

*Another in a Series of Reports on the Power  
of Strategy from Jay Abraham...*

***MetaMorphic Innovation<sup>TM</sup>:  
a Power Tool for Breakthrough  
Performance -***

Jay L. Abraham and Daniel J. Knight

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Leaders who move enterprises to top performance deliberately apply creativity and innovation to access, energize and leverage underlying organizational capabilities. At the same time, they continuously reinvent their business models to stay competitive. The explosion of e-business intensifies and exacerbates the need for this kind of strategic leadership.

**Power Tool.** To open vistas unrealized before for bringing dormant organizational capabilities to life, we offer you a strategic leadership power tool called “MetaMorphic Innovation™.” We give it this name because of its transformative power to combine different concepts and “morph” them into more tangible strategies for breakthrough performance enhancement.

We construct this tool as a matrix and name its column segments and row segments “Market Disciplines” and “Growth Dynamics” respectively. Under each segment we place three subordinate labels to identify each individual column and row.

“Market Disciplines” represent the three major Concepts for achieving market leadership. Conventional wisdom says strategic leaders select one, and only one, of these three as their primary approach while attempting to perform at acceptable or better levels on the other two.

The emergence of e-business models, with their related partnerships, alliances and acquisitions, turns this conventional wisdom on its head. Strategic leaders can now put together integrated e-business based deals with other individuals and organizations to become virtually the best in all three approaches.

“Growth Dynamics” provide the three major concepts of ways to ramp up and expand an enterprise to achieve market scope, speed and scale.

**Matrix.** Let us demonstrate how “MetaMorphic Innovation” works. First we generate some leadership strategies by creatively combining and expounding upon the concepts converging at each matrix node in Exhibit 1. We then spell out the resulting “what and why” in the “Leadership Strategy Node Descriptions” 1 through 9 appearing after Exhibit 1.

**Exhibit 1**

**MetaMorphic Innovation Matrix™**

	<u>Market Disciplines</u>		
	Customer Relationship Management	Product & Service Leadership	System & Process Preeminence
<u>Growth Dynamics</u>			
Selling Existing Products & Services	1	2	3
Developing New Products & Services	4	5	6
Forming Alliances & Acquisitions	7	8	9

**Leadership Strategy Node Descriptions.**

Node 1 - capitalize on the three ways to increase sales of existing product and service lines: 1) sell more of the same price range items from existing lines to current customers; 2) sell higher ticket items from existing lines to current customers; and 3) acquire new customers for existing lines.

Node 2 - become “the brand” by upgrading existing lines to top quality through technology enhancement and mass customization, and then capture the upscale market.

Node 3 - use process improvement to eliminate non-value added tasks, replicate processes used by top performers, and streamline remaining processes to provide better value to customers in existing lines.

Node 4 - get customers and suppliers directly involved in the design and development of new lines to cut time to market and increase value.

Node 5 - apply product life-cycle thinking to anticipate the need to cannibalize old lines, develop new lines, disrupt the competition and enhance market position.

Node 6 - use data mining to identify, interpret and define new market opportunities. Take this analysis and create “monetized” and optimized options for new lines, and then develop, test and roll them out to grow revenue.

Node 7 - identify core capabilities of customers, suppliers and other potential partners or acquisition targets. Based on this analysis, establish mutually reinforcing relationships and assign each party value chain activities most suited for them to maximize returns and minimize risks for existing and new lines.

Node 8 - unbundle lines from related knowledge and information about them to reduce underutilized people and inventory. Optimize communication of knowledge and information along with accelerated delivery of related lines to customers. For example, use an e-business model like Dell Computer does to electronically receive customer orders and in turn electronically order needed components from suppliers. Dell then receives components from suppliers and assembles products to meet customer demands without delay.

Node 9 - form an end-to-end e-business strategy, structure and process to optimize the value chain. To accomplish this strategy, form alliances, partnerships and outsourcing arrangements to realize the highest and best outcomes for all lines.

**Using the Matrix.** The “MetaMorphic Innovation Matrix™ ” enables you to make strategy generation and execution easier and more effective. Its nodes in Exhibit 1 mark the intersection of strategy generating concepts from its rows and columns. These intersections enable you to navigate from and combine these different ideas. With these combinations, you then generate strategies like those provided above. Next you select a few of the best of these strategies, and focus on expansion, implementation and measurement of their “who, when, where and how.” Using our matrix, these and other strategies await your further development and

execution. Give it a try and see how it works for you. It can enrich your strategic leadership thinking and action to achieve breakthrough performance enhancement.

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