



Category: **INNOVATION**

Subject: **In Turbulent Times, Consider "Strategic Subtraction"**

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TODAY COMPANIES AROUND the world face increasing economic and business uncertainty, thanks to the volatile geopolitical environment and the rise of AI. In these challenging contexts, business leaders are tempted to engage in "subtractive" tactics, such as cutting costs, streamlining operations, and eliminating waste. Subtractive actions can be a powerful way of dealing with emerging situations where resources are tight, but they are shortsighted if the goal is only to improve efficiency at the cost of other objectives, such as resilience and visibility. Rather than simply using subtractive tactics to make indiscriminate cuts, strategic subtraction can help you innovate in a way that positions your organization to withstand the tumult, and even rebound.

This article introduces a "triple test" to help leaders gauge how any subtractive move will affect three essential performance goals: efficiency, resilience, and prominence. We then map out six distinct subtractive transformations you can apply to meet all three objectives in concert.

The Triple Test for Subtractive Strategies The effective use of subtraction requires a holistic approach that considers multiple performance dimensions beyond efficiency. Begin by asking, "How can we innovate in turbulent times by subtracting to improve efficiency, strengthen resilience, and elevate our prominence?" For any innovation to thrive in ۲۰۲۵'s complex landscape, the use of subtraction must include three interrelated business performance goals:

- efficiency: minimizing resources, time, and effort
- resilience: adapting to disruptions and maintaining core functionality
- prominence: ensuring visibility and appeal to stakeholders

Relentlessly slimming a system for pure efficiency can leave it brittle and invisible, eroding long-term value instead of creating it. For example, when firms pursued "just in time" inventory as the ultimate cost saver, many discovered during the pandemic that a penny shaved off warehousing was quickly lost to plant shutdowns, empty shelves, and public frustration when the fragile networks snapped. It was evidence that efficiency unsupported by resilience invites operational paralysis and revenue loss.

A starker lesson came from Boeing. Many years of aggressive cost-cutting on the ۷۳۷ Max program trimmed design hours and testing budgets. However, the subsequent crashes created more than \$۲۰ billion in direct costs and torpedoed decades of brand equity, showing how neglecting trust, reputation, and stakeholder confidence can turn short-term savings into an existential bill.

Subtraction that doesn't pass the full triple test of efficiency, resilience, and prominence can turn today's lean victory into tomorrow's catastrophic liability.

Six Core Subtractive Transformations

So, how can business leaders go beyond efficiency improvements and use subtraction to innovate? Our experience in helping over ۱۰۰ companies and organizations identify innovation opportunities in turbulent times suggests six distinct

ways to apply subtractive thinking to processes, systems, products, and services while balancing efficiency, resilience, and prominence.

Elimination: Remove components, steps, or options entirely. This involves complete or selective removal of elements that no longer serve essential functions. Elimination can target entire components, specific process steps, low-value options, unnecessary rules, or redundant handoffs. For example, when IKEA finally discontinued its globally iconic paper catalog in 2021, it removed an entire cost-intensive print channel. That action saved the company an estimated 33,000 tons of paper each year. Efficiency rose through lower production and distribution spend; resilience improved because all product storytelling now updates instantly on digital platforms; and the move burnished prominence by signaling a decisive sustainability stance that resonated with younger shoppers.

1. Substitution: Replace complex elements with simpler alternatives

This involves swapping out complicated components, processes, or systems with simpler alternatives that serve the same core function more elegantly. An example is Rwanda's national health service, which replaced unreliable mountain-road couriers with U.S.-based drone startup Zipline's battery-powered drones in 2016 to address blood-delivery issues in rural areas. A 2022 study in *The Lancet Global Health* reported a 74% cut in expired blood units as a result. The light, all-electric fleet required less labor and fuel (efficiency) and eliminated the need to traverse hazardous flooded roads (resilience), and the move elevated the country's global reputation for healthcare innovation (prominence).

2. Consolidation: Combine multiple functions into integrated solutions.

This encompasses both compression of processes and integration of multiple functions, components, or touchpoints into unified systems that deliver the same value with fewer moving parts. For instance, Estonia's e-Residency rolls multiple bureaucratic tasks into a single digital ID. Using this system, entrepreneurs worldwide can launch and run an EU-based company entirely online with one smart-card log-in. Paperless filings reduce administrative burdens (efficiency), a cryptographically secure backbone guards continuity (resilience), and the program positions Estonia as a tiny nation punching far above its weight in digital governance (prominence).

3. Hiding: Conceal complexity while keeping it accessible.

Organizations can lighten cognitive load—without sacrificing functionality—by selectively hiding complexity in everyday workflows, processes, and products. Tuck away any nonessential elements from the primary interface while preserving access when needed. For example, an employee-onboarding portal might reveal only the next required step while keeping full policy documents accessible with a single click. Or consider Otter.ai, an AI-powered transcription and collaboration tool. Its "Highlight" feature masks 100% of the transcript until you need it. The AI meeting tool now autogenerates a bite-size summary from user highlights, tucking the verbatim transcript beneath a single click. Teams spend less time scrolling (efficiency), the records are preserved for audits (resilience), and the feature positions Otter as a user-centric productivity champion (prominence).

4. Pausing: Temporarily suspend system components.

Pausing involves strategically suspending features, processes, or services that can be reactivated when conditions change, instead of eliminating them altogether. For example, with Netflix's one-click "pause membership," subscribers

can freeze billing for up to three months instead of canceling outright. This mini-sabbatical saves churn and win-back costs (efficiency), keeps account data intact for seamless reactivation (resilience), and signals empathy toward customers that distinguishes Netflix in the subscription wars (prominence).

۵. Abstraction: Create interface layers that shield users from complexity.

This involves building simplified interfaces that translate user inputs into complex backend operations, making sophisticated systems accessible without requiring users to understand the underlying intricacies. Amazon Web Services (AWS) abstracts complex infrastructure management, allowing developers to focus on deployment without dealing with physical servers (efficiency) while accelerating innovation (resilience). The platform's simplified interface masks enormous backend complexity, positioning AWS as the go-to solution for scalable computing (prominence).

۶. How to Make Subtraction a Default Strategy

Leaders can make subtraction a core capability by adopting a few practical strategies—not in isolation, but as part of a broader shift toward doing better by doing less:

Build subtraction into core processes.

Subtraction should be embedded into how teams plan and prioritize rather than being treated as a one-off decision. Leaders can introduce "stop doing" reviews alongside traditional goal-setting exercises. In these reviews teams examine their workflows, tools, and deliverables and identify what no longer adds value. Elimination helps cut extraneous steps that contribute little to no outcomes, while consolidation removes unnecessary handoffs or approval loops. Hiding can be used to remove lowvalue offerings or services that confuse customers or dilute strategic focus. By building these forms of subtraction into annual or quarterly planning, organizations improve efficiency and maintain strategic alignment without expanding complexity.

Introduce subtractive design challenges.

Subtractive design challenges shift problem-solving away from accumulation and toward essential value. Rather than asking teams how to improve a process by adding new elements, ask how the same result can be achieved with fewer steps, features, or constraints. Consolidation allows teams to condense workflows into fewer steps without loss of quality. Substitution invites smaller, more-elegant solutions that are easier to use and maintain. Abstraction involves replacing complex interfaces with simpler alternatives. Each of these approaches supports efficiency by reducing operational drag. They all also support resilience, since simpler systems are less prone to failure and easier to troubleshoot. Design challenges make subtraction a creative constraint rather than a limiting one.

Celebrate subtraction done well.

Subtraction is often overlooked, which makes its benefits easy to ignore. Leaders can encourage recognition by asking teams not only to log what they've stopped doing but also to celebrate that as an achievement. This simple habit turns subtraction into an acknowledged source of value worthy of praise. Techniques such as elimination and pausing help make these removals deliberate accomplishments. Removing a redundant task can improve efficiency by reducing time wasted and deserves recognition as a meaningful contribution. Pausing low-impact projects keeps future options open while allowing leaders to concentrate on current efforts— another strategic decision worth

celebrating. Recognizing and honoring subtraction reinforces the idea that removal with strategic intent is a sign of progress, not neglect.

Using Gen AI to Support Subtractive Transformation

Generative AI tools can help you identify subtractive opportunities that humans might miss. For example, for illustrative purposes, we prompted Google Gemini 1.5 and Claude 3.5 to craft the following subtractive ideas for a large healthcare provider in India using the six approaches described above: "Generate actionable subtractive innovation ideas for [Company Name] that deliver equal or better value with fewer steps, lower cost, or less complexity while simultaneously maintaining or boosting resilience and maintaining or improving prominence/visibility. For each [of the six approaches], suggest at least one concrete idea." The output has been lightly edited for clarity:

- **Elimination:** Eliminate physical outpatient follow-ups for stable chronic conditions using teleconsultations to boost patient convenience (efficiency), ensure care continuity (resilience), and position [Company] as a tech-forward provider (prominence).
- **Substitution:** Replace traditional paper-based patient intake with voice-activated digital forms, reducing data-entry errors (efficiency), improving record accuracy (resilience), and showcasing innovation leadership (prominence).
- **Consolidation:** Consolidate patient touchpoints (appointments, reports, payments, preassessments) into a single mobile app to streamline the patient journey (efficiency), centralize communication (resilience), and enhance digital accessibility (prominence).
- **Hiding:** Implement smart triage systems that hide complexity from patients while ensuring they reach appropriate care levels, reducing wait times (efficiency), maintaining care quality (resilience), and improving patient satisfaction (prominence).
- **Pausing:** Introduce flexible appointment scheduling that allows patients to reschedule appointments without penalties, reducing no-shows (efficiency), maintaining doctor-patient relationships (resilience), and demonstrating patient-centric care (prominence).
- **Abstraction:** Create a single patient portal that abstracts all healthcare interactions behind a unified interface, simplifying access (efficiency), ensuring continuity across services (resilience), and positioning [Company] as a digitally advanced provider (prominence).

By explicitly directing the AI model to consider subtractive options of various types, organizations can overcome the human tendency to add and discover more-elegant solutions that balance multiple performance goals beyond just efficiency.

IN AN ERA when every competitor is racing to add more features, channels, data, and spend, the real differentiator is the courage to remove. Subtraction is neither austerity nor minimalism; it's strategic design. By carving away the nonessential, leaders create the white space where breakthroughs can grow and position their organizations to be first off the blocks when the rebound arrives.

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