Change the game

Today’s market leaders don’t just play the game - they redefine the markets in which they compete, the rules by which they play - and shape the future to their advantage.

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The best opportunities for business – to find new growth, to engage customers more deeply, to stand out from the crowd, to improve their profitability – lie in the changing nature markets. The best ways to seize these changes are by innovating – not just innovating the product, or even the business itself, but by innovating the market.

Today’s most successful businesses – from Airbnb to Tesla, Apple to Uber – innovate the market – what it is, and how it works. Most businesses accept the market as a given – the status quo – and compete within it, with slightly different products and services, or most usually by competing on price. Most new products are quickly imitated, leading to declining margins and commoditisation. This is not a route to long-term success in a rapidly changing world.

Fast-changing markets demand fast-changing businesses … Winning in this new world requires a bigger ambition – to change the game, not just play the game. “Gamechangers” innovate their market, and then innovate their business – Like WhatsApp creating $19bn in three years, Uber $60bn in 5 years … These companies harness the power of ideas and networks to create exponential business impact.

Think!

It all starts with an idea – indeed, you could say we now live in an “ideas economy”. Gamechangers typically have really big ideas – not ones that can be quickly copied by others. Most ideas are incremental, and most ideas in business are usually around product functionality. Gamechangers are more audacious … They think
about making things 10 times better, not just 10% better … They think beyond the product, to the service and channel, the business model and customer experience. And ultimately how the market works.

And of course, ideas are not enough. You need to make them happen. That can also be a creative process. In particular the ways in which you collaborate with customers and business partners to make new ideas happen – using concepts such as design thinking to explore deeper, lean innovation to implement faster, co-creation to engage people more closely, and new business models to ensure they generate superior returns.

Seize the best opportunities

There is no right or wrong time. Markets are in a constant state of change. The trick is to make a change that is in tune with the changing attitudes and aspirations of customers, with the capabilities of technology, and to do it before the competitors do.

Think about electric cars, for example. The challenge for Tesla as an innovator is not simply to create a great electric car, but to create the market for the car too. This means creating demand, competition, and infrastructure. Tesla works hard to create a vision that engages people emotionally in the benefits of electric, as well as the love for their brand. They started with a high-end niche roadster to build aspiration, and are now introduced mid and lower-end models for the mass market. They gave away much of their IP to encourage competitors to grow the market with
them, and with their sister business Solar City, they are creating the world’s largest electric charging network.

Of course, Tesla could just have waited for somebody else to do this. But they wanted to create a new “game” which they could shape. They wanted to create the future of automotive in their own vision, and to define the rules (the infrastructure, the standards, the expectations) to their own advantage.

Change the why … then the who, what and how

Most companies like to focus on the “what” (the product, service and experience). This is where they have conventionally succeeded. They seek to innovate within the existing game. Most of their solutions are similar to competitors – small differences to design and functionality, and small differences in prices. Eventually, focus on the what, leads us to sameness – to commoditization, to price discounting and diminishing profits. By first thinking about the “why” and then the “how”, you can “reframe” what you are about – to redefine the market, on your own terms.

This is what Apple did with the personal computer market. This is what Dyson did with the home cleaning market. Or Supercell did in the gaming market. Or Desigual in the fashion market … They stopped to think, to think bigger and smarter. Right now you can see the next generation of game changers doing the same … 23andMe in healthcare, SpaceX in space travel, OneWeb in global internet. DJI in drones.

Competitive advantage in today’s fast and crowded markets is not about being slightly better, or slightly cheaper, it is about having a better vision, a better view of the market, and how you can make people’s lives better. They “out-think” the
competition. This is what makes the great business leaders stand out – Akio Morita, Steve Jobs, Richard Branson – they are visionaries, but also revolutionaries – to challenge, to disrupt, to create – in order to leap forwards.

Think beyond products and services

Changing the game is not about launching one product. It is about redefining the market, creating a new audience and new demand. Once you have redefined how they market works, then you are in a position to create a long series of products to succeed in it.

Apple is the obvious example. By creating a new market model, supported by a new business model, it was able to create multiple successes. In the beginning, iTunes was the real innovation, more than iPod. This changing the market, and was difficult to copy. Similarly, iPad and iPhone have become so successful, because of the App Store. Again, difficult to copy.

At the same time, there is a brand story that keeps moving. For Apple, this is about humanizing technology, combining the emotion of great design, with simplicity of intuitive technologies. Building a brand that people trust, and ultimately where all the products work together and become something much bigger. This is perhaps where Asian technology companies have been less successful so far.

You can see the same approach at Nike, at Pixar, at Tesla. It is all about “horizon planning”, whereby you create a bold and audacious “vision” working from the future back, and then plan how the journey will unfold. It is hard and soft – yin and
yang, if you like. It is a functional journey of technology and functionality, but also an emotional journey of trust and desire.

Creative insights and ideas

“Gamechanging” is a strategic challenge – for the whole business. It requires the full engagement of business leaders, as well as people with expertise and imagination in all parts of the business. It requires creativity, to develop new ideas, but also courage and commitment to make them happen in smart and profitable ways.

The best three sources of creativity are

- **Customer Insight** – “Deep diving” to understand the needs and aspirations of customers more deeply – not just for existing products, but for making their lives better. This means spending more time with people, exploring their worlds one by one, solving real problems in new ways. This is far more insightful than the old ways of doing mass-market customer research that was limited by the questions asked, and the statistical analysis of which resulted in average solutions for average people. The new approach to is to
be more selective, more intuitive and exploratory. It is based on “Design Thinking” which we lead on in my executive program.

- **Parallel Worlds** – Most good ideas are already out there, but often in different places. The same consumer who buys your sports shoes, also buys food, cars, phones, games, travel and much more. Look at other “parallel” markets to see how the same people are responding to ideas in other sectors. If they sign-up to annual contracts for their phones, maybe they would do similarly for sports shoes. Or pay for the gym and get the shoes free, like in banking. Or pay per use, or by subscription, like in gaming. Don’t be obsessed with competitors, look to what your consumers are doing, and liking, in other places, then bring that to your own business.

- **“Future Back” Imagination** – We each have years and years of stored experiences, dreams and frustrations, of our specific areas of work. It’s time to unlock all of this, in a creative and facilitated way. Multiply this by all the other people in the organization, and you suddenly have an incredible source of ideas. Facilitated diversity brings together different perspectives, and by clearly defining the problem or the goal, we can focus our own experiences to be incredibly creative. The best way to do this is using “future back” technique, which starts with an uninhibited vision of the future and then works backwards to connect it to the real opportunities of today.

The innovation process is about creativity (divergence) and commercialization (convergence). These creative techniques are particularly useful in opening up our range of thinking. My Innolab methodology is a fast and facilitated way of achieving that in corporate teams.

**Market roadmap**

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Get started

Today’s entrepreneurial mindset is to start fast, make mistakes and learn … and then as you gain more insight and experience, “pivot” your business to where you really see the best opportunity.

As examples, Pinterest started life as Tote, helping people to explore online retailers and sending them updates about prices and availability. It realised users were mainly using the site to build and share ideas lists, and soon shifted course to focus on “pinning”. Groupon began as a platform for social action called The Point, before reinventing itself in the crowd-based local coupon business. Ushahida started as an African election monitoring service, before growing into a crowdsourced new aggregator. Twitter emerged out of a mediocre podcasting concept called Odeo that was outshone by iTunes.

Gamechanging requires agility – the ability to act quickly, be prepared to change direction, and to live without certainty. It’s like climbing a mountain, set out your vision – the mountain peak you want to get to – and then choose your path. However you may well have to change your path depending on what it’s like, the
weather conditions, and much more. You might sometimes even want to aim for a different peak, when you realise that the initial one is no longer appropriate.

Be the gamechanger!

Ultimately its about creating the future in your own vision, rather than living in the shadow of others, past and present. Think how you can shape the future to your advantage, to make sense of change, and define your own destiny.

Don’t just play the game, change the game.

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