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P.O. Box 1191 Arlington, TX 76004 (817) 205-2334 • Fax (817) 796-2087 Email: john@thefletch.org

> Get Linked in with John at: www.linkedin.com/in/johnfletcherpr Read John's blog on www.thefletch.org

THE DISRUPTION ISSUE

How are companies disrupting your industry? An even better question: Are YOU the disruptor?



Let's define **disruption**. It occurs when fundamental concepts and processes in an industry or business start to shift. While small or incremental changes are natural, **the disruptor accelerates that pace in a way that stands out.**

In disruption, current products and systems may lose value quickly because they are seen as being left behind by the innovators. These disruptions also elevate expectations among customers and leave some competitors gasping for air because they are too large or too entrenched to quickly adapt to change.

The number one core value of all disruptive brands is to beat all the odds and make a difference – preferably a sustainable difference.

Here are a few examples you may have noticed:

Amazon changed how we shop. The company originally launched as a book-selling platform named "Cadabra" as in the magician's exclamation, "Abracadabra!" When customers confused "Cadabra" with "Cadaver", the name Amazon was introduced because the company would eventually "Sell everything from A to Z."

When people shop online, they often compare the Amazon price to other sellers. Amazon does NOT always offer the lowest price. We just have gotten into habitual default to think it must be.

Apple began with an easy-to-use personal computer, but its rise to leading exceptional innovation and disruption began with the first **iPod**, which allowed users to carry a massive music library in a super small device.

It changed the way we listened to music. Apple became the disruptive force in all sorts of devices, most specifically the **iPhone** which has dominated the smartphone industry. The **iPad, iMac, and MacBook** laptops dominate their segments.

Netflix caught **Blockbuster Video** napping after the video giant refused to buy the start-up company that offered DVD movies mailed to customers' homes. Blockbuster loved its dominance, first with VHS tapes and then with DVDs and video games. And Blockbuster adored its late-return fee system, but that played directly into the Netflix strategy of **not** charging late fees.

Netflix began streaming to computers as an add-on service and streaming became its main service in 2010. There remains only ONE Blockbuster store in America, and Netflix has grown to be a large and respected content generator by producing its own movies and documentaries.



Here are more examples you may not have fully <u>appreciated</u>, <u>courtesy of Harvard</u> Business School.

- **Cryptocurrency** is a digital form of currency. There is a high amount of fluctuation, risk, and potential fraud in the crypto concept, but regulation should eventually settle the concept down and lead to wider acceptance.
 - There have been many conversations at the federal level about moving to a completely digital currency format.
- **3D Printing** has revolutionized how companies create full-dimension models. Now, a 3D printed two-bedroom home can cost less than \$10,000. By creating the home on-site, labor costs are much lower and there are no transportation costs.



• **Toyota** entered the low end of the auto market with its Corona in 1957. General Motors ignored the competitor as it slowly added more upmarket vehicles with the Tercel, Corolla, Camry, Avalon, and 4-Runner. Now Toyota's Lexus brand is a major player in the luxury market. And it all began with the cheap little Corona. 66 years ago.



Wimbeldon: The Role that Disruption Plays in Tennis

Just two months ago at Wimbledon - the world's most prestigious tennis tournament,-protesters caused disruption when they threw jigsaw puzzle pieces and orange-colored
confetti on the court to call attention to their cause - which I will not justify by mentioning
here.

Disruption continuously takes place all around us. We often fail to notice it because it may not relate to us and our interests.

About 25 years ago, I played in a weekly tennis league in Waco. I was one of the top two players in the league but one summer season, I had missed playing for a couple of weeks and I was a little out of condition.

During my warm-up against Paul (not his real name, but let's not embarrass anyone), it was clear that my timing was off. I was missing pretty much every shot during warmups, from forehand and backhand to my volleys.

Up until this time, had never lost to Paul, but it was clear that this would be his day to win. As I prepared to receive his serve on the first point of the match, one word crossed my mind:

If I could hit just one or two unsettling shots to start the match, I might disrupt Paul and steal a victory.

What did I have to lose? I was not going to win anyway, so it was worth the effort. **Sure, it would look crazy, but what if...**

When Paul tossed the ball for his serve, I raced toward the service line. As soon as his serve hit inside the court, I half-volleyed (short-hopped) the ball cross-court. The ball flew past the shocked Paul, who had no idea what had just happened.

I had disrupted the flow of the match at the very start and threw his timing off. Most importantly, I had gotten into his head with a single shot!

I gave him a confident and determined glance when he looked at me, clearly still not sure what he had experienced.

He served in the ad court and I repeated the charge and half-volley for another winning shot. Again, Paul was confused.

Disruption!



Some amazing things happened at this point:

- Guessing that I would attack each of his serves, Paul started hitting his first serves even harder than normal. And he missed them all.
- Knowing I was likely to attack his weaker second serve, Paul hit his second serves
 just as hard as his first serves. The result: Double faults. I won his first service game
 without losing a point. And I had hit only TWO shots thus far!
- I held my serve easily because his mind was swirling. My disruption led him to lose all concentration.
- He kept looking at me out of the corner of his eye while he was hitting the ball, and I would sometimes fake the attack. Taking his eye off the ball, he missed even more shots.

That's what disruption does to your competition!

Rather than lose decisively at the start, I defeated Paul in a shorter time and with a more lopsided score than I ever had before. **Just two shots at the start transformed my loss into a runaway victory.**

All because I chose to be daring... to change the dynamics of the match. I was... disruptive! Disruption comes in many forms.

Another example of disruption is how **Artificial Intelligence will perform repetitive tasks** that were previously allocated to low-wage earners. Al will disrupt the workplace.

Disruptions - often intentional - occur in relationships, work, sports, and beyond. The disruptors most frequently become the victors, while the disrupted walk away asking how they lost that relationship/sale/competition.

Thanks to the pandemic, I continue to assist restaurants, special venues, and hotels/motels/B&Bs secure government grants through the **Texas Travel Industry Recovery Program** – a new source of revenue driven by the disruption of our economy.

This particular focus is something I would never have thought of - at least, until it occurred. Then, all I needed was to recognize the timely opportunity and commit to becoming the respected authority in the program.

What are the disruptions you need to consider that will drive your next success?



Tiebreaker: Yogi Berra's Take on Life

<u>USA Today reported</u> a story from the beloved New York Yankee legendary catcher and later, coach, **Yogi Berra**, from the perspective of his granddaughter.

Yogi gave us some hilarious observations, and I share one every month. Here are three observations he made that should inspire us all:

- 1. **Sports is PLAY**. We are supposed to enjoy sports and we often learn life lessons even when that game may be our profession.
- 2. **There is always another season**. In work as in play, we need to recognize the need for time away from work and enjoy our downtime. Yogi loved watching his children and grandchildren play their sports when he was not playing baseball.
- 3. **The world isn't perfect.** We all face difficulties in life and those challenging moments help build our character and resourcefulness.

