

The Innovator's Method

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The 1960s skyscrapers in the world have little differentiation because anything that was not a straight beam or a 90 degree angle was risky.

Historically, management is like the 60 s skyscrapers, all straight lines and right angles.

The reason why executives stick to procedures and processes they are comfortable with is because higher interdependency is time consuming and risky.

Uncertainty requires a new set of principles

Ironically, as companies focus on capturing value from customers, they often lose the ability to create customers.

NPS or net promoter score is no of promoters , those % who score 9 and 10 for your product minus % detractors , i.e. those who score 0 to six.

Products that delight consumers do the unexpected. They solve a problem consumers didn't think existed. They evoke positive emotion.

Managers tend to start by building solutions, but we emphasize the need to deeply understand the basics.

‘Pain storming’ involves a customer’s journey time through the task of a product/brand.

Until you figure out how to delight a consumer, don't even think of the business model.

**In today's uncertain world, leaders
need to be coaches and guides,
they have to be chief
experimenters.**

A high mature category with low uncertainty needs traditional management, a low mature, high uncertainty area needs entrepreneurial management.

Change in thinking

	B School thinking	Thinking in a VUCA world
Core focus	Execute in certainty	Experiment in uncertainty
Strategy	Protect existing resources, sustain advantage	Circumvent resources, build new advantages, resources,
Orgntl behavior/HR	Hire experts, hierarchical orgn	Flat orgn, hire multiskilled people
Leadership and teams	Vertical, manager – supervisory structure	Horizontal teams, peer group structure, minimize and suffice
Operations	Routine, longer cycles	Flexible, shorter cycles
Marketing	Full featured, segmentation	Consumer interaction
Finance	Marginal cost, fixed costs to lower average costs	Full cost logic, avoid fixed costs, stay variable

**Innovations are only valuable if
they solve problems**

Successful innovators excel at networking and hence build strong eco systems.

If you can increase the number of experiments from 100 to 100, you increase the innovations you produce-Jeff Bezos

Six components of a Biz model

1. Value proposition
2. Pricing strategy
3. Consumer acquisition
4. Customer acquisition
5. Cost structure by activity
6. Cost structure by resources

**Pivot is a new word which asks
you to change direction with one
foot intact**

**As soon as you start to scale,
everything changes. Watch this
journey**

**The team you used for innovation
might not be the team for scale
up.**

Management theory was developed to solve the large company management problem, not for innovation.

In contrast , most entrepreneurs started with a product or a service with a view to disrupt.

A leader's role today is to set a challenge, build broad and deep expertise that's needed, remove the barriers and provide tools to win and to be the chief experimenter.