Contents

Acknowledgments xi
Introduction xiii

I What You Have Always Done Isn’t Working Anymore 1

1 Don’t Get Netfixed: Your Current Business Model Isn’t Going to Last Much Longer 3
   Blockbuster Gets Netfixed 5
   Even Netflix Is in Danger of Being Netfixed 10

2 Business Models 101: Creating, Delivering, and Capturing Value 17
   How Does Your Company Create Value? 19
   How Does Your Organization Deliver Value? 21
   How Does Your Organization Capture Value? 29
   Putting the Entire Business Model Story Together 32

3 Why Organizations Fail at Business Model Innovation 35
   10 Reasons Companies Fail at Business Model Innovation 40

II Connect, Inspire, Transform: 15 Business Model Innovation Principles 51

4 Connect: Business Model Innovation Is a Team Sport 55
   Principle 1. Catalyze Something Bigger Than Yourself 55
   Principle 2. Enable Random Collisions of Unusual Suspects 60
   Principle 3. Collaborative Innovation Is the Mantra 64
   Principle 4. Build Purposeful Networks 68
   Principle 5. Together, We Can Design Our Future 72
## Contents

5 Inspire: We Do What We Are Passionate About 77
   Principle 6. Stories Can Change the World 77
   Principle 7. Make Systems-Level Thinking Sexy 81
   Principle 8. Transformation Is Itself a Creative Act 84
   Principle 9. Passion Rules—Exceed Your Own Expectations 87
   Principle 10. Be Inspiration Accelerators 90

6 Transform: Incremental Change Isn't Working 95
   Principle 11. Tweaks Won't Do It 95
   Principle 12. Experiment All the Time 99
   Principle 13. Off the Whiteboard and into the Real World 102
   Principle 15. A Decade Is a Terrible Thing to Waste 110

III Creating a Business Model Innovation Factory 115

7 R&D for New Business Models 117
   Innovate through Connected Adjacencies 119

8 Leading and Organizing a Business Model Innovation Factory 131
   Staffing a Business Model Innovation Factory 134
   Skills and Experience to Staff a Business Model Innovation Factory 137
   Wanted: Business Model Designers 142
   Resourcing a Business Model Innovation Factory 143
   Overcoming the Politics of Business Model Innovation 145

9 Experimenting with Business Models in the Real World 149
   Give Me Rhode Island 154
   A Better Place 157
   Putting the Customer in the Business Model Driver Seat 163

IV Business Models Aren't Just for Business 165

10 Nonprofits Have Business Models Too 167

11 R&D for New Social Systems 179
   Measure Innovation Outputs 181
   Education Rant 183
12 What's Your Personal Business Model? 191
Stay on a Steep Learning Curve 193
Embrace Vulnerability 195
Blessing and a Curse 197

About the Author 201
Index 203