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Welcome!

The digital edition of "Strategy & Innovation" launched in September 2008, and we now have four times as many subscribers as we had for our print edition. So in this last month before the anniversary of our digital launch, we're reaching into our archives for some great stories that many of our readers will not have had a chance to see. One is "Constraining Innovation" by Joe Sinfield and Scott Anthony, about why constraints are important for innovation and how to smartly set those constraints. Our second story also deals with innovation constraints – in this case, the constraints posed by the "starting question" you use at the beginning of an innovation effort. The wrong question can send you off on the wrong path.

Comments and suggestions are welcome – send them to editor@strategyandinnovation.com.

—Renee Hopkins Callahan, Editor

Innosight News and Events

Webinar: "Leading Innovation in the Great Disruption," by Scott Anthony at 1 pm EDT, Friday, August 14. Free to BrandManageCamp registrants. For more information, go to the link below and scroll to the bottom.

<http://www.managecamp.com/events>

Feature: Constraining Innovation

How developing and continually refining your organization's goals and bounds can help guide growth

By Joe Sinfield and Scott D. Anthony

During the dotcom era, many businesses focused their attention on creating a workplace environment that was thought to encourage creativity and innovation. Stories of offices full of bean-bag chairs, videogames, and ping-pong tables were commonplace. Managers were encouraged to "think outside of the box," to dream up the best new idea that they could, and this often created an environment that let chaos reign. But does all that creative freedom really lead to

meaningful innovation?

While there is some merit to the notion that talented people should be able to work when and how they feel most productive and creative, simply allowing employees to wear flip-flops is not a sustainable path to creating an innovative organization. In fact, our work with leading corporations in a wide range of industries has led to a perhaps surprising finding: Properly constraining innovation can actually lead to superior results.

There are three reasons why freeing an organization from constraints can hamper innovation efforts. First, managers who lack constraints can spend a significant amount of time pursuing ultimately fruitless paths. For example, a team at a company Innosight advised spent three months evaluating a potential acquisition. The target was following a classically disruptive strategy and, while small, was growing rapidly. Yet the company decided not to make the acquisition. Why? The target was a service business, a business which our client — a mass-market manufacturer of low-priced consumer goods — decided just wasn't close enough to the core for comfort. Deciding beforehand that service-based businesses were out of bounds could have saved the team from going down what proved to be a blind alley.

On the flip side, managers can sometimes pass on good ideas because they assume that a company won't do something that it *will* do. In any company, middle management plays a vital role of screening and filtering innovation ideas. When senior management asks, "Why do we never see any good ideas?" a likely answer is that middle management is screening out or discarding ideas that it assumes are out of bounds.

In the absence of explicit information, middle managers' natural inclination is to reject things that don't fit what the company does today and to impose sharply stricter mental constraints than senior managers intend.

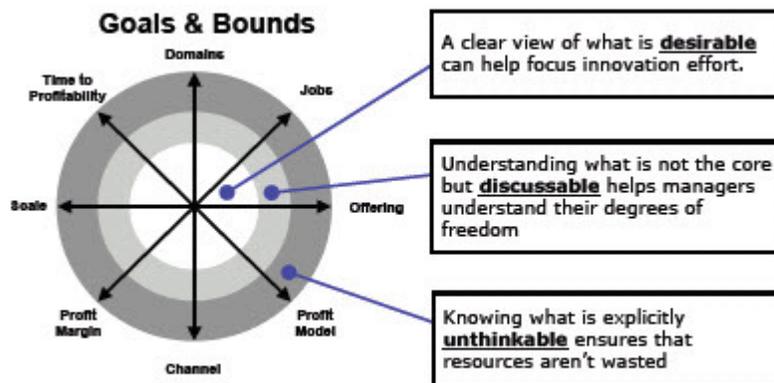
Finally, when managers lack a good definition of what the organization wants to do and what it absolutely won't do, there can be strong tendencies to try to "bet the farm" on any idea that seems to offer an opportunity outside the core business. They layer risk after risk on an idea until it has little chance of success. While companies should avoid being constrained by their current definition of the core business, breaking too far from the core business can be dangerous too.

To avoid wasting scarce resources on ideas that will never be commercialized, companies need to provide clear guide posts that let employees, customers, and even the broader market know what is within the scope and what is outside of the scope for the organization. We suggest that companies define these guide posts by developing explicit "goals and bounds."

The goals-and-bounds concept

At the most basic level, goals and bounds clearly differentiate the types of opportunities a company prioritizes from those it eschews. As these goals and bounds become more nuanced and widely understood, they help delineate key dimensions around which a company is willing to innovate.

The "goals and bounds target" (see Figure 1 below) is a tool that shapes and communicates the acceptable attributes of new



innovations. **Figure 1: A sample goals and bounds target**

The target, which can be customized to fit different circumstances, allows companies to quickly evaluate opportunities along an array of innovation characteristics, which are depicted by the arrows coming out of the center of the diagram.

For each dimension, goals and bounds are organized into three regions (depicted by the concentric circles in the diagram): those that are *desirable* to an organization, those that are *discussable* within an organization, and those that are *unthinkable* to an organization.

Having a clear view of what is *desirable* can help a company focus its innovation efforts. Typically, desirable qualities are those that are well-aligned with the core value-creating capabilities of the company. While not all core businesses are candidates for innovation, such as those that are already overshooting customers' needs, these traits tend not to require a company to develop new competencies, to enter unfamiliar markets, or to create new business models.

Understanding what is *discussable* helps explain to managers their degree of freedom when innovating. This region of the target defines the frontier for innovation and new growth: discussable areas represent places the company could branch off to create skills or capabilities. Making what is discussable within an organization explicit allows companies to explore spaces that can be envisioned as future business opportunities and to avoid the classic disruptive trap of remaining too close to an existing core.

Finally, knowing what is explicitly *unthinkable* ensures that resources aren't wasted on ideas that would never be pursued by senior executives.

Companies in different industries will have different factors that are crucial to defining innovation goals and bounds. (For an example of some of the most common dimensions, see Figure 2

Figure 2: Common goals and bounds dimensions	
Dimensions	Explanation
Domains	The sectors or markets in which a company may operate (for example, biologically derived drugs, small business financial solutions)
Jobs	The jobs a company could satisfy for its customers (providing commodity raw materials, assembling value-added modules)
Nature of Offering	The good or service delivered to the customer (such as physical products, intellectual property, consulting services)
Profit Model	The way in which money is made through the supplied offering (for example, fabricating, distributing, brokering)
Channel	The path used to access the target customer in the domains of interest (distributors, internet, physical store fronts)
Profit Margin	The gross margin expected from the steady-state business (are 15 percent margins acceptable or must they be 40 percent?)
Scale	The annual revenues of the business at steady state (for example, \$80 million)
Time to Profitability	The time it can take before an opportunity becomes profitable (for example, one year or five years)

below.)

In pharmaceutical settings, for example, companies might want to incorporate perspectives on medical efficacy claims: Do new products require clinical proof or can a perceived benefit be sufficient? In chemical industries, allowable environmental impact — none, manageable, or severe — may be a defining characteristic of any conceivable new product. In the media world, organizations may wish to consider advertising reach: Can a product entice only local advertisers or must it reach national, or even international, advertisers?

Importantly, there is no right or wrong answer regarding which dimensions should be captured on the chart. Each organization needs to decide the criteria that separate ideas that it wants to pursue from those that it won't pursue. The value in the exercise stems from highlighting dimensions that can quickly characterize an opportunity and drive its acceptance or rejection.

Defining your goals and bounds

In our experience, this simple framework yields a significant level of actionable insight for an organization, often changing the way senior executives view their objectives. Companies tend to invest a great deal of effort in the development of statements of strategy, vision, and mission. While these pronouncements are meant to unify a diversity of perspectives on the appropriate direction for an organization, they are actually subject to broad interpretation.

In fact, when queried individually, organizational leaders often recount very different perspectives on overall business objectives. In other words, they're unsure of the accepted goals and bounds for their business unit and of the organization as a whole. Thus, while conceptually straightforward, the exercise of defining and communicating goals and bounds can be quite challenging. To facilitate

the development of goals and bounds, we suggest a five-step process: Introduce concepts, survey leaders, build consensus, communicate, and assess and adjust. The following describes each step in detail.

Step 1: Introducing goals & bounds

It is crucial to engage the uppermost management team at the corporate level in a general discussion of the goals and bounds concept. Here, the intent is not to develop the specific goals and bounds themselves, but rather to communicate what goals and bounds are, why it is valuable to develop them, and how they can help shape and improve the organization's overall approach to innovation.

Step 2: Surveying company leaders

After transferring a clear understanding of the definition and purpose of goals and bounds to the corporate leadership group, it is important to collect their views on the desirable, discussable, and unthinkable aspects of each dimension on the target chart. From our experience, this process is best conducted at an individual level and in an anonymous manner, ensuring that truly unbiased views are obtained. We have found that administering an online survey is often the most effective way to garner leadership opinions.

The survey itself should be tailored as much as possible to the nature of your business, but should also prompt thinking beyond traditional parameters. For example, if you have historically developed and sold technology-heavy products, ask if people would consider licensing or selling intellectual property. If your organization has been historically confined to third-party distribution channels, assess whether senior managers would entertain pursuit of e-channels. If existing business units are all in the range of \$250 million in revenue, see if leaders would embrace a \$50 million line of business.

The key is to ensure that the survey includes a range of possible choices for every dimension on the goals and bounds target that span from the desirable to the unthinkable. In addition, it is also helpful to give respondents the opportunity to record additional thoughts in open-ended responses.

The results of this survey activity should be synthesized to capture the breadth of opinions of the collective leadership team, highlighting areas of agreement and areas of disagreement.

Step 3: Building Consensus

Once the data have been collected, convene an in-person meeting (typically at least three-hours long) to explain where the leadership's viewpoints overlap and to attempt to build consensus in the areas of disagreement. The "desirable" areas will likely be readily agreed upon, but this still

represents an opportunity to ensure that the entire senior leadership sees attractive, close-to-the-core opportunities in the same way.

Areas of disagreement, however, are likely to arise in what is discussable or unthinkable. These conversations are often the most fruitful: they truly challenge the leadership to be explicit about what it may do and what it absolutely will not do.

Step 4: Communicating the goals & bounds of your organization

Defining goals and bounds is by necessity a top-down process at the outset. However, once a company defines its goals and bounds, it should communicate those guidelines both within and outside the organization, albeit at different levels of detail.

Within the organization, it is important to communicate corporate goals and bounds to business unit leaders, middle management, and "shop-floor" employees. At the business unit level, the corporate goals and bounds target must be transferred in detail. Further, unit leaders should have the opportunity to tailor the goals and bounds to their specific business.

While the goals and bounds of the units should fall within the broader umbrella created by the corporate "target," there may be differing interpretations of the corporate message that warrant dialogue. Capturing the way in which these mid-level leaders internalize corporate strategy can be enlightening and can influence the views of the upper management tiers, ultimately leading to adjustment of the corporate goals and bounds. Such a feedback mechanism should be encouraged, as it can be both directive and empowering for the organization.

The goals and bounds can be communicated at a higher, more synthesized level to middle managers and shop floor workers. This provides employees with a perspective on the organization's overarching strategy, mission, and vision, going well beyond typical "plaque on the wall" communications.

This perspective will inevitably shape how employees apply their innovative energy, focusing it on ideas that are likely to align with the company's desired or discussable areas of interest. This further avoids the disappointment that can result when employees put forward good ideas only to learn after the fact that it is not something the company would pursue.

Outside the organization, it may also be desirable to communicate goals and bounds, at least directionally. Clear external communication of what an organization will and won't do, without revealing issues of competitive significance, will build market confidence that management has developed a well-honed plan to innovate and will also serve, almost autonomously, as both a filter and a beacon for acquisition and partnership opportunities.

Step 5: Continually reassessing the agreed upon goals & bounds

It of course will be impossible to create goals and bounds that frame every aspect of all future businesses that may be encountered. As a company's competitive landscape changes, its capabilities evolve, and new information about markets becomes available, what was once unthinkable may become discussable or even desirable.

For this reason, the goals and bounds should be thought of as a living representation of a company's corporate strategy and should be refined over time. Senior managers should continually reassess the goals and bounds target, analyzing both the appropriateness of dimensions captured on the target and the specific classifications of what is desirable, discussable, and unthinkable.

When a new idea is not explicitly contemplated in the existing goals and bounds target, management could ask if the idea is most similar to something that is "desirable" or something that is "unthinkable." If such a comparison yields little insight, then the target itself likely needs to be refined.

Growth with goals & bounds

Defining goals and bounds forces leaders to think through and specifically state their corporate strategy. This process leads to a level of specificity about leadership's focus, business model interests, financial considerations, and risk tolerance that is not achieved in most organizations. Armed with this clarity of purpose, the organization becomes more agile and better able to make sound growth decisions. Overall we have found that the existence of organizational goals and bounds yields benefits on at least four dimensions.

- *Filtering ideas:* As ideas for growth or innovation emerge, each idea can be "plotted" on the goals and bounds target based on its alignment, or lack thereof, with the key dimensions captured on the chart. If many of the attributes of a new idea fall in the desirable range, there is clear justification to examine the idea more closely. However, if the idea tends to plot at the outer edge of the discussable boundary or in the unthinkable region, the idea warrants no further action.
- *Identifying external ideas:* Just as the goals and bounds target can act as filter for internal ideas, it also can work as a searchlight for external ideas. When senior leaders are contemplating acquisitions or business unit managers are confronted with potentially competing or complimentary products, the attributes of these outside businesses can be judged against consistent, agreed upon criteria. Mapping against the goals and bounds can identify both where synergies may exist and where pitfalls loom.
- *Focusing idea development:* If the goals and bounds of the organization are clearly communicated both internally and externally, they help shape the nature of ideas submitted for consideration. While no organization would share its strategic perspectives externally, even high-level communication of a company's domains of interest will sharpen the unsolicited ideas arriving at

your business development doorstep.

Internally, communicating goals and bounds in great detail can stave off superfluous idea submissions and give confidence to those who may have been holding back concepts that seemed out of scope. Over time, the role of goals and bounds as guide posts reinforces the efficiency and quality of the whole idea generation and collection process.

- *Recognizing and managing risk:* Breaking down the characteristics of an opportunity by plotting it on the goals and bounds chart provides visibility into the risks actually involved in capturing the opportunity. Given that the desirable range on the chart generally represents characteristics of your core business, the more aspects of an idea that lie outside the desirable range, the more likely it is that the idea involves entering unknown territory.

Research by Bain & Company partner Chris Zook has found that companies that take too many steps from their core tend to struggle because of the compounding nature of risk. As a result, companies should try to limit the stretch points — the areas of unfamiliarity — to only one or two of the key target dimensions, otherwise a project will be set up for failure (see Figure 3 below).

Rather than letting chaos reign, taking a thoughtful approach can allow organizations to develop a robust set of goals and bounds that provides a much needed sextant to rapidly and safely navigate the creative waves of innovation.

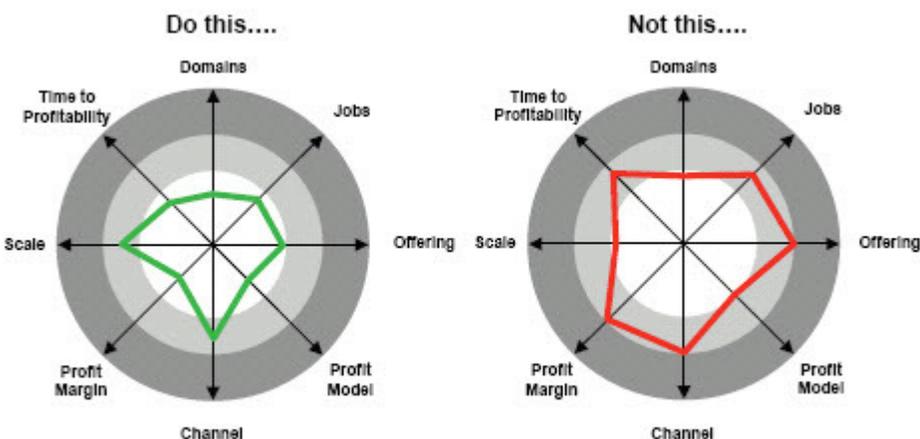


Figure 3: Prioritize opportunities with the most "desirable" and "discussable" traits

Innovators' Insight: The Power of Starting Questions

Different starting questions can expand or contract the opportunity space for innovation

By Scott D. Anthony

The start of the innovation process almost always begins with some kind of question. "What if we did this?" "Why don't we go after this market?" "What could we do with this technology?"

It pays to choose your starting question carefully. The right question can send you down the path to disruption. An overly narrow question too focused on competitors or existing capabilities can unintentionally wall off disruptive options.

Consider two recent developments: the launch of Cuil Inc. (pronounced “cool”) and Alcatel-Lucent’s move into services.

Cuil’s strategic intent is to take on search powerhouse Google Inc. While the challenge of topping a well-financed, well-run incumbent leader is incredibly difficult, Cuil has a lot going for it. Its veritable dream team of engineers cut its teeth creating search technologies for AltaVista, eBay, IBM, and Google. Its first offering has some impressive elements. Cuil covers three times the amount of content that Google covers and summarizes search results in an easy-to-read, intuitive fashion.

However, history is against Cuil. Clayton Christensen’s seminal research that pinpointed the concept of disruptive innovation found that market entrants almost always fail when they try a full-frontal attack against market-leading incumbents. Market entrants have a much greater chance of success when they seek to follow disruptive strategies, finding ways to play the innovation game in a meaningfully different way from incumbents.

Further, it seems that Cuil let hype get ahead of its technology. Mainstream media members and influential bloggers ridiculed the company’s clunky interface and incomplete search results (searches for Cuil returned no matches). One commenter on TechCrunch wrote, “If this was an alpha launch it would have been OK but the publicity they generated as a ‘Google killer’ and no mention of alpha or beta on their site means that if the results aren’t great, the reviews won’t be either.”

While we weren’t there at Cuil’s inception, it seems that the founding team started by asking, “How do we do search better than Google?” That question narrows focus on developing superior search technology. That’s a tough challenge to begin with, made tougher by the fact that Google has its own army of brilliant engineers, cash coffers of more than \$15 billion, and an intense motivation to own search.

Imagine the different set of options enabled by questions such as, “How do we disrupt Google?”, or even, “How do we create a disruptive growth business?”

The more expansive questions open up additional strategic options. Perhaps Cuil would have foregone a traditional search-based offering to try to figure out ways to develop unique advertising solutions for companies. Or it could have foregone consumer-based search to focus on helping companies manage internal information. A narrow starting point has limited Cuil’s chances of success.

The second example comes from the communications equipment industry. In predictable fashion, the merger of Alcatel and Lucent has been a huge disappointment. As we wrote after the merger,

combining two ailing incumbent companies together to fight against disruptive threat (in this case Cisco Systems, Skype, Huawei Technologies Inc., among others) almost never works.

This week featured Alcatel-Lucent's sixth consecutive quarter of losses and the announcement that the merger's architects—Chief Executive Patricia Russo and Chairman Serge Tchuruk—would step down by the end of the year. The company's market value has been sliced in half since the 2006 merger.

Yet, there are glimmers of hope for Alcatel-Lucent. While the company's core business is ailing, its services arm has experienced substantial growth. A recent Wall Street Journal article described how the unit doubled in size over the past year. It now represents about 20 percent of Alcatel-Lucent's total revenue.

An important driver of the growth has been expanding beyond telecommunications to build communications systems for hospitals and government departments. For example, Alcatel-Lucent is working with the U.K. Highways Agency to develop a system to improve highway communications systems and streamline traffic flow.

While other equipment providers have also branched into services, they have primarily focused on supporting traditional telecommunications providers. As Ericsson's head of global services told the Journal, "We target the telecom operators because that is where our expertise lies."

In this case, Ericsson seems to have asked, "How can we leverage our current capabilities to better serve traditional customers?" That starting point inevitably narrows potential customers to those that are already being served.

On the other hand, Alcatel-Lucent seems to have asked, "Which customers might find our current capabilities valuable?" The more expansive question opens the door to target new customers or construct new business models.

Generally speaking, more expansive questions are better starting points for innovation than overly specific questions. Questions that start with markets and customers are better than questions that start with capabilities and competitors. Don't ignore competitors and capabilities, of course. But prematurely narrowing your innovation focus makes it incredibly difficult to come up with something truly innovative.

—*Scott D. Anthony*

Related references

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From the InnoBlog

Emerging Technology Watch: Self-Assembling DNA

By Renee Hopkins Callahan

This *Wired* article (see related reference) discusses advances in structural DNA nanotechnology, a field now beginning to show promise. DNA has a unique capacity for precise self-assembly, and scientists have been experimenting with using DNA as a building material for nanotech. According to the article, "Scientists in the burgeoning field of structural DNA nanotechnology are exploring DNA's potential as raw material for next-generation circuits, sensors, and biomedical devices. Advocates say it could become the new go-to material for engineers, scientists, and clinicians."

One example of a use for structural DNA nanotechnology: "biocomputers" made from DNA, RNA, and protein that respond to biological signals. For example, A DNA-based sensor that recognizes RNA messages produced because of cancer or viral infection could trigger the release of RNA or DNA strands with therapeutic properties.

The article also notes challenges: many in the scientific community are still skeptical, and it is difficult to recruit scientists to work in a field noted for its interdisciplinary nature — structural DNA nanotechnology brings together elements of biology, physics, chemistry, computer science, and materials.

Related reference

<http://www.wired.com/wiredscience/2009/08/nanodna/>

The Importance of Circumstances (or Confessions of a Kindle Convert)

By Robyn Bolton

I love books. I love going to bookstores, browsing through the shelves, feeling the paperbacks conform to the curve of my hand or the weighty strength of hardcovers as I lift them off the display tables. I love getting home and cracking the spine of a book, tracking my progress with dog-eared pages or used boarding passes, and filing the book away on one of my many bookshelves like the trophy it is.

For me, reading a book isn't just about language or plot, it's a multi-sensory experience. Which is why I swore I would never own a Kindle.

Sure, Kindles are amazing. The e-ink technology is (literally) studied by scientists and business school students. The compact size is great for traveling. And the ability to automatically download books, magazines, and newspapers saves time, money, and paper. Despite all these very functional benefits, I felt like the Kindle was robbing me of the *experience* of a book and that was something I was simply not willing to give up.

Then my circumstances changed. Shortly, I will be going on an extended trip which will (hopefully) allow me plenty of time to read. As I started planning, I realized that I would probably need an extra suitcase for all the books I wanted to take with me. The thought of carrying yet another bag (and a very heavy one) was not appealing but neither was the thought of bringing fewer books or reading slower. Suddenly, a solution that I wouldn't even consider became the perfect solution.

At Innosight, we talk a lot about Jobs, but this experience highlights a component of our Jobs approach that often gets overlooked: **Circumstances**. In this case, my Jobs – read a good book, have access to the books I want, enjoy my reading experience – did not change. What did change, however, are the Circumstances in which I need to satisfy those jobs (e.g. at home vs. on the road, unlimited storage space vs. limited storage space). Simply changing these circumstances completely changed my set of acceptable solutions, shifting it from traditional books to a digital reader.

So I bought a Kindle.

It's not perfect. The pages turn a bit slower than I expected and I'm afraid of hitting the wrong button and doing who-knows-what to the book I'm reading. But for 3 weeks on the road, these seem like small sacrifices to ensure full access to a library of wonderful books.

3-D Double Threat

By Kai Itameri-Kinter

People often try to determine if a technology is disruptive in and of itself, and the short answer is usually: it depends. On a lot of things. But one of the biggest determinants of disruptive success is the business model with which a product, or technology, is applied. Some of the most exciting breakthroughs occur when new technologies and new business models come together, like Gillette's Mach 5 "razor and blades" model or the open application platform of iPhones. That is why I got excited recently when reading a Fast Company article (see related reference) which discussed a technology that looks like it has serious disruptive qualities and the ability to unlock an entirely new business model. What is this silver bullet? 3-D printing.

3-D printing, sometimes referred to as rapid prototyping or fabbing, boils down to the use of computer controlled machines to "print" 3-D objects. The technology has mostly been used for various polymers, and printers usually only manipulate one type of material, but better printers are emerging that can mold metal and other feedstocks, as well as combine various materials into a single product. The price has typically been too high and the quality too low for any significant applications outside of labs and techies' basements, but both of those are changing. The result is a technology with just good enough quality, low enough price, and the requisite stripped-down features to be a real disruptive gem.

However, what makes 3-D printing really exciting is the discussion around the potential of these printers to disrupt many manufactured goods industries. The general gist is that instead of manufacturing at a central plant and shipping to customers globally, manufacturers would develop digital plans for a product and then manufacture locally at a smaller scale, or license to local sub-contractors, and avoid long-distance shipping altogether. So instead of getting your desk lamp designed by a Swedish firm, made in China, and shipped to you, you could buy a lamp designed by a Chinese firm, made in your own city and shipped across town.

Of course, there are plenty of remaining issues concerning quality control, the price of labor, and availability of feedstocks across an industry's various markets. However, decentralization of manufacturing seems increasingly likely as you look into the future, and for one major reason: It is generally agreed that carbon will become more costly, and some pessimistic scenarios (see related reference) are predicting that the foreign manufacturing model cannot be sustained due to inevitable increases in fuel prices, forcing a return to local production. Therefore, a company that can find a foothold in 3-D printing and produce a just good enough product can simultaneously build environmental credibility by burning less fuel in shipping now while moving ahead of the curve to prepare for a huge market shift down the road.

The potential for 3-D printing to become a real disruptive business in and of itself, as well as being the jumping off point for loads of other industries to develop new disruptive business models makes me want to say that, this time, if you asked me, the short answer is: yes.

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Apple's Tablet: The Next iPod, Or The Next Newton?

By Andrew Laing

Rumors that Apple is preparing to introduce a tablet device have been around for almost as long as there were rumors that it would introduce a cell phone (and look how that turned out). This week, no less a bastion of salmon-colored credibility than the *Financial Times* exclaimed (see related reference) that “Apple is racing to offer a portable tablet-sized computer in time for the Christmas shopping season,” so perhaps this year Santa will finally make those rumors a reality. I worry, however, that Apple might not be quite as successful as it’s been with the iPod and iPhone – I’m sure they’ll make a beautiful device, but what if consumers just don’t care?

Device manufacturers (both incumbents in the computer industry and niche players) have been toying with the “tablet” category and others like it for years, but the segment remains sparsely populated and sales have never been very high. So-called “Ultra-Mobile PCs” were aimed at roughly the product category Apple appears to be targeting (something shoehorned in between a laptop and a portable media player like an iPod), and the category received substantial investment from Microsoft through its Origami platform (see related reference), but the products haven’t gained any traction. The high prices and usability problems that have plagued these devices have undoubtedly been an obstacle, but I think misalignment with consumers’ jobs-to-be-done is an issue here as well.

What jobs would a tablet device do better than existing devices? If I want to do some relatively “light” computing on the go (listening to music, doing e-mail, reading the news, surfing the Internet), Apple will gladly sell me an iPhone 3GS, which has the added advantages over a tablet of being able to make calls and fit in my pocket. Of course, Apple’s tablet will probably be more capable than the iPhone, but it will likely be big enough that it will have to compete with even more capable devices. To take a tablet device with me everywhere I’d need to bring something to carry it in, and once I do that a tablet device isn’t a whole lot more portable than a netbook – and those are cheaper than Apple’s tablet will probably be and have full QWERTY keyboards (which Apple’s tablet might not).

Of course, in comparing a still-theoretical device to other devices that seem roughly similar to it, I may be overlooking other jobs Apple’s tablet might address – *Wired*, for instance, suggests (see related reference) it might compete with Amazon’s Kindle to replace books. There again, however, I am skeptical; not only does Amazon have a substantial head start in understanding the space, attracting consumers, and establishing relationships with publishers, but its device’s e-ink display (which Apple’s tablet would probably not emulate) simply makes for more comfortable reading than traditional LCD screens. Furthermore, especially since the recent ironic Orwell kerfuffle (see related reference), consumer skepticism of “e-readers” remains high.

All that having been said, it's impossible to offer really reliable predictions about the success or failure of a device no one knows much about, and Apple certainly has a mixed track record when it comes to novel innovative products (think MacBook Air, iPod, and iPhone vs. Newton and G4 Cube). Nevertheless, it seems to me at this point that the tablet form factor just isn't a very good fit with consumers' jobs; we'll have to wait and see if Apple surprises us.

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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, these links have been posted:

August 7: <http://www.innosight.com/blog/414-innovation-links-for-august-7.html>

July 31: <http://www.innosight.com/blog/413-innovation-links-for-july-31.html>

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