

Strategic Adaptability: Innovating to secure the future

Prof. Dr. Filip Caeldries
November, 2015



@FilipCaeldries

What Managers Dream About ?



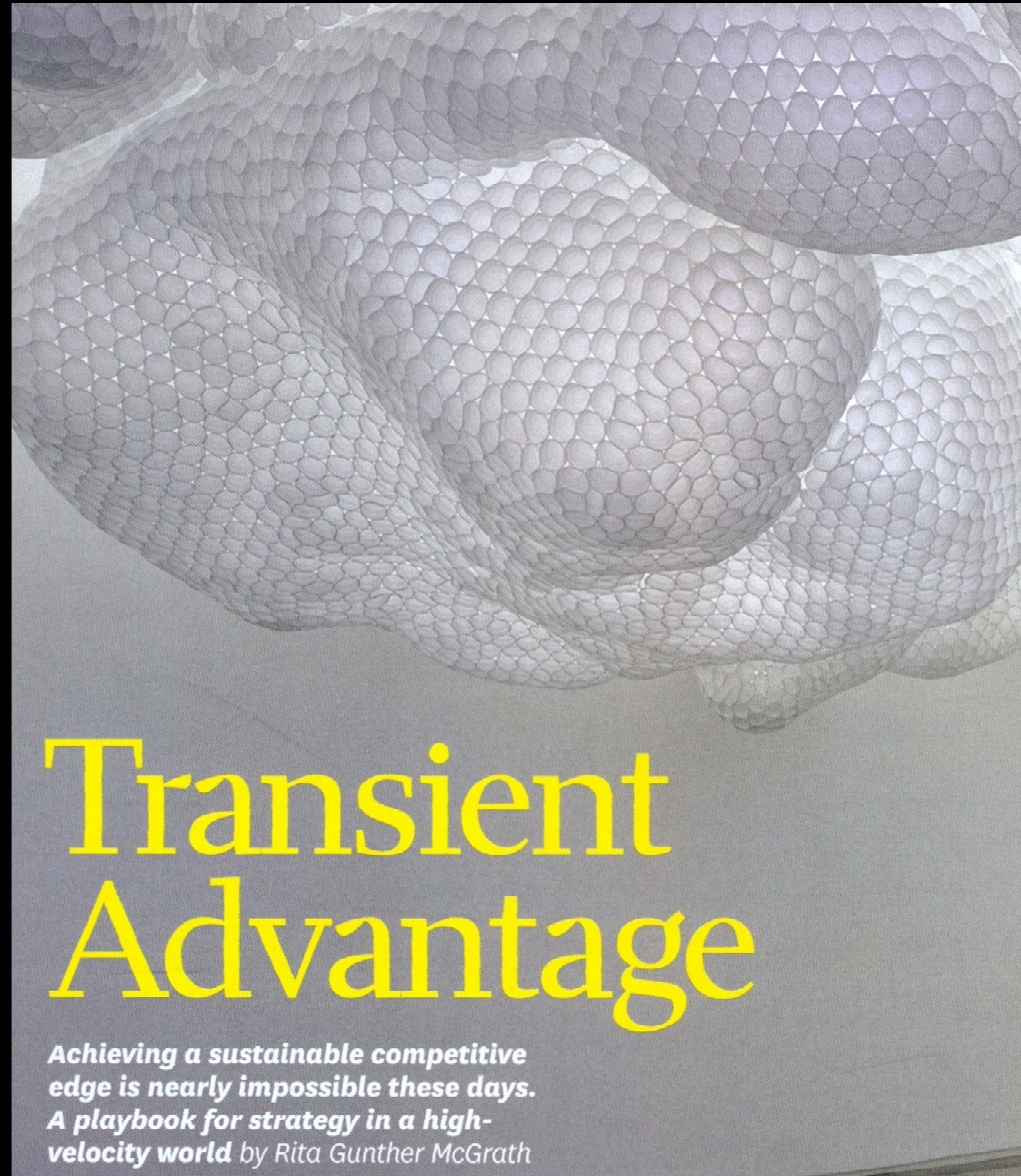
Sustainable(?) Advantage



**“Everybody has a plan
till they get punched
in the face”.**

Mike Tyson

Reality



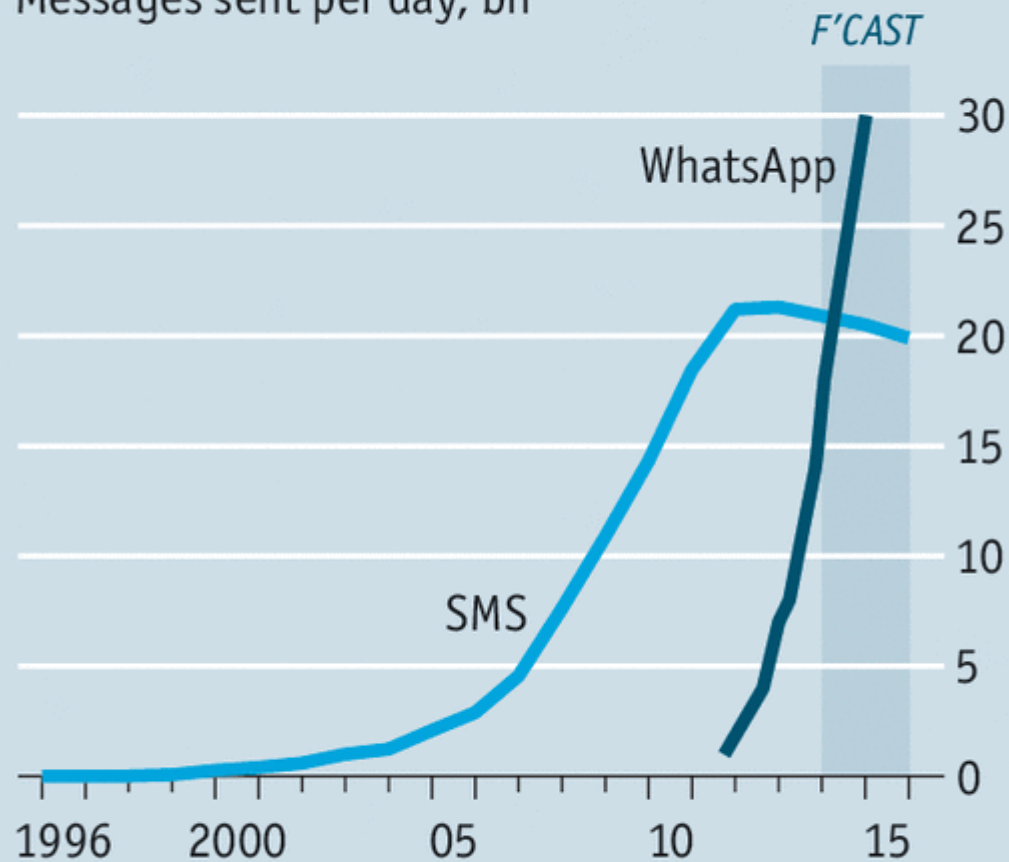
Value migration

... is the *flow* of economic and shareholder value *away from obsolete business models to new, more effective designs*. It reflects changing customer needs that are beginning to be, and ultimately will be, satisfied by new competitive offerings. Market capitalization closely tracks this process, essentially transferring market value from the old to the new.

Value Migration in Action

OMG, RIP txt

Messages sent per day, bn



Sources: Portio Research; a16z

March 2015

Value Migration Completed

■ BBRY

Sep 06, 2013

**Market capitalization closely tracks
[value migration] essentially
transferring market value
from the old to the new.**

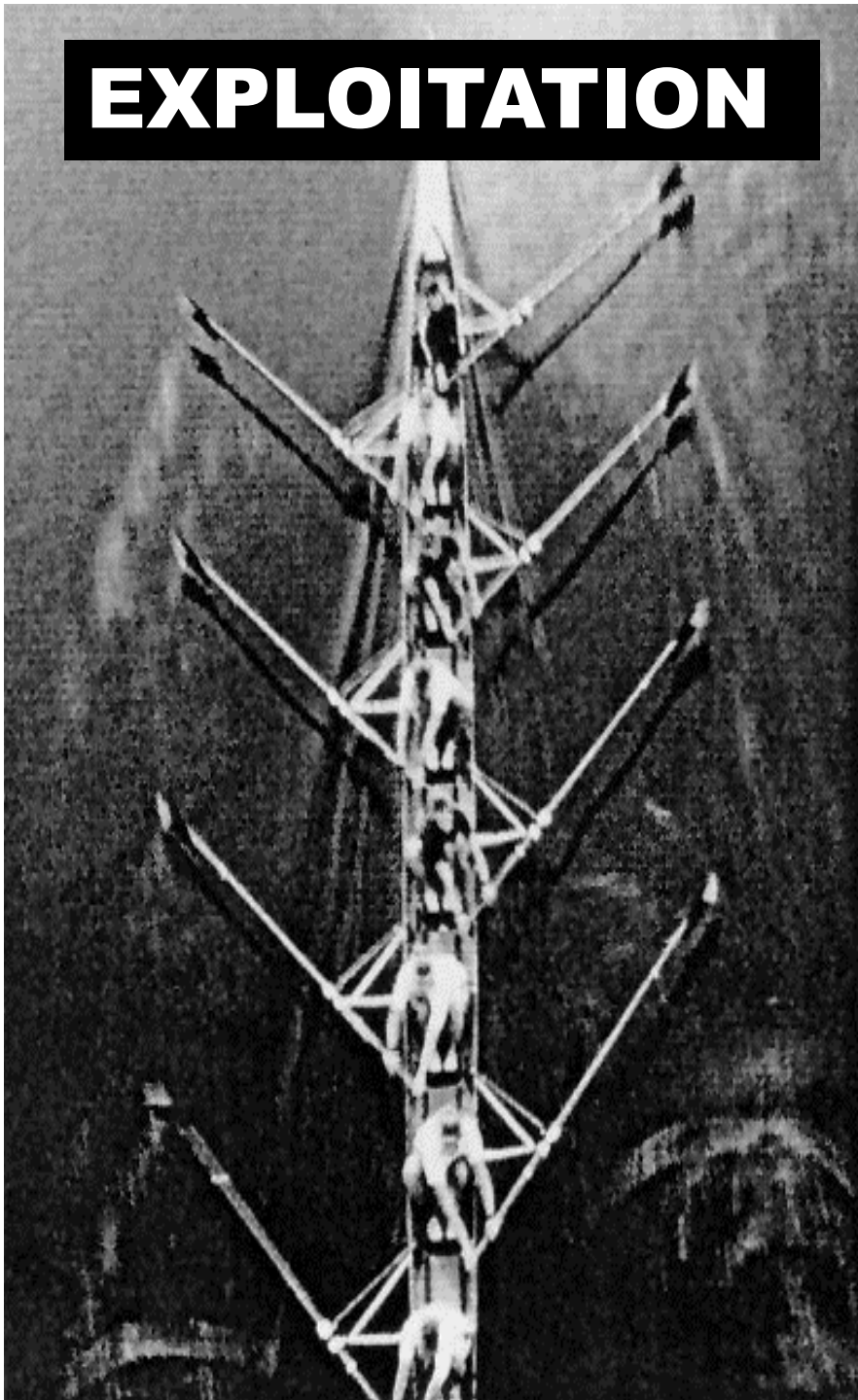


If ... Then ...

**The basic challenge is to engage in
sufficient **exploitation**
to ensure current viability,
and, at the same time, devote enough
energy to **exploration** to ensure
future viability”**

(March, J.)

EXPLOITATION



+

EXPLORATION



EXPLORATION



An Experimental New Starbucks Store: Tiny, Portable, And Hyper Local

A NEW STYLE OF SMALLER, LEED-CERTIFIED STARBUCKS MAY TOUCH DOWN NEAR YOU SOON. IT'S ALL PART OF A PLAN TO EVOLVE THE COFFEE GIANT'S BUSINESS.

EXPLORATION



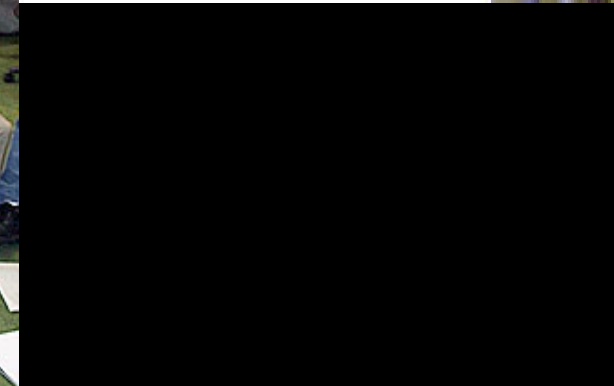
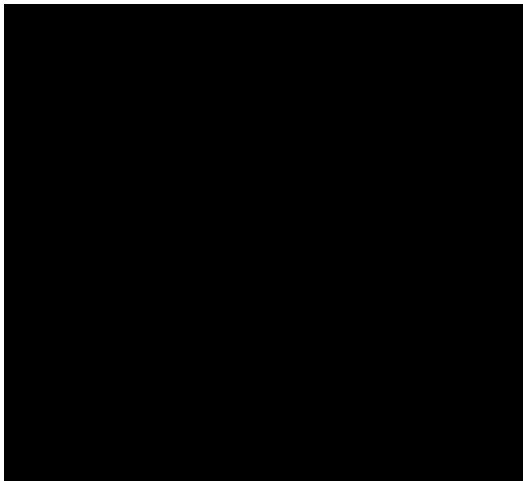
Courtesy PRNewsFoto/Duracell Powermat

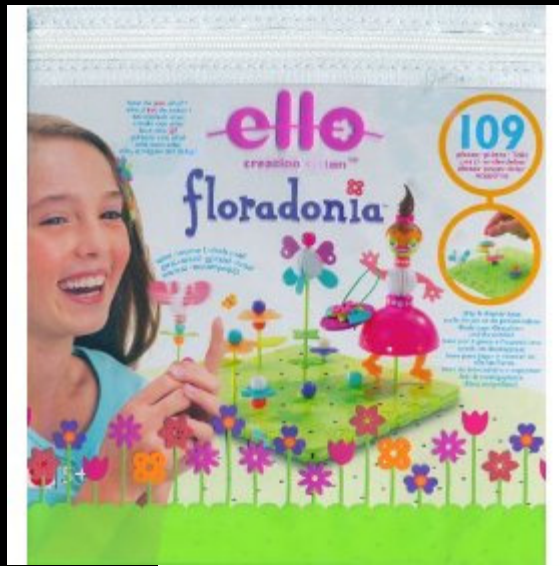
Duracell Powermat and Starbucks expand wireless charging in the Silicon Valley area

Food

Starbucks Adds Phone-Charging Stations. What's Next, Showers?

HOW to
EXPLORE ?







Insights from Googlers into our products, technology, and the Google culture.

Google's "20 percent time" in action

5/18/2006 06:00:00 PM

Posted by Alex K., Technical Solutions Engineer, Partner Solutions Organization

I love what I do (I work for Google's Partner Solutions Organization, writing internal programs and tools to help better manage our partner relationships--check out our [job listings](#)), but Google's "20 percent time" recently came in handy. The 20 percent time is a well-known part of our [philosophy](#) here, enabling engineers to spend one day a week working on projects that aren't necessarily in our job descriptions. You can use the time to develop something new, or if you see something that's broken, you can use the time to fix it. And this is how I recently worked up a new feature for [Google Reader](#).

I really like the keyboard shortcuts in Gmail, and they work in Reader too. But when using Reader, I found myself wanting to skip whole sections of stories, and I was wearing out my "N" key (which moves the browser down one item). There are buttons on the screen to scroll up and down a whole page at a time, but I thought it would be nice to have a keyboard shortcut too. I could have hacked something together with Greasemonkey or a Firefox extension, but that would've only helped me and the three other people who read my blog.

So I fired off an email to the Reader team, hoping that they'd be able to add a keyboard shortcut. The team got back to me right away, and they told me how easy it would be to add the shortcut myself. They were right--it was easy, because the internal documentation was good and the code was really easy to work with. Once my change had been reviewed, it went live.

And I have to admit--every time I use the new shortcut ("shift" and "N"), I get a little thrill at how easily I was able to get my idea implemented. Hope you enjoy it too.

[Permalink](#) 





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What is
LEGO CUUSOO?



**“99.99% of the world’s smartest people
don’t work at Lego”.**



BTTF - Jules Verne Train

by m.togami
2013.02.25

"NOTICE" We don't sell
minifigures and builds about



9,903
supporters



Invisible Hand

by LDiEgo
2011.12.15

Since 1999 the STAR WARS
license has given us sets based



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supporters



LEGO Lightsabers: Darth

by scott34567
2012.02.29

When the Republic had
become nothing but a



6,795
supporters



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Review**



Achieved
2013.08.13

Award Amount

- ☐ Any Amount
- ☐ >\$25,000
- ☐ >\$50,000
- ☐ >\$100,000




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	Seeking to identify automated technology for the detection and measurement of 3D defects in 3D packaging. See inside for additional description. Mention InnoCentive in the description field to receive \$2,000 if you are chosen for collaboration. Read Challenge Details >>			
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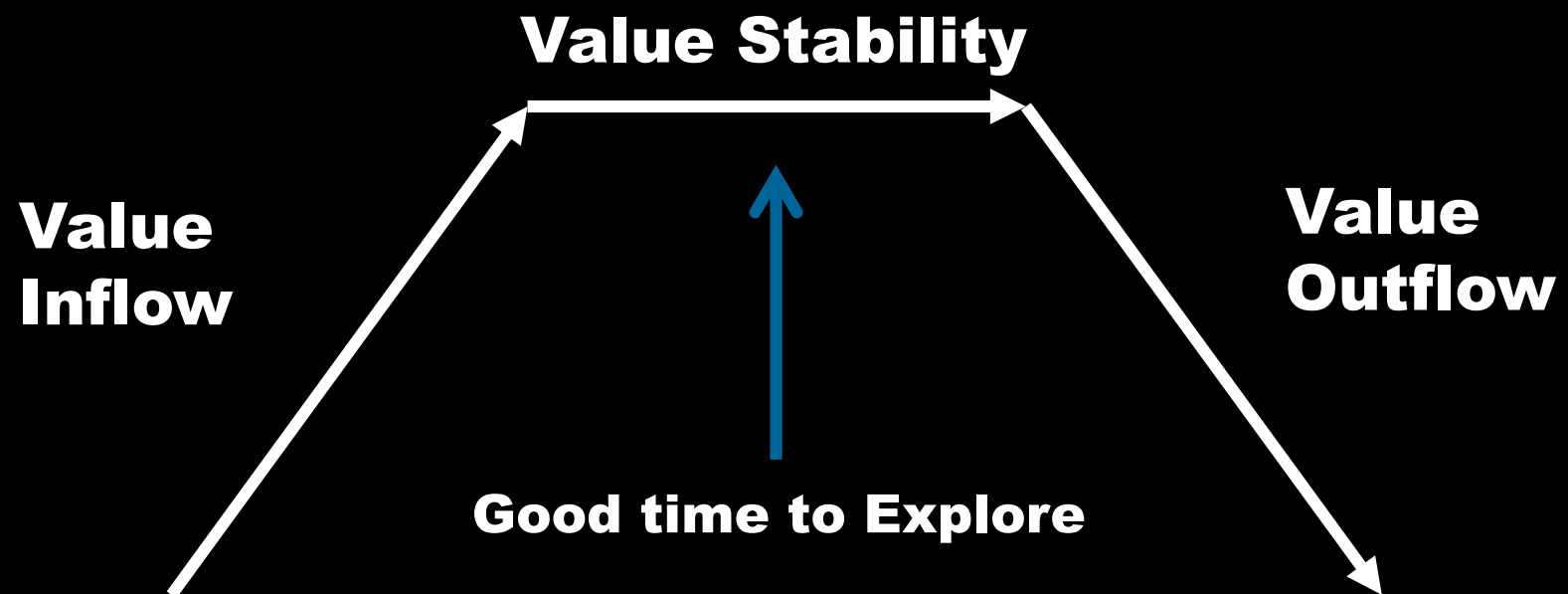
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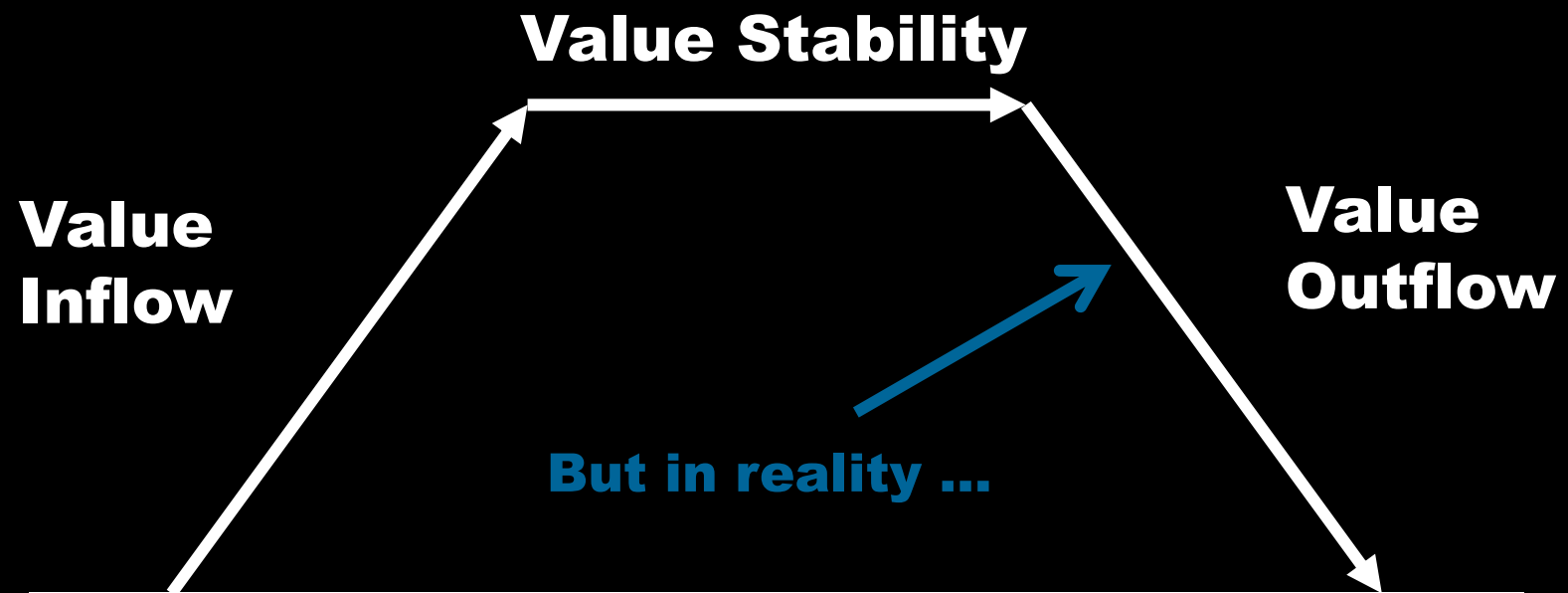
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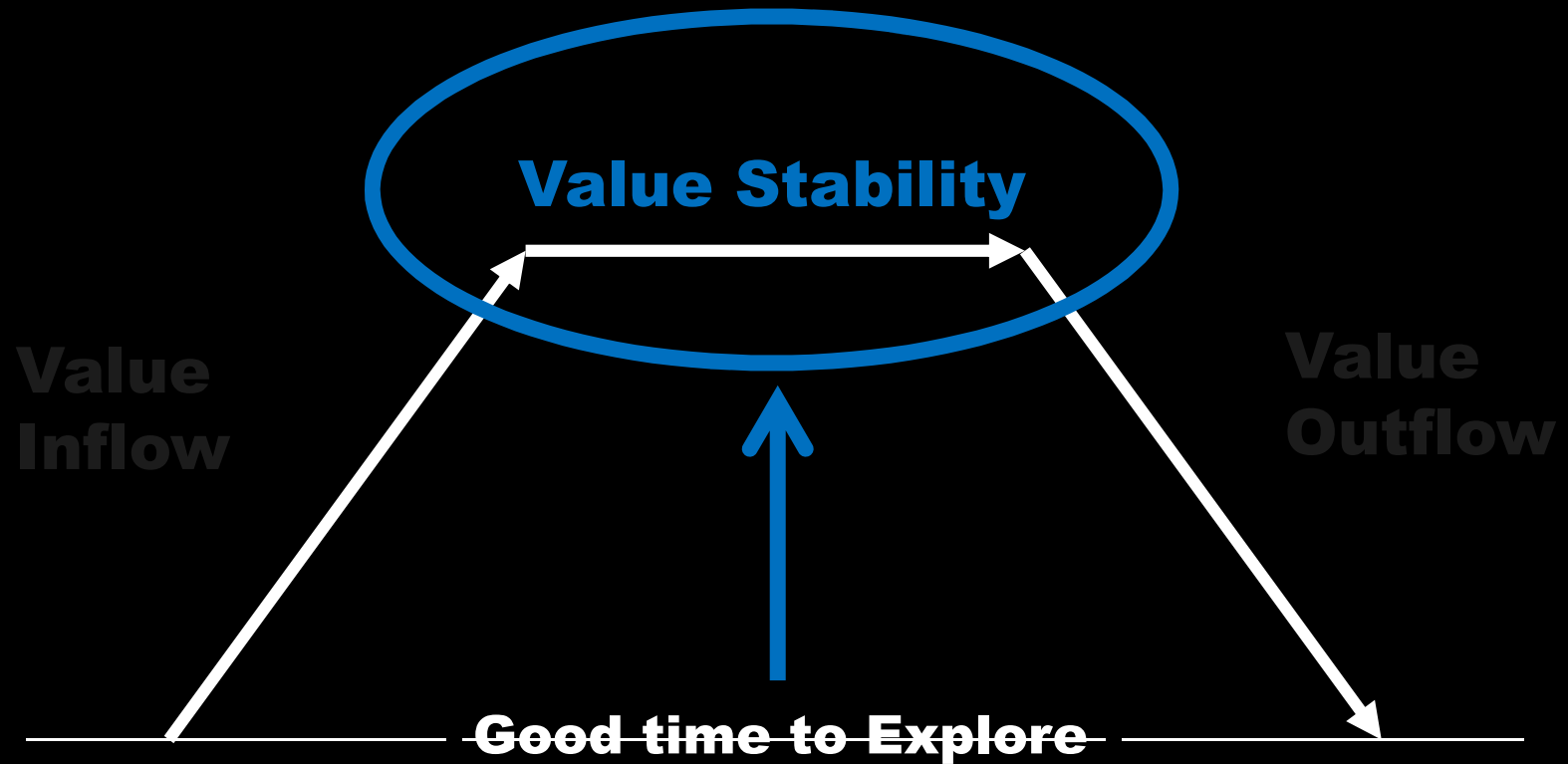
Value Migration Cycle



Value Migration Cycle



Change Before You Have To



AGILITY

The ability to dynamically reinvent business models and strategies as circumstances change, to continuously anticipate and adjust to

that threaten the core earning power,

and

to make the need

becomes desperately obvious.

HOW?

SENSING

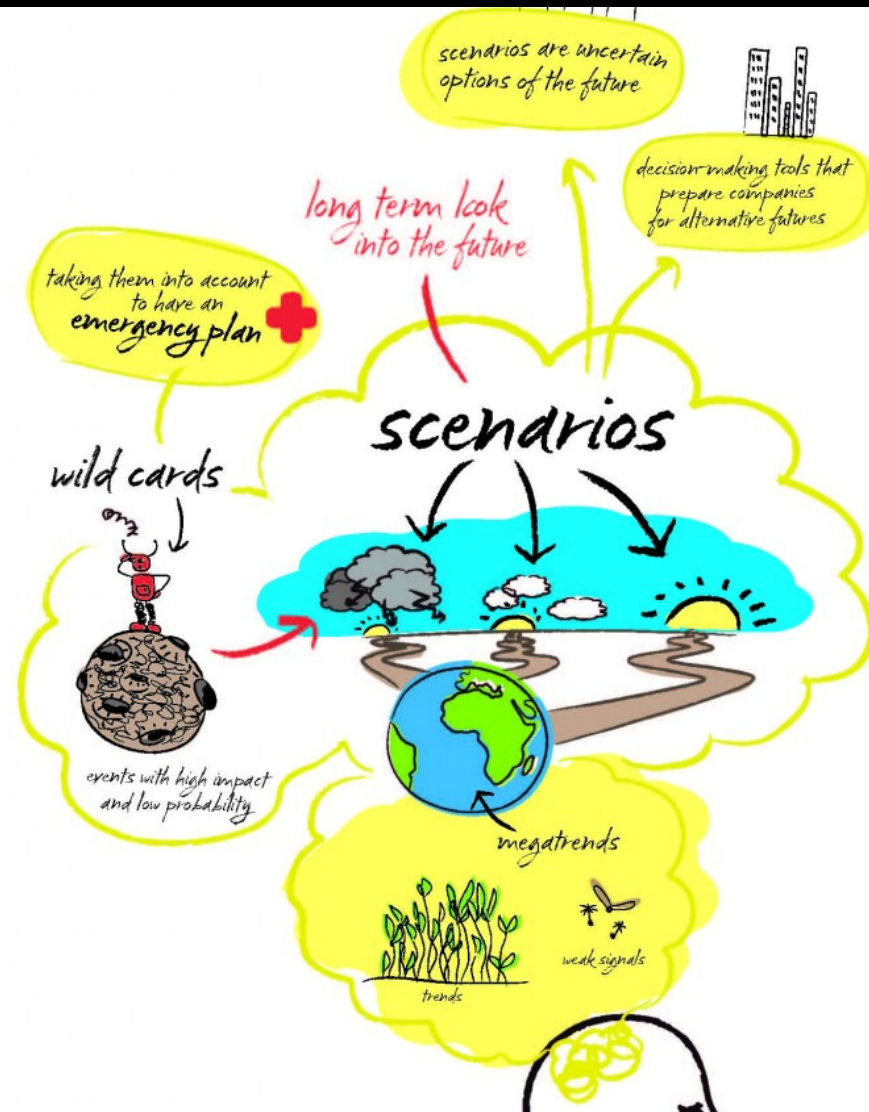
An organization's ability to quickly perceive opportunities for new business models and/or change existing business models.

EXPERIMENTING



EXPLORING ALTERNATIVE FUTURES

(strategic mental gymnastics)



OPEN DIALOGUE

(Tapping the Internal Organization)

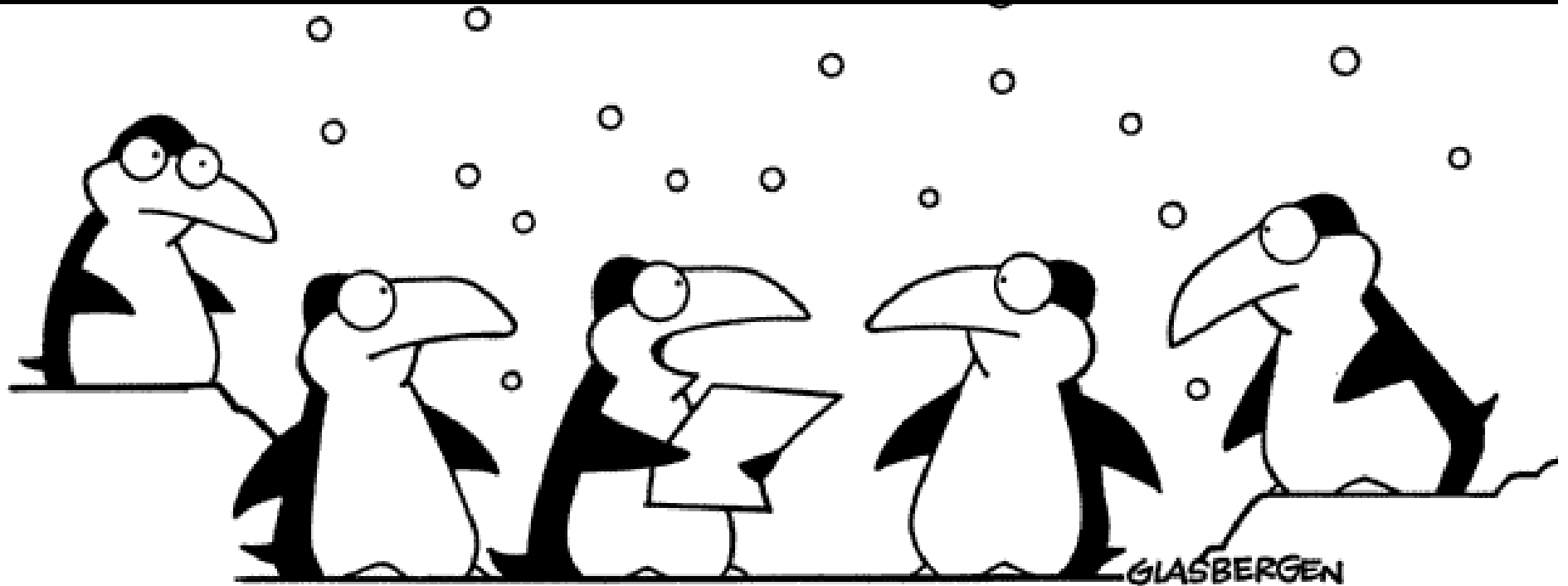
Dear Professor Caeldries,
Hello Filip,

[...]

Might I ask you to keep the document confidential. **I don't think my honesty on this subject will be appreciated by my boss and colleagues or will benefit my career".**

(Middle Manager)

LISTEN TO A DIVERSITY OF VOICES



"They say we're not placing enough emphasis on diversity."

“Provoking” novel connections/contacts





Design

Thinking

by Tim Brown

*Thinking like a designer
can transform the way
you develop products,
services, processes – and
even strategy.*

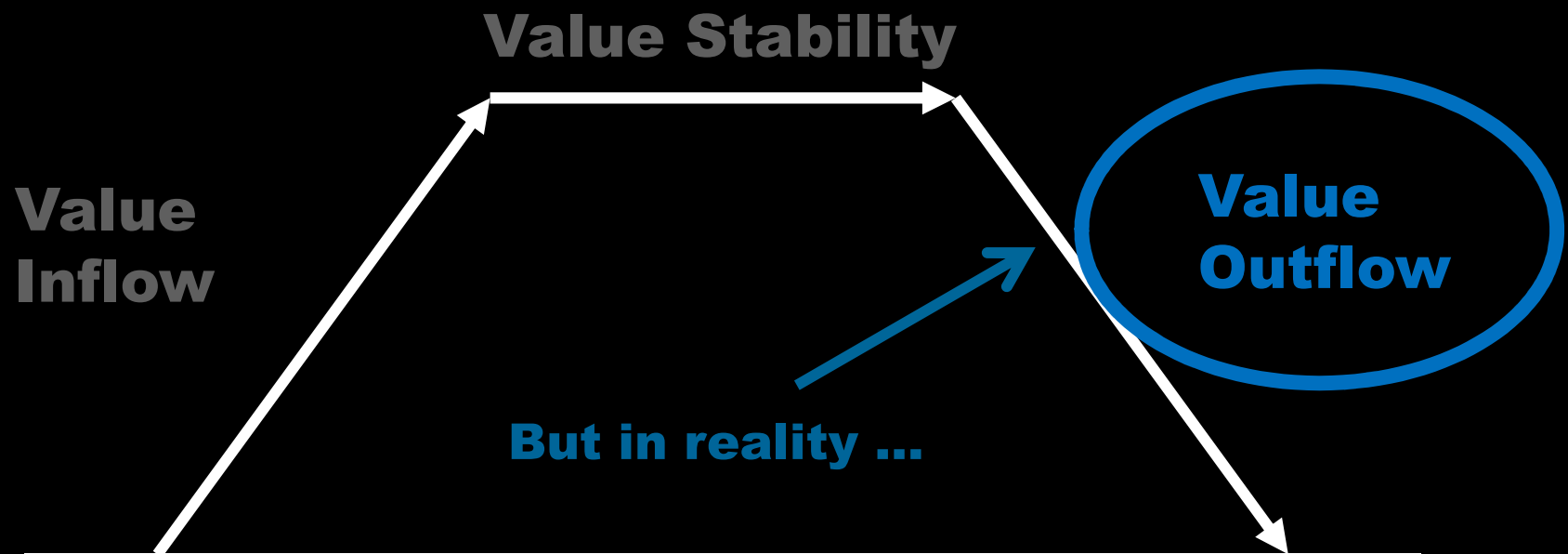
T

HOMAS EDISON created the electric lightbulb and then wrapped an entire industry around it. The lightbulb is most often thought of as his signature invention, but Edison understood that the bulb was little more than a paper trick without a system of electric power generation and transmission to make it truly useful. So he created that, too.

Thus Edison's genius lay in his ability to conceive of a fully developed marketplace, not simply a discrete device. He was able to envision how people would want to use what he made, and he engineered toward that insight. He wasn't always prescient (he

Photo courtesy of IDEO

Value Migration Cycle



INDIVIDUAL

ORGANIZATIONAL

COLLECTIVE

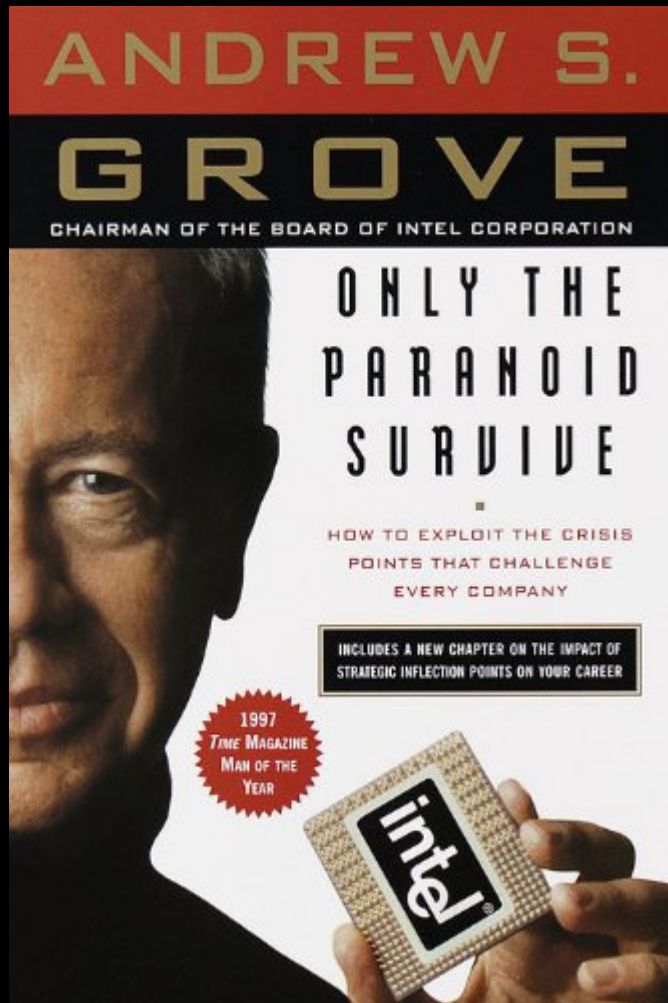


COLLECTIVE

Industry Recipe

“*Shared* pattern of beliefs”

(Dominant logic)



“[An] industry map is composed of an unstated set of rules and relationships, ways and means of doing business, what’s done and how it’s done and what’s not done, who matters and who doesn’t.”

“You don’t even have to think about them, you just know that’s the way things are”.

ORGANIZATIONAL





A brief history

1937: Founded by Edwin Land

1948: First instant camera (sepia)

1950: First instant camera (black & white)

1963: First instant camera (color)

1972: SX-70 (one-step development – no waste)

1981: Creation **Electronic Imaging Group**

1992: Working prototype **digital camera**

1996: Introduction PDC-2000 (already 40 firms selling digital cameras)

2001: Chapter 11



INDIVIDUAL

INTEL's Memory Business Exit

“We were not objective observers. We had the genetic mind-set that didn't want to see those things until they were so incontrovertibly true that not facing them meant we were going to go out of business.”

“In retrospect, we should have listened to more objective observers than ourselves.”

Andrew Grove (Intel)

Simon/Dearborn-Effect

Cognitive Biases

- 1. Prior hypothesis (confirmation) bias**
- 2. Escalating commitment**
- 3. Single outcome calculation**
- 4. Inferences of impossibility for non-preferred alternatives**
- 5. Devaluation of partially described alternatives**
- 6. Endowment effect**
- 7. ...**



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Thinking

by Tim Brown

*Thinking like a designer
can transform the way
you develop products,
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even strategy.*

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Photo courtesy of IDEO

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