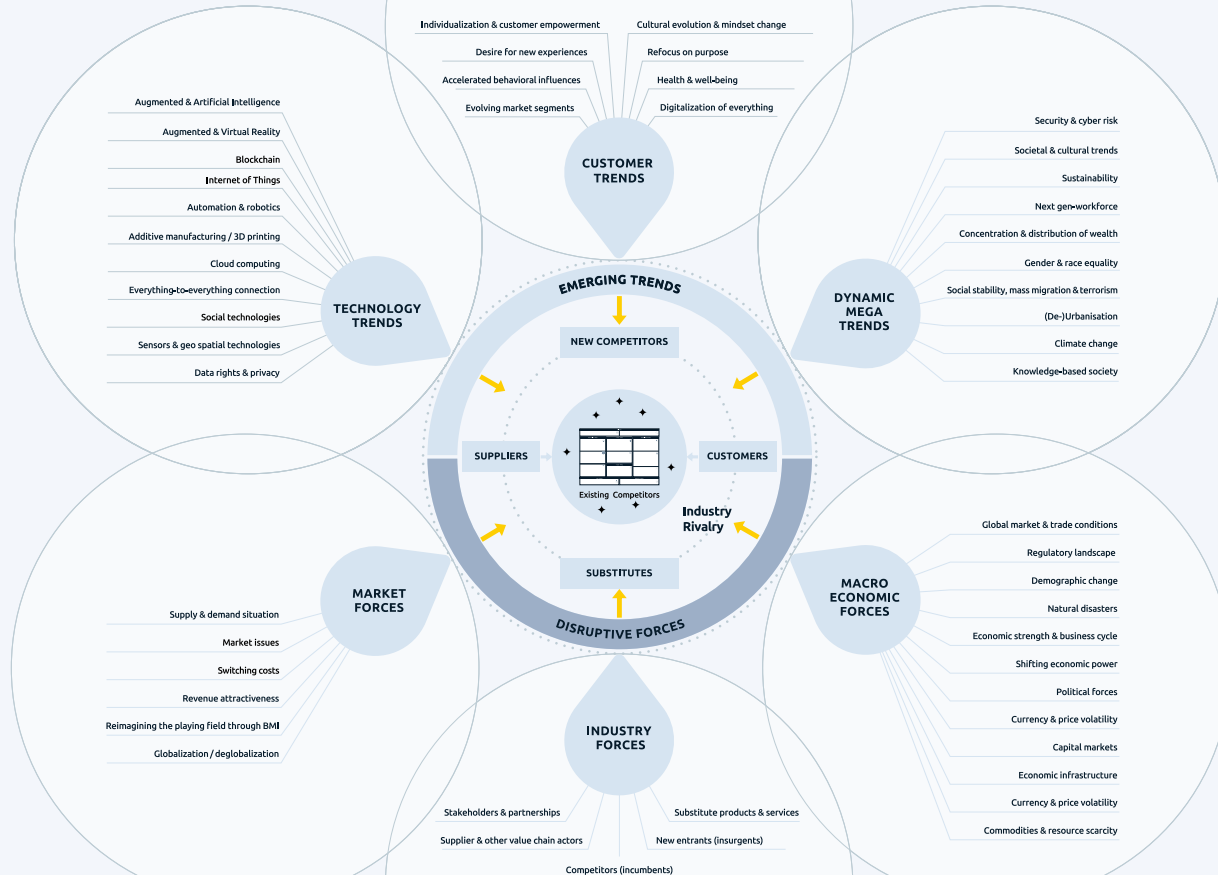


Related models

As any other model, the value creation framework doesn't live in a vacuum, but is connected and related to a number of other models. The most important ones are depicted on the following pages.

A part of the Digital Leadership Strategy Management Reference Content: #DL-MS-SM-VCF.
More information on this model is [available here](#)

THE UNITE BUSINESS MODEL ENVIRONMENT CANVAS



Mind your business environment!

- > Your organization does not live in a vacuum. To successfully innovate your value creation structure, you have to therefore understand your environment. This is what the UNITE Business Environment Canvas is here for. Use it in a workshop with your team to identify the key emerging trends and disruptive forces that will impact your organization.
- > Download the Business Model Environment Canvas here:



**UNITE BUSINESS MODEL
ENVIRONMENT CANVAS**

Download the UNITE
Models for FREE



THE SUSTAINABLE DEVELOPMENT GOALS BY THE UNITED NATIONS



- > The UNITED Nations Sustainable Development Goals (SDGs) also referred to as Global Goals are a collection of seventeen interlinked objectives designed to serve as a "shared blueprint for peace and prosperity for people and the planet now and into the future".
- > The SDGs emphasize the interconnected environmental, social and economic aspects of sustainable development by putting sustainability at their center.
- > You can link the impact or outcomes you are creating to the SDGs as part of your value creation framework.
- > Learn more about the global goals and their current level of achievement here:
<https://sdgs.un.org/>



THE UNITE STRATEGY-EXECUTION FRAMEWORK: WHERE TO INNOVATE & WHERE TO CUT COSTS

	NON-CORE AREAS (most activities)	CORE AREAS (some activities)	DIFFERENTIATING AREAS (very few activities)
DEFINITION	These are the “other” activities in your business › No differentiation, since activities are similar across sectors › Do not support charging a premium › Draw focus away from the core business	Your relative strengths › These are the activities of your firm where you compete head-to-head with the competition › But they provide no strategic or competitive advantage	Activities that really differentiate you › Add to the differentiation of the business › Provide competitive & strategic advantage › Support charging a premium price
BUSINESS OBJECTIVE	Standardize & cut costs › Meet market requirements at lowest cost › Drastically standardize to decrease costs as to support financing the core & distinctive areas	Increase competitiveness › Meet customers’ needs › Keep up to defend the core › Streamline & improve efficiency where possible	Drive value & differentiation › Build best-in-world capability › Invest to support differentiation › Expand on & invest in these areas

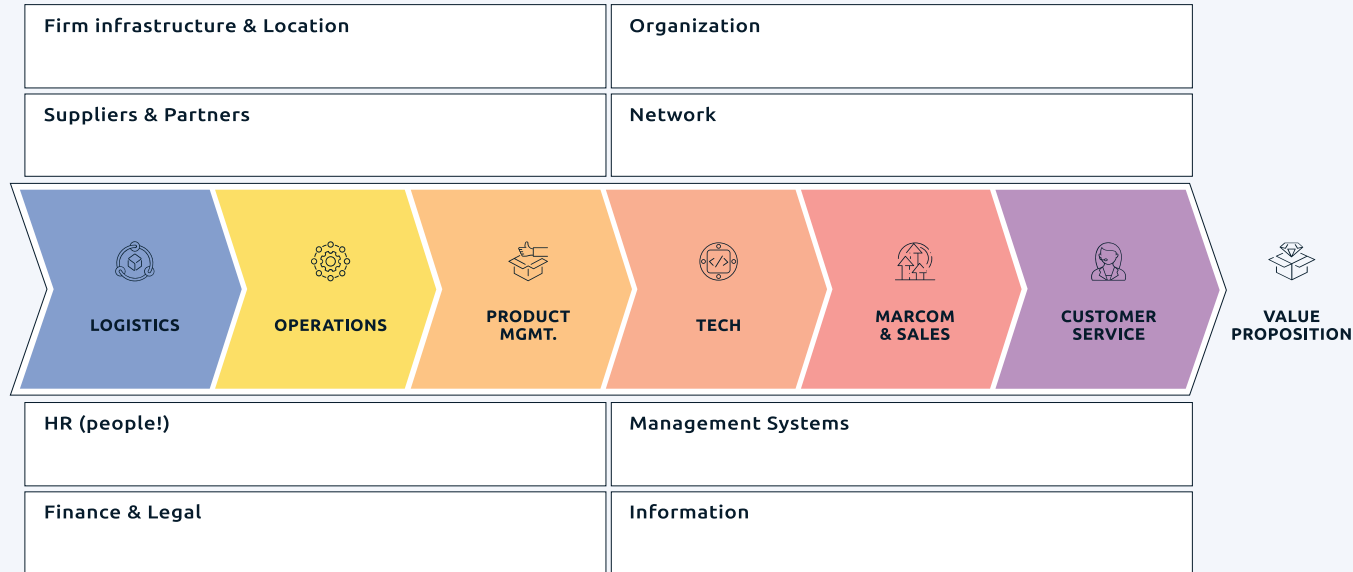
Low	Strategic importance & potential	High
Cost-driven	Business strategy	Value-driven
Improve costs/competitiveness	Business focus	Drive differentiation

- > Critically, capabilities need to be differentiated by Non-Core, Core and Differentiating areas. What is merely a part of your business, with what do you compete and what are the few areas where you truly differentiate?
- > Generally, you should focus on the few items you truly differentiate with when you discuss your value creation setup.
- > Download the UNITE Strategy-Execution Framework to deep-dive (this is just a preview):


UNITE STRATEGY EXECUTION

 Download the UNITE Models for FREE


THE UNITE OPERATING MODEL CANVAS



- > The Operating Model Canvas helps you think through your Operating Model.
- > The core of the Operating Model Canvas is the Value Chain, which is equally the central element of the UNITE Value Creation Framework we propose. Draft it carefully so it well represents your business, and focus on the items that are core or differentiating to you.
- > The model is described in details in our book *How to Create Innovation*.
- > Click here to get the full download package:

 **UNITE OPERATING MODEL**

Download the UNITE Models for FREE



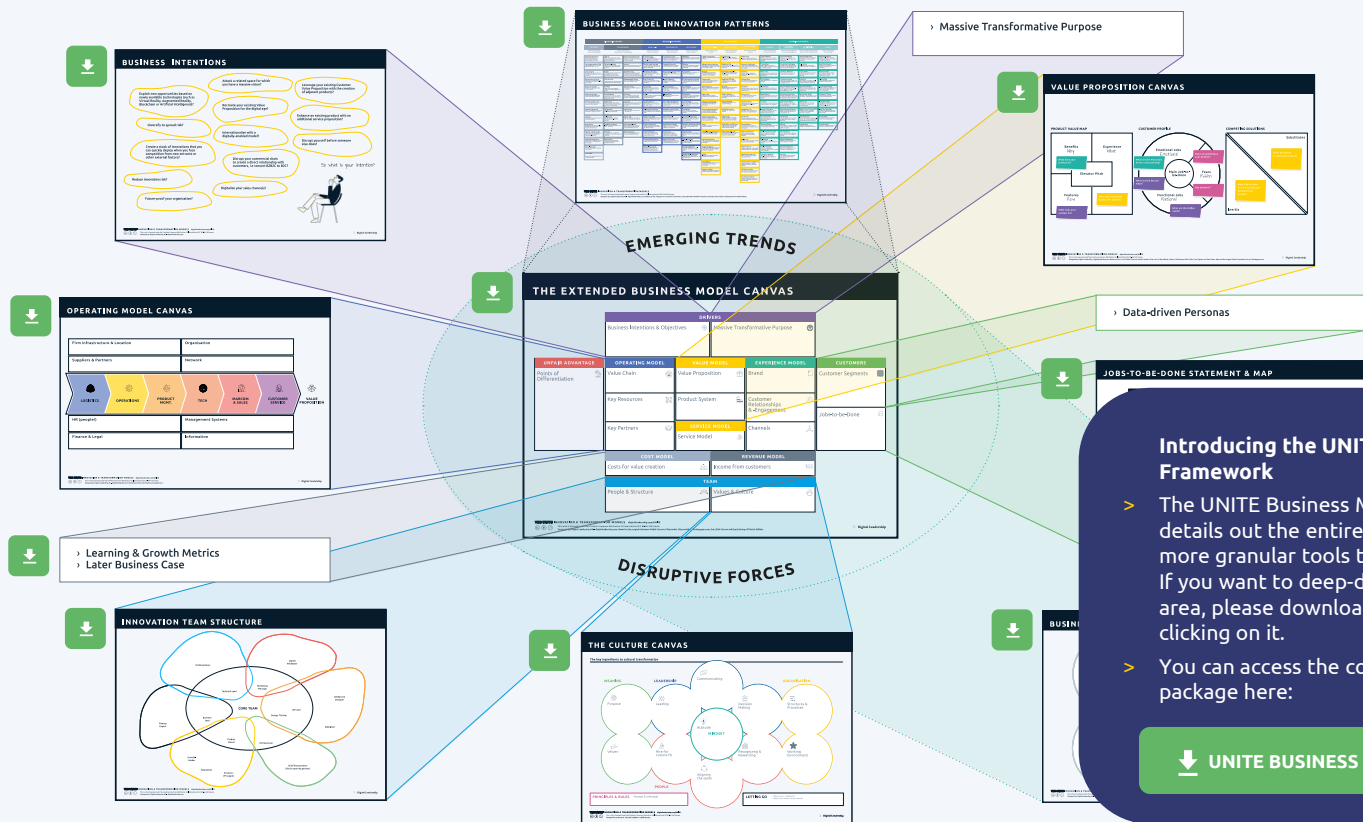
THE UNITE BUSINESS MODELS CANVAS

**Value creation vs. business modelling**

- The UNITE Value Creation Framework as well as the UNITE Business Model Canvas have similar intentions: understand and improve upon how a company generates value. The business model focuses more on the inner functioning of the firm, while the value creation framework emphasizes the inputs, outputs and impacts it creates.
- Download the full Business Model Download Package here (this is just a preview):

 **UNITE BUSINESS MODEL**

OVERVIEW OF THE ENTIRE UNITE BUSINESS MODEL FRAMEWORK – which helps you understand the role of the Business Model Canvas in context



Main author



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STEFAN F. DIEFFENBACHER

**Founder & Managing Director of Digital Leadership,
Industry thought leader for digital innovation & transformation**

Executive MBA, MSc Enterprise Process Management, Master in
International Management, TSTA, CPM, PMP, Scrum Master, Enterprise
Architect

Over 20 multi-million Euro & Dollar projects, 14 years abroad living in 11 countries,
research and lectures at numerous European universities, 18 startups either co-
founded or invested in, setup of over 20 companies, led over 1.000 workshops,
numerous awards and always new impulses – this is Stefan F. Dieffenbacher.
Led large scale projects & programs with multi-million-\$ impact for: BMW, BNP
Paribas, Deutsche Telekom, Epson, Etihad Etisalat, Hubert Burda Media, IBM,
Jaguar, Linde, Mobily, o2, Pfizer, Sapient, Sky, VNG, Vodafone, and others.

Office +41 (0) 44 562 42 24

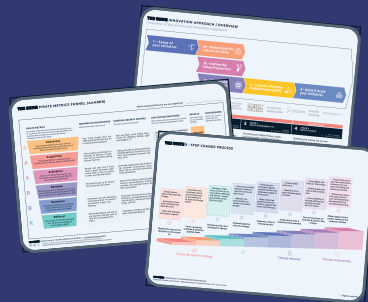
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METHODOLOGY GLOBALLY.**

THE UNITE MODELS are the by far largest library of innovation and digital transformation models available on the market globally. They cover all important domains end2end and uniquely – they are deeply integrated. Please be invited to leverage them in your organization. **Let's UNITE and create a world worth living in !**



**THE BOOK ABOUT HOW
TO CREATE INNOVATION**

HOW TO CREATE INNOVATION is a practical, comprehensive, OpenSource guide for successful innovation and digital transformation. The UNITE initiative and movement, supported by a global team of industry leaders and innovation researchers, aims to spark a revolution in global innovation and transformation.

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The Only Book On Innovation You'll Ever Need

Thought-leaders contributed

60+

Pages of content

450+

Ready-to-use tools & models

50+

HOW TO CREATE INNOVATION provides the methodology, models, setup and cultural prerequisites to successfully create innovation. Leveraging the UNITE frameworks for innovation and digital transformation, organizations can create innovation in a target-oriented way, leverage their strengths, create Blue Oceans and overcome luck.

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- > Digital edition: get the Open Source ePub and PDF files!

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Discover our Innovation Practice

Innovation is the only effective survival strategy



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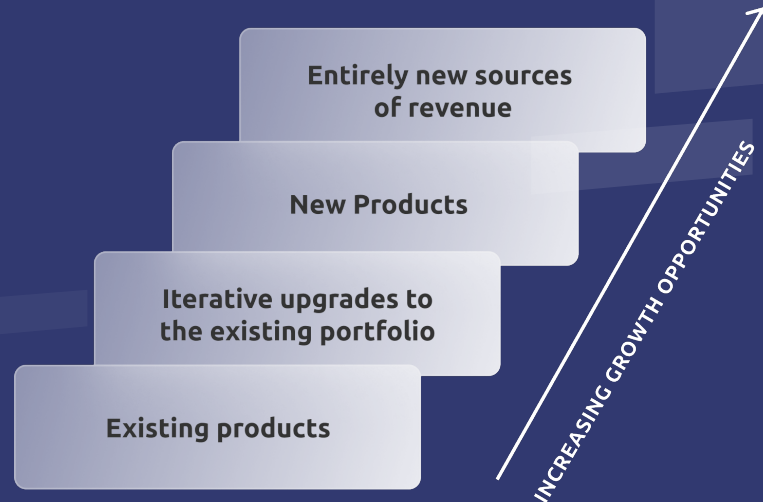
Digital Leadership has successfully helped corporate start-ups find their footing and Top-Five players in all sectors around the world identify and create new opportunities.

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Take control of your game!
Schedule your free business
assessment call with our team!



Discover our Digital Transformation Practice

Digital transformation is an art few manage well



Digital transformation is often much more complex than we think. You often touch one element to find out that it has systemic impacts on all other areas.

In addition, we find strategies to be stuck too often in silos. Rather than focusing on one bit, we bridge the silos, develop a vision everybody will buy into, and create a unifying strategy and roadmap for getting there, including realigning the value-, service-, experience- and operating model.



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We build digital winners.

➤ Digital
Leadership

It's what we are made for. Let's create winning digital businesses – together. And, at the same time, let's create a world worth living in.

Digital Leadership is a strategy-execution firm built on strong and innovative values. We support our customers in strategizing, building and securing their future through the creation of fully digitally enabled, and extraordinarily successful, products and businesses. Our agile, lean, fast-track business setup, coupled with access to an extensive pool of highly specialized and trusted resources, allows for ideating and building in an effective and meaningful way. Shared goals are the cornerstone of our customer approach. To date, our team has successfully led 74 projects with numerous global players across all industry sectors, ranging from \$50,000 projects to \$100 million programs. But helping our customers' build their futures is not enough. We are committed to changing the world through the sharing of powerful innovation and transformation practices. Join the UNITE movement and help us start an innovation revolution.



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Thank you!
Let's UNITE and create a world worth living in!

Do you want to share your knowledge as well?

Share my knowledge with the world!