



OUTTHINK THE COMPETITION

by Kaihan Krippendorff



Overview

This book describes techniques to better analyze business competition. The old way of doing things is fast becoming obsolete as modern technology has made fast-paced innovation the norm. To embrace the new paradigm of success, you must capitalize on the free flow of information, attack your competition on multiple fronts simultaneously, and have systematic brainstorming sessions in order to anticipate your competition's behavior. These techniques and more are discussed, to give you the edge you need to succeed.

"You need not think like an outthinker to survive.

You can work harder and move faster within the old paradigm, but this is like rowing more forcefully while your neighbor has put up a sail."

Part 1: The Foundation

Revolutionizing existing business models often relies on outthinking the competition by generating unconventional approaches. But be aware that cutting-edge business models can be intimidating for investors. While "Outthinkers" may be the laughing stock of "Thinkers", eventually the profits prove there was a method to the outthinkers' madness.

If you let innovation stall because "it's always been done this way," you run the risk of eliminating a superior option. Recognizing any rigidity and finding novel strategies is vital to cultivating innovation. Once you've discovered an original strategy, determine whether it is superior to the "old school" methods. Luckily, it is generally difficult for others to copy true innovation.

"The companies we see winning today...stopped clinging to economies of scale; they move faster, they scatter, they use the free flow of information to create advantage, they are disrupting the middleman, they let customers self-organize, they think and hire globally, and they embrace, or at least understand, the heightened volatility in which we compete."

Most breakthrough, revolutionary companies encourage outthinkers in leadership roles. These leaders facilitate original ideas that contrast against prevailing paradigms. They focus on paradigm shifts — *"any major shift in technology, thinking, or practice."* There are 9 trends transforming established paradigms:

1. **The Erosion of Economies of Scale:** Modern methodologies dramatically reduce the time and cost of producing new products.
2. **Acceleration:** As economies of scale grow obsolete, the pace of business rapidly increases.
3. **Disaggregation:** Harvard Business School professor Shoshana Zuboff defines "distributed capitalism" as the *"myriad ways in which production and consumption increasingly depend on distributed assets, distributed information, and distributed social and management systems."* This is changing competition, making customizable products vital.
4. **Free Flow of Information:** Global data flows are growing by almost 50% per year with ubiquitous cell phones and an online presence.
5. **The Death of the Middleman:** Global Distribution Systems (GDS), otherwise known as the middleman, are fast becoming irrelevant as companies provide similar services internally.
6. **Self-Organized Citizens & Customers:** Social media facilitates group coordination and formation of complex, adaptive, and powerful systems.
7. **The Shift in Power to the Developing World:** A tactic known as "reverse innovation" capitalizes on the need for low-cost products in developing countries, by manufacturing goods cheaply in developed countries.
8. **A Rising Global War for Talent:** Today, companies are more focused on recruiting talented employees to meet the needs of expanding customer bases.
9. **Global Network Volatility:** Our vastly interconnected world means companies must adapt to the butterfly effect; small fluctuations may result in rifts across the globe.

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