



Anthony Mills

The secret formula for achieving market leadership

As Jack Welch so skillfully demonstrated while he led GE, Market Leadership is the one real strategy that has long-term staying power... anything less tends toward decline (and often diverts resources from being invested elsewhere).

Jack Welch mandated that GE would be **No. 1 or No. 2** in every market it was in, or it would get out. It was a “Market Leader or nothing” strategy, and it served GE well.

While numerous things have changed since Welch’s day, the **need to lead** has not. In fact, the need to lead has become increasingly more **imperative**, considering that so many markets are now changing and evolving far faster than they were at that time, and along with them the **market dynamics** that define their **basis for competition**.

It is this **change**, in fact, in the **basis for competition** that is now leading to so much **disruption** in established industries and among established players. Those businesses simply cannot keep up with the **extent and rate** of massive **structural changes** in their markets – changes brought on largely by technological and societal shifts. These changes are wreaking havoc on their existing **business strategies**. One has to look no further, in fact than what has happened over the past five years in the brick-and-mortar retail industry to see this taking place right before our own eyes.

In response to this, many businesses turn to **innovation** to solve their woes and problems. Unfortunately,

they do so without any real idea of how to **properly leverage** and **apply** innovation to reclaim their lost ground and, more importantly, to stake new ground. The usual approach is simply to “throw some innovation at it” and hope for the best.

What is lacking is a **structured** and **systematic approach** to **rethinking their strategies altogether**, and likewise the knowledge of how to **piece together** really good **innovation methods** and **tools** to **achieve those strategies** – all the way through to execution and out the back door, where the new innovations that can lead and reclaim ground will actually see the light of day and achieve their goal.

As a **starting point** toward such a **structured** and **proper approach**, one must understand the **conditions** under which **breakthrough innovation** – the sort that delivers **10X+ value** and can actually **lead markets** – can be realized... the fertile soil, if you will, that allows radical new approaches to take root and bloom.

In general, there are **three specific scenarios** in which this can happen, namely either:

1. The market is **static**, but no one in the market has ever really **deeply studied** what customers’ (or would-be customers’) **true needs** and **wants** are – the real **jobs** and **outcomes** that they’re willing to pay more for, and thus no one in the market has ever tried **hard enough** to develop a **real solution** to these customers’ (or would-be customers’) real **needs** and **wants**, and then marketed that in a **language** that **resonates** with the **values** and **motivations** underlying those needs and wants.
2. The market is **in flux** – something has **fundamentally**

changed – or is **fundamentally changing** – about how a particular market **operates** – its **dynamics** are in upheaval.

3. The market is **about to be in flux** – there is a **high likelihood** that in the **foreseeable future** an **emerging trend** will give rise to a **fundamental change** in a particular market, resulting in an upheaval of its **dynamics**.

When any **one or more** of these three scenarios are true, then the **conditions are right** to introduce a **radical, breakthrough innovation** that will **fundamentally change** the **basis for competition** in that market. Savvy business leaders know this and know how to **recognize** these conditions when they happen. Just as importantly, they know how to jump on the **opportunities** they represent to define and deliver the sort of innovation that will **capture** the **new dynamic** – the new basis for competition.

The most **aggressive leaders**, in fact, **actively drive** these sorts of **radical structural changes** in markets, rather than **passively waiting** for them to occur. This all but **guarantees** their ability to claim the **leadership position** in those markets. Such is the strategy that **Amazon** has been following in recent years.

In either case – whether **actively driving** changes or **responsively adapting** to changes – the **secret to winning** here is nothing less than **fundamentally rewiring** the **basis for competition** in a given market. Leaders **do not** compete on the same **basis** that everyone else in that industry competes! They find a **stronger, more compelling basis** for competing and then **deliver** to that, as well as **market** on that. This is precisely

what **Apple** did when it stopped talking about computers in **technical terms** and started talking about them in **emotional, lifestyle terms**... they fundamentally changed the basis for competition in that market.

This same approach can work in **any industry!**

There are **three ways** in which businesses can **fundamentally change the basis for competition** in their industry (when the conditions are right), namely:

1. **Change the offering and the experience** – Figure out what it is that your customers and markets **really** need and want, and then give them something that produces those **outcomes** in a **fundamentally different and better way!**
2. **Change the message** – Stop talking about things your customers and markets don't care about (often functional, technical things), and start talking about the things that your customers and markets actually **do care about**. And tell them about these in a way that **matters** to them! All offerings deliver value in three ways... functional, emotional, and social. It is the emotional and social that usually wins customers over, not the functional (though the functional needs must be fully met).

Therefore, think about what matters to your customers **emotionally** and **socially**... is it lifestyle, status, security, opportunity, or what? Figure out what that is, and then talk about what you offer in **that language!**
3. **Change the business model** – Again, figure out what **outcomes** your customers and markets **truly need and want**, and then find a new and better **business model** that can better **resonate** with their **big picture needs**. That business model will often look **nothing at all** like your current business model.

All three of these require **knowing each customer segment inside and out**... figuring out what their **deepest** and **truest outcome needs** and **wants** are – what we call an **empathic understanding**. This is where the mix of **Design Thinking, Outcome-Driven Innovation**, and **Customer Experience design** truly shines! Taken together, these three methods allow one to develop a **deep, empathic understanding** of their customer (or would-be customer) and to deliver **new solutions** that meet **all** of their needs in a **far better way** than current offerings can.

In summary then, **this** is the **secret formula** for ongoing market leadership...

1. Using the right combination of **innovation methods**...
2. When the **conditions** are right...
3. To change whichever will deliver the greatest leadership with a new, better basis for competition – the **offering** and the **experience**, the **message**, or the **business model** – or **all three**.

When a business applies this formula in the **right way**, at the **right time**, with the proper **skill** and **precision**, then it can in fact deliver the **radical new value** that lets it stake a claim of **market leadership** in its industry.

The **prize** goes, therefore, to those businesses who master these **insights** and **methods** and thus learn how to use them **effectively**. They are the businesses who will ultimately become – and remain – the **market leaders**.

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About the Author

Anthony Mills is one of the world's foremost authorities on strategic innovation and hyper-growth strategies. He has taught, consulted, written, and lectured on these all over the world.

Anthony is the Founder and Chief Executive Officer of Legacy Innovation Group, a strategic innovation consulting firm serving clients from all over the world. Legacy Innovation helps companies tackle their biggest and most pressing growth challenges and become relentless innovators.

Anthony also serves as the Executive Director of the Global Innovation Institute (GInI), the world's foremost accreditation and standards body in the field of business innovation. GInI provides certifications globally to individuals and businesses whose lives depend on making innovation work in the real world.

Anthony's work builds on 30 years of leadership in business, design, product development, marketing, engineering, and manufacturing.

He remains deeply embedded in each of these worlds, giving him a broad and holistic perspective that is rare among business leaders. He knows how to bridge these disciplines to deliver innovations that have a lasting impact on the business and its markets.

Anthony also knows how to build and drive winning innovation strategies. In his work, he uses strategic innovation to ensure the ongoing relevance and long-term resilience of businesses. Equally important, he knows how to transform businesses into human-centred networks capable of constantly delivering new value to their markets. His methods for strategy, culture, and process have enabled business leaders all over the world to make lasting transformations in their businesses.

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