

UNLEASHING THE KILLER APP

Digital Strategies for Market Dominance

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MAIN IDEA

Killer apps are compelling new commercial products and services that are created when new technologies, products and services combine in radical and powerful ways. Killer apps transform industries, redefine markets, devastate the established order and send shock waves through the established order.

The commercial revenues generated by killer apps can be enormous - therefore, every company would like to be in a position to introduce killer apps into the marketplace. To reach that point, companies need to exploit a digital strategy - a new approach to strategic planning that takes the potentially disruptive effects of new computer based technologies and information systems such as the Internet into account. Digital strategies focus on how best to position a company or an individual to profit from the emergence of the electronic commerce market.

Digital strategy is the practical application of killer apps. It combines an attitude with an operating model for developing and exploiting killer apps of the future. It also provides the flexibility necessary to deal with rapidly evolving markets, and their correspondingly rapidly evolving market requirements.

Digital strategy and the exploitation of killer apps also remains the best possible approach to remaining competitive today and in the future.

Part 1 - Digital Strategy Pages 2 - 3

Whether a business is aware of it or not, technology is today the central driver of the business economy. In this environment, the traditional tools for developing and executing business strategy no longer apply. To succeed today, companies need to develop business strategies that take advantage of the emerging electronic commerce market - a digital strategy which exploits killer apps.

A killer app is a compelling new product or service which ends up establishing and dominating an entirely new commercial field. Killer apps are the holy grail of technology developers - the breakthrough invention that displaces all other product offerings, that moves industries and forces a realignment of players within an established market and that creates a vast amount of wealth for its developers.

Killer apps destroy the equilibrium of established commercial systems. They are found at the collision point between exponential technology adoption and commercial systems that prefer to change incrementally. Killer apps in the form of digital technologies have the power to completely change society as we know it.

Part 2 - Designing the Killer App Pages 4 - 6

The three stages of designing a killer app, and the four rules in each stage, are:

Stage 1 - Dealing with the outside environment

Start with a clear view of the broader business community bound together by digital technology.

1. Outsource to the customer.
2. Cannibalize your present markets.
3. Treat each customer as a market segment of one.
4. Create communities of value.

Stage 2 - Projecting your company's image

Next, look at how your company projects itself through interfaces and other contact points.

5. Replace rude interfaces with learning interfaces.
6. Design for customer continuity rather than your continuity.
7. Give away as much information as you can.
8. Structure every transaction as a joint venture.

Stage 3 - Redesigning your internal company systems

Develop an internal company structure that is modular, flexible and adaptive to changing requirements.

9. Treat your assets as liabilities.
10. Destroy your value chain - before someone else does.
11. Manage innovation as a portfolio of options.
12. Hire the children.

Part 3 - Unleashing the Killer Apps Pages 7 - 8

The early stages of developing a digital strategy can be difficult to navigate. It makes it far easier, though, if your company views technology as the basis for forming strategy rather than simply a tool for implementing strategy developed elsewhere.

A company can't live and operate in the future unless it moves there first.

