Obsolescence (Irrelevance)

1. What is obsolete now that was mainstream 10 years ago?

2. What is mainstream now that did not exist 10 years ago?

3. What is mainstream today that may be obsolete in 10 years?
Why is Innovation Such a Challenge?

Mindset

Incumbents

Entrepreneurs

Mindset

“Incumbents”
- Safe, Incremental Gains
- Defend & Preserve
- “Stick to Your Knitting”
- Be “Better” [Change = THREAT]
- “MANAGERS”

“In business, I look for economic castles protected by unbreachable ‘moats’.”

Warren Buffett
Competitive Convergence

Close Cognitive Proximity

Creating “Hyper-Competition”
[Red Oceans]

Value Attributes
Mindset

"Entrepreneurs"

Entrepreneurial Mindset
- Restless, Uneasy with the Status Quo
- Comfortable with Ambiguity, Partial Info, Risk
- Keen Observer + Maker Instinct
- Be "Different" [Change = OPPORTUNITY]
- "EXPLORERS"

"It's better to be a Pirate than to join the navy"

Steve Jobs 1987

fore·sight

Noun 'fôr, sît/

"A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be."

Wayne Gretzky
Can you guess who invented the world’s first digital camera in 1975?

“We know we’re the fifth man in a four man race.”

Richard Kerris, HP Executive, WSJ, July 1, 2011

Judged Too Soon
Decided Too Late
AS徵 & ANSWERING AMBIGUOUS QUESTIONS

What’s next?

Stretch Your Cognitive Proximity

“People who seem to have had a new idea, have simply stopped having an old idea.”
Edwin Land, Co-founder, Polaroid Corp.

Change

“Most commonly, new [strategic] positions open up because of change.”
Michael Porter
Breakthrough Innovation: 2 Questions

- Is it Different?
- Will it make a Difference?

If Fred Smith would have tried to fix the post office, he wouldn’t have created FedEx

Possibilities, not Predictions

Pull vs. Push

That’s Great...

... but we are Chambers of Commerce
It’s a Question of Relevance

What’s the 4th Question?

1. What is obsolete now that was mainstream 10 years ago?
2. What is mainstream now that did not exist 10 years ago?
3. What is mainstream today that may be obsolete in 10 years?

The Missing Ingredients...

1. Anticipation
2. Resilience

"It is not the strongest of the species that survives, nor the most intelligent, but rather the one most responsive to change."

Charles Darwin
Foresight + Innovation

Framing
Anticipating
Mobilizing

“Get There Early”

Let’s Take a Break

15 Minutes...

When we return:
• Strategic Framing

I hear... and I forget
I see... and I remember
I do... and I understand

Confucius
Why does your organization exist?

Crafting Strategic Difference

- Competencies (Activities)
- Strategic Intent
- Integration (Fit)

Wheelhouse

Core Competencies

- Provide potential access to a wide variety of opportunities
- Make a significant contribution to perceived customer benefits
- Difficult to imitate
**Strategic Intent**

- Envisions a desired leadership position
- Guides the organization on how to chart its progress
- Demonstrates an obsession with winning

**Integration (Fit)**

- Defines your **UNFAIR ADVANTAGE** *(IRREPLACEABLE PURPOSE)*
- Creates Durability for your Wheelhouse

**Wheelhouse Examples**

- [Industrial Light & Magic](https://www.industriallightandmagic.com)
- [Pixar](https://www.pixar.com)
Wheelhouse Examples

3D Rendering S/W

To Democratize 3D Computer Animation

C. G. Computer H/W

Wheelhouse Examples

3D Rendering Expertise

Story Telling Process

To Become the World’s Leading Animation Studio

Character Animation

Wheelhouse Examples

“We do not merely want to be the best of the best…

Music as identity
We want to be the only ones who do what we do”

Touring

Bootlegging, etc.

Jerry Garcia
The Grateful Dead
Wheelhouse Workshop

- Map your Wheel House
- Core Competencies
- Strategic Intent
- As they are, not as they should be

Wheelhouse Workshop Debrief

After Lunch...

• Anticipating Change
ANTICIPATING CHANGE

“Chance favors the prepared mind”
Louis Pasteur

Dynamics of Change

Continuous Change
- Gradual change over long periods
- Usually preserves the framework/context

Discontinuous Change
- Sudden change to new levels
- Usually destroys the framework/context
- Often involves short-term loss
- “Creative Destruction”

Linear vs. Exponential Change
Criticality

- Tipping points dramatically change systems behavior
- Can trigger discontinuous events

S-Curves

Internet Connectivity

Wireless
DSL/Broadband
Dial-up

Time (or engineering effort)

Paradigm Shifts

a change in the basic assumptions or system conditions – permanently disrupting the framework
- i.e. the emergence of a new era
**Hype Curve**

First change—or the effect of change—is overestimated. Then it is underestimated.

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**Anticipating Change**

- Develop Peripheral Vision
- Keep an Open Mind
- Adopt a Systems Perspective
Peripheral Vision

Companies tend to narrow their field of view…

…Interesting change tends to occur at the periphery
…However so do Blind Spots

Scanning The Periphery

To develop good peripheral vision…

• Explore “Unfamiliar Vistas”
• Seek out “Remarkable People”
• Know your “Adjacencies”

Anticipating Change

• Develop Peripheral Vision
• Keep an Open Mind
• Adopt a Systems Perspective
Keeping an Open Mind

Seeing What One Has Learned to See

Cognitive Constraints

Educated Incapacity

• “Knowing so much about what you know that you are the last person to see it differently”
  Edie Weiner, FutureThink

• “Each of us responds, not to the world, but to our image of the world.”
  Peter Schwartz, The Art of the Long View

• “It’s what we think we know that keeps us from learning.”
  Claude Bernard, Author

Cognitive Constraints

The Amazing Changing Color Card Trick

http://www.youtube.com/watch?v=voArntzB7EwE

Can you spot how they do it?
Selective Perception

• The more focused we are on a challenge, the more likely we are to overlook obvious information

Cognitive Constraints

Anchoring

“It ain’t what you don’t know that gets you into trouble. It’s what you know for sure that just ain’t so.”
Mark Twain

• Confirmation Bias
• Framing Lock-Ins

Cognitive Constraints

...keep us tethered to the Status Quo

... creating Cognitive Inertia
Anticipating Change

- Develop Peripheral Vision
- Keep an Open Mind
- Adopt a Systems Perspective

Adopting a Systems Perspective

Envisioning Change

- What forces of change are occurring?
Let’s Take a Break

15 Minutes...

When we return:
• Scenario Development

Scenarios

“Scenarios are stories about the way the world might turn out tomorrow, stories that can help us recognize and adapt to changing aspects of our present environment.”

Peter Schwartz
“The Art of the Long View”
Scenarios

“The person who writes scenarios must be a good story teller”

http://www.youtube.com/watch?v=jQ2uiPEtEYC

Scenario Example – Green Building

- Societal attitudes towards sustainability plateau – economics continue to drive decisions
- U.S. energy resources remain abundant
- Government deficits drive tax policy – and energy consumption is a ripe target – carbon taxes gain traction raising the cost of energy use
- R&D investment in smart tech surges - adoption accelerates
  - Smart Grid
  - Smart Appliances
  - Smart Controls
- Potential savings from energy conservation gain momentum as a primary driver of building design
- Innovative financing options help overcome higher up-front costs of smart technology
- Existing stock of built real estate presents a low hanging fruit opportunity too big to resist

Renovation Nation

- Smart becomes the new “Green” – a transition welcomed by digital natives that have come of age
- “Smart” renovation fuels a new knowledge economy and high wage job growth
- Economic gains are real delivering a “conservation dividend” – creating value across the economy

Cognitive Distance

“Any useful idea about the future should appear to be ridiculous”

Jim Dator, Futurist
University of Hawai’i

“Even a forecast that never happens is worthwhile if it provokes insight for you.”

Bob Johansen
Institute For The Future
Scenario Development Workshop

• Articulate an Intriguing Scenario
  – Sequence of Events Narrative
  – Immersive Outcomes
  – Creative Name/Identity

Tomorrow’s Session...

• Design Thinking
• FutureTelling