

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, featuring the word "amazon" in a bold, lowercase, sans-serif font. Below the text is a curved orange arrow that starts under the 'a' and points towards the 'n', resembling a smile.The Uber logo, consisting of the word "Uber" in a white, lowercase, sans-serif font, centered on a solid black rectangular background.

## Issue #3 - Unrefined Products



Nintendo Virtual Boy



ChatGPT



Zeo

Fin

# Pro-“Disruption” as a Business Model

Amaryllis Sun

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
- Airbnb
- Amazon
- Tesla
- Spotify
- Bitcoin



Spotify®

Uber

amazon

**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
- Lowers prices and makes the product more accessible to the general public
- Influences how the competing companies operate, in turn advancing the field as a whole
- Typically increases the prioritization of the customer over profits

# Addressing Counter Arguments

## **1. Unpredictability**

If we craft with the goal of predictability in mind, unique innovation will never truly occur and the same companies will remain dominant in the industry.

## **2. Competition**

Although it is true that some of the examples of disruptive companies eliminate their competitors (e.g. Uber and yellow cabs), the theory of disruption as a business model encourages other companies to eventually disrupt these companies as well, continuing the cycle.

# Sources

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**Q&A**