

Managing in an Age of Disruption?

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The Issues for Debate....

1. Age of Discontinuities or Disruption?
Discontinuities represent Opportunities;
Unmanaged they become Disruptive
2. Discontinuities Happen with Enough Warning
Discontinuities can be Harnessed to
Create New Approaches to Value Creation

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The Impact of Discontinuities: Basic Hypothesis

Organic Growth through Innovations
within an Established Enterprise (Value
Creation) is at a Premium.

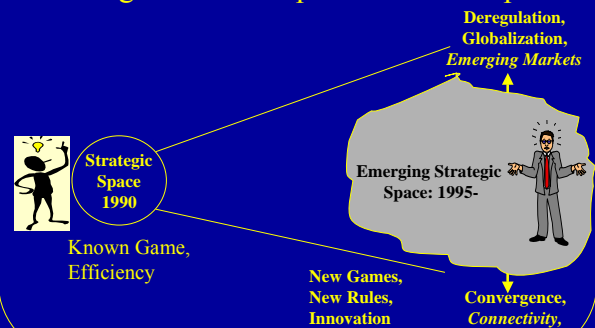
Because

Discontinuities impact the Focus,
Sources and the Processes of Innovation.

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Business Transformation: Forces of Change in the Competitive Landscape:



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Emerging Entertainment Space

Digital TV set Cable TV Web TV FAX PC
 HDTV Satellite TV Interactive TV Printers PCTV Laptop
 Flat Displays Digital Set-top Box Tablet PC Handheld
 Digital Broadcasting Scanners Home Networking PDA
 Video on demand Digital Video Recorder Wearable Computer Telematics
 DVD Camera Digital Camera E-mail Pager
 Video Camera Digital Imaging System Cell Phone
 CD Player Digital Jukebox Multimedia Storage Electronic Toys
 MP3 Player Reality TV
 Stereo System Internet Video Game Console

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My Starting Points:

1. *Next Practices* not Best Practices
2. Amplifying *Weak Signals*
3. Focus on *Value Creation Process*
4. *Global Perspective*
5. *Changing Nature of the Firm*

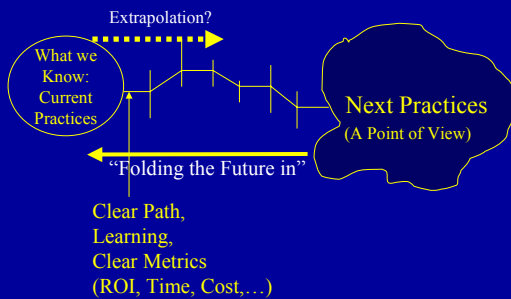
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Innovation Debate,
Value Creation Debate

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Implications of “Next Practices”



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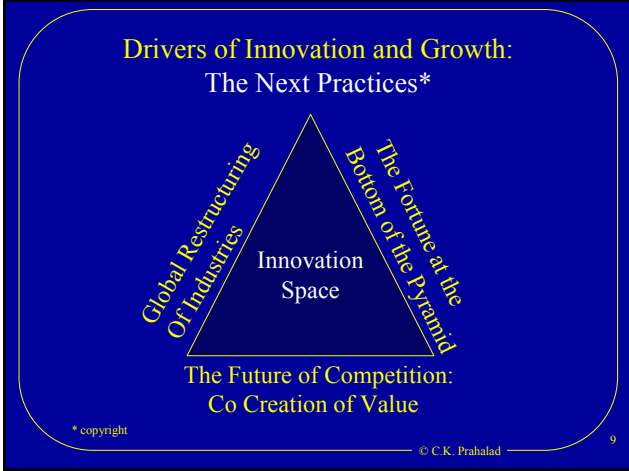
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Challenge to managers:

Developing New Strategic Capital

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Who is Influencing Whom?

The Future of Competition
Firm > Consumer → Consumer ≥ Firm?

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Who is Influencing Whom?

The Future of Competition
Firm > Consumer → Consumer ≥ Firm?

The Fortune at the Bottom of the Pyramid
Top of Pyramid > Bottom of Pyramid → Bottom of Pyramid ≥ Top of Pyramid?

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Who is Influencing Whom?

The Future of Competition
Firm > Consumer → Consumer ≥ Firm?

The Fortune at the Bottom of the Pyramid
Top of Pyramid > Bottom of Pyramid → Bottom of Pyramid ≥ Top of Pyramid?

Global Resource Leverage
Dev. Countries > Developing Countries → Developing Countries ≥ Developed Countries?

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New Demands of Value Creation

1. The Need for an *Experience Network*
2. The Need for *Intelligent Products/Services*
3. The Need for *Dialogue, Access and Transparency*
4. The Importance of *Consumer Communities*
5. The Need for *Real Time Action*
6. The Need to Cope with *Heterogeneity and Complexity*
7. The Need for *Alliances*
8. The Need for *Rapid Reconfiguration of Resources*



Technology Infrastructure is Strategic

Implications for Global Firms

Software Intensity in Products/ services

Focus on Business Processes

Consumers As Co Creators: DART

Building A Nodal Network: Alliances

Micro-Billing And Auction Oriented Pricing

Real Time Configuration Of Resources

Implications for Global Firms

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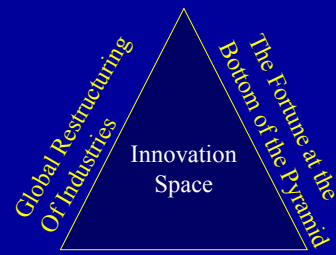
Building A Nodal Network: Alliances

Micro-Billing And Auction Oriented Pricing

Real Time Configuration Of Resources

Managerial Models and Behaviors

Drivers of Innovation and Growth: The Next Practices*



The Future of Competition:
Co Creation of Value