



## Stanford eCorner

### Inertia: Residue of Innovation

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April 06, 2005

Video URL: <http://ecorner.stanford.edu/videos/1328/Inertia-Residue-of-Innovation>

Moore believes inertia is the legacy of successful innovation and the two must be managed as a single system in a business enterprise.



#### Transcript

So innovation and inertia are unexpectedly when inertia is the residue of innovation. If we don't have a system which recycles resources they'll get blocked somewhere in the system and they will cause the system to grind to a halt. So thinking about the resource and the human resource equation in particular, it's critical we're ready to go forward. Innovation itself particularly should get more and more established. It has to get focused. One of the things we see in our clients all the time is that one type of innovation is good, seven must be better, OK? And the answer is no because you've got to innovate enough to get separation between you and your competitor, so significant that the market unequivocally says on this dimension I've obviously picked these people. If you innovate in seven different areas you got to get a little bit better on seven areas but you're not going to get separation. If you don't get separation, you don't get preference, you don't get profit margins, you get the differentiation you lose the Darwinian competition. So it's important to push hard. You've got to outperform.

On the inertia strategy, I think the key thing here is we got to understand this diversity of systems with the use of stomach, heart, head, or you know, if you want to talk about lineman and wide receivers and quarterbacks, we need to understand that with all three of these capabilities and they interactively kind of a geared system going forward.