



NACD BOARD LEADERSHIP Fellow



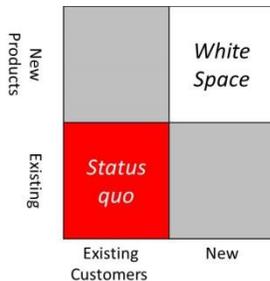
Newsletter: August 2016

Summer is a great time to plan White Space projects

August is beach season- you are probably on, near or thinking about relaxing on a beach! Well, to an innovation/disruption expert like me, beaches remind me of...white space! That's the market which is beyond the "box" of the current success formula.



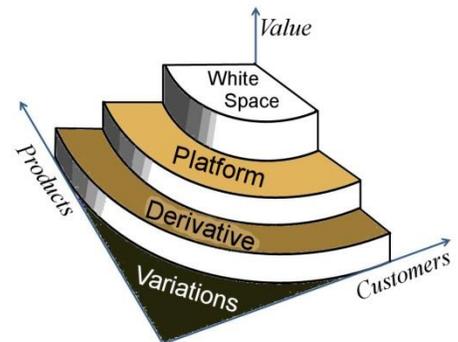
A colleague recently competed in the Chicago to Mackinac sailboat race. This year, after 12 hours of lightning, wind, rain and waves, the sun came out and they were greeted by the sight of the gleaming Sleeping Bear sand dunes on the Michigan shore. To the sailors, the dunes are a milestone of the race course. For innovators, they are a good analogy of the path to white space.



Innovation is often represented by a 2 x 2 matrix of new and existing products and customers. But this model does not capture a key obstacle to innovation adoption- behavior.

Another way to view innovations is to consider the four ways that innovation changes behaviors of the supplier and customer as innovative thinking moves upslope to white space.

- **Variations** are products and services created within the existing Success Formula and do not change behaviors at all.
- **Derivative** innovations are typically expansions to the product itself. They extend the Success formula and require some changes in behavior.
- **Platform** innovations require changes in the Success formula for both supplier and customer.
- Finally, **Fundamental** innovations (White Space) create entirely new formula for success and behaviors for suppliers and customers.



Most companies devote the largest share of investment to Variations, at the bottom of the sand dune where the risk is minimal and the sand is flat. Then, they typically fund a few projects in Derivative and Platform innovations which are higher up the slope, but not far from the success formula on the beach. Very little investment is allocated to Fundamental projects because climbing that sand dune is difficult and risky.

The height of the sand dune can represent long term value to the company. After the tough climb through the sand, you are rewarded with breathtaking views and cool breezes. There usually are no “competitors” at the top- you have the market and profits to yourself to create a new success formula. The payoff goes up as you climb, with the highest rewards at the top.

To complete the analogy, the sands are like trends- soft, sliding, uncertain. Once you master the trends, the path to the top and white space is clear.



The [Sleeping Bear Dunes](#) in Michigan were named “The most beautiful place in America” by the Good Morning America show. Think about climbing to the top of your local beach to reach the whitespace at the top- you’ll enjoy the view.

Have a great end of your summer!

Let us help you use trends to drive your innovation, positioning, organizational design, staffing, and culture to gain more revenues, higher profits and increased valuation. By adding our trend expertise to your organizational knowledge, you can build a company that is future focused for greater success.

“One sits down on a desert sand dune, sees nothing, hears nothing.
Yet through the silence something...gleams.”

Antoine de Saint-Exupéry

Don’t let the rest of summer slip by. Start your 2017 new product planning by having us help you identify key trends and how they can impact your growth. Call us in August, mention this newsletter and receive a 15% discount on all services. Our summer guarantee - We’ll give you the key trends and impacts – or there is no charge!!

Send an email now, or pick up the phone and call us at 847-331-6384 or 847-331-6446. For more on how to include trends in your planning, I’ve created a “how-to” that you can adapt for your team. See my [Status Quo Risk Management Playbook](#).

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