What is Disruption? Wisdom of Hindsight, Limits of Foresight

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1) **What *is* Disruption?**

2) **Why is disruptive innovation often widely dismissed initially?**

3) **But makes perfect sense with hindsight?**

Disruption – A story of shifting paradigms (Kuhn 1962)

Paradigm:

1) How we go about our business
2) How we see the world collectively

Both are taken-for-granted and largely invisible normally

The World of Music used to be organised around the “record” & “high fidelity”

The Emergence of Mp3, Napster and Sharing of Music happened at the Fringe

- What do disruptors (entrepreneurs) do?
  - Follow an anomaly, ‘a hunch’, dabble with technology, experiment
  - New product/service is not bound by the established rules of the industry.

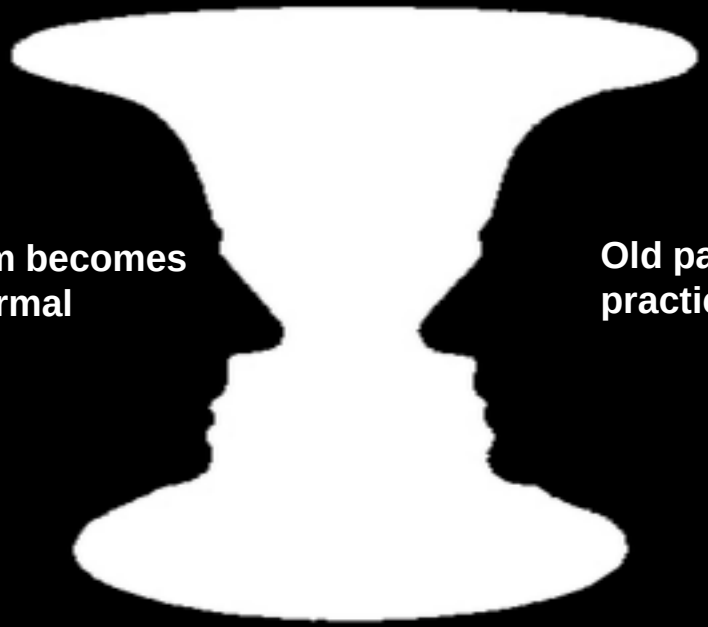
  - Does not make sense against the dominant paradigm

The clash of practices is a clash of paradigms

New practices grow and become mainstream gradually

- More and more people start using the innovation
- Its potentials are discovered in use
- The world (paradigm) changes irreversibly

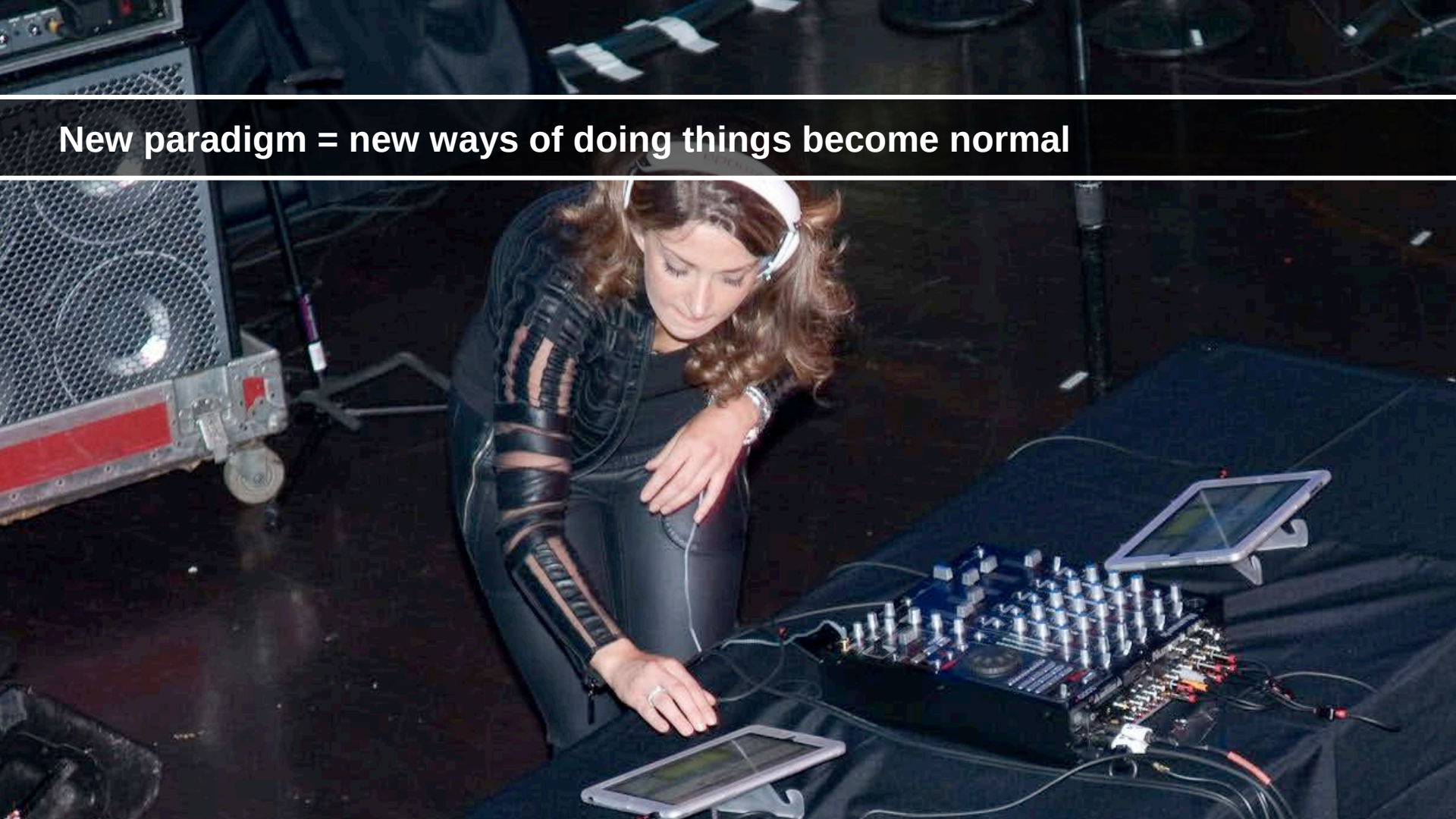
Gradually, a “Gestalt Shift” takes place



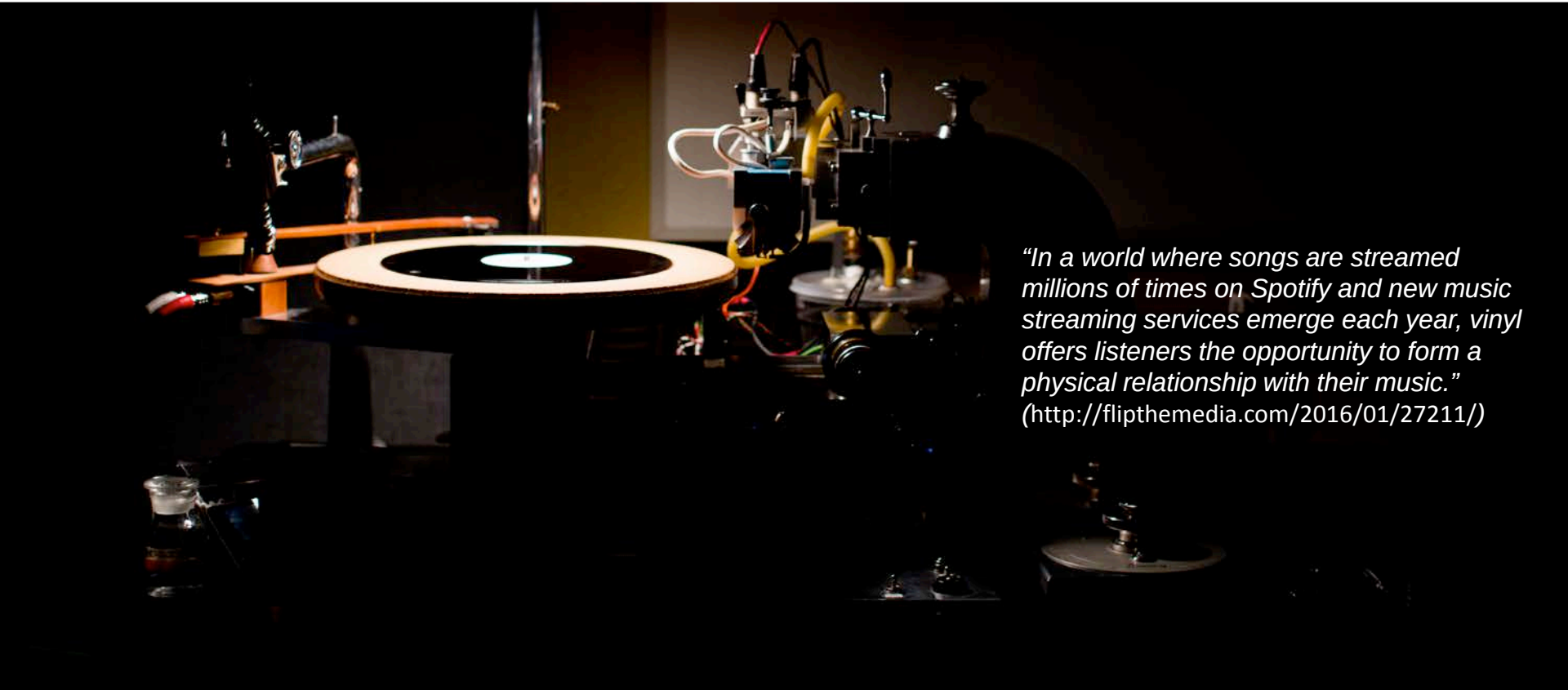
New paradigm becomes dominant, normal

Old paradigm and its practices become marginalised

New paradigm = new ways of doing things become normal



Old practices do not disappear but are now understood in new ways



“In a world where songs are streamed millions of times on Spotify and new music streaming services emerge each year, vinyl offers listeners the opportunity to form a physical relationship with their music.”
(http://flipthemedia.com/2016/01/27211/)

Anatomy of disruptive change: path-breaking, paradigm shift

Rules of the game, what counts as a product or service
how to go about business.

→ **Shift in understanding that underpins shift in practice**

The Wisdom of Hindsight

- With hindsight disruption looks inevitable
- We tend to blame people who missed the change
- We tend to attribute disruption to technology
- We forget that change is created - it does not just happen

The Limits of Foresight

- Emerging disruptions are hard to see and made sense of
- The Future cannot be predicted, it is collectively created
- Technology is not something that is happening to us
- We have a responsibility to be involved and shape the future

Risk adversity (and being passive) is the greatest risk