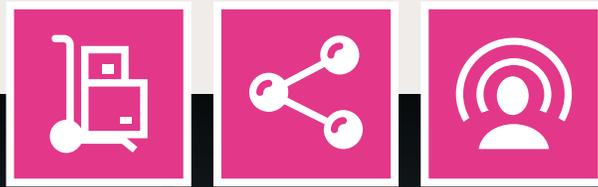


# DISRUPT OR BE DISRUPTED



7 Steps to Creating  
Breakthrough Products,  
Services and Experiences



Most large corporations are designed to **sustain existing technologies** not develop new, disruptive ones

“

It is not unusual for a big corporation to dismiss the value of a disruptive technology because it does not reinforce current company goals... **only to be blindsided as the technology matures**

Clayton M. Christensen  
The Innovator's Dilemma

**IN OTHER WORDS...**



The door to  
disruption is  
**wide open**

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**BUT ONLY FOR COMPANIES THAT  
ARE FIRST TO CROSS THE  
THRESHOLD**

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# What is industry disruption?

A disruptive organization is one that **displaces** an established standard by **shaking up** the “old” industry to create a completely new one.

## Disruptive solutions

- × Lack refinement
- × Have performance problems
- × Appeal to a limited audience
- × Have no proven practical application

And yet, the revenue potential **IS HUGE**

# What are the outcomes of market disruption?

Across industries, the growth rates of disrupters are outperforming long-standing, established standards at an **average of 9x**

## NETFLIX VS HOME ENTERTAINMENT

17.5X

35% vs 2% YoY sales growth

Netflix has been disrupting the entertainment industry for nearly two decades. **In 2016:**

- Subscription streaming surged **23%**
- Video-on-demand rentals rose **5%**

MEANWHILE SALES OF PHYSICAL RENTALS HAVE DWINDLED TO ALMOST NOTHING

Sources: LA Times, CNBC, LA Times, The Economist

## UBER VS TRANSPORTATION

4X

69% vs 17% Four-year growth rate

- Hundreds of thousands** of drivers
- Millions** of users
- Billions** in VC funding
- \$51 billion** valuations

SUFFICE IT TO SAY THE TRANSPORTATION INDUSTRY HAS BEEN OFFICIALLY DISRUPTED

Sources: Rideshareapps.com, Brookings

## AIRBNB VS HOSPITALITY

7.8X

90% vs 11.5% (avg) annual growth rate

Since its launch, 115 million leisure travelers have stayed in 3 million Airbnb listings in more than 191 countries - causing Airbnb to take the **#1 spot on CNBC's Disruptor 50 list.**

NEXT, THE COMPANY PLANS TO BEGIN LURING AWAY BUSINESS TRAVELERS

Sources: WSJ, CNBC

# What does disruption look like?

## IN HEALTHCARE



In Healthcare

### ARTIFICIAL INTELLIGENCE



#### Drivers

Rapid, widespread adoption is attributed to reduced treatment costs, elimination of unnecessary hospital procedures, easier workflows and excellent patient outcomes.



#### Anticipated Outcome

42% CAGR until 2021.



#### Example

Butterfly Network, a startup that's developed a handheld 3D-ultrasound tool that creates 3D images in real time and sends data to a cloud service for automated diagnoses.



In Finance

### BLOCKCHAIN TECHNOLOGY



#### Drivers

Blockchain today is like the Internet in the early 1990s - it's a foundational technology on top of which numerous applications can be built.



#### Anticipated Outcome

Blockchain is expected to revolutionize the financial system in the same way the Internet disrupted traditional media.



#### Example

When Barclays carried out the world's first trade transaction using blockchain in 2016, it cut a process that normally takes 7-10 days down to less than 4 hours.



In Professional Services

### DIGITALIZATION OF KNOWLEDGE WORK



#### Drivers

Consumer desires for a less time-consuming, more affordable way to close on home purchases and legally binding documents.



#### Anticipated Outcomes

Digital apps for mortgage banking and legal documents will reduce the need for specialized services from mortgage brokers, lenders and lawyers.



#### Example

When Quicken introduced Rocket Mortgage, an all-digital loan service, it brought with loan approval time down to as few as nine days - compared with an industry average of 45 days. Rocket now accounts for over 6% of Quicken's loan revenue.

Sources: Forbes, Wharton, Harvard Business Review, Forbes, San Francisco Chronicle

# Is my industry ready for disruption?

## A FEW EXAMPLES OF THE MANY POTENTIAL PATHS TO BREAKTHROUGHS...



### DEMOCRATIZING ACCESS TO INFORMATION

Former Microsoft executive Richard Barton has launched a string of successful disruptive ventures with Expedia, Zillow and Glassdoor. Each removed barriers for consumers to accessing data:

-  Travel options
-  Real estate listings
-  Salary information



### REIMAGINING THE STATUS QUO

You may know the story of how the iPod was born of frustration with the design of MP3 players, but have you heard about Reinventing the Toilet?



The Bill & Melinda Gates Foundation have been challenging universities and designers to reinvent the entire ecosystem of sanitation for the 2.4 billion people worldwide without access toilets.



### REMOVING BARRIERS TO ADOPTION

Many consumers remained resistant to solar panels because of price and aesthetic – until Tesla eliminated this friction by offering new, solar roofs designed to complement each home's beauty and architecture. That's along with a lower price and better durability than conventional roof tiles.



What information is difficult for customers to access in your industry?

What frustrations do your customers accept without question?

What's blocking your customers from adopting innovative products and services?

Sources: Wikipedia, RTI, Tesla Solar

# 7 Steps to Creating Breakthrough Products, Services and Experiences

HERE ARE SEVEN KEY INITIATIVES THAT CAN DRIVE DISRUPTION, ORGANIZED INTO THREE CORE CATEGORIES.



Create a culture that **attracts and engages** top talent capable of capitalizing on opportunities for disruption

1

DIGITAL DEXTERITY

2

FLEXIBLE WORK EXPERIENCES



Develop **operational, digital and analytical agility** to quickly respond to disruption

3

DIGITAL WORKPLACES

4

NIMBLE GROWTH STRATEGIES

5

MICROSCOPIC INSIGHTS



Become **truly customer-centric** to recognize unmet needs and drive real disruption

6

CUSTOMER EMPATHY

7

EXPERIMENTATION

# Attract, Engage and Retain Top Talent

Companies with **engaged workforces consistently outperform those without by up to 202%**. At the core of each disruption is an innovative company culture — one that sets up employees for success through:



## STEP 1

### DIGITAL DEXTERITY

To be effective, today's employees must have easy access to intuitive, consumerized workplace technology. But to build a more consumerized workforce, there must be a focus on digital dexterity. That means developing a strategy designed to provide employees with easy access to the tools they need to be fully invested in the success of an organization.



## STEP 2

### FLEXIBLE WORK EXPERIENCES

Disruptive companies are the ones who understand that lines separating work, life and play will continue to fade. Empowered workers have the flexibility to move frequently throughout the day to their choice of workspace, using the tools they select at the time and place they prefer. When they are drawn to the office, it's to engage in a workplace environment designed to be immersive, collaborative and comfortable.



### Example

L'Oréal has stayed on the offensive by creating an enterprise social network that allows reps and stylists to collaborate and share new techniques.

Sources: Dale Carnegie Institute, Gartner, TechTarget, Knoll

# Develop **Agility**

True disruption relies on agility processes that empower a business to respond to changing market trends.

## THIS IS ACCOMPLISHED THROUGH:



### STEP 3

#### DIGITAL WORKPLACES

Boosting employee agility and engagement through a more consumerized work environment comes down to one core concept: the **digital workplace**. By reimagining workplace technology, companies can **future proof** their ability to enable the most innovative, consumer-driven technologies within the workplace.



### STEP 4

#### NIMBLE GROWTH STRATEGIES

Innovation is central to disruption, but so is time to market. Agile, competitive companies understand the importance of a growth strategy that leaves room for buying and partnering — instead of just building products. While some disruptive technologies are created from the ground up, true disruption often relies on **rapid growth made possible by successful mergers and acquisitions**.



### STEP 5

#### MICROSCOPIC INSIGHTS

Disruption hinges on a strong dose of the right data. Agile companies remain consistently ahead of technology trends and consumer cravings to be the first to offer new value — be it through data science, predictive analytics, a platform powered by IoT, a novel application for artificial intelligence or something else altogether extraordinary.



### Example

BNY Mellon empowers employees to remain agile through a robust digital workspace that makes it easy to search files and folders, access content remotely, use various devices, collaborate with colleagues and more. The result is a more engaged, productive workforce, with 74% of employees expressing satisfaction with the new setup shortly after its launch.

Sources: Gartner

# Customer-Centricity

Industry disruptors empathize with customer desires for more **tailored experiences** – and find **data-backed ways** to meet their needs through:



## STEP 6

### CUSTOMER EMPATHY

Customers are more empowered than ever, and have come to anticipate that a solution is available for every problem they can imagine. With a heavy investment in ethnographic studies, qualitative research, quantitative surveys and big data, disruptors keep a finger on the pulse of customer needs to consistently find problems customers didn't even realize they had.



## STEP 7

### EXPERIMENTATION

It takes a true spirit of entrepreneurialism to make disruption possible. Failures and fixes take precedence over perfection, and dedication to development is just as strong through challenges as it is during successes. Disruptive companies don't flee from setbacks, but rather run at full speed ahead through a continual cycle of experimenting, testing, learning and iterating.



### Example

Xeneta uses technology to provide detailed price quotes to companies that use freight shipping, breaking down numerous barriers to provide customers exactly what they need, when they need it.



## THE TEAM BEHIND THIS GUIDE

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### **Unified Workspace**

**Lenovo Unified Workspace** is an enterprise software product that enables organizations to redesign how people and technology work together, producing incredible outcomes: highly productive people, more flexible work policies, easier access to apps and data, faster integration of mergers and acquisitions, agile adoption of new technologies, and more.

### **Lenovo** **Software**

**Lenovo Software** helps organizations empower the workforce and accelerate digital transformation. With Lenovo Unified Workspace, businesses can give employees the flexibility to work where they want, when they want and how they want, by delivering access to the right apps and content, on the right device – anytime, anywhere. Lenovo AirClass, a web-based training application, delivers a rich, immersive experience designed for distance learning, virtual training, and training analytics. LanSchool Classroom Management software keeps students engaged and learning in a safe, digital environment.

**Think software. Think [Lenovo](#).**