

Why innovation could let your business fail like Kodak

 By [Willem Gous](#)

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Kodak is famous for being the inventors of the digital camera technology, yet were completely bankrupted by digital cameras. The same could be possible within your business innovation initiatives if you don't learn and apply the following lesson from the Kodak failure.

A quick take on Kodak

Kodak did invent the technology behind digital cameras and had it available to use. Instead, they chose to focus on innovating their film technology. Obviously once digital cameras hit mainstream and especially mobile phones, the need for actual film disappeared overnight.

One directional innovation

Kodak had no lack in new innovations. But the problem was that their focus was more on the innovations that served their current business model, your incremental business innovation. They tried to maintain the current business model probably hoping it would run forever. But few things last forever.



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I have worked with and spoken to many companies following this approach to business innovation. Yes, there is absolutely nothing wrong with it. It is important to innovate your current products and business model. If there is still a few billion dollars left in the market, why not. Even a few millions dollars too. But what about the future? What does the future look like? How do we strike a balance between business innovation in present and the future?

Corporate ambidexterity is what is needed

What you need are two business innovation initiatives. The one focused on the current business model and the other on future revenue streams and alternate business models. At first it may not make sense. However, this is something I learnt in the dating game. I cannot date two people at the same time and the same goes for innovation departments that has to serve the present and the future.

The processes, timelines and more are different for innovating current products than for new products. The KPI's and

reporting structures are also different. Good reason to split the two. You might raise the question of increased cost and yes, I will look at that in a later article, but you have to ask yourself, do you risk ending up like Kodak?

Some questions to ask yourself

Does your market change quickly or slowly? Even if it does change slowly, you need to look at outside forces. Nokia thought phones will remain and they will always tell the networks what they can and cannot do. That changed overnight with Apple.

Are you very price sensitive? Look at the oil price. If you only have fossil fuels in your product stable, chances are you are having potatoes and not a steak dinner now.

Are the barriers to entry high or low in your market? If low, then you could wake up being extinct one morning.

I am not going into a full PEST analysis now (Political, Economical, Social, Technological). But it is handy to ask these things when you are setting up your innovation department.

ABOUT WILLEM GOUS

Are you a business owner? When you started your business you were the original building block, but you never removed yourself from that position, and you are stuck. Are you serving your business more than it serves you? Do you have deteriorating health and personal relationships because of workload? Is life the same every year, only with more stress? Do you want your life back? Your business should be a building block and not a stumbling block in your life.
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