

Does the word '**disruptive**' mean '**innovative**' or '**disorderly**' in the sentences below?

- a) 'Teachers said his *disruptive* behavior put other pupils at risk.'
- b) 'The capital is allowing *disruptive* technologies to flourish.'

Harvard Business professor Clayton Christensen coined the term 'disruptive innovation.' What do you understand by that?

- Mark the sentences **True** or **False**. According to prof. Christensen...

1. Established businesses focus on attracting customers interested in paying low prices.
2. They keep adding unnecessary features to their products, making them more expensive.
3. Disruptors make their products simple and attractive to a higher number of customers.
4. Toyota and Honda were mentioned as examples of disruptors.
5. Big corporations like Procter & Gamble can't be disruptors.

Rephrase the underlined words and expressions in the transcript with the ones in the box.

bells and whistles	fight back	jumps in	moved to	players
reshapes	segment	take over	turf	upgrading

How does a small, young company beat an industry giant at its own _____ ?
(*area of expertise*) Through what Harvard Business Professor Clayton Christensen calls disruptive innovation. It works like this: big _____ (*companies*) focus on sustaining innovation – _____ (*improving*) existing products and services to attract higher-paying customers. But soon they start to ignore all the regular customers who just want simple, low-cost alternatives. That's where the entrepreneurial company _____ (*becomes involved*) with that basic offer. The big guys stay focused on more profitable customers and begin to overserve, adding _____ (*attractive features*) no one wants to pay for. Meanwhile, the disruptor improves its product to appeal to more people. By the time the incumbent notices, the disruptor has already started to _____ (*take control of*) the market. The classic example is the steel mini-mills, which first produced low-quality rebar, then _____ (*started producing*) sheet steel, stealing business from the large mills that had been dominant. More recent disruptors include car makers like Toyota and Honda, which launched with economy models then added luxury features and brands. The only way for industry giants to _____ (*react*) is by launching their own disruptive innovations. To succeed they must treat the project as a separate unit with a different business model and growth expectations. Ask, "What job do customers need to get done?" _____ (*Divide*) customers by job, not by product market size or demographics. And develop basic low-cost ways to get the job done. That's how Procter & Gamble came up with Crest Whitestrips, a cheap do-it-yourself alternative to an expensive dental service. Disruptive innovation creates new markets and _____ (*changes*) existing ones. To achieve growth in a fast-changing world you want to be a disruptor – don't be disrupted.

HBR – Disruptive Innovation