

# SEIZING THE WHITE SPACE

BUSINESS MODEL INNOVATION *for* GROWTH AND RENEWAL ■■ MARK W. JOHNSON

## ■■ COMPANIES FOUNDED IN THE LAST QUARTER CENTURY THAT HAVE ENTERED THE FORTUNE 500 IN THE LAST DECADE

BUSINESS MODEL INNOVATOR	DESCRIPTION	NON-BUSINESS MODEL INNOVATOR	DESCRIPTION
AMAZON.COM	Operates retail Websites. Receives early payment for merchandise transactions. Makes low margins on high turnover of stock.	AGCO	Manufactures and distributes agricultural equipment and related replacement parts.
AUTONATION	Automotive retailer offers no-haggle pricing and transparent financing on all vehicles.	ALLIED WASTE INDUSTRIES	Waste management company that provides various services to customers. Serves high share of market.
BJ'S WHOLESALE CLUB	Warehouse club operator offers customers access to merchandise in bulk through membership fees.	ASBURY AUTOMOTIVE GROUP	Automotive dealer offers wide variety of products and services, following industry norms.
BLOCKBUSTER	Originated the movie rental market. Sells and rents games and movies.	BORGWARNER	Global supplier of components for power train applications and engineered automotive systems.
CARMAX	Sells used cars through no-haggle pricing. Makes the buying and selling of cars two separate activities.	CHARTER COMMUNICATIONS	Broadband communications company that offers traditional cable, Internet, and telephone services.
COMMUNITY HEALTH SYSTEMS	Hospital operator provides health care services primarily in underserved, non-urban markets.	CHESAPEAKE ENERGY	Producer and owner of oil and natural gas wells.
DAVITA	Provides dialysis services for patients suffering from chronic kidney failure. Specialists operate in outpatient dialysis centers.	ENERGY TRANSFER EQUITY	Owns and operates transportation and storage businesses, numerous natural gas transportation pipelines, storage facilities, and treatment facilities.
EBAY	Online marketplace with attendant payment services and forum for peer-to-peer online auctions.	GROUP 1 AUTOMOTIVE	Markets and sells a range of automotive products and services.
EXPRESS SCRIPTS	Pharmacy benefit management company that specializes in processing and payment of prescription drug claims.	NRG ENERGY	Owns, develops, constructs, and operates power generation facilities.
GAMESTOP	Retailer of video game products and software. Solicits used equipment to resell, then gives sellers store credit.	SONIC AUTOMOTIVE	Automotive retailer that operates large number of sales and maintenance dealerships.
GOOGLE	Maintains massive index of online content. Generates revenue through online advertising.	UNITED AUTO GROUP	Auto services company that engages in facilities management, maintenance, engineering, and construction.
QUALCOMM	Designs and markets digital wireless telecommunication products and services.	XTO ENERGY	Explores and develops oil and gas properties. Also produces, markets, and transports oil and natural gas.
STARBUCKS	Owns and operates large chain of hip coffee stores. Category killer that upended mom-and-pop coffee shops.		
YAHOO	Major online navigational guide for the Web. Generates revenue by providing advertisers with marketing services.		