

# DEALING WITH DARWIN

## How Great Companies Innovate at Every Phase of Their Evolution

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The Web site for this book is at [www.dealingwithdarwin.com](http://www.dealingwithdarwin.com).

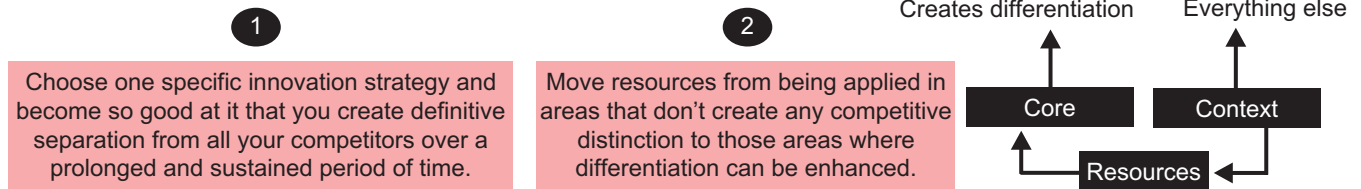
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**MAIN IDEA**

In just the same way as a Darwinian battle for the survival of the fittest occurs in the natural world, a similar kind of phenomena often arises within the marketplace. To survive and prosper, companies need to keep innovating all the time to retain a competitive advantage. The precise nature of the types of innovations which will generate the greatest returns varies as the marketplace itself changes and evolves in this way:

- In the early stages of a new market, product leadership style innovations are highly valued.
- Once a market reaches maturity, innovations centered around operational excellence or customer intimacy take center stage.
- In a declining market, competitive advantage is achieved using category renewal innovations.

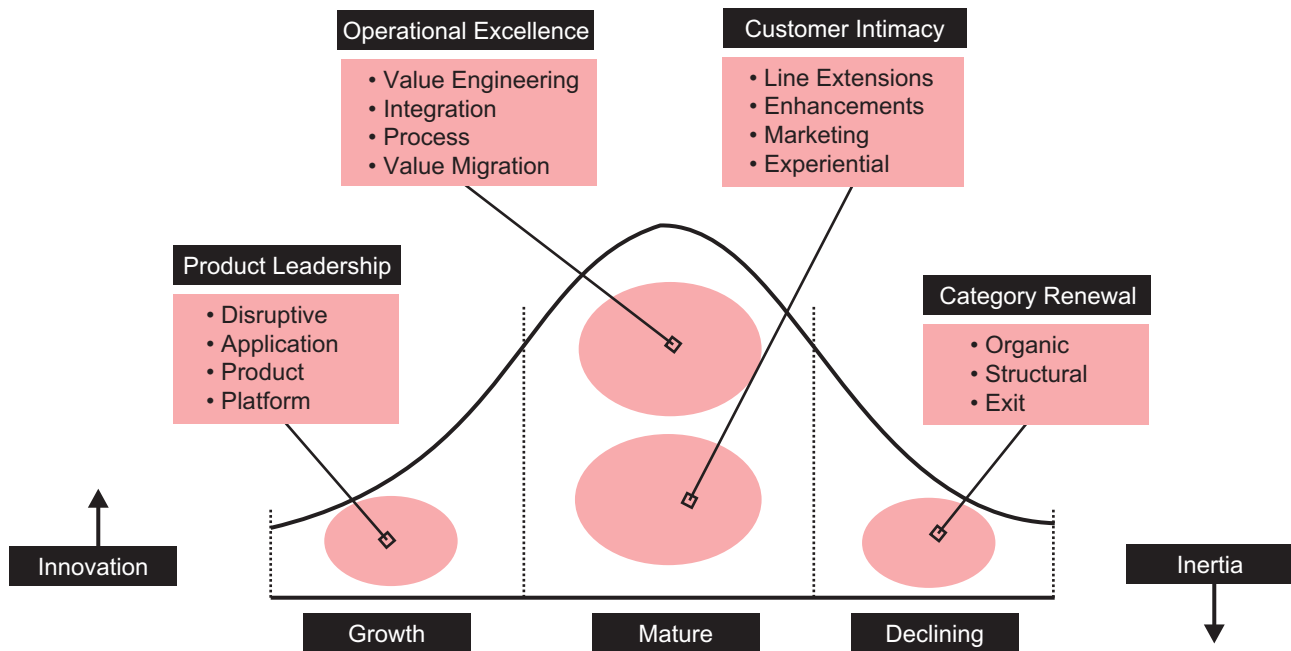
To respond to these changes, companies should be consistently doing two things:



*“Free-market economies operate under the same rules as organic systems in nature. The fundamental question Darwinism poses is: How can we innovate forever? That is precisely what natural selection forces us to do. Evolution requires us to continually refresh our competitive advantage, sometimes in dribs or drabs, sometimes in major cataclysms, but always with some part of our business portfolio at risk and in play. To innovate forever, in other words, is not an aspiration; it is a design specification. It is not a strategy; it is a requirement.”*

– Geoffrey Moore

The fifteen types of corporate innovation, related to the life cycle of the marketplace



**1. Managing innovation in growth, mature and declining markets . . . . . Pages 2 - 6**

To be innovative doesn't always mean to come up with a new breakthrough product. In reality, there are fifteen distinct innovation strategies, each of which can be useful at different times depending on the evolution of the marketplace as a whole. No one of these strategies guarantees success but you need to be aware of the range of possibilities. Instead, success demands that your organization choose one of these strategies to excel at so you can in the process leave all the competition behind.

**2. Managing inertia within your organization so you can fully exploit your innovation strategy . . . . . Pages 7 - 8**

Inertia means left unchanged, your organization is set up to keep doing what it has always done. It is not automatically the enemy of innovation, but must be diluted in one part of the organization in order to be applied behind the new innovation vector in the future. The whole key in managing inertia is to progressively extract resources from context business activities and redirect them to the new activities which will make up the core in the future.

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