

Companies driven by perpetual beta transition allows them to remain somewhat organic and lower the threat of destructive innovation. Folding in gradual innovations into companies instead of major innovations at once allow companies to progressively change their structure, stay ahead of the competition and keep pace with shifting customer expectations. This prevents destructive innovation from occurring whereby many changes are implemented at once, creating a major restructuring of a company, disrupting synergies and lowering moral. The stability provided by perpetual beta transition is demonstrated through “stability rather than major change characterized 90 percent of firms that outperformed the average in their industry over a ten-year period”¹ (1)By understanding what CB2 customers want, and keeping their knees bent, CB2 has been able to create service innovations and adapt to a new customer base. This is shown by the 10% to 2% reduction in similar products carried in the parent store.² (2)CB2 has avoided destructive innovation by being cautious, knowing their customer base and perfecting the new store, as well as allowing designer freedom. (3&4)Innovating into a new market has allowed the CB2 stores to create a market for themselves, with their closest competitor being Pottery Barn. This new concept store seems like it will be very successful in the future. Looking into the short term, the company should remain focused on perfecting who they want their store to appeal to. After they have perfected their target market, mid-term CB2 should expand their stores to more locations, leaving creative freedom to the store to adapt any differences in their customer preferences. Long term, CB2 should remain attentive and flexible to what their customers want; as well as create an online presence after the store has expanded beyond a single city. This would tie in all the stores together and create a unified presence.

¹ “Reframing Organizations: Artistry, Choice, and Leadership.” Lee G. Bolman & Terrence E. Deal. 2003. pg 128

² “Crate and Barrel Handles Its Offshoot With Care” The New York Times, June 22, 2003.