TraditionDATA

Disruption vs Innovation

Date: October 2019
WIFIC Vancouver
Can we be innovatively disruptive in this market space and still grow market share? What do we need to consider?

Why am I asking this question?
So what’s the goal of this presentation?

I wanted to explore the very topical question of would innovation and disruption affect our industry in either a positive or negative way?

Is it just ‘buzzword’ talk, sales ‘blue sky’ chatter or something we need to seriously think about?

Is it really happening today or are we ‘asleep at the wheel’?

Let’s see where we go with this because it has been liked taking a bite out of an elephants xxxxx
Let’s start with some definitions
Disruption or Innovation do we understand those words?

YOU KEEP USING THAT WORD

I DO NOT THINK IT MEANS WHAT YOU THINK IT MEANS

From – Princess Bride
Cambridge English Dictionary Definitions

Disruption:

‘an interruption in the usual way that a system, process, or event works’

Innovation:

‘(the use of) a new idea or method:’
Urban Dictionary Definition Of Disruption

Disruption:

‘Buzzword used by Silicon Valley gurus, often in conjunction with innovation, as in 'disruptive innovation'.

Innovation:

Doing the same old **pointless** thing a different way. Alternatively, creating something brilliant in such a way that it takes twice as long and costs **three times** as much as the old fashioned way of doing the same thing.
An academic definition

Definition

- Disruption displaces an existing market, industry, or technology and produces something new and more efficient and worthwhile. It is at once destructive and creative.

*Harvard Business School professor and disruption guru Clayton Christensen*

Innovation

- “At the heart of that activity is innovation: the effort to create purposeful, focused change in an enterprise’s economic or social potential.”

*Harvard Business School*
Is an innovator a disrupter or vice versa?

- Disruptors are innovators, but not all innovators are disruptors -- in the same way that a square is a rectangle but not all rectangles are squares.

- Disruption has so many connotations and they depend totally on your approach and your thinking!

- After a little research it’s simply neither a Negative nor Positive connotation or is it? Could it be both?

- Let’s take a walk down that conundrum path
Negatively viewed Disruption

Political, Social, technological to name a few

Or is it?
Positive viewed Disruption

So many new efficient ways of doing stuff!

Or is it?
Can we disrupt or innovate the Market Data approach today?

The next slide is boring!......but insightful
‘Disruptive Innovation Theory*’

➢ Every successful and established company will be overtaken by a revolutionary newcomer.
➢ Disruptive small players enter the market with a very low performance but soon their performance advances and they move upmarket (Netflix).
➢ At the beginning of the disruption cycle, the new innovations are not good enough for mainstream but sufficient for those customers with low needs.
➢ Lower prices, easy handling or niche functions that were not served by previous industry players make the unknown product or service particularly attractive for the newly created customer segment.
➢ Established industry leaders, believe the new technologies are merely insufficiently mature prototypes and business ideas from insignificant competitors. Complacency reigns.
➢ The needs of their own target group for the new offers are ignored and the daily business continues as usual.
➢ Disruptors, however, start small from the bottom and move upmarket, and even manage to meet the needs of the most demanding customers.

*Clayton Christensen – Harvard business school
Market Data Landscape ‘Today’ –

➢ It works
➢ People
➢ Old Delivery
➢ Limited Choice

➢ Frustration
➢ Value
➢ Dated marketing
➢ Risk averse
Market Data Landscape ‘Today’ – It is changing!

- Thinking
- People
- Delivery
- Choice

- Eureka moments
- Value
- Digital marketing
- Future proofing
My Findings?

The final bit - conclusions
The findings

• Disruption starts with Unhappy Customers, not technology*

• Disruptive start-ups/modernising companies enter or remodel themselves within markets not by stealing customers from incumbents, but by stealing a select few customer activities.

  (The activities disruptors choose to take away from incumbents are precisely the ones that customers are not satisfied with*)

• Are we really thinking of the customer or our own businesses?

• Whilst we might at times dismiss small players or niche start-ups as annoying mosquitos, we need to be aware of how our customers see them and ultimately what might happen if we are complacent!

* Thales S. Teixera – Harvard Business Review
So conclusion would be that -Disruption is more than a buzzword that you ignore at your peril

- Many Industry giants concentrate on **incremental innovation**, upgrading existing products to attract higher paying customers.
- They then begin to **overcomplicate** their product by adding fancy features **no one** wants to pay for.
- At some point, large companies **ignore** the customers who just want a simple low-cost alternative.
- **Disruptors/Innovators** develop a **basic offering** for those who want a simple substitute.
- Meanwhile, the disruptor improves its product and moves upmarket.

- **Soon the disruptor takes over the market**

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<td>Video on demand</td>
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<td>Netflix Solved what clients wanted. Quick, wide access and the right price point – using modern technology iPad/iPhone from anywhere</td>
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So what’s the answer?
Innovation vs Disruption

➢ First we need to ask a couple of simple questions

➢ What is your why?

➢ How do we as innovators (if we feel we are!) collectively shift the conversation from, “Can it be done?” to “How do I make this happen right now?”

Or (In plain English)

➢ How do we as innovators (again, if we feel we are!) quickly recognize the “unhappy matters” and deliver solutions that make people “happy again”
How do we as an Industry harness innovation & disruption without distraction?

• Communicate Externally
  ➢ Talk, not only sell, to our clients
  ➢ Listen for the problem areas
  ➢ Adapt new solutions to old problems
  ➢ Do they want innovation and disruption?
  ➢ Are they entitled to a choice?
  ➢ See criticism as an opportunity

• Communicate Internally
  ➢ 360 degree internal process for collection of information
  ➢ What are their ideas and how viable are they?
  ➢ How would they innovate/disrupt if given the chance to make a positive change?

• Take Action
So what is the actual answer James?

**YES WE CAN** innovate and disrupt in market data & yes we can grow our business IF we are brave and keep focused

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**INNOVATION**

- Doing the same things a bit better

**DISRUPTION**

- Doing new things
- Making things that make the old things obsolete
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