The Transient Advantage

Context
Why do companies struggle so much with innovation?

- Lack of incentives
- The existing business is too powerful
- Management wants near-term success
- Too many silos
- Lack of customer focus
- Fear of failure
- It’s ‘no one’s job’
- Innovations are small, relative to the ‘mother ship’
- Innovations don’t get big enough fast enough for us
- We are focused on our quarterly earnings
- We are afraid of cannibalizing our successful businesses
- We have no tolerance for unpredictable results
- There is no career incentive to work on innovation / growth projects

What do they all, ironically, have in common?
What to watch out for…
Innovation is Episodic
Resources held hostage
New ideas squeezed into existing structures
Lack of connection to customer’s experience
Seeking to be right rather than learning
Building an Innovation Proficiency
Governance and Funding processes

Ron Adkins from UNIX to the “pervasive computing” EBO
A balanced portfolio

![Diagram showing a matrix with Technical and Execution Uncertainty on the y-axis and Market and Organizational Uncertainty on the x-axis. The categories are:
- High technical/execution uncertainty:
  - High market/organizational uncertainty: Positioning Options
  - Medium market/organizational uncertainty: Platform Launches
  - Low market/organizational uncertainty: Enhancement Launches
- Medium technical/execution uncertainty:
  - High market/organizational uncertainty: Stepping Stones
  - Medium market/organizational uncertainty: Scouting Options
- Low technical/execution uncertainty:
  - Low market/organizational uncertainty: Enhancement Launches
- Low market/organizational uncertainty: Enhancement Launches

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Assumptions Tested & Learning through Pivots

Range of Uncertainties (Risk)

Checkpoints

Investment Profile (Costs)

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“Intelligent” failures
Begin with the customer & outcomes...
Not just one competency...but 3!

Discovery
Ideation
recognition, elaboration, articulation of opportunities.

Incubation
Evolving the opportunity into a business proposition

Acceleration
Ramping up the business to stand on its own

Conceptualization
- Basic Research
- Internal Hunting
- External Hunting
/ License/ Purchase / Invest

Experimentation
- Technical
- Market Learning
- Market Creation
- Strategy experiments

Commercialization
- Focus
- Respond
- Invest

Source: Radical Innovation Group
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What does it all mean for individual careers & talent?

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<td>Organizational systems</td>
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<td>Infrequent job hunting</td>
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<td>Careers managed by the organization</td>
<td>Careers managed by the individual</td>
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Concluding Thoughts

1. There is a new playbook for strategy, one whose elements are becoming clear;

2. We can learn to master it!

3. Doing so more quickly than others offers the potential to create a pipeline of advantages
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