



Digital Market Disruption in Services

Executive Service Roundtable - 2022

Market disruption displaces a large number of providers in a market



This raises the questions

What is market disruption?

How to recognise disruption?

What are important do's and don'ts?



The Executive Service Roundtable

Every month

Short and to the point

Range of important topics

Practitioners only

Agenda

1. Digital Market Disruption in Services



2. Insights from benchmark



3. Discussion in smaller groups



4. Re-join and discuss next steps

5. Wrapping up

moreMomentum Service Community

Service industry lacks up-to-date, evidence-based practical external insights.

Share, develop and apply emerging best practices and strategies:

- Peer Group
- Benchmarking
- Advisory
- Roundtable



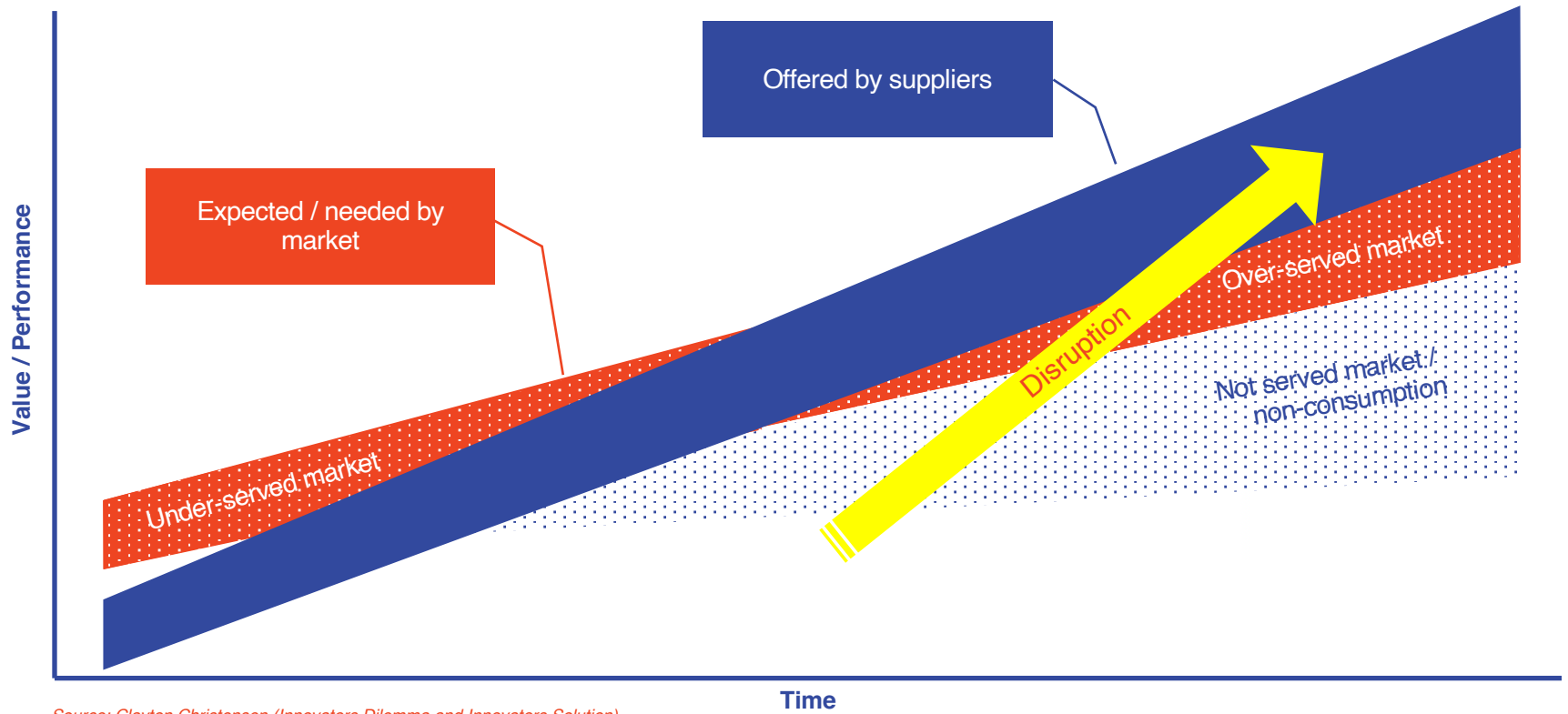
Disruption vs transformation

Transformation	Disruption
Evolution	Rapid and radical change
How we work	Market positions
Big change	Dissolving / displacing

What could Tesla be disrupting?

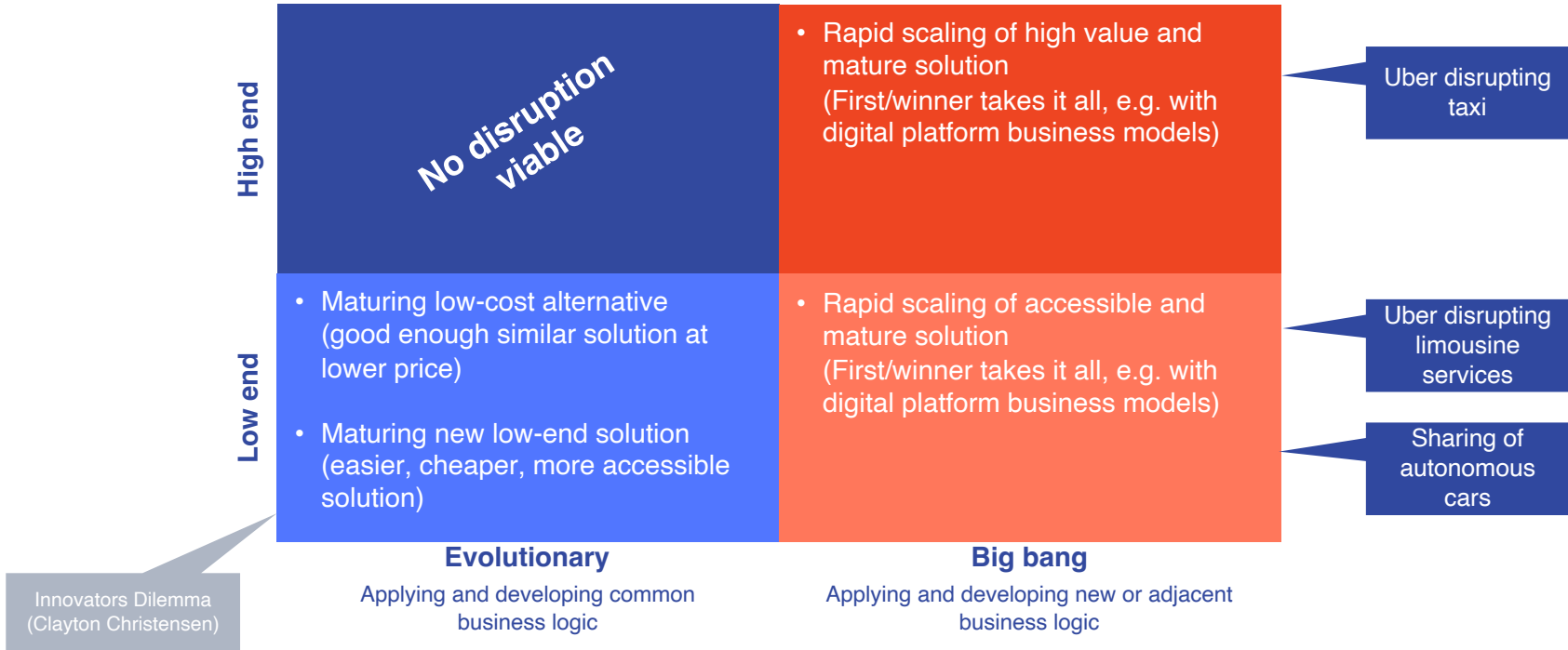
	Manufacturers	Dealers	Taxi	Supply Chain	Labour
Electrification	No ?	Yes	No	Yes	
Self driving	No	No	Maybe	No	No cab drivers
Car sharing	Yes	Yes	Yes	Yes	Yes

Market disruption often comes from the low-end of the market



Source: Clayton Christensen (*Innovators Dilemma and Innovators Solution*)

Today, market disruption can also come from digitalisation of an industry



THE SIX Ds OF EXPONENTIAL ORGANIZATIONS

"The Six Ds are a chain reaction of technological progression, a road map of rapid development that always leads to enormous upheaval and opportunity."

—Peter Diamandis and Steven Kotler, *Bold*

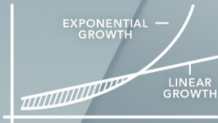
DIGITIZED

Anything that becomes digitized enters the same exponential growth we see in computing. Digital information is easy to access, share, and distribute. It can spread at the speed of the internet. Once something can be represented in ones and zeros—from music to biotechnology—it becomes an information-based technology and enters exponential growth.



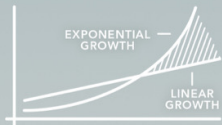
DECEPTIVE

When something starts being digitized, its initial period of growth is deceptive because exponential trends don't seem to grow very fast at first. Doubling .01 only gets you .02, then .04, and so on. Exponential growth really takes off after it breaks the whole-number barrier. 2 quickly becomes 32, which becomes 32,000 before you know it.



DISRUPTIVE

The existing market for a product or service is disrupted by the new market the exponential technology creates because digital technologies outperform in effectiveness and cost. Once you can stream music on your phone, why buy CDs? If you can also snap, store, and share photographs, why buy a camera and film?



Source: SingularityHub

<https://singularityhub.com/2016/11/22/the-6-ds-of-tech-disruption-a-guide-to-the-digital-economy/>

DEMONETIZED

ENIAC	IPHONE 7
1946	2016
1 x .001 Ghz	4 x 2.38 Ghz
\$500,000	\$850
30 Tons	138 Grams

Money is increasingly removed from the equation as the technology becomes cheaper, often to the point of being free. Software is less expensive to produce than hardware and copies are virtually free. You can now download any number of apps on your phone to access terabytes of information and enjoy a multitude of services at costs approaching zero.

DEMATERIALIZED

Separate physical products are removed from the equation. Technologies that were once bulky or expensive—radio, camera, GPS, video, phones, maps—are now all in a smartphone that fits in your pocket.



DEMOCRATIZED

Once something is digitized, more people can have access to it. Powerful technologies are no longer only for governments, large organizations, or the wealthy.



From the Service Transformation Benchmark

Summarised

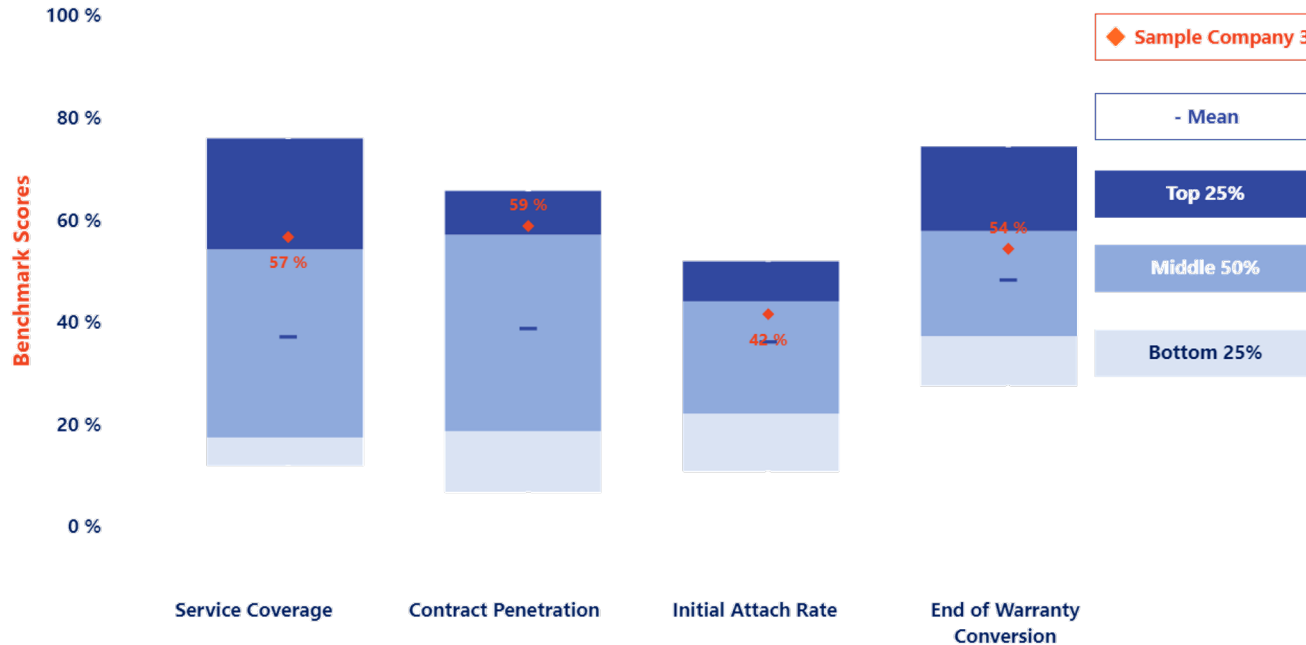
Multi-level capability model as backbone



Comparing performance and maturity

Benchmark of Performance Levels for 'Commercial Success'

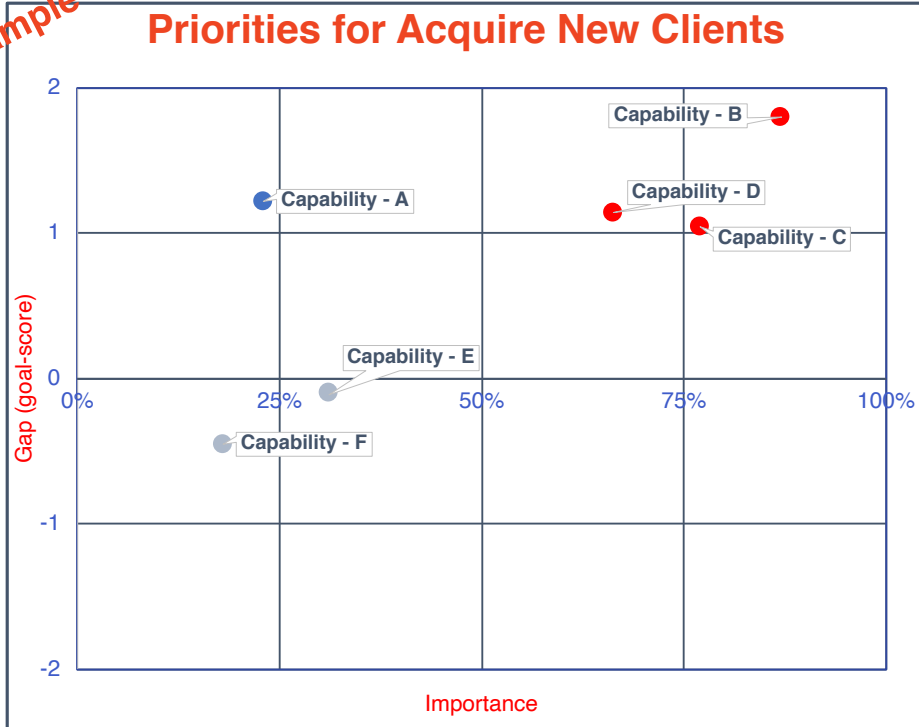
Comparison of Sample Company 3 against the benchmark



This graph is an example, displaying random dummy data. As such, it does not represent any actual insights.

Suggesting your priority matrix

Sample

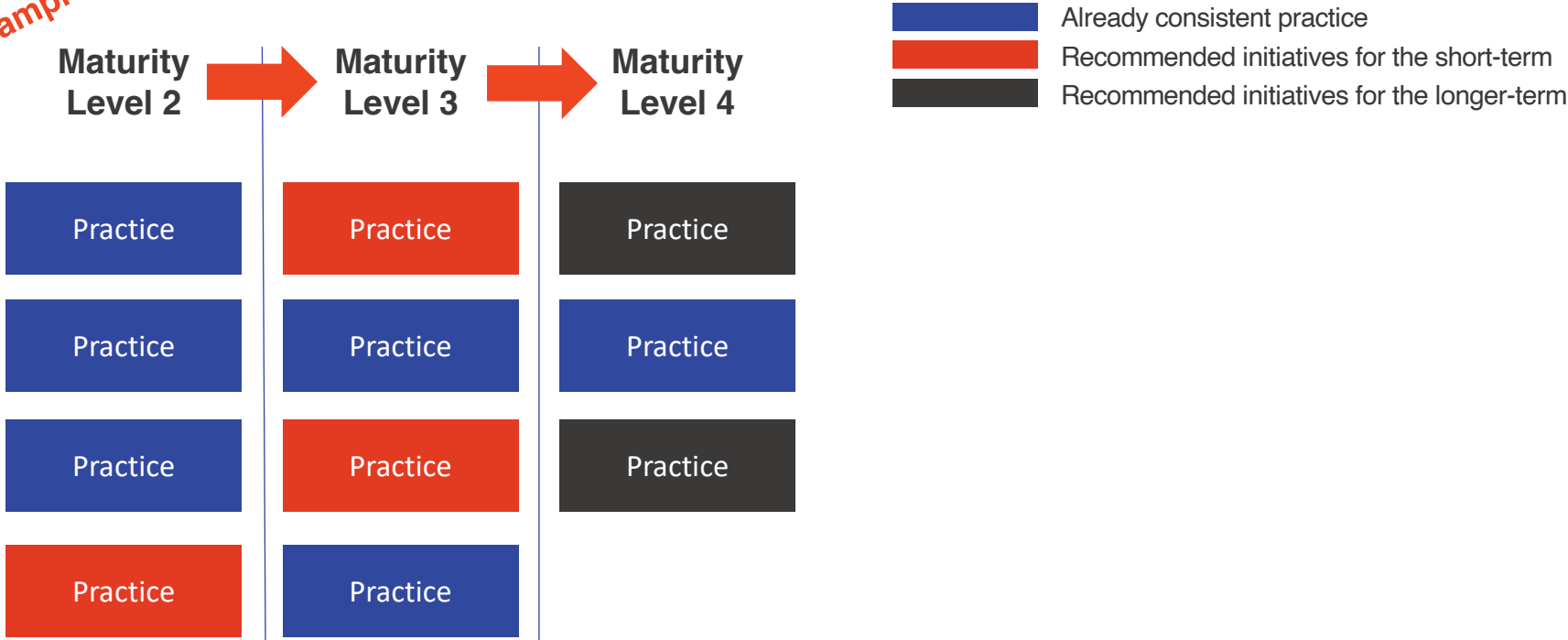


- Recommended priority
- Address if capacity is sufficient
- Maintain maturity level

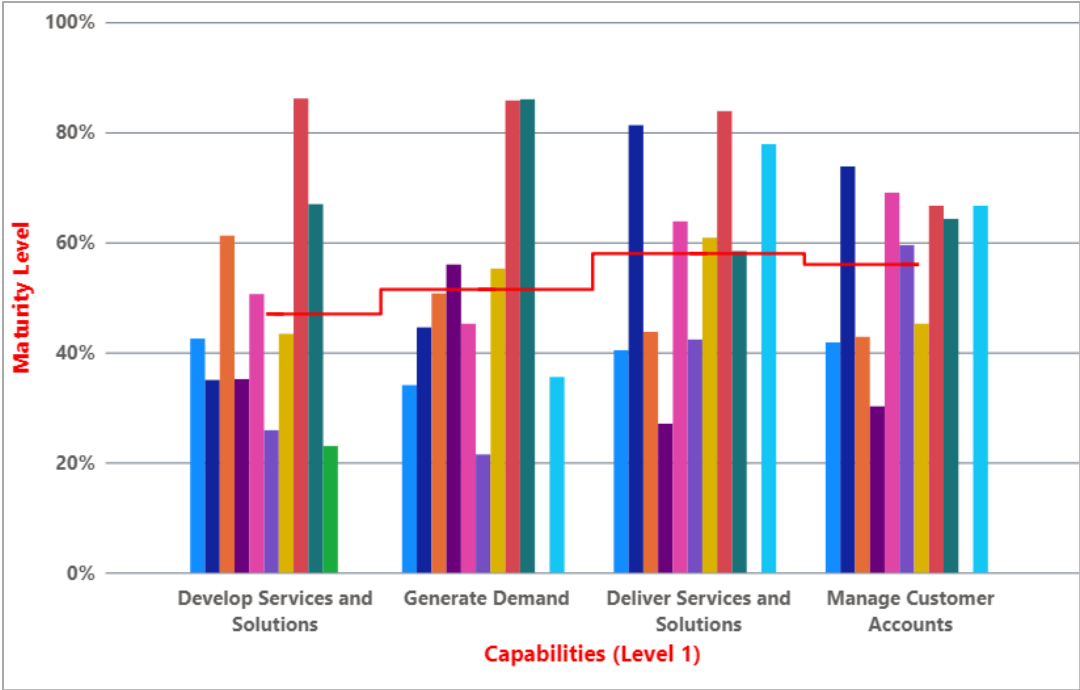
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Suggesting projects for your Road to Success

Sample



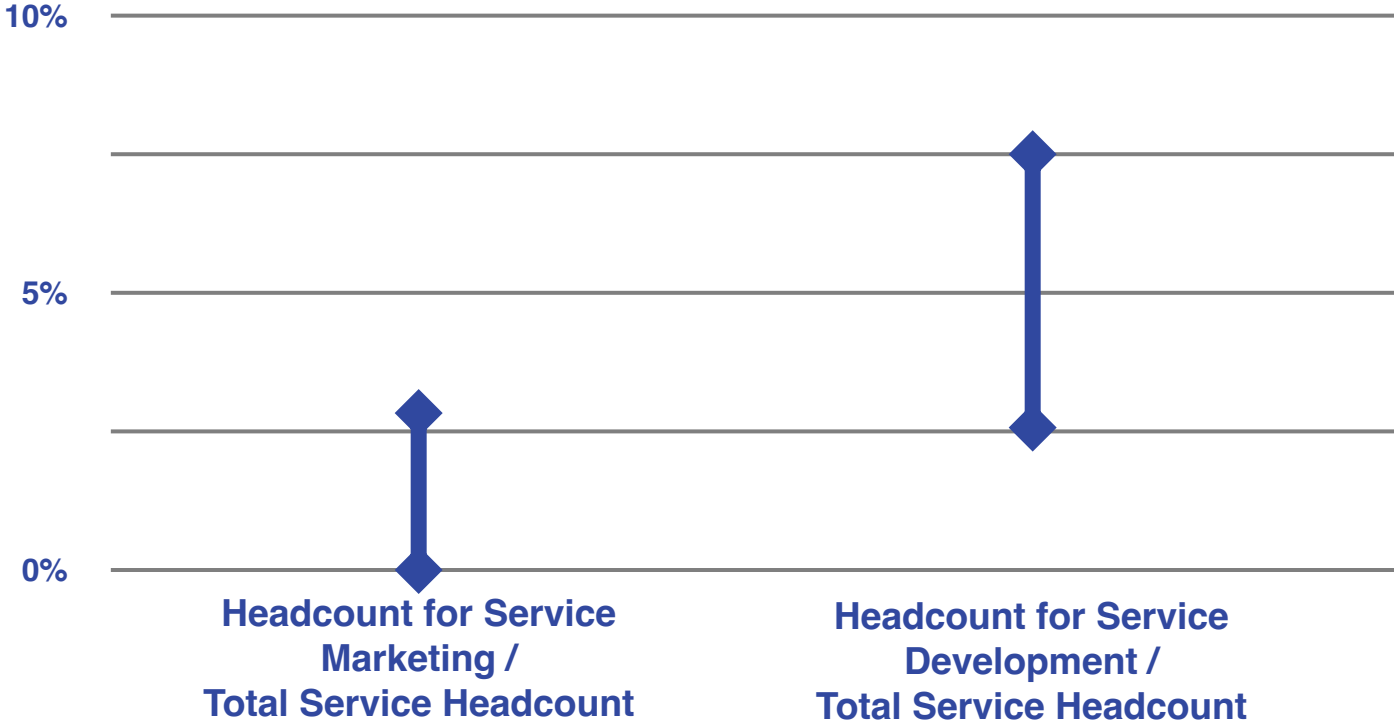
Allows internal benchmarking too



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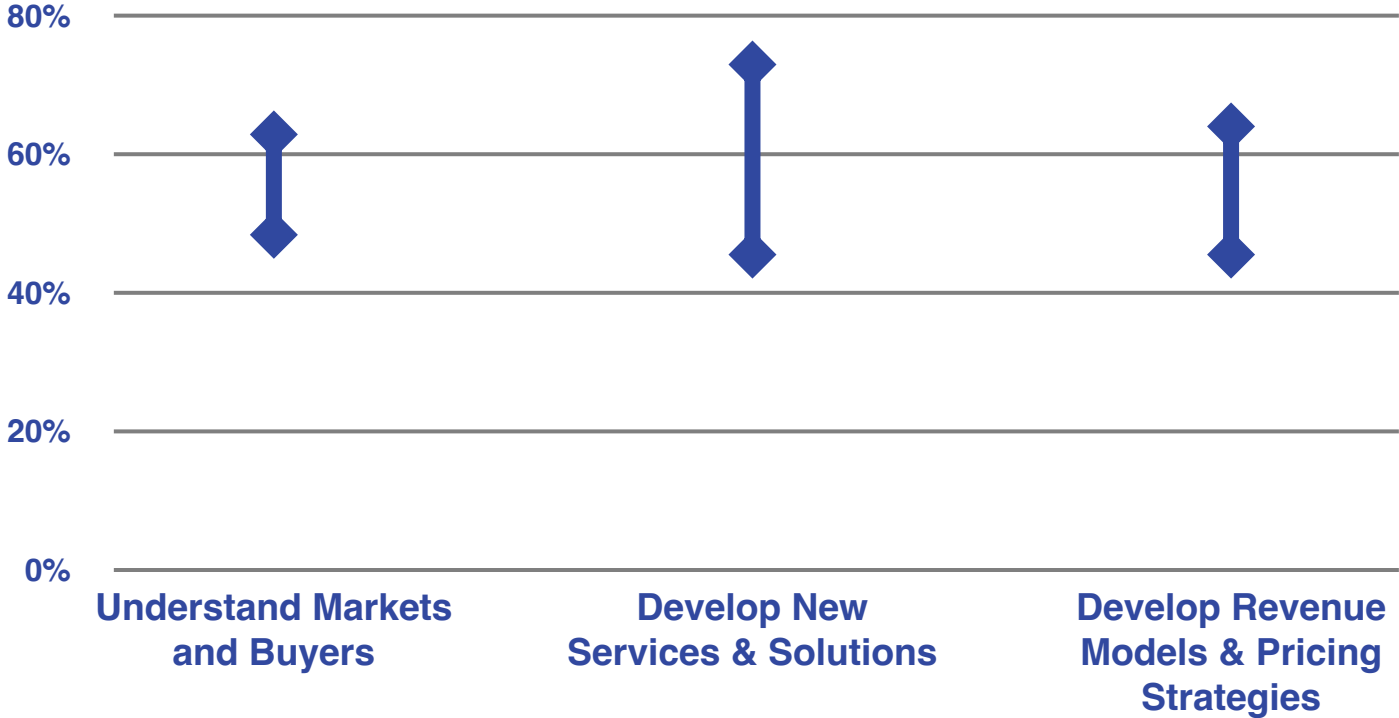
Little capacity for service & market development

From the Service Transformation Benchmark



On average, low maturity for radical service innovation

From the Service Transformation Benchmark





In
smaller
groups



Discussion topics



How could market disruption happen in field service?



What services and solutions should you offer to navigate market disruption?



What capabilities do you need to navigate market disruption?

Next Executive Service Roundtable

Service Models for Circular Economy

June 15th	16:00-17:30 CET	/	10:00-11:30 ET
June 21st	10:00-11:30 CET	/	16:00-17:30 SGT

Potential topics for following Roundtables:

You will receive

- Slides and recording of the presentation
- Invitation for next Executive Service Roundtable
- Information about the:
 - Service Transformation Benchmark
 - Service Community Peer Groups



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