

The discipline to overcome the threats of business disruption

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“Strategy is not the consequence of planning, but the opposite: its starting point.” –Henry Mintzberg

It is possible to start a business from the grassroots and catapult it to the height of achievement by crafting proper strategies, detecting the discontinuities that may pose a real challenge for the business in future.

In business, when we speak of disruption, it actually means “Disruptive Innovation”. This term was coined for the first time by Clayton Christensen of Harvard Business School in his magnum opus “The Innovator’s Dilemma” in 1997.

Disruption is not as scary as it sounds. It actually means advancement in the age of globalization and industrialization. Disruption aka “disruptive innovation” depicts the creation of new markets, which earlier no one had thought of. It means understanding not only the present demands of the people but also having knowledge and insights about their future needs and requirements.

The theory of Clayton Christensen also throws light on the way small enterprises or firms with minimal resources entered the market, created new customers, attracted old customers, and finally disrupted the established market system. Some well-known *Disruptions* of the existing business that we use in our day-to-day life.

What Disruption poses for the business owners of today?

Disruption has become jargon in the entrepreneurial world. With the rapid emergence



of disruptive business models, the existing scenario of business functioning and engaging the customers is undergoing a transformation. However, the concept, unlike innovative businesses is not new. With the advancement of technology, and rapid evolution in knowledge; wants and demands of people are changing. This is driving the business models to change in to keep up with the pace of change. In this competition, the firms that could not match up the speed of evolution failed like “Lonely Planet” but at the same time, start-ups like “Trip Advisors” snatched all the followers.

In the 21st century what we think of little disruption, are actually catastrophic changes that are revolutionizing the way firms engage with their customers, creates seamless and memorable experiences for them by understanding their wants.

For example- the 360⁰ video launch by YouTube gives the experience of virtual reality that was once only a dream. The official VR channel of YouTube has many attractive offers for the

viewers including music performances, news events, sports, racing and films. This is not only a disruption but a remarkable shift in business plans to engage the customers.

Abilities to overcome the disruptions in business

For any business owner, it is perilous to underestimate the power and magnitude of disruptive models of business. No business wants to suffer the phase suffered by Kodak, once a market leader and now an almost extinct brand.

So let us look at some of strategies and changes to cope up with disruption in the business competition.

- ✓ **To ensure a business is ready for digitization** – it is vital to understand and accept that the current period is of digital disruption. So, for companies it better to stay focused, innovate and collaborate instead of fearing or rejecting the new change. This will boost the effectiveness of the business; provide an exciting path for customers, offer them better, real-time communication, and finally opening up some new market segments.
- ✓ **To ensure collaboration in different business teams**– in the age of disruptive innovation, a partnership will act as the key to success. The team leaders of the business need to encourage communication and collaboration of inter-departments like heads of marketing, and information technology need to work hand in hand to embrace the changes. The firm should also pair up with the right consultants and technology provider to embark upon a seamless journey of disruption.
- ✓ **Taking advantage of the internet speed and rejuvenating the subscription model** – gone are the days of DVDs and cassettes, even saving music in external hard disks or pen-drives. As the massive internet speed and mobile tech-advancement helped in

streaming of high-quality videos and music contents for a monthly payment of fees. Ganna.com, Wynk Music etc. are two of the many that supply millions of song listeners. Nowadays daily use materials for vital medicines can be obtained by an online subscription and shipped directly to customers. Examples of Grofers, Lenskart, and even home services like UrbanClap are new disruptive models working in different cities. Thus, existing business firms need to extend their arms in the new markets to prevent from being endangered.

- ✓ **To cope up with changing the definition of consumer convenience** – as the definition of comfort is changing for customers with the changing era, businesses are fighting hard to come up with seamless services to satisfy them. For instance, the long waiting hours at airports or railway stations have been reduced with applications (like IRCTC app, Goibibo, Paytm) in our smartphones. We can now book tickets with preferred seats anytime, anywhere. Similarly, for hotel or movie show bookings, etc. Companies need to come up with even better solutions to give utmost convenience to customers.
- ✓ **Introducing gamification** – this technique involves the use of different elements of a gaming strategy by individual companies on their brand interfaces/platforms. This includes points, rewards, stars to engage and attract customers to buy more products or services from them. For instance, Big Bazaar has its own card where points get added on each purchase and customers can redeem it on their next purchase. Starbucks has its own reward system where customers on specific products can earn points for the future purchase. All these are to increase the number of visitors to the stores.
- ✓ **Self-disruption** – till now, the best business strategy to live up to the expectation of consumers is self-disruption. All the big players in the market like Apple, Amazon,

etc. follow it. The steps are to find new ways to adapt, evolve, and then recapture the market to stay relevant. Companies should follow this model where they should understand the unsaid need of customers and come up with a solution.

- ✓ Thus, for any business or company, whether small medium or large, new or existing, require-focusing on the customers and their experiences to thrive in the competitive market. This includes spending more resources and capital on research and development to think and solve problems anticipated for future; or else the business themselves will become the victim of disruption.

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