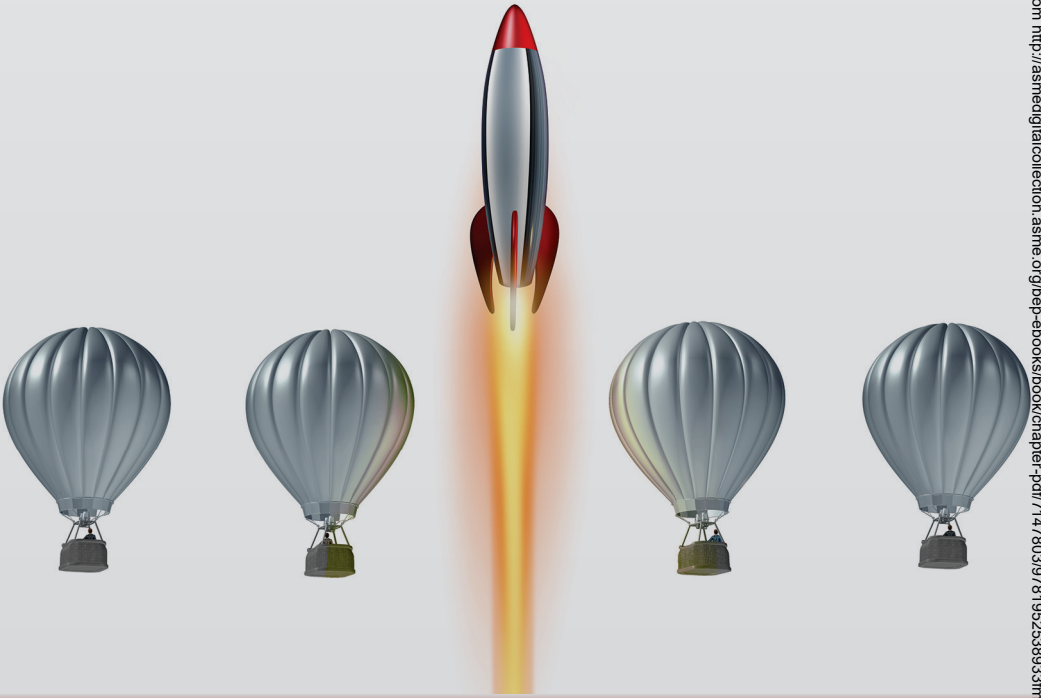


Disruptive Innovation and Digital Transformation



21st Century New Growth Engines

Marguerite L. Johnson

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*Disruptive Innovation and Digital Transformation: 21st Century
New Growth Engines*

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In honor of my deceased father, George E. Johnston, Sr.,
and my deceased father-in-law, Duffy Johnson, Jr.

What People Are Saying

Early Reviews

Ms. Johnson's new theory of disruptive innovation, called DICE (Disruptive Innovation Customers' Expectations), is a natural successor to the foundational work done by Clayton Christensen, Larry Downes, and others. In her clear and concise book, she synthesizes the teachings of prior works and shows how her DICE Theory extends those teachings by uncovering patterns in the life cycle of innovations. Johnson's DICE Theory will be key in helping the business managers and innovation leaders detect and predict disruptions, especially in the realm of digital transformations. —Spencer Pugh, Vice-President, Research and Development, Michelman (retired)

While some business publications are page heavy and content light, Johnson's text is the opposite. This is not a book for the casual or merely curious reader — it is targeted squarely at innovation professionals who want disruptive theory at the heart of their product strategies and who aren't afraid to roll up their sleeves. It is a thorough review of the published literature and the development of an interesting new framework for strategists to chart a path through the transformation. —Jim Fritz, Executive in Technology Strategy

This is a must-read for those seeking to be disruptors, not disruptees. It introduces the six-step 'pattern of disruptions'... a brilliant concept you'll apply to both traditional and digital innovation. An insightful roadmap for the next generation of innovators! —Dan Adams, Founder and President, The AIM Institute

As you pointed out in your book [Marguerite], many early literature and innovation models did not count the effect of this massive disrupting digital technologies. Your "new theory of disruptive innovation" is very timely and it should provide huge benefits to companies to reassess their current innovation framework to get the full market potential by leveraging the digital technologies. —SM Hasan, Ph.D, Senior Leader at GE research

Description

Disruptive Innovation and Digital Transformation: 21st Century New Growth Engines is for executive leadership, senior management, innovation catalysts, and digital marketing teams tasked with transforming businesses by accelerating growth through disruptive innovations and digital capabilities. It is a practical guide with concise insights for understanding the applications of disruptive innovation and how to iteratively apply them to projects and opportunities. It garners insights from the best minds across relevant disciplines—from its original theory and latest updates—to arrive at new insights on digital transformation.

The author evolves key approaches to disruptive innovation theory to reveal new digital applications and tells leaders what to look for—major categories of customers' expectations in an escalating pattern to understand in what context digital plus disruptive innovations must be aligned with consumer preferences, environments, and the jobs-to-be-done, which is modeled in a new theory, Disruptive Innovation Customers' Expectations (DICE).

DICE provides methods to use to lead digital disruption across products, services, and business models. DICE translates the vague parts of disruptive innovation by simplifying them down to what-to-do. DICE takes away the elusive nature of disruptive innovation by advising leaders: how to scan, to track, and to detect disruptions.

This book provides leaders with the right lenses to filter markets, giving order to complexity, and making disruptive innovation simpler.

Keywords

disruptive innovation; digital transformation; innovation management; platforms; business models; networked ecosystems; strategy; transformational leadership; business transformation; entrepreneurship; startups; open innovation; collaboration; marketing; Internet of Things (IoT); digital disruption; innovation ecosystems; and digital marketing

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- To my amazing husband (Michael) and our beautiful children (Kayla and Kyle): *I love you. You bring joy into my life. Thank you for listening to me and allowing me to drag you through the depths of disruptive innovation theories and digital transformation business cases. No words can convey the feelings in my heart.*

Marguerite Johnson
Bloomfield Hills, MI, USA

Preface

This book is written for business leaders by an innovation leader who understands the pressures of *delivering* on new growth. These pressures have intensified in the face of massive shifts in digital technologies, platforms, products, services, and business models. Like most of you, I did not have the time to “deep-dive” into the innovation literature to find all of the answers I needed. Nevertheless, digital transformation does not care. The changes it brings are disruptive. It has Newton’s first law of physics on its side. The law of gross tonnage: The heavier vessel always has the right-of-way.

For a business leader looking to apply knowledge from the literature on digital transformation and disruptive innovation, it takes a tremendous amount of time to dedicate to finding, sorting, sifting, reading, and analyzing. This is not helped by the “[m]any researchers, writers, and consultants who use ‘disruptive innovation’ to describe any situation in which an industry is shaken up and previously successful incumbents stumble. But that’s much too broad a usage” (Christensen et al. 2015). So, I did the work of synthesizing past research to demonstrate a pattern of six disrupters, I coined “Pattern of Disruptions”. These disrupters are a part of a larger theory and model, which I detail in Chapter One.

I reread many of the latest leading innovation books, articles, research studies, business cases, and industry reports on disruptive innovation, digital transformation, and digital disruption. I found the literature was insightful, but incomplete and vastly disjointed. You will find that I quote industry experts from these fields: disruptive innovation, digital transformation, business, strategy, and technology because I want readers to understand my perspectives do not exist in a vacuum. They are reinforced and shared across a community of leaders. There are entire books written on the chapters in this book. I did not attempt to capture all of the works that have been published on disruptive innovation and digital transformation. I extracted only the contextual meanings or significance from leading works. I took everything and viewed it through the lens of my

20-year career in business, innovation leadership, new product development, strategy, and product line (with P&L) management.

My passions for business, innovation, and strategy compelled me to write this book. I hope you find value in my methodologies, my new theory and model on disruptive innovation, and my synthesis of decades of research to equip business leaders with answers for the 21st-century. I hope they ignite the new growth engines of disruptive innovation and digital transformation in your organizations. Thomas M. Siebel, groundbreaking technology and business leader, has this advice in his book, *Digital Transformation: Survive and Thrive in an Era of Mass Extinction*: “In management, I find one of the most important skills is pattern recognition: the ability to sort through complexity to find basic truths you recognize from other situations” (2019). This book is the results of my work to identify patterns, sort through complexities, and reveal new insights into disruptive innovation and digital transformation. As the saying jokingly goes: *I took one for the team.*