



DEFIANT DISRUPTION

Tear down assumptions to forge a new path.

By Gregory Trueblood

Disruption means poking holes in every assumption from which a business operates.

In the early years of video games, game makers held to one seemingly immutable truth: Better graphics equaled higher sales. Developers and console makers drove relentlessly to create bolder and more impressive visual effects and juice up computing power. Eventually, however, price points for these games with increasingly eye-popping graphics began to creep past what a primary audience of 15-year-olds could afford.

Nintendo, one of the biggest names and earliest leaders in the industry, perceived this trend. Instead of doubling down and hoping that continued strong execution on its existing formula for success would carry it ahead of the competition, it asked this business-disrupting question: What if we cater to a whole different value proposition?

Challenging its assumptions about where and how it needed to compete in the market was how Nintendo came to “own” ease of play and operability. Nintendo’s Game Boy introduced mobile gaming to the masses in 1989 and did so on the back of several already-popular and easy-to-play games, with the device winning a loyal worldwide audience even as competitors with color and higher-quality graphics emerged.

This is what business model disruption looks like. It is not about seeking to eke out market gains via small improvements to existing products and processes. True business model disruption is about considering: How can we provide a new kind of value to our established customers, or how can we use the value we are known for to serve new customers?



WHAT IT TAKES

1. Know where you are starting from. Business model disruption must start with mapping out your current business model. You need to thoroughly understand the space your business occupies in the market and your business’s existing value proposition before you can discern a worthwhile new step.

Why do customers choose your business vs. your competitors? What would threaten this loyalty?

2. Ask the right questions. Effective business model disruption also requires being genuinely inquisitive. It requires listening in a way that most business leaders are unaccustomed to doing. Rather than asking, “What clever thing am I going to say or propose?” in preparing for meetings, business leaders should be asking: “What is the other person dealing with? How can I find out what that is?”

This kind of inquisitive engagement takes time, of course, and most large organizations are designed to minimize extraneous time. Large organizations make it easy to go fast, but fast does not necessarily facilitate learning.

Disruption is slower, more thoughtful, deliberate. Disruption means poking holes in every assumption from which a business operates.

3. Assemble an uncommon team. Leading this process of disruption should be a team that operates as a company within a company—a tiger team, so to speak. The team should comprise not only those who hold formal power within the company but also engaged individuals on the front lines of the business—those who usually do the listening. The team must be given not merely permission but a mandate to think newly and tear down existing processes and flow charts. Taking advantage of the insights acquired from actually asking customers about their needs and priorities, the tiger team can establish new processes designed specifically with stated customer needs in mind.

4. Collapse your newer normal. Every business in the world today has been disrupted by the COVID-19 pandemic. Many have responded in ways predictable for their respective industries: shifting all staff to remote work, idling factory lines or furloughing personnel, for example. Their holding pattern may get them through. Leaders, however, are seizing opportunities amid the crisis to reimagine their value proposition and actively disrupt their business models. On which side does your organization fall? **IQ**

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