



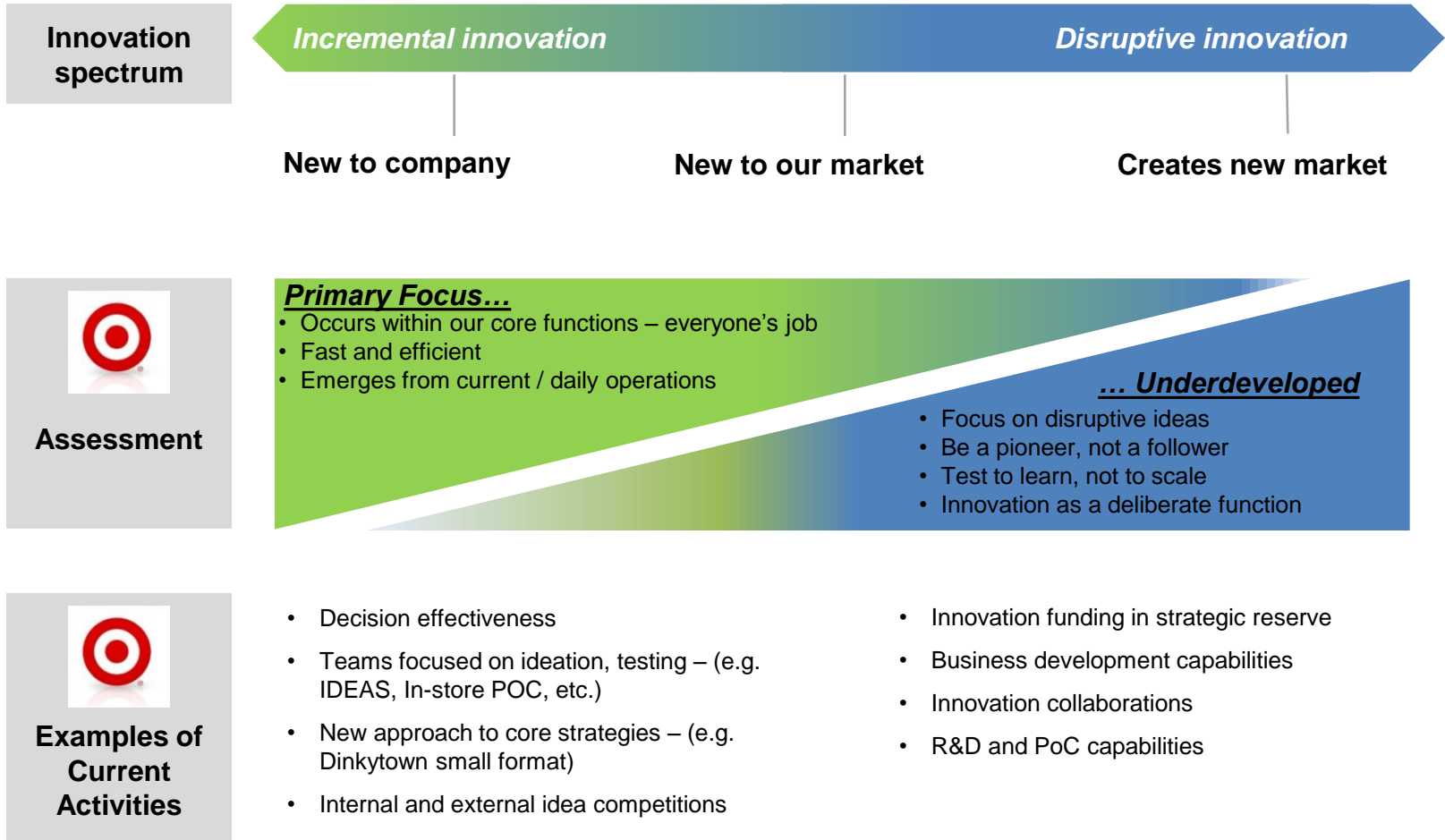
Enterprise Strategy

Enterprise Growth Initiatives

2014



Target needs a full portfolio of innovation to sustain core and drive future growth



Opportunity exists to dramatically mature disruptive innovation capabilities to address guest and financial needs



Enterprise Growth Initiatives

GOAL

Exponentially increase Target's disruptive innovation output and impact through focused agenda and new ways of working

MISSION

To identify, evaluate and develop pipeline of \$1B+ growth ideas through disruptive approaches creating new business models and revenue streams

WHAT

"Innovation Platforms" – discrete, strategically viable areas of exploration with high probability to yield outsized guest and financial benefits over time

HOW

Eco-system of innovation capabilities working in concert to disruptively address innovation opportunities



Guiding Principles: Creating value from disruptive innovation will require a different operating model

Learn Fast, Learn Smart, Learn Lean

Mitigate inherent risk by learning quickly and leanly to make investments smarter. Progress over perfection.

Strategically Driven

Rooted in enterprise strategy, but working in a direction separate from the core on behalf of the core.

Purposely Separate

Protected, largely independent, fully-stacked teams enable speed of work and bold solutions by removing enterprise barriers.

Enterprise-Wide Impact

Cut across existing and new channels, businesses, pyramids to deliver value to the Guest and the enterprise by leveraging core assets, capabilities and strengths in new ways. Invent the new, influence the existing.

Unique Skillsets, Working Differently

Entrepreneurial, creative, possibilities-focused, flexible “T-shaped” individuals organized and empowered to operate differently than core work and core teams.

Create the Future, Think Big

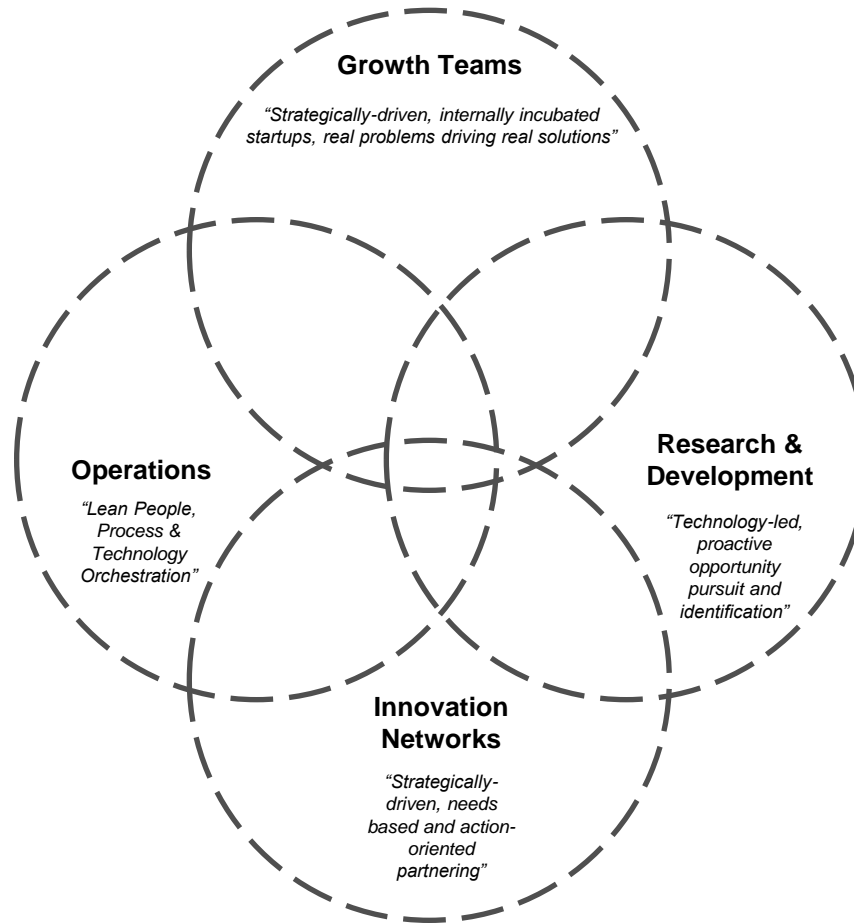
Explicitly working to ensure Target’s sustained and increased relevancy in current and future marketplaces.



Organization: Eco-system of functional capabilities translates opportunity to action

Growth Team Accountabilities:

- Define problems, determine approaches
- Understand deep guest needs
- Assemble and orchestrate resources to build solutions



Operations Accountabilities:

- Top-level innovation strategy, platform priorities, measurement of results
- Run eco-system processes to speed action and impact – communications, funding, governance, tools

R&D Accountabilities:

- Initiate, develop and maintain long-term relationships with universities, government, and technology company labs
- Track emerging technologies – new to world, new to retail
- Bring retail expertise to technologies and ideas not yet applied to the retail market

Network Accountabilities:

- Initiate, develop, and codify strategic partnerships include open innovation efforts, joint ventures, acquisitions
- Consult on build, buy, partner decision
- Drive process for vetting and acting on potential opportunities
- Drive external and internal communication strategy, disclosure standards



Talent Profile

“T-Shaped” individuals – with deep expertise in given subject matter area with a wider knowledge base in tangential fields – willing to flex to new roles and drive their own learning as needed to move work forward and realize the true potential of Target

Team-Wide	Role-Specific
1. Naturally inquisitive	Growth Team Leader <ul style="list-style-type: none">• Entrepreneurial, strategic innovation• Team building• Platform-specific experience, skillset
2. Unafraid of failure	Product Development & Lifecycle (Design to Shelf) <ul style="list-style-type: none">• Physical product and service development• Product sourcing expertise• Experience, know how and contacts to take product from design to shelf
3. Creative problem-solver	Operations (Store & Digital) <ul style="list-style-type: none">• Merchandise planning• Supply chain• Store operations• Go-to-market expertise
4. Inherent connector of people and ideas	Engineer / Developer (Front & backend) <ul style="list-style-type: none">• Services and enterprise ecosystem• Front-end user interface development• Expertise in multiple languages and development methodologies
5. Comfort with ambiguity	Experience Designer (Physical & Digital) <ul style="list-style-type: none">• Physical and digital design• Store, product design experience• User interface expertise, information architecture
6. Status quo questioner	Consumer Insights (Guest Needs Analysis) <ul style="list-style-type: none">• Expertise in multiple forms of primary research including ethnography, human factors, design thinking, etc.• Ability to execute primary research through multiple projects simultaneously