

It is almost always new entrants who are not encumbered by past success that initiate the change. Whilst VMware CEO Pat Gelsinger might state that Amazon as a “company that sells books” shouldn’t beat VMware and its partners in infrastructure provision, it is precisely because Amazon was not encumbered by an existing business model that it could so easily industrialise the computing infrastructure space.

Naturally, the initial reaction to the change is skeptical despite any latent frustrations of consumers with the costs associated with past models. However, some consumers — usually new entrants themselves entering into other industries — start to adopt the more evolved components because of the benefits of efficiency, agility and ability to build higher order systems of value. The Red Queen kicks in, pressure mounts for others to adopt and what started with a trickle suddenly becomes a raging flood. The resistance to change of existing suppliers will still continue until it has become abundantly clear that the past model is going to decline. Unfortunately for those suppliers, by the time this happens it is often too late as the new entrants have dominated the future market. Many past giants don’t survive. This process of new entrants, a trickle of adoption becoming a flood and slow moving past giants due to inertia is common in history.

## **Categorising climatic patterns**

We’ve now covered in a very superficial way some basic climatic patterns. As we journey through this book we will iterate around the strategy cycle and revisit them, refining as we go along and adding new patterns. It’s worth knowing that there are many economic