



*Igniting Breakthrough Strategies*

# *Create Marketplace Disruption*

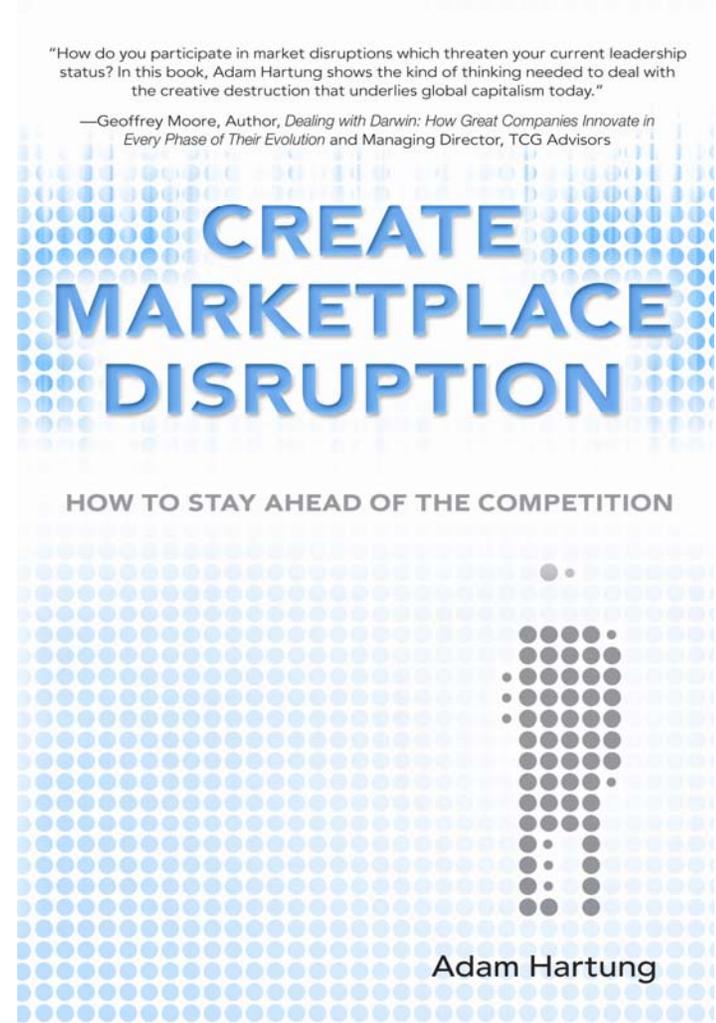
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**CONSUMER GOODS**

**Growth & INNOVATION  
FORUM 2009**

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**THE COMPETITIVE EDGE:**  
Driving Growth and Profitability  
Through Innovation



# 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.....





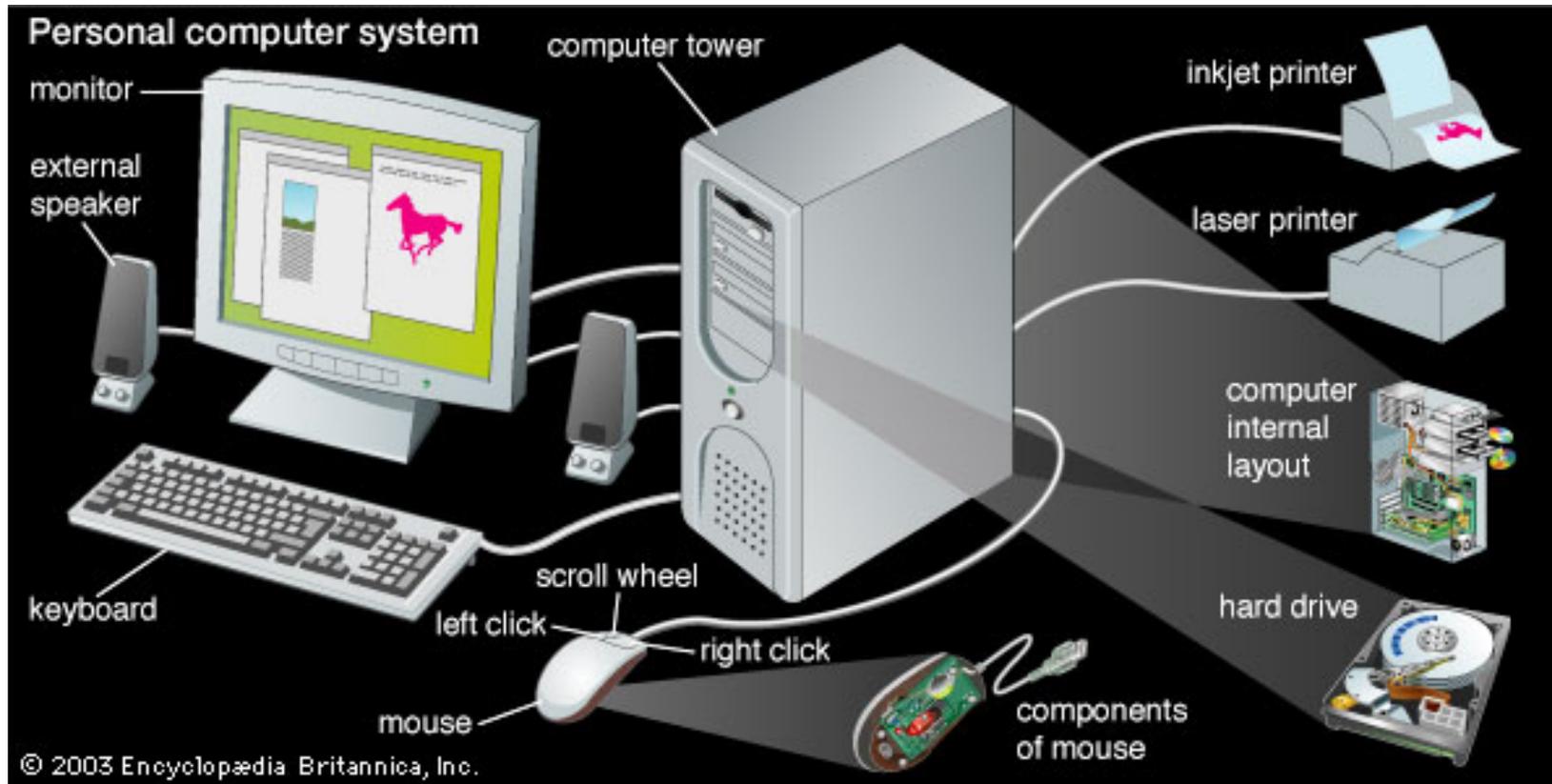
# But innovation created change



914

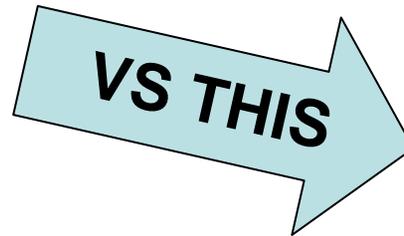
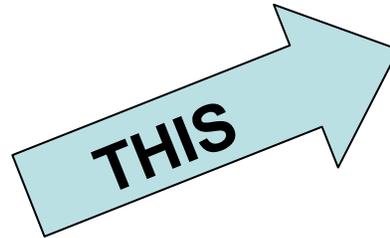


# More innovation was developed

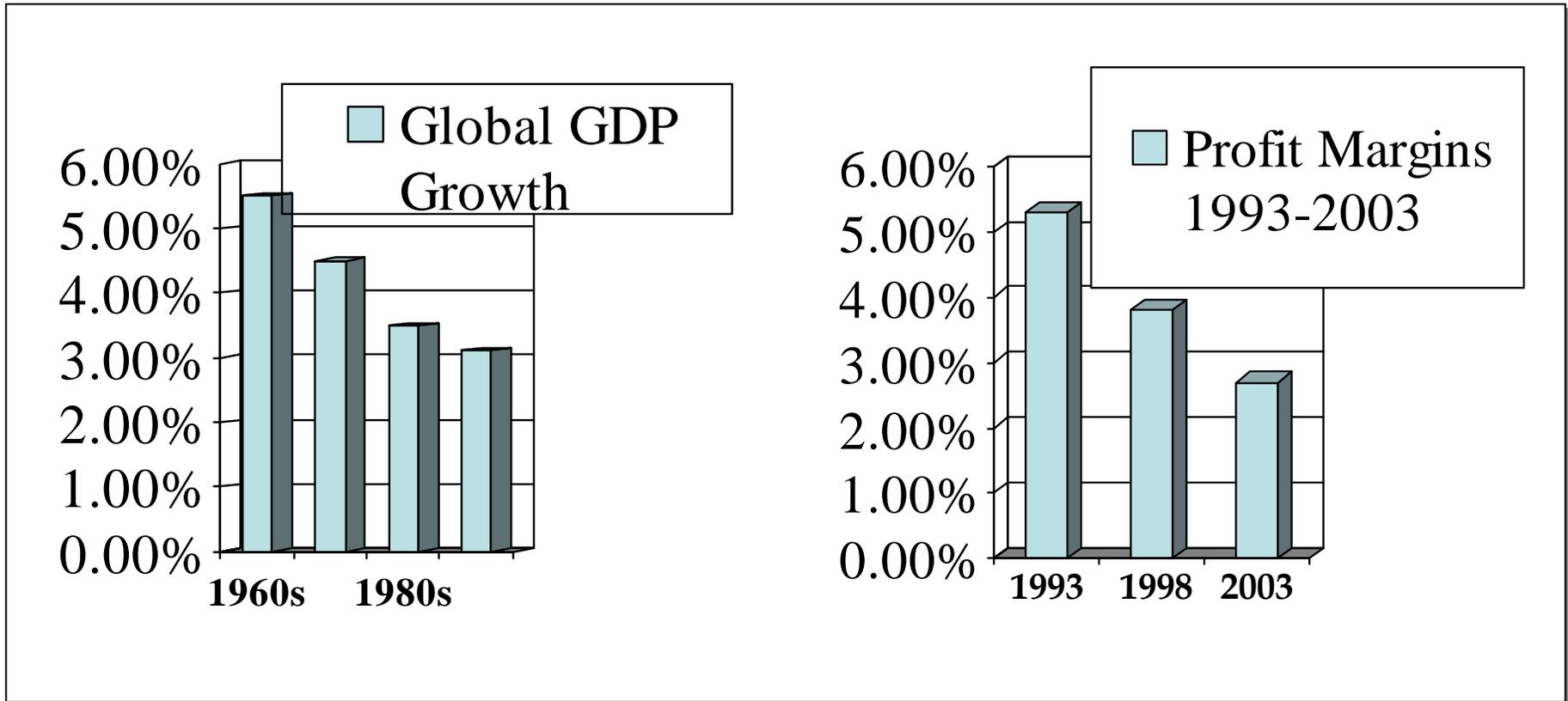




# Yet, the change agent didn't follow the market



# Results Worsening for 40 Years

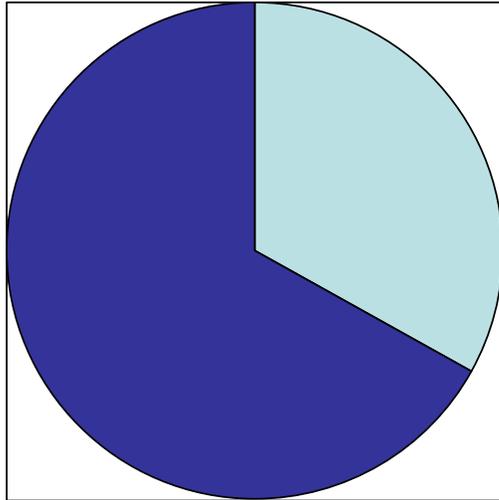


Source: The Conference Board

# Top Performers Struggling

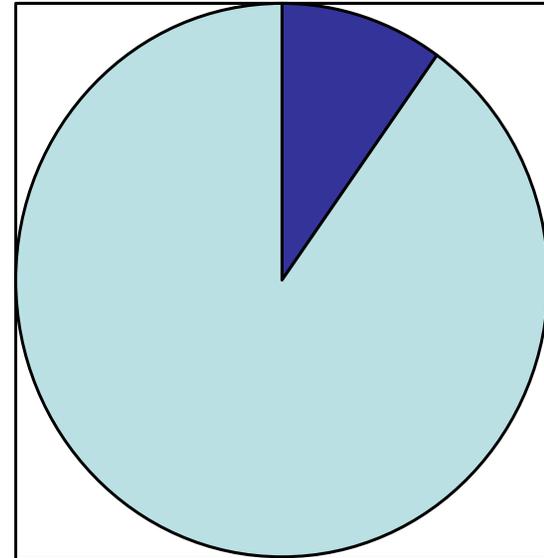


## Top Quartile in 2000



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**



# Step 1 –

## Move Beyond Defend & Extend

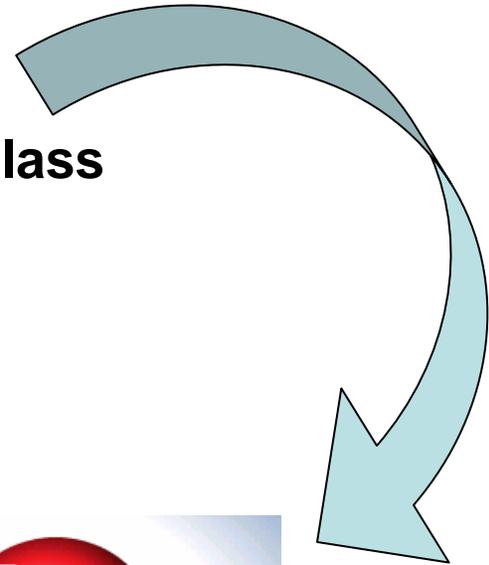
“I skate to where the puck will be” – Wayne Gretzky



**VS.**



**Spyglass**



**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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