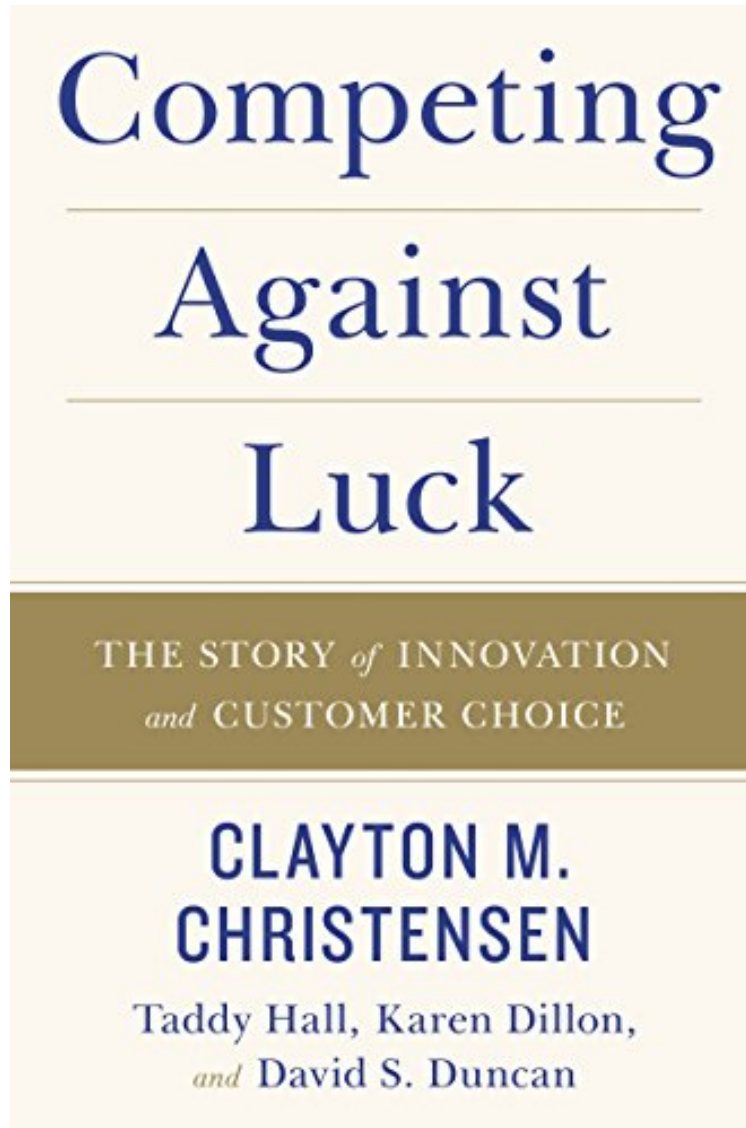


Competing Against Luck: The Story of Innovation and Customer Choice

Clayton M. Christensen, Karen Dillon, Taddy Hall, David S. Duncan

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Clayton M. Christensen, Karen Dillon, Taddy Hall, David S. Duncan : Competing Against Luck: The Story of Innovation and Customer Choice before purchasing it in order to gage whether or not it would be worth my time, and all praised Competing Against Luck: The Story of Innovation and Customer Choice:

3 of 3 people found the following review helpful. Clayton Christensen: On Becoming a Product Visionary Like Steve JobsBy Thomas M. LoarieThe crux of success in innovation is adoption. We may think we know what our customers will like, but more often than not, we are surprised and dismayed when we watch our Idquo;innovativerdquo; product

or service flounder after launch. The odds of creating exactly the right product or service to disrupt a vulnerable incumbent are probably less than 25%. Failure is expensive as it comes late in the development cycle after the investment of time, energy and money. Best-selling author and Harvard professor Clayton Christensen provides answers and a solution in "Competing Against Luck", which comes after two decades of research where he carefully and inductively observed people who bought and sold things. What is the customer trying to do with the purchase? Why does the seller think the customer needs the product? He found a big disconnect, and the answer to why adoption is often not achieved. He also found a solution. He urges readers to abandon the old way of framing customers' needs and look at the customer through a new lens with one question, "What is the customer hiring the product to do? What is the job?" The fundamental problem is that companies accumulate masses of data that are not organized in a way that enables them to reliably predict which ideas will succeed. But none of the data tells you why customers make the choices they do. Now with "Competing Against Luck", Christensen offers a paradigm change, "The Jobs Theory", that provides a new lens and a discovery mindset that will help innovators (and investors) answer one of the most important questions that has bedeviled us for decades: is innovation inherently a question of luck? With this new tool, the answer is no. In Section 1, "An Introduction to Jobs Theory", he defines "what is a job?" and goes on to put meat on the bone by explaining what is not a job, how can we discern a job and what are the theory's limits. To understand a job, it is critical to understand what "progress" is for the customer. A job is defined "as the progress that a person is trying to make in a particular circumstance." It's key to why choices are made. It represents movement. Circumstance is fundamental to finding a solution. Where are you? Who are you with? While doing what? What were you doing an hour ago? What are you doing next? What social or cultural or political pressures are exerting influence? Social and emotional needs can far outweigh any functional desires. Who will I trust to take care of my children? The old ways of organizing - centered on product attributes, customer characteristics (lifestage, financial status, etc.), trends and competitive response - are insufficient. In contrast to what is normally baked into today's customer research, neither product/service cost nor efficiency are a core element to defining a job. Also, Christensen notes from his research that new products succeed not because of the features and functionality they offer but because of the experiences they enable. When you enable the right experience for your customer, they will pay a premium price. Section 2 gets at the nuts and bolts of how to apply the theory. The author challenges us to uncover jobs to be done in our own life. Look for opportunities in non-consumption, identifying workarounds, zoning in on things we do not want to do and spotting unusual uses of products. While it is important to listen to the customer, you have to listen to hear what your customers don't say. "Rarely can the customer articulate the requirements accurately or completely; their motivations more complex in their pathways to purchase more elaborate than they can describe. What they hire; and equally important, what they fire; tells a story." Steve Jobs was famously known for listening to what was not said. Southern New Hampshire University, which has become a national leader in online education, sought answers to these questions when trying to ascertain "what they were being hired to do": What are the experiences customers seek in order to make progress? What obstacles must be removed? What are the social, emotional and functional dimensions? In Section 3, Christensen outlines how one can create a Jobs focused organization. There are many critical elements. One is metrics. What gets measured gets done. Creating the right metrics is hard but important. Companies get focused on revenue instead of delivering the customer benefit. We can consider metrics like "how much time do we save this customer? Do we improve their cash flow?" He notes that focuses on when orders are delivered not when they are shipped. He goes on to note the problems of the old frame. Engineers and operators have focused on the product specification rather than the "job specification." As a result, the organization has overweighted the value of its technology and underweighted the downstream applications of that technology to solve customer problems that enable their desired progress. There is a lot in "Competing Against Luck" to unpack. Just keep in mind that Christensen's Jobs Theory was developed not to explain past successes but to help us increase the predictability of new ones. Identifying and understanding the job is only the beginning. Having empathy for the customer so we can create the right set of experiences in solving the job - is the key. It is easier for competitors to copy products but it is difficult for them to copy experiences that are well integrated into your offering. Should you buy this book? that depends on the progress you seek and the job that needs to be done. By digging in and applying this new lens, you can cede luck to your competitors and leave them in the dust. Some afterthoughts: • NetFlix was hired to provide entertainment anywhere, anytime with control over time without a penalty. • Why didn't Hertz come up with the Zipcar? • Why didn't Kodak excel in digital photography? • Why is Sports Illustrated being fired for ESPN? • Why is buying Whole Foods? 6 of 6 people found the following review helpful. Better than any of your typical MBA courses. By A Barrow Very applicable principles that leaders in any field should apply. This book is exactly what I've been looking for since I read "How will you measure your life." I especially appreciate the final chapter that explains how the theory can be used and when it shouldn't be used. Particularly the clarification on what a job is and what it isn't. Reading this book will be well worth your time. 0 of 0 people found the following review helpful. This book can help you improve the rate of new product success. By Wally Bock Most observers agree that the

percentage of new products that succeed is small and that the percentage of products that succeed extravagantly is vanishingly small. Among those same observers, there are two theories about to come up with successful products. One theory holds that new product success is a matter of luck. The way you beat it is you up your number of tries. , In other words, the more you throw against the wall, the more likely it is that something will stick. The other theory is that you find a genius. For a genius, you can substitute the names of Steve Jobs or Akio Morita. Either way, you must be lucky. You either have to be lucky to throw a lot of stuff that sticks against the wall. Or, you must be lucky to find someone who is a product development genius. But what if you didn't have to depend on luck? What if you could increase your new product success rate with technique instead? Well, here's a book to help. If you want to do product innovation better, grab a copy of *Competing Against Luck: The Story of Innovation and Customer Choice*, read it, and put it to work. The Basic Problem Peter Drucker said it decades ago: the customer rarely buys what the company thinks it's selling. Now, you may be thinking that this is a lot like Theodore Levitt, who shared the insight of one Leo McGiverna that people don't buy 1/4-inch drill bits because they want 1/4-inch drill bits, they buy them because they want quarter-inch holes. Yes, this is the same basic principle, but taken to a new level. This book is about a theory called Jobs to Be Done. The theory says that people buy things (or "hire" them, in the jargon of the theory) to get something done. If you understand why and how they buy, you can create products with something more than a gambler's chance of success. When you start viewing things through the Jobs to Be Done lens, you see some interesting things. One thing you notice is that there are competing "products" that you weren't aware of before. Let's say you want to sell something to a person to help them deal with a mid-afternoon energy dip. Obviously, there are energy drinks and coffee. Candy bars can provide a quick energy boost. There's also a walk around the office to talk to friends. In some offices, you can take a nap, so the nap competes with the energy drink and the candy bars and the walk. Who Should Read This Book? If you are interested in or responsible for new product development, put this book on your must-read list. If your job is marketing or promoting your company, your products, or your services, then you'll find lots of useful stuff in this book. If you're a general business book reader, you'll probably enjoy the book, too. One of the things that I enjoyed most about *Competing Against Luck* was the number of stories and examples that I never read about anywhere else. There are good descriptions of the stories of Southern New Hampshire University, OnStar, Depends, QuickBooks, and IKEA.

The foremost authority on innovation and growth presents a path-breaking book every company needs to transform innovation from a game of chance to one in which they develop products and services customers not only want to buy, but are willing to pay premium prices for. How do companies know how to grow? How can they create products that they are sure customers want to buy? Can innovation be more than a game of hit and miss? Harvard Business School professor Clayton Christensen and his co-authors Taddy Hall, Karen Dillon, and David S. Duncan, have the answer. A generation ago, Christensen revolutionized business with his groundbreaking theory of disruptive innovation. Now, he goes further, offering powerful new insights. After years of research, Christensen and his co-authors have come to one critical conclusion: our long held maxim--that understanding the customer is the crux of innovation--is wrong. Customers don't buy products or services; they "hire" them to do a job. Understanding customers does not drive innovation success, he argues. Understanding customer jobs does. The "Jobs to Be Done" approach can be seen in some of the world's most respected companies and fast-growing startups, including Amazon, Intuit, Uber, Airbnb, and Chobani yogurt, to name just a few. But this book is not about celebrating these successes--it's about predicting new ones. Christensen contends that by understanding what causes customers to "hire" a product or service, any business can improve its innovation track record, creating products that customers not only want to hire, but that they'll pay premium prices to bring into their lives. Jobs theory offers new hope for growth to companies frustrated by their hit and miss efforts. This book carefully lays down Christensen's provocative framework, providing a comprehensive explanation of the theory and why it is predictive, how to use it in the real world--and, most importantly, how not to squander the insights it provides.

This game-changing book is filled with compelling real world examples, including from inside Intuit. Jobs Theory has had --and will continue to have ---a profound influence on Intuit's approach to innovation. It just might change yours, too. (Scott Cook, Co-founder Chairman of Intuit) Clayton Christensen's books on innovation are mandatory reading at Netflix. (Reed Hastings, Co-founder and CEO of Netflix) *Competing Against Luck* offers fresh thinking on how to get innovation right. Clayton Christensen and his coauthors offer a compelling take on how to truly understand customers by the progress they're seeking to make in their lives. Bravo! (Muhtar Kent, CEO of The Coca-Cola Company) Clayton Christensen and his co-authors have presented critical business thinkers and doers with a breakthrough theory that will change how leaders approach innovation by reverse engineering from a high value and focused customer job to be done. I have read it cover to cover--and will ask my top team to do the same. (Ron Frank, IBM) [*Competing Against Luck*] will likely become part of the thoughtful founders' strategy arsenal. True to its unpretentious name, jobs theory is disarmingly simple: "What job is our customer trying to accomplish?" stands as one of those great business questions that companies deploy to stimulate creative juices at

the start of meetings. But *Competing Against Luck* doesn't just introduce a tool, it also lays out a program. (Inc. Magazine) The Theory of Jobs to Be Done has the essential trait of any good management theory: Once explained, it seems glaringly obvious. (Philip Delves Broughton, Wall Street Journal) In an age of big data and hyper segmentation, Christensen's thinking is refreshing and clarifying. This book will relieve you of tired marketing conversations and invite you into worlds of new and ultimately, defining possibilities. *Competing Against Luck* is a must read for anyone working on developing or sustaining a distinctive brand. (Maureen Chiquet, former CEO of Chanel and author of forthcoming *Beyond the Label*) As a long-time fan of Clay Christensen, I was eager to read *Competing Against Luck* -- and it didn't disappoint. This book has the potential to change the way you view innovation. Engaging and well-written, Christensen and his co-authors caused me to stop and really think about how Khan Academy is growing. I highly recommend it. (Sal Khan, Founder CEO, Khan Academy) *Competing Against Luck* is an excellent primer on the both the theory, and on the applications of this theory to many areas of business. A fun and quick read - and a set of ideas that will be useful when you negotiate with vendors or plan your next program. (Inside Higher Education) From the Back Cover A generation ago, Clayton Christensen revolutionized business with his groundbreaking theory of disruption -- a way to predict how competitors will respond to different types of innovation. In this book, Christensen and his coauthors examine the other side of the puzzle: what causes growth, and how to create it. After years of research, Christensen, Hall, Dillon, and Duncan show that the long-held maxim -- that the crux of innovation is knowing more and more about the customer -- is wrong. Customers don't simply buy products or services; they "hire" them to do a job. Understanding customers does not drive innovation success. The key is understanding customers' Jobs to Be Done. The Jobs to Be Done approach can be seen in some of the world's most respected companies and fast-growing startups, including , Intuit, Uber, and Airbnb to name just a few. This book carefully lays down the author's provocative framework, providing a comprehensive explanation of the theory, why it's predictive, and, most important, how to use it to improve innovation in the real world. About the Author CLAYTON M. CHRISTENSEN is the Kim B. Clark Professor at Harvard Business School, the author of eleven books, a five-time recipient of the McKinsey Award for Harvard Business School's best article, and the cofounder of four companies, including the innovation consulting firm Innosight. In 2011 he was named the world's most influential business thinker in a biennial ranking conducted by Thinkers50. TADDY HALL is a Principal with The Cambridge Group and Leader of Nielsen's Breakthrough Innovation Project. As such, he helps senior executives create successful new products and improve innovation processes. He also works extensively with executives in emerging markets as an advisor to the non-profit, Endeavor. KAREN DILLON is the former editor of the Harvard Business Review and co-author of New York Times best-seller *How Will You Measure Your Life*. She is a graduate of Cornell University and Northwestern University's Medill School of Journalism. In 2011 she was named by Ashoka as one of the world's most influential and inspiring women. DAVID S. DUNCAN is a senior partner at Innosight. He's a leading thinker and advisor to senior executives on innovation strategy and growth, helping them navigate disruptive change, create sustainable growth, and transform their organizations to thrive for the long-term. He is a graduate of Duke University and earned a Ph.D. in physics from Harvard University.