EXPLOITING CHAOS

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MICRO-TRENDS & VIRAL INNOVATION SURROUND US
BUT HOW DO WE MAKE SENSE OF THE NOISE?

CUSTOMERS

COMPETITORS

STRATEGY

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EXPLOITING CHAOS IS A TOOL KIT FOR FINDING INSPIRATION

Exploiting Chaos™ Framework

Trend Hunting  Adaptive Innovation  Infectious Mktg

Culture of Revolution

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IT ALL BEGINS WITH YOUR ORGANIZATION’S CULTURE

CULTURE EATS STRATEGY FOR BREAKFAST

†Animated Culture Pac Man Courtesy of Trend Hunter
BE REVOLUTIONARY
These aren’t areas where you need to check the box

Gutsche’s Culture of Revolution Framework

- Perspective
- Intentional Destruction
- Customer Obsession
- Failure

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SPECIFICALLY WHAT ARE YOU TRYING TO DO?
Guess the Company:

- “______ has been turning creative ideas into breakthroughs for well over a century”
- Invented grammar checkers
- Invented electronic dictionaries (1985)
- Invented the laptop word processor (1989)
- Started building PDAs in (1994)
- Any Guesses
Quiz (cont’d)

Smith Corona!

The best typewriter company in the world!
Smith Corona knew how to spot trends, but they wanted to dominate typewriting so badly that they never adapted.

100 Years of Innovation

- 1886 - first typewriter with upper & lower case
- 1906 - first portable typewriter
- 1957 - first portable electric typewriter
- 1960 - first powered carriage return
- 1973 - first removable cartridge
- 1984 - first word eraser
- 1985 - first electric dictionary and Personal Word Processor
- 1989 - first Laptop Personal Word Processor

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The Point?

SITUATIONAL FRAMING DICTATES OUTCOME
SPECIFICALLY WHAT ARE YOU TRYING TO DO?
Each of these companies were founded during periods of economic recession.

Disney, CNN, MTV, Hyatt, Burger King, FedEx, Microsoft, Apple, Texas Instrument, 20th Century Fox, Gillette, AT&T, IBM, Merck, Hershey's, Eli Lilly, Coors, Bristol-Myers, Sun, Amgen, Autodesk, Adobe, BMC, EA, Fortune Magazine, GE and HP.

Crisis = Opportunity
You already know the **trends** that are changing industries...

- Broadcast TV > Viral videos
- Newspapers > Blogs
- CDs > Concerts
- Stores > e-Commerce
- Ads > Shockvertising
- America > China
- New York > Moscow
- Men > Women
- Libraries > Wikipedia
- Doctors > Nurse Practitioners
- Accountants > QuickTax
- Lawyers > Legal Forms Online
- Photography > 'Photoshopping'

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... learn to adapt.

DON’T WAIT TO BE SHOCKED
(Responsible) Failure Means You’re Innovating
Want this giant word on the top your performance report? Maybe you should.

A DECENT PROPORTION OF YOUR CREATIONS MUST FAIL
The Danger of Success

SUCCESS

COMPLACENCY
Successful organizations innovate to optimize their position. It’s like finding the top of a hill.
It is a large tradeoff for successful companies to make a big test, because failure is more likely.
However, without making large innovations, it is impossible to find even LARGER hills
Rewarding decisions (not outcomes) can also enable a more innovation friendly environment.
Be obsessed about knowing your current (and prospective) customers?
Thinking about how to get people to stop littering?

- Functional: Tell
- Benefit: Motivate
- Emotional: Connect
- Cultural: Empower

Continuum of Impact

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Faced with the litter problem, Texas-Based ad agency GSD&M obsessed about their *customer*.
GSD&M’s Campaign

DON’T MESS WITH TEXAS™

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THE RESULT OF CUSTOMER OBSESSION

Cultural Connection
Reduced Litter by 72% (1986-1990)
Now Synonymous w/ Texas
In ALL industries, innovation starts by observing customers

- Designers
- Entrepreneurs
- Artists
- Marketers
- Strategists
In ALL industries, even **CEO** needs to observe customers

- CEO
- Sr. Managers
- Worker Bees
- Newest Hires
- All Levels
Observe customers...  
...in their zone.

- Focus groups
- Surveys
- Interviews

Interact with them
Observe product use
Watch the purchase
Trend Hunting – Innovation and strategic advantage hinge on the ability to anticipate trends and identify insight

Exploiting Chaos

- Trend Hunting
- Adaptive Innovation
- Infectious Mktg

Culture of Revolution
There is no point innovating if you think you already know the answer.
Marco Morosini, a Ferrari designer, spends half his time designing FASHION.

"You need to be more open to the complete possibility of what could be."

- Marco Morosini
Trend Hunting

1. Reset

2. Hunt
   - Customer observations
   - Competition
   - Market
   - Adjacent Markets
     - Fashion
     - Design
     - Marketing
     - Pop culture

3. Cluster

Macro Trends

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Collect your favorite insights & look for clusters (patterns)
Throw away your first clusters, and look beyond the obvious.

The human mind is great at recognizing patterns...

...by creating shortcuts (bad!)
Force yourself to look beyond the obvious... that’s how to unlock insight.
Infectious Marketing – How you pitch an already cool idea will dictate its success or failure
3 WAYS TO CULTIVATE INFECTION:

- Viral Creations
- Viral Mediums
- Well Packaged Stories
Innovating in a web 2.0 world

When you create something that connects...

...your story will travel faster than ever before
PORTRAY YOUR PRODUCT AS AVERAGE, AND THAT IS ALL IT WILL EVER BE.
WHY IS YOUR PRODUCT THE BEST IN THE WORLD?
SPECIFICALLY WHAT ARE YOU TRYING TO DO?
What does your company do? (Why should I choose you?)

7 WORDS OR LESS
RULE #1: RELENTLESSLY OBSESS ABOUT YOUR STORY
Story Obsession – a Check List

1. SIMPLE
   - Supercharge Word of Mouth

2. DIRECT
   - Why should I choose you?

3. SUPERCHARGED
   - The ‘I-Have-to-Tell-Someone’ test.

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Story Obsession – Example: The FLEURBURGER...

- World's Most Expensive Hamburger
- $5,000 Hamburger

1. Simple
   - Good: ✔
   - Viral: ✔

2. Direct
   - Good: ✔
   - Viral: ✔

3. Supercharged
   - Good: X
   - Viral: ✔
RULE #1: RELENTLESSLY OBSESS ABOUT YOUR STORY
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