

Editor's letter

- How innovation succeeds at Procter & Gamble
- Mining the future for market-creating innovation
- The formula for raising customers' willingness-to-pay
- The Virtual Enterprise: the new transformation model

Wharton professors George S. Day and Gregory P. Shea recount the years-in-the-making successful growth initiative at the consumer product giant in their article, "**Innovating how innovation works at Procter & Gamble.**" They describe how "The newly envisioned future included P&G exploring many smaller scale innovations within and across business units, with quick learning, conducted in close collaboration with consumers and driven by their problems and needs."

"What is required to deliver innovation that meets evolving customer needs is a process of learning from the future," advises Stephen Denning, author of *The Leader's Guide to Radical Management* and *The Age of Agile*. His article, "**Generating market-creating innovation by working backwards from the future,**" looks at how digital-era leaders like Amazon create future-oriented breakthrough products.

Contributing editor Brian Leavy's interview, "**Felix Oberholzer-Gee: The formula for keeping your strategy simple and focused,**" asks the Andreas Andresen Professor of Business Administration in the Strategy Unit at Harvard Business School about the thesis of his new book, *Better, Simpler Strategy: A Value-Based Guide to Exceptional Performance*. In his view, "Value-based strategy is 'back-to-basics' in the sense that the approach insists on value creation as the foundation for every activity in the business."

IBM's Institute for Business Value researchers Jean-Stéphane Payraudeau, Anthony Marshall, Jacob Dencik and Stephen Ballou have analyzed a new survey of more than 7000 C-suite executives to learn their insights into what operational, organizational and cultural environments are most conducive to effective and enduring digital transformation. Their article, "**The Virtual Enterprise: enterprise transformation enabled by strategic digital acceleration,**" examines the business potential and financial rewards of extreme digitalization, extended value chains and intelligent workflows, along with new partnership and ecosystem approaches.

Good reading!

Robert M. Randall

Editor

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