

A large, multi-pointed pink starburst shape with a black outline, centered on a dark gray background. The word "DISRUPTION" is written in white, bold, sans-serif capital letters across the center of the starburst.

# DISRUPTION

Innovation without hesitation

# What is Disruption?

Business disruption happens when an existing industry faces a challenger that offers far greater value to the customer in a way that existing firms cannot compete with directly

# Issue #1 - Unpredictability

- Due to the unpredictable nature of disruption, it is hard to plan for and mitigate risks
- More factors make it harder to plan chance of success

**Around 90% of all startups with potential disruptive products fail within the first 10 years**

## Issue #2 - Competition

The competitive nature of the disruptive business model leads to the loss of many businesses

### DISRUPTORS

- Amazon
- Uber
- Facebook
- Google

### DISRUPTED

- Toys-R-Us
- Yellow Cabs
- MySpace
- Yahoo

The Amazon logo is displayed in a white box. It features the word "amazon" in a bold, lowercase, sans-serif font. Below the text is a curved orange arrow that starts under the letter 'a' and points towards the letter 'z'.The Uber logo is displayed in a black box. It features the word "Uber" in a white, lowercase, sans-serif font.

## Issue #3 - Unrefined Products



Nintendo Virtual Boy



ChatGPT



Zeo

Fin

# Pro-“Disruption” as a Business Model

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Coined by *The Innovator's Dilemma* by Clayton Christensen, disruption is

**a product that creates a new market, disrupts an existing market, and replaces an existing product**



# Some examples are...

- Uber
- ChatGPT
- Amazon
- Tesla
- Spotify

## What do all of these have in common?

Just like the definition of disruption as a business model states, they all introduced a new concept into their respective fields and disrupted the status quo, and as a result, **are wildly successful.**

# Benefits of Using “Disruption” as a Business Model

- Can force innovation to occur as competing companies must adapt to keep up, in turn advancing the field as a whole
  - With the rise of AI’s popularity in the tech field, more and more companies have been incorporating it into their products in even more advanced ways
    - Alexa, Siri, ChatGPT, Gemini, Copilot AI
  - Companies can learn from the trials and errors of other companies to better their own products, which can lead to the advancement of the field as a whole
- Can dramatically increase economic growth
  - As of February 2024, AI spending in the retail industry is expected to reach \$20 billion by 2026, a compounded annual growth rate of 39% since 2019 (CompTIA IT Industry Outlook 2024)

## Benefits (cont.)

- Can improve a company's productivity and efficiency while cutting costs
  - By utilizing these technological tools such as AI and robots, companies can automate simple tasks while allocating workers to more critical tasks
- Improved quality of life
  - With the rise of biotechnology (utilizing a combination of natural and engineering sciences to solve problems), many doctors are turning to these products to “improve the diagnosis, treatment, and monitoring of diseases, overall increasing life expectancy and quality of life” (Repsol)
  - E.g. Human insulin, an injection that has saved the lives of millions, is the product of biotechnology and it was genetically engineered in 1978 using E. coli bacteria (American Diabetes Association)

# Sources

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**Q&A**