

# Era-based Analysis



## Era-based Analysis: Overview

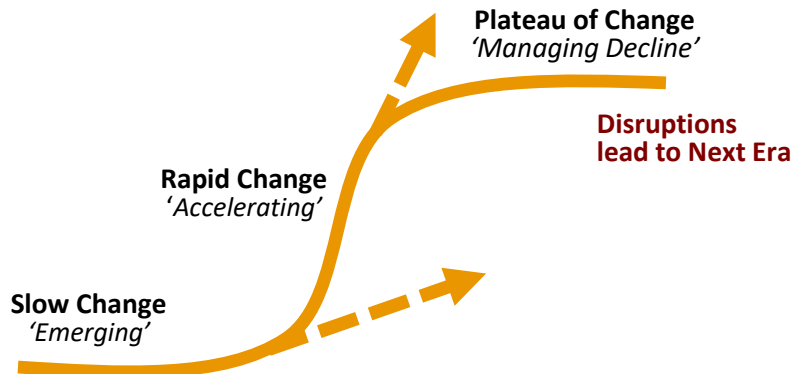
An era is a period of time when our assumptions about how the society / marketplace functions remains consistent. Era-based analysis is often framed around an S-curve development model of change that describes the increase of performance (X-axis) over time (Y-axis).

There are three stages of change that signal the limits to innovation within the era: slow change, accelerating change, and a plateau of change.

Organizations use S-curve models to anticipate the falling price of technologies, adoption rates of services/products, and the eventual plateau of performance.

A balanced innovation portfolio should include products/services suited for incremental innovations targeted to the current era, as well as many *small bets* on ideas relevant to the emerging era.

### Performance over Time S-Curve Shape of 'Major' & 'Minor' Eras



## Team Activity Goals

- ❑ To identify key differences in organizational strategy and market conditions across the current and emerging eras of growth.
- ❑ To surface assumptions that may be preserved or discarded across the *S-curve* era transition.
- ❑ To find three (3) potential *hunting ground* opportunities for future growth or social impact

Worksheet: Era-based Analysis of Change		
	Current Era: _____	Emerging Era: _____
<b>Vision &amp; Mission</b> - Who you are; Who you serve & how.		
<b>Problems (JTBD) &amp; Solutions</b> - Customer jobs to be done.		
<b>Market Dynamics</b> - Describe types of competitors. - Describe types of partners. - Describe types of acquisitions. - Regulatory landscape: Constraints or protective policies?		
<b>Product &amp; Service Cycle</b> - What do you sell (provide)? - How do you go to market? - How fast or slow do client demands change? - What is considered innovative?		
<b>Minor Eras</b> - Were there small but significant platform transitions within the company or industry?		
<b>Disruptive Elements</b> - What elements challenge this era, and lead to changes in the company? - Are there constraints or 'limits to growth' within this era?		

## Worksheet: Era-bases Analysis of Change

Current Era: \_\_\_\_\_

Emerging Era: \_\_\_\_\_

### Vision & Mission

- Who you are; Who you serve & how.

### Problems (JTBD) & Solutions

- Customer *jobs to be done*.

### Market Dynamics

- Describe types of competitors.
- Describe types of partners.
- Describe types of acquisitions.
- Regulatory landscape:  
Constraints or protective policies?

### Product & Service Cycle

- What do you sell (provide)?
- How do you *go to market*?
- How fast or slow do client demands change?
- What is considered innovative?

### Minor Eras

- Were there small but significant platform transitions within the company or industry?

### Disruptive Elements

- What elements challenge this era, and lead to changes in the company?
- Are there constraints or 'limits to growth' within this era?

## Era-based Analysis: Key Takeaways

- Era-based analysis helps us to recognize threats and opportunities associated with the growth cycle of major industry platforms, products and services – or shifting social norms.
- While incremental innovation preserves assumptions of the current day business era, transformative innovation creates new assumptions designed for the emerging era of technologies, policies, and consumer behavior.

## Assessing Era-based Innovation and Growth Strategies

When thinking about your opportunities and threats to era-based change, consider how the speed of innovation and market adoption may be increasing or slowing down along the way to the plateau.

### As we look at the limits *to incremental innovation* within the current era, what are:

- Major assumptions to be challenged?
- Metrics that seem less relevant to success?
- Sources of fear about change?

### As we look at the *transformational innovation* within an emerging era, what are:

- New assumptions to explore?
- New metrics to consider?
- New needs we can create or anticipate?
- New models for piloting prototypes?

## Guidelines to Consider for Era-based Analysis

### Clarify Scope

Are you focusing on major or minor era transitions? Specific divisions or whole company?  
Can you break apart minor eras rather than lump them together?

### Discuss Spectrum of Timelines

How are you going to define the time horizons of past, present, and future?

### Recognize Different Perspectives

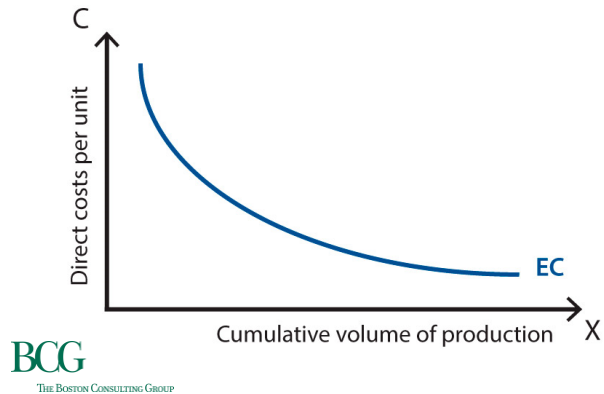
Are you including perspectives of various stakeholders?

### Integrate with Strategic Planning Efforts

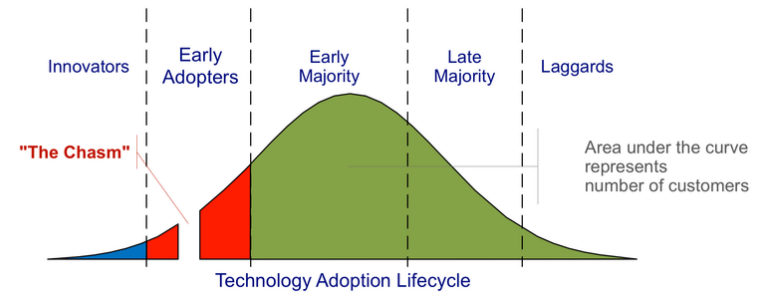
Identify ways to keep this framework current as a living document and part of the strategic planning processes that exist within your organization.

## Related Concepts to Explore

### Experience Curve (Learning Curve)

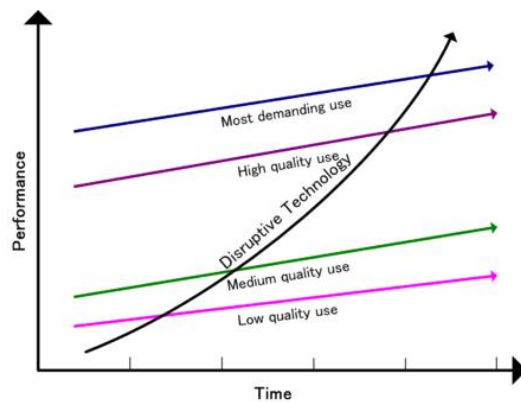


### Crossing the Chasm Adoption Model



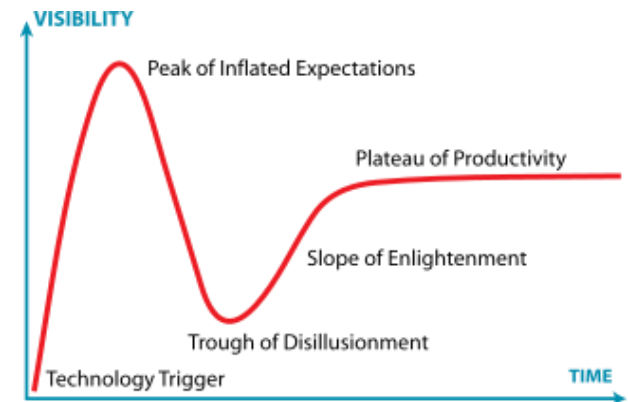
Geoffrey Moore

### Low-end Disruption



Clayton Christensen, *Innovator's Dilemma*

### The Hype Cycle

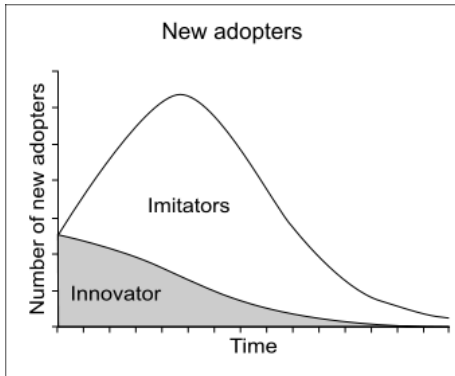


Gartner

# Related Concepts to Explore

## Five S-Curve Models to Forecast Demand

### The Bass Diffusion Model



Bass, Krishan, Jain (1994)

	Logistic (Fisher Pry)	Exponential	Bass	Gompertz	Extended logistic
S-curve shape	symmetric around 50% penetration	asymmetric	"mathematically" symmetric around its inflexion point located between 0% and 50%. In practice, as the S-curve will be set to nil before product launch, the curve can look asymmetric	asymmetric	asymmetric
Behaviour modeled	Homogenous population of IMITATORS, environment with no or limited external influence; adoption takes place through interpersonal contact	Homogenous population of INNOVATORS; adoption following mass media impact; widespread knowledge available; limited interpersonal contact required to decide to adopt	INNOVATORS in initial phase + IMITATORS in later phases	Replacement of existing product; new technology is similar to previous technology	Heterogeneous population; adoption by few wealthy individuals first and income constraints for remaining adopters
Ease of use	Simple but symmetric pattern sometimes not realistic	Simple but applies in few cases only due to very rapid increase to saturation	Most widely used model by marketers as it captures both innovators and imitators	Simple but applies in few(er) cases	Simple but saturation is reached slowly
Comments	Best results when critical mass of early adopters has already been achieved and imitation leads to rapid penetration increase. More appropriate model when product price decreases rapidly.	Best results in innovative population where saturation is rapidly achieved within few years.	Similar to logistic when alpha is low, and to exponential when alpha is large. More appropriate model when product price decreases rapidly.	Best results to capture replacement demand or a heterogeneous population of adopters. More appropriate model when product price decreases slowly.	Useful when symmetry of logistic is not acceptable. However, its tends to take too long to saturate or take too low values in the early years. More appropriate model when product price decreases slowly.
Parameters required	3 (saturation + 2 points)	3 (saturation + 2 points)	4 (t0 + saturation + 2 coefficients; or saturation + 2 points + "shape" factor)	3 (saturation + 2 points)	4 (saturation + 2 points + t0)

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