

# Innovate or Die: How A Lack of Innovation Can Cause Business Failure

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*For many this is the first week back in the new year, so I am continuing the theme of being 'business ready' as we embark on 2019, sadly 2018 was a year where we saw the demise of many large brands. I firmly believe that if many of these businesses had understood or considered the importance of innovation or*

*bringing new blood into the business or board they would still be here today.*

We have all hear the common phrase, "don't rest on your laurels". Essentially, resting on your



laurels means that you are being complacent or arrogant in your mindset. You are unwilling to change your mindset, either because you that think your current one is better, or because you may fear what the change could cause. Stubbornness in this sense - i.e. lacking the drive to change - can be dangerous because it means that you could be left behind whilst everyone around you is running miles ahead (because they decided to innovate). Your complacency

could put you at a disadvantage because you may miss out on the benefits of a fresh, updated mindset. In fewer words, stubbornness (and a lack of willingness to innovate) can leave you in a dangerous position, especially when everyone around you is innovating.

This scenario is already potent enough in day-to-day life, however it is particularly potent in the business world. A failure to innovate in the business world can leave you limping behind competitors who are soaring because they decided to update their business model. This is particularly important in the modern world because of the huge technological advances; it would be, in my opinion, an outrageous decision to not innovate and include technology within a business model. Some companies, however, have failed to make such moves and have, therefore fallen off the top of the ladder. Let us have a look at the demises of some former market leaders so that we can understand how their lack of innovation caused their business to slump.

Blockbuster Entertainment Inc - known to most as Blockbuster - is an organization whose unfortunate demise was due to their failure to innovate. Blockbuster provided a video games and home movie rental service which was particularly popular in America (the company become famous worldwide during the 1990s). It is easy to understand why Blockbuster enjoyed so much success; they offered an easy way for consumers to access the games and movies that they wanted most. However, as the world became more technologically oriented, Blockbuster failed to follow suit. They continued to offer their in-store service for a number of reasons which, to many, may seem somewhat foolish. Blockbuster believed (according to their data) that people liked - and arguably even preferred - going into their stores. Blockbuster felt that their customers enjoyed the experience of opening their games and movies so that they could see the contents in their entirety. Moreover,

Blockbuster also felt that their customers enjoyed the possibility of seeing neighbours around the stores. To me, their reluctance to go digital is ridiculous and it is made all the more ridiculous when you consider the reasons that they gave for their decision. As a result of their decision, Netflix managed to soar past them as they attracted millions of keen customers who wanted to view their movies or favourite shows on their devices. In summary, Blockbuster's reluctance to update their sales strategy is what eventually led to their demise.

Another example of a company who failed to innovate was Toys R Us. It was, arguably, one of my favourite places to visit as a kid because it offered so many different toys. Visiting a Toys R Us store was, for many kids worldwide, a truly wonderful experience – in recent years as an adult buying toys for god children it was a less so.. However, as the internet became more widely available, people decided to ditch the in-store experiences. Instead, they opted to buy their goods online to save them from having to visit the store. Toys R Us, however, did not like the idea of ditching their stores. Essentially, (according to Gary Vaynerchuk) Toys R Us didn't believe in the internet and so they delegated the online aspect of sales to Amazon. In hindsight, this was a bad decision because it simply made people more attracted to online shopping with the likes of Amazon and Ebay. These brands avoid the hassle of having to go into a store and buy your goods. They also sold toys at much cheaper prices than a store like Toys R Us did. It was for these reasons, therefore, that Toys R Us experienced difficulty in the sales department and eventually led to them filing for bankruptcy in September 2017.

In conclusion, we must remember that both Toys R Us and Blockbuster were huge companies. They enjoyed massive amounts of success; however, this was all brought to an end due to their failure to innovate. People became reliant on

methods which caused them the least amount of hassle and the two aforementioned companies did not adapt. Their attitude, however, to the idea of adapting their strategy is what has baffled most people. Having such a narrow-minded approach to the idea of innovation is most definitely going to make you struggle, so it is hard to fathom why the two brands thought as they did. Nonetheless, let it be a lesson to all aspiring business giants - your life can be made much easier if you innovate according to the demands of the people. Reluctance to innovate can crush a business, so don't let it crush yours.

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