SparkPartners

Igniting Breakthrough Strategies

Overcoming Barriers to Innovation

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2009 **B**usiness **I**nnovation **Conference**

"How do you participate in market disruptions which threaten your current leadership status? In this book, Adam Hartung shows the kind of thinking needed to deal with the creative destruction that underlies global capitalism today."

—Geoffrey Moore, Author, *Dealing with Darwin: How Great Companies Innovate in Every Phase of Their Evolution* and Managing Director, TCG Advisors

CREATE MARKETPLACE DISRUPTION

HOW TO STAY AHEAD OF THE COMPETITION

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The Phoenix Principle

The Source of Business Success Is Pretty Surprising

It's not about "core"

It's not about "focus"

It's not about "leadership"
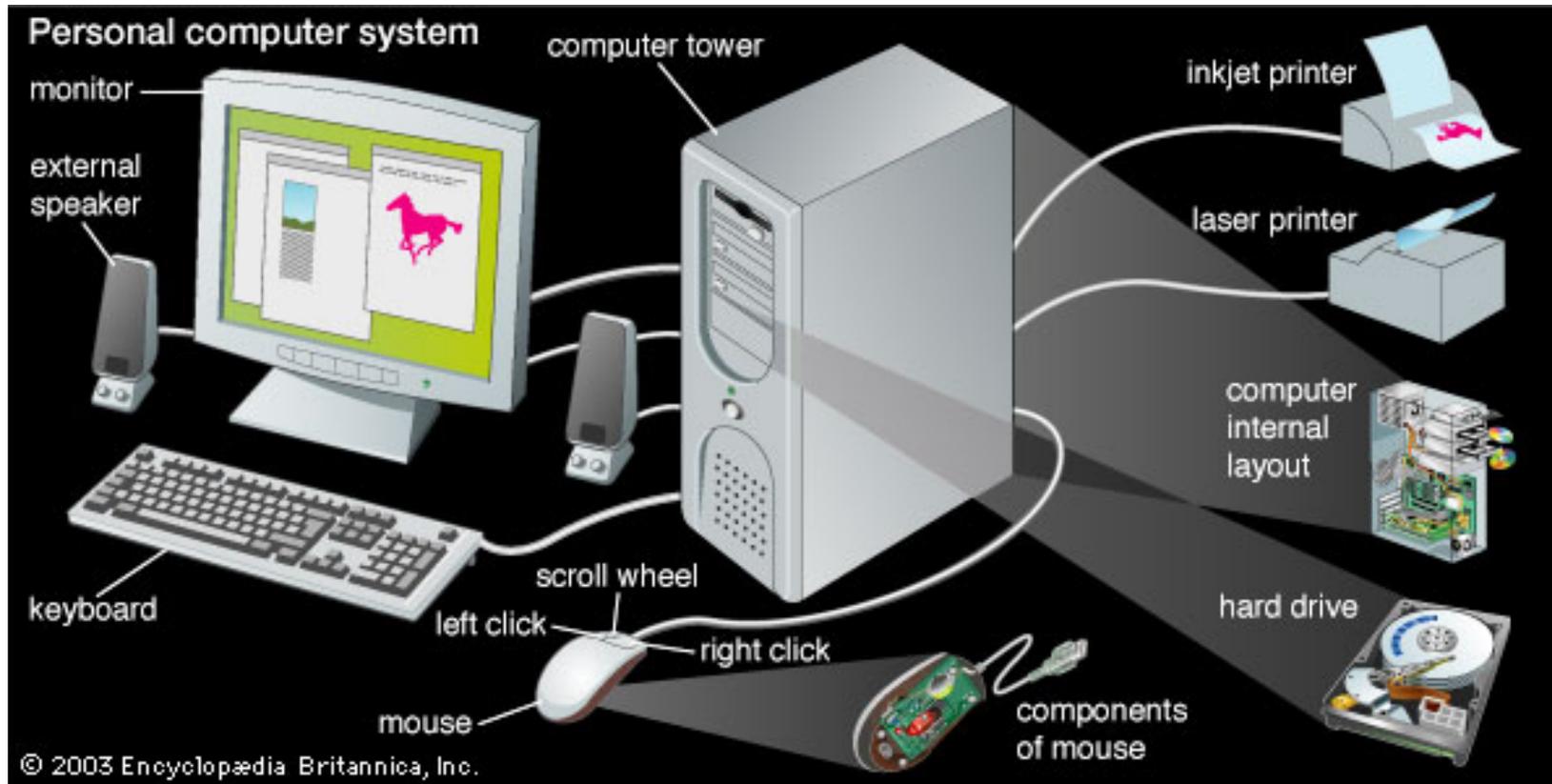
Managing *Lock-in* is the Key
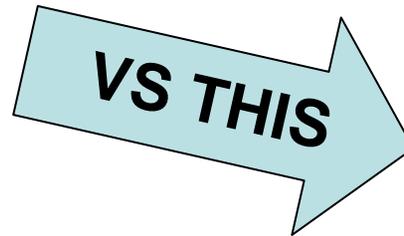
Long ago…..
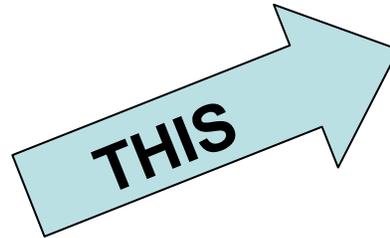
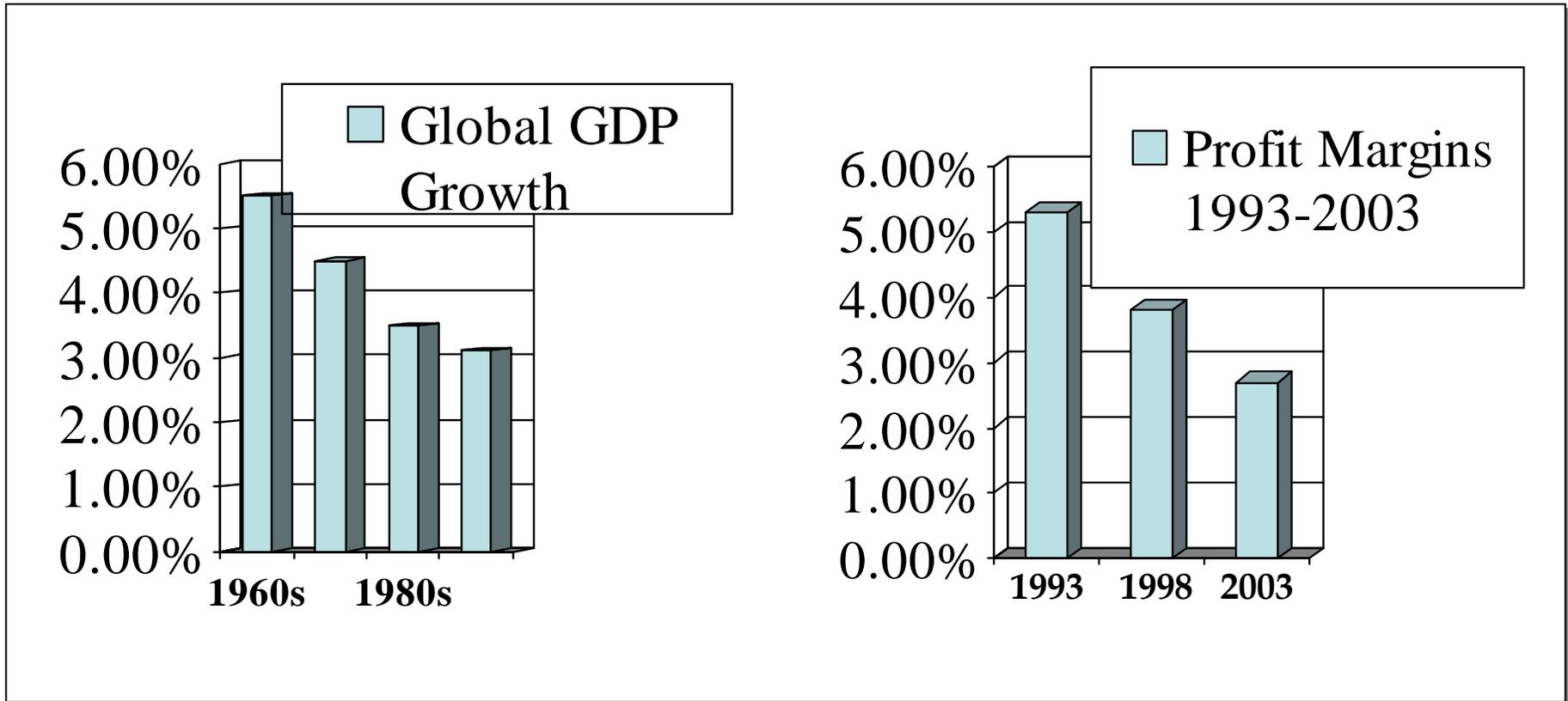# But innovation created change

914

More innovation was developed

Personal computer system

monitor — external speaker — keyboard — scroll wheel — left click — right click — mouse — components of mouse — computer tower — inkjet printer — laser printer — computer internal layout — hard drive

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Yet, the change agent didn't follow the market

THIS

VS THIS

Results Worsening for 40 Years

Global GDP Growth (1960s, 1980s) and Profit Margins 1993-2003
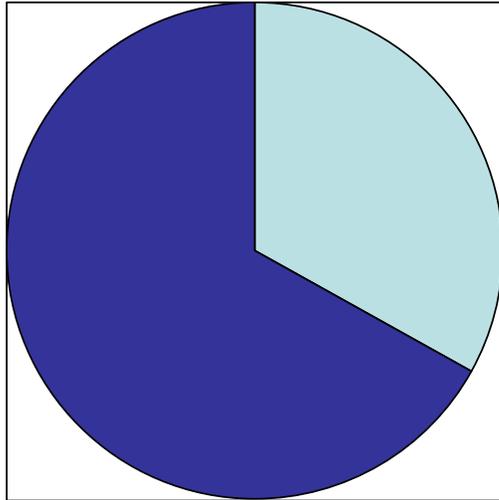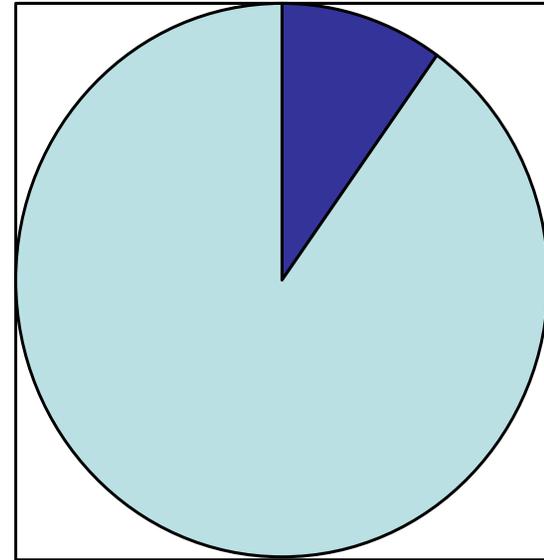
Top Performers Struggling

Top Quartile in 2000

1/3 dropped out
during the 2001 Recession

Drop Out Perf. 2005

Only 10% returned
to the top quartile

Source: Harvard Business Review 3/09

The Phoenix Principle

**Success Comes
From
Somewhat Surprising
Practices**

Step 1: Be Future - oriented

Step 2: Obsess about competitors

Step 3: Disrupt Yourself

Step 4: Create and Maintain White Space

Environment Change = Opportunity

Overcome Your Sensitivity to Initial Conditions

15% of current market leaders gained their position since 2005

Source: Harvard Business Review 3/09

Step 1 –
Move Beyond Defend & Extend

"I skate to where the puck will be" – **Wayne Gretzky**

VS.

Spyglass

open**tv**®
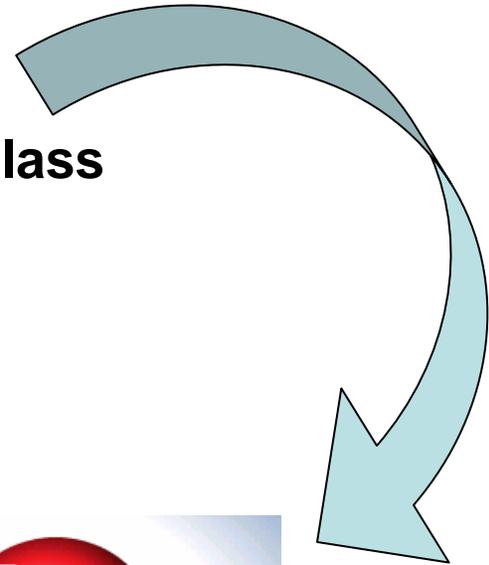
Plan for the Future – Not from the Past

Step 2: Obsess about Competitors to Attack their Lock-in

Industry Lock-in: Customers care about the *quality* of the pizza

Step 2: Obsess about Fringe Competitors to Develop Innovation

Chicago Tribune

VS.

Google™

Step 3: Utilize Disruptions to Drive Changes in Thinking

Step 4: White Space Creates Value

The Phoenix Principle

Overcoming Lock-in to the past is the key to successful innovation

- *Plan for the Future, not From the Past*

- *Focus on Competitors*

- *Be Disruptive*

- *Use White Space to Innovate and Succeed*

Contact Information

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