



Efosa Ojomo (*extreme left*)

Director, Global Prosperity Research Group, Christensen Institute for Disruptive Innovation, and Adjunct Professor, Northwestern University's Kellogg School of Management

In this segment of the 'Forward-Thinkers' Talks Series' ©, I had the privilege of engaging with Efosa Ojomo, a renowned expert on market-creating innovations and their potential to drive global prosperity. Our discussion delved deeply into the transformative ideas presented in the book *The Prosperity Paradox*, focusing on their relevance in today's rapidly evolving technological and economic landscape. Efosa offered profound insights into how innovation can foster sustainable economic growth. He also articulated a compelling vision of how market-creating innovations hold the key to shaping a more prosperous and equitable future, offering a fresh and compelling perspective on the vital role of innovation in addressing today's most pressing global challenges.

In this part of the *'Forward-Thinkers' Talks Series'* conducted by Ivo Pezzuto, Professor of Practice of Global Economics and Competitiveness at ISM Paris/New York and Founder and Director of "Ivo Pezzuto Forward-Thinking Lab," he interviews Efosa Ojomo, Director of the Global Prosperity Research Group at the Christensen Institute for Disruptive Innovation.

Efosa offers profound insights into how innovation can foster sustainable economic growth. Their conversation explored the book's transformative framework, examining its relevance to the

rapidly changing technological and economic landscape. They discuss how market-creating innovations hold the key to shaping a more prosperous and equitable future, offering a fresh and compelling perspective on the vital role of innovation in addressing today's most pressing global challenges.

Meet Efosa Ojomo: A visionary in innovation and global prosperity

A few years ago, I had the profound privilege of meeting Efosa Ojomo when he graciously accepted my invitation to deliver a guest lecture for my course on disruptive innovation. His engaging

presentation not only captivated my students but also profoundly deepened their understanding of innovation's transformative potential. Efosa's visionary leadership and inspiring contributions to the field left an indelible mark on us all. Today, I am just equally thrilled to engage in this discussion with him, delving into timely and critical topics surrounding prosperity and sustainable economic development.

Efosa Ojomo is a Nigerian author, researcher, and renowned innovation and development expert. He serves as the Director of the Global Prosperity

Research Group at the Christensen Institute for Disruptive Innovation, a leading think tank bridging Boston and Silicon Valley, and as an Adjunct Professor at Northwestern University's Kellogg School of Management.

Ojomo's work is deeply rooted in the theory of disruptive innovation, a groundbreaking framework developed in collaboration with the late professor Clayton Christensen of Harvard Business School. In their seminal work, *The Prosperity Paradox*, Ojomo, and his co-authors explore how market-creating innovations—those that open new markets by making products and services accessible to underserved populations—can catalyze sustainable economic growth and alleviate poverty. Their insights offer a compelling, actionable framework for leaders, policymakers, and entrepreneurs, emphasizing the transformative potential of innovation to drive systemic, long-term prosperity.

Recognized for his contributions to global development and innovation, Ojomo was named to the Thinkers50 Radar Class of 2020. He is also the Co-Founder and President of *Poverty Stops Here*, a nonprofit organization dedicated to eradicating extreme poverty.

Ojomo's insights have reached audiences worldwide through platforms like TED, the Aspen Ideas Festival, the World Bank, and esteemed institutions such as Harvard, Yale, and Oxford. A former research fellow at Harvard Business School's Forum for Growth and Innovation, he continues to influence academia and industry with his groundbreaking perspectives.

He holds a bachelor's degree in computer engineering from Vanderbilt University and an MBA from Harvard Business School.

Prosperity unlocked: How market-creating innovations drive growth

At the heart of *The Prosperity Paradox* is a transformative idea: true economic growth doesn't stem from aid or resource redistribution, but from empowering local innovators to create markets that serve "nonconsumers"—people who are typically overlooked by existing markets.

Market-creating innovations generate jobs, build infrastructure, and attract investments that ripple through communities, lifting them out of poverty. These changes also create a more inclusive economic system, fostering long-term wellbeing by enhancing social mobility and access to resources.

By linking innovation to development, *The Prosperity Paradox* provides a pragmatic, actionable blueprint for leaders, policymakers, and entrepreneurs to create self-sustaining economic ecosystems, shifting the narrative from aid dependency to innovation-driven prosperity (Christensen *et al.*, 2019).

The five keys to unlocking market-creating innovation

Market-creating innovations, as articulated in *The Prosperity Paradox paradigm*, fundamentally **target** the vast potential of **nonconsumption**—focusing not on existing customers but on those historically excluded due to affordability barriers. By identifying opportunities within this untapped segment and **designing business models** that democratize access to goods and services, organizations unlock pathways to scale that are both cost-efficient and transformative. Central to this approach is the strategic deployment of **enabling technologies**, which drive down costs while simultaneously broadening accessibility, thus empowering non-consumers to engage in markets previously out of reach (Christensen *et al.*, 2019).

A cornerstone of this paradigm is the creation of **new value networks**, wherein businesses reimagine their cost structures and employ innovative distribution channels to deliver affordable, high-impact solutions. Success in these nascent markets hinges on **emergent strategies** that prioritize adaptability, integrating real-time feedback and evolving market conditions to refine offerings. However, the pursuit of market-creating innovation is not without challenges. It necessitates **bold executive leadership** to navigate resistance from entrenched financial systems and allocate substantial upfront

resources. Visionary leaders play a pivotal role in **championing** these disruptive initiatives, cultivating the resilience and strategic foresight essential for overcoming barriers and unlocking transformative growth.

Successfully launching and scaling a market-creating innovation often hinges on the collaboration of two or more key visionaries: a bold, disruptive leader and a forward-thinking investor or supportive stakeholder—be it a relative, business angel, or founder's confidant—who possesses the courage to invest in uncharted territory and to overcome barriers. The visionary leader provides the transformative business idea, challenging established norms, while the investor or supporter brings the necessary financial backing and strategic confidence to navigate the uncertainties of pioneering a new market. Together, these **dreamers** share a willingness to embrace risk and envision a future shaped by innovation, forging a path toward groundbreaking success.

A pivotal element of *The Prosperity Paradox's idea* is also the distinction between **'pull'** and **'push'** strategies in fostering sustainable development. Traditional push strategies—centered on implementing institutions, anticorruption initiatives, and infrastructure projects—may provide temporary solutions but often fail to deliver predictable, enduring transformation. In contrast, pull strategies leverage market-creating innovations to generate organic demand for the essential resources and structures a society needs to thrive (Christensen *et al.*, 2019).

When new markets emerge as profitable ecosystems, they naturally attract the active engagement of key stakeholders, including investors, entrepreneurs, customers, and governments. These stakeholders, motivated by the economic value of the market, are incentivized to sustain and expand the supporting infrastructure, education systems, and policies that the market has **'pulled'** into existence. By aligning incentives and fostering collaboration, pull strategies **create a self-reinforcing**

ing cycle of growth and resilience. This approach not only

catalyzes immediate development but also lays the foundation for long-term, sustainable prosperity in a way that pushes strategies alone cannot achieve.

In conclusion, *The Prosperity Paradox* framework challenges conventional paradigms of economic development by reframing poverty not as a problem to be alleviated through aid, but as a fertile ground for innovation and opportunity.

Our discussion:

Ivo Pezzuto: Efosa, your journey to becoming the Director of the Global Prosperity Research Group at the *Christensen Institute* is truly inspiring. Could you share with us the key moments and experiences that shaped this path, particularly your founding of *Poverty Stops Here*? How did this initiative influence your approach to fostering global prosperity through innovation? Finally, could you reflect on how collaborating with the late Clayton Christensen impacted both your career trajectory and your personal life, shaping the visionary leader you are today?

Efosa Ojomo: Steve Jobs once said, “You cannot connect the dots looking forward; you can only connect them looking backward.” That sentiment perfectly captures my journey and how I came to do this work at the Christensen Institute. It all began on an ordinary day when I walked into a bookstore with a friend. He was there to purchase Paul Collier’s book, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It* (Collier, 2007). By sheer chance, and without any particular interest in the subject at the time, I decided to buy a copy for myself. Little did I know that a seemingly random decision would transform my life. At the time, I was an engineer with little exposure to topics like poverty, development, or economics. Reading that book opened my eyes to the struggles faced by millions of people worldwide and ignited a passion within me to make a difference. I started devouring more books on the subject, and

eventually, I founded *Poverty Stops Here*, a nonprofit organization focused on tackling poverty. That experience was life-changing—it wasn’t just about helping others; it shaped my understanding of what drives meaningful change.

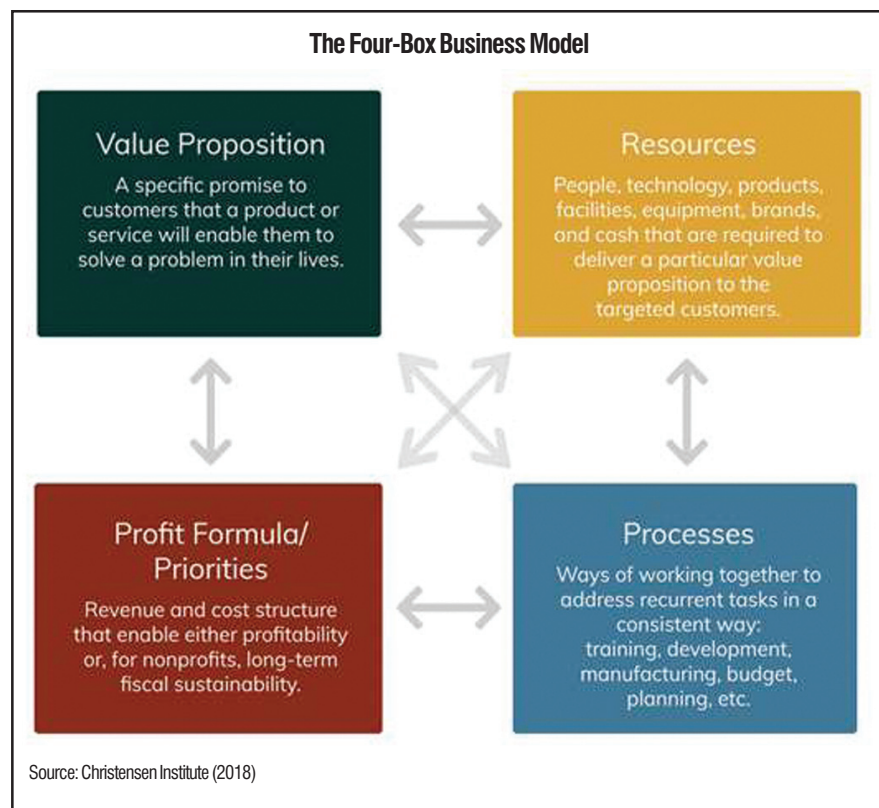
This path ultimately led me to business school, where I had the incredible fortune of meeting Clayton Christensen. After graduating, I had the privilege of working alongside him until his passing in January 2020. Those years were transformative, as they helped me refine my focus and align my passion with actionable insights.

At the Christensen Institute, our work centers on understanding the causal mechanisms behind prosperity—what truly enables societies to thrive—and identifying ways to ignite those mechanisms in the world’s poorest regions. Much of our research has pointed to a specific type of innovation we call **market-creating innovation**. This form of innovation doesn’t just solve problems; it transforms entire economies by creating new markets that empower previously overlooked populations.

Reflecting on my journey, I realize how the smallest, most unexpected decisions—like buying a book on a topic I had no prior interest in—can set off a chain of events that redefine your purpose. Those seemingly insignificant moments, if we embrace them, have the power to change our lives in profound and unpredictable ways.

Ivo Pezzuto: Efosa, could you delve into the central thesis of *The Prosperity Paradox*? Specifically, how do market-creating innovations, when synergized with transformative technologies such as artificial intelligence (AI), machine learning, blockchain, quantum computing, Internet of Things (IoT), robotics, biotechnology, and genomics, and extended reality, have the potential to not only catalyze widespread prosperity but also foster inclusive progress for the benefit of humanity?

Efosa Ojomo: One of the first things to recognize is how starkly visible poverty is, particularly in low- and middle-income countries. It is not subtle—it confronts you head-on, leaving a profound impact. When you enter these nations, the differences in infrastructure and in-



stitutional frameworks are immediately apparent. The roads, ports, bridges, airports, schools, and healthcare systems often fall far below the standards of wealthier countries. This visibility creates a natural, almost reflexive desire to intervene directly: to fix the roads, build the ports, or improve the schools. However, this well-meaning instinct often bypasses a critical question: **What mechanisms will sustain these investments over time?**

Without an ecosystem that supports sustainable development, such efforts can falter. It's not a matter of intelligence—people are remarkably capable. The challenge lies in the overpowering immediacy of poverty, which pushes us toward addressing visible symptoms rather than **reframing the problem at its core**. The key lies in shifting the focus: instead of asking what we want to achieve, we must ask what solutions will make those achievements self-sustaining.

This perspective becomes even more critical when we examine the role of transformative technologies—what some experts refer to as **general-purpose technologies (GPT)**. Innovations like the steam engine, internal combustion engine, microprocessor, and the Internet have profoundly reshaped lives. Understanding the historical impact of these technologies can provide valuable insights, though not definitive answers, into the potential of emerging advancements such as AI and mRNA technology. The lesson lies not merely in

the invention but in how these technologies are embedded within *business models* that address *nonconsumption*—that is, the barriers that prevent widespread use, such as affordability, accessibility, complexity, and time constraints. An organization's **business model** is comprised of four interrelated and interdependent components, each playing a crucial role in the creation and delivery of value.

True transformation occurs when innovative technologies are leveraged to break down these barriers. They unlock prosperity by reaching underserved populations, improving lives, and generating significant economic returns. Yet, this approach remains underutilized on a global scale. Consider the proliferation of mobile phones and global telecommunications—a rare example of technology achieving near-universal adoption. Whether in the United States, Ghana, or Bangladesh, the diffusion of telecommunications technology is strikingly uniform. While not everyone in Nigeria, for instance, owns a high-end smartphone, the fundamental ability to connect over airwaves has become ubiquitous. This connectivity represents a transformative innovation with inclusive societal benefits.

It is this focus on nonconsumption that defines real innovators. Most technologies are designed for wealthy markets, and accessible only to a privileged few in low-income countries. By contrast, innovations that prioritize nonconsumption

have the power to transcend economic divides, creating opportunities that uplift entire societies. These are the solutions that truly bridge the gap between aspiration and sustainable impact.

Ivo Pezzuto: Efosa, in a world hungry for transformative growth, how can innovators and forward-thinking ecosystems drive local entrepreneurship and prosperity by executing a **demand-driven Market-Creation Innovation Strategy**, and what key actions—like visionary leadership, resource mobilization, and barrier removal—are essential to enable such transformative growth?

Efosa Ojomo: Every entrepreneur can resonate with a singular, profound question: *What struggle are we solving?* While deceptively simple, this question underscores the essence of entrepreneurial journeys and innovation. Life itself is a series of struggles, ranging from the ordinary—like satisfying hunger—to the profoundly complex. At the heart of every business venture lies the *mission* to address these struggles by understanding and delivering on the *“Jobs-to-be-done.”*

Empathy and design thinking: The foundation of innovation

Understanding the *Job to be done* starts by immersing oneself in the lives of nonconsumers—those for whom existing solutions are either unavailable or

Diffusion of Different Technologies in Select Countries

Technology	USA GDP per capita: \$76,330	France GDP per capita: \$40,886	Angola GDP per capita: \$3,000	Ghana GDP per capita: \$2,204	Cameroon GDP per capita: \$1,563	Sudan GDP per capita: \$1,102
Electricity	100%	100%	48.2%	86.3%	65.4%	61.8%
Internet	92%	85%	33%	68%	46%	28%
Computers	94.6%	86%	32%	16%	17.9%	12%
Tele-communications Networks	100%	99%	100%	97%	80.1%	91.6%
Cars	91.7%	86.2%	3.5%	4.4%	1.8%	0.4%

Source: Christensen Institute (2024b, June 10).

inadequate. This process demands deep empathy: *observing, engaging,* and *questioning* without prejudice. Entrepreneurs must adopt *Design Thinking*—a human-centered approach that emphasizes discovering unmet needs and identifying opportunities for market creation (Christensen *et al.*, 2007; Kelley *et al.*, 2001). By piloting fresh ideas, innovators can test whether their product or service effectively addresses the struggle.

The “*Lean Startup Model*” offers a powerful framework for iterating on these solutions. It helps entrepreneurs gauge whether their innovations align with market demands and whether they genuinely fulfill the *Job to be done*. As these insights crystallize, the next pivotal question emerges: *What kind of company do we need to build to solve these struggles sustainably?*

Financing and leadership: Key drivers of market creation

Two critical aspects of this process are financing and leadership. Research reveals that many successful market-creating ventures initially rely on personal networks, such as friends and family, for seed capital. Institutional investors, while valuable, are often hesitant to fund early-stage, high-risk initiatives.

Moreover, market-creating innovations frequently require “*patient capital*”—investment from stakeholders who understand the broader purpose of serving nonconsumers. Impatient investors, focused solely on rapid returns, often struggle to align with the long-term vision of building infrastructure-heavy ecosystems, such as manufacturing plants or warehouses, which are often necessary to enable access for underserved populations.

Leadership plays an equally vital role. Creating new markets is among the most challenging human endeavors. It requires a distinct set of attributes that drive individuals to persevere in the face of adversity, even when more comfortable options are available. Research highlights four core leadership

attributes essential for market creation: love, humility, faith, and systems thinking.

The leadership imperative

- 1. Love:** In this context, love transcends passion or enthusiasm. It reflects the willingness to work selflessly for the benefit of others, often at great personal cost. It is the driving force behind serving those who lack access to essential products and services.
- 2. Humility:** Innovators must approach market creation with a learner’s mindset. Humility enables them to navigate uncharted territory, experiment, and embrace failure as a step toward success. Leaders must ask the right questions rather than assuming they have all the answers.
- 3. Faith:** Faith is the belief in the possibility of transformative change. It is not blind optimism but a steadfast belief in the possibility of creating solutions for those who lack access. Faith fuels the resilience needed to overcome inevitable obstacles.
- 4. Systems Thinking:** Market-creating innovations transcend the mere development of products or services; they necessitate the construction of entire ecosystems. Visionary innovators must design and establish the infrastructure, value networks, and institutional frameworks required to sustain and scale these markets. By embracing a systems-level perspective, they enable enduring access to underserved populations, addressing complex interdependencies and fostering transformative societal impact.

The power of market-creation innovations

The path to creating new markets is fraught with challenges, but its rewards are profound. These innovations not only uplift underserved communities



Dr Ivo Pezuto

but also serve as powerful catalysts for economic growth. A simple example of a market creating innovation (MCI) is the proliferation of mobile phones globally, especially in low- and middle-income countries.

Other notable examples of MCIs include:

Ford’s Model T: Revolutionized transportation by making automobiles affordable for the average American.

CelTel: Introduced affordable mobile phones and telecommunications services across multiple African countries.

Eastman Kodak’s Cameras: Democratized photography by creating user-friendly, accessible cameras.

Tolaram’s Indomie Noodles: Created a staple food category in Nigeria.

M-PESA: Enabled financial inclusion in Kenya through a mobile money platform.

Amadeo Giannini’s Bank of Italy: Pioneered accessible banking services in 1904, which later evolved into Bank of America.

AI and the promise of transformative technologies

Looking ahead at the potential of today’s transformative technologies, particularly artificial intelligence and generative AI (GenAI), we find ourselves at a pivotal moment. While the future impact of AI remains uncertain, one truth stands clear: AI is progressing at a remarkable pace, with profound im-

plications for society. This uncertainty prompts us to pause and reflect on how AI can be harnessed to drive global prosperity, particularly through market-creating innovations that cater to nonconsumers.

At the Christensen Institute, my colleague Sandy Sanchez and I have explored this issue in depth. We believe that understanding the connection between technology and prosperity requires examining historical precedents. Throughout history, technology has played a pivotal role in lifting societies out of poverty, but this process has always been complex, involving two key hurdles: **democratization** and ensuring **safety** and **security**. These factors—access to technology for all and the protection of health, physical, and economic security—are essential to ensuring that technology benefits society as a whole, rather than just a privileged few.

We believe that for technology to yield prosperity—more access for more people—entrepreneurs, investors, and policymakers must prioritize one specific type of disruptive innovation: **market creating innovations (MCIs)** which usually comprises three phases: the **discovery** phase; the **distribution** mechanism and the **democratization** phase.

As we stand at the dawn of a new technological era, the true promise of AI and other transformative innovations lies in their ability to promote **inclusive prosperity**. Achieving this vision demands a **thoughtful, systems-level approach to innovation**—one that not only prioritizes sustainable access for underserved communities but also protects their wellbeing. By embedding these principles into the core of innovation, we can harness technology as a powerful catalyst for good, unlocking enduring economic opportunities that benefit all.

AI is rapidly transforming industries such as healthcare, finance, and agriculture, unlocking new possibilities for global prosperity. In healthcare, companies like *AiCure* in the United States and *NIRAMAI* in India are using AI to revolutionize patient monitoring and early cancer detection. In finance, *Ant Group* in China and *Wealthfront* in

the US leverage AI for banking services and investment management. Numerous examples across diverse sectors, including agriculture and transportation, further underscore the vast potential of AI to drive transformative change. However, for AI to truly benefit underserved populations, it must be integrated into business models designed to serve nonconsumers globally, driving inclusive growth and accessibility.

The true goal of harnessing transformative technologies should extend beyond cost reduction, productivity gains, or competitive edge. Instead, it lies in uncovering the unmet needs and aspirations of nonconsumers—those overlooked by conventional markets—and crafting innovative business models that fill these gaps. By addressing these latent demands, we can unlock profound societal benefits, ensuring technology becomes a driver of inclusive and far-reaching progress.

To ensure AI becomes a driver of global prosperity, entrepreneurs, innovators, policymakers, and thought leaders must adopt a deliberate, **people-centered approach**. First, implementing thoughtful regulatory guardrails can mitigate the unintended consequences of unchecked innovation while guiding AI toward fostering *positive societal impact*. Equally critical is *democratizing access to AI*, ensuring its benefits reach the many, not just the privileged few. Asking fundamental questions about **equity, impact, and externalities** can help align technology with the broader goal of improving lives. Moreover, distinguishing between mere innovations and market-creating innovations is essential; the latter requires embedding AI within sustainable business models that address specific, underserved needs to **reduce disparities** rather than exacerbate them.

AI itself is a tool, not a business model. Its transformative power depends on how it is integrated into solutions that target nonconsumption. By aligning resources, processes, and profit models to address these gaps, businesses can unlock AI's potential for far-reaching impact. Finally, AI should be used to **augment human skills** rather

than displace them. From enhancing teacher effectiveness to improving healthcare training, AI can empower workers, particularly in growth economies, to thrive in evolving industries.

Creating new markets is one of humanity's most demanding yet rewarding pursuits. It requires visionary leadership, empathetic understanding, patient capital, and a commitment to building ecosystems. Entrepreneurs who embark on this path do more than disrupt industries—they redefine them, turning struggles into opportunities and unmet needs into transformative solutions. Addressing the *Job to be done* is not merely a sound business strategy; it is a profound act of service that uplifts communities and reshapes societies.

Inspired by the trailblazing efforts of market-creating innovators, the next generation of entrepreneurs holds the power to redefine the future—transforming struggles into opportunities and unmet needs into pathways of progress. These visionaries can leverage ingenuity to craft solutions that not only disrupt industries but also uplift communities, leaving an enduring legacy that reshapes societies for the better.

As AI and GenAI advance, their potential to serve as transformative forces will rest on their alignment with the core principles of market-creating innovation. By addressing the needs of the underserved, fostering inclusive prosperity, and building ecosystems that empower individuals, these technologies can transcend mere utility to become profound catalysts for collective progress. In doing so, they offer humanity not just tools but hope—a vision of a future where innovation bridges the divide, creates opportunities, and fulfills its highest purpose: to serve as a force for enduring good. ■

Interview conducted by Ivo Pezzuto.

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