Digital transformation and the disruptor's curse

By [Anton Cabral](#) 14 Nov 2017

More feared than JK Rowling's *Dementors*, disruptors are proving to be the nightmare of established brick-and-mortar (B&M) businesses around the world.

Photo by Samuel Zeller on Unsplash

Today's tech-savvy entrepreneurs are unsettling the comfortable spaces, and usurping the territories of solid brands. No industry is safe, no sector immune.

> *Technology is the disruptor's weapon of choice.*

In trying to match the threat, many traditional B&Ms feel increasingly pressured to find ways of creating disruption themselves. Disruption, however, is the domain of entrepreneurs. Rather, *innovation* is what established organisations should commit themselves to: improving what they already do well, and working on better ways of keeping their clients and employees engaged for the benefit of their bottom-line.

There's often a blur between being a disruptive influence, or a positive innovator, and not all innovation will be disruptive. Many businesses exist because they're already answering a need within the market, but there is always scope for them to innovate and do things better.

Ultimately, disruptors want what established brands already have: credibility and market share – both of which are hard to earn, but can be quickly squandered if not nurtured properly.

Most disruptive startups are exactly that: startups. They seldom rise from a legacy brand with an immediate client-base. They also have tough battles to face in terms of funding, marketing, and sustainability. The irony is that once they've found their feet, disruptors are equally tasked with innovation to maintain their foothold.

Placing disruption neatly into perspective

So while business leaders might be more and more engrossed in conversations on the threat of disruption, it's important to place it neatly into perspective: established businesses really only need to commit 10% of their efforts in this direction. Twenty percent should be channelled into industry leadership, while the far greatest amount of energy, say 70%, should

look towards activities that sustain a business.

The good news is that if a business focusses on sustainability – keeping products relevant, bottom-line costs low, and customers happy – they already go a good way towards establishing industry leadership and mitigating against unexpected industry disruption.

> *The question is, how do they optimise their performance in these important sustainability areas?*

The answer: they arm themselves with technology that allows them to sharpen their tools, and enhance their core services and systems.

Many businesses talk about *how* to use technology and then implement piece-meal solutions nilly-willy, believing they're *doing* digital transformation. Proper digital transformation (Dx) however, requires a considered strategy backed up with short and long-term goals and implementation plans.

Digital maturity

If leaders are serious about future-proofing their businesses, they need to take the lead in directing efforts towards reaching a place of *digital maturity* where there's an understanding that Dx is an on-going challenge.

With a formalised Dx plan, operations can be streamlined to make systems and processes more efficient, more cost-effective, and more secure.

A Dx plan that considers the platforms and technology adopted by consumers and employees can increase client acquisition and retention, and enables new products and services to reach the consumer quicker.

> *A proper Dx plan leads to an organisation that is more agile, and far more challenging to catch off-guard and disrupt.*

Fortunately, technology has no master…it is not the sole servant of disruptors and entrepreneurs, so it would serve companies well to get on board sooner rather than later.

Disruptors beware: the establishment is gearing up for the battle.

ABOUT ANTON CABRAL

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