

GE Imagination Breakthroughs

by **Shahira Raineri, Imagination Breakthrough Leader**
General Electric



As the Corporate Imagination Breakthrough Leader, Shahira leads a variety of strategic marketing projects and works closely with the GE Global Research Center and the businesses to enable the commercialization of breakthrough innovations. Prior to GE, Shahira held a variety of Marketing leadership roles at Siemens, in both the Medical Solutions and Information and Communications Network divisions. At Lucent Technologies and AT&T Bell Labs, Shahira led global teams in the areas of Product Management, Systems Engineering and Market Development. Shahira received a B.S. and an M.S.E.E. from Rutgers University. Shahira can be reached at Shahira.Raineri@ge.com

In September 2003, GE CEO Jeffrey Immelt introduced a new process for innovation: Imagination Breakthroughs (IBs) -- projects designed to drive organic growth, develop new business models and discover untapped growth potential. To qualify as an IB, each innovation must have the potential to transform markets and achieve more than \$100 million in incremental revenue. Since the inception of the program, IB revenues have grown 25 percent year-over-year. Each year, GE adds new projects with an anticipated incremental \$2 to \$3 billion in revenue. The IB portfolio is dynamic – not only is it one of the ways in which GE achieves growth, but it is also in line with the company’s strategic intent, which ensures that these breakthroughs are enabling our reach into new markets and important adjacencies. The current IB portfolio contains more than 45 IB projects in development around the globe.

Imagination Breakthroughs fall into two categories:

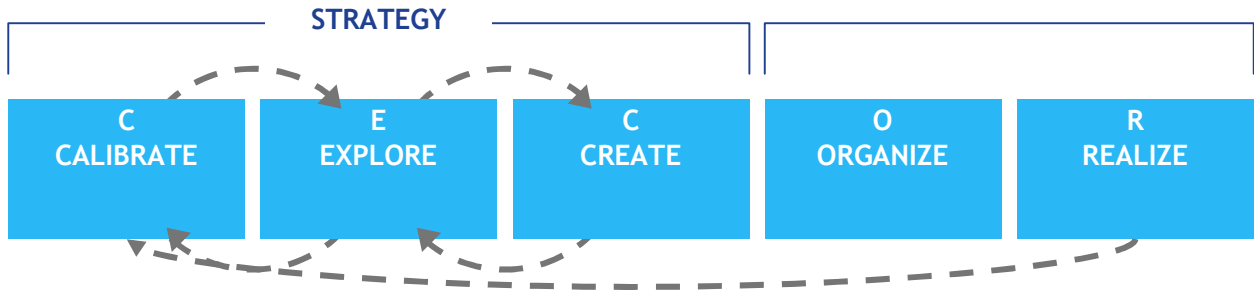
1. Commercial with a unique way to leverage existing offerings in one business or across businesses, creating a customer solution that targets new markets
2. The development of advanced technologies that address global challenges

The IB Challenge

On an annual basis, the CEO (along with the head of R&D and the CMO) challenges the business units to dream up new ideas beyond traditional new product introductions and incremental innovation. The ideas are then evaluated as part of the company’s “Growth Playbook” or annual business planning sessions, and formalized as IBs, or are returned to the businesses. The CEO’s office then evaluates the approved IB’s on an ongoing basis until they are retired or go to market.

From Idea to Breakthrough

GE needed a powerful mechanism to transform potentially market-changing ideas into a portfolio of products to meet the needs of an ever-expanding global market. We developed a disciplined process that guides all GE business through shared marketing practices. CECOR (C~~a~~librate – E~~x~~plore – C~~r~~eat – O~~r~~ganize – R~~e~~alize) is a 5-stage series of analyses designed to push an Imagination Breakthrough to achieve its greatest potential.



1. The role of GE executives at the business group and corporate levels throughout the IB CECOR process

GE Corporate executives Jeff Immelt, Chairman and CEO, Dan Henson, Chief Marketing Officer for GE, Mark Little, Senior Vice President and Leader of GE’s Global Research, and Shahira Raineri, Director of Imagination Breakthroughs, conduct individual coaching sessions with IB teams every month. IB leadership from the businesses include CEOs, CMOs, Product managers, finance leaders and other professionals who manage their portfolio of IB projects and pipeline through all stages of the CECOR process.

The engagement of senior GE executives ensures that GE’s most strategic and high potential projects are protected through the short-term financial demands of quarterly reporting.

2. The supporting structure and assistance that the IB staff provides to individual IB projects

We bring breadth and depth of GE resources to individual IB projects including leadership in ideation and dreaming sessions, megatrend and microtrend sharing, financial analysis, incubation leadership and support.

3. How GE has honed the IB process over the past several years

In order to be worthy of the full commitment of people and resources so critical to success in the IB process, we must have a pipeline of potential IBs that really stretch our capabilities to match the needs that we see developing across the globe.

We’ve also learned that we can get the trend and needs right but must frequently assess changes in the customer and competitor landscape to bring the best ideas to market. Many of our IBs go through several iterations and re-scoping before we bring them to market.

4. Some specific examples

I’d like to highlight three examples that have been in the market for different lengths of time. The GE Money Dual Credit Card, for starters, is one of our original IBs and it’s been quite successful. Dual Credit Cards combine the unrivaled rewards that private label credit cards offer, like those created by individual stores with universal acceptance, like bank cards. This IB generated \$1 billion in assets and is continuing to grow through partnerships with retailers such as Brooks Brothers and Wal-Mart.

Another IB that’s been incredibly successful in the market is the GE Rail Evolution Locomotive. The Evolution Locomotive was created in response to strict emission requirements released by the Environmental Protection Agency in 2005. We saw these new restrictions as an opportunity to engineer a new locomotive that not only meets the aggressive Tier 2 emission standards for NOx and particulate matter emissions, but does so without needing extra fuel – saving our customers money. When it was

released in 2005, the Evolution sold out its entire 2005 and most of its 2006 production. Today it is still the most fuel efficient, environmentally friendly, heavy haul diesel electric freight locomotive in the world.

We also have several IBs that are still in development, one of my favorites being the Very Light Jet. GE is traditionally known for making powerful jet engines that allow passengers to circle the globe. However, we saw a need for small, less expensive jet engines for business and personal use and we wanted to fill that gap. GE is partnering with Honda through a joint venture to create these engines. Pairing our strength in jet engine building with Honda's excellence in small, efficient engines, we are creating the Very Light Jet. The first product of our partnership, the HF120, is in the testing phases in anticipation of a 2009 certification.

References

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Harvard Business School case study 9-907-048, June 25, 2007