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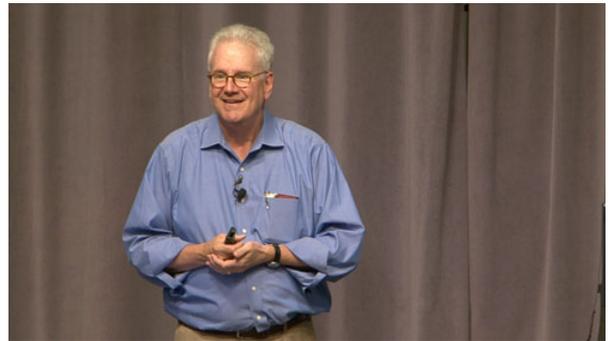
When Big Companies Get Stuck

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Video URL: <http://ecorner.stanford.edu/videos/2726/When-Big-Companies-Get-Stuck>

Technology moves too fast to justify standing still on innovation, says author and MDV venture partner Geoffrey Moore. He believes big companies, while always incubating new ideas, have a difficult time shifting resources to support long-term commercial development of new activities. "There's always new stuff," Moore says, "but it never reaches materiality."



Transcript

This notion of the problem of we're stuck and it just -- I have to say it's virtually universal. People kind of get, look, we have a successful franchise but you can't stand still intact between technology and globalization. Things are really, really moving. Now, that's great news for opportunity but it's also for people to stand still, it's a threat. As our friends at Borders, for example, discovered this year and numerous other companies. So everybody gets that they've got to engage growth. It's not like, hey, I've got an idea for you. They got it. What they don't like talking about which they universally acknowledge is there is massive internal resistance to moving resources away from established activities into new activities; massive. And so that's kind of like the innovative dilemma idea.

You know, the corporate antibodies that kind of stuff. So we've talked about it for a long time, we haven't been very good about doing much about it. So year-in, year-out, the experience is, man, it's Windows again, it's Office again, it's routers and switches again, it's, you know, direct adver -- display advertising for Yahoo again, and it's like -- and even if something is young and as vibrant as Google, why did they -- why did Larry Page come back in? I think Google is beginning to feel like we need to -- when we're 10 years older, barely 10 years older, we need to escape from the paw of our past. So the problem is the new stuff, it's not that there's not new stuff, there's tons of new stuff but it doesn't ever reach materiality. Meaning, in never reaches like being 10 or 20% of the total company's revenue. It gets announced, it gets started and then somewhere along the line it dies from the vine.