

RENOVATE BEFORE YOU INNOVATE

Why Doing the New Thing Might Not Be the Right Thing

SERGIO ZYMAN

SERGIO ZYMAN is chairman and founder of his own marketing consulting firm, Zyman Group. Mr. Zyman has more than 30-years experience in managing and renovating brands. He served as Chief Marketing Officer of The Coca-Cola Company during a period when that company boosted its world-wide volume from 9 billion to 15 billion cases – the highest growth period in the history of Coca-Cola. Mr. Zyman is also the author of *The End of Marketing As We Know It*, *Building Brandwidth* and *The End of Advertising As We Know It*.

The Zyman Group Web site is at www.zyman.com.

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at www.summaries.com.

MAIN IDEA

The benefits of innovation have been excessively hyped and usually turn out to be overstated. All too frequently, innovation is being used as an excuse to build something new from the ground up when a better idea would be for companies to concentrate instead on fixing what they already offer. Instead of “exploring new possibilities” and getting into new lines of business they know little about, companies should be focusing on doing more of what made them successful in the first place.

In other words, renovation should be permanently enshrined as the corporate growth strategy of choice. To renovate a business means to do better things with your existing assets and competencies rather than attempting to endlessly generate new competencies and acquire new skills. Renovation also requires that you go back to the customers who have done business with you in the past and reengage them by delivering the products and services they genuinely want and need.

Renovation is an entirely different mindset. When a company innovates, it usually starts from scratch. By contrast, when that same company renovates, it starts with what it currently sells and then looks for new places and new applications where those same offerings can be delivered. This leads to an emphasis on organic growth rather than endlessly attempting to start new revenue streams. And because renovation builds on what already exists, the chances are the renovation initiative is going to be more successful and less risky than any innovation-based attempt to grow the business.

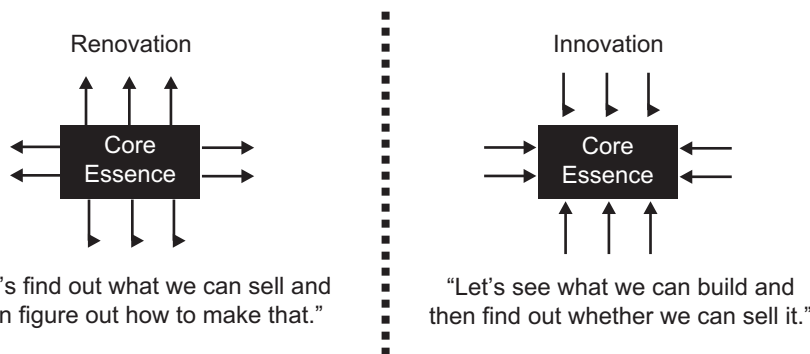
Overall, the next time you get the urge to innovate, pause and try renovating first. You may be surprised to discover just how much potential growth you’re leaving on the table unexploited.

“In my view, innovation is just another word for ‘giving up’. It’s saying that things are so bad that it’s easier to get into an entirely different line of business than to deal with our problems. And this whole ‘innovation culture’ is just the latest in a long line of business fads. An entire generation of managers and executives has now forgotten what it really takes to create organic growth. Even worse, there’s a whole new generation of up-and-coming executives and managers who never have learned the skills necessary to drive organic growth in the first place. So we have a situation in business today where the old guard want to leave a legacy, and the new guard want to make a name for themselves on the way up. And both generations have come to the conclusion there’s no better way to make a big splash than by doing something new. In other words, innovating. But too many of them – old and new – haven’t thought about what that means.”

– Sergio Zyman

1. Renovation vs. Innovation Pages 2 - 3

The current obsession that companies have with innovation has caused them to lose track of what made them successful in the first place. This is why renovation is a far better alternative. In essence, renovators seek ways to leverage their core essence further whereas innovators are always trying to inject new elements into their core essence – for better or for worse.



2. A six-element program for renovation Pages 3 - 8

To bring the concept of renovation to the fore and grow organically, there are six general elements business leaders and managers need to bring together:

- | | | |
|---|---|---|
| A
Six
Element
Program
For
Renovation | 1 | Renovate the way you think about your business |
| | 2 | Renovate your destination – how you want customers to feel |
| | 3 | Renovate how you define your competition |
| | 4 | Renovate your segmentation – why customers buy what they do |
| | 5 | Renovate your positioning – your dialogue with customers |
| | 6 | Renovate your customer experience to enhance repurchases |

Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- Learn from the mistakes and success of the smartest people in business;
- Get fresh ideas, strategies & motivation that could be worth millions to you;
- Follow emerging trends, so you can catch the wave before your competitors do;
- Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

