

Editor's letter

Disruptive innovators are attacking formidable industry giants in a wide range of markets. You can imagine company leaders being kept awake at night by an ominous earworm—the refrain from the song “Bad Boys” by Ian Lewis—“What’cha gonna do when they come for you? What’cha gonna do?” The future looks like competition, competition and more competition. So how can an established firm innovate its way out of a market Donnybrook? Should it re-invent its core product or innovate new businesses and services around it? What’s a quick way to test how customers react to unique offering ideas? How will ecosystems disrupt markets? How can corporations like Walmart, which is arm-twisting suppliers to beat new rivals’ prices by 15 percent, manage their reputations strategically while battling ferociously? The articles in this issue offer a variety of suggestions.

SRI’s turnaround: how four principles guided high-value, market-creating innovations

Stephen Denning

CEO Curt Carlson who introduced a culture of innovation at SRI International from 1998 to 2006—defied the odds and accomplished a storied turnaround. Carlson and his team eventually came up with the heart of the value proposition – a framework that starts the creation of any new innovation and answers four fundamental questions.

“The four questions are, “What is the important customer and market need? What is your approach for addressing this need? What are the benefits per costs of your approach? And how do those benefits per costs compare with the competition and the alternatives?” Carlson calls the answers “a value proposition” or “NABC” for **N**eed, **A**pproach, **B**enefits per costs, and **C**ompetition. He wrote a playbook for applying the four NABC innovation principals.

Masterclass: two strategies for innovating in the face of market disruption

Brian Leavy

How can established firms compete with agile, disruptive market entrants armed with innovative business models? Two new books offer existential insights. In *Dual Transformation: How to Reposition Today’s Business While Creating the Future* (2017), disruptive innovation experts, Scott Anthony, Clark Gilbert and Mark Johnson, offer corporate leaders a “dual transformation” template for simultaneously repositioning the traditional core business while creating one or more new businesses to take advantage of the disruption’s stimulus to market growth. In *The Power of Little Ideas: A Low-Risk, High-Reward Approach to Innovation* (2017), innovation guru, David Robertson, and his collaborator, Kent Lineback, suggest companies adopt a “third way” by innovating around a core product to make it more compelling.

Market testing innovative ideas using a six-step crowdfunding method

Robert Charles Sheldon and Martin Kupp

The authors offer an intuitive six-part market-testing method that is based on lessons learned from crowdfunding. It can be implemented quickly, and doesn’t require a major commitment of resources. It’s a way to introduce potential customers to exciting but untested ideas that might open new revenue streams from “Blue Ocean” markets.

Maximizing the strategic value of corporate reputation: a business model perspective

Qiaoling “Amy” Ma and Oleksiy Osiyevskyy

How exactly can a company strategically utilize its reputation? The authors delineate four reputational models: nonstrategic reputation management, social (CSR) emphasis, utilitarian emphasis (on quality) and double emphasis (both on quality and social good). They chart the linkage between a firm’s corporate reputation strategy and its business model and identify approaches for reaping the rewards of corporate reputation.

How India can be essential to the global ecosystem economy

Namit Agrawal, Madhuri Banda, Anthony Marshall, Nipun Mehrotra and Clifford Patrao

India has a set of strengths that make its businesses uniquely equipped to succeed in a global ecosystem economy. Widespread entrepreneurial culture, strong investor confidence, vibrant diaspora, skilled workforce, supportive government initiatives and strengthening institutional engagement all go to support India’s global aspirations for rapid development of ecosystems.

And don’t miss the CEO advisory “**Foreign entrepreneurs in Japan: learning to succeed when strategy and business culture collide**” by Kenneth Alan Grossberg.

Good reading!

Robert M. Randall

Editor