

# Managing disruptions

## Therein lies the key to success in the world of innovation

**W**E ARE blessed people living in a most interesting time on this earth. We have witnessed disruptions of all kinds – from analog to digital and from film cameras to digital cameras. The volume and velocity of the disruptions are astounding and have driven market leaders, such as Kodak, into oblivion.

Many a CEO is often left second guessing the next disruption and its impact on the company's future. Large corporations face the dilemma between protecting the current customer base and transitioning them to embrace the change.

Often, an innovation is created based on a market opportunity. However, innovations do not stand still. Let us take the example of audio recording and

replay. I recall using bulky analog tape recorders to record live music performances. These gave way to sleeker audio cassette recorders. Needless to say, miniaturisation using integrated circuits was the disruption that enabled this evolution.

Increase in recording density was another key driver for change. Audio cassette recorders were later replaced by audio CDs. CDs offer random access as a value over magnetic tape recorders that were sequential in the play.

Digital representation of music was a key disruptor and driver for this transition. The ability to create a master and make millions of copies at an affordable price was another key driver for the disruption.

Even as everyone became comfortable with the audio CD, came the USB drive, which yet again changed the way music was stored and replayed. All these developments ran parallel to Apple's iTunes, which was yet another means of delivering

prerecorded music to customers.

These developments did not happen in a vacuum.

One finds that innovations evolve along some predefined paths. As an example, innovations are first created for special/corporate use and then migrate to departmental use, then to personal use and finally to mobile use. Corporate use can be labelled stage 1, departmental use stage 2, personal use stage 3 and mobile use stage 4.

Every time an innovation makes the transition from one stage to the next, it creates a major disruption accompanied by a system of disruptions. For instance, when mainframe computers gave way to minicomputers, this evolution required the creation of new memory devices, new storage devices and new central processing units.

An innovation evolution path as described above applies to a number of innovations, such as computers, copiers, fax machines and cameras. It is therefore important for an organisation to identify and keep track of the different innovation evolution paths and assess their impact on it so that

strategies can be crafted to ensure its survival and growth in a world filled with disruptions.

For any disruption to be successfully executed, the markets and technologies have to be ready.

It is much wiser to develop a technology for a market that is ready than to develop a technology for a non-existent market. Therein lies the trick in managing disruptions successfully.

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