

# Module 11 (Simulation: Disruptive Innovation)

## Managing the Dual Transformation Problem: Non-predictability and Disruptive Innovation

*Please click on the following links to have direct access to the modules. Module 1 - Module 15 a*

[M 1](#)

(<https://canvas.vt.edu/courses/168287/pages/module-1>).

[M 2](#)

(<https://canvas.vt.edu/courses/168287/modules/358672>

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### Overview

Welcome to Module 11! This module will last from Monday, April 3 @ 12:01 AM through Sunday, April 9 @ 11:59 PM. In this module, we wrap up our discussion of the challenges disruptive innovations present to both incumbent and new firms. In the reading, Christensen highlights the critical challenges to forecasting the future development of disruptive innovations, identifying the critical barriers to quantifying an emerging, new market segment.

Christensen also highlights the role of a firm's resources and capabilities in shaping the responses of a firm toward disruptive innovations. As we will discuss in the lecture, at the heart of these resources is a "meta-capability:" dynamic capabilities that consist of a firm's \*routine\* for creating new routines. Here we will draw a link with our previous discussion of agile strategy to highlight the particular elements of an agile/emergent strategy.

To help you apply the ideas we covered in this unit, our main task in this module is to tackle the second simulation. This complex simulation is designed to challenge you to manage the problem of dual transformation in an incumbent firm where you have to decide how to allocate resources between two product lines: a legacy product (transformation A) and a disruptive product (transformation B). Enjoy the simulation this week! The simulation will provide a useful laboratory for applying the concepts and frameworks we have explored in this unit.

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### Objectives

*Upon completion of this module, students will be able to:*


- Identify and understand the fundamental tenets of disruptive innovation
  - Integrate material and logics of dual transformation and managing disruptive innovation
  - Execute an emergent strategy to manage the problem of dual transformation in disruptive innovations
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## **Readings** (2 hours)

### **Required:**

- Read the overview to Module 11
- ID (Christensen Book): Chapter 7-9 (from HBSP Coursepack)
- Simulation Background Case Materials (from HBSP Coursepack)

### **Optional:**

- **Innovation Strategy across the TALC**   
(<http://www.kilku.com/blog/2014/07/moore%E2%80%99s-category-maturity-life-cycle-and-innovation-types/>)
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## **Watch** (20 minutes)

- **Lecture 6: Sources of Value**  (<https://youtu.be/RIP6eVIWdiA>)



(<https://youtu.be/RIP6eVIWdiA>)


- **Lecture 6 Deck: DI & Agile Strategy**  
(<https://canvas.vt.edu/courses/168287/files/26483913/download?wrap=1>)
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## **Class Activities**

- Read Overview of Module 11
  - **Complete Quiz #11** (<https://canvas.vt.edu/courses/168287/quizzes/421334>)
  - **Complete Simulation #2: Managing Dual Transformation**  
(<https://canvas.vt.edu/courses/168287/assignments/1681452>)
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**Assignment (3 hours)**

*These are the graded components of the Class Activities listed above.*

- **Complete Quiz #11** (<https://canvas.vt.edu/courses/168287/quizzes/421334>)
-  (<https://hbsp.harvard.edu/import/655355>) **Complete Simulation #2: Managing Dual Transformation** (<https://canvas.vt.edu/courses/168287/assignments/1681452>)

**Recitation (1 hour)**

- *Please note that you are not required to attend the weekly optional office hours from 7-8 PM on Thursdays. All weekly Zoom meetings will be recorded. The optional session will be recorded for everyone who cannot attend. You will be able to access the video after it finishes processing (usually 24-48 hours after it is recorded) through the Media Gallery (Course) on the left-hand side of the screen here on Canvas.*
- <https://virginiatech.zoom.us/j/81038408606>  (<https://virginiatech.zoom.us/j/81038408606>)

**Optional Materials**

*Please find the following optional materials for the module.*

- **Beyond Prediction: AI in Complex Environments**  (<https://www.youtube.com/watch?v=RCWI0rf8lpE>)



<https://www.youtube.com/watch?v=RCWI0rf8lpE>