

THE
DISRUPTION
READINESS **TEST**

Disruption will test you.

Assess your organization's readiness to meet it – and leverage it.

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RESILIENT FUTURES MEDIA

Victoria, Australia

First published by Resilient Futures Media in August 2016

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The authors have tried to recreate events, locales and conversations from their memories of them. In order to maintain their anonymity in some instances the authors have changed the names of individuals.

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Cover and layout design by Iskon Design, New York

ISBN: 978-0-9943769-3-0

Printed in Australia

RFMedia@resilientfutures.com

OTHER BOOKS AND PUBLICATIONS BY THE AUTHORS

- ***Disrupted: Strategy for Exponential Change***
- ***Strategy in Action: Navigator***
- ***The Disruption Report 2016***

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DID YOU REALIZE YOU WERE BEING TESTED?

Over the last ten years we have witnessed a digital revolution. Over the past few years, we've watched the emergence of physical technologies that previously seemed like the stuff of dreams. We've seen emerging markets redefine the tableau of wealth and productivity on this planet. We've watched global climate patterns tip into a red zone of systemic disturbance. We've seen sudden forced emigration on an immense scale. We've seen terrorism and social unrest, political revolutions and cultural sea changes. And in our view, these developments are a mere warm-up for what's to come.

We at Resilient Futures have spent the last twenty-plus years helping organizations throughout the US and Australia to develop and implement strategy. Because we've been doing what we do during the last twenty years in particular, we have become specialists in helping teams and leaders to approach disruptive change proactively. And in 2015, twenty-plus years into our journey with organizations tipping over the brink of exponential change, we hit a few milestones of our own.

One of these was the publication of our first book, *Disrupted: Strategy for Exponential Change*. It outlines the strategic framework we created to help organizations leverage opportunity and mitigate risk in disruptive conditions. We were able to distill much of what we have learned over the last two decades in the hopes that it will serve teams and leaders for the next two.

Then in 2016 we surveyed 280 leaders of organizations and published our findings within *The Disruption Report 2016*.

We surveyed these leaders because we wanted to know what they thought about disruption—or if they thought about it at all. How did they see it impacting their business models, their strategies, or their very ability to generate value for shareholders and stakeholders? Which of the digital, technological, and non-technological factors driving unprecedented change worldwide were already transforming the way they did business? And most of all, did they feel ready to meet with their disruptors-to-come?

Combining our twenty years in the game and what these 280 leaders told us helped shape our thinking around what it means to be “disruption ready”, i.e., willing and able to leverage disruption in order to generate sustainable value. We learned so much about these leaders: how they think about technology, what their organizational cultures were like, how their strategies do or do not leverage disruption.

But the main take-away from the *Report* was that most of these business leaders are in a state of not knowing what they don't know – and that is a *big* concern for us.

YOU DON'T KNOW WHAT YOU DON'T KNOW

As Donald Rumsfeld once said, “there are known knowns... there are known unknowns...[but] there are also unknown unknowns—the ones we don't know we don't know.” And the unknown unknowns are the ones that trip us all up. Not one of us is all-seeing and all-knowing. We've all had experiences of being hit by factors we didn't even realize we needed to look out for.

We and the people who work with us are always looking toward the horizon and over it (wherever we can). But we can never completely eliminate our unknown unknowns.

Still, we are concerned that not enough organizational leaders prioritise understanding their emergent conditions. Far too few of them trust (or develop) their ability to figure out which disruptors will or may impact their organization.

And if few leaders understand their emergent conditions, even fewer really get that it's about more than their organization succeeding or failing. All organizations are members of interdependent networks comprising a demand and supply side. If something impacts a customer or supplier, it impacts you. So, if you are asking yourself whether you are disruption ready, you must also be asking your partners the same question.

Managing “business as usual” is an important priority. But if disruption is coming at you (and your partners) at an exponential rate and you don't see it coming, your “business as usual” may become collateral damage. And in that case, what will have been the point?

Hence, our latest offering: The Disruption Readiness Test (DRT), a ten-minute online tool for assessing your organization's readiness to meet with disruption and leverage it, and this book, which provides context for the DRT.

Leveraging disruption is the test of our times. So why not test your organization's fitness to benefit from disruption's exponential opportunities and mitigate its harrowing risks? Then pass the message and the tool onto others in your value chain—and think big. Is your industry or sector disruption ready? Is your state and nation?

Take the test. Pass the test. Then pass it on.

A WARNING BEFORE PROCEEDING

This book is not for everyone. It is for leaders prepared to ask, answer—and act on—tough questions. If you don't feel ready to do this, we suggest you put this book back on the shelf.

Larry Quick and David Platt

THE DISRUPTION READINESS TEST ISN'T FOR EVERYONE

From this opening we assume that you understand we take our work seriously, and for some maybe too seriously. But you don't spend over twenty years researching and developing responses to disruption and not come away with a sense of purpose and urgency.

So take it or leave it. This book is about what we have learned in our years of hands-on work and research in organizations. The Disruption Readiness Test (DRT) has been inspired by the many people we've worked with in those organizations and is specifically designed for those serious about preparing for and leveraging significant disruption. Those who aren't serious will derive little benefit from this book or the DRT.

Lest you find this “product warning” a bit off-putting, let us share a few insights.

Over the years, we have found that people respond to our urgent message about exponential change and leveraging disruption in a variety of ways. The most common are:

- 1. Opting out and choosing to be oblivious to all news of change.** For these people, ignorance is bliss. Information dumb-down rules and business as usual reigns. They often tune-out completely, hoping that the world will remain in a state that doesn't leave them behind.
- 2. Understanding but choosing to ignore or deny that change is happening.** This is the proverbial "head in the sand" response to change. Politicians usually make a meal of this group when they use the fear of change to gain or maintain power. Think about climate change, the adoption of non-fossil fuel energy, and closed borders.
- 3. Retreating back to the past, doing what they thought worked then and doing it harder.** These types oversimplify the way forward by talking up how great life was in the past. "Keep it simple, stupid" is their mantra. They paint unrealistic pictures promoting a return to a fabled view of the past that no longer exists. Then they work as hard as they can, expending valuable resources trying to achieve an already lost cause.
- 4. Promoting unrealistic options for dealing with threatening change.** "Ban corporations." "Immediately stop driving cars." "Local food only." Ok. Let's all move to Mars, too. This is the territory of those who oversimplify the incredibly complex task of ensuring planetary resilience while also maintaining the social and economic stability that provides a viable pathway through disruptive change that people will follow.

5. Thinking ahead, embracing complexity, and harnessing the change that is already happening to create a new, desired future. This is the place for those who are often labelled as “visionary”, “courageous”, “ahead of their time.” These are the civic leaders like Gandhi, Mandela, and Martin Luther King, and business leaders like Steve Jobs, Elon Musk and Richard Branson who uniquely leverage change on the horizon. They and others like them take advantage of change by bringing new thinking, behaviour, technology, social paradigms, and business models to bear on disruptive challenges, opportunities and risks.

There are also “ordinary” people, doing what they can in their organizations and communities to embrace change and create a desired future fit for the conditions of a changing world. Take, for example, the citizens in countries who are prepared to actively think about their future and take on a combined social, economic and environmental agenda designed to sustain future generations. Or the people in emerging democracies who risk all to upset a flawed status quo in the hope of a better future for all.

Generally, we’ve found that where people fit (from 1 to 5) is determined by their global view, education, the media they consume and the influencers / thought leaders that they pay attention to. Whether it is conservative values, lefty politics, progressive thinking, an economic bent, an environmental focus, social concern, global or local information sources, infotainment or unbiased reporting, spin, sports and more —all of these are the raw materials of the reality people build for themselves, and through which beliefs are created and decisions made.

Regardless of context or motive, it is clear that Al Gore’s “inconvenient truth” is alive and kicking. No one likes bad

news. It just gets in the way of life as we are used to it or how we want it to be. For many, if bad news occurs too often, it is easy to become de-sensitized and take comfort in a mix of Responses 1, 2, 3 and 4.

To be honest, we've all been there. Let's face it, with so many challenges ahead of us, ignorance, denial, and visions of an idealized past or the perfect future provide a sense of security. Plus, those views make for great dinner party chat, especially during an election cycle.

But for those prepared to take the road less travelled – those who are predominantly 5s – the path ahead is challenging. However, they are committed to taking that journey and they'll do so with insight, enthusiasm, and power.

Unapologetically, *The Disruption Readiness Test* is for the 5s.

These are the ones who are prepared to ask, answer, and act on the tough questions. They will shout out, "The king has no clothes!" when spin visions and moribund missions are put up as saviours of the day. They are prepared to call out the elephants in the room before everyone suffocates under the weight of ill-conceived views of the present, past, and future.

If you think of yourself as primarily a 1 to 4, then be prepared to be upset by *The Disruption Readiness Test*. Or even by the thought that such a thing as a Disruption Readiness Test exists. Let alone what it may uncover (if you use it with insight and sincerity).

Perhaps, if this is you, consider putting this book down, and continue with life as you know it. Keep all your focus on business as usual.

Or if you like, give it a go. Maybe this book and the DRT will be *the* tipping point you and your organization needs.

If you already see yourself as a 5, get in there and dig deep. The questions we ask in the DRT may appear simple at first. But keep on digging and you will find a whole new way of thinking and acting around disruption.

Welcome home. We're with you.

CHAPTER 1

A Disruption Cheat Sheet:

GETTING UP TO SPEED ON DISRUPTION, THE TEST OF OUR TIMES

KEY TAKEAWAYS

1. *In our survey of 280 organizational leaders, we found they approached disruption in one of three ways: run ahead, look back, or wait and see. Only 33% of them lead organizations that might be characterized as “disruption ready”.*
2. *Disruption, defined as “any development that creates a new market while destroying or displacing another”, is an old phenomenon. It’s just that its pace and volume of change are increasing exponentially.*
3. *Nowadays, disruption is a systemic convergence of digital, technological, and non-technological factors—all of which are accelerating exponentially.*
4. *You must leverage disruption in order to survive it.*
5. *We created the Disruption Readiness Test so people could self-assess their organization’s preparedness to leverage—rather than fall afoul of—disruption’s impacts.*

THREE WAYS TO PLAY

In 2016, after Tesla starting selling Powerwall home batteries, global carbon dioxide hit a million-year high, and a reality TV star announced his bid for the American presidency, we asked organizational leaders about their thoughts on disruption.

“How do you approach disruption?” we asked. And they told us there were three ways to play the game.



THE FIRST WAY IS TO RUN AHEAD. THE SECOND WAY IS TO LOOK BACK. AND THE THIRD WAY IS TO WAIT AND SEE.

Which of these three styles do leaders of disruption ready organizations practice? If we describe each one, perhaps you will be able to guess. (It probably won't be difficult.)

Run ahead

2 in 6 of the leaders we surveyed are aware of disruption as a general phenomenon as well as in terms of the specific disruptors most relevant to their organizations and industries. This 33% are not *afraid* of disruption—in fact, they could be described as *pro*-disruption.

They innovate early and invest into their team's agile strategic capabilities. They run ahead, trying to spy how emergent disruptors may change the game. They position themselves to ride disruption's tailwinds rather than languish in its headwinds.

Look behind

1 in 6 of the leaders we surveyed have a more tenuous grasp on the conditions impacting this moment in history. They understand certain aspects of disruption—certainly, factors like digital technology are hard to discount—but they don't really comprehend how quickly the pace will pick up in the next five years. And they don't perceive the magnitude of disruption that awaits them.

These leaders favor looking behind, committed to doing business as they have always done. They have a strong attachment to assets and business models that may be diminishing in value. Because of that, they are highly vulnerable to disruption, which will probably blindside them.

Wait and see

3 out of 6—the largest group in our pool of survey participants—are playing a “wait and see” game. They are aware of living in revolutionary times, but they're not certain what they

should *do* about it. They are watching the pack. These leaders want to see what movements others make—and how those movements pan out—before taking a step forward.

These leaders are true conservatives who hate to waste resources on fads and alarmist pursuits. However, they are unaware of the risks inherent to the “wait and see” game. Their organizations may be irreparably disrupted before they have a chance to undertake crucial innovations.

It’s not hard to see which approach paves the way for disruption readiness, is it? When we went through the data those 280 leaders gave us, we saw it clearly.



ONLY 33% OF THE LEADERS WE SURVEYED WERE LEADING ORGANIZATIONS THAT WE COULD FAIRLY CHARACTERIZE AS BEING “DISRUPTION READY.”

33% move forward swiftly—but strategically—to remain ahead of disruption’s curve. They figure out how to leverage change for the benefit of their stakeholders. They act decisively to make it happen. Like in the famous Gandhi maxim, these leaders want their organizations to be the change they can’t help but see in the world. Because otherwise others will see it and be it first.

THEY DON’T KNOW WHAT THEY DON’T KNOW

However, the one trend we noticed among all three groups was a low level of understanding of emerging conditions. Few of these leaders were particularly good at looking far ahead to perceive which factors might be disruptive in the future. At best, those who are working in disruptive

environments tend to take their cues from the immediate future, looking about two years or so ahead. But too many failed to see the convergence of technological and non-technological disruptors predicted to impact organizations within the next few years.

We have a saying for this: “They don’t know what they don’t know.” In other words, they’re not even sure of what they need to learn. They’re wide-open to being blind-sided by disruptors they didn’t know they needed to know about.

Too many of our leaders don’t understand the emergence of disruptive physical technologies like autonomous vehicles, 3D printing, robotics, and the Internet of Things. Add to this an equally poor understanding of non-technological disruptors like climate change, social upheaval, shifts in energy generation and storage, global debt, and new business models like “peer to peer”, and we have a perfect storm on our hands. Think leaky boats meeting multiple tsunamis.

This does not augur well for the industries and sectors most under threat from the above disruptors. Energy, finance, retail, automotive, media, transport, education, health, politics, government, construction, legal, telecommunications, space travel, recruiting, manufacturing, food...the list of industries already experiencing disruption at an exponential rate goes on.

Leadership is complex. Organizations are complex. Strategy is complex. But after completing our survey some things seemed more straightforward than ever. It’s clear that being disruption ready means something. It is, in many ways, a measurable phenomenon with predictable outcomes. That is, these leaders of disruption ready organizations inhabit (or more precisely, create) particular conditions associated with particular benefits. They generate sustainable value out of disruption.

After we completed our report, we started to wonder whether we could figure out a simple way to ask people whether they thought their organizations were, in fact, disruption ready. This was the right question, we felt. It could hold a mirror up to organizations on the verge of big losses or winnings—all depending on how they played a game they might not even be conscious of playing.

Hence, the Disruption Readiness Test: a ten-minute online tool for self-assessing your organization's preparedness to leverage disruptors to generate sustainable value. But more about that later.

DISRUPTION: OLD NEWS, NEW IMPACTS

Of course, before we or anybody else should ask you that one big question—is your organization disruption ready? —we should eliminate any confusion about our terms of reference.

What exactly do we mean when we say “disruption”?

Despite its current status as a buzzword, disruption is an old phenomenon. As old as humanity, in fact. The first time a human made a wheel it was a disruptive act. Any time an innovation replaces, displaces, or destroys an established way of doing things, creating new processes, products, markets, or business models, that's disruption. Disruption is marked by the creation of the new, and the displacement of the old.

In a general organizational context, disruption is *any event that limits or prohibits an organization's ability to generate sustainable value.*

In a business-specific context, disruption is *any development that creates a new market while destroying or displacing another.*

While others define disruptive organizations, companies, or products a little more narrowly, we have found that viewing the phenomenon through a broader lens provides a much richer understanding of the challenge of disruption.

Clay Christensen, author of *The Innovator's Dilemma*, a book that made him a “disruption guru” to many, argues that business disruptors must originate at the “bottom” of the market. He claims true disruptors initially serve smaller target markets and reap smaller rewards before they steadily move up the food chain, eventually displacing their bigger competitors. Think about how Walmart eventually put full-service department stores out of business by accelerating inventory turnover and increasing supply-chain efficiencies. They started out selling simple branded merchandise that required very little salesmanship before moving on to more upscale products like home décor and clothing.

While Christensen's work is compelling in its clarion call for intelligent early innovation, the parameters of his theory are too narrow for us. After all, Apple, one of history's greatest innovators, introduced its most disruptive products from the top of the market as a big (albeit languishing) established brand. Therefore, we must reiterate: business disruption is ***any development that creates a new market while destroying or displacing another.***

Innovation that leads to the creation of the new and the displacement of the old seems like a straightforward enough concept. And it's certainly nothing new in the competitive world of business. So why is the term “disruption” so *de rigueur* at this moment in history?



NAMELY, IT'S BECAUSE THE PACE AND IMPACT OF DISRUPTION HAS REALLY AND TRULY ACCELERATED AND INTENSIFIED—AND PROBABLY MUCH MORE THAN YOU REALIZE.

Think of disruption as a snowball. If the phenomenon of disruption originates with those innovations in early human history, it adds to itself with every generation's game-changing contributions. With every compounding iteration, the snowball of disruption gains size and speed, gradually becoming a landslide. In fact, the snowball becomes the landslide *exponentially*.

A word about the word *exponential*: it's not a fatuous buzzword. It has a precise mathematical meaning. It means fixed percentage growth over regular intervals. When anything progresses exponentially, it grows slowly at first, but at a steady rate that brings compounding increases, resulting in a sudden dramatic spike. When we say that the snowball of disruption becomes the landslide of disruption exponentially, we are choosing our words carefully. In the realm of the exponential, change happens faster and faster over time.

There are numerous examples of disruptors following exponential trajectories, but here's just one: from 2004 to 2007, Facebook went from zero to 50 million users, but from 2007 to 2009, its exponential "spike" occurred and it reached 350 million users. It experienced fixed percentage growth over regular intervals, resulting in a dramatic upswing after three years.

The landslide of disruption is made up of many exponential trajectories just like Facebook's. The landslide is the convergence of numerous disruptive elements each experiencing their exponential spikes around the same time.

If you're picturing this landslide as being entirely composed of technological artifacts or marketable items—from cave-peoples' tools to virtual reality headsets—you're being too narrow. The landslide of disruption may have been kick-started by humanity's technological prowess, but it's full of non-technological components that have been taken along for the ride.

For example, climate change is among the most sobering non-technological disruptive elements—and it too is following an exponential trajectory. When you examine the patterns of greenhouse gas emissions over time, the rate of growth is steady but relatively flat from the 18th century to the start of the 20th century. But then it begins to spike from the 1950s to the 1970s, beginning a dramatic upward swing. And the impact of this exponential spike in anthropogenic carbon dioxide is reflected by the exponential trajectories of environmental changes, from permafrost loss to desertification.

So disruption goes beyond technology or the “digital revolution.” It's more pervasive than most realize. That's why we broadly categorize the “disruptors” (i.e., the grains or globules of snow) that converge to define the global and systemic phenomenon of disruption (i.e., the landslide) like this:

Digital disruption: digital technologies impacting the value propositions of existing goods and services (e.g., online advertising, social media, blockchain, Big Data, analytics).

Other technological disruption: new physical technologies creating new markets while damaging others (e.g., driverless cars, micro manufacturing).

Non-technological disruption: factors – economic, social, environmental, political, etc. – transforming life and business as we know it at an exponential clip (e.g., peer-to-peer business models like Uber’s, climate change, global debt, and social dissatisfaction with the status quo).

Here’s the bottom line: change, in general, is occurring more deeply, frequently, and rapidly than at any other point in history. And digital, technological, and non-technological disruptors that converge to accelerate and deepen each other’s effects are driving that change. That means you need to expect higher levels of instability and faster change cycles in just about every industry on the face of the planet.



DISRUPTIVE CHANGE IS NOW THE RULE, NOT THE EXCEPTION.

DISRUPTION, PAST AND PRESENT

To illustrate how the pace and impact of disruption is ramping up, let’s do as Charles Dickens once did and pay a visit to the past before exploring the present.

First: the past. Disruption’s classic cautionary tale is, of course, Kodak. In the 20th century, the formerly behemoth technology company transformed the way people documented their lives by equipping them with cheap cameras and expensive film. But in 1975, one of their own engineers invented a camera that could take “filmless photographs”.

Kodak's leadership responded by burying the technology. After all, film was their bread and butter. That meant it was up to a new wave of competitors to adopt Kodak's innovation, creating the first digital cameras. As a result, Kodak's market share dwindled steadily throughout the nineties and early 2000s. By 2012, a few years after Apple one-upped digital camera manufacturers by incorporating their functionalities into a device that could do much more, Kodak was bankrupt.

From 1975 to 2012, Kodak followed a steady course to being properly disrupted. Slow, then steady, then rapid.

Now let's consider another disruption cautionary tale that's (potentially) in the making. Since Amazon.com sold its first book online in 1995, it has charted a dizzyingly disruptive course. Its value proposition—cheap books, many books, delivered anywhere inexpensively, at the click of a button—laid waste to many brick-and-mortar booksellers who were unable to compete. It survived the Internet stock market bubble crash, partnering with hundreds of thousands of third-party retailers to become the first “department store” of the Internet. In 2012, *Fortune* dubbed founder and CEO Jeff Bezos “the ultimate disruptor”. In 2015, Amazon knocked Walmart (that one-time disruptor of full-service department stores) off its throne as the most valuable retailer in the world.

But in this age of ramping-up disruptions, many are already wondering if the tide could turn for Amazon. Currently, what are Amazon's disruptors?

Jeff Bezos once said, “Your margin is my opportunity.” And Amazon has indeed (much like Walmart) bested retail competitors by figuring out how to operate with incredibly low margins. But, low as they are, are Amazon's margins now somebody else's opportunity? Consider Alibaba, the

Chinese e-commerce site that is facilitating consumer-to-consumer, business-to-consumer, and business-to-business sales with *no* margins, because it generates revenue through ad sales.

Then there's always Uber, another poster child of the disruptive age. L2 founder Scott Galloway argues that the transportation company poses the biggest challenges for Amazon. In order to fulfill its value proposition of "one-click" shopping and quick fulfillment, Amazon spends a tremendous amount on shipping—in 2015 alone it spent a record \$5 Billion. But Uber's business model has paved the way for on-demand payment and delivery. Amazon is investing in its own delivery capabilities, but it remains to be seen whether it can close the gap that peer-to-peer efficiencies have opened up.

Amazon is the definitive pure-play "e-tailer" of the new millennium. From 1995 to 2001, it defined its core offering of seamless online shopping and rapid fulfillment. From 2001 onward, it became the type of company would-be disruptors dream of creating. But even Jeff Bezos can see the game change and knows he is potentially holding a losing hand.

Kodak had its chance to seriously innovate in the seventies. It took decades for that missed opportunity to catch up with it. Now think about Amazon. It's been riding high as an "ultimate disruptor" for not much longer than a decade, but the hounds of disruption are already arguably nipping at its heels.

Amazon must change fast as it simply doesn't have the time to pivot that Kodak once did. In a globally connected age, ideas are communicated and transactions are completed too quickly. Innovations are leveraged too cost-effectively, and with exponentially improving tools. The speed of disruption is cranking up far beyond what our education and past experiences have prepared us for.

YOU MUST LEVERAGE IT TO SURVIVE IT

The global phenomenon of exponentially accelerating disruption is awe-inspiring to contemplate. But why should it matter to *you*?



IT'S SIMPLE: DISRUPTION MUST BE LEVERAGED IF IT IS TO BE SURVIVED.

We like to speak about disruption having a headwind as well as a tailwind. And any mariner would prefer to be carried along by a powerful tailwind rather than struggle against a merciless headwind. Each disruptor, from blockchain to the aging of the baby boomers, contains within itself multitudes of opportunity and risk. But whether you taste the benefit or the bitterness of a disruptor depends on which side of it you choose to stand.

Our leaders of disruption ready organizations think and act ahead of disruption because they know which side they want to stand on when the impact of any given disruptor hits home. Like Amazon, they invest in capabilities that could prevent a formidable disruptor like the peer-to-peer business model from knocking them off-track. And they do it at the right time.

In the landslide of disruption, fortunes can rise in exponential spikes (remember Facebook's 2-year bonanza), but they can also plummet just as suddenly, just as exponentially. That's why we have serious worries for the leaders who are committed to waiting and watching. We know that by the time they see early adopters winning big from the good moves they made, it may be too late. They may have already missed the

point at which buying in to ride a disruptor's exponential trajectory was doable, inexpensive. They'll more than likely be struggling against a headwind, making bigger investments than they should have to, and just to play catch up.



SO WHAT ARE YOUR ORGANIZATION'S DISRUPTORS? AND HOW WILL YOU LEVERAGE THEM IN ORDER FOR YOUR ORGANIZATION TO SURVIVE?

Do you work in manufacturing? Have you considered how 3-D printing and ultra-light materials at scale will change your industry? In 2015, NASA was selecting proposals for the manufacture of ultra-lightweight materials that will reduce the mass of their spacecraft by 40%. In 2016, a man from Indiana had the jaw he lost to cancer replaced by a 3-D printer. Will your competitors harness these developments to create revolutionary products, or will you?

Or maybe you're in customer service. Did you hear about how the Google-acquired Artificial Intelligence outfit DeepMind built a computer that managed to beat a top human player at Go? Go is a 2,500 year-old game that's exponentially more complex than chess, and renowned for the degree of intuition and strategy its best players must possess. Go was long considered a hurdle too high for AI to clear—no longer. There is little doubt that breakthroughs in Artificial Intelligence mean at least some of your company's services will be displaced. On the other hand, is there a way you can leverage the vast promise of AI?

Or let's say you're doing quite well in the energy industry. We know that the long-term trend of renewable technologies points to efficiency increases and price declines. Tesla's Powerwall, which we alluded to at the

start of this chapter, is one notable breakthrough, because it allows home users to store large quantities of the energy they capture through solar cells. So are you considering how to harness the mammoth disruptions that are now dotting the horizon of your industry? Moreover, are you taking into account the fact that a shift in public opinion towards “green solutions” will be the ultimate disruptor of your industry, more devastating than any technology under the sun?



LEVERAGE DISRUPTION WHEN IT COUNTS, NOT WHEN IT'S CATCH UP.

A TEST FOR THE TEST OF OUR TIMES

We designed the Disruption Readiness Test (DRT) in three forms: for individuals, teams, and entire organizations. It's twenty-four questions long and grouped under five headings. It takes about ten minutes to complete and it's completely confidential. It's a test for you and your team members to self-assess just how prepared your organization is to prosper in times of exponentially accelerating change. In fact, you can take it again and again to assess your progress towards leveraging disruption. The DRT is our way of continually asking you, “Is your organization disruption ready?”



WE BELIEVE EVERY LEADER NEEDS A TOOL LIKE THE DRT. CONSIDER IT A TEST THAT WILL PREPARE YOU TO TAKE A MUCH BIGGER TEST—THE TEST OF OUR TIMES.

Disruption *is* that test. A landslide of converging digital, technological, and non-technological factors, it is exponentially speeding up the rate of change in all industries. It is a maelstrom of individual disruptors, each of which can manifest as an opportunity or a risk, depending on how and when you approach it.

No industries or sectors will be untouched by disruption. In fact, *all* operating and business models are already under attack, and too few organizations are robustly prepared to respond. If you don't think so, then you are more than likely not asking the right questions.

Is your organization running ahead, looking behind, or waiting and watching? What are your odds in this game of disruption—and were you even aware that you were playing?



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