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# Don't Just Survive - Thrive: Leading Innovation in Good Times and Bad

by [Lynda M. Applegate](#) and J. Bruce Harreld

## Abstract

Battered by contracting markets and frozen credit, many businesses today are fighting for survival. Indeed, the current global financial crisis provides a mandate for restructuring. But survival is not the end goal. In fact, cost cutting and restructuring are simply the first steps in repositioning and leading a company and industry through the crisis and in defining how business will be conducted in the future. This paper describes how IBM managed to, not just survive the crisis it faced in the early 1990s, but to reposition the company to lead the industry. The powerful lesson from the IBM story is that innovation is not a side business to running the real business. Innovation is the business. Breakthrough innovations that change people's lives and the very structure and power dynamics of industries can't be managed as "silos," tucked away in corporate, university, or government research labs, in incubators, or within venture capital funded entrepreneurial start-ups. Access to the marketplace is needed to help speed commercialization and adoption. Emerging opportunities must be nurtured and the transition to high growth must be managed. Once breakthrough innovations catch hold, growth must be funded and managed to exploit the full value of the opportunity. And finally, incremental innovations must ensure that businesses that have passed through the high growth stage can continue to deliver the resources, capabilities, and platforms needed to fuel the emerging opportunities of the future. This business lifecycle view of innovation requires new leadership and organizational models and new approaches to managing risk and uncertainty.

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