

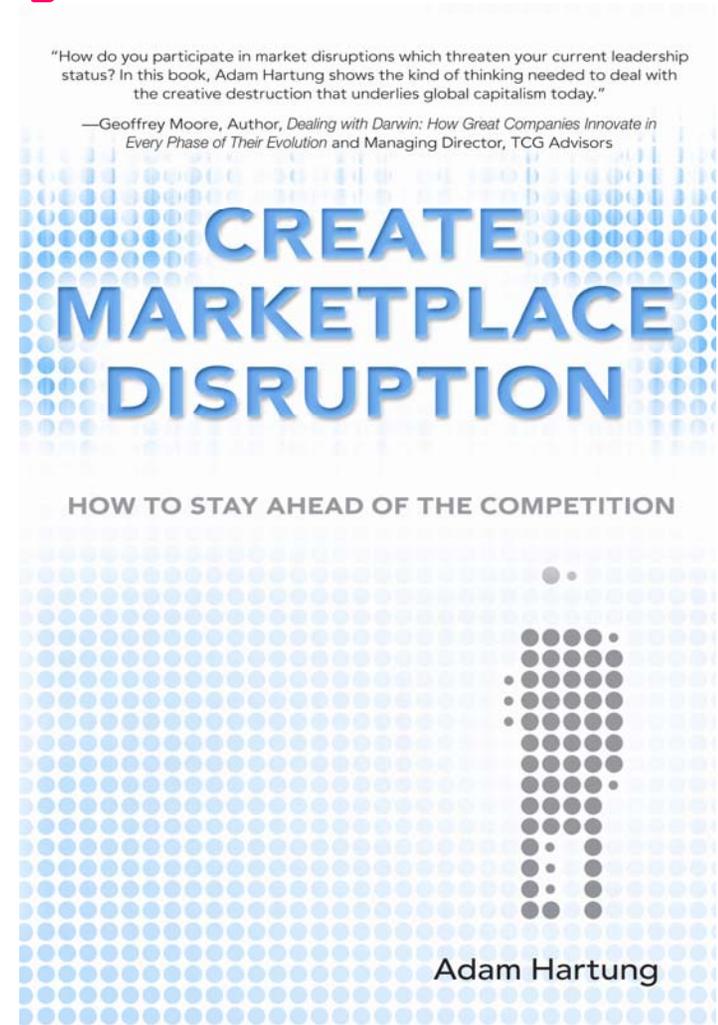


*Igniting Breakthrough Strategies*

# *Create Marketplace Disruption*

**Adam Hartung**  
Managing Partner

**Fluid Sealing Association**  
April 30, 2009



"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

Adam Hartung

# The Phoenix Principle



## **The Source of Success Is Pretty Surprising**

It's not about "core"

It's not about "focus"

It's not about "leadership"

**Overcoming *Lock-in to  
Past Practice* is the Key**



# Long ago.....





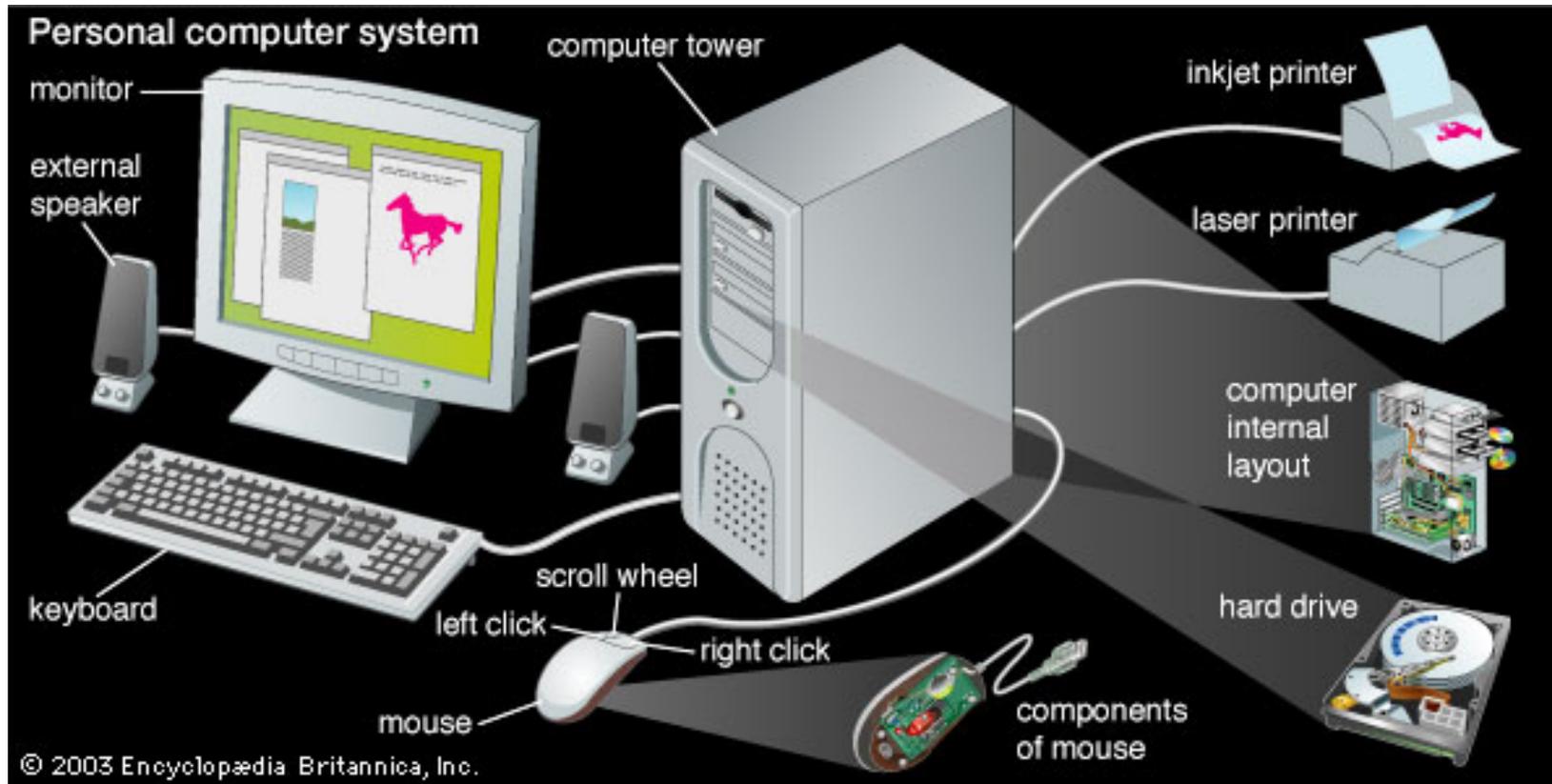
# But innovation created change



914

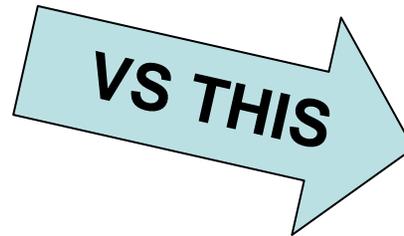
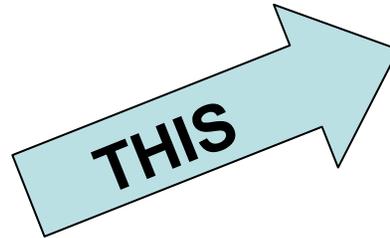


# More innovation was developed

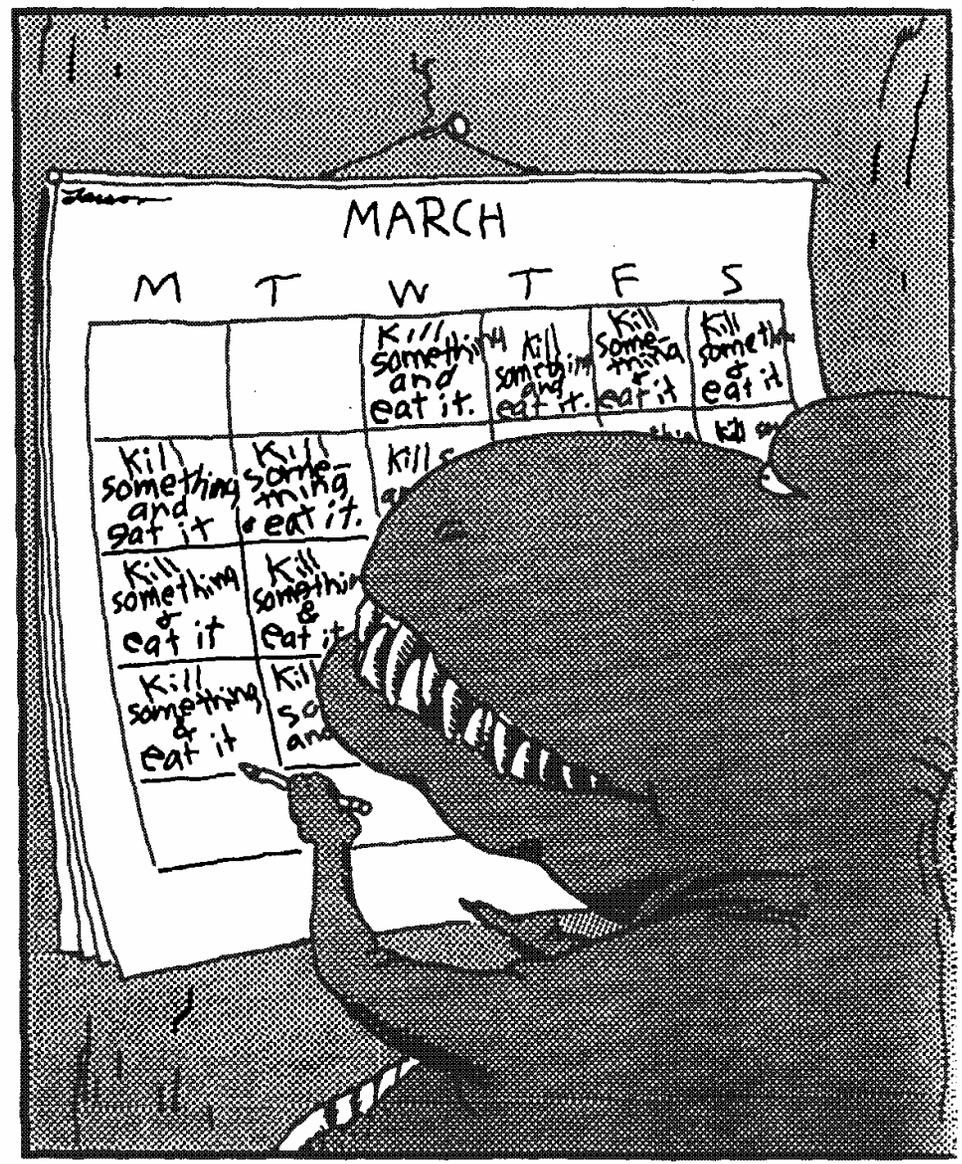




# Yet, the change agent didn't follow the market



# Success Creates Repetition... Which Creates Lock-In

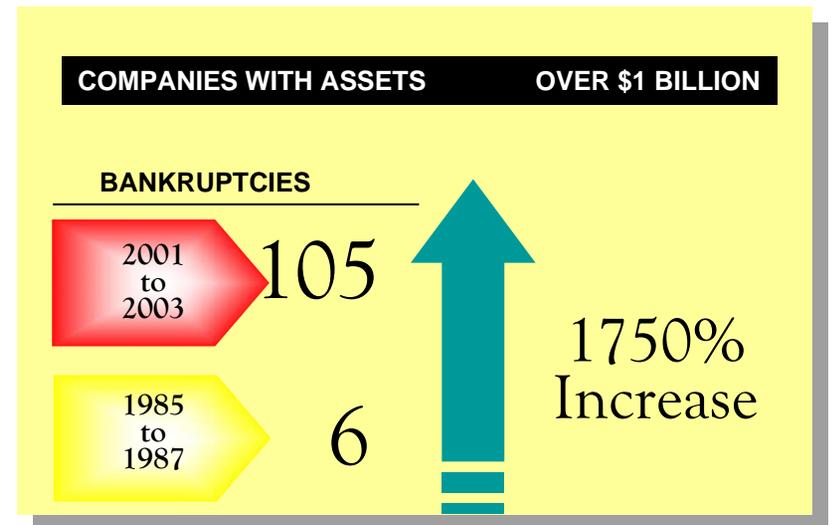
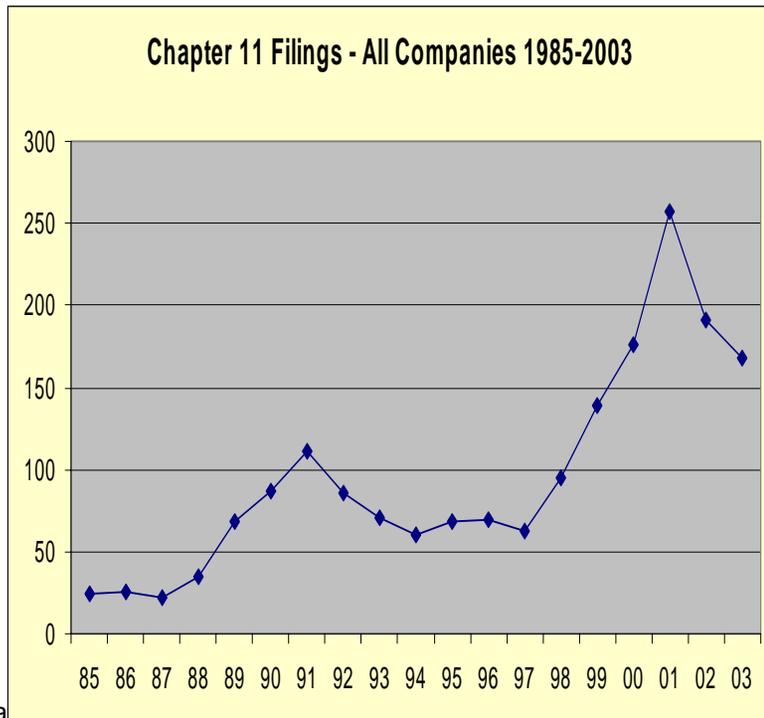
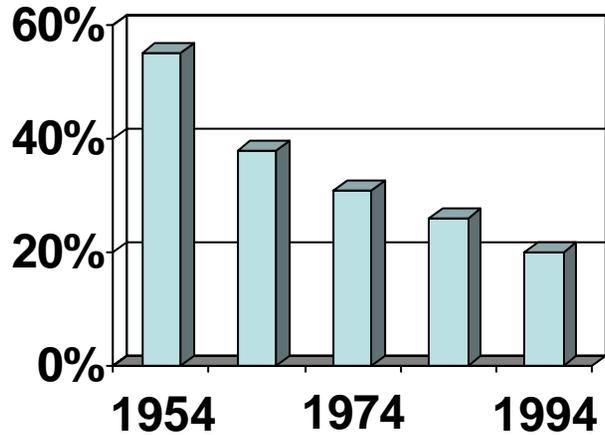


Jurassic calendars



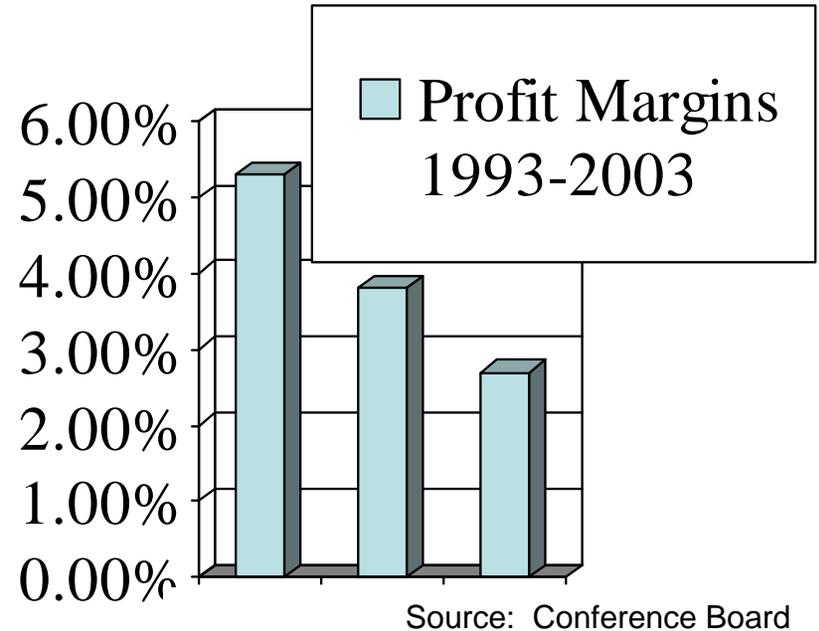
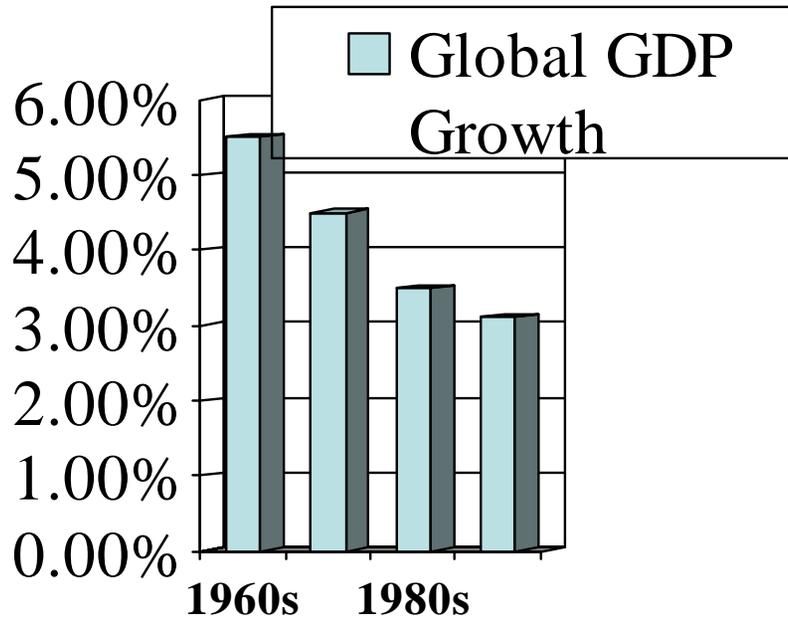
# Why Is It So Hard to Sustain Success?

Percentage Fortune 500 remaining on Fortune 1000 Ten Years





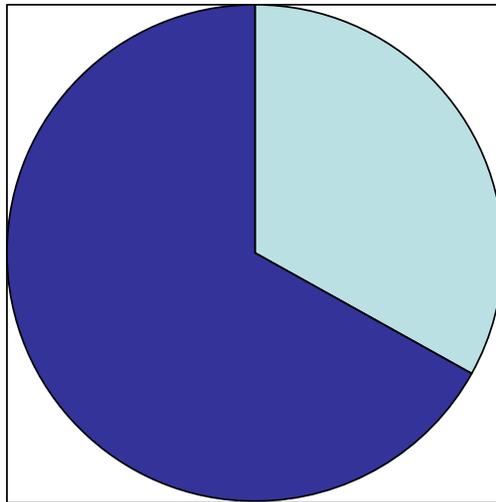
# This has been a long series





# With Worrisome Results

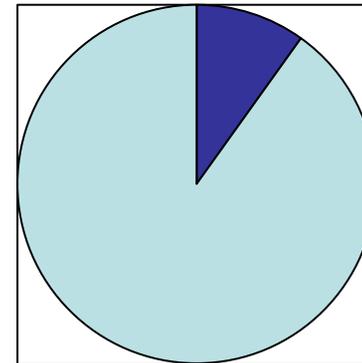
## Top Quartile in 2000



■ Left ■ Remained

1/3 dropped out  
during the 2001 Recession

## Drop Out Performance 2005



■ Returned  
■ Did Not

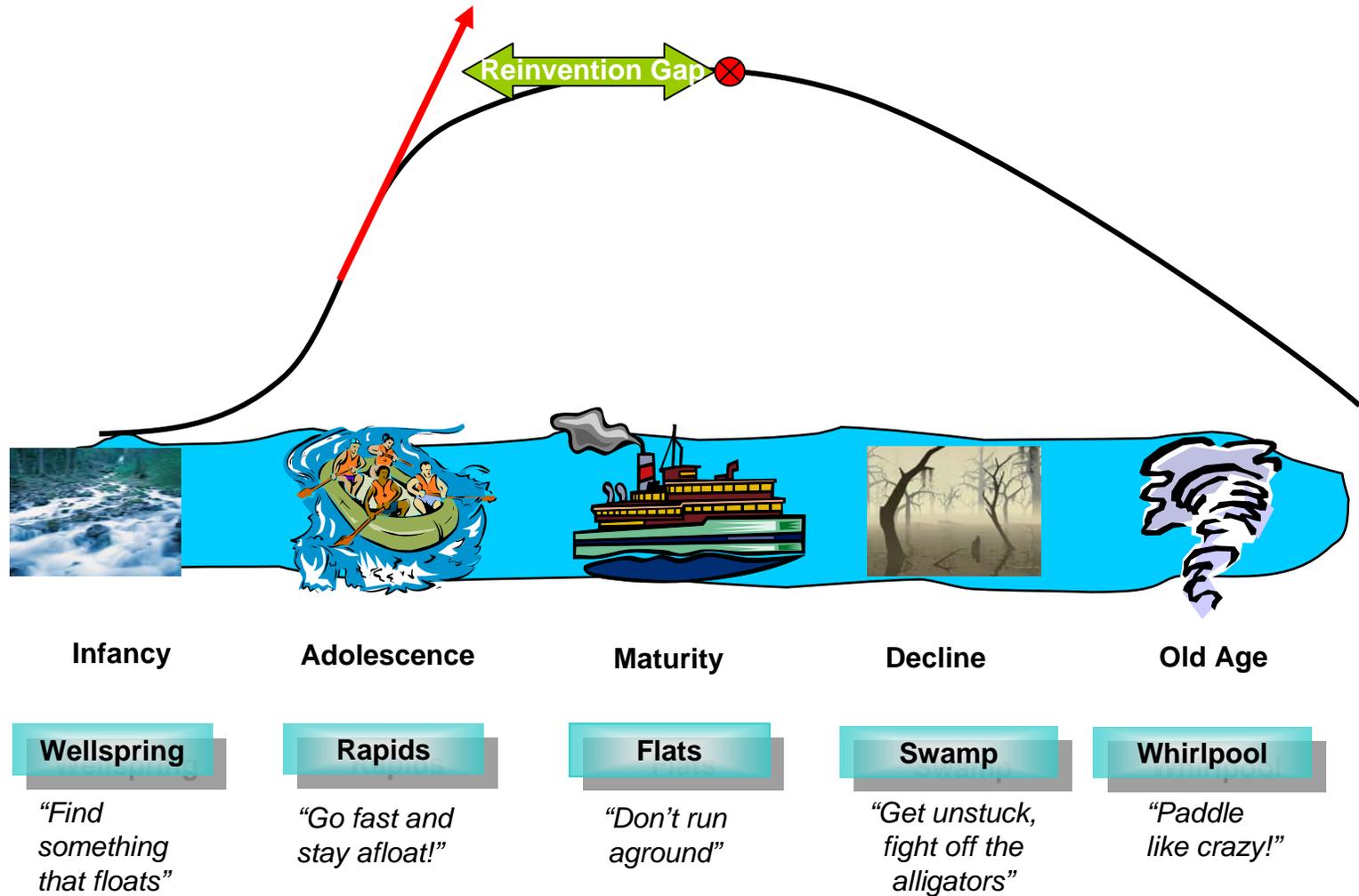
Only 10% returned to the top quartile

# And the business impact surrounds us





# Lifecycle Reality



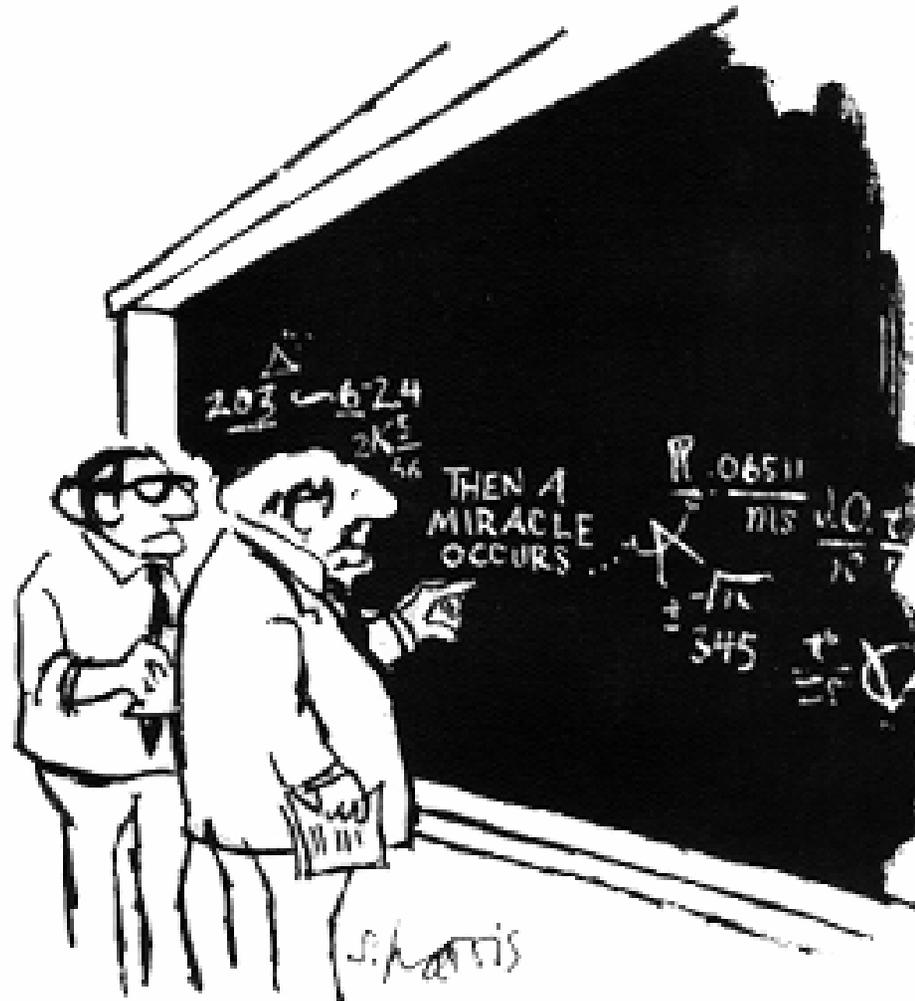
# Environment Change = Opportunity



Overcome Your Sensitivity to Initial Conditions



**15% of current market leaders gained their position since 2005**



"I think you should be more explicit here in step two."



# 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

# Step 1 - Don't Defend & Extend



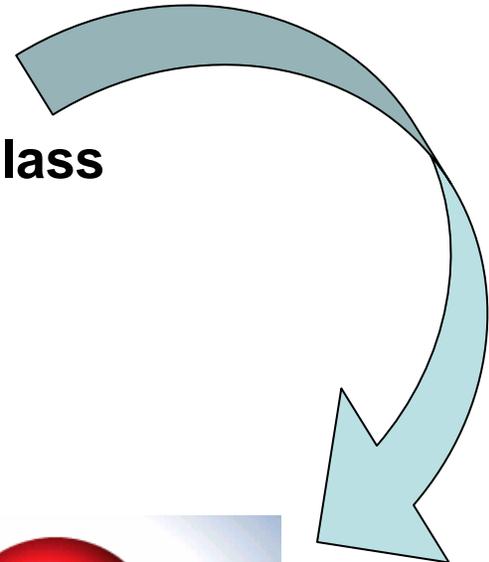
“I skate to where the puck will be” – Wayne Gretzky



**VS.**

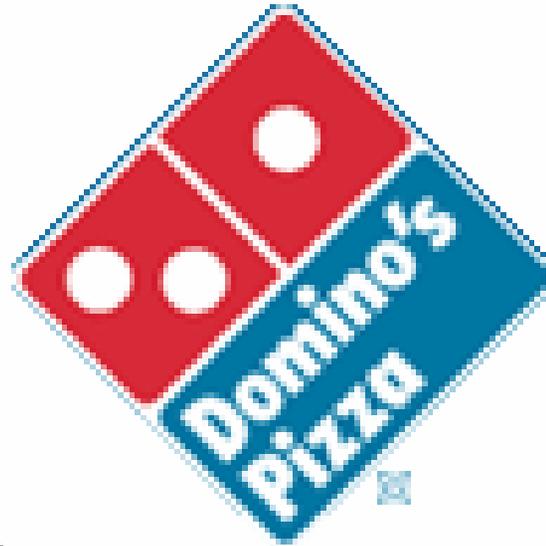


Spyglass



**Plan for the Future – Not from the Past**

# Step 2: Attack Competitors' Lock-in



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

# Step 3: Utilize Disruptions to Drive Needed Change





# Recognize That Successful *New* Products Disrupt Old Behaviors

Chicago Tribune

VS.

Google™





# Step 4: White Space Increases Market Value





# The Phoenix Principle

*Overcoming Lock-in to the past is the key to Success*

- *Plan for the Future, not From the Past*
- *Focus on Competitors*
- *Be Disruptive*
- *Use White Space to Innovate and Succeed*



# Contact Information

For an interactive BLOG on sustaining success:

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