

EXECUTIVE LEVEL: THE "FIRST MILE"

OVERCOME DOMINANT LOGIC INERTIA

1 ENVISION THE DISRUPTIVE POTENTIAL

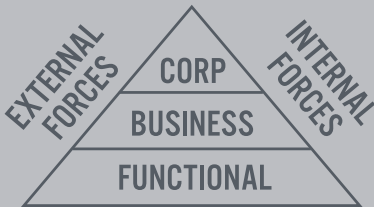
2 ASSESS MAGNITUDE OF CAPABILITY GAPS
Perception of Opportunity (Small Gap)
or Perception of Threat (Large Gap)

3 INVEST TO IMPLEMENT THE RESPONSE

FIRM LEVEL

OVERCOME STRUCTURAL INERTIA

FORMULATE STRATEGY



CONSIDER NEEDED CAPABILITIES

DEFINE SOURCES OF CAPABILITIES AND ACQUIRE

LAUNCH OR ADJUST PRODUCTS AND SERVICES

SUSTAIN OR FAIL IN NEW OR EXISTING MARKETS

INDUSTRY LEVEL

TECHNOLOGICAL DISCONTINUITY

NEW POTENTIAL BUSINESS MODELS

NEW SUPPLIER MARKETS FORM
(RACE TO ACCESS/ CONTROL NEW CAPABILITIES)

SHIFT IN BASIS OF COMPETITION

HETEROGENEOUS SPEED AND EFFECTIVENESS OF MARKET RESPONSE

INDUSTRY DISRUPTION

