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## **Thank you!**

What we learn from client projects enables us to continue to build on the basic theories of disruptive innovation on which Innosight was founded. In particular, the foundational concepts of jobs-to-be-done have been built on over the years. In this issue we feature another such build by Innosight associate Rebecca Waber and analyst Curtis Chan, who describe the ways in which customers' awareness of the jobs they are trying to get done impacts the jobs a company's marketing department has to do.

Comments and suggestions are welcome – send them to [editor@strategyandinnovation.com](mailto:editor@strategyandinnovation.com).

*—Renee Hopkins Callahan, Editor*

## **Innosight News and Events**

### **Innovating Through the Storm: Insights on the Disruption in the Media Industry**

Innosight's President Scott Anthony will be featured in this webcast addressing the explosion of choice, erosion of once enviable business models, challenging economic times and other factors leading to major disruption in the media industry. 11 am - 12 pm (EST) May 14.

[http://www.innosight.com/news\\_events/event.html?id=775](http://www.innosight.com/news_events/event.html?id=775)

### **Front End of Innovation Conference**

Innosight will be exhibiting at this May 18-20 conference at the Boston World Trade Center and Seaport Hotel.

[http://www.innosight.com/news\\_events/event.html?id=730](http://www.innosight.com/news_events/event.html?id=730)

## Feature: Aware of Awareness

Using jobs-to-be-done to guide marketing strategy

By Rebecca Waber and Curtis Chan

A recent headline (see related reference) in the online magazine *Slate* read, “The mind-boggling growth of Hulu.” Mind-boggling? Really? If you’re a frequent reader of *Strategy & Innovation* or the InnoBlog, you’ll know that at Innosight we have been following the online video site Hulu (see related reference) for some time, so an article on its growth is not particularly shocking.

Many observers have commented on the success of Hulu, referencing the user-friendliness of the interface, the leadership of the company, and the diversity of the content. One aspect of Hulu that tends not to be discussed, however, is that part of its success owes to the fact that consumers were already aware of the need for a product that offers readily available television content. Consumers — exhausted from work or bored on weekends — were well aware of their own job-to-be-done of unwinding by watching TV they want, when they want. Indeed, from this perspective, Hulu’s success doesn’t seem mind-boggling at all.

One of Innosight’s core innovation principles is that companies succeed when they innovate to help a customer get an important, unsatisfied job done. This article builds on this principle by introducing an additional dimension of the JOBS™ process — awareness. To most marketing executives, “awareness” means product awareness. Product awareness, however, is only the beginning of the consumer-purchase funnel (see **Figure 1** below).

Product awareness only makes consumers aware of the *solution*. In and of itself, this type of awareness is insufficient to gain consideration from consumers; they must also be aware of both their own jobs-to-be-done and of the solution’s ability to satisfy those jobs. Then, if consumers believe that this solution satisfies their important jobs, they may decide to purchase it. Finally, they become repeat customers if they find in everyday practice that these jobs are actually very important and that they are in fact satisfied by this solution.

**Figure 1: Consumer-Purchase Funnel**



This article focuses on the consideration portion of the purchase funnel, highlighting the significance of job awareness and job-solution connection awareness. In the case of Hulu, both forms of awareness were already high, without much if any effort on the part of the company. For other companies less blessed — or less skilled at finding and tapping into high-awareness jobs-to-be-done — an understanding of these two factors can help to predict the success of new products and determine the best approach to marketing strategy.

### **Job awareness**

Naturally, Hulu's success has depended on its ability to satisfy consumers' important jobs. But just as critical is how *aware* consumers are of having these particular jobs. Consider how long people have been searching for a good solution to the job, "Give me access to all the TV content I want, when I want it." Betamax, VCRs, Laserdisc, DVRs, Blockbuster, BitTorrent, DVDs, Kazaa, and Netflix are just some of the technologies and companies that have stepped up to the plate on this job. Consumer awareness of the importance of this job has been high for decades.

Psychologists might say that this key job has "high saliency," meaning that it is at the forefront of people's minds. A job with high saliency or awareness may be one that people often think about, complain about, and seek solutions for. A job with low saliency or awareness may be equally important, but just less "on your mind" because, for instance, people adopt compensating

behaviors for jobs, or simply because people are not often in the circumstances in which they think about that particular job.

Job awareness is a notable concept for marketers because, while the customer job-to-be-done must be both highly important and unsatisfied, customers must also be aware of the job in order to realize the value of the offering. In contrast to the Hulu example, where job awareness is typically high for the job “Give me access to all the TV content I want, when I want it,” consider the following example of what can happen when consumers are *not* aware of the job at hand.

The *New York Times* ran a story a few months ago about Dr. Val Curtis (see related reference), an anthropologist in Burkina Faso who launched an advertising campaign to encourage the then-uncustomary practice of hand-washing with soap after using the bathroom. Many public health activists had unsuccessfully tried to educate the Burkinabe public about germs, promoting soap as a solution to the job of “Protect myself from germs” in an effort to reduce the prevalence of serious diseases.

What Dr. Curtis determined was that the job of “Protect myself from germs” was simply not salient to the Burkinabe. “We could talk about germs until we were blue in the face, and it didn’t change behaviors,” Dr. Curtis told the *New York Times*. The problem just wasn’t something they thought about on a regular basis; it wasn’t on their radar screens.

On the other hand, a high-awareness job that the Burkinabe did have was around what one anthropologist called the “yuck factor.” This job wasn’t about germs; the Burkinabe used soap whenever they *felt* their hands were dirty. Thus, “Help me feel de-contaminated after engaging in an unclean activity” was a salient job for the Burkinabe that came into play after a visit to the dirty city, for example, or after cooking with grease.

Dr. Curtis and her team were successful in getting the Burkinabe to use soap when the team switched from advertising that emphasized the solution — soap — to advertising that connected bathroom use to the already high-awareness job of “Help me feel de-contaminated after engaging in an unclean activity.” These new advertisements barely mentioned soap. Instead, they promoted bathroom use as something “yucky,” something in need of de-contamination. Post-bathroom soap use in Burkina Faso has risen 41 percent as a result.

### ***Job-solution connection awareness***

Job awareness was clearly key in the success of the campaign, but just as important was the Burkinabe’s awareness of soap’s ability to satisfy the job “Help me feel de-contaminated after engaging in an unclean activity.” In both the Hulu and soap examples, the awareness of the *connection* between the job and solution was very high. Hulu is an obvious way to “Give me access to all the TV content I want, when I want it,” and soap is a self-evident way to “Help me feel de-contaminated after engaging in an unclean activity.” *Job-solution connection awareness* refers to how clearly connected the solution is to the job, the prima facie obviousness with which a particular solution satisfies a job from the consumer’s point of view.

Hulu and soap are both products with high job-solution connection awareness. In general, many sustaining innovations have fairly high job-solution connection awareness: a new model of vacuum cleaner is obviously for picking up dirt; improvements in computer batteries let you last longer without plugging in.

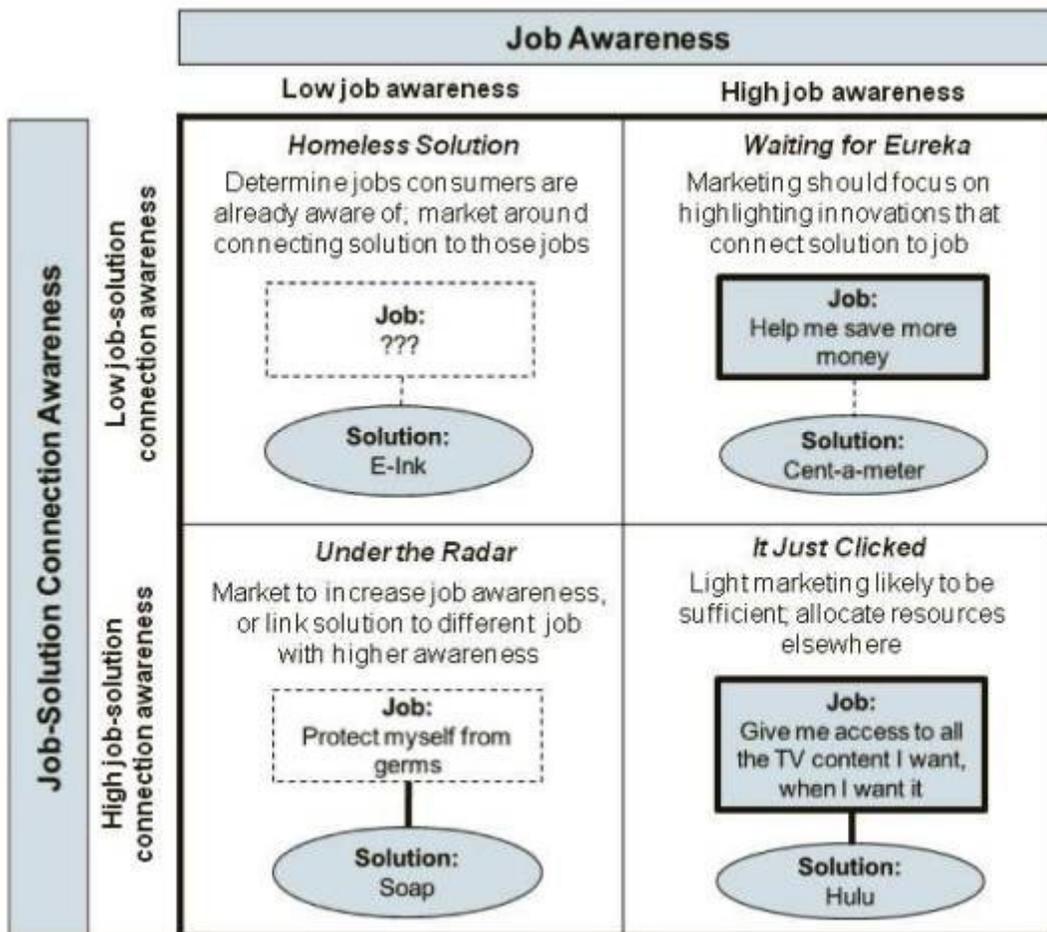
On the other hand, many new-to-the-world offerings have lower job-solution connection awareness. The obvious ability of the product to achieve important jobs may be evident to the company and product designers, but less clear to consumers.

Consider the job, “Help me save more money,” which most consumers are acutely aware of, especially in these difficult economic times. One type of product that is helpful for this goal are smart energy meters such as TED and Clipsal’s Cent-a-meter, which help households become more energy-efficient, lowering monthly bills. While these products are effective solutions for this job, the connection between the job and these products may not be immediately evident to the average consumer who sees such a meter on a store shelf — that is, unless the right marketing is employed.

### ***Marketing implications***

The notions of job awareness and job-solution connection awareness imply different marketing strategies. As we see it, there are four scenarios based on job awareness and job-solution connection awareness, as illustrated in the Awareness Assessment Matrix (**Figure 2**, below). Success in each of these four situations will accordingly require different marketing strategies based on which element of awareness is not at sufficient levels.

Figure 2: Awareness Assessment Matrix



**Homeless Solution: Low Job Awareness/Low Job-Solution Connection Awareness**

The situation of low job awareness and low job-solution connection awareness commonly, although certainly not always, arises when a company with R&D-driven innovation develops a new technology whose usage or benefits are not yet evident — think of E-Ink, for example. E-Ink ended up being used in the display for Amazon’s Kindle, but at the outset it was not obvious to the designers or to potential customers what the technology would be used for.

In cases like E-Ink, the job that the product was designed to address may have very low job awareness among consumers, or it may be entirely unclear to consumers which jobs, if any, the new product fulfills. Consumers will thus have a difficult time connecting the solution to any of their jobs. The task at hand is to determine what relevant jobs the solution addresses that consumers are already highly aware of, and then to focus marketing around connecting those jobs

to the solution.

For instance, a class of consumer electronics produced by Ambient Devices gives off lights of different intensity and color based on external conditions. Like E-Ink, this technology was developed without a distinct customer job-to-be-done in mind. However, Ambient Devices created and marketed a product called the Ambient Umbrella with a handle that lights up when rain is imminent, so that consumers know to grab their umbrella before they leave the house. Ambient Devices thus identified and targeted an important and unsatisfied consumer job of knowing when to take one's umbrella and connected their solution to that job.

### ***Under the Radar: Low Job Awareness/High Job-Solution Connection Awareness***

Sometimes, a job itself flies under the radar, but a great solution that addresses that job is out there. In this case of low job awareness and high job-solution connection awareness, a company — through market research or intuition — may have reason to believe that consumers would find the job important and unsatisfied, if only they were aware of it.

One strategy for such cases involves focusing advertising on the job itself to increase consumers' awareness of the job. For example, before they could flourish, identity theft protection programs had to raise consumer awareness of the job "Protect my financial identity" through marketing campaigns that instilled in consumers the fear of having their credit card accounts hijacked. The researchers in Burkina Faso employed an effective but different strategy to increase soap usage; they marketed to link the solution to a different job that consumers were *already* highly aware of, namely, "Help me feel de-contaminated after engaging in an unclean activity."

### ***It Just Clicked: High Job Awareness/High Job-Solution Connection Awareness***

If a product is released into a market where people are visibly frustrated that an important job they have is not getting done, and if that product clearly addresses this high-awareness job, we might say that the solution "just clicked" with consumers. Hulu is one example of a fortunate situation where consumer awareness was high for the job-to-be-done as well as for the connection between the solution and the job. Given a history of clunky online video sites, consumers were ready and waiting for a better one.

In general, marketing needs are lightest here. Another example is JetBlue, which gained its initial foothold market mostly by word-of-mouth. In an industry with a notoriously low bar for customer satisfaction, JetBlue offered 36 channels of DirectTV, unlimited brand name snacks, and the most legroom in coach, clearly satisfying the high-awareness job "Have a better flying experience while still paying low prices."

### ***Waiting for Eureka: High Job Awareness/Low Job-Solution Connection Awareness***

The scenario of high job awareness and low job-solution connection awareness often occurs for new classes of products, or when consumers find a new or unintended use for an existing product. The ability of the solution to satisfy the job may simply not be evident at first glance. Consumers may not clearly understand how the solution can satisfy the high-awareness job, so marketing must fill that gap of understanding.

In the case of Clipsal's smart energy meter, consumers know that they want to save money, but they may not have previously thought of an energy meter as being able to meet that goal. Walking past such a device in a store, consumers may not intuitively make the connection between the energy meter and personal savings. That's why the role of marketing here is to highlight that connection between the high-awareness job and the solution. In Clipsal's case, they are doing just that, by naming the product "Cent-a-meter" and messaging, "SAVE up to 20% off your power bills."

Marketing can serve to facilitate the "aha" moments where consumers make the connection between their job and a solution. Recently, one of our colleagues bought a car for the first time, and was offered an upgrade to keyless entry. She turned this down, reasoning that turning a key in a lock was no more difficult than pressing a button. A month after purchase, while searching for her car in the parking lot, she realized that a main benefit of keyless entry is actually the ability to help you find your car in a crowded lot, and that such a benefit was well worth paying for. Unfortunately for the dealer, this "aha" moment came too late for the purchase. When companies rely on consumers to realize the benefits of their product on their own, they often miss out on sales opportunities.

Even if consumers are already aware of one effective application of a product, drawing connections between the solution and other jobs can open up disruptive new markets and increase sales. For example, PAM cooking spray was originally used to prevent baked food from sticking to pans, but in more recent campaigns PAM has advertised new and different uses for its product, including spraying the tops of food items like potatoes to make them crispier. By helping consumers see non-obvious connections to compelling jobs, companies can increase sales among existing consumers in non-consuming circumstances.

### ***Final thoughts***

The concepts of job awareness and job-solution connection awareness and the tool of the Awareness Assessment Matrix provide companies with the ability to predict what type of marketing strategy will be most effective given their product's awareness profile. Not all companies are as fortunate as Hulu, with such high job awareness and job-solution connection awareness. But, by understanding the awareness profiles of their products, companies can adopt the appropriate marketing strategy to promote "mind-boggling success" of their own.

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### **Innovator's Insight: Disrupting the NBA**

How could a near-monopoly approach disruptive innovation?

By Kathleen Poe

I recently attended the MIT Sloan Sports Analytics Conference (affectionately dubbed “Dorkapalooza” by panelist and ESPN columnist Bill Simmons – see related reference) and came away with my head a-twitter. The business model of the sports industry was on display first-hand. As we in the audience fawned over panelist and Celtics guard Ray Allen, Ray batted his eyelashes at the head of sports marketing for Gillette in hopes of landing an endorsement deal.

Meanwhile, the GM of the Toronto Maple Leafs recognized that he’s in the entertainment business and can generate more revenue based on star players and action (read: fights) than by winning games. Former NBA coach Jeff Van Gundy agreed, opining that basketball needs more rabid fans and fewer players hugging after the game, as Simmons observed that fans may opt to stay home more given high ticket/parking/food prices at the stadium and better angles and replays in one’s living room.

The most fun of the day, however, was talking with the COO of the NBA, Adam Silver, about new growth opportunities in professional sports. As a fan of both athletics and innovation, I inevitably apply the questions we ponder at Innosight to the world of the NBA, MLS, MLB, and NFL (sorry, hockey and golf fans, but I just don’t think about the NHL or the PGA).

Do the models of disruption apply in an industry full of near-monopolies? While the sports industry’s focus on growth through international expansion makes sense, is there not also untapped growth domestically? How can teams and leagues meet the sometimes-opposing jobs of multiple audiences within one event, without the luxury of new brands and product lines that are possible in other industries?

Using the NBA as an example, we can see that taking a JOBS™-based approach to answering these questions can uncover potential opportunities for growth (see related reference).

### ***Segmenting consumers by jobs-to-be-done***

Segmenting consumers by their important, unsatisfied jobs (including functional, social, and emotional jobs) and the related barriers to solving those jobs can yield unexpected, actionable

segments that point to new product ideas and enable more effective marketing vs. segmenting on demographics.

For example, a traditional, demographic segmentation would look for commonalities between me and other young, white, female professionals living in urban areas. However, a JOBS-based approach might reveal that I have more in common with a college-aged male basketball fan, a suburban parent who wants his or her child to learn the fundamentals of basketball, and a teenager who likes to play pick-up on city basketball courts. Why? Because we all likely share common jobs. We all want to:

- Feel like a true fan
- Avoid feeling like a sell-out; feel genuine
- Feel energized/excited
- Feel part of a niche group
- Experience the game
- Get out of our everyday worlds
- See high-quality, skilled basketball
- See basketball played for the love and sport, not the money

And we all share barriers to accomplishing these jobs through solutions such as attending an NBA game. Barriers might include:

- Awareness – Going to an NBA game may just not come to mind
- Identity – I don't see myself as they type of person to hold a season ticket
- Price – Netflix is more reasonably priced entertainment
- Time – Going to an NBA game takes advance planning
- Glitz – The non-basketball entertainment at the game is annoying and makes the game feel fake

We may be willing to make trade-offs, giving up pricey aspects of the NBA such as big stadiums, extensive entertainment, and famous players, for lower-priced, more accessible games with players who are playing for the love of the game. Current solutions fall short. College basketball comes close, but I don't feel a sense of affiliation with any teams in the area. I play on athletic teams myself, but I can't say the skill level inspires much awe.

### ***Finding new areas for growth***

One potential opportunity idea: An NBA-branded pick-up league or a differently branded network of local, outdoor leagues that brings together the best local players. The low-cost, low-price concept could generate excitement and demand for basketball at the grassroots level, likely among nonconsumers of NBA game tickets.

Such a league could offer exposure to good basketball and more accessible players without the barriers of glitz or the need to plan far ahead to see a game. The model is suited to testing and

learning, as the informal environment and low-cost structure enables experimentation. Competitors such as the MLS or the local movie theater are unlikely to respond, as the threat is too indirect. Messaging might include, “For those who love the game, wherever you come from” or “Teach your kid about the game and the heart, without breaking the bank.”

The NBA could also consider add-ons to its existing offerings to increase satisfaction and repeat attendance at games. For example, the league could offer “season” tickets that can be shared or have flexible attendance/cost. The secondary market and splitting of season tickets happening in the current market show that demand exists for different product/price tradeoffs, so why not be the broker?

### ***Progress underway: The D-League***

The NBA took a wonderfully innovative step with the launch of the Development League (or D-League), the minor league of the NBA. The D-League serves as both a brand extension for the NBA and an R&D department – developing the next generation of talent for the NBA while also serving as a testing ground for new concepts. For example, the D-League has allowed top teams to choose their first-round opponents in the playoffs, tested different balls, hosted a HORSE tournament at its All-Star Weekend, and mandated that one spot on each team be saved for a selected player from local tryouts, to increase fan affiliation.

As a minor league, the D-League meets the price-performance trade-offs and draws in many non-consumers, displaying high-caliber talent and exciting competition at a lower price point. It attracts a wide set of fans and offers a means of competing with lower-end forms of entertainment.

The main challenge for the D-League is one we often see in innovative start-ups within large organizations across industries – how to manage the sometimes-conflicting roles of developing demand for the parent organization’s products while also having the freedom to experiment with independent business models. With the D-League, the NBA is making a solid investment in innovation but could be well-served by commissioning a group to explore opportunities free from the constraints of an NBA pipeline or affiliate.

Had the NBA taken this approach, it might have created And1, the basketball apparel and sports camp company made famous by viral streetball videos (warning: links go to material not suitable for work or children – see related references). The And1 players and product don’t fit with the NBA image and don’t promote strict basketball fundamentals, but it generated excitement and demand for basketball, along with a nice profit.

### ***Larger lessons***

Successful examples of innovation can be seen across professional sports leagues. Often these efforts leverage new media to bring in nonconsumers, thereby expanding the market.

Major League Baseball’s Internet division has removed barriers to consumption such as geographic

location (e.g., *"I want to watch the Red Sox game but I live in North Carolina,"* which I regularly hear from my dad) and portability (e.g., *"I want to watch the game in a room where I don't have a TV"*) by offering a full set of games streamed online at MLB.TV.

The PGA has attempted a low-tech innovation to address the barrier of very long games and short attention spans by experimenting with shorter, simpler courses. Other leagues, like the MLB, have allowed teams to get in on the action of secondary ticket markets by creating such markets themselves.

Professional sports leagues could also be well-served by taking lessons from other industries. For example, the music industry has begun to digitally broadcast live performances to movie theaters. This move overcomes barriers of access and money, while satisfying fan jobs related to enjoying the experience with other people and improving ability to see and hear the music.

So, while the market for U.S. professional sports leagues can and will grow through international expansion, opportunities remain for domestic growth. As the industry becomes more analytical and data-driven, it may also be ready for a more structured, repeatable approach to innovation.

Related references

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## From the InnoBlog

### Your Innovation Vehicle Needs to be a Flexible Flyer: World Innovation Forum

By Renee Hopkins Callahan



More from last week's World Innovation Forum (see related reference) on what turned out to be a key theme: flexibility. Talks by both C.K. Prahalad (see related reference) and Vijay Govindarajan (see related reference) touched on this theme. (At left, a Flexible Flyer sled.)

C.K. Prahalad talked to us about innovating in volatile times. The global economic crisis, he said, will cause everything to be restructured. Volatility is everywhere: governments, financial markets, politics, consumer sentiment, global trade, environment. Companies dealing with this kind of volatility often seek a "zone of comfort," such as relying continuously on cost-cutting, that won't work. The key is to be able to scale your business up or down in very short amounts of time. Scaling up and down rapidly conserves cash and reduces capital intensity, reducing enterprise risk. This is also key to being able to change business models quickly.

Prahalad offered some advice on how to choose innovation initiatives that included one thing he said not to do: Don't start from where you are, because you'll only get an extrapolation of the present, not true innovation. The way to avoid this is to always have a point of view of what your industry will look like in the future. Industries are re-setting globally right now, so this may not be easy to do. But, said Prahalad, "Strategy is about folding the future in, not extrapolating the past. Position yourself in 2015, then work backward from there."

Prahalad's other innovation suggestions: start with a customer experience. For example, what if you were a tire company that charged not for tires themselves, but had more of a leasing model where you charged usage fees instead? You could also set up systems where you gather information about the performance of the tires and the way the customers use them — information that can be used to sell more things to people. This places the basis of the business on the relationship, not the transaction.

Again, the key is flexibility. According to Prahalad, the main impediment to innovation is legacy business processes and IT systems that aren't flexible. You can't innovate to take advantage of customers' value shifts unless you have flexible business processes and analytics.

And you can't get there by analyzing. You have to imagine this world first, then be flexible enough to get there. Every person has the right to make a choice for their own experience and companies must help them create it.

Vijay Govindarajan's talk also touched on flexibility as well, as he made the point that only non-linear thinking can result in breakthrough innovation. He discussed the three "boxes" that

represent ways of managing: 1) manage the present; 2) selectively forget the past; 3) create the future. Box two and box three are where non-linear thinking happens.

Linear thinking, improving on what you already have, is about incremental, continuous improvement — changing shape and size, building on the past to create the future. In order to create fundamental, breakthrough innovation, you have to jump away from the past. His example: the “Fosbury flop,” the high-jump approach in which the jumper twists over the bar so that the head clears first, rather than the feet. The reason why this approach worked so well is that it addressed the limiting factor that kept jumpers from going higher — the effect of gravity when jumpers used the more traditional scissors-roll position.

Govindarajan’s advice for breakthrough innovation: find the limiting factor and address it. This requires nonlinear change — which requires flexible thinking.

Related references

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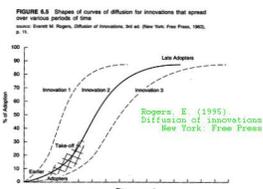
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## 'Cherish Failure' - Paul Saffo, World Innovation Forum

By Renee Hopkins Callahan

Change, recession, failure, silver linings. All of these and more were touched on by the major speakers at Day 1 of the World Innovation Forum. The day kicked off with futurist and Stanford professor Paul Saffo, who shared a framework for thinking about the context in which innovation is going to happen over the next decade.

The key to this moment in time, he said, is appreciating how profound the uncertainty is and not allowing our anxieties to arbitrarily narrow possibilities. Uncertainty is also opportunity. Step back and get context, and things start to make sense. At Innosight we often say that innovators should look for patterns when looking for where new innovations might come from. Saffo quoted Mark Twain in saying we should “look for things that ‘rhyme.’”



Echoing some of Scott Anthony’s thinking from *The Silver Lining* (see related reference), Saffo told us that we should cherish failure because of its silver lining — the fact that progress is built on previous failures. Take a look at the S curve that describes innovation adoption, he said. The flat spot in the S curve is paved with the corpses of early innovation failures. “You’ll stand at the start of the curve and be convinced that takeoff is just around the corner,” but you should “never mistake a clear view for a short distance.”

So, if you are looking for success, he said, find something that's been failing for 20 years. The first web companies were founded by refugees from failed interactive TV companies. We must not be afraid to fail.

Economies are done in by their successes, he said. They do themselves in because they do things so well. We moved from a producing economy to a consuming economy in the 1950s, when the time clock was surpassed by the credit card. The Consumer Economy ended on Sept. 14, 2008, with the bankruptcy of Lehmann Brothers.

Saffo called our current economy the Creator Economy, whose participants consume and create simultaneously. This is not a new thought, but he took it some interesting places. Google is the real indicator of the Creator Economy, he said, because it taps the smallest unit of a creator act: the search string.

Don't fear change, embrace it, he urged. The new thing will not support the weight of the old thing. Better to start a lightweight small thing and build on it.

Related reference

[Http://www.silverliningplaybook.com](http://www.silverliningplaybook.com)

### **Innovation Links Posts**

We've started posting once or twice a week annotated links to various news and blog items of interest in the innovation world. Since the last *Strategy & Innovation* was published, this link has been posted:

May 8: <http://www.innosight.com/blog/357-innovation-links-for-may-8.html>

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