Building A Breakthrough Strategy

Idea In Short

Executives chasing differentiation through product features alone are fighting a losing battle, because any feature that delights a customer today can be reverse-engineered and copied within months. The companies that build advantages that last make a different bet: they choose a distinct strategic position defined by who they serve, what they offer and how they deliver it, then they refuse to sit still once that position works. Apple's real edge sits in supply chain execution most competitors never see, not only in the products on display. Doblin's Ten Types of Innovation framework gives leaders nine additional levers beyond the product itself, covering configuration and customer experience alongside the offering. Pair that framework with a deliberate positioning choice and five organizational habits that keep the search for advantage active and a company stops defending yesterday's win and starts building tomorrow's.

A company that wins today on a clever feature or a sharp price point should expect that edge to shrink fast, because whatever made that product stand out can usually be studied, copied and shipped by a rival within a single product cycle. The businesses that keep winning years later have typically stopped treating any single feature as the source of their advantage and started treating their strategic position and their capacity to keep renewing it, as the real asset. That shift in thinking, from defending a product to defending a position, separates strategies that produce a temporary bump from strategies that produce a breakthrough.

Why Product Features Stop Being a Moat

Apple sells products that draw crowds and headlines every time a new device ships, yet the deeper source of its advantage sits somewhere far less visible to customers. The company has spent years building supply chain and manufacturing discipline that lets it produce complex hardware at a scale and cost few competitors can match and that operational advantage compounds in ways a single feature cannot[1]. Chief executive Tim Cook built much of his reputation on this exact discipline before he ever ran the company and that groundwork still shapes how Apple operates today.

Product innovation still matters and features like fingerprint authentication or a specialized graphics processor genuinely change how customers experience a device. The problem is durability. A competitor's engineers can now pull apart a newly launched product, map its internals and produce a close approximation within months, sometimes faster. Counterfeiting and imitation have become common enough in some industries that an entire anti-award, the Plagiarius Award, exists specifically to call out the worst offenders in product copying.

That speed of imitation is why a strategy built entirely around product features has a short shelf life. A company needs other sources of advantage, ones that live in how it configures its operations, how it builds relationships with customers, or how it structures its revenue model, because those elements resist copying in ways a physical feature cannot. The rest of this discussion looks at how leaders find that broader kind of advantage and keep it alive once they have it.

Finding Your Who-What-How Position

A useful way to see how much framing shapes outcomes comes from an exercise business schools run with their students:

> pair them off and have them arm-wrestle, with the winner being whoever pins the opponent's hand the most times in 60 seconds

Most pairs treat it as a straight contest of strength and land two or three wins each. One pair figured out that nothing in the rules required resistance, so they took turns letting each other win and racked up scores in the hundreds. They didn't get stronger. They reframed the objective.

Strategic positioning works the same way. A breakthrough strategy rarely comes from working harder at the same objective everyone else is chasing; it comes from questioning the objective itself and finding a distinct position nobody else occupies. Michael Porter framed this decades ago when he argued that operational effectiveness, doing the same things as competitors but slightly better, is necessary but never sufficient and that real strategy requires a genuinely different set of activities2. That distinction between doing similar things well and doing different things deliberately still separates strategy from mere execution.

Finding that position means answering three questions honestly rather than aspirationally.

1. Who should the business target as its customers
2. What products or services make up its value proposition
3. How will it deliver or produce that value, whether through manufacturing choices or distribution channels

A company that gives a vague or hedged answer to any one of these three questions usually ends up with a strategy that reads well in a boardroom deck and fails in the market, because competitors who made sharper choices end up owning the ground the vague company left open. Sharp positioning also requires clarity in how that position gets communicated, since even a well-chosen position underperforms if buyers never grasp why it fits them3.

Escaping Inherited Mindscapes

The harder obstacle to good positioning is not a lack of data. It is the inherited worldview that keeps a leadership team from asking the right question in the first place. The American railroad industry offers the clearest historical case:

> railroad executives defined their business as being about trains and tracks rather than about moving people and goods and that narrow self-definition left them blind to the threat that buses and airlines eventually posed

By the time railroads recognized transportation, not rail, as their actual business, competitors had already claimed large parts of the market.

Every industry develops its own version of that blind spot, usually built from years of success in a narrower frame that once worked well. Escaping it requires actively questioning assumptions that feel obvious internally, which is uncomfortable precisely because those assumptions have never had to justify themselves before. Leaders who never confront that discomfort tend to keep optimizing a position that the market has already started to abandon.

Doblin's Ten Types of Innovation

Even a well-chosen strategic position degrades over time as customer preferences shift, competitors adjust and industry conditions move, which means finding a good position once is not the same as holding advantage indefinitely. Sanofi, the pharmaceutical company founded in 1973, illustrates this pattern well:

> it has periodically reset its strategic priorities as its markets and pipeline shifted, rather than treating any single strategy as permanent

That kind of periodic repositioning is normal for any company serious about staying ahead rather than defending a fixed spot.

The consulting firm Doblin studied more than 2,000 innovations across industries and history and found that nearly all of them fell into ten recognizable types, organized into three broader categories. Configuration innovations are the most internally focused, covering how a company structures its operations, profit model and network of partners, largely invisible to the customer. Experience innovations sit at the opposite end, shaping how customers actually encounter the brand, the service and the product in use. Offering innovations, covering the product or service itself, sit in between, blending internal capability with what customers directly perceive4.

The value of this framework for a strategist is that it interrupts the reflex to equate innovation with new products. A company stuck trying to out-feature a competitor can instead look at its profit model, its supply network, its channel structure or its customer service experience and find fresh ground there instead. Any single type, or a deliberate combination of several, can produce the kind of breakthrough that a purely product-focused search never surfaces.

Five Principles for Building Innovation Instincts

Organizations chase breakthroughs through a range of formal mechanisms:

> venture arms that tap into startup thinking, dedicated research and development units, university partnerships and acquisitions of smaller innovative firms

Those structures help, but they don't substitute for the underlying habits that make an organization receptive to new ideas in the first place. Since genuine breakthroughs come from a high volume of attempts rather than the odd flash of brilliance, the search for them needs to be routine rather than an occasional initiative run by a designated innovation team. The following five habits function less like inspiration and more like organizational hygiene and each one closes off a common way that good ideas die before they get heard.

Give Dissenters a Seat at the Table

Employees who disagree with the prevailing view, outsiders brought in from other industries and the people delivering unwelcome news are often the first ones organizations tune out, precisely when they carry the richest raw material for a genuine breakthrough. Innovation depends on seeing a problem differently than everyone else in the room already sees it and an organization that only listens to people who think the way it already thinks will keep circling the same set of ideas. Bringing in outside talent deliberately and protecting internal dissent rather than smoothing it over, keeps that supply of different thinking alive. Every time a leadership team dismisses a contrarian view without engaging it, it also signals to the rest of the organization that raising an inconvenient idea isn't worth the risk. That signal compounds quietly and is far more expensive than the original disagreement ever was.

Protect Time for Unscripted Work

3M runs a long-standing policy that lets employees spend roughly 15% of their working time on self-directed projects loosely connected to the company's interests and Post-it notes along with multilayer optical films used in laptop and smartphone displays both trace back to that unstructured time5. Google runs a close cousin of the same idea, often described as 20% time and credits it with helping produce Gmail, AdSense and Google News, products that were never formally commissioned through the normal planning process. Neither company treats this as charity or as a perk detached from business results; both treat it as a structural bet that some fraction of unscheduled exploration will pay for itself many times over. Giving employees that margin of freedom breaks up the otherwise rigid rhythm of quarterly deliverables and creates room for ideas that a formal project charter would never have authorized. The lesson for other organizations isn't necessarily the exact percentage, but the willingness to build unstructured time into the operating rhythm rather than treating every hour as pre-assigned.

Pursue Better and Different Together

Most strategists eventually confront the same tension:

> invest in improving what already works, or invest in building something genuinely new

Treating this as a choice between the two is the mistake, because sustained advantage requires both efforts running at once rather than trading one off against the other. Improving the current position means engaging in the unglamorous work of restructuring, refocusing and reengineering existing processes, along with giving employees more authority to fix problems close to the ground. Building a different position means identifying customer segments nobody else is serving, uncovering needs nobody else has addressed and inventing new ways to produce, deliver or distribute the offering. A company that only improves its current state eventually gets overtaken by a rival who found a different state to occupy, while a company chasing only novelty burns resources on ideas that never reach the discipline needed to scale.

Treat Questions as Strategy Tools

It sounds counterintuitive, but formulating the right question consistently produces more value than rushing toward a solution, because a poorly framed question locks the search into a narrow set of answers before anyone has explored the terrain. Asking sharp questions that expose multiple angles of a problem is a skill in its own right and it tends to outperform the instinct to gather and analyze ever larger volumes of data. Refusing an incomplete answer and staying patient enough to keep working the problem rather than settling for the first workable trade-off, is part of that same discipline. This requires a real tolerance for ambiguity, not as an excuse for indecision, but as the willingness to sit with an unresolved problem long enough for a better answer to surface. Leaders who rush past that discomfort tend to lock in solutions that solve last quarter's version of the problem rather than the one actually in front of them.

Commit to Perpetual Repositioning

Bill Gates once put the underlying urgency plainly.

> We have done some good work, but products become obsolete so fast. I don't know the number before our doom comes

That statement, from a company that dominated its industry for decades, captures why no strategic position, however strong, should be treated as permanent. Organizations that get comfortable with their current success tend to discover, often too late, that a competitor has already found the next position and moved into it while they were still defending the last one6. Real breakthroughs rarely come from beating the incumbent at the incumbent's own game; they come from changing what game gets played and that only happens when a company treats its own position as something to keep questioning rather than something to protect. Building that instinct into how an organization operates, rather than leaving it to a single strategy offsite every few years, is what separates a strategy that produces one good year from a strategy that keeps producing them.

- 1Innovation at Tim Cook's Apple
- 2What is strategy?
- 3Tech product positioning done right
- 4Ten types of innovation
- 53M's open innovation
- 6The simple rules of disciplined innovation

Summary

A strategic position built on features alone erodes the moment a competitor's engineers reverse-engineer the product, which is faster today than at any point before. Durable advantage instead comes from a clear choice about who a company serves, what it offers and how it delivers that offering, reinforced by innovation that reaches beyond the product into configuration and customer experience. Apple's supply chain discipline, Sanofi's periodic strategy resets and 3M's tolerance for unscripted employee time all point to the same underlying discipline: treat positioning as a continuous search, not a settled outcome. Organizations that give dissenters a hearing, protect unstructured time, pursue improvement and differentiation together, ask sharper questions before chasing answers and accept that no position stays unique forever will keep finding new ground. Those that stop searching hand that ground to whoever asks the next uncomfortable question first.