MSME OWNER'S PLAYBOOK · BONUS 06

4 Ways to Innovate Your Business Model

Without touching current revenue.

WORTH ₹499 — YOURS FREE

For every founder who's been told to "innovate" without anyone explaining how to do it without risking what's already working.

THE PROBLEM

"Innovate" Sounds Like a Threat to the Business That Pays Your Bills.

Deepak's print packaging business is watching three new competitors quote 12% lower on the same work. His mentor keeps telling him to "innovate." Deepak has no idea what that means without gambling the business he's spent fifteen years building.

You've heard the same advice, from the same well-meaning people — vague, urgent, and completely unactionable. "Disrupt yourself." "Think bigger." Nobody explains how to do it without betting the mortgage.

Here's what nobody tells Deepak: innovation doesn't have to mean replacing the business that works. It can mean testing new plays alongside it — small, ring-fenced, and never touching the revenue that already pays the bills.

WHY THIS HAPPENS — AND WHO'S REALLY RESPONSIBLE

Every New Idea Gets Judged by This Quarter's P&L. That's the Trap.

This one's on the founder, structurally — not because you're wrong to be cautious, but because you're the only person who can decide to protect a small space for exploration, separate from the pressure of this month's numbers.

Three reasons innovation stalls in businesses like yours:

"Innovation" sounds like replacing what already pays the bills — so it triggers the same fear as risking the business itself.

Nobody's separated "protect the core" from "explore the new." Every idea competes directly against the safe, proven business — and loses, every time.

New ideas get judged by this quarter's P&L, so anything that doesn't pay off immediately gets killed before it has a chance to prove itself.

ROOT CAUSE ANALYSIS

Let's Actually Get to the Root of It

Run the "5 Whys" on Deepak's stalled innovation — the same drill-down you should run on your own shelved ideas:

THE SYMPTOM ***"We know we need to innovate, but we're scared to touch what's working."***

↓ **Why?**

WHY #1 "Innovation" sounds like replacing the business that pays today's bills.

↓ **Why?**

WHY #2 We've never separated "protect the core" from "explore something new."

↓ **Why?**

WHY #3 Every new idea gets judged by this quarter's P&L, so it dies immediately.

↓ **Why?**

THE ROOT **There's no separate space — time, budget, or metric — for exploring new models, so every new idea competes unfairly against the safe, proven business, and loses.**

Run this on your own last shelved idea. The root is rarely "it wasn't a good idea." It's almost always that it never got a fair, ring-fenced test.

LIKELY SOLUTIONS — AND WHAT EACH ONE ACTUALLY GETS YOU

Four Ways Owners Try to Fix This

A Do a Full Pivot to the "Hot" New Model

What you get: Potential big upside if it works.

What it costs you: Abandoning the revenue that pays today's bills — a high-risk bet on an unproven model.

B Wait and Watch Competitors First

What you get: No risk today.

What it costs you: You're always reacting, never leading — and margin keeps eroding while you wait.

C Bolt On a Trendy Add-On Without Real Strategy

What you get: The appearance of innovation.

What it costs you: Usually fizzles within a year — no real differentiation, resources wasted.

D Run 4 Structured Plays in Parallel to Your Core

What you get: Real upside, tested safely, without betting the business that already works.

What it costs you: A small dedicated budget and time, and patience for results to show.

THE RIGHT DEFAULT FOR A FOUNDER WHO CAN'T AFFORD TO GAMBLE

THE RECOMMENDED PATH — STEP BY STEP

Test an Innovation Play Without Betting the Business

01 **Map your current business model on one page**
What you sell, how, to whom, how you're paid. You can't innovate what you haven't clearly written down.

02 **Pick ONE of the 4 plays to test first**
Not all four at once. One, chosen deliberately, tested properly.

03 **Ring-fence a small budget and time**
Separate from core operations — so it's never the first thing cut when things get busy.

04 **Run a 90-day test with one measurable outcome**
Decide upfront what "it's working" actually looks like, in numbers.

05 **Kill or scale based on the result**
No lingering in between. A clear decision protects you from sunk-cost thinking.

HOW TO AVOID THIS GOING FORWARD

Make It a Habit, Not a Hope

Innovation has to be scheduled, or it only happens under crisis pressure. Build these into your calendar permanently.

- **Review your business model once a quarter**, not just when margins get squeezed. Waiting for pain is the most expensive time to innovate.
- **Keep innovation budget separate from core P&L**, so it's never the first line item cut in a tight month.
- **Talk to 5 customers a quarter** about what they'd pay for that you don't currently offer.
- **Don't judge new plays by old-business metrics in month one.** A new model needs its own scoreboard, at least at first.

Protect a small, permanent space for exploration. It's cheaper than the crisis that forces you to innovate without one.

THE SIMPLEWORKS FRAMEWORK

The 4 Ways to Innovate

Four plays. Pick one. Test it alongside the business you already have.

1

Value Innovation

Same product, a sharper value story aimed at a segment nobody's targeting well yet.

2

Channel Innovation

Same product, a new way to reach or sell to the customer — direct, D2C, or subscription.

3

Process Innovation

Same product, cheaper or faster to make or deliver — freeing up margin you can reinvest.

4

Model Innovation

A new revenue layer on top of the core — a service add-on, financing, or bundling.

> *Pick one. Test it small. The business that pays your bills today keeps running while you find out what pays them tomorrow.*

ABOUT SIMPLEWORKS

One Consultant. Four Connected Disciplines.

Simpleworks Consulting is a boutique advisory practice built for Indian MSME owners — founded by **Prem Menon**, drawing on 39 years across Consumer Durables, Tyres, Telecom, and IT/SaaS. The philosophy is simple: strip away complexity, and give founders tools sophisticated enough to work — and simple enough to run without a large team.

Every Simpleworks engagement draws on four connected practice areas, because strategy, go-to-market, execution, and measurement are rarely separate problems in a real business.

01 Business Strategy

The smallest set of choices that makes every later decision easier — where to play, and how to win.

02 Go-to-Market

Turning the strategic choice into revenue — the right segment, message, channel, and price, working as one coherent system.

03 Execution Enablement

The operating rhythm — meetings, decisions, ownership — that converts intent into outcome.

04 OKRs

The feedback loop that tells you honestly whether the strategy is working, and holds the system accountable.

Four lenses on the same question: how does your business get from where it is, to where you've decided it should be?

LET'S TALK

You've Seen the Problem.
Let's Find Your Safe Bet.

If this booklet described your last "we should innovate" conversation, that's usually the first sign it's worth a real one — not another vague mandate.

Reach out. No pitch, no jargon — just a straight conversation about your business model, your growth, or whatever's keeping you up tonight.

Prem Menon
Founder, Simpleworks Consulting

— pm@simpleworks.in
— +91 90360 99000
— www.simpleworks.in