

Disruptive Thinking

by Dr. D. Ian Heywood

Why do I teach Entrepreneurship? Three words come to mind when I am asked this question: creativity, capacity and resilience. I believe that all students in higher education

need to be able to apply creative thinking if they are to develop the capacity and resilience to survive and prosper in their careers. I believe that it is our responsibility as educators to equip our students with more than just discipline specific-knowledge. This is where the key entrepreneurial traits of creativity, capacity and resilience become important: creativity to develop and challenge ideas, capacity to research, evaluate and implement projects, and resilience to cope with failure and set-backs.

My Story

This story focuses on my experience of developing and delivering courses in disruptive thinking for

students in higher education from both business and non-business backgrounds. In this story I explore the rationale for teaching disruptive thinking, explore the different pedagogic approaches, and reflect on what has worked well and what has proved challenging.

Why Teach Disruptive Thinking

One of the biggest challenges I found in teaching entrepreneurial concepts was encouraging learners to shift the mindset associated with the way they research and develop business ideas. All too often, learners seek to develop their ideas for new ventures around incremental changes to existing business propositions, or, at the other extreme, choose to develop ideas that have no valid business foundations. At time, I noticed that my students were fascinated by how some companies emerge from nowhere to challenge the established business model in a sector, and in some cases remove the sector leader from their dominant position in the market. Consider, for example, the

Definitions

Disruptive Innovation

“describes a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up market, eventually displacing established competitors.”

(Clayton Christensen - www.claytonchristensen.com)

Disruptive Thinking

“A way of thinking that surprises the market again and again with exciting unexpected solutions. A way of thinking that produces an unconventional strategy that leaves competitors scrambling to catch up. A way of thinking that turns consumer expectations upside down and takes an industry into its next generation”

(Luke Williams – Disrupt)

Books

recent growth and dominance of Spotify as a leading provider of digital music at the expense of established names such as HMV, or the appearance of Shazam, now valued at over \$1 billion.

In early 2013 I set myself a challenge to develop a workshop which would give my students the opportunity to explore both these issues in parallel. In researching the literature on disruptive thinking, the common recurring themes were the concepts and application of disruptive thinking and disruptive innovation. Disruptive thinking, which challenges the status quo in an industry (especially the preconceptions which underpin a given business model) seemed to offer an interesting framework for helping my students structure the way they approached the development of new business propositions. In addition, the ability to embrace or resist disruptive ideas also seemed to offer a partial model for explaining why some companies were able to survive and thrive during periods of change where others failed.

Five bodies of work became central to shaping my initial ideas for the 'Disruptive Thinking Course' (See the box on the right).

In summary, the main message put forward by these authors is that in order to develop a compelling business proposition that will create sustainable competitive advantage, you need to radically challenge the business models which dominate a sector. To do this you need to challenge the 'way things are currently done'. For example, think of how Apple, through its iTunes store, challenged the pricing structure of recorded music. In many cases you will need to reverse established practices, for example by selling songs separately rather than as part of an album, or by going further and allowing individuals to lease rather than purchase the music they listen to (e.g. Spotify).

Having found a body of knowledge which provided a context and theoretical underpinning for the development of the workshop, I set about crafting the course itself.

Learning Aims and Outcomes

I set the following learning outcomes for my students:

- To be able to appreciate and articulate the concept of disruptive thinking.
- To be able to apply disruptive thinking techniques in the shaping and development of new ventures.
- To be able to critically appraise the value of disruptive thinking as an approach.

The next step was to design the learning experience,



Christensen, Clayton (2013)
The innovator's dilemma: when new technologies cause great firms to fail. Harvard Business Review Press.



Jones, Tim, Dave McCormick, and Caroline Dewing, eds. (2012) Growth Champions: The Battle for Sustained Innovation Leadership. John Wiley & Sons.



McQuivey, James (2013)
Digital disruption: Unleashing the next wave of innovation. Forrester Research, Incorporated.



Waldman, Simon (2012)
Creative Disruption: What you need to do to shake up your business in a digital world. Pearson UK.



Williams, Luke (2010)
Disrupt: Think the unthinkable to spark transformation in your business. FT Press.

source and develop the learning materials, and craft an appropriate assessment.

The Learning Experience

Three things shaped the way I approached the design of my 'Disruptive Thinking Workshop'.

Authenticity

I wanted to give the learners a challenge that allowed them to take apart an existing business model and explore how a disruptive approach could be used to reshape the value proposition.

Project based

I wanted learners to work in teams to develop their disruptive propositions and experience the highs and lows associated with that process.

Student centered

I wanted students to choose, within reason, their own domain areas or sectors of interest. The key here was to make it relevant to them.

To do this meant flipping the classroom by providing background material and resources for learners to review in their own time. Face to face classroom time focused on project development and reflection. To provide an air of authenticity for the learners, I asked them to imagine that they were employed by competing management consultancy agencies seeking to win business from a client.

“Now I am working in private sector I truly appreciated how the disruptive thinking class helped me think differently with regard to seeking out new business opportunities.”

The workshop was structured around four key themes:

- 1** Researching and understanding the current business model used by the client and competitors.
- 2** Applying disruptive thinking techniques to ‘stress test’ the current business model by looking for:
 - The clichés and accepted norms in the business, and challenging these by reversing them: for example, in relation to the music industry, the assumption that all musicians need a recording contract if they are to reach their customers.
 - Critical points in the past where the client felt threatened by external events: for example the free (illegal) sharing of music championed by Napster.
- 3** Developing disruptive propositions for new business models by exploiting clichés and missed opportunities.
- 4** Testing these disruptive propositions through field-work such as product testing, customer focus groups, and surveys.

The assessment consisted of three components:

- Annotated diagrammatic representations of both the old and new business models, showing what had been changed as a result of the disruptive process.
- Evidence of the viability and validity of the proposed disruptive business model, gathered through field testing and research.
- A video pitch for the new business model.

Lessons Learned

I have delivered the Disruptive Thinking Workshop several times over the last three years with class sizes ranging from 10 – 90 learners. Cohorts have consisted of undergraduates, postgraduates, and executive education students. In all cases the feedback has been positive, with learners acknowledging that the class provided them with the tools and space to think differently about identifying and evaluating potential business opportunities.

The biggest challenge I have faced in teaching disruptive thinking is encouraging students to stop dismissing a possible ‘disruptive idea’ just because they can see all the reasons why it won’t work – based on their pre-conceived ideas about what customers want or how markets behave! To get around this mindset, I now remind students that this is probably how some companies react when presented with a disruptive idea that challenges their existing business model.



Resources

To help you design your own Disruptive Thinking Workshop, please go to our online compendium of learning materials and search for “disruption”.

To get you started here are two short videos in which I explain the concept of disruptive thinking and provide an introduction to techniques for stimulating disruptive thinking with your learners.

Disruptive Concepts
<http://youtu.be/BNGPYhVGddA>

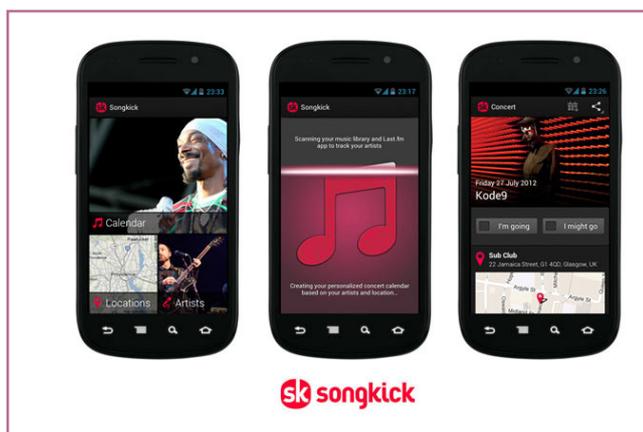
Disruptive Tools:
<http://youtu.be/4VJu14HwqPE>

Mini Case - Geo Entrepreneurship

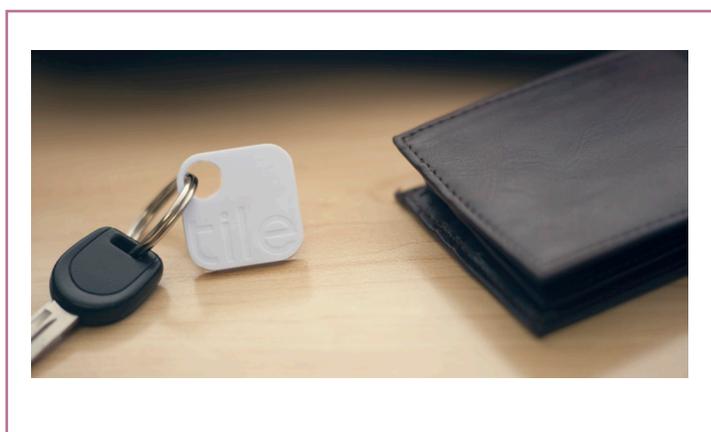
Geography, or more specifically 'location', is back on the agenda as a business development opportunity for many organisations. Knowing where customers, assets or employees are located has always been important, but with the growth of 'location aware' mobile devices that can monitor their location in real time, new disruptive business opportunities are possible. To encourage learners to explore the disruptive nature of this technology we developed a variant of our disruptive thinking workshop. At the workshop we start by providing a simple overview of the technology (Google maps, Google earth and GPS enabled smart phones). Then we introduce case studies which illustrate how new customer value has been created by making location a part of the business proposition. Two of the products and services we look at are shown below.

The next stage is to ask the workshop participants to identify the main elements of their business model and ask the simple question: what would happen if we knew in real time where our customers, partners, and products were located, and this information was shared? How would this add value to, transform, or disrupt your current business model?

The results are always interesting!



SongKick: (<http://www.songkick.com>) – a location aware mobile app that helps you find concerts based on the music you like.



Tile: (<https://www.thetileapp.com>) – an integrated product and service offering for helping you keep track of items such as keys, wallets etc.



Dr. D. Ian Heywood

The University of Aberdeen Business School, Scotland

I am an academic and consultant with over 25 years' experience of designing and developing research and educational programmes for academic and business audiences. I am currently a Senior Teaching Fellow in The Business School at the University of Aberdeen and MBA Programme Director. I co-ordinate three Business School courses including New Venture Creation, Business Development and Leadership, where I also teach Business Strategy. Prior to joining the Business School I was the Director and founder of The Ideas Academy Ltd, which specialized in helping organisations

use their internal expertise to generate, resource and deliver new business ideas. I have worked with a range of organisations across the not-for-profit, public and private sector, and I am especially interested helping organisations develop new disruptive business propositions based on location based services (GIS & GPS), Internet and mobile technologies.

@ i.heywood@abdn.ac.uk

in <http://uk.linkedin.com/in/drianhey>

tw @DrIanhey