



Breakaway Growth ... Is your potential getting realized?

Executives continue to be disappointed in achieving above market average growth through innovation. You should expect to achieve only market average growth from your sustaining innovations ... the kind of innovations that your competitors are also making. Additional SKUs, product line extensions, geographic expansion into emerging markets, refreshed advertising campaigns will just keep you even. Anything less is a failure in basic business execution.

A shortage of breakaway ideas is no longer the problem. Several years ago a tipping point was reached in the wide spread awareness that processes for managing the pipeline could not compensate for a lack a promising ideas entering at the front end. Most companies now have plenty of front end ideas.

Breakaway ideas are not the sole province of R&D. Many organizations have become fixated on the product pipeline as the source of new growth. This blinds you to growth opportunities through innovative marketing, sales, packaging and business models. It also creates an innovation imbalance between breakaway products and status quo activities in marketing, sales, and business models. This imbalance results in breakaway products which underperform in the marketplace.

Breakaway growth ideas consistently underperform unless you establish the necessary pre-conditions. Through our research and interviews with leading innovation executives, we have identified essential requirements to successfully commercialize ideas that have the potential for above average growth. If your innovation framework is not built on this foundation, you can reliably predict that any big idea will underperform. You can reliably predict that troublesome indicators will surface within 3 months of first round resourcing.

The 5 Must-Haves for Success

1. Growth strategy which fulfills executive ambitions and aspirations

Often overlooked, yet of critical importance to any new growth initiative are the ambitions and aspirations of top executives. Growth that starts from analysis and assessment misses that strategy, at its core, is the fulfillment of executive intentions. What are they? Are they aligned?

2. Commitment-based governance

Consider it a given that the existing structure, processes and mindset which deliver today's sustaining innovation will also put the brakes on your breakaway growth. Job #1 of a growth governance structure is to challenge the status quo so that your innovation framework matches the bigness and newness of your growth aspirations. Keywords are commitment, alignment and accountability.

3. Market-facing milestones

You know if your big idea has big commercial value only through interaction and iteration with your channels of distribution, buying customers and end-users. From early stage story boards through

commercialization, you nurture and advance a growth opportunity or kill it based upon milestones informed by market interaction.

4. The total business concept

Breakaway innovations usually effect multiple dimensions of a business organization. Development, marketing, sales, sourcing, service, business models can and will be impacted. Some breakaway innovations don't require R&D. When you defer commercialization dimensions the opportunity will underperform. For breakaway growth you bring commercialization into the front-end.

5. “Earn the right” funding

In sustaining innovation, the presumption is that ideas entering the pipeline will receive funding and will be commercialized at scale. In breakaway innovation, the presumption is that you have to earn and fight for funding from a limited pool. Breakaway growth is not a predictable investment. So you earn funding based upon meeting market-facing milestones, mitigating risk and customer feedback.

9 Early Signs of Success Slipping Away

Within 3 months of first round financing ...

1. Executives have yet to signal their commitment to areas of breakaway growth.
2. The bigness of the growth opportunity lacks alignment and is not well understood.
3. The external factors that make the opportunity big are spoken in vague terms. The reason to believe is questionable. The strategic risks are not transparent.
4. The opportunity has dimensions that are new to the market and / or new to the company but is being run by the same process as a sustaining innovation.
5. The opportunity is lead by an individual oriented towards improvement not start-up.
6. Executives are personally unfamiliar with the customers, application and competition.
7. You haven't made explicit the criteria by which the project will be killed in the early stages.
8. The opportunity is overspending its funding and / or is delayed in meeting its first milestone.
9. Problems are not transparent. The team doesn't know what the problems are and what to do.