CYCLOPRAXIS AND THE INVENTOR'S SOLUTION

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This paper contrasts the cyclopraxis approach with the values/process approach authored by Clayton M. Christensen and Michael E. Raynor in chapter 7 of their book "The Innovator's Solution". The reader is assumed to be familiar with cyclopraxis. Should a refresher be necessary, visit www.cyclopraxis.com.

Excerpts from The Innovator's Solution – page 178:
"We have examined innumerable failed efforts to create new-growth businesses and would estimate that in as many as half of these cases, those close to the situation judge that, in retrospect, the wrong people had been chosen to lead the venture."

Excerpts from The Innovator's Solution – page 179.
"Managers who have successfully worked their way up the latter of a stable business unit – for example, a division that manufacturers standard high-volume electric motors for the appliance industry -- are likely to have acquired the skills that were necessary to succeed in that context. The "graduates" of this school would have finely honed operational skills in managing quality programs, process improvement teams, and cost-control efforts. Even the most senior manufacturing executives from such a school would likely be weak, however, in starting up a *new* plant, because one encounters very different problems in starting up a new plant than in running a well-tuned one."

Excerpts from The Innovator's Solution – page 183-4 -- PROCESSES:
"Organizations create value as employees transform inputs of resources – the work of people, equipment, technology, product designs, brands, information, energy, and cash – into products and services of greater worth. The patterns of interaction, coordination, communication and decision making through which they accomplish these transformations are *processes*. Processes include the ways that products are developed and made and the methods by which procurement, market research, budgeting, employee development and compensation, and resource allocation are accomplished. …"

"… Innovating managers often try to start new-growth businesses using processes that were designed o make the mainstream business run effectively. They succumb to this temptation because the new game begins before the old game ends. Disruptive innovations typically take root at the low end of markets or in new planes of competition at a time when the core business still is performing at its peak -- when it would be crazy to revolutionize everything. It seems simpler to have one-size-fits-all processes for doing things, but *very* often the cause of a new venture's failure is that the wrong processes were used to build it."

Excerpts from The Innovator's Solution – page 185-6 -- VALUES:
"Employees at every level make prioritizing decisions. At the executive tiers, these decisions often take the form of whether or not to invest in new products, services, and processes. Among salespeople, they consist of on-the-spot, day-to-day decisions about which customers they will call on, which products to push with those customers, and which products not to emphasize. When an engineer makes a design choice or a production scheduler puts one order ahead of another, it is a prioritization decision."

"The larger and more complex a company becomes, the more important it is for senior managers to train employees at every level, acting autonomously, to make prioritization decisions that are consistent with the strategic direction and the business model of the company. That is why successful senior executives spend so much time articulating clear, consistent values that are broadly understood the organization. Over time, a company's values must evolve to conform to its cost structure or its income statement, because if the company is to survive, employees *must* prioritize those things that help the company to make money in the way that it is structured to make money. …"

"… Over time, the values of successful firms tend to evolve in a predictable fashion in at least two dimensions. The first relates to acceptable gross margins. As companies upgrade their products and services to capture more attractive customers in premium tiers of their markets, they add overhead cost. As a result, gross margins that at pone point were quite attractive will seem unattractive at a later point. Company's values change as they migrate up-market."

"The second dimension along which values can change relates to how big a business has to be in order to be interesting…."

Christensen's points about processes and values are interesting and the chapter contains numerous short case studies that reinforce the points. In the body of work surrounding cyclopraxis these same process and value drivers are squarely behind the recommendation to start new businesses outside the mainstream organization and further to insure that startup's separate organization includes separate sales and manufacturing organizations. Rules and processes must be judged on their own merit and applicability for the new industry – especially those that exist for the mainstream business.

Christensen further points out that a career successful manager in an established business may be ill equipped to start a new business. In the language of cyclopraxis, that manager has demonstrated success with capitalizing praxis, but may have little or no experience with the author or builder praxis. Once again, while the language is different there is agreement on principles between Christensen and cyclopraxis.

Where Christensen seemly fails to offer insights is that individuals have a predominant praxis and are suboptimum choices to work in settings other than their praxis. A capitalizer-praxis manager or contributor looks to inherit values and processes from somewhere. They are reticent to invent them. So a capitalizer-praxis manager transferred to the Pandesic startup [case study from The Innovators Solution] is naturally going to bring their values and processes from their prior capitalizing position rather than innovate to what is appropriate in the current setting. As we point out with numerous examples the same is true of a capitalizer-praxis manager transferred to run a startup organization within the company. Capitalizers prefer to optimize and maintain existing values and processes – essential traits in ongoing businesses.

Christensen [in The Innovators Solution and earlier in The Innovators Dilemma] gives some passing attention to the unique style of the innovator. One can quickly see the similarity between the innovator personality and the author praxis. But Christensen makes no mention of the builder-praxis either by that name or another. This is a key oversight for the builder is the one who:

- focuses the innovators on single business models
- delights in establishing new processes and values more than using traditional existing ones
- together with the innovator champions the business with senior management often providing the selling arguments that enable the business startup to continue receiving sponsorship in spite of process and value differences.
- Pragmatically settles for-just-good-enough so that the multitude of things can be accomplished in the available time.

This last point warrants a bit of further discussion. Christensen argues that two good disruptive attacks are "from-the-bottom-up" and "from-non-consumption". The builder-praxis' pragmatic settling for-just-good-enough is an extension of attacking from-the-bottom-up. In the products/markets space, bottom up is the low end where the specifications are not as strict, the requirement for support not as demanding, etc. – in other words being just-good-enough gets the business. To compete in a just good enough market also takes just-good-enough processes and values for which the builder-praxis is ideally suited.

