# **Disruptive Innovation** Innovation and Green Business



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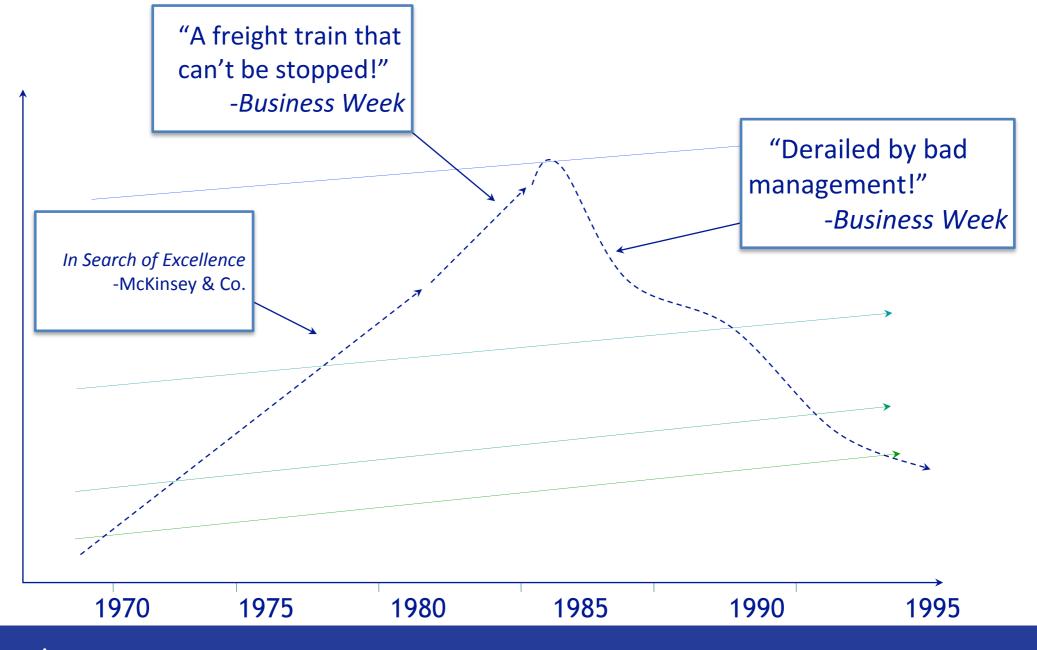
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# A theory is worth 80 points of IQ.



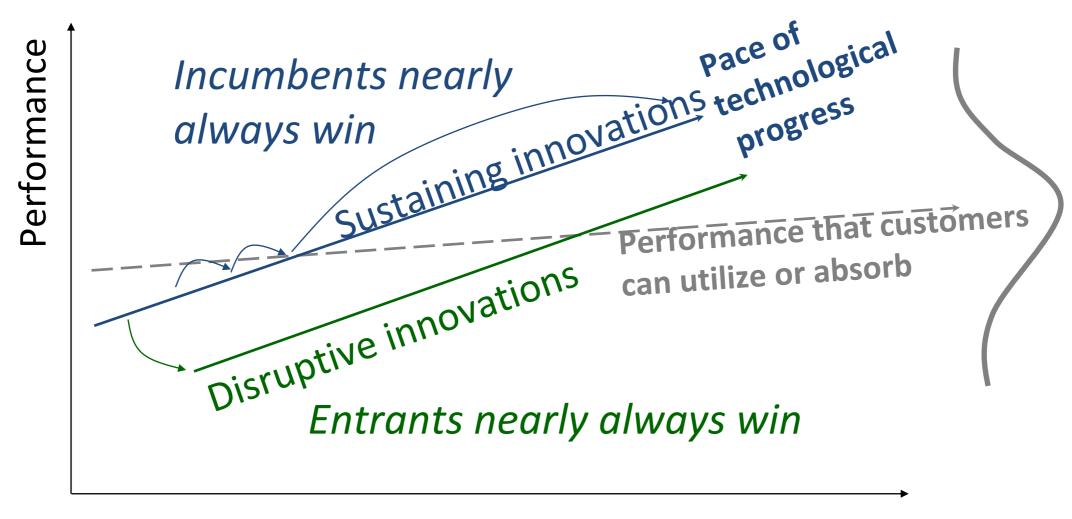
## When Great Firms Fail to Innovate

Digital Equipment Corporation (DEC)



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# **Disruptive Innovation**



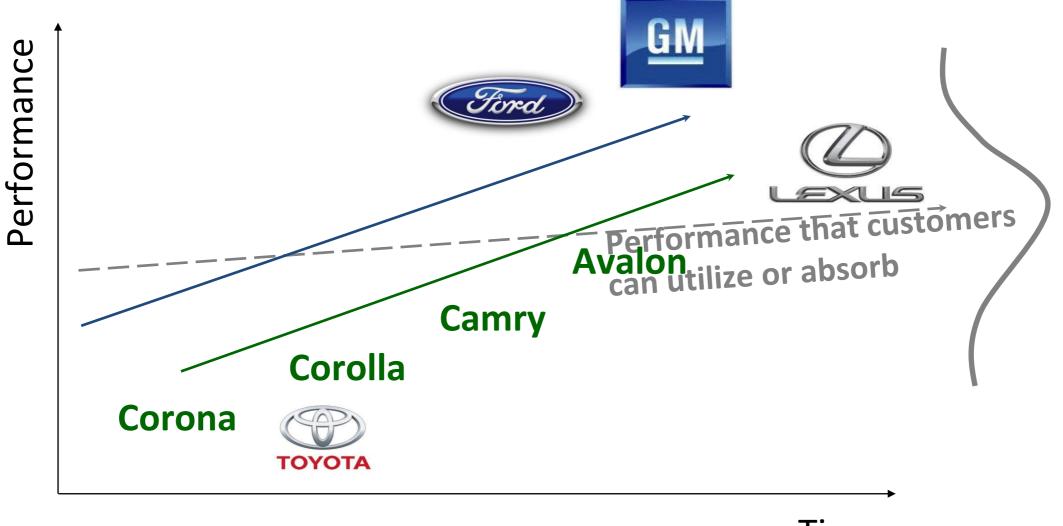


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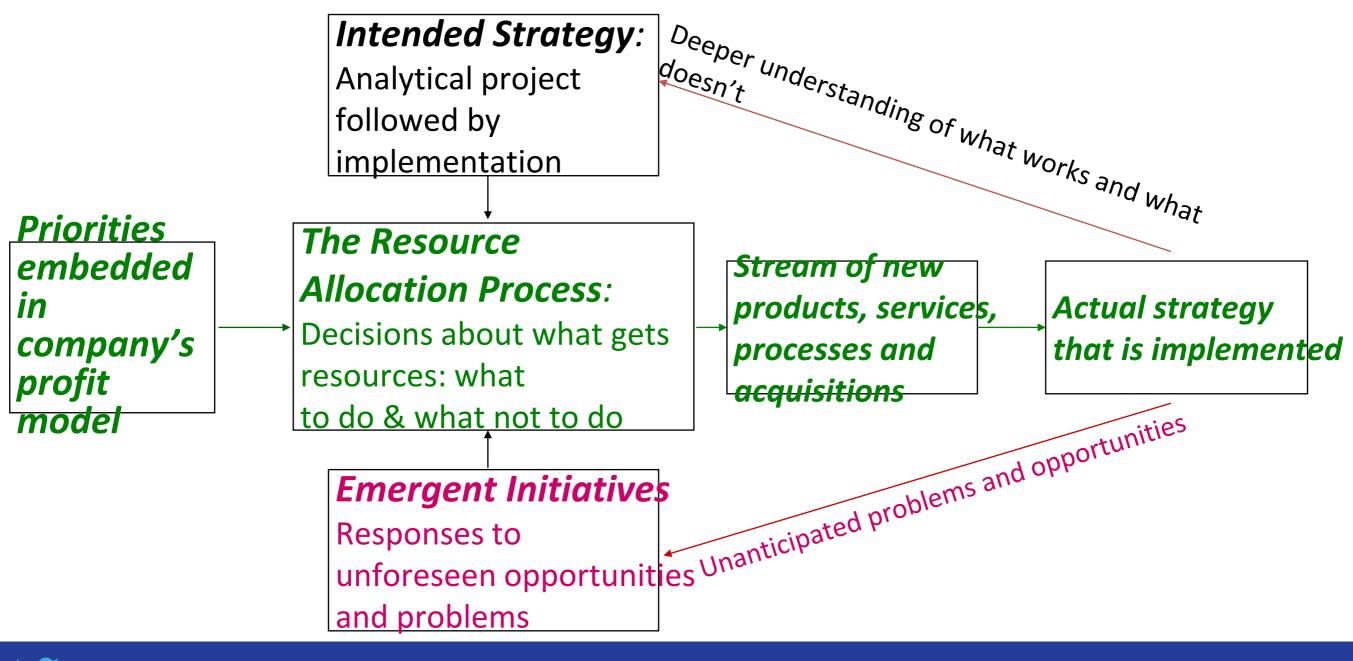
# **Driving for Growth**



Time

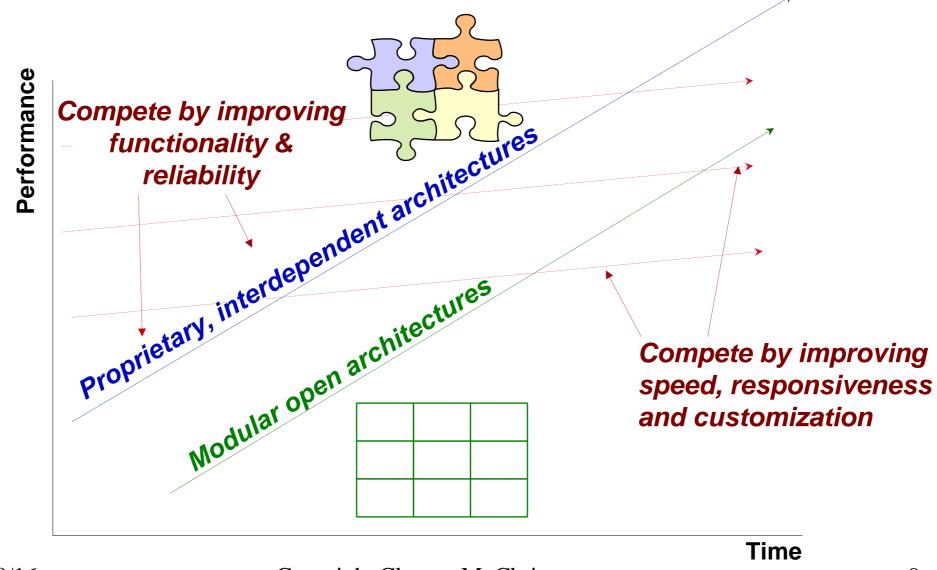
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# Processes of Strategy Formulation and Implementation



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# Should we integrate or modularize?



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## What is a business model, and how is it built?

## THE VALUE PROPOSITION:

A product that helps customers do more effectively, conveniently & affordably a job they've been trying to do

#### **RESOURCES:**

People, technology, products, facilities, equipment, brands, and cash that are required to deliver this value proposition to the targeted customers

## **PROFIT FORMULA**:

Assets & fixed cost structure, and the margins & velocity required to cover them

### PROCÉSSES:

Ways of working together to address recurrent tasks in a consistent way: training, development, manufacturing, budgeting. planning. etc. Discovery-Driven Planning is a better way to manage the flow of projects through the development funnel

## Platform-based planning

- **1. Make Assumptions**
- 2. Build projections based upon assumptions
- 3. Make decisions to invest based upon

## projections

<u>Discovery-driven</u> <u>planning</u>

- **1. Make Projections**
- 2. What assumptions must prove true for the projections to happen?
- **3. Implement a plan to learn -- to test whether the critical assumptions**

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# **DisruptiveInnovation.org**

- Read Clay's Welcome (and mine, too)
- See a timeline of and read about additions and refinements to disruptive innovation theory
- Read and discuss latest work from researchers both inside and outside the Institute
- Read standard definitions of key concepts
- Ask a question
- Submit an anomaly

