

Disruption is Not a Strategy

Intention spawns attention,
and often the customer or a new technology causes
Change to become our focus

“If you don’t like change, you’re going to like irrelevance even less”

General Eric Shinseki

Dr. Jim Pulcrano

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<http://www.linkedin.com/in/pulcrano>





“One thing I love about customers is that they are divinely
discontent.....

People have a voracious appetite for a better way, and
yesterday’s ‘wow’ becomes today’s ‘ordinary’....

You cannot rest on your laurels in this world.

Customers won’t have it.”

Jeff Bezos

2017 Shareholder letter



It was invented around 1625.

1625–1800 over 40 different designs of it were invented.

1800–1899 over 250 different types invented.

1900–1910 another 90 designs were created by various manufacturers

Enrico Fermi used one on December 2nd, 1942

Buzz Aldrin took an aluminum one to the moon on Apollo 11

Last one manufactured in the USA on July 11, 1976

In the 20th century over 40 million were produced. b

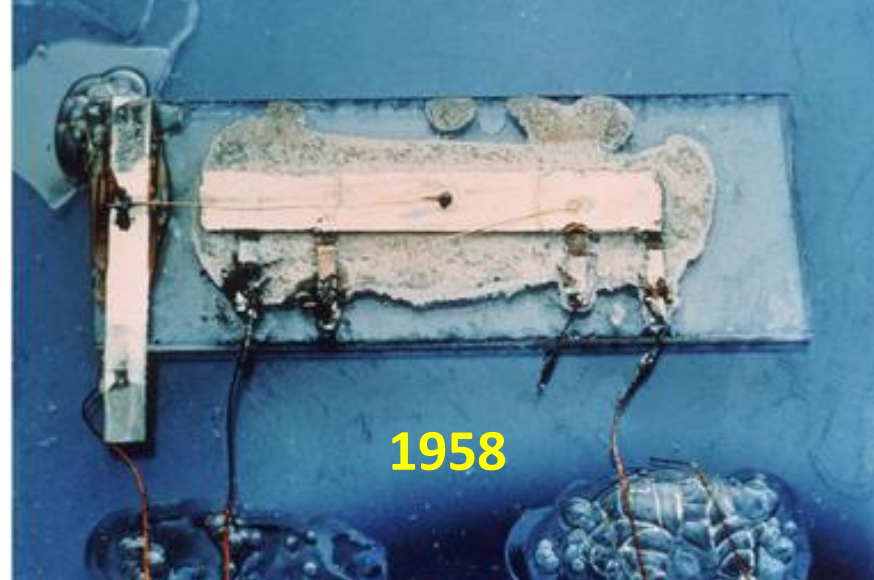
Biggest US manufacturer, founded 1867, IPOed 1965 & bankrupt 1982

Biggest European manufacturer, founded in 1863, went bankrupt in 1978

Killed by a new device that cost \$25 in 1976



Jerry Merryman



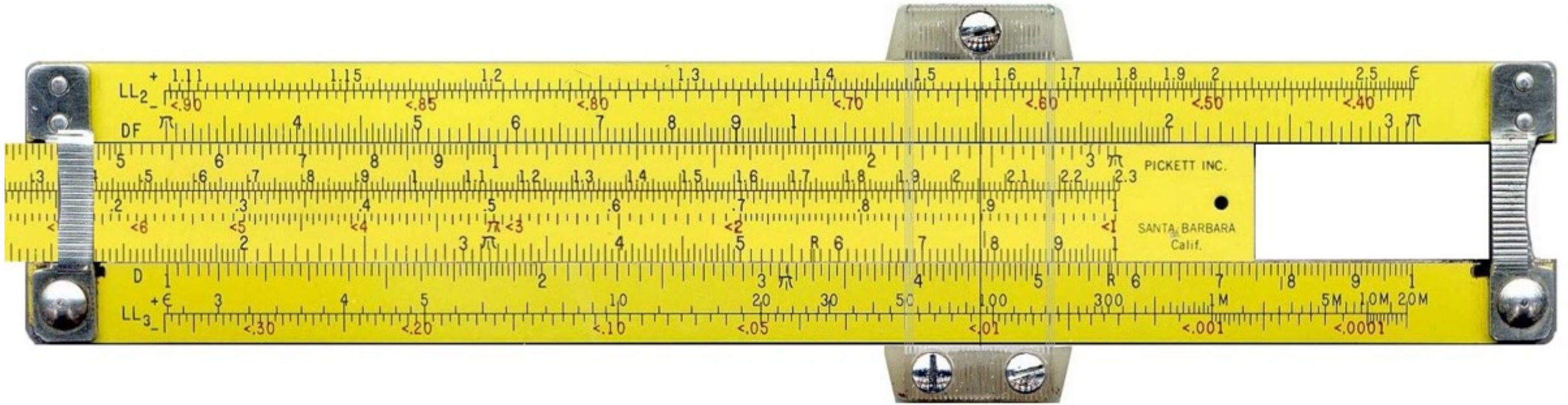
Jack Kilby



Jim van Tassel



Kilby, Merryman and Van Tassel patented the “Miniature Electronic Calculator” in 1967



Did **Slide Rule** manufacturers understand why customers bought their product?

Did they realize that their industry's extinction was imminent, due to a new technology that solved the customer's “job to be done” better than them?

It is unlikely that these efforts would've succeeded if their creators had started off by saying, *"our strategy is disruption"*.

If their intention had been disruption, the problems they were solving, and the customers they were solving them for, would not have gotten their attention.

No, their strategy was about solving a problem, delighting a customer and/or improving a technology.

Intention creates attention.



My definition of disruption:

**The customer now believes that
there is a different and better way,
which eventually forces
incumbents to
change or die.**

(And there are a large number of
those customers)



\$96 mio in
Venture
Capital
invested so far

A decent
pizza with
only 50% of
the fat and
cholesterol of
a normal
pizza....

... at the same
price

zume
PIZZA

Why we exist.

Every American has a right to delicious, affordable, healthy food.
Serving food to people is a sacred trust.

What we do.

We are the best pizza delivery in America.
We taste the best and we use the healthiest ingredients.
We have the fastest delivery. We do it safely.
Our prices are as good as (or better) than our competitors.

How we do it.

We invest artisanal, craftsman effort in every pie.
We use only the highest quality ingredients
With robots that make incredible pizza, incredibly fast.
We are **fun** and **irreverent** and we **love** our customers.
We cook your pizza on the way. It's fresh out of the oven, every time.

User Stories

Liang

Locally
sourced
ingredients.

They know
what you're
likely to order
before you call
them.

Over 100
patents.

Pizza Hut, Dominos, Peppes, etc: CHANGE OR DIE



Rather than stating that disruption is
your strategy,
it is better to fall in love with the problem
you're trying to solve
and the customer you're solving it for,
and not the disruption you think you have.

Your intent decides your attention.

But.....

**But..... Too many of us fear change, or are not comfortable
leading change...**

But.... it is our opportunity to seize an advantage by acting on the change, and getting our organizations on board.

Change is moving from an existing state to a new or different one.

The challenge is avoiding the gravitational pull of the existing situation (the past).

People, what we do, are the
major cause of progress

Things are OK some of the
time, but progress is a
struggle

Things are good & getting
better, even if we
occasionally have problems

People are important, but it is bigger
forces, such as government, society, and
competition, that decides our progress

Rather than re-inventing the wheel...

Let's take a look at a classic on change

John Kotter

Leading Change

1995

30 years of research by leadership guru Dr. John Kotter have proven that 70% of all major change efforts fail.

This is a failure of leadership.

The 8 steps to Leading Change

➤ As per Kotter

- 1. Create Urgency**
- 2. Form a Powerful Coalition**
- 3. Create a Vision for Change**
- 4. Communicate the Vision**
- 5. Remove Obstacles**
- 6. Create Short-term Wins**
- 7. Build on the Change**
- 8. Anchor the Changes in Corporate Culture**



Without urgency, forget about change.

**Without urgency you have no hope of getting
[successful/overworked/scared/happy/
bored/complacent]
people to change.**

Why should they?

(You fill in the blank)



Don't try to « sell » them this as being good for them.

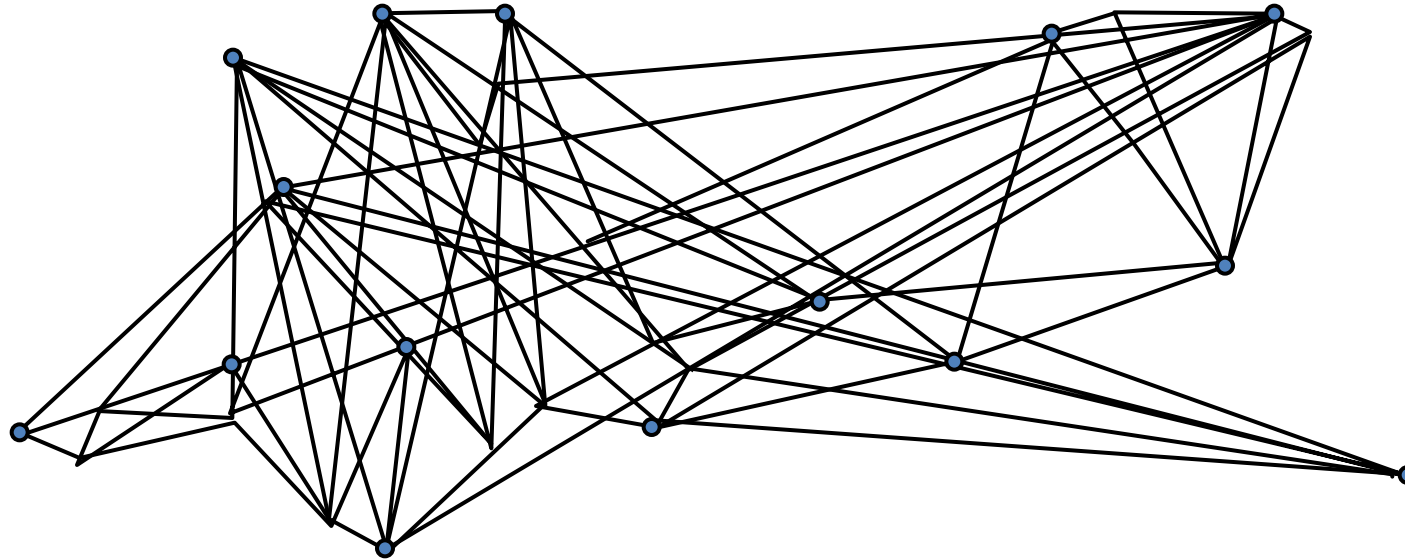
Change is unsettling, and someone has to be a settling force.
You?

- Change needs to be understood.
- Make the change objectives real and relevant.
- Does the change have to be so fast? Why?
- Those affected want a voice in how change will be managed.
- E-mail isn't going to work for this.
- Mindset change? *Oh, you mean I have the wrong mindset now, right?*
Thank you.....
- Changing attitude? See “mindset”.

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Form a powerful coalition

Who needs to be persuaded?

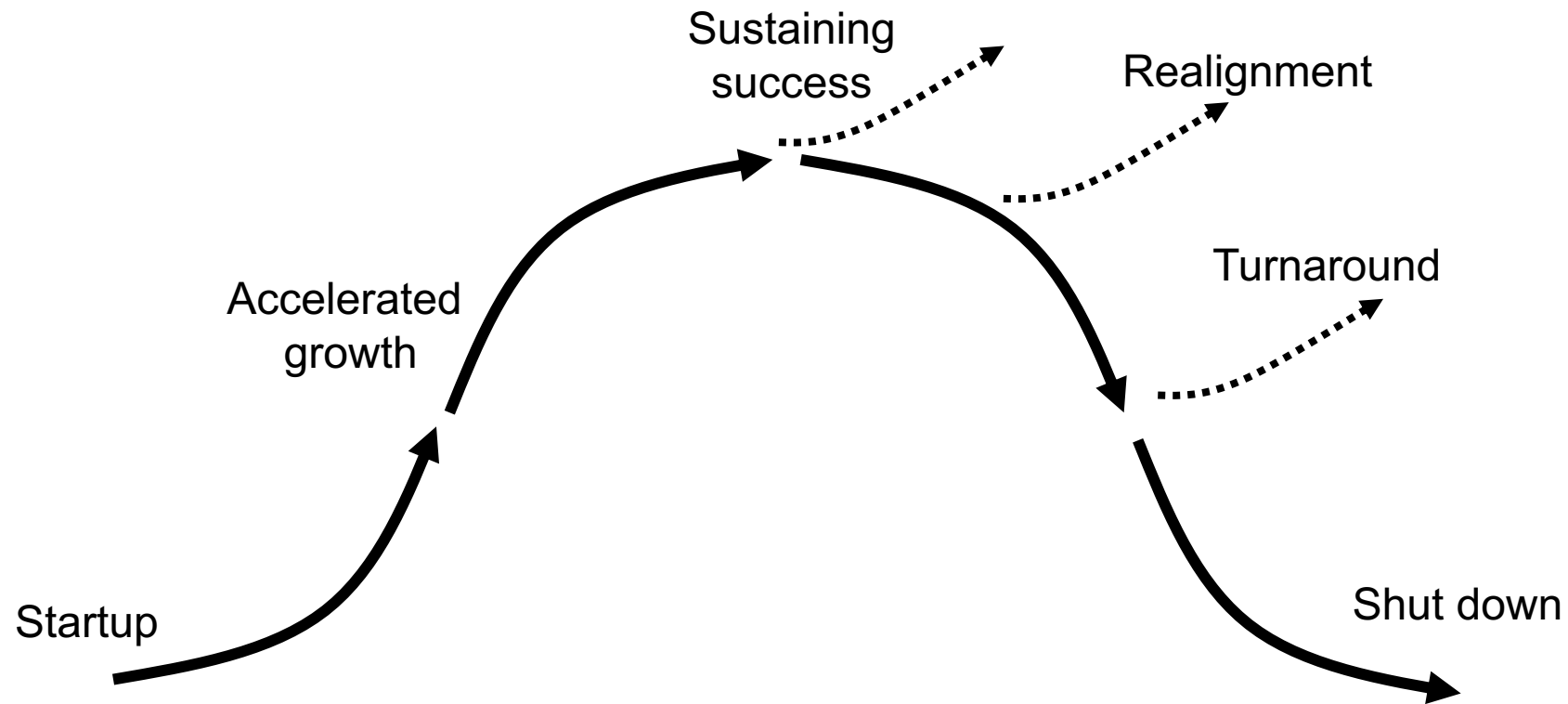


It may not only be a question of understanding your organigram.

Who are the key stakeholders?

3

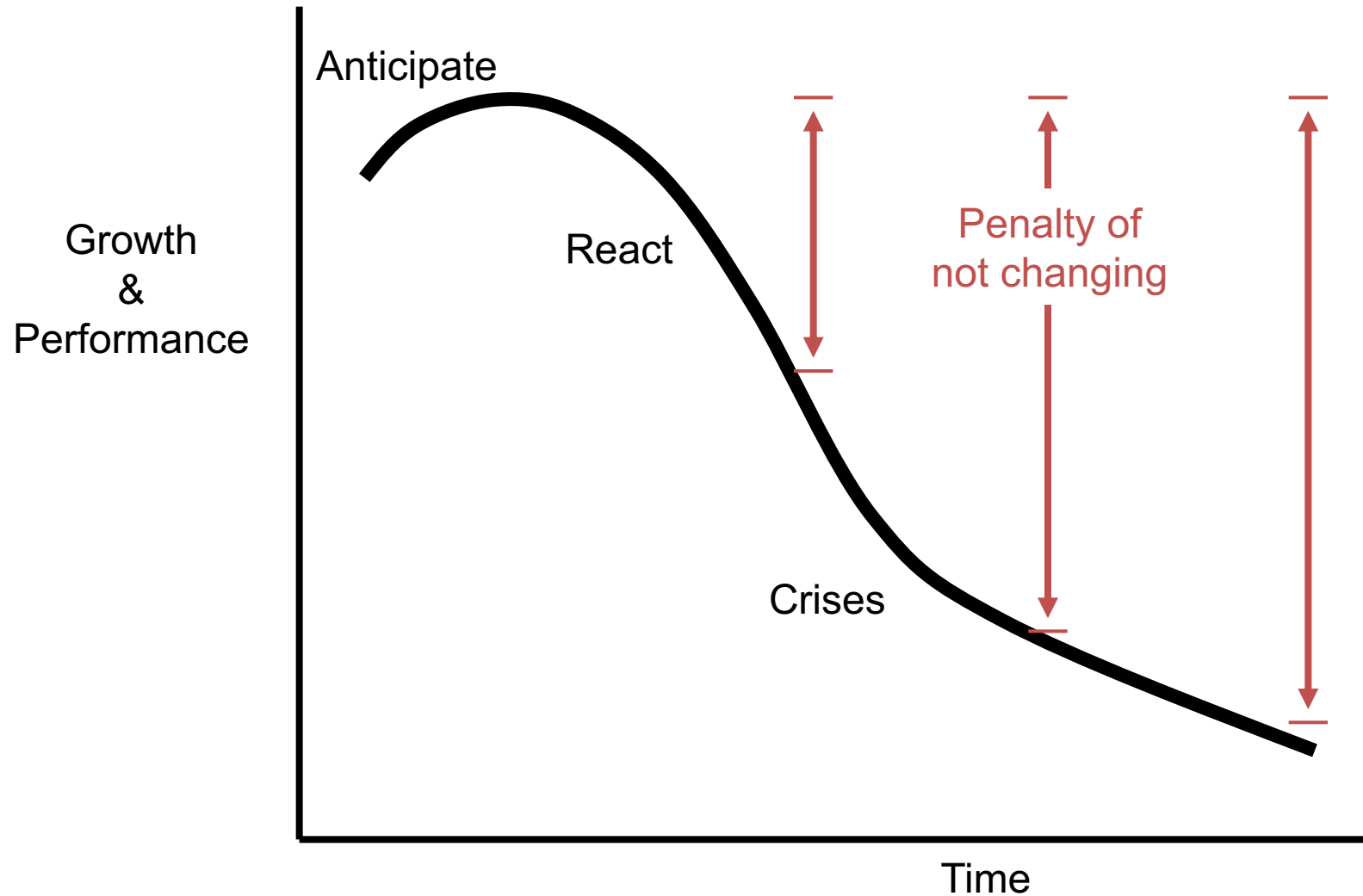
As the leadership team of your company, what do you want? And not want? What is your vision for change?





Create a Vision for Change

If we don't change, what is the penalty?





Communicate the Vision

- a) Involve as many people as possible.**
- b) Communicate the essentials, simply.**
- c) De-clutter communications.**
- d) Cadence, timing – customize it.**
- e) Appeal to both logic and emotion.**
- f) Surround your organization with clues.**
- g) Don't forget that there are many competing messages, every day, which are also important to your staff.**

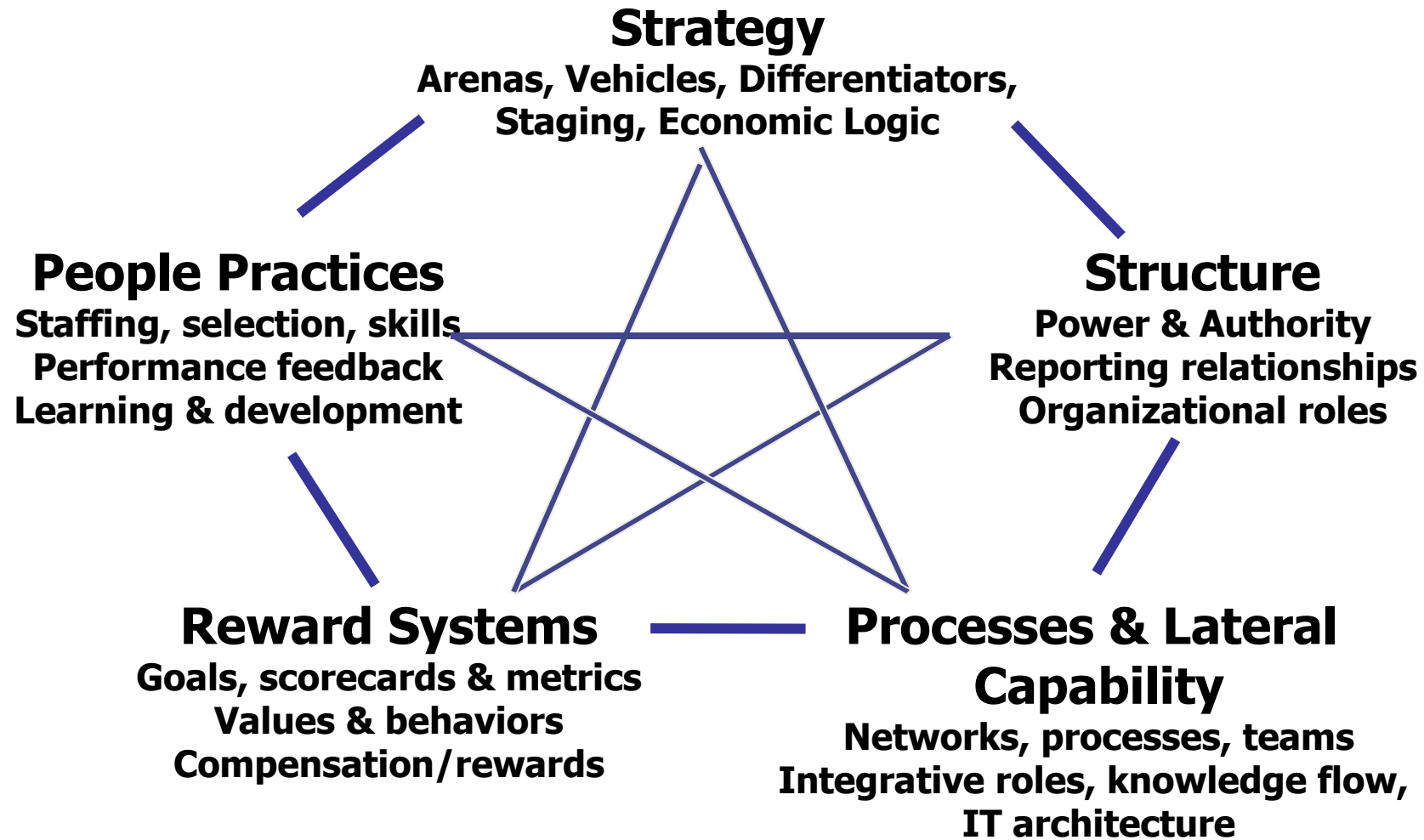


Remove Obstacles

- a) Empower people to remove obstacles.**
- b) Are there people, systems or structures blocking the change?**
- c) Remove the obstacles.**
- d) Enable constructive feedback.**
- e) Assure support from leaders.**
- f) Reward and recognise progress and achievements.**



Where are the obstacles?



6

Create and Celebrate Short-term Wins

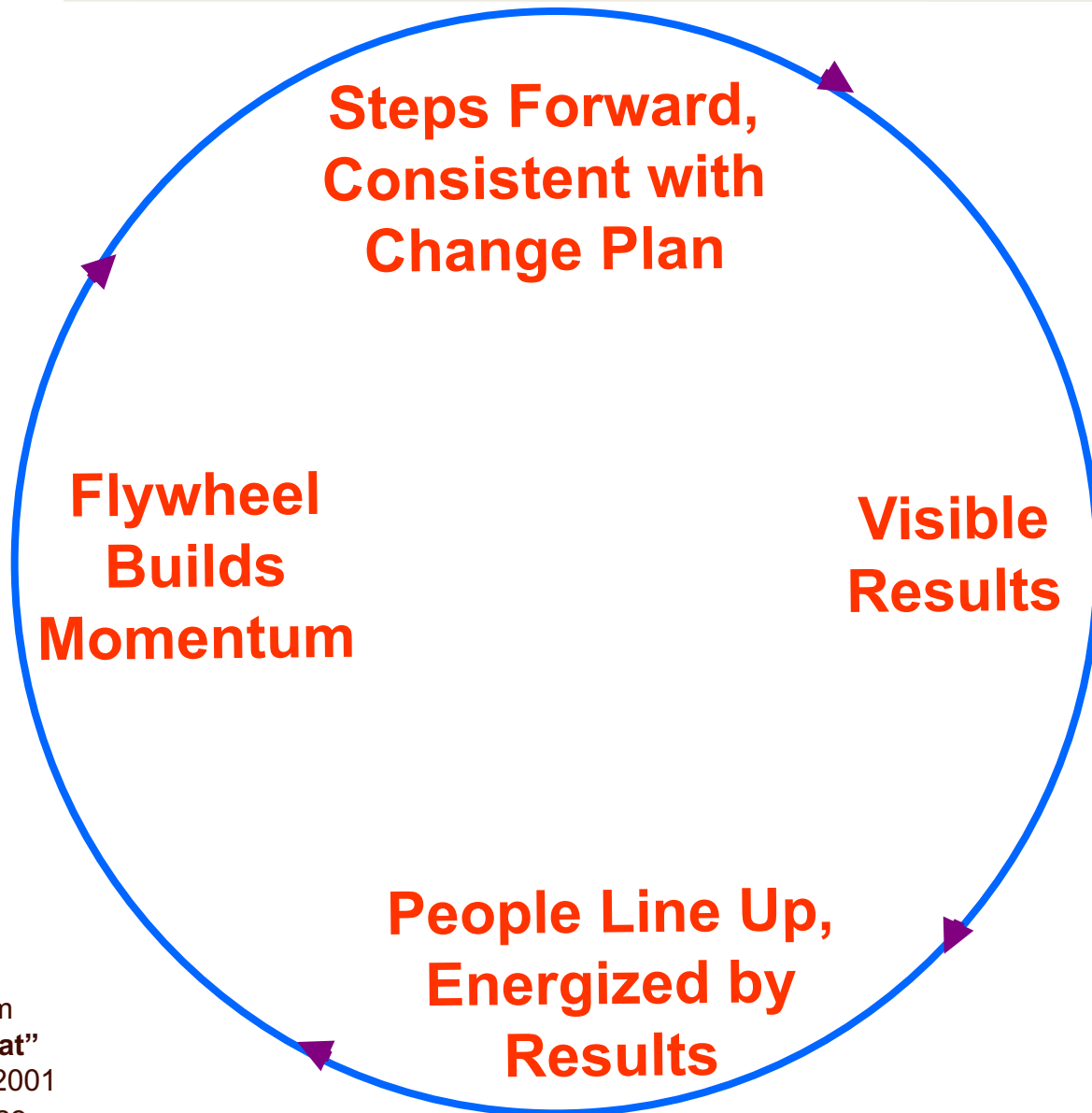
- a) Set aims that are easy to achieve: in bite-size chunks.**
- b) Have a manageable number of initiatives.**
- c) Finish current stages before starting new ones.**
- d) Do After-Action-Reviews after every Win or Loss.**



Do not declare victory too early.



Build on the Change, Build Momentum.



**Don't let up.
Encourage persistence.
Encourage ongoing progress
reporting.
Highlight achieved and future
milestones.
Check in with key stakeholders
regularly.
Keep energy high.
Use your increased credibility.**



Anchor the Change in Corporate Culture

- a) Constantly think about the possible (inevitable?) drift back to the old way.....**
- b) Reinforce the change via recruitment and promotion.**
- c) Publicly recognize your change team.**
- d) Weave change into culture. Make it part of your day-to-day work.**
- e) Tell success stories. Make sure everyone has “their anecdote”.**

Eight simple steps....

➤ **As per Kotter**

- 1. Create Urgency**
- 2. Form a Powerful Coalition**
- 3. Create a Vision for Change**
- 4. Communicate the Vision – Your intent.**
- 5. Remove Obstacles**
- 6. Create Short-term Wins**
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Congratulations!

You have been selected to be part of a small team of internal consultants sent by Head Office into a major division of our organization to help them implement Six Sigma, the latest major change initiative the Executive Committee just approved.

You have six months (120 working days) to ensure a smooth change and implementation process.

Further details required to get you started immediately are enclosed below. Division CEOs such as Martin Loder, who report to Group Vice-Presidents, have all been informed of the Group's decision - although it is probably fair to say they were not actively consulted beforehand.

I trust you will rise to the challenge and hope you will enjoy the process.

Best wishes of success,

*Martin Heldback
Group Chief Quality Officer*

**LODER
Martin**
CEO

**BROWNE
Alastair**
Executive Assistant

**WU
Linda**
VP R&D

**LESSARD
Don**
VP Sales & Marketing

**TROLER
Alexander**
VP Administration

**DERAY
Jacques**
VP Production

**WILLIAMS
Kate**
Development

**AMAYA
Lisa**
Marketing

**GUPTA
Ashok**
IT

**MARTIN
John**
Logistics

**HOFFMAN
Günter**
R&D, EMEA

**JENKINS
Michael**
Advertising

**KLEIN
Barbara**
Legal Services

**MILNER
Franck**
Production, EMEA

**HASEGAWA
Kazuhiro**
R&D, Asia

**O'TOOLE
Chip**
Sales, EMEA

**ANDREASSEN
Eva**
HR

**WAN
Wei Ming**
Production, Asia

**RODDICK
Randy**
R&D, USA

**MOLGAARD
Lars**
Sales, Asia

**VAN DEN BERG
Karel**
CFO

**STRONG
Sam**
Production, USA

**McNEIL
Pamela**
Sales, USA

**AL-YASEEN
Motaz**
Quality