

Dealing with Darwin

Executive Summary

- The book is about managing innovation and overcoming inertia in established enterprises.
- It's major thesis is that most companies love to innovate but hate to take risk, the net result being lots of me-too innovations that lack economic impact because they do not have the force to distinctively differentiate their offers.
- Its primary prescription is to pick a single vector of innovation and march so far down it that your competition either cannot or will not follow.
- The book describes fourteen innovation vectors all told. Different types are privileged at different points in the category maturity life cycle, so that innovation strategy must adapt to life-cycle dynamics. The overall model is used to help management teams winnow down innovation vector choices to one or two and align the bulk of their investment behind that choice.
- The book includes two secondary prescriptions.
- The first is that companies can fund innovation by extracting resources out of context to repurpose for core. This funding strategy has the added benefit of reducing inertia, which builds up in context activities.
- The second is that they should focus resource management around balancing the disciplines of invention, deployment, and optimization. Most people think established enterprises lack invention capability, but in actual fact they invent plentifully but have trouble deploying their inventions. The reason why is that their deployment resources are stuck trying to grind out the next quarter's numbers from an increasingly aging prior set of innovations. If these companies could better optimize their resource utilization in established markets, they could free up the necessary resources to build the market for their next set of inventions.