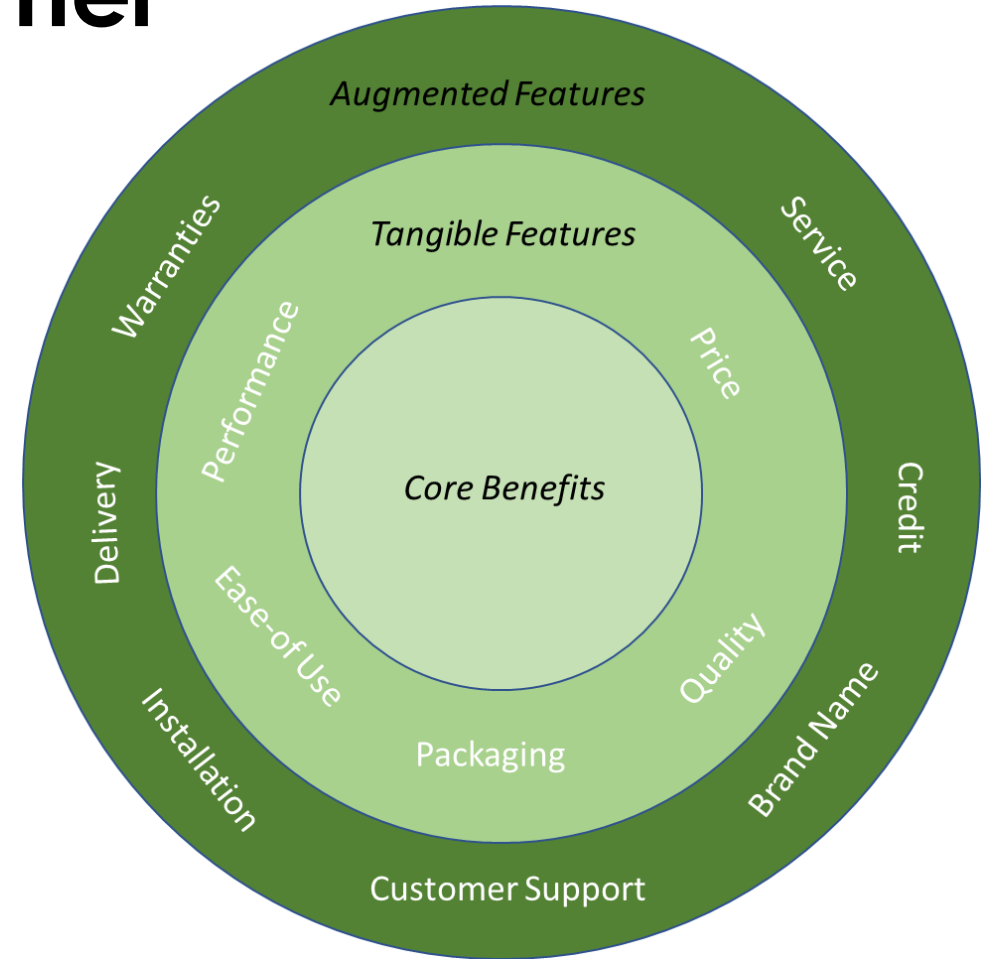# Staying in Business: Delivering Value to Your Customers is How You Survive

Leading Indicators

Commercialisable
(Competitive Advantage)

```
                    ┌─────────────────────┐
                    │  Product Advantage  │
                    └─────────────────────┘
```

Valuable
(Competitive
Opening)

Following Indicators

```
┌──────────────────┐   ┌──────────────────┐   ┌──────────────────────────┐   ┌──────────────────────────────┐
│ Market Orientation│──▶│  Launch Tactics  │──▶│  New Product Performance │──▶│  Organizational Performance  │
└──────────────────┘   └──────────────────┘   └──────────────────────────┘   └──────────────────────────────┘
```
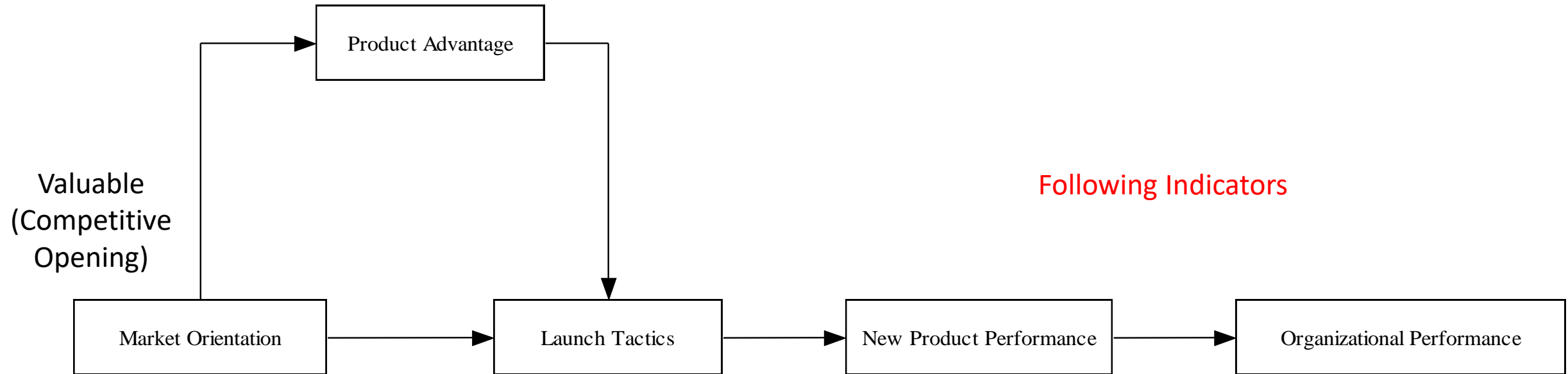
Value for the Customer

Value Exists in the Context of an Ecosystem
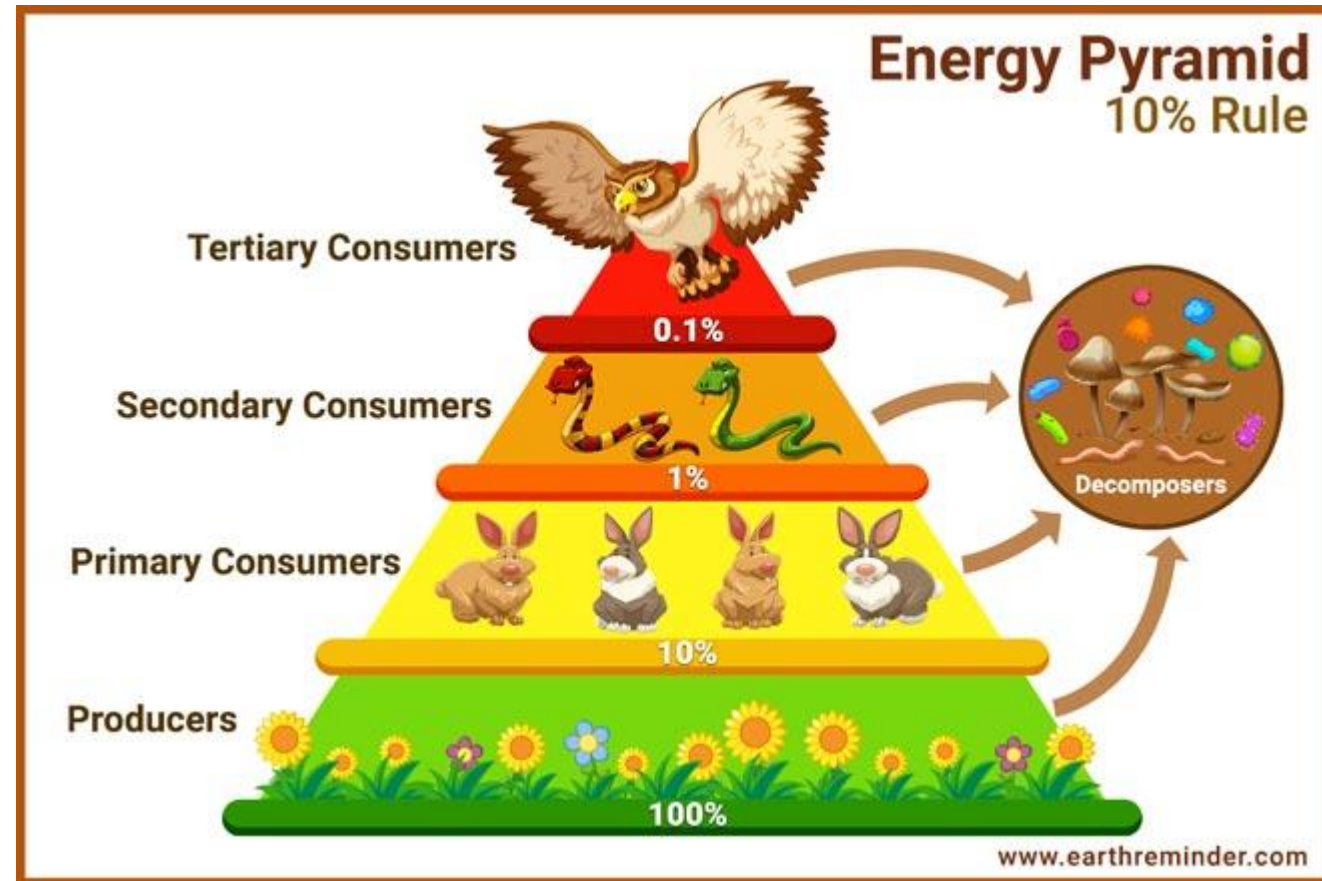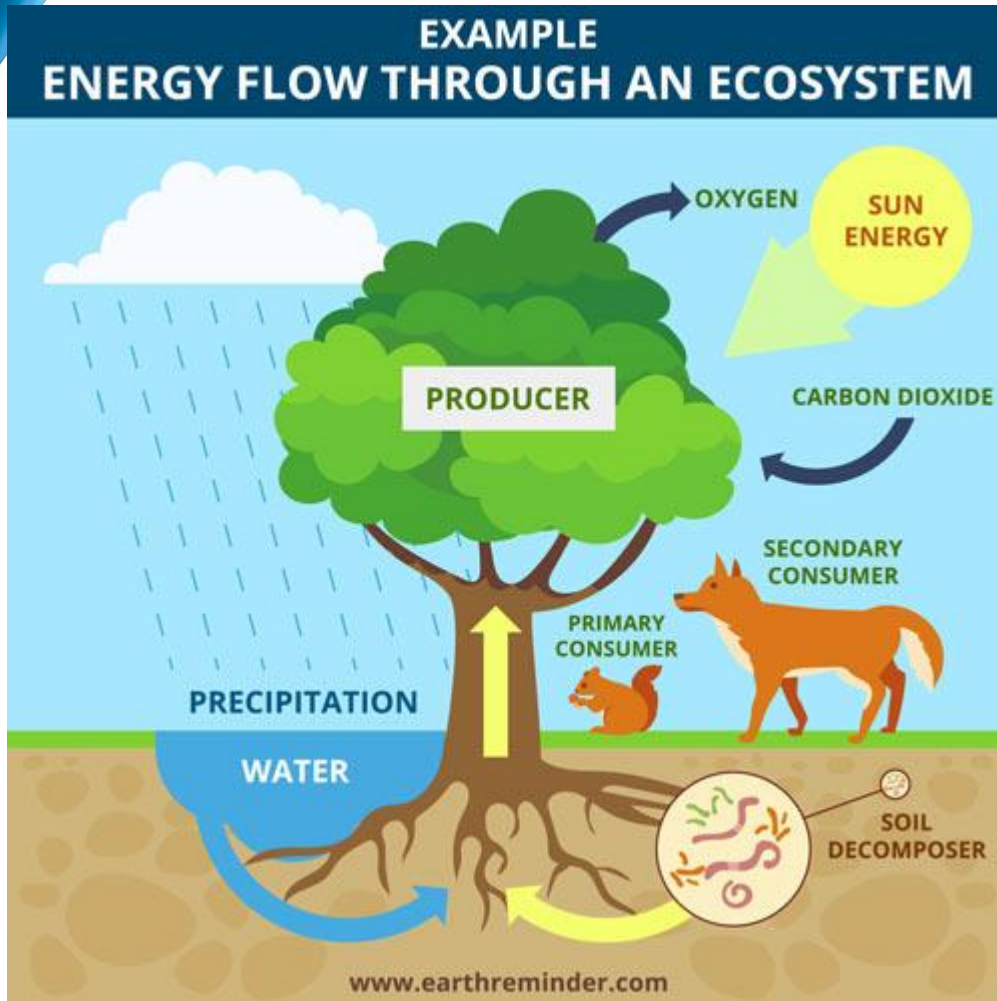
How Does Energy Flow Through an Ecosystem? (earthreminder.com)

Value Proposition

Stakeholders
-Advocacy Groups
-Industry Associations
-Traditional and Social ----
Media
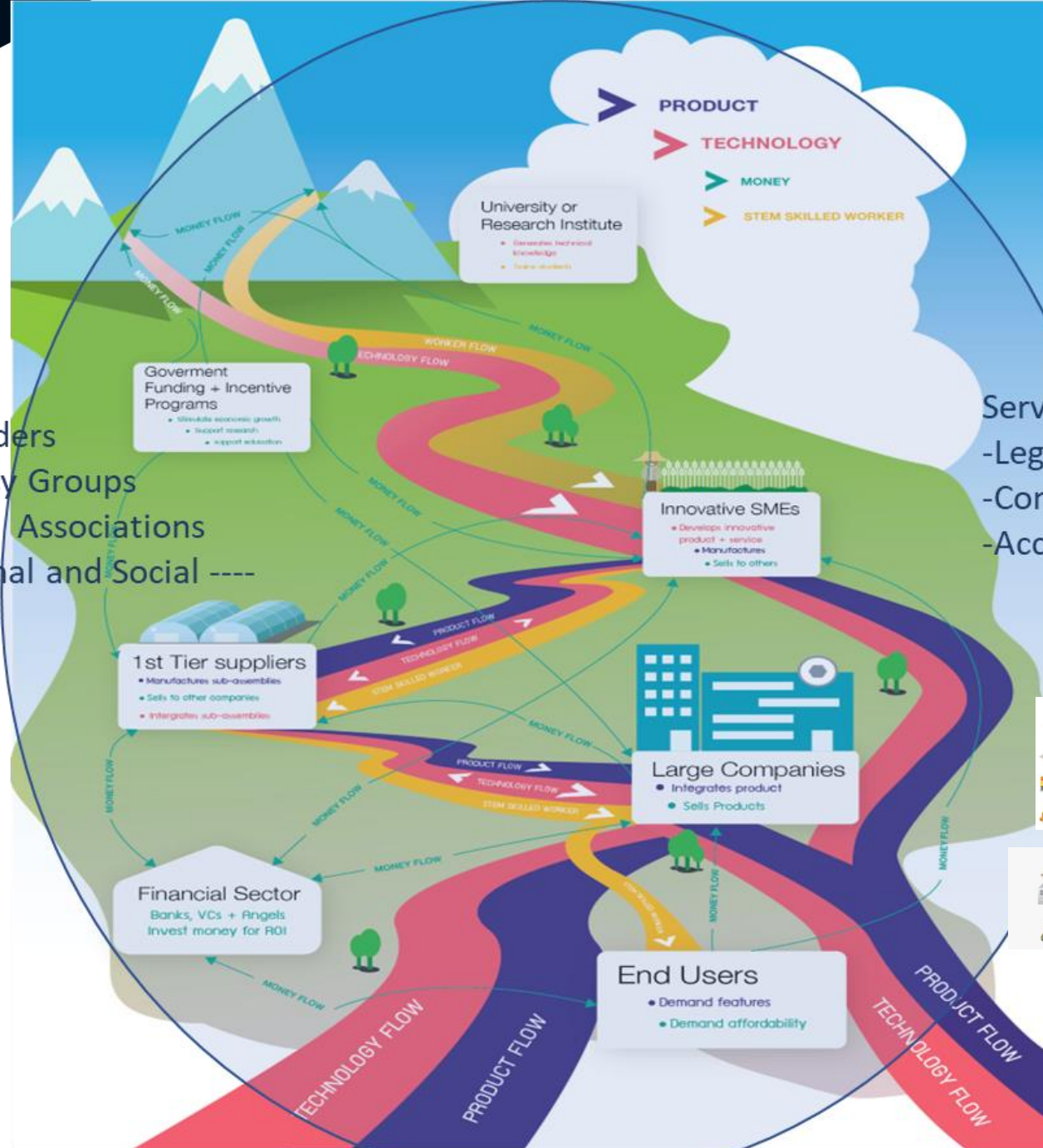
Services
-Legal
-Consulting
-Accounting

Distributor

Retail Store

▶ **Vision, Mission Statement, Value Proposition**

Vision: Why does this company exist? Why was it founded?
(Long-term)

Mission Statement: What are its objectives?
(Mid-term)

Value Proposition: What is the benefit for the end-consumer will receive from your efforts?
(How you realize the vision and mission)

Mission Statement and Annual Objectives

(Short-term)

Organization		110	Organization
Target		100	Balanced Scorecard
			January-99

Score represents percentage of goal reached with 100 as meeting target.

Financial Perspective

MEASURE	DATE	SCORE*	ACTUAL	TARGET	Notes
Financial Measure 1	Jan 99	110	110.00	100.00	
Financial Measure 2	Jan 99		-	-	
Financial Measure 3	Jan 99		-	-	
Financial Measure 4	Jan 99		-	-	
Financial Measure 5	Jan 99		-	-	
Financial Measure 6	Jan 99		-	-	

Customer Perspective

MEASURE	DATE	SCORE	ACTUAL	TARGET	Notes
Customer Measure 1	Jan 99		-	-	
Customer Measure 2	Jan 99		-	-	
Customer Measure 3	Jan 99		-	-	
Customer Measure 4	Jan 99		-	-	
Customer Measure 5	Jan 99		-	-	
Customer Measure 6	Jan 99		-	-	

Business Process Perspective

MEASURE	DATE	SCORE	ACTUAL	TARGET
Process Measure 1	Jan 99		-	-
Process Measure 2	Jan 99		-	-
Process Measure 3	Jan 99		-	-
Process Measure 4	Jan 99		-	-
Process Measure 5	Jan 99		-	-
Process Measure 6	Jan 99		-	-

Learning & Growth Perspective

MEASURE	DATE	SCORE	ACTUAL	TARGET
Learning Measure 1	Jan 99		-	-
Learning Measure 2	Jan 99		-	-
Learning Measure 3	Jan 99		-	-
Learning Measure 4	Jan 99		-	-
Learning Measure 5	Jan 99		-	-
Learning Measure 6	Jan 99		-	-

▶ Exercise

Vision	
Mission Statement	
Value Proposition	

Implementation Risks

"Profound." —Jim Collins
"Path-breaking." —Clayton M. Christensen

THE WIDE LENS

UPDATED WITH A NEW PREFACE

What Successful Innovators See That Others Miss
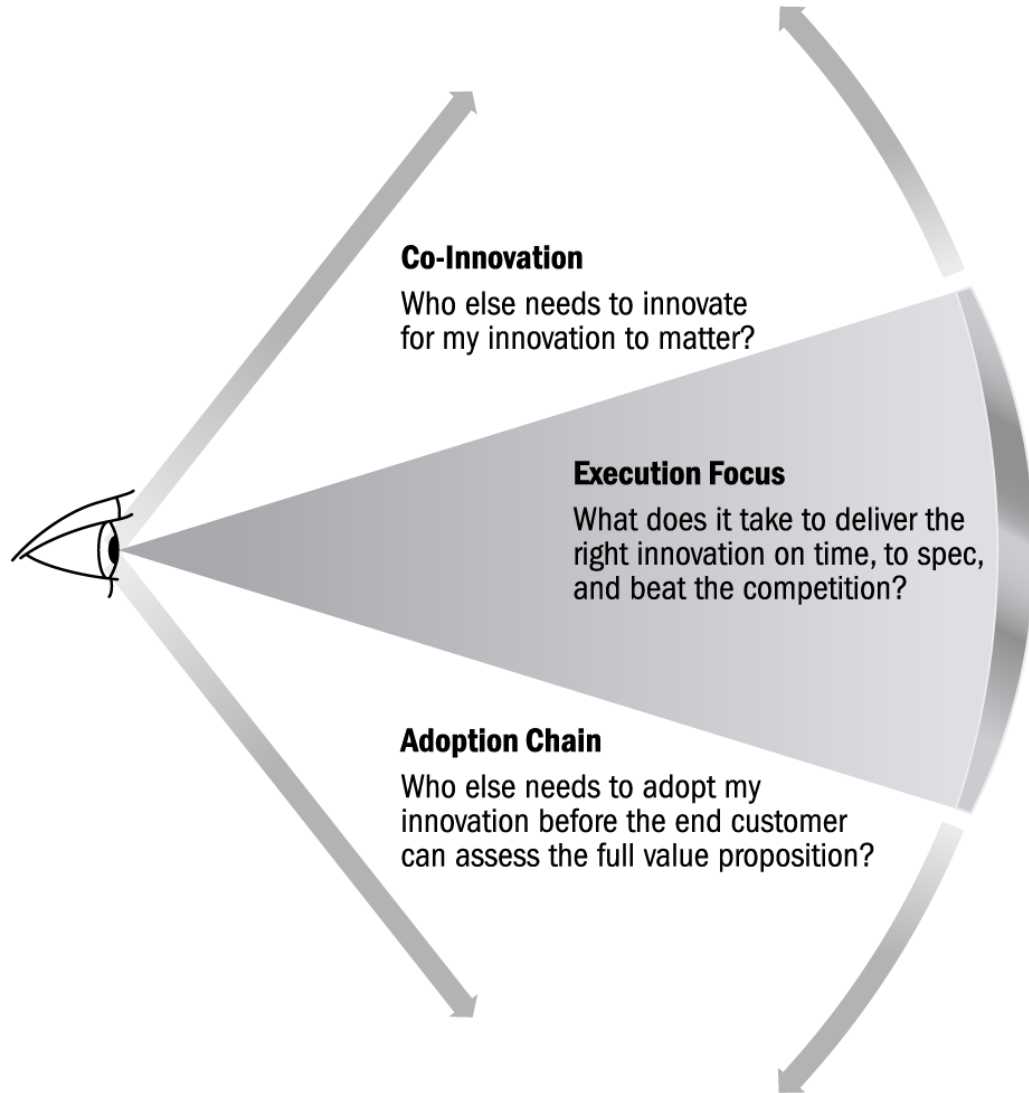
RON ADNER
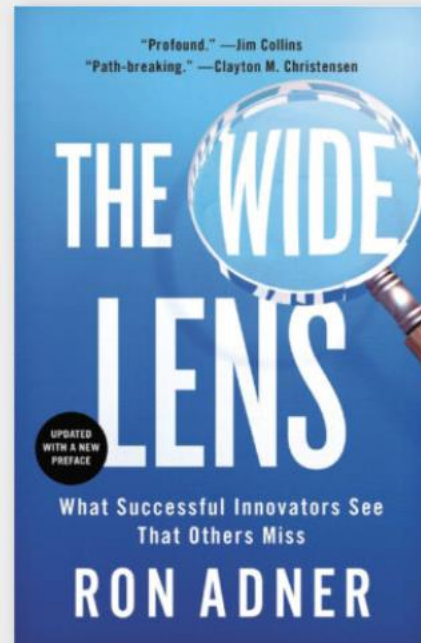
How to **innovate** in a world of ecosystems

Breakthrough methods to help eliminate your strategy blind spots and multiply your odds of success.

ORDER NOW   Read an Excerpt

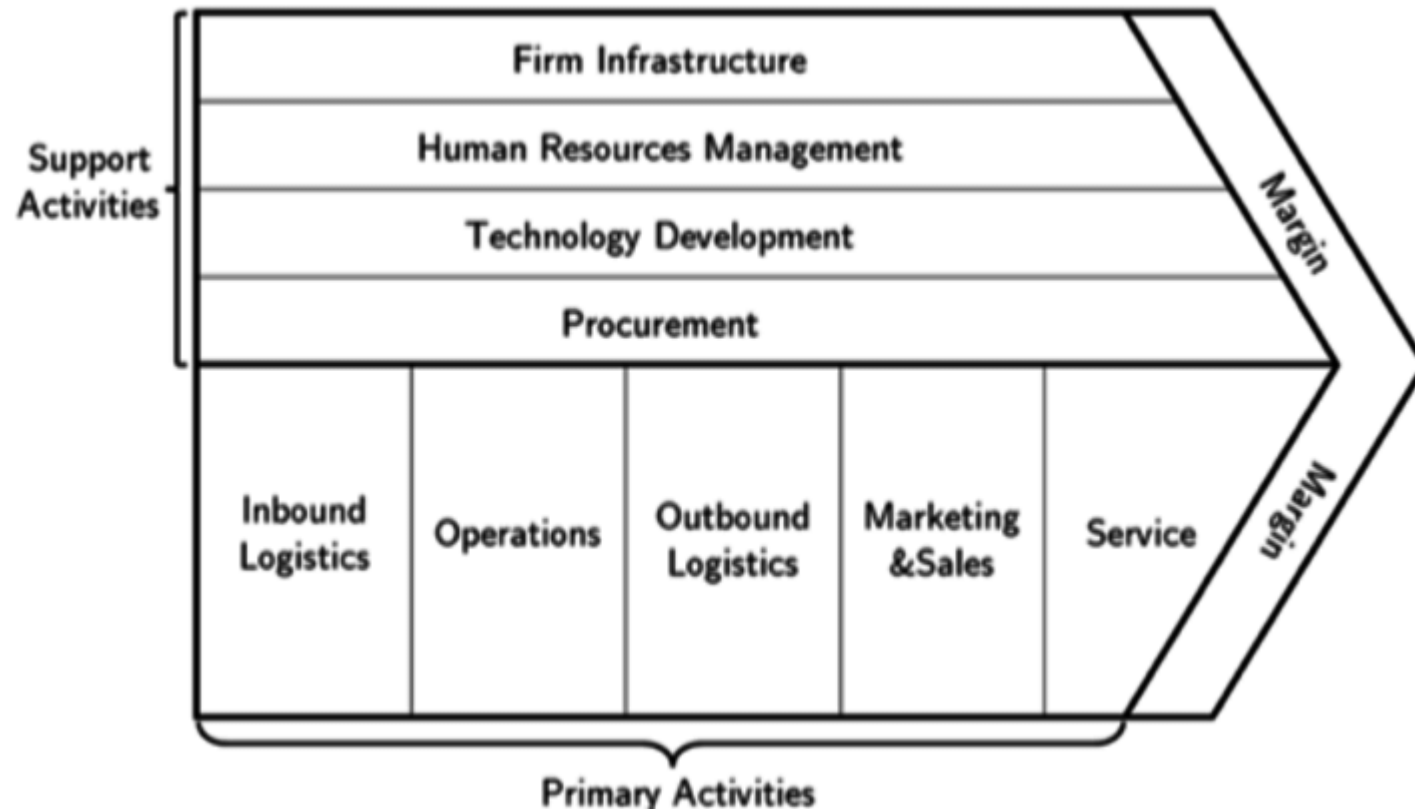https://ronadner.com/books/

Kinds of Risks

Co-Innovation

Who else needs to innovate for my innovation to matter?

Execution Focus

What does it take to deliver the right innovation on time, to spec, and beat the competition?

Adoption Chain

Who else needs to adopt my innovation before the end customer can assess the full value proposition?

Management of Risks

Significance/ /Likelihood of / Occurance	High	Low
High	Avoid	Mitigate (Contingency Plans)
Low	Mitigate (Contingency Plans)	Accept (Muddle Through)

▶ Value Chain
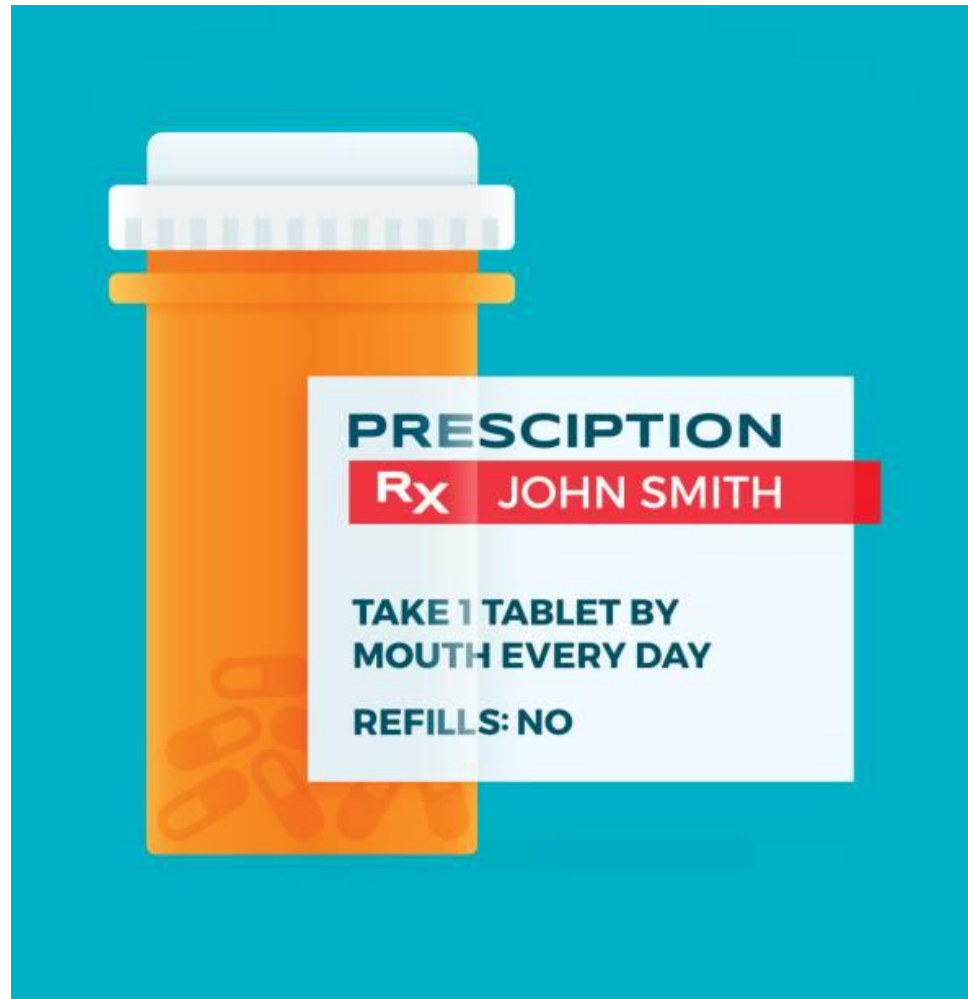

Execution Risk

Physical Supply Chain

Raw Materials → Suppliers → Manufacturer → Distributor → Retailer → Consumer
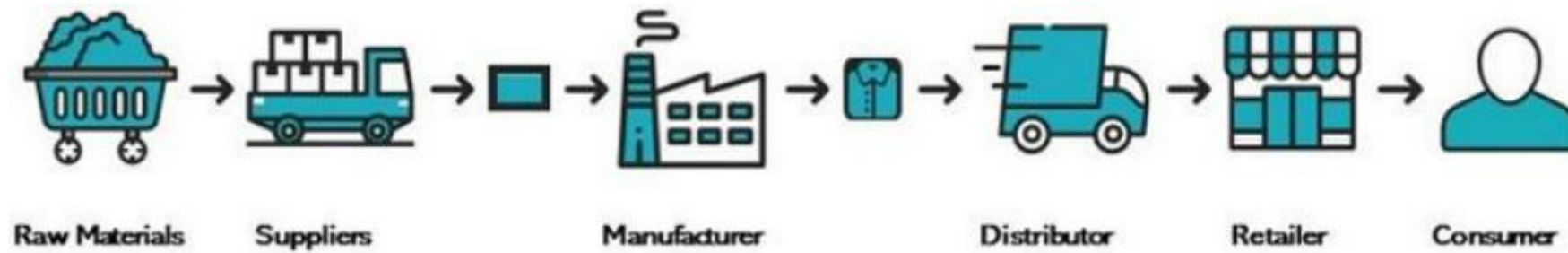
Co-Execution Risk

Intellectual Asset & People Supply Chain

Stakeholders
-Advocacy Groups
-Industry Associations
-Traditional and Social ----
Media

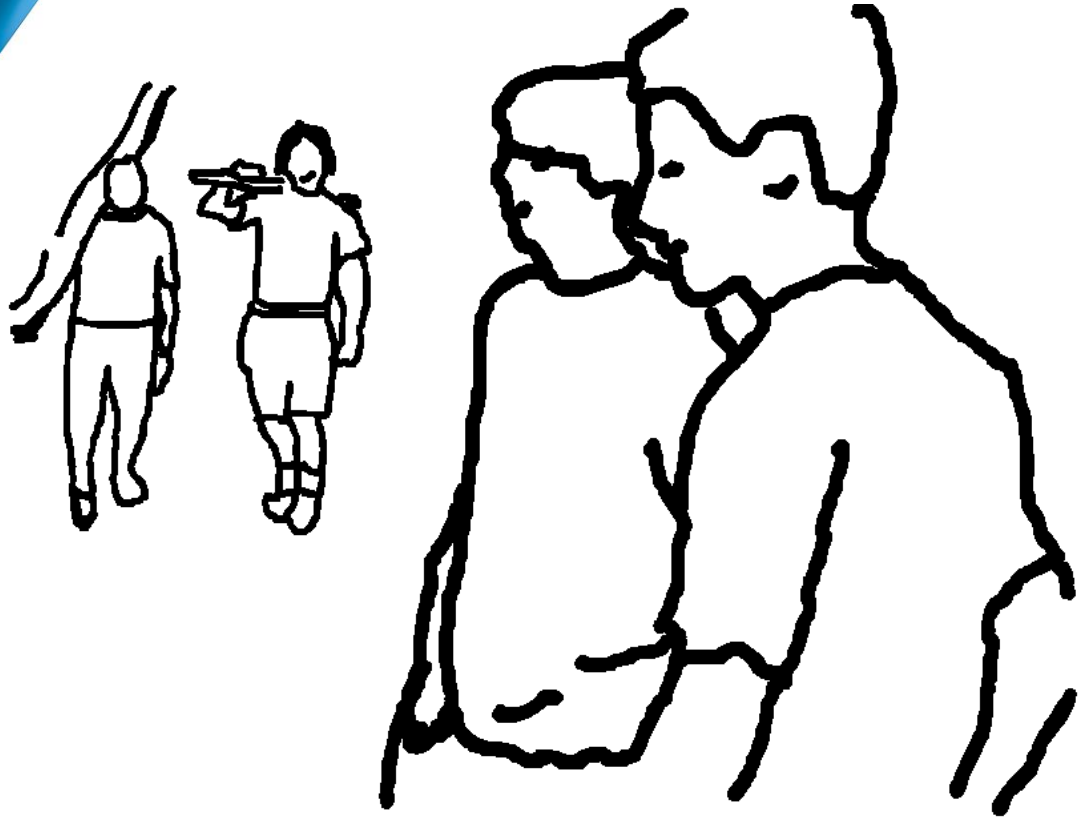Services
-Legal
-Consulting
-Accounting

Co-Innovation Risk

Sales

Adoption Risk

The Best Advice I Was Given Along the Way

→Ops

- **"Hire people better than you at what you want them to do."** David Speser, Foresight

- **"Bonus is for exemplary work. Salary is what you pay to get the job done."** Lorry Lokey. Business Wire

- **"Quality is leaving a little extra value on the table for the customer."** Don Marioni, Argo Systems

▶ Take-Away

Entrepreneurial Management
requires
Managing Risk
while
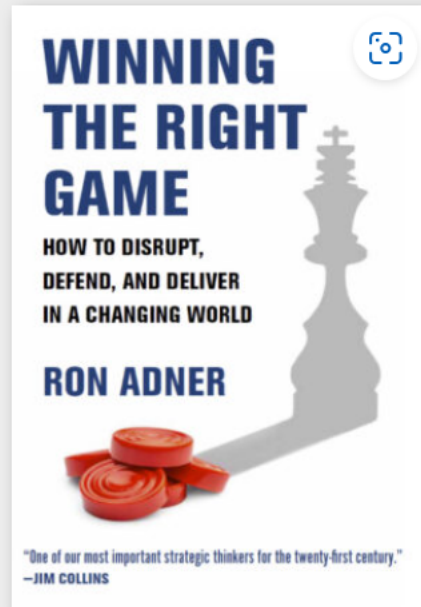**Realizing the Vision**
and
Completing the Mission

Stretch and Discussion

Growing

Company Growth
requires maintaining
Strategic Alignment
with your
Customers and the End-Users
and the
Ecosystem

How to **compete** in a world of ecosystems
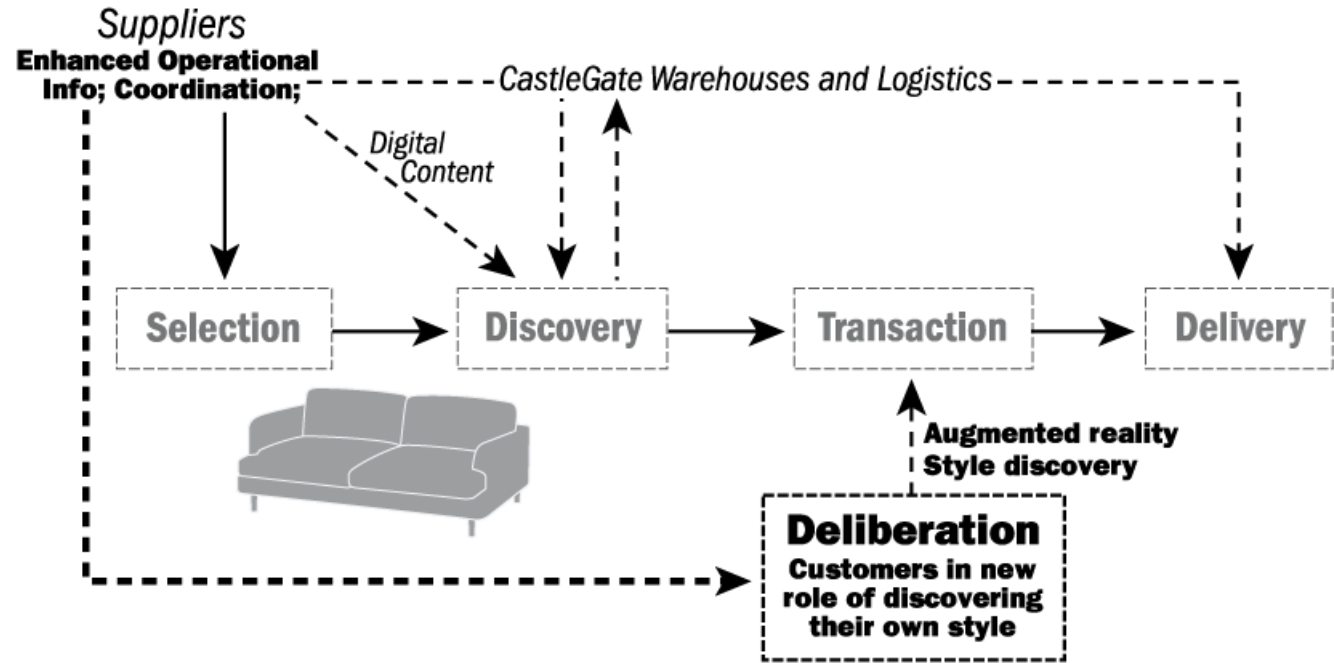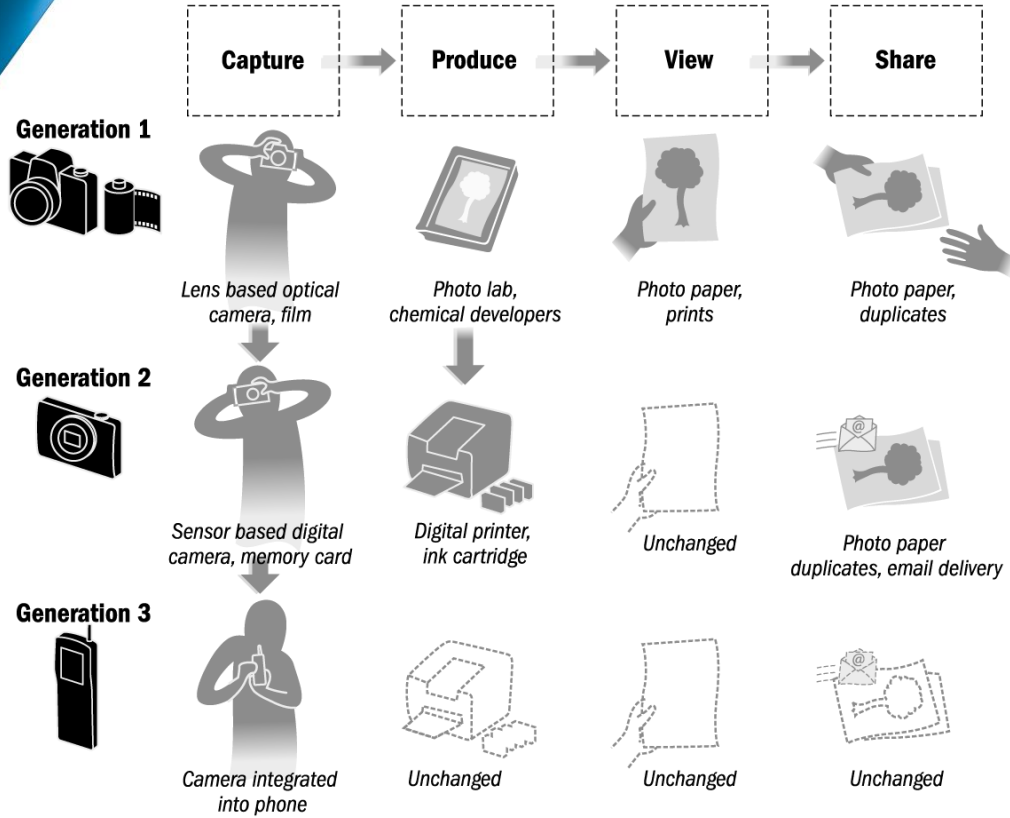
Strategies and tools for offense, defense, timing, and leadership in a changing competitive landscape.

ORDER NOW   Read an Excerpt

https://ronadner.com/books/

Value Architecture

	Capture	→	Produce	→	View	→	Share

Generation 1

Lens based optical camera, film

Photo lab, chemical developers

Photo paper, prints

Photo paper, duplicates

Generation 2

Sensor based digital camera, memory card

Digital printer, ink cartridge

Unchanged

Photo paper duplicates, email delivery

Generation 3

Camera integrated into phone

Unchanged

Unchanged

Unchanged

Suppliers

Enhanced Operational Info; Coordination;

Digital Content

CastleGate Warehouses and Logistics

Selection	→	Discovery	→	Transaction	→	Delivery

Augmented reality Style discovery

Deliberation
Customers in new role of discovering their own style

Framework

- Value Architecture defines the Business Model and tasking needed to delivery value

- Size, age, and ecosystem influence your Business Model and how you accomplish the tasking (your Value Chain)

- Major Disruption ⟹ Value Architecture Disruption

Business Model Disruption

1st Foresight Value Architecture (for Leverage the Federal Government for Good)
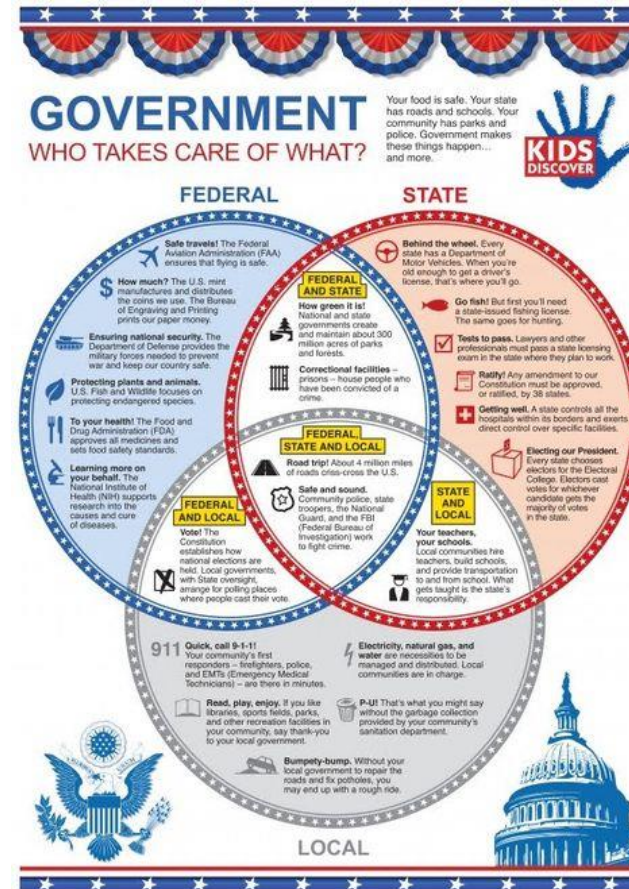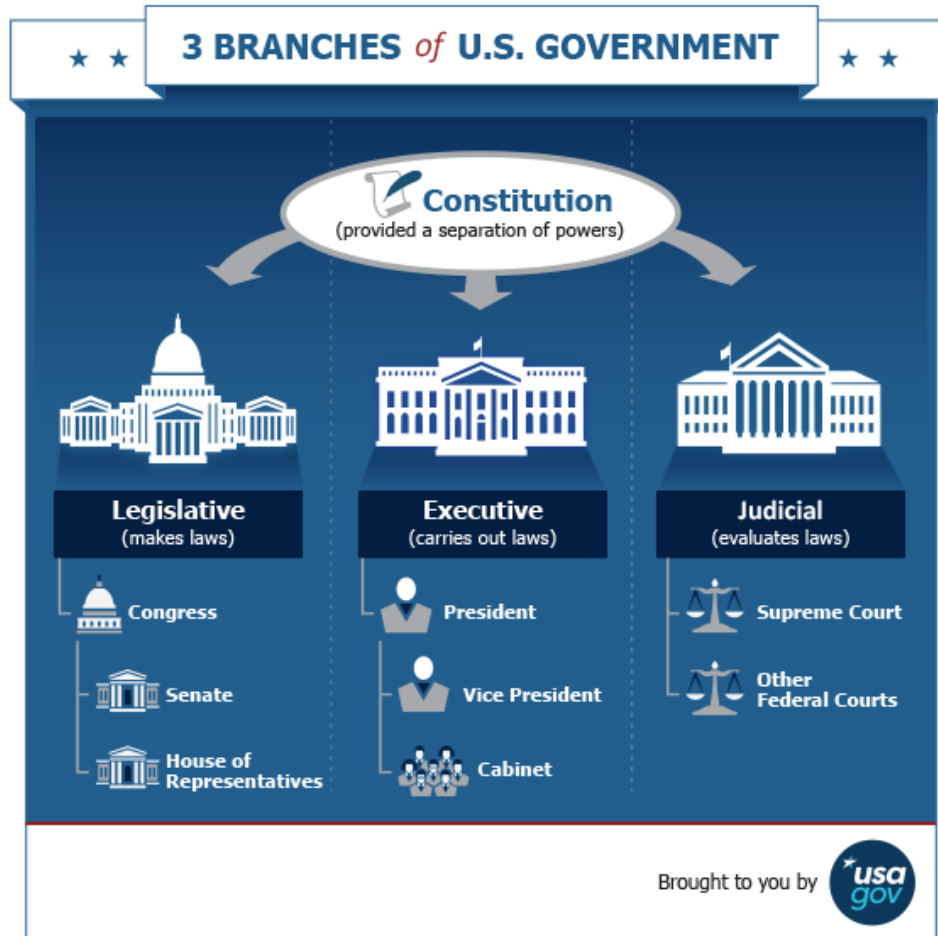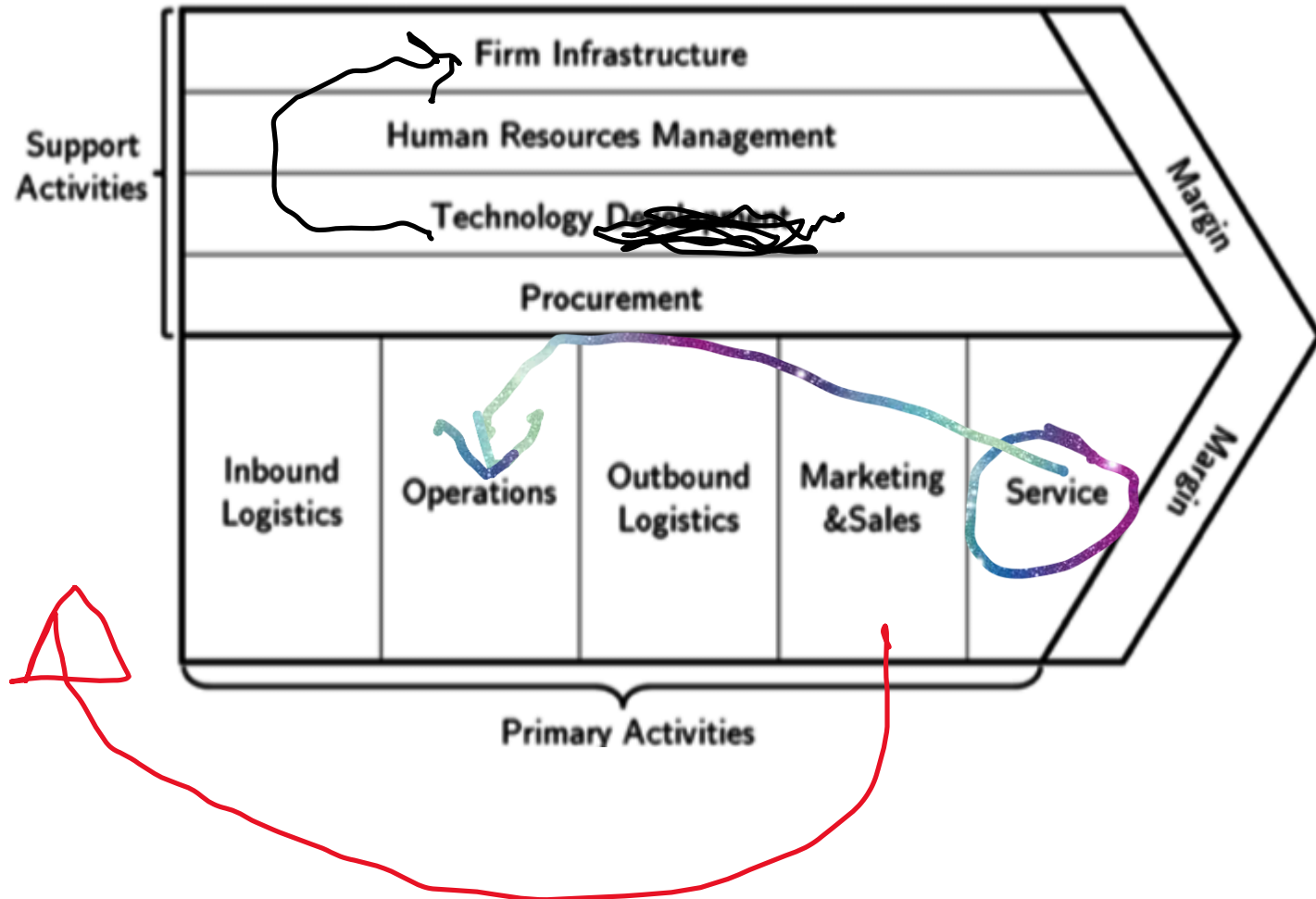# 1980 – 1989

Define → Build Coalition → Execute

Ecosystem for Value Architecture

Early Internet

Value Chain

Government Relations

Leadership

→ Charismatic

→ Vision driven

→ Jack-of-all trades and hands-on

→ Every employee is a direct report

1 – 7 Staff Members

→ Team focused

→ Primary focus but multi-functional

→ Work hard, party hard

▶ **Sell**
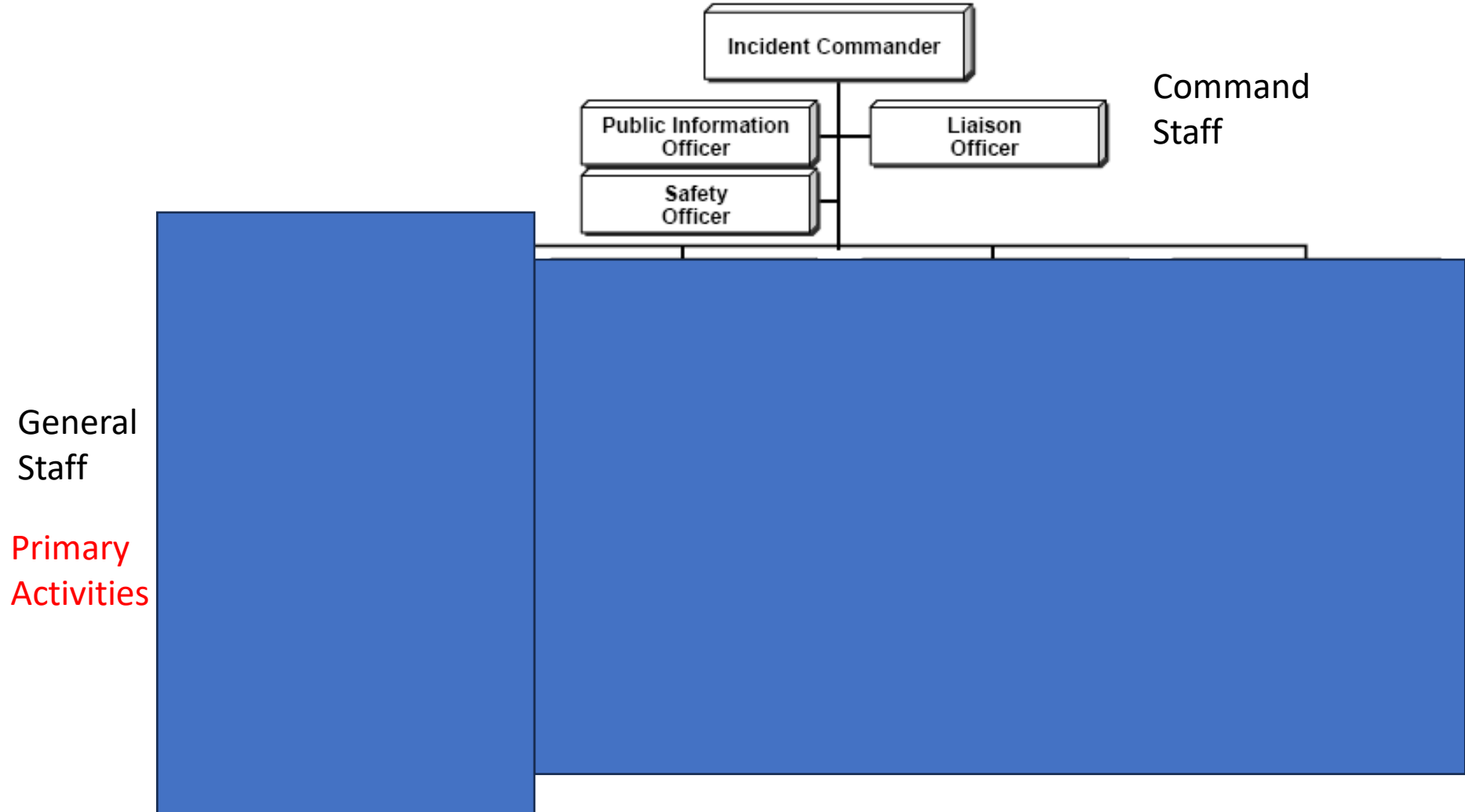
Risk Management

Incident Command System Management Model

Incident Commander

Public Information Officer

Liaison Officer

Safety Officer

Command Staff

General Staff

Primary Activities

2nd Foresight Value Architecture (for Bringing Socially Responsible Technology To Market 1990 – 1995 and 1996 – 2023
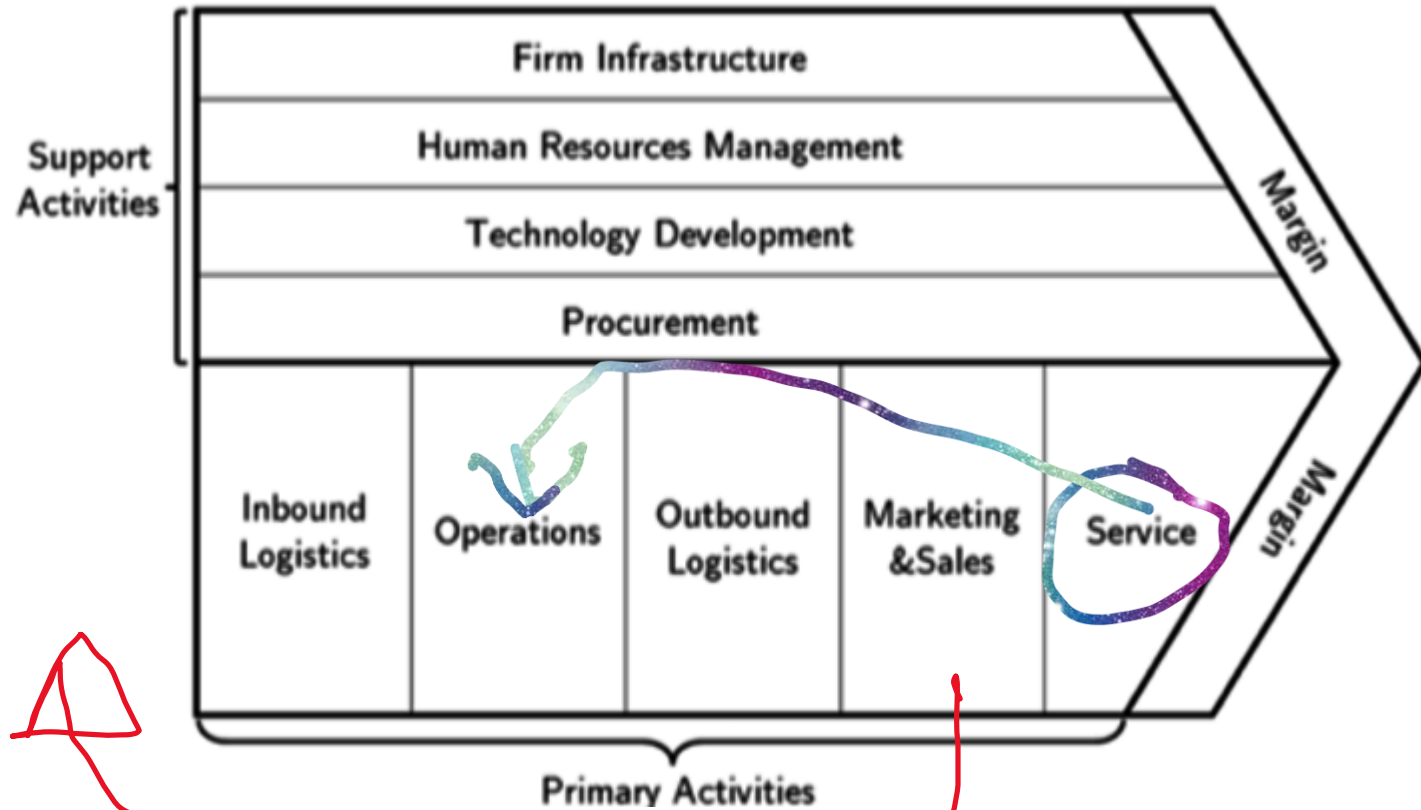
Map

Pitch

Negotiate

Internet Disruption and Early AI

Ecosystem for Value Architecture

▶ Value Chain

Technology Transfer and Commercialization – 1st Phase

Leadership

→Mentor/Coach with Admin Asst.

→Intellectual Supply Chain critical

→Customer and Cash flow driven

→By end, ops mgr. or equivalent

8 – 15 Staff Members

→Function focused self-managing teams

→Increasing % of worker bees replaced by gig hires

→Cross trained

→Work hard, party hard

Technology Transfer and Commercialization – 2d Phase

Leadership

→Managerial Approach

→Efficient Value Creation Focus

> Training or System problem before Personnel Problem approach

→Function managers

→Supply Chain Management critical
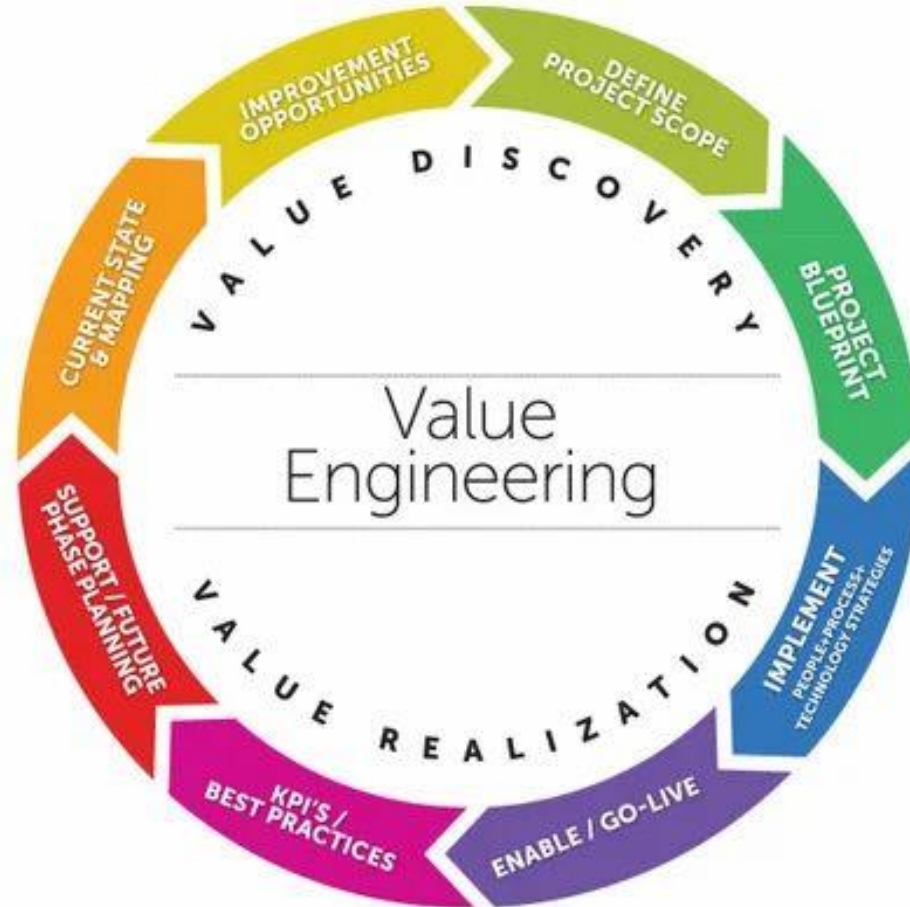
→Around 25, don't know all the staff anymore

16-80+ Staff Members

→Function focused

→Majority worker bees

→Specialization

→Generic culture and ops training

→KPIs and formal reviews

→Limited/structured entrepreneurial opportunities
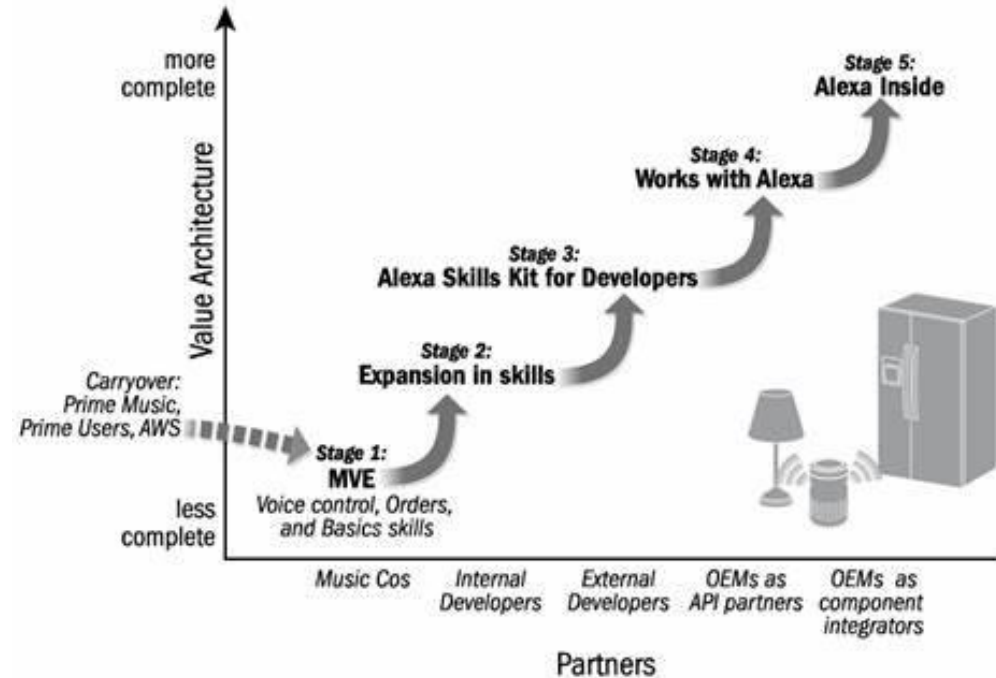
Total Quality Management

▶ **Value Engineering**

3ʳᵈ Value Architecture (For Creating Beneficial Impacts through Better Technology) 2024 - ?

Map

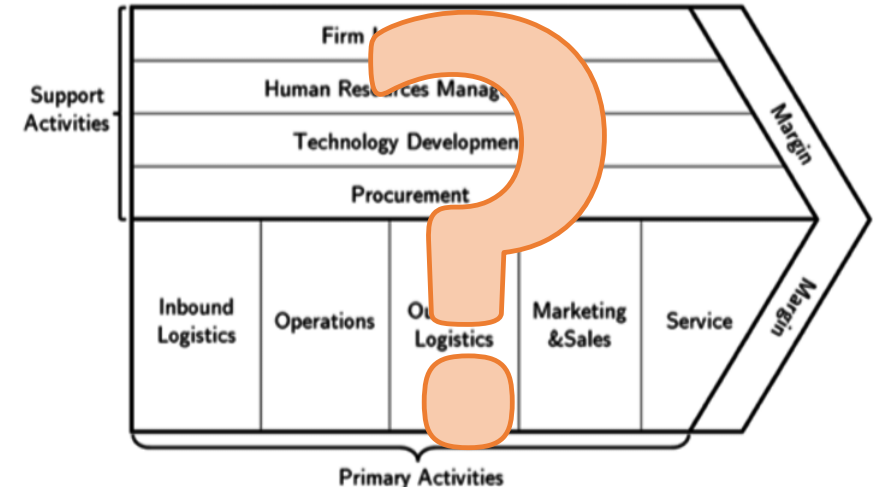Develop and Support

Exit

AI Disruption

Ecosystem for Value Architecture

Stakeholders
-Advocacy Groups
-Industry Associations
-Traditional and Social ----
Media

Services
-Legal
-Consulting
-Accounting

Distributor

Retail Store
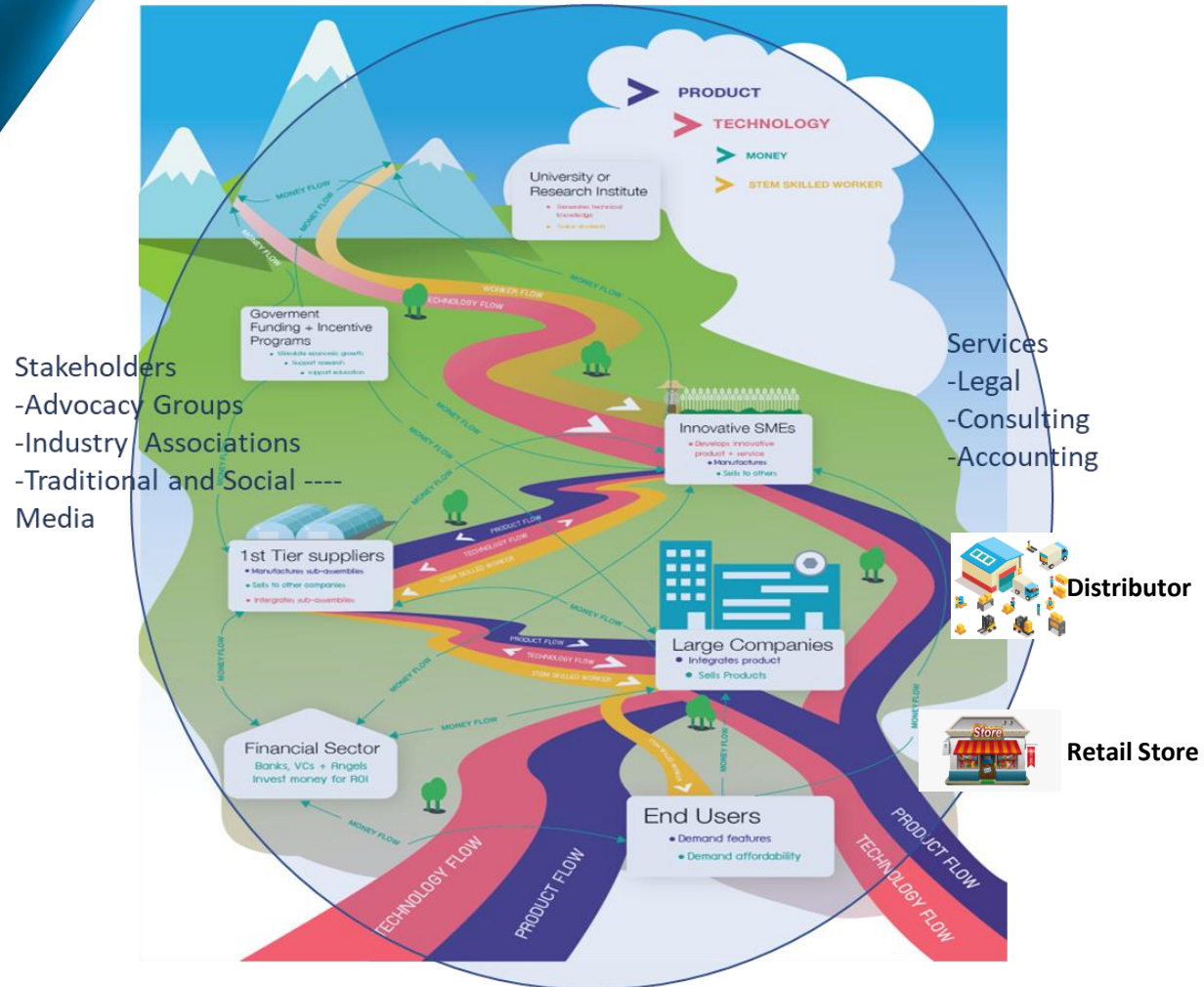
Value Chain
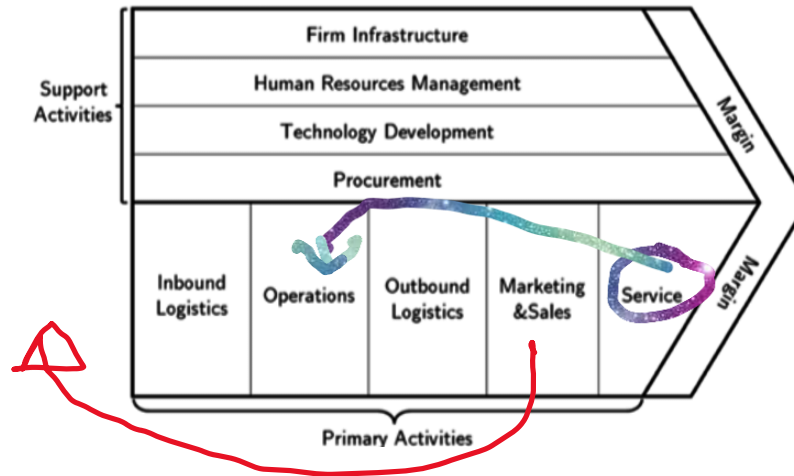
Managing Disruption

Leadership

→Visionary Board with Strong Customer Ties

→Entrepreneurial CEO w Managerial President

→Strategy driven (growth and survival)

→Value Element managers

→Intellectual & people supply chain critical

→Establishment of formal NPD unit

80+ - ~130 Staff Members

→Tiger Teams

→KPIs and formal reviews

→Entrepreneurial opportunities with formal review process

DRIVING GROWTH

▶ Agility

▶ The Best Advice I Was Given Along the Way
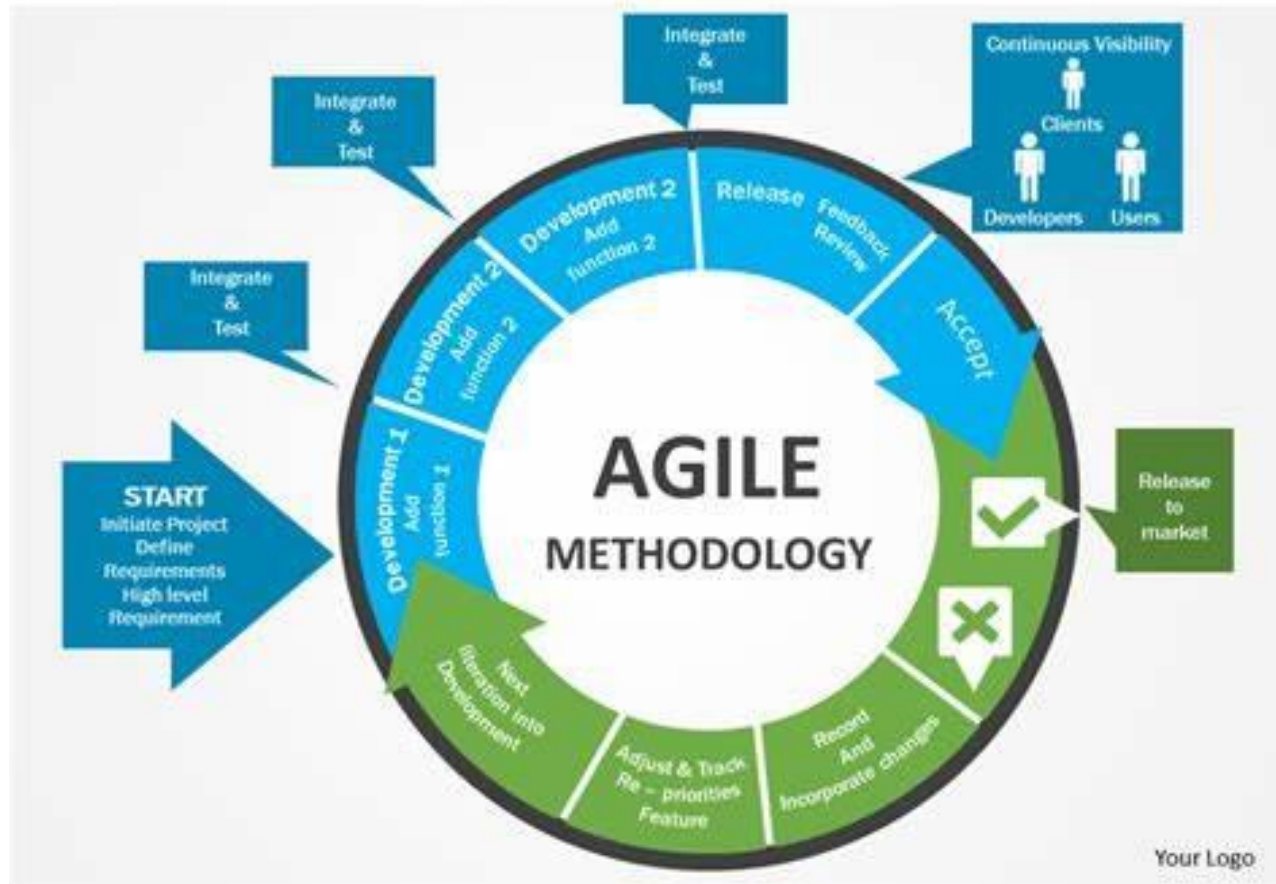
Strategy

- **"You know where you want to go but that doesn't mean you know how to get there."** Lorry Lokey, Business Wire

- **"Business Plans are overrated."** Clifford Drown, Boeing

- **"Without positive cash flow companies die."** David Speser, Foresight Science & Technology

dreamstime.com   ID 15416411 © Cementjungle

Discussion and Break for 10 Minutes

Value Architecture and Business Model Canvases

Value Architecture (Strategy)

→ What is the value proposition

→ How will you deliver it

→ What's the tasking for the Value Elements

Business Model Canvas (Tactics)

→ What makes this a viable enterprise

→ What's the value chain

→ How will you make it profitable

Value Architecture

Value Architecture			
Value Proposition:			
Value Element	**Value Contribution**	**Critical Tasking**	**Source of Funding**
Name:			
Name:			
Name:			
Name:			

Business Model Canvas

Business Model Canvas

Product/Service, Line, or Family

From Value Architecture

Key partners

From gaps between Key Activities and Key Resources

Key activities

From Value Architecture & Value Chain Mapping

Key resources

Your people

Your equipment

Your facilities

Your Capital

Value proposition

What are you offering

Why should anyone care

Why are you the best ones to provide it

What does it cost

Customer relationships

B to B ot B to Consumer

One time or repeating

Product/Service or + consumables, augmented features

Channels

Marketing

Sales

Placing

Customer segments

Who is the ultimate end-user

Who are you selling to

Who is paying you

What characterizes them

Where are they

Cost structure

From Key Activities, Key Resources, and Key Partners.

Fixed v. Variable Costs along the Value Chain

Revenue streams

From Product/Service, Customer Segments and Customer relationships

▶ Check it with a SWOT

SWOT analysis

Internal	Strengths	Weaknesses
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
External	0	0
Opportunities 0 0 0 0 0 0 0 0 0 0 0		
Threats 0 0 0 0 0 0 0 0 0 0 0 0		

How Do Your Tell If It's Working and If Not, What is Not

→Primary Metrics
> Customer Satisfaction
> Employee and Partner Satisfaction
> NPV (Session 6)

→What is the fix, if not?
> Product
- Voice of the Customer and Competitive Advantage (Session 2)
- New Product Development review (Session 3)

> Value Chain (Session 4)
- People and contractors/consultants, vendors, other partners
  - System or training
  - Yellow Card, Red Card or Baseball's 3 strikes
  - Make or Buy (Replace)
- Equipment and facilities
  - Repair or replace
  - Partner

> Strategy
- Change or keep Value Architecture
- Change or keep BMC
- SWOT in light of relevant strategy alignment (Session 5)

Closing Thoughts

1. Be clear about where you want to go and flexible about how you get there.
2. Focus on value creation and risk reduction.
3. People are the most critical resource – invest in them to get the best and to keep them.
4. Maintain a viable span of control.
5. Quality is everyone's job.

Thank you!

Research and Innovation Foundation (RIF)

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