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Assignment 2

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Disruptions typically occur when a smaller company takes advantage of a small portion of a market with the intention of slowly climbing up that market’s ladder. However, advances in modern technology has completely changed the impact disruptions can have. In the past, disruptions were cheap and inferior products that had no chance of competing with the larger companies because they suffered from the same constraints. Modern technology has completely removed that aspect from disruptions and gave them the ability to completely take over any given market if given the opportunity. By utilizing the internet and smart devices, these smaller companies are able to create products that are cheaper to make, easier for consumers to access, and can completely replace the primary product. One example used frequently in the article was how GPS apps on smart phones were able to quickly replace GPS devices by using these methods. Information technology allows these small ideas to quickly takeover the market by utilizing new technologies to gain an edge on competitors.

Innovations and disruptions in businesses can have a lot of negative effects, especially recently given how effective they’re becoming. These innovations can be deadly to a lot of bigger companies because they can’t offer the same services at the same consistency as the smaller innovators. Therefore, in order to benefit from a disruption I think it’s most important that you react as quickly as possible. A good example of this is how cable TV companies decided to work with the streaming service Hulu to avoid losing their market completely. By reacting and adapting, the cable companies were able to control the disruption to some degree. In comparison, we can look at Blockbuster and realize how their poor reaction to the same services resulted in their business failing. Overall, I think it’s best to react in a manner to gain some control over a disruption or extreme innovation in your market in order to benefit from it.