

You're holding a guide to the world's best business models.
Use it to inspire your own portfolio of new ideas and reinventions.
Design a culture of innovation and transformation to become...

The Invincible Company

strategyzer.com/invincible

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WILEY



Strategyzer
Series

This book integrates with
Business Model Generation,
Value Proposition Design,
& Testing Business Ideas
International Bestsellers
40+ Languages

The Invincible Company

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The Invincible Company

An organization that constantly reinvents itself before it becomes obsolete. The Invincible Company explores the future, while excelling at exploiting the present. It cultivates an innovation culture and execution culture that live in harmony under the same roof. It competes on superior business models and transcends traditional industry boundaries.



**How to become
an Invincible Company...**



Constantly Reinvent Yourself

To stay ahead of everybody else and beat disruption you need to constantly reinvent yourself. Business Models expire faster than ever before and you don't want to become obsolete alongside their decline. Competition increasingly comes from unexpected places like insurgent startups in addition to traditional incumbent rivals. Invincible Companies constantly reinvent who they are and where and how they compete in order to stay relevant and ahead.

Discover how to manage and improve what you have and simultaneously explore the future with business model portfolios.

Design, implement, and manage an innovation culture to constantly feed your innovation funnel and stay relevant.

Compete on Superior Business Models

It is increasingly a rat race to compete on new products, services, price, and technologies alone. Leave competitors behind and maximize market opportunities, new customer needs, and emerging technologies by embedding them in superior business models. Design, test, and build superior business models that disrupt others and are hard to disrupt.

Discover how to design, test, and manage superior business models.

Apply business model patterns to make the best out of market opportunities, new technologies, and product and service innovations.

Transcend Industry Boundaries

The most successful organizations aren't confined by industry boundaries or industry forces. In fact, they often crush industry boundaries and disrupt others. Their business model or portfolio of businesses is not the result of the area they work in; it comes from an organization that constantly explores new ways to create value around market opportunities.

Discover how to create and manage an ambidextrous organization that is capable of improving your core business and exploring completely new opportunities beyond traditional industry boundaries.

Learn how the Chinese company Ping An evolved from a traditional banking and insurance conglomerate to a technology group that competes in five distinct arenas and became one of the world's largest companies.



...and create more value



For Society

Small and large companies that constantly reinvent themselves have an enormously positive impact on society. They provide economic growth and potentially game-changing innovations. The best of them put environmental and societal impacts at the center of their endeavors to change the world for the better. On the other hand, the decline or death of companies can be devastating for cities and entire regions that will suffer from economic decline.

For Customers

Companies that constantly innovate and explore new business models, constantly create new and better value propositions at more attractive prices. Some innovations may be banal and just lead to more consumption. Yet, many will create substantial value for customers in the form of convenience, entertainment, well-being, and fulfillment.

For the Team

Invincible Companies thrive over centuries and provide long-term job security, while others that fail to reinvent themselves have to let go of thousands of employees. Invincible Companies provide a home for execution and innovation talent alike and they feature world-class organizational structures and processes that are fit for the challenges of the 21st century.

For Owners

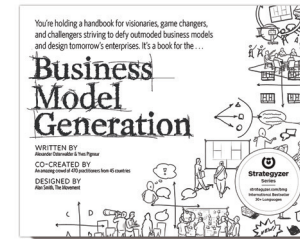
Owners of Invincible Companies benefit from long-term growth, reduced disruption risk, and the attraction of world class execution and innovation talent. Invincible Companies thrive over the long term, because they harvest the fruits of managing the present, while already sowing the seeds for tomorrow's business. Their ability to exploit and explore simultaneously substantially reduces the risk of disruption and obsolescence and attracts the best talent.

From Business Model Generation to Invincible Company

The Invincible Company is the fourth in the series of Strategyzer books. It complements the previous books and addresses a number of jobs-to-be-done for innovation teams, entrepreneurs, and senior leaders who manage entire organizations.

The new content is based on what we've learned from working with leading organizations around the world and from studying the world's few Invincible Companies.

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	Job-to-be-Done	Key Question	Key Tool and Process	Books
Innovate and Design <i>Invent and Improve</i>	Map your business, idea, or innovation	How do you create sustainable profits and value for your organization?	Business Model Canvas (BMC) or Mission Model Canvas (MMC)	<i>Business Model Generation</i> (2009)
	Map your product and service	How do you create value for your customers?	Value Proposition Canvas (VPC)	<i>Value Proposition Design</i> (2014)
	Maximize opportunities and compete on business models	How do I maximize opportunities and improve my business with the best business model design?	Business Model Patterns (invent patterns and shift patterns)	<i>The Invincible Company</i> (2020), <i>Business Model Generation</i> (2009)
Test and De-Risk	Test and de-risk your idea	How do you reduce the risk of pursuing a business idea that won't work?	Customer Development (Steve Blank) and Agile Engineering/Lean Startup (Eric Ries), Test Card, Learning Card	<i>The Startup Owner's Manual</i> (Steve Blank, 2012), <i>Lean Startup</i> (Eric Ries, 2011), <i>Value Proposition Design</i> (2014)
	Pick the right experiments to test your idea	What are the most appropriate experiments to test and de-risk your ideas?	Experiment Library	<i>Testing Business Ideas</i> (2019)
	Measure the reduction of risk and uncertainty	Am I making progress from idea to realistic business model?	Strategyzer Innovation Metrics	<i>The Invincible Company</i> (2020)
Design Innovation Culture and Manage Portfolio	Stay ahead of competition and become invincible	How do you prevent disruption and constantly reinvent yourself?	Portfolio Map, Portfolio Actions	<i>The Invincible Company</i> (2020)
	Create an (innovation) culture	How do you design, test, and manage an innovation culture?	Culture Map (CM), Innovation Culture Assessment	<i>The Invincible Company</i> (2020)
	Invest in the best ideas	Which ideas and teams should I invest in?	Strategyzer Growth Funnel (SGF), Innovation Project Scorecard (IPS)	<i>The Invincible Company</i> (2020)
	Align (innovation) teams	How do you pull through execution and keep teams aligned?	Team Alignment Map (TAM)	<i>The Team Alignment Map</i> (2020)

How to Read This Book



Senior Leader



**Innovation Leader
and Teams**



Entrepreneurs

As a business leader you establish the conditions to keep your organization humming and growing. You need transparency to understand which parts of your business have further potential to grow, which parts need renovation, and which parts are at substantial risk of disruption. You need to understand which initiatives have the potential to define tomorrow's business. You aim to make sound investments in the future, while consciously managing risk.



Use the **PORTFOLIO MAP** (p. 10), to design, test, and **MANAGE** (p. 49) your business portfolio. Create **GUIDANCE** to lead your teams in the right direction and transparency for everybody to manage the present and invest in the future.



Create the conditions for success to establish an **INNOVATION CULTURE** (p. 306). Complement your core execution culture with a world class innovation culture.



Ask the right **QUESTIONS FOR LEADERS** (p. 212) to help your teams explore new opportunities and compete on superior business models.

As an innovation leader and team you help your organization de-risk ideas that keep it growing and improving. You put the tools, processes, and metrics in place that help manage innovation. You understand how to enhance innovation opportunities by embedding them in sound business models in order to disrupt entire arenas or renovate your company's declining business models.



Use the **PATTERN LIBRARY** (p. 130) to enhance market opportunities, new technologies, and other innovations. Apply **Business Model Patterns** to design superior business models.



Use the **PORTFOLIO MAP** (p. 42) to create the transparency your senior leaders need to make sound investment decisions. Show where the opportunities are. Learn how to **MANAGE** (p. 49) your business portfolio.



Help your senior leaders implement an **INNOVATION CULTURE** (p. 296). Understand the key enablers that foster innovation and blockers that prevent innovation.

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As an entrepreneur your only goal is to de-risk your idea and turn it into a real business. You understand that the hard part of entrepreneurship is to constantly test and adapt your idea based on input from the real world. You know that superior business models—rather than technology or product innovation alone—will allow you to disrupt entire industries and build a more sustainable business.



Use the **EXPLORE MAP** (p. 18) to visualize which one of your ideas has the most potential and is least risky. Use **TESTING and INNOVATION METRICS** (p. 88) to measure your progress from idea to business.



Use the **PATTERN LIBRARY** (p. 130) to enhance market opportunities, new technologies, and other innovations. Apply **Business Model Patterns** to design superior business models.



Establish the kind of **ENTREPRENEURIAL LEADERSHIP & TEAM** (p. 338) that will help you succeed. Understand the key characteristics of winning teams.

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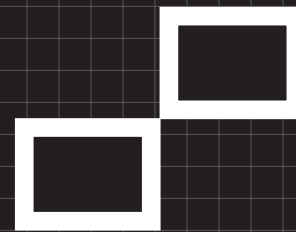
Tool

Business Model Portfolio

The collection of existing business models a company exploits and the new business models it explores in order to avoid disruption and ensure longevity.

Chasing Invincibility

No company is invincible. Those that come closest are the ones that constantly reinvent themselves in the face of disruption. These companies manage a portfolio of existing business models that they exploit and continuously improve. Simultaneously, they manage a portfolio of new business models that they explore to systematically produce new growth engines.



PORTFOLIO MAP

A strategic management tool to simultaneously visualize, analyze, and manage the business models you are improving and growing and the future business models you are searching for and testing.

PORTFOLIO DICHOTOMY

We believe great business model portfolios are actually composed of two distinct portfolios with a completely different logic: the Exploit portfolio and the Explore portfolio. The former includes existing businesses, value propositions, products, and services that you are managing and growing. The latter includes all your innovation projects, new business models, new value propositions, new products, and services that you are testing.

Portfolio Management

Designing and maintaining a strong business model portfolio requires three main activities: visualize, analyze, manage.



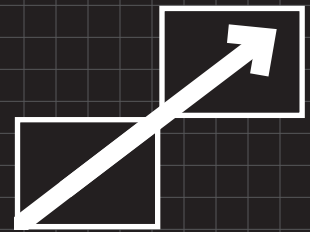
VISUALIZE

The starting point for any good discussion, meeting, or workshop about your business model portfolio is a shared language to visualize it. You need a shared understanding of which business models you have and which ones you are exploring.



ANALYZE

A shared understanding of your business model portfolio allows you to identify if you are at risk of disruption and if you are doing enough against it. This includes analyzing which of your business models are most profitable, which ones are most at risk, and which ones you are exploring to ensure your future growth.



MANAGE

Good portfolio management includes taking action to design and maintain a balanced portfolio that protects you from disruption. This includes continuously growing and improving existing business models by shifting outdated ones to new business models and protecting those that are established. It also includes exploring completely new business models of which many will fail, but some will produce outsized returns and ensure your future.



EXPLORE



EXPLOIT

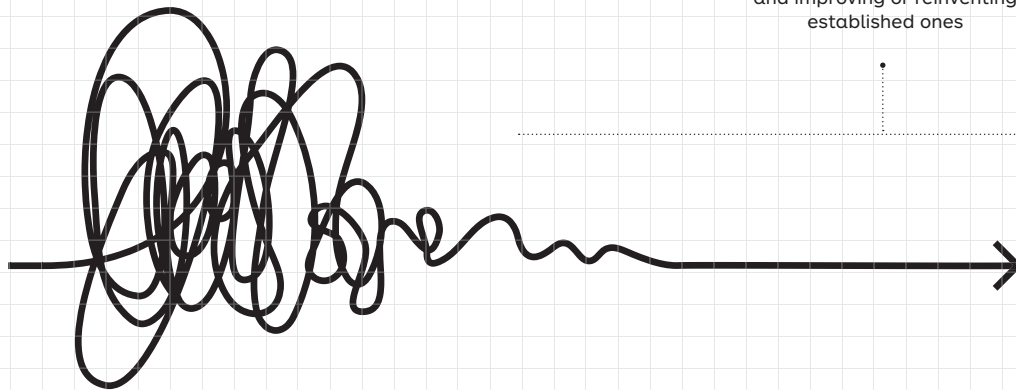
The Explore/ Exploit Continuum

Invincible Companies do *not* prioritize exploitation over exploration. They are world class at simultaneously managing the entire continuum from exploring new businesses to exploiting existing ones. They keep a culture of “day one,” maintaining a startup spirit, while managing thousands or even hundreds of thousands of people and multibillion-dollar businesses. Increasingly, this ability to manage exploration and exploitation is not just limited to large established companies. It is also a matter of survival for SMEs and startups with the shortening lifespan of business models across industries.

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Explore		Exploit
Search and breakthrough	Focus	Efficiency and growth
High	Uncertainty	Low
Venture-capital style risk-taking, expecting few outsized winners	Financial Philosophy	Safe haven with steady returns and dividends
Iterative experimentation, embracing speed, failure, learning, and rapid adaptation	Culture & Processes	Linear execution, embracing planning, predictability, and minimal failure
Explorers who excel in uncertainty, are strong at pattern recognition, and can navigate between big picture and details	People & Skills	Managers who are strong at organizing and planning and can design efficient processes to deliver on time and budget

Explore
High uncertainty



GROW

Scaling new businesses
and improving or reinventing
established ones

SEARCH

Turning business ideas
into value propositions
that matter to customers,
embedded in scalable
and profitable
business models

Exploit
Low uncertainty

DEFINITION

The Portfolio Map

A strategic management tool to simultaneously visualize, analyze, and manage the business models you are improving and growing and the future business models you are searching for and testing.



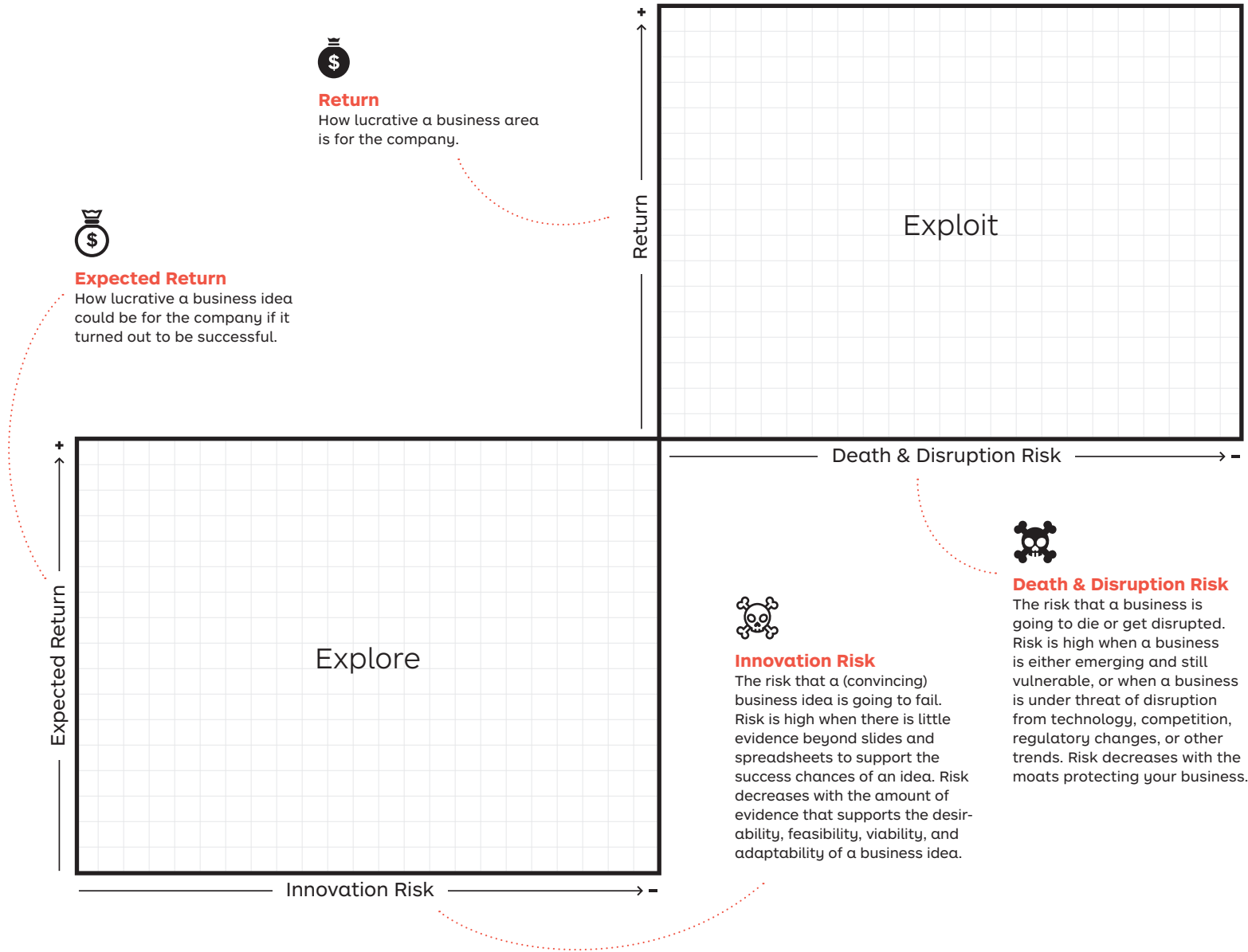
Explore Portfolio

Your portfolio of innovation projects, new business models, new value propositions, and new products and services, all mapped out in terms of **Expected Return** and **Innovation Risk**.



Exploit Portfolio

Your portfolio of existing businesses, value propositions, products, and services, all mapped out in terms of **Return** and **Death and Disruption Risk**.



Portfolio Management

Explore: search

The Explore portfolio is all about the search for new ideas, value propositions, and business models to ensure the future of your company. Search involves maximizing expected returns and minimizing innovation risk. You improve the expected return by working on your business model design. You decrease the risk of working on an idea that might fail by testing and adapting it.

Exploit: grow

The Exploit portfolio is all about keeping your existing business models on a growth trajectory. This includes scaling emerging business models, renovating declining ones, and protecting successful ones. You ensure growth by improving returns and minimizing disruption risk. This is best achieved by shifting all of your business models from outdated ones to stronger ones.