

## **The Four Quadrants of Innovation**

### **Objective**

Examine the histories, strategic plans and expansion records of various companies including GM, Amazon, Apple and Google and map them to the four quadrants of the innovation graph. Through critical analysis of each company's strategies, determine the role of innovation, dynamics, style and strategy in achieving success. Identify relevant lessons – from both successes and failures – about the innovation style used, whether it was applied consistently or changed over time, and what drove its evolution. Consider the economic and social environments in which the innovations took place, and the significance of growth and expansion.

### **Summary**

The four quadrants that make up Hutch Carpenter's innovation chart were analyzed relative to models and innovation strategies widely adopted in the business world. Four major American corporations were studied: General Motors (GM) which dominated the automobile market right from its grand beginning up to its recent inglorious downfall; Amazon Inc. which survived and thrived through two major economic downturns; Apple Inc.; and Google Inc. Each company's culture, business plan, and innovation strategy were analyzed in detail and mapped to the four quadrants of the chart. During the process, lessons were learned about key success factors, the most common listed below:

1. Businesses must continually explore opportunities for incremental and breakthrough innovation
2. Growth for its own sake is over-rated. All business expansions, acquisitions, mergers and spin-offs must be focus-driven and coordinated
3. All growth plans must be weaved around customer needs and requirements
4. Never sacrifice best practices, operational and organizational excellence on the altar of business growth
5. Never underestimate your competitors
6. The market is ever-dynamic, ever-thirsty for innovative products and services. Avoid market complacency
7. Co-locate all divisions or teams in order to ensure project integration
8. Ensure the institution of a systemic knowledge transfer protocol within the company
9. Innovation and dynamism (change) are inevitably necessary. Maintaining the status quo in the face of an ever changing market is suicidal
10. Engender a business culture and a work environment that encourages all employees and stakeholders to be innovative
11. Strive to reduce product/project/service lead-time. Reaching customers/clients early enough gives companies a significant market advantage
12. The leadership of a company, division or team has a great influence on its innovation culture
13. Place innovation strategies in tandem with the value(s), mission(s) and vision(s) of the business and continually review the company business plan to take advantage of market opportunities

Ultimately, the dominant culture inherent in a company and its prevalent innovation strategy are strong factors in determining success or failure in the marketplace.