

SIMPLIFY

How the Best Businesses in the World Succeed

RICHARD KOCH and GREG LOCKWOOD

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MAIN IDEA

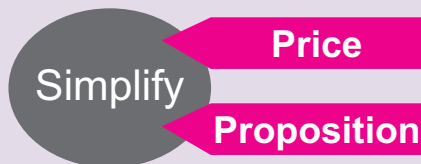
The key to overtaking the market leader in any high-growth marketplace and becoming a star business is always to find a way to simplify the predominant business model and the market.



"Nearly all of the great success stories of the twentieth century – right up to the present day – are stories of simplifying. Simplifying is the key to the kind of product and business innovation that creates incredibly high value for customers, society and shareholders alike."

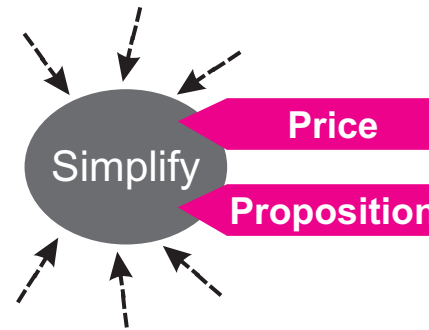
– Richard Koch and Greg Lockwood

What's even more interesting is all of these simplifiers have excelled by applying one or another of just two different simplifying strategies:



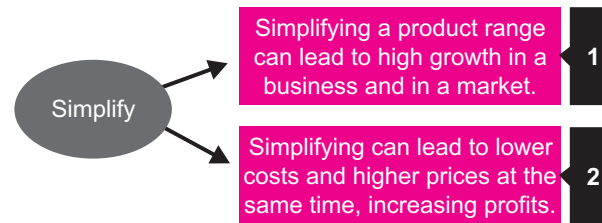
Simplifiers either cut the price dramatically to grow the market exponentially or they introduce a new and easy-to-use product around a simplified value proposition. In either of these two ways, simplifiers create new and substantial markets which did not previously exist in the same form which they then dominate and commercialize.

If you want to succeed, decide which of these simplification strategies you will use and then be uncompromising in executing that strategy.



1. History's greatest simplifiers Pages 2 - 3

Simplify is the golden thread that connect and explains all of history's greatest commercial success stories. It is the strategy that explains with elegant beauty the success of Ford, Google, McDonalds, Facebook, IKEA, Uber, Southwest Airlines and many more. First and foremost, they were all simplifiers.



2. How to simplify Pages 4 - 5

Price-simplifying and proposition-simplifying are both game-changing strategies if you use them well. They are also mutually exclusive. The first step in simplifying in the real world is usually to figure out which approach will be right for you. Decide that and you can then get busy executing your preferred strategy.

3. How to respond to a simplifier Page 6

If you're a market leader and a simplifier comes along, there's no inevitability about your decline. Just watch for the warning signs and then make sure you respond with the right attitude and structure. You can stay on top if you use the right strategy.

4. The rewards of simplifying Pages 7 - 8

There's no question the direct financial rewards of both price- and proposition-simplifying are high and impressive. These increases in value also tend to be long lasting and often persist for decades as network effects come into play. Simplifying may not be a magic bullet but it is definitely one of history's most successful and enduring strategies.