

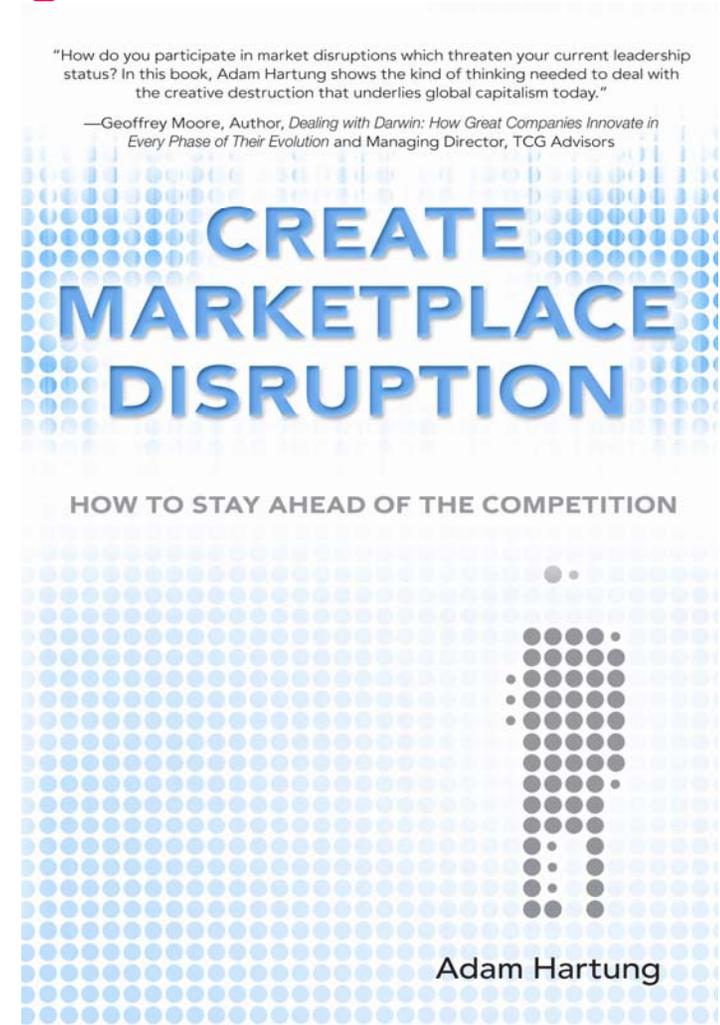


*Igniting Breakthrough Strategies*

# *Winning Across the Lifecycle*

**Adam Hartung**  
Managing Partner

**The President's Forum**  
Park Ridge Country Club  
April 8, 2009



# 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**

# Why Didn't This Innovation Succeed?





# Long ago.....





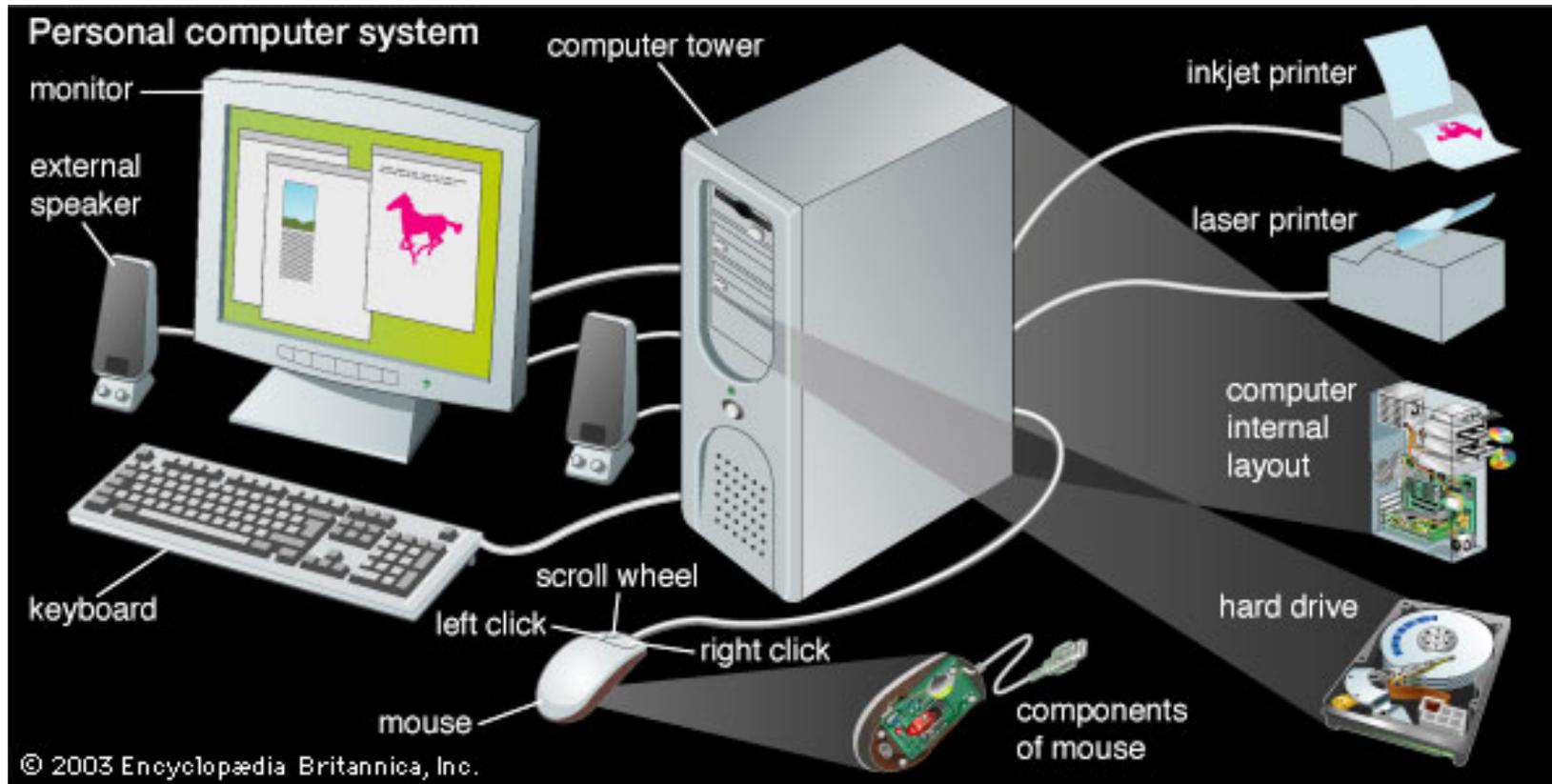
# But innovation created change



914

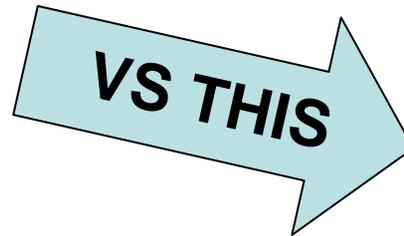
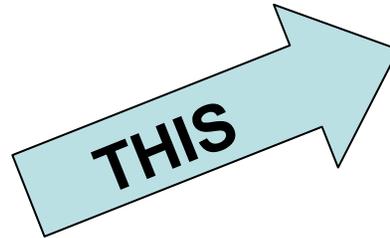


# More innovation was developed

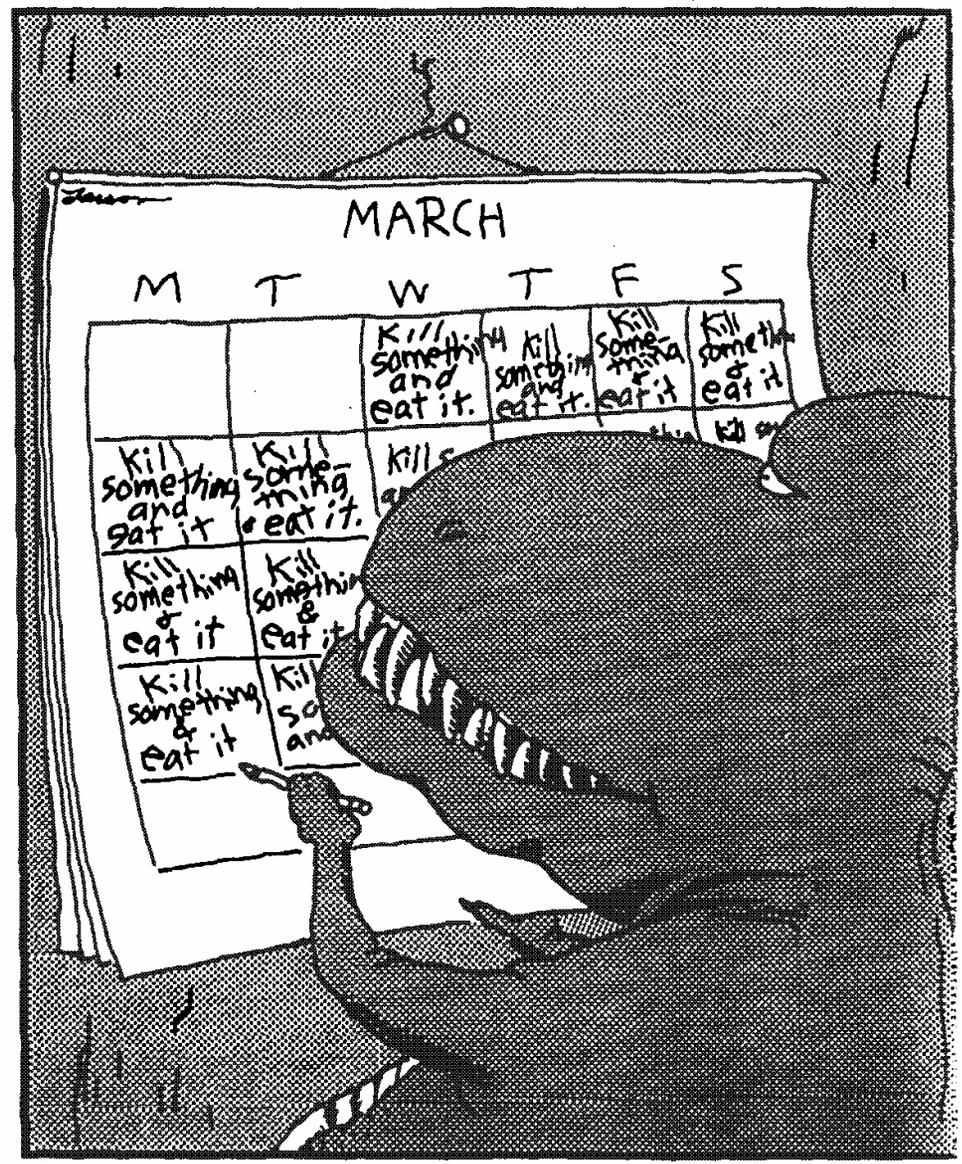




# Yet, the change agent didn't follow the market



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

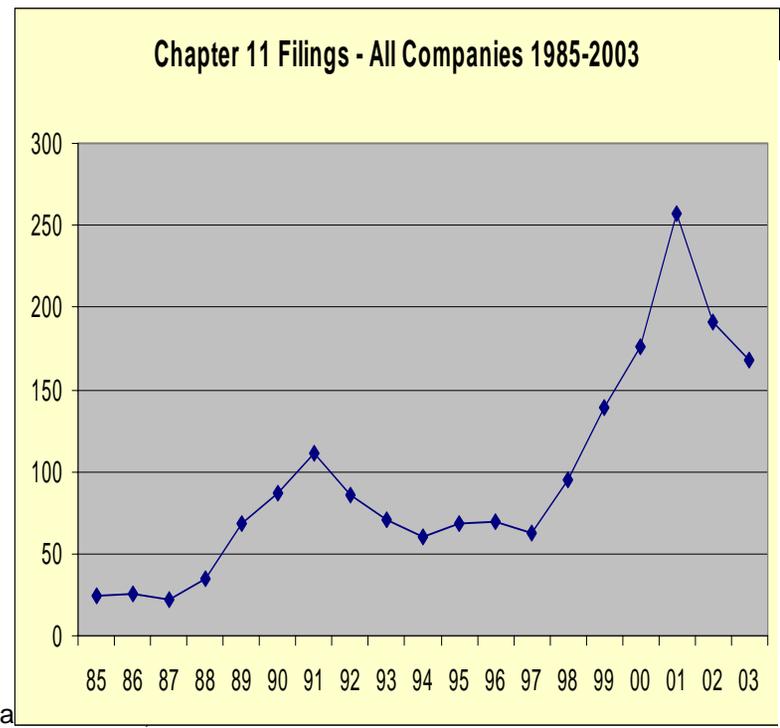
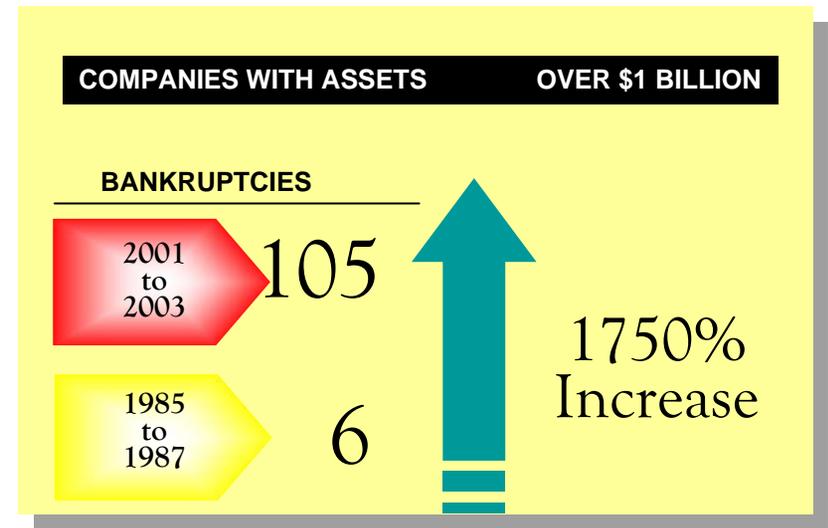
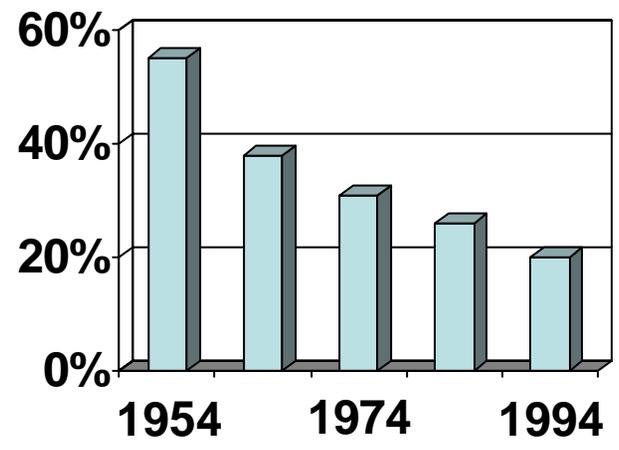


Jurassic calendars

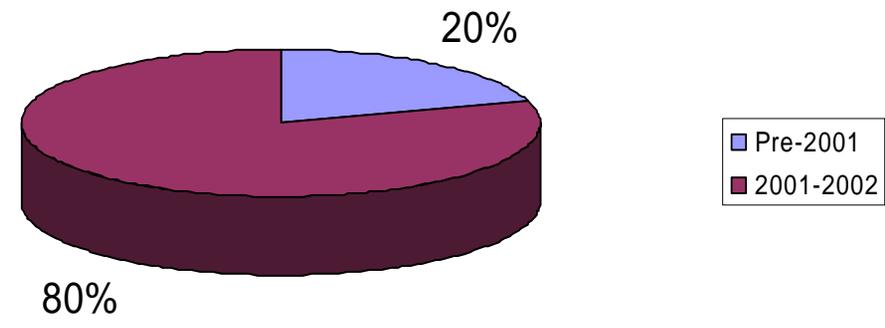


# Why Is It So Hard to Sustain Success?

Percentage Fortune 500 remaining on Fortune 1000 Ten Years

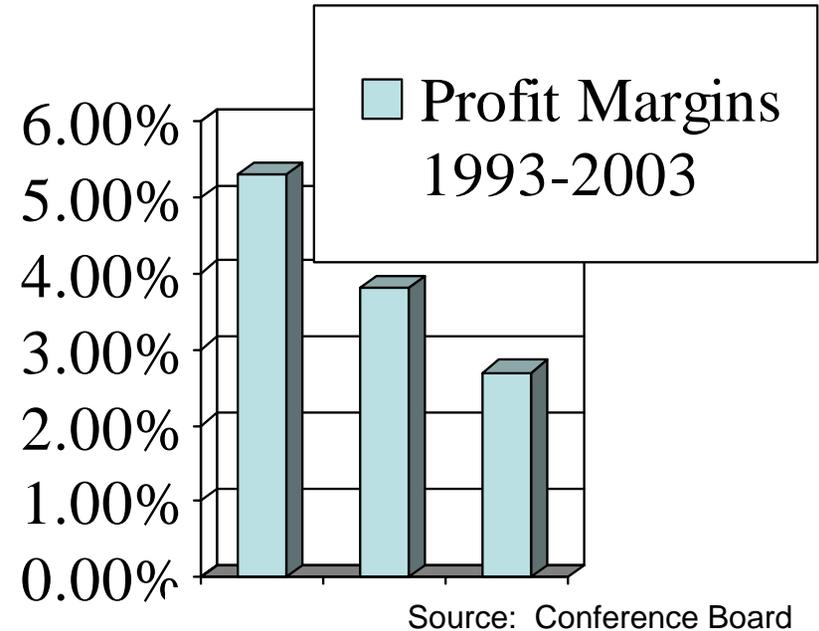
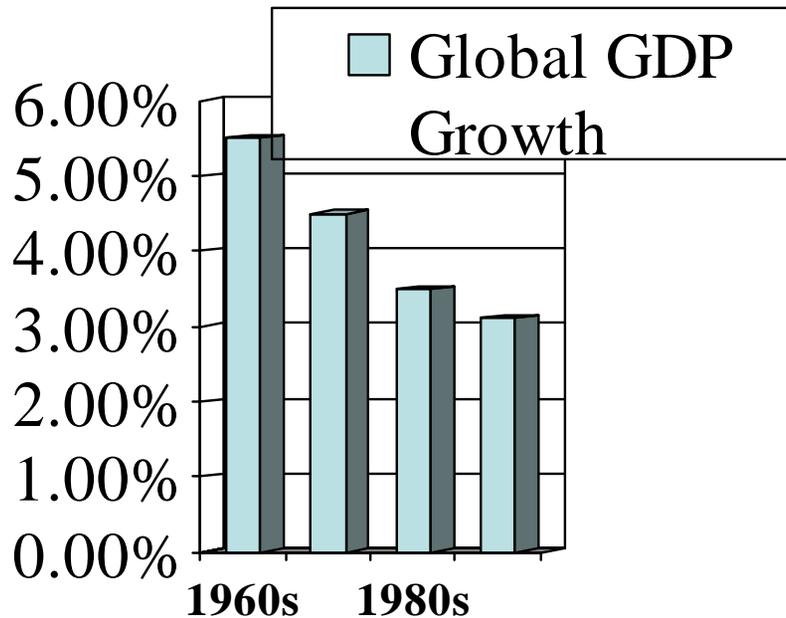


## Top 10 Bankruptcies in History





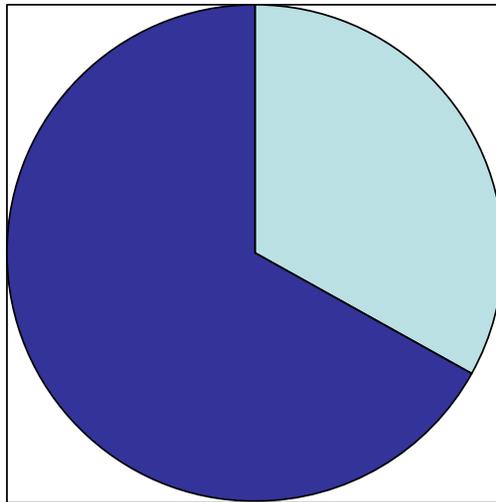
# We are at the end of a long series





# More Recent Results

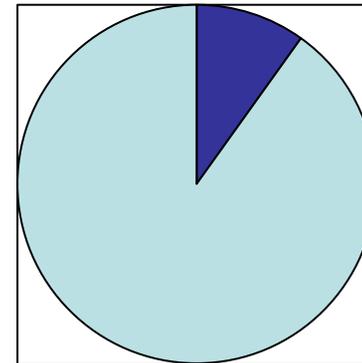
## Top Quartile in 2000



Left Remained

1/3 dropped out during the Recession

## Drop Out Performance 2005



Returned  
Did Not

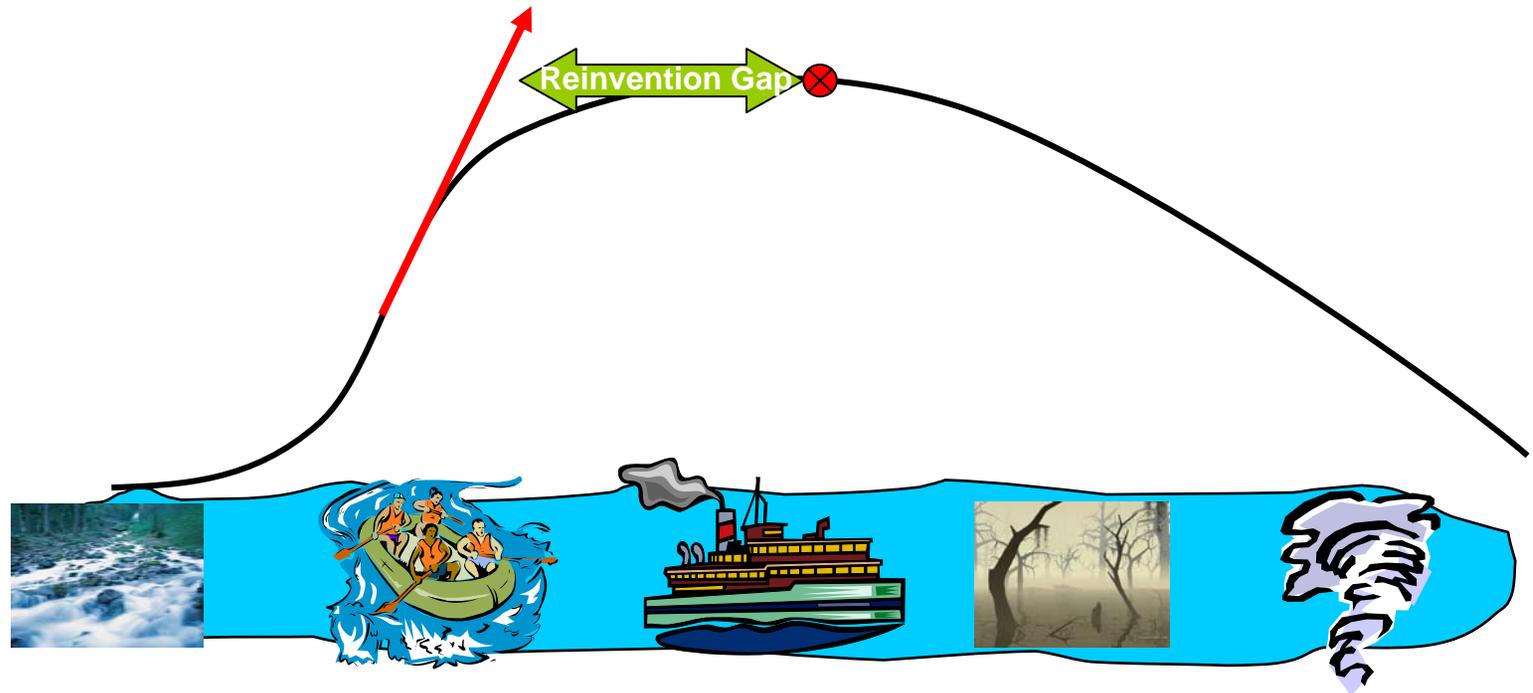
Only 10% returned to the top quartile

# And the results are around us





# Lifecycle Reality



Infancy

Adolescence

Maturity

Decline

Old Age

**Wellspring**

*"Find something that floats"*

**Rapids**

*"Go fast and stay afloat!"*

**Flats**

*"Don't run aground"*

**Swamp**

*"Get unstuck, fight off the alligators"*

**Whirlpool**

*"Paddle like crazy!"*

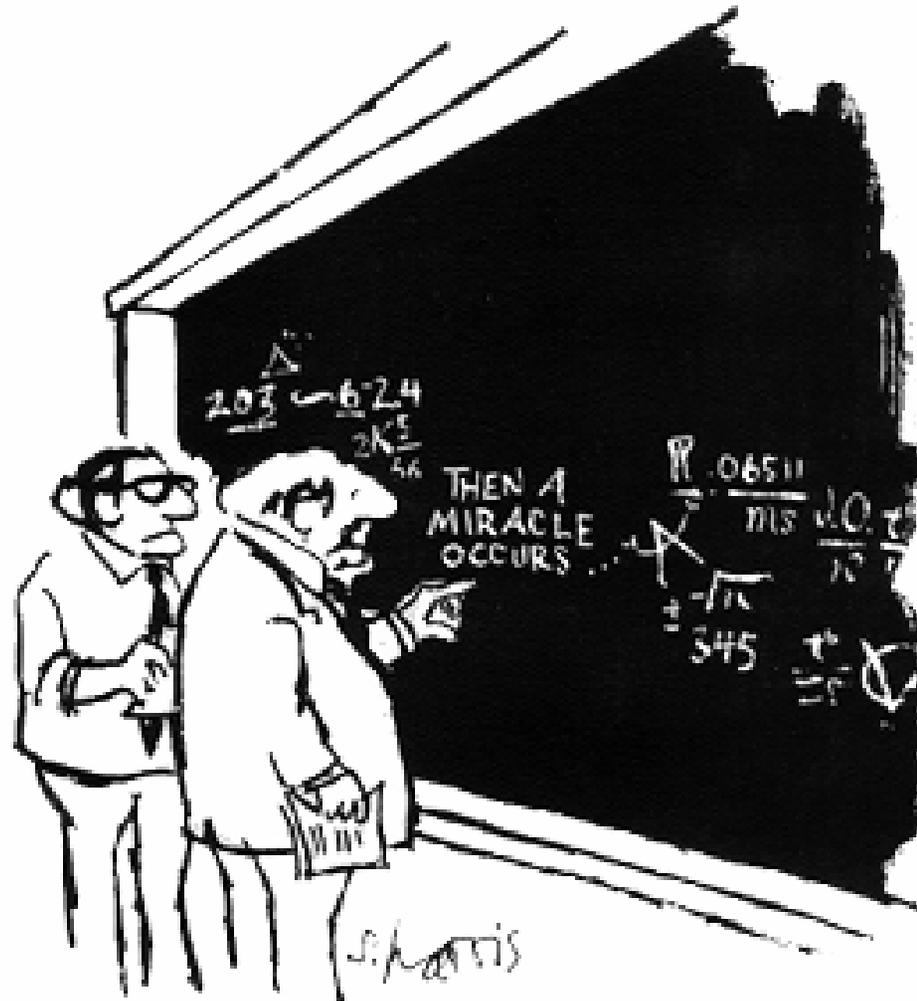
# Environment Change = Opportunity



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



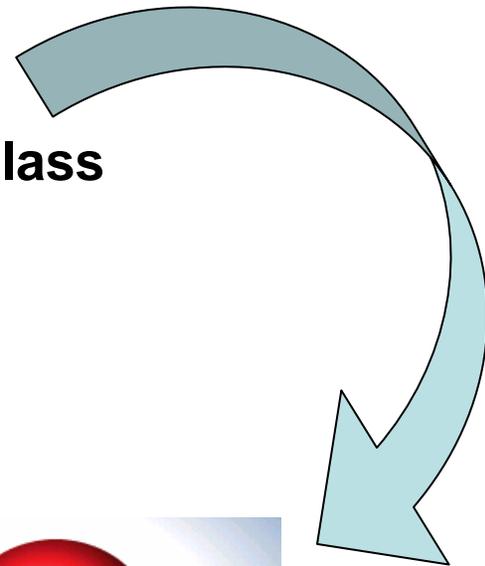
“I skate to where the puck will be” – Wayne Gretzky



**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



Lock-in:  
Clients want local staff,  
long-term relationships  
and development  
methodologies

# Step 3: Utilize Disruptions to Drive Needed Change





# Recognize That Successful *New* Products Disrupt Old Behaviors

Chicago Tribune

VS.

Google™





# Step 3: Disruptions Attack Lock-In

***Disruptions Neutralize the Status Quo Police  
make an historical Lock-in obvious and acceptable to violate***

- A CEO tells his Directors that all new funding ideas go directly to his office for evaluation and determination of investment by his team of consultants
- A CMO mandates all conference attendees compete to launch a new project based upon attending an industry conference
- A CIO allows users to set the performance metrics for applications
- A CTO mandates implementing one new technology per year in mission critical systems
- A CFO allows the marketing department to determine the proper risk adjustment for analyzing new products
- A CIO assigns every IT Director a customer they have to report on quarterly
- A V.P. of print production outsources all graphics production



# Step 4: Create White Space

White Space **COMMITTS** both *permission* and *resources* in advance  
To Create a New Success Formula



Involve new people  
Involve new customers  
Involve outsiders



# 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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***847.726.8465***