

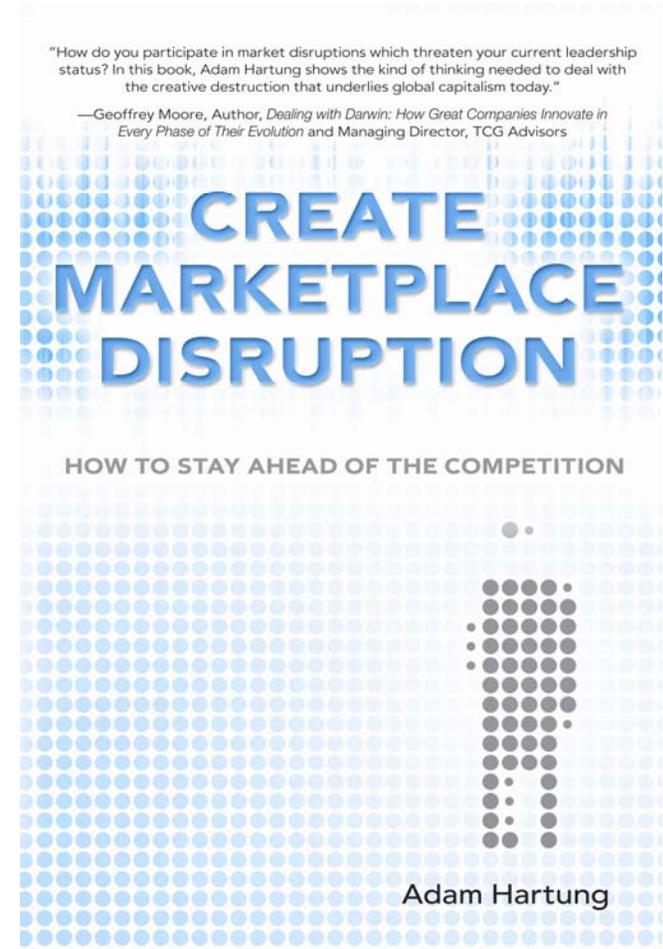


## *Igniting Breakthrough Strategies*

# *Understanding Customer Innovation For Greater Sales Success*

**Adam Hartung**  
Managing Partner

**CHICAGO**  **GSB** January 19, 2009  
**Entrepreneurs Roundtable**



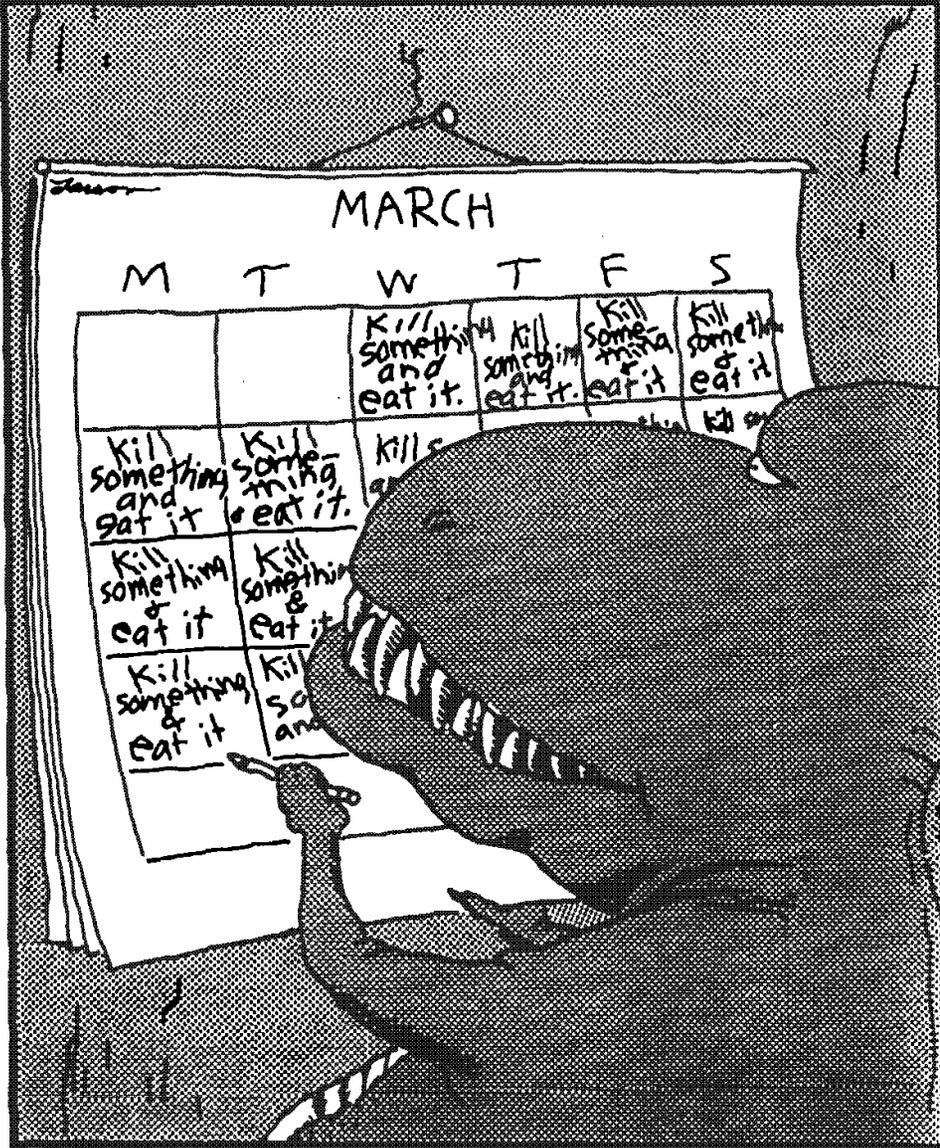
# Imagine You Know the Future



# Why Didn't These Innovations Succeed?

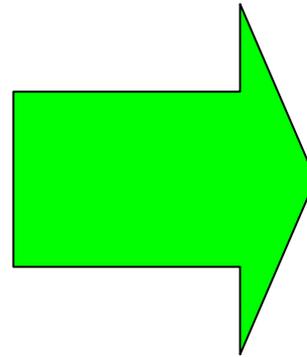


# Success Creates Repetition... Which Creates Lock-In

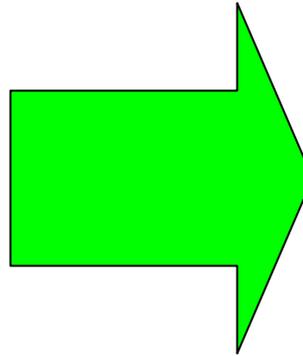


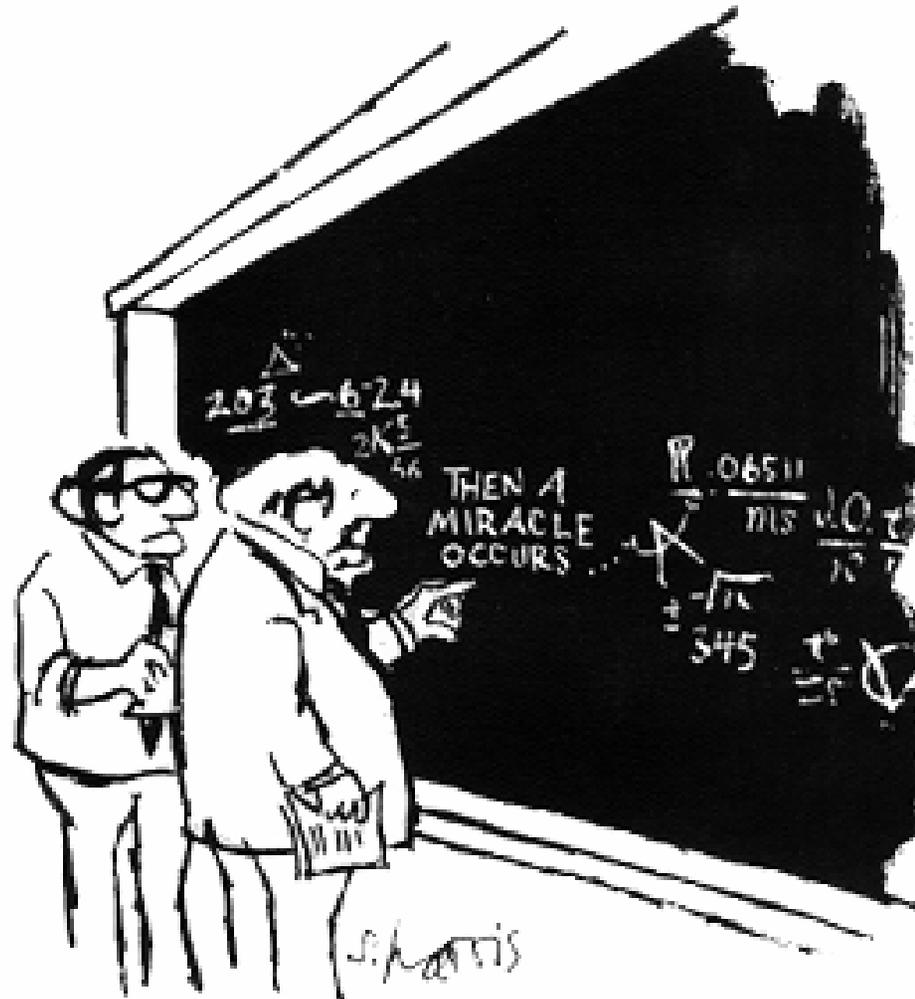
Jurassic calendars

# Why Did This Innovation Succeed So Easily?



# Why Did This Innovation Succeed So Easily?

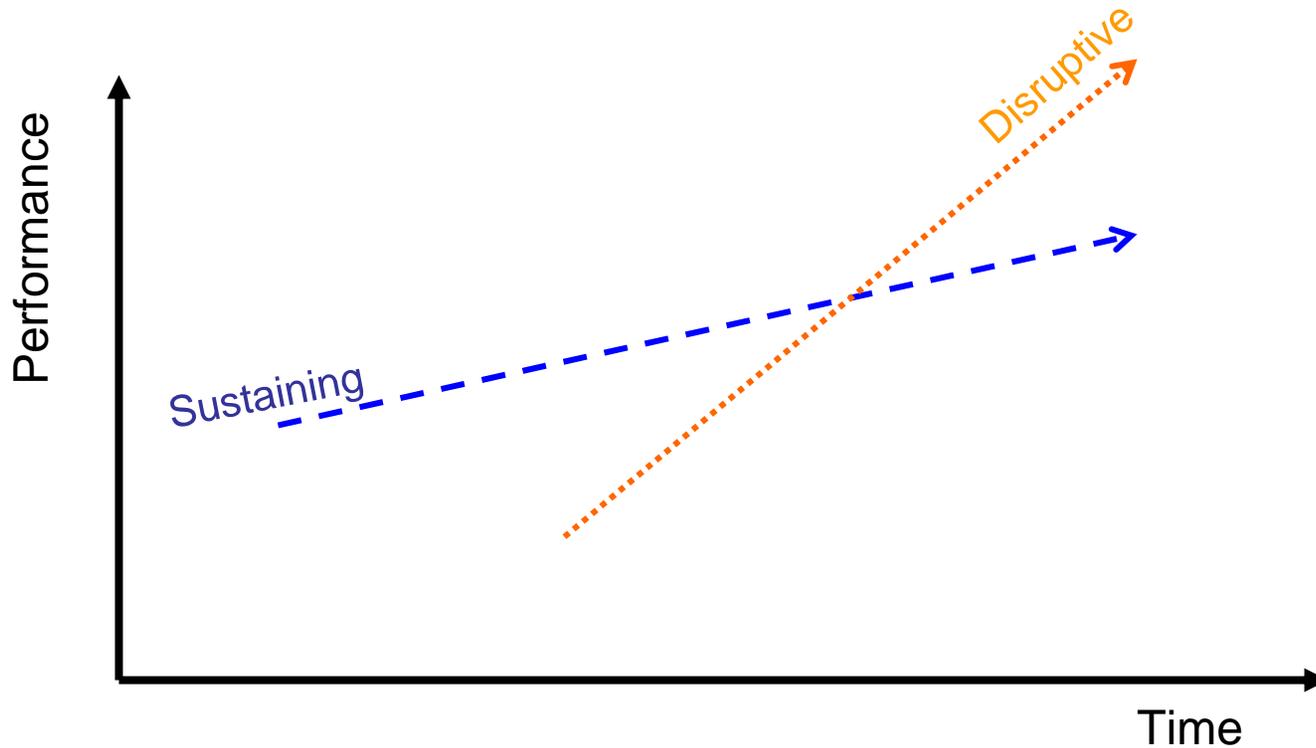




"I think you should be more explicit here in step two."

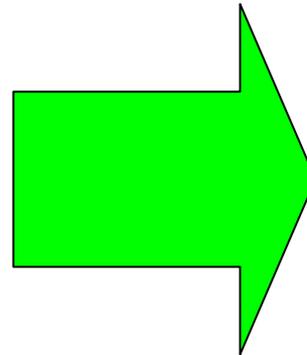


# Sustaining vs. Disruptive Innovation

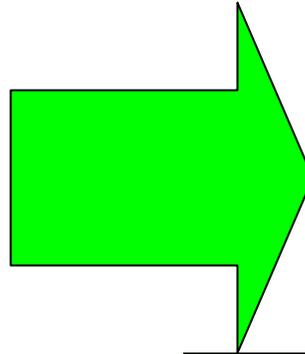


Source: The Innovator's Dilemma  
Clayton Christensen

# “Breakthrough” Innovations Often Require Finding New Customers



# Some Innovations Need to Be Tried





# Phoenix Principle Companies Disrupt Markets and Dramatically Increase Their Value

Step 1: Don't Just Defend and Extend

Step 2: Attack Competitor's Lock-in

Step 3: Disrupt Themselves to do new things

Step 4: Create and Maintain White Space





# Understand Lock-in to Successfully Manage Innovation

Firstly, do customers really have to change?

- *Sustaining* Innovations help customers “better, faster, easier, cheaper” within Lock-in
- Produce **67%** of incremental revenue

*Disruptive* Innovations require an entirely different approach

- You have to overcome Lock-in
  - Internal Lock-in
    - » Technology commitments, manufacturing processes, distribution systems, supply partners, large customers, decision-making processes
  - External Lock-in (Customer Lock-in)
- Produce **85%** of incremental profit

**Irony – It takes Disruptive Innovation to Sustain a company**



# Contact Information

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