# Disruption & U

# CA Jay Chhaira

B.Com., LL.B., F.C.A., A.C.M.A., M.F.M., D.I.R.M., M.B.A.(Fin.), P.G.D.F.M., M.F.C., M.Bk.M., M.Phil.(Mgt.), M.Com.(CIM), D.I.M., D.B.F., A.D.B.A., P.G.D.Adv., P.G.D.M.M., I.S.A.(ICA), M.A.(Eco), M.B.A.(Inv.), P.G.D.I.M., P.G.D.Ent., D.B.M., P.G.D.I.B., C.F.A.(L2), A.D.M.A. (U.K.), A.M.P.G.S. (U.S.) Why this topic?

A for Apple B for Ball C for Cat D for Doll A for Artificial Intelligence B for Block chain C for Cloud computing D for Data analytics



Heavier - than - air flying machines are impossible. Lord Kelvin, President, Royal Society



The wireless musical box has no imaginable commercial value. Who would pay for a message sent to nobody? David Sarnoff's Associates



The horse is here to stay, but the automobile is only a novelty - a fad.

President, Michigan Bank.



For God's sake, go down to the reception and get rid of a lunatic who's down there. He says he has got a machine for seeing by wireless. Editor, Daily Express



Rail travel at high speed is not possible, because the passengers unable to breathe, would die of asphyxia.

Dr. Dyonysus Lardner, University of London.



I think, there is a world market for may be 5 computers.

Thomas Watson, Chairman IBM



There is no reason for any individual to have a computer at their home. Kenneth Olsen, President Digital Equipment Corp.



The internet is a shallow and unreliable electronic repository of unreliable pictures, inaccurate rumours, bad spelling and worse grammar, inhabited largely by people with no demonstrable social skills.

**Chronicle of Higher Education** 

## **Digital Cameras**

I don't think digital photography is romantic yet. Its not sympathetic the way film is. Matthew Modine



This telephone has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us. Western Union

#### Arrogance of the Present

#### The Blue Ocean Strategy

#### Make the Competition irrelevant.

The product performance is good enough and affordable to fulfill an unfulfilled need in the market

- Youtube
- Tedx
- Whatsapp
- Zomato
- Netflix
- Uber

# When a CEO says:

This is not a threat, its low performance, bad quality and nobody wants it.

Their business is doom. Sell stock.

New organization can use relatively simple, convenient, low cost innovations to create growth and triumph over powerful incumbent.

The incumbent keeps improving the product to meet more demands. The product gets better and better.

With more demanding customers, prices and profit margins move upwards.

Another less demanding segment gets overlooked.

These customers gladly switch to a cheaper product as they do not require the high end quality.

Entrants enter the market by offering low quality products to this ignored segment.

Something cheaper, with lower quality does the job.

The incumbents usually ignore this, as their customers are not interested.

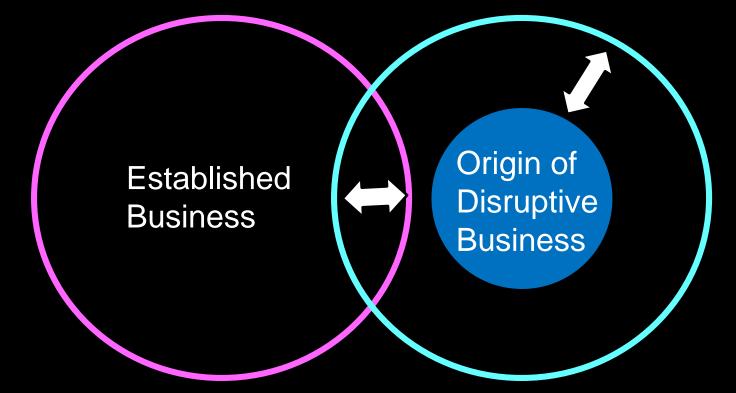
The new product from the entrant is considered as a toy.

#### Then the product gets better. And then its too late...

#### **Rothaermel Model**

Create	Architectural		Radical	
New	Innovation		Innovation	
Markets				
Leverage	Incremental		Disruptive	
Existing	Innovation		Innovation	
	Leverage Existing	Techno	ology	Create New

#### Phases of Disruption



Area of Displacement

Area of Net Industry Growth

