Leg 9. From Newport to Cardiff
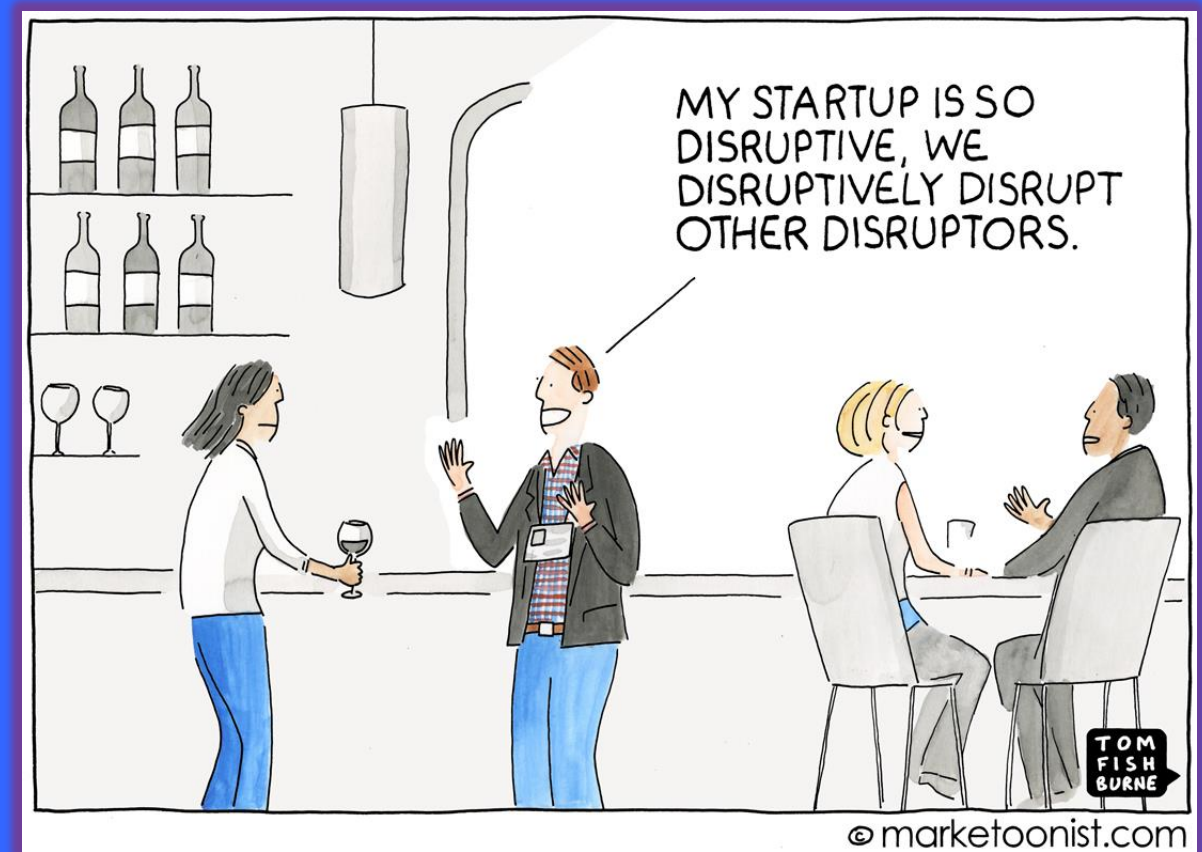
Digital Disruption
01. Introduction and Concept

OUTLINE. Digital Disruption

01
Introduction & Concept

02
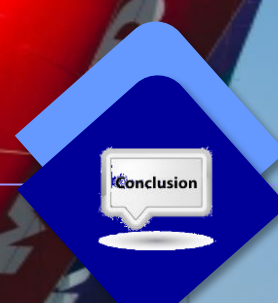*Digital Transformation*

03
Digital Leadership

04
Digital Technologies Rating

05
Impact of Digital Technologies on Education

06
Summary and Conclusions

Leg 9. From Newport to Cardiff

OUTLINE. Digital Disruption

01
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We are here

Conclusion

Digital Disruption: Introduction and Concept

Let´s face three different concepts which are used interchangeably with a big issue on top, the term disruption.

Disruption
- Disturbance that interrupts an event, activity or process

Technology
- The application of scientific knowledge for practical purposes, especially in industry.

Disruptive Technology
- refers to any enhanced or completely **new technology** that replaces and disrupts an existing technology, rendering it obsolete.

Disruption
- Disorder, upset, trouble, dislocation, perturbation

Innovation
- the application of better solutions that meet new requirements, unarticulated needs, or existing market needs.
- A new idea, device or method

Disruptive Innovation
- is an **innovation** that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances. Christensen.

Disruption
- Rupture, breaking, breakdown, breakup, breach

Digital
- Digital economy, an economy based on computing and telecommunications resources
- Digital refers to something using digits (binary digits)

Digital Disruption
- Digital disruption is a change in industry value triggered by advances in information and communications technology

- Even though I am a big fan of evolution and change, my first reaction to this topic is to say, why are we accepting, using and causing DISRUPTION with our innovations and technologies and digital discoveries?.
- The big issue on top of our innovations (digital or not) is the **acceptance** of the term DISRUPTION as a norm of "business as usual".
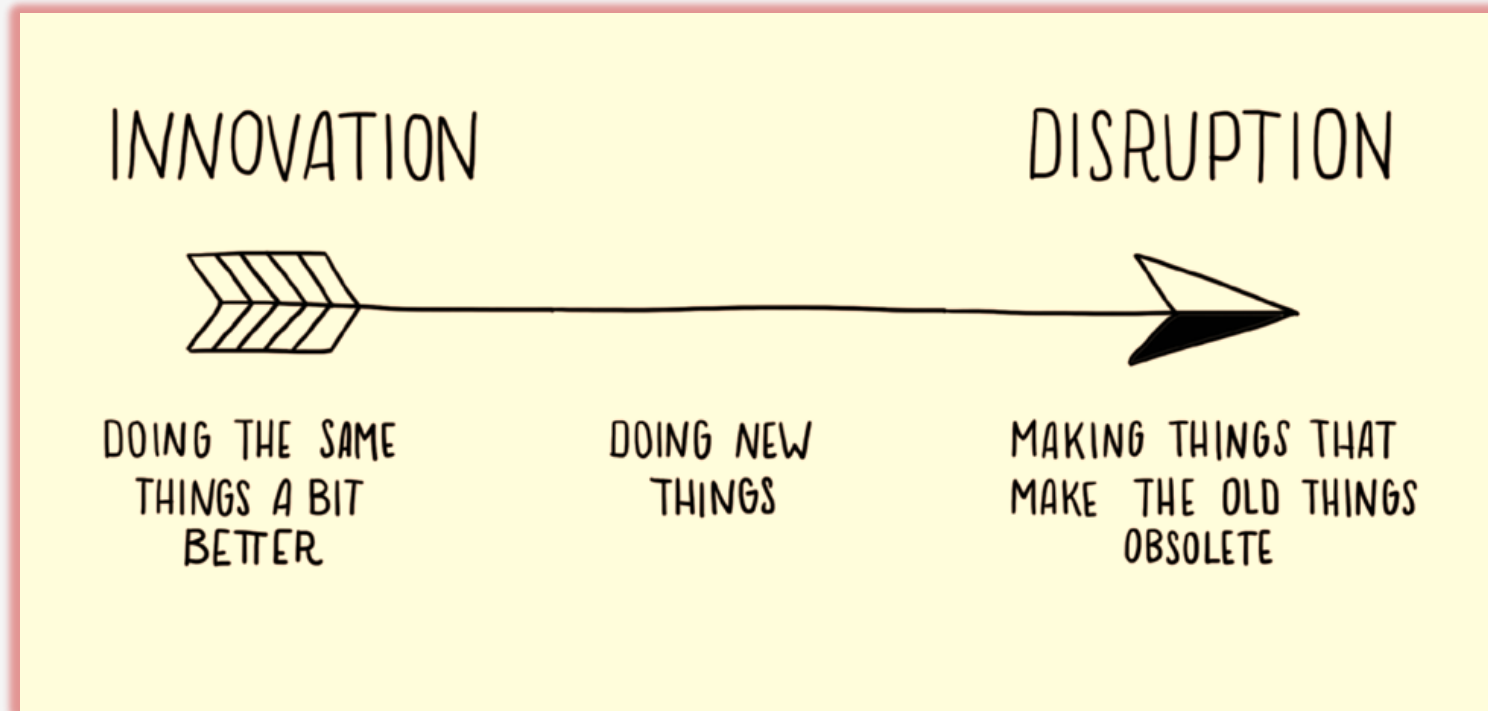
Is the purpose of our businesses to cause disruption to humanity or to cause a balanced evolution?

4

Digital Disruption: Introduction and Concept

A disruption is an innovation. But not all innovations are disruptive....

INNOVATION → DISRUPTION

DOING THE SAME THINGS A BIT BETTER

DOING NEW THINGS

MAKING THINGS THAT MAKE THE OLD THINGS OBSOLETE

Digital Disruption: Introduction and Concept

The definition of Disruption from Christensen, Raynor, Altman and McDonald (2015) from the perspective of business and competition:

"**Disruption** describes a process whereby a company with fewer resources is able to successfully challenge established incumbent businesses. Specifically,

- As incumbents focus on improving their products and services for their most demanding (and usually most profitable) customers, they exceed the needs of some segments and ignore the needs of others.
- Entrants that prove disruptive begin by successfully targeting those overlooked segments, gaining a foothold by delivering more-suitable functionality— frequently at a lower price.
- Incumbents, chasing higher profitability in more-demanding segments, tend not to respond vigorously.
- Entrants then move upmarket, delivering the performance that incumbents' mainstream customers require, while preserving the advantages that drove their early success.
- When mainstream customers start adopting the entrants' offerings in volume, disruption has occurred." *Christensen, Raynor, and McDonald (2015)*
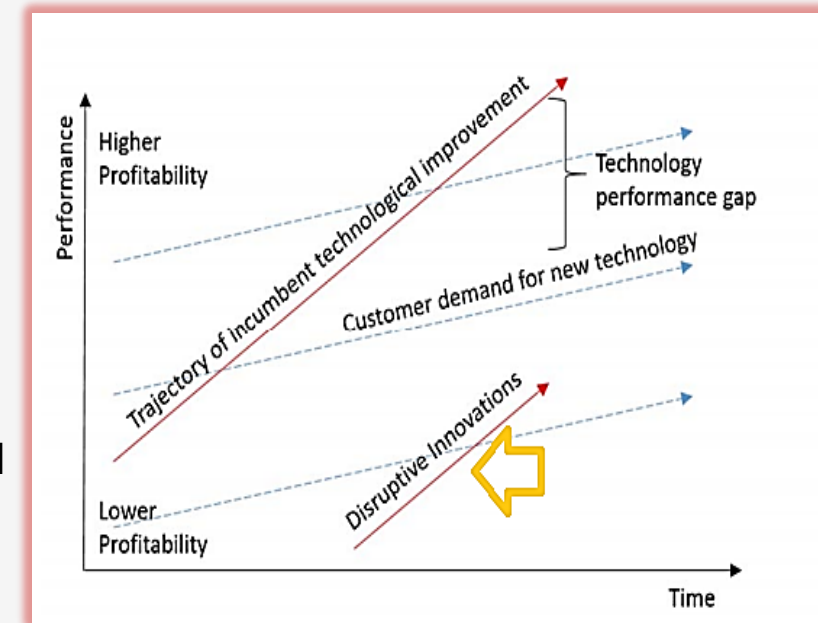
Disruptive Innovation Model

Source: Disruptive Innovation: Intellectual History and Future Paths. Clayton M. Christensen, Elizabeth J. Altman Rory McDonald, Jonathan Palmer. 2016.

Digital Disruption: Introduction and Concept

Some Highlights about Disruptive Technologies and Digital Disruption. This is just starting...

1995

Clayton Christensen and Joseph Bower introduced his first idea of "disruptive technologies" in his article *Disruptive Technologies: Catching the Wave*.
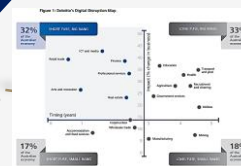
1997

Clayton Christensen coined officially the idea of "disruptive innovation" in his book *The Innovator´s Dilemma*

2009

In 2009, Milan Zeleny described high technology as disruptive technology and raised the question of what is being disrupted.

2012

By 2012, Deloitte identified digital disruption as "transforming the way companies and agencies operate and how they engage with their customers". Deloitte launched Deloitte Digital.

2014

Harvard Historian, Jill Lepore criticized Christensen in The Disruption Machine. She wrote its case in The New Yorker .

2012 - 2018

"The digital consulting era is still in its infancy"

The big consulting firms as McKinsey, Deloitte, Accenture, BAIN, BCG, Gartner, PWC and the rest consulting established firms, started to offer digital consulting services.
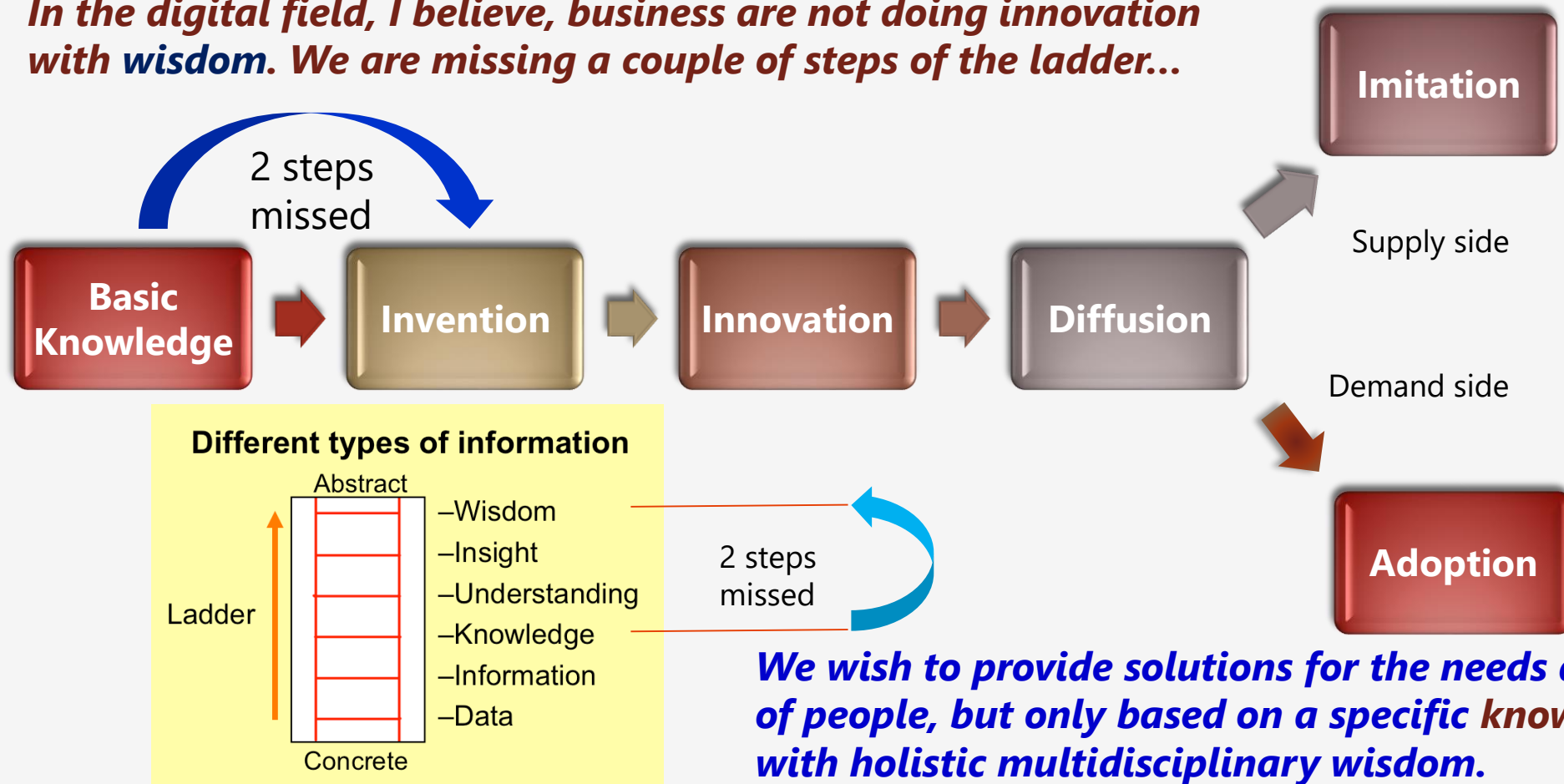
Digital Disruption: Introduction and Concept

*In the digital field, I believe, business are not doing innovation with **wisdom**. We are missing a couple of steps of the ladder...*

Imitation

2 steps missed

Basic Knowledge → **Invention** → **Innovation** → **Diffusion**

Supply side

Demand side

Different types of information

Abstract

–Wisdom
–Insight
–Understanding
–Knowledge
–Information
–Data

Ladder

2 steps missed

Concrete

Adoption

We wish to provide solutions for the needs and wants of people, but only based on a specific knowledge, not with holistic multidisciplinary wisdom.

Digital Disruption: Introduction and Concept

It seems to me, business leaders are doing business decision making with capped minds...

Disruption instead of balanced Evolution

Lack of Wisdom
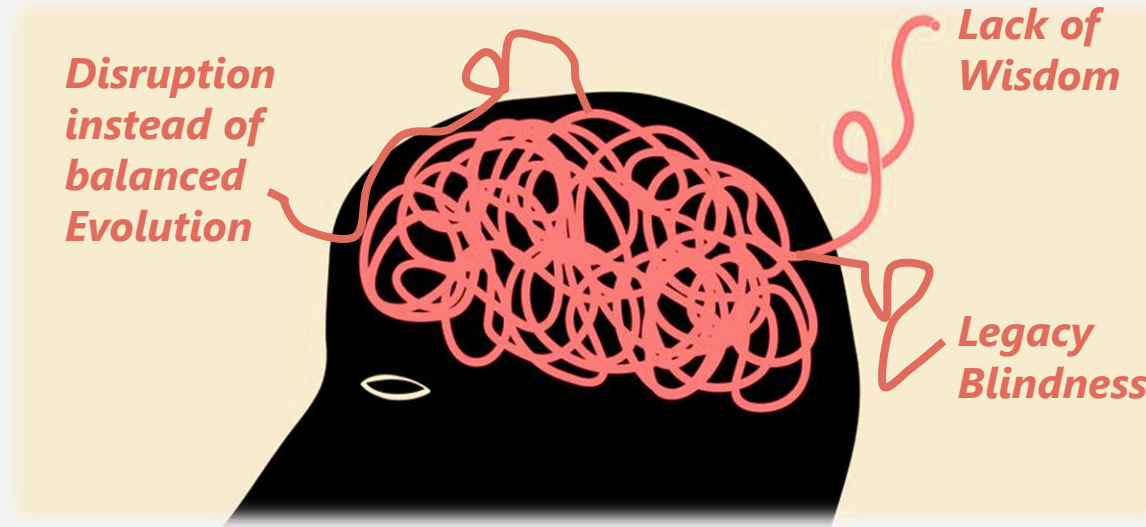
Legacy Blindness

Lack of Wisdom: First of all business owners are doing businesses or deciding about which businesses to pursue, with *capped minds*. We trigger, promote and do inventions and innovations based on basic knowledge, not based in wisdom.

Legacy Blindness: Second, business owners create or pay others to help them to decide without discernment in terms of the consequences for the next 4 generations.

Promoting Disruption instead of Balanced Evolution: We are all the time rushing to disturb instead of promoting equilibrium

Digital Disruption: Introduction and Concept

It is possible, Digital Disruption is a term coined after the Christensen Disruption Technology definition. In consequence, the concept of Digital Disruption follows the same tendency.

Digital disruption is the change that occurs when new **digital** technologies and business models affect the value proposition of existing goods and services. *https://searchcio.techtarget.com/definition/digital-disruption*

Digital disruption is an effect that changes the fundamental expectations and behaviors in a culture, market, industry or process that is caused by, or expressed through, digital capabilities, channels or assets. *https://www.gartner.com/it-glossary/digital-disruption*

Digital disruption is a change in industry value triggered by advances in information and communications technology. *https://www.strategy-business.com/article/The-Coming-Wave-of-Digital-Disruption?gko=33381*

Digital disruption is a transformation that is caused by emerging **digital** technologies and business models. These innovative new technologies and models can impact the value of existing products and services offered in the industry. *https://blog.oxfordcollegeofmarketing.com/2016/02/22/what-is-digital-disruption/*

Digital Disruption: Introduction and Concept

The wrong consequences of high-speed disruption (no matter what type of it) is of at least two general categories:

Internal (to the human being)	External (societies and economic)
Depression and anxiety	Unemployment
Hypertension	Increase inequalities
Obesity – causing diabetes, metabolic syndrome, heart disease	Poverty Family destruction
Sleep deprivation	Cyber-security Issues-Lack of Privacy
Stress	Risks associated with destruction and wars
Isolation-social chaos	Immigration

- Digital Disruption is defined in a way that we are not creating balance or harmony of planet earth.
- It is a non-ended agony to put our brains at service of disruption.
- We are disrupting all the time the delicate balance of our humanity.
- We are creating products and services at higher velocities than what our own mental models evolve.
- Again we are rushing the next generations to grow old **too fast.**

Digital Disruption: Introduction and Concept

Any change led by businesses of any type in each of the industries can evolve with equilibrium... life is not meant to be lived by high speed disruption, but balanced evolution. Why do we have to pursue disruption?

Digital Disruption: Introduction and Concept

For today, it is our aim to provide the basic elements to define Digital Disruption...
And try to convince you to think about the following question:

Why do we accept the term "disruption" based only on knowledge transformation, instead of a steady balanced "evolution" based on integral holistic and multidisciplinary wisdom?.

Thank you!