
THE ROAD TO REINVENTION

How to Drive Disruption and Accelerate Transformation



JOSH LINKNER

Author of the *New York Times* Bestseller

Disciplined Dreaming

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Praise for *The Road to Reinvention*

“*The Road to Reinvention* is a must-read if you want you and your team to reach the next level. Full of practical advice and engaging, illuminating anecdotes, Linkner’s message is powerful, relevant, and inspiring.”

—**Keith Ferrazzi**, author, *Never Eat Alone* and *Who’s Got Your Back*

“In *The Road to Reinvention*, Josh Linkner creates a clear path for how to achieve transformative change—the key to all future growth and success.”

—**Bill Emerson**, CEO, Quicken Loans

“Through clear principles and examples, Josh Linkner makes it easier for anyone to reinvent their brand, company, or even career. *The Road to Reinvention* creates a template to understand the critical leadership challenge of the decade: disrupt or be disrupted.”

—**David Butler**, VP, innovation and entrepreneurship, the Coca-Cola Company

“Don’t let your competition read this book before you do. *The Road to Reinvention* offers powerful insights and navigable paths forward for both personal and business reinvention. Josh Linkner is a singularly thoughtful entrepreneur who understands how to illuminate a vision of the possible.”

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“Protecting your existing model is no longer an option. *The Road to Reinvention* provides the tools you need in order to be the disruptor instead of becoming disrupted. A must-read.”

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“As someone who has had to reinvent many times to stay on top, I highly recommend Josh Linkner’s book. *The Road to Reinvention* will help you come out ahead, even when facing the roughest circumstances.”

—**Les Gold**, star, *Hardcore Pawn*, and author, *For What It’s Worth*

“With stories of people and companies that have succeeded (and failed) to reinvent, Josh Linkner shows you how to harness disruptive creativity so you end up on the side of success. I wish I had this book years ago!”

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—**Carol Kruse**, global CMO, Tough Mudder, and former CMO, ESPN

“*The Road to Reinvention* is a powerful wake-up call for any organization, whether already thriving or looking for inspiration. It’s also a toolkit for entrepreneurs seeking to build the next big thing.”

—**Andrew Yang**, founder and CEO, Venture for America, and author, *Smart People Should Build Things*

“*The Road to Reinvention* is a valuable guide for renewing your organization in this age of disruption. Josh Linker, having created a wide array of successful businesses, shares his proven methods for leading innovation. *The Road to Reinvention* is a must-read for anyone who needs transformational tools to remake their organization.”

—**Jeff DeGraff**, professor, Ross School of Business, University of Michigan, and author, *Innovation You*

“Josh Linkner is one of the most creative thinkers on the planet. *The Road to Reinvention* contains his prescriptions for changing your product mix, your approach to the marketplace, and even your customers. Read this book if you want your company to thrive in today’s crazy competitive marketplace.”

—**Nick Morgan**, president, PublicWords, and author, *Power Cues* and *Trust Me*

“Already in a creative field, I found the tools and exercises in *The Road to Reinvention* encouraged me to think about things differently, from songwriting to expanding my business and brand. Thank you for a great follow-up to *Disciplined Dreaming!*”

—**Earl Klugh**, GRAMMY® Award–winning guitarist, songwriter, and producer

“Innovative approaches are the drivers of all human progress. In *The Road to Reinvention*, Josh Linkner shows you exactly how to reinvent your business and career with stunning precision.”

—**Brad Feld**, cofounder, Tech Stars and Foundry Group, and author, *Do More Faster* and *Venture Deals*

“*The Road to Reinvention* reflects true insight from a successful entrepreneur who has spent a career in the trenches of creative disruption. Josh Linkner has taken the concept of reinvention and broken it down into actionable, specific insights that can be put into practice on a daily basis.”

—**Al Callier**, VP, strategic innovation, Universal Studios

“*The Road to Reinvention* gives readers a clear path for renewal and resilience that is compelling, insightful, and practical. Josh Linkner presents a blueprint for leaders to follow so they are able not just to stay in the game but to stay ahead of it.”

—**Brian Owens**, head, global brand strategy, eBay Inc.

“Josh Linkner is among a rare breed of entrepreneurs. Driven and successful, yet reflective, cognizant that personal growth and professional success are intricately linked. In *The Road to Reinvention* he provides the most compelling case I’ve encountered for approaching today’s increasingly complex business environment in a disruptive manner, all while inspiring us to truly begin living the life we’ve imagined for ourselves.”

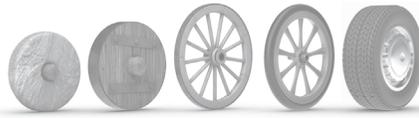
—**Dave Zilko**, president and vice chairman, Garden Fresh Gourmet

“*The Road to Reinvention* is a thought-provoking work that offers a clear process for ongoing creative disruption. Josh Linkner has lived the process of leading a hyper-growth organization. *The Road to Reinvention* provides insight and inspiration through engaging stories, powerful examples, and easy-to-follow processes. Highly recommended.”

—**Scott Dorsey**, CEO and cofounder, Exact Target

“Josh Linkner is an expert on reinvention, and this book is a must-read. *The Road to Reinvention* is a fascinating new roadmap to help you envision the future and control your own destiny.”

—**Michael Abrashoff**, US Navy Commander, and author, *It's Your Ship*



THE ROAD TO REINVENTION

How to Drive Disruption
and Accelerate Transformation

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*To my inspiring wife, Tia, who radiates love, laughter,
and warmth . . . and some. I love you.*

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THE ROAD TO **REINVENTION**

Introduction

Monotony is the awful reward of the careful.

—A. G. BUCKHAM

We live in a time of brutal competition. Fickle consumer trends, friction-free markets, and political unrest threaten the existence of many organizations. Nearly every industry is in the midst of massive upheaval, with the old stalwarts falling quickly to the new breed of innovators. Dizzying speed, exponential complexity, and mind-numbing technology advances exacerbate the challenges we face as leaders.

With economic threats like these racing toward you, how do you react? Do you stand frozen in place with fear and anxiety? Or do you leap into action, finding a new and better way forward? Whether you have been knocked down by brutal market conditions or are planting a flag on the peak of achievement, now is the time to reinvent—to begin forging a new pathway toward your next success. Renegade leaders choose to upset the status quo long before there's a need to do so. Instead of losing ground, these innovators are accomplishing dramatic growth and spurring tremendous economic gain.

Companies, communities, and individuals fail for many reasons, but one of the most common—and easily avoidable—is the failure to reinvent. Those who feel the most secure in the status quo

are in fact the most vulnerable. Many organizations, once great, wither and die as a direct result of their deep entrenchment in the past. They discover too late that success isn't about cracking the code once and then enjoying the spoils forever. Instead, it's a moving target that we have to hit again and again. And plenty of our competitors are aiming at the same prize. Kmart, Circuit City, and Blockbuster are just a few of the countless examples of once-great companies that had every reason to continue their winning streak, but they were brought to their knees by the disruptive imagination of a competitor or start-up.

How do I know this? Because I'm the guy on the other end of the disruption equation. For the past twenty years, I've been that entrepreneur who's haunted you, eager to dislodge you at every chance I had. I started my first company at the age of twenty and sold it at twenty-two. I founded, built, and sold four technology companies for a combined value of over \$250 million. I've hired thousands of employees, fought through brutal setbacks, and landed the world's biggest brands as customers. I've spent my career disrupting the way things are by realizing what they *can* be.

The common thread running throughout my success is disruptive creativity. All of my critical wins and recoveries hinged on a willingness to take on the status quo with reckless abandon and a focus on desired outcomes that I imagined and then achieved through relentless perseverance. Today I run a venture capital firm and back the next generation of innovators who are, as I was throughout my earlier career, dead-focused on eating your lunch. In nearly every industry, start-ups like those we're backing are taking on previously untouchable industry giants, whose advantages of time and money no longer protect them from competition. And we're on the winning side. The disruption of ongoing innovation eventually topples any organization that fails to keep moving—to reinvent.

The good news about reinvention is that you don't need magic, genius, good looks, or vaults of cash to transform your organization or career. Instead, the required elements are open-mindedness, courage, and imagination. I've written *The Road to Reinvention* to

explore the entrepreneurial mind-set and help you find it within yourself. Throughout this book, I offer stories of triumphant victories and crushing defeats—from personal experience, small businesses, and giants alike—that will serve as models for your own reinvention. This book will provide you with a framework for the accessible process of reinvention, along with big-picture examples and detailed techniques that will help you avoid gut-wrenching setbacks, accelerate growth, and unlock enormous rewards.

My previous book, *Disciplined Dreaming*, was all about an organized system for harnessing raw creativity and making the most of its energy. In this book, we tackle the next step: putting that creativity to work in the ongoing reinvention of your business, career, and personal legacy. Reinvention can take many forms: the seismic upheaval of revolutionary product innovation; the tiny process tweaks that send ripples of change throughout an industry. Disrupt just one element of the current structure, and you can make a world of difference in your results. In this book, I show you how to master the process of reinvention so you can move the needle of achievement dramatically upward—at every phase. Here’s how the book is organized:

The first two chapters lay the groundwork for the journey ahead. In chapter 1, “Disrupt or Be Disrupted,” we take a first look at the essential role of reinvention in building sustainable success and the risk you run if you choose to stagnate. Chapter 2, “Embrace the Reinvention Ethos,” explores ways to adopt the mind-set and spirit of ongoing, disruptive innovation, necessary for transforming anything, big or small.

Each of the next six chapters highlights one element of your business that’s ripe for disruption. In chapter 3, “Cannibalize Your Own Product,” we cover a wide range of ideas for reinventing core products and services. Your customers know you by whatever it is that you sell, so it’s an obvious starting point for disruptive change. Chapter 4, “Retool Your Operations,” offers tactics for effectively upgrading the way you do business. As you learn here, innovative processes behind your offering can be as important to your success as the offering itself. Chapter 5, “Create Vivid Experiences,” explores

the rich territory for reinvention within your customer experience, and chapter 6, “Tell a Memorable Story,” offers some keys for keeping the public face of your organization or offering fresh and compelling in a crowded marketplace. Chapter 7, “Overhaul Your Culture,” dives even deeper into the process of overall reinvention as it examines how your organization’s corporate culture guides its outcomes, along with some surprising new ways to upend old habits and bring fresh thinking to your sales and distribution processes. And, in chapter 8, “Reimagine Your Customer,” we enter into some of the least explored and potentially richest territory for reinvention: your targeted customer base. By challenging prevailing notions about not just who you are but who you’re marketing to as well, you can open up entirely new areas for growth and opportunity. In fact, by inserting creativity and innovation into any one of the areas discussed in these six chapters, you can catapult your business to a whole new level.

The final two chapters of the book focus on the critical work of personal reinvention. Chapter 9, “Transform Your Career,” offers insights into the ever evolving challenge of mastering the forces that can drive you forward, and then hold you back, on your path toward professional achievement. The final chapter of the book, “Forge Your Legacy,” trains its focus on the long view of that path as it examines how the influence of ongoing reinvention can extend well beyond our own experience to reshape the outcomes of individuals, organizations, industries—even economies—around the world.

Reinvention is more than a good idea: it’s an essential practice. To help you build and maintain your own system of creative disruption, I’ve packed this book with examples, methods, and step-by-step techniques for applying the innovative ideas it contains, including the Tools for Transformation section at the end of each chapter.

I hope that you’ll be able to return to this book frequently and use the tools it offers to regularly uncover new areas of your life and business where you can inject creative disruption. That ongoing spirit of reinvention will serve as a catalyst for the types of changes necessary for taking on tomorrow’s challenges and claiming as-yet-unseen opportunities.

I also made sure that you won't have to rely on your imagination to understand how reinvention plays out in the real world. Throughout this book, you'll be reading about the transformative wins and heartbreaking flameouts of individuals and organizations caught in the never-ending momentum of creative disruption. Some of these stories offer fresh insights into legendary people and events; others focus on incredible innovators you may have never heard of before but whose game-changing creativity has the power to reshape our world in significant ways. I hope these stories will serve as inspiration and guide as you fold the processes of ongoing reinvention into your personal and professional life.

Throughout this book, I've also woven stories about my hometown of Detroit, Michigan. Perhaps no other place embodies the spirit of reinvention—both its powerful potential as an engine of growth and the dire consequences of neglecting it—more than this city that I love. Over its three-hundred-year history, Detroit has reshaped itself multiple times, from fur-trading settlement to nineteenth-century industrial center to the manufacturing capital of twentieth-century America. The forces of reinvention that transformed Detroit over the years didn't stop at its city limits. For all practical purposes, the automotive industry was born in Detroit and went on to reshape the rest of the world by providing the manufacturing processes that helped win World War II and build American prosperity for decades to come. The city's roots were nourished with cultural diversity as people from all over the world came to work in its factories and develop its neighborhoods. Not content to be merely a center of industry and manufacturing, Detroit built some of the nation's greatest architectural gems, cultural centers, and public parks and spaces. Through its hit-making Motown music studios, Detroit even reshaped America's relationship with popular music.

As a hometown boy with great admiration for this city, I also know that Detroit suffered immensely from a failure to reinvent. The effects of that failure have transformed Detroit as markedly as any of its triumphant reinventions. After decades of neglecting its creative fire and allowing the world to pass it by, Detroit entered the twenty-first century in shambles. In 2013, it became the largest city

in the United States to file for Chapter 9 bankruptcy protection. Unemployment clocked in at 11.3 percent, nearly 50 percent worse than the national average, and the high school graduation rate was a shocking 32 percent. Expenses and violent crime were up, revenue and morale down. Elected officials and community leaders scrambled to stabilize a highly volatile situation. Detroit had become the poster child for the self-inflicted wounds of corruption, racial divisiveness, and a lack of economic diversity. But that series of staggering problems represents just one chapter in Detroit's history. Now the city is busy as it continues the story.

Emerging strong from such a devastating “reset” is a seemingly insurmountable challenge that Detroiters are miraculously achieving through the power of disruptive creativity and a collective willingness to overcome adversity. Courageous entrepreneurs and community leaders are fighting from behind to restore Detroit's mojo and prepare the city for the next phase. These creative disruptors are my friends, many of whom you'll read about in this book. I was born and bred in this great city, and I've woven its cast of characters, its triumphs and failures, its darkest periods of failure, and its most shining moments of invention and reinvention throughout this book. I'm confident that the rich history of my city and its incredible achievements of reinvention will set your own passion ablaze in whatever form it may take.

In the following chapters, I push you outside your comfort zone and challenge you to turn nearly everything you've come to know upside down. I'll make the case that unleashing your imagination is no longer optional and, in fact, will become the lifeblood of your success. I hope to change your thinking on courage, creativity, and risk taking, to help you embrace your role as chief disruption officer, no matter where you sit on the organization chart. In fact, your company and your career depend on it. It's time to architect your own future.

Let's get started.

CHAPTER 1

Disrupt or Be Disrupted

When I let go of what I am, I become what I might be.

—LAO TZU

The year was 1993, and Lee Kun-Hee, CEO of Samsung, had absolutely no rational reason to be unhappy. Since he took over the company after his father's death just six years earlier, Samsung's revenues had soared by an astonishing 250 percent. But Lee wasn't running victory laps. He wanted to help Samsung do even more. So he left South Korea to embark on a world tour to examine how his brand and company were doing internationally.

Lee's first revelation came early in the trip. At an electronics store in California, he was shocked to see Samsung TVs collecting dust on the back shelves, while the store prominently displayed those from competitors like Sony and Panasonic. This visit became Lee's moment of truth; although Samsung's brand was performing well in certain aspects, he believed the company was headed for problems. Samsung had excelled at producing large numbers of low-quality goods, but it offered little in the way of high-quality merchandise. Looking at his products in the competitive context of that California retail store, Lee understood that his company wasn't prepared to compete in the new era, with consumers the world over demanding a sense of luxury and high-quality craftsmanship in their home entertainment.

Samsung's near-term results were strong, yet Lee refused to coast while his competitors led the consumer trend toward high-quality products. Instead he was about to launch one of the most extensive companywide reinventions in business history.

When Lee's global tour took him to Frankfurt, Germany, he decided he was ready to strike. He called in hundreds of Samsung's top executives from around the world and conducted a session that would forever change the face of his company. He delivered a three-day manifesto that laid out the vision for the company's reinvention and path to his vision of success. In this powerful and emotionally charged call to arms that demanded reinvention of every aspect of the business, Lee famously exclaimed, "Change everything but your wife and children." The speech became known as the Frankfurt Declaration of 1993 and marked the company's most significant turning point. Samsung later began distributing a two-hundred-page transcription of the speech to all of its employees.

Today the spirit of reinvention and creative energy sparked by Lee's Frankfurt Declaration continues to reshape Samsung. One division of this massive organization is known as the Future Strategy Office (FSO). This elite group comprises top-performing employees, each a former employee of a separate division of the Samsung Group. Their job in the FSO is strictly preventative: they monitor diagnostics that might reveal mistakes or potential dishonest actions by employees, but also, and more important, the team looks for ways Samsung could fall behind by maintaining the status quo. In this light, their goal is to shed an "outsider's" light on areas where the company risks stagnation.¹

Samsung's commitment to quality still shines brightly as the company continually pushes for better results. In 2012, prior to a smart phone release, inspections revealed that the product's cover texture was off. At the last minute, Samsung workers remade 100,000 covers, finishing the job before shipment and underscoring the company's ongoing push for continuous improvements in quality and design.²

Lee's determination to reinvent his organization has led to incredible growth and prosperity. As of 2013, Samsung was the largest TV and smart phone manufacturer in the world. Revenues topped \$250 billion and net income was reported at nearly \$20 billion. If this wasn't enough to be proud of, the company represented 17 percent of the entire gross domestic product of its home country, South Korea.³

As a leader, it's your responsibility to prioritize reinvention. If your organization has become intoxicated by its own success, your job is to infuse at every level the same creative hunger that launched it in the first place. The market no longer leaves room for me-too players, a principle that applies to both companies and individuals. Remarkable category-of-one products, services, and processes are the driving force of our fist-fighting economy. The choices are clear: disrupt, or be disrupted.

Global markets and rapidly evolving technologies have turned the rules for winning upside down. Hard skills born in the Industrial Revolution, including manufacturing expertise, strong customer service skills, and even accounting excellence, are now outsourced or allocated to technology. As a result, these once-prized skills have become merely the ante to play. Today's victors are turning their winning trump cards in the margins. Creativity is the new, most effectively sustainable competitive advantage; it's the one thing that no company can outsource. That makes disruptive innovation your most valuable natural resource, even though it isn't displayed on the balance sheet.

Reinvention isn't a single event, it's a way of life, a constant process of discovery and imagination. Change is inevitable. The question is, will you drive that change or be driven by it? You can choose to adopt the spirit of reinvention and, in the process, set the tone for both your company and your career. No matter how successful you are, no matter how many awards you've won, no matter how great last quarter's earnings may have been, you are risking it all if you expect your winning streak to automatically continue. Someday another company *will* come and put you out of business. It might as well be you.

Make the Leap to Reinvention

With global financial crises, increasing complexity, and crumbling competitive advantages, I've seen all too many people freeze in the face of oncoming upheaval rather than act. They worry about the negative consequences of change. They overestimate the resilience of the status quo and underestimate the driving need for innovation. They make excuses, close their eyes to the world around them, and lull themselves to sleep with naive clichés such as, “Things will get better on their own,” or, “I'm sure the worst is behind us.” When those phrases begin floating around your mind—or your organization—you can expect that the calamity of unforeseen change is barreling forward, and ready to mow you down.

When it comes to reinvention, getting started is the hardest part of the task, but it's also the most important. In today's warp-speed world, swiftness wins. If you wait to try a new idea until you've carefully orchestrated every possible maneuver, the world will pass you by while you're busy planning. As Rupert Murdoch said, “Big will not beat small anymore. It will be the fast beating the slow.”⁴

The clichéd deer-in-the-headlights meets an untimely death not because it lacks capability, but because it lacks the courage to move. It doesn't really matter which direction the deer moves in as long as it unfreezes and gets moving. Individuals and organizations face the same challenge as they approach the process of reinvention. The first step is always the hardest to take, but it unleashes the momentum you need to overcome stagnation's looming threat and enact meaningful change.

Myth: Achievement occurs through a gigantic epiphany or an all-at-once breakthrough.

Fact: Most things worth accomplishing involve a persistent stream of small advances that lead to something transformational over time.

Even after making a first leap toward innovative change, many of us get discouraged when we can't reach our goals at Internet speed. We get frustrated with the slightest pothole or delay and are too quick to stop trying. We fail to understand that reinvention isn't an event; it's a lifelong process. The process of creative breakthroughs is marked by the same pattern, one that is so often completely misunderstood. Sure, there are bursting moments of creative insight, but the research shows that most creative breakthroughs come by chipping away at a problem. The creative act isn't some magical inspiration that arrives in the form of a lightning bolt. Rather, it typically is a series of experiments and techniques, trials and errors, through which inventors, artists, and musicians crack the code. Even the light bulb, the very symbol of fresh ideas, was the result of over one thousand attempts. That's why the most common traits among successful people are ruthless determination and unwavering persistence.

That's also the reason that the strongest organizations are constantly reinventing. Their executives realize that we live in an era with a rate of change like none other in history and that no one can count on what worked in the past being sustainable. Great leaders view reinvention as mission critical to ensuring their company's survival and prosperity, even during times of strength.

Maybe a first step in harnessing the power of reinvention is to truly shape your understanding of the term. Merriam-Webster defines *reinventing* as "to remake or redo completely."⁵ The Oxford dictionary version is "to change (something) so much that it appears to be entirely new."⁶ For me, a good way to think about reinvention is as the necessary process of proactively crafting a new future.

Too often, people use the words *reinvention* and *turnaround* interchangeably. In fact, these are radically different concepts. Turnarounds are generally reactionary, desperate responses to crushing challenges. Much like a drowning swimmer who will scratch and claw at anything in order to live another day, the goal in a turnaround is simply short-term survival.

The Difference Between Turnarounds and Reinvention

	Turnaround	Reinvention
Timing	After something devastating happens to the company, community, or individual (reactive)	Ideally when a company or person is thriving (proactive)
Characterization	Digging out of a hole, often through spreadsheet-based cost cutting, layoffs, and control by executives or outside consultants	Doubling down on innovation, nurturing a creative culture, letting go of past success, and architecting for the future
Outcomes	Destroys morale and is largely ineffective	Breathes new life, opens new possibilities, drives sustainable growth

There are two key problems with turnarounds. First, the reactionary, shortsighted mind-set driving any turnaround is the exact opposite of the thinking needed to sustain long-term growth and innovation. As a result, turnaround specialists slash costs, crack the whip, and generally put all innovation efforts on hold. Although this is effective in keeping a drowning business afloat, the turnaround mind-set typically damages the organization by stripping away its creative flair.

Second, by the time a turnaround is necessary, it is often too late. Once organizations have stumbled enough to necessitate a turnaround effort, only 10 percent ever regain their market leadership. In other words, a company may make it until the end of the fiscal year, but the scar tissue from failing to reinvent may not be reversible.⁷

Your job is to make sure that your organization never gets to the point that it needs a turnaround. Executing last year's (or last decade's)

game plan with precision may work for a while, but remember: decay, like growth, rarely moves in a straight line. Unfortunately, many leaders skate through the days without recognizing the eroding force of deterioration until it's too late. Unfortunately, deterioration can be easy to ignore.

We start learning that lesson early. Remember how easy it was to forget about your dental hygienist's warnings about brushing and flossing after every meal? After we blew off the advice a few times and saw that our teeth hadn't rotted away, it became easier to forget about the warning altogether—until that fateful dentist visit months or even years down the road when we learned that we had developed cavities or, worse, gum disease. Then in indignant outrage, we asked, “How did this just appear out of nowhere?”

As adults, we understand that tooth decay is a slow process. We can go for years with hit-and-miss dental hygiene before our negative behavior produces a most unpleasant outcome.

Your organization's decay is just as insidious: it may not be noticeable until it's deeply problematic. The only way to ward off the decay of stagnation is to continually practice the organizational “hygiene” of ongoing reinvention. Today's reinvention efforts, in any (maybe every) aspect of your business, are your surest way to avoid unforeseen problems and speed healthy progress down the road.

Leaders understand this prevention concept intellectually, even though many of their actions seem to fly in the face of its message. In the early 1980s, for example, Kmart was heralded as a far superior retailer to Walmart. It was the second largest retailer in the United States, riding high on the seas of its past success: more stores, more merchandise, bigger company, more profits. Yet under the surface, erosion was taking its toll. As Kmart snapped up one discount outlet and competitor after another, it began to lose its brand identity as centralized leadership shifted its attention to other brands under the umbrella conglomerate.⁸ That lack of brand focus and a failure to update stores joined other small, undetected acts that ultimately led to the company's undoing. The depressed chain filed for Chapter 11 bankruptcy in January 2002.

Even the smallest acts of neglect can trigger decay, so you have to be proactive, not reactive, to ward off lasting problems. What's

going on behind the scenes in your own company that could be systematically unraveling your competitive advantage? What small details did you stop caring about in your team that could be leading to a painful crash? The more effectively you drive ongoing innovation and reinvention throughout your organization, the more routine these examinations will become—and the more opportunity you'll have to make a course correction before it's too late.

We all have to accept the fact that change in our business is inevitable. The earlier you can drive reinvention in your organization, the better; delaying only makes your challenge more difficult. Just as it's easier to blow out a match than to extinguish a four-alarm fire, your odds of success are directly correlated to the speed and consistency with which you reinvent.

Learn the Lessons of the Fall

We can learn a lot about the crippling force of complacency and stagnation from the story of two retailers that once commanded a substantial chunk of their marketplace, Borders Books and Circuit City. Both of these organizations suffered what might have appeared to be a relatively rapid decline before they folded. In fact, their downfall rolled out over a period of years, born and fed by a failure to reinvent.

Borders Books was founded in 1971 in Ann Arbor, Michigan, less than thirty miles from my home. It grew to 1,249 stores and employed nearly 25,000 people. In 2009, the company generated nearly \$3 billion in annual sales. Just a few years later, Borders didn't even exist, having filed for Chapter 7 liquidation in 2011.⁹ What went wrong?

At several critical steps along the way, Borders failed to reinvent. When you study the company's demise, you see a series of head-in-the-sand blunders that led to its undoing, including these:¹⁰

- *Outsourcing its online book sales to Amazon in 2001.* What needed to be a core competence of the company was handed over instead of developed.
- *Failure to enter the e-book market fast enough.* Unwilling to fully embrace the idea that books could be enjoyed digitally, leaders