

## Is it Time to Innovate? What Netflix Got Right (And WebTV Didn't)



One point I continually stress in speaking to audiences and in consulting with organizations of all sorts is the absolute importance of innovation. Without a culture that encourages and rewards innovation—and not just tweaks to an existing product or service—you will increasingly find yourself reacting to innovation supplied by others. And that's a dicey place to be. Over the years I've been surprised by how many leaders ask the question: When is the best time to innovate?

As with so many other things, it depends on the industry you are in, the level of disruption you are experiencing and what you wish to achieve with innovation.

## **When to Hold Off**

By many accounts, we could have had iPhones in our hands several years earlier than they were released. Why did Apple wait? Basically, the user experience wouldn't have been up to Apple standards had the product shipped sooner than it did.

Ten years ago, when the iPhone was introduced, streaming video would have been awful. In addition, processing power was not quite there yet. A major goal of Apple's innovation was to have features with optimal performance and so they had to be patient. Even now, reports hold that new versions of the iPhone may also be delayed somewhat as Apple fully polishes new, advanced features.

There are other similar examples. Siri didn't come on the scene until it was genuinely useful and reliable. By the same token, Netflix began with a postal-based delivery system because streaming movie technology was not ready yet.

## **3 Digital Accelerators**

The common thread to these and other examples like them comes back to what I call the Three Digital Accelerators—exponential advances in:

- Bandwidth,
- Storage and
- Computing power.

These three technological drivers are the major forces behind all sorts of new products and remarkable innovations. And, in the case of many products and services, all three of those drivers need to have accelerated to the point to adequately support a great user interface. Failing that, many forms of digital innovation simply can't be all that they can be.

It's happened many times in the past. Just look at how WebTV—a precursor to the type of Internet-based television that's ubiquitous these days—struggled and ultimately failed due to inadequate broadband support.

## **When to Go For It**

On the other hand, think back to when video first made its way onto your desktop computer. In many cases, the viewing area was small and the picture quality was rather murky. The video itself was supplied by a disc rather than the high-speed Internet quality we're used to now. But it was there, and many consumers readily took to it. That's because it was cool and intriguing, and the overall quality of the experience played second fiddle to the "wow" factor.

That's the essential crux of the question of when it's the optimal time to introduce an innovation. Consider your objective in introducing certain types of digital innovation as well as your audience. On the one hand, as was the case with the iPhone and Netflix, the underlying technology hadn't yet advanced to the point to ensure a consistently superior experience. And, for those sorts of products, that was everything.

On the other hand, substandard video on a computer didn't mitigate the product's customer appeal. Rather, it was new and engaging, however flawed the actual technology. Customers who are early adopters were clearly happy to settle for cool until the technology came along to craft higher function and better performance.

So, when considering advanced digital innovation involving technology such as virtual and augmented reality and artificial intelligence, timing can be everything when it comes to the optimal time to introduce what you've come up with. In some cases, it pays to get your foot in the door—offer something that people will find cool and engaging but will also be willing to wait for until it can become truly exceptional.

In others, it may be better to hold off until the Three Digital Accelerators allow for a fantastic, superior experience. Get ideas for other innovations when you order *The Anticipatory Organization* book from Amazon.com now.



**About the Author:**

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