

The image features four identical incandescent light bulbs hanging from black cords against a dark blue background. The central bulb is illuminated, casting a bright white glow that fades into the blue background. The other three bulbs are unlit and appear as dark, translucent shapes.

## How to Disrupt Without Being Disruptive:

Dave Perry  
COO, XOR.ai

**Competing in the Austin Technology Boom**

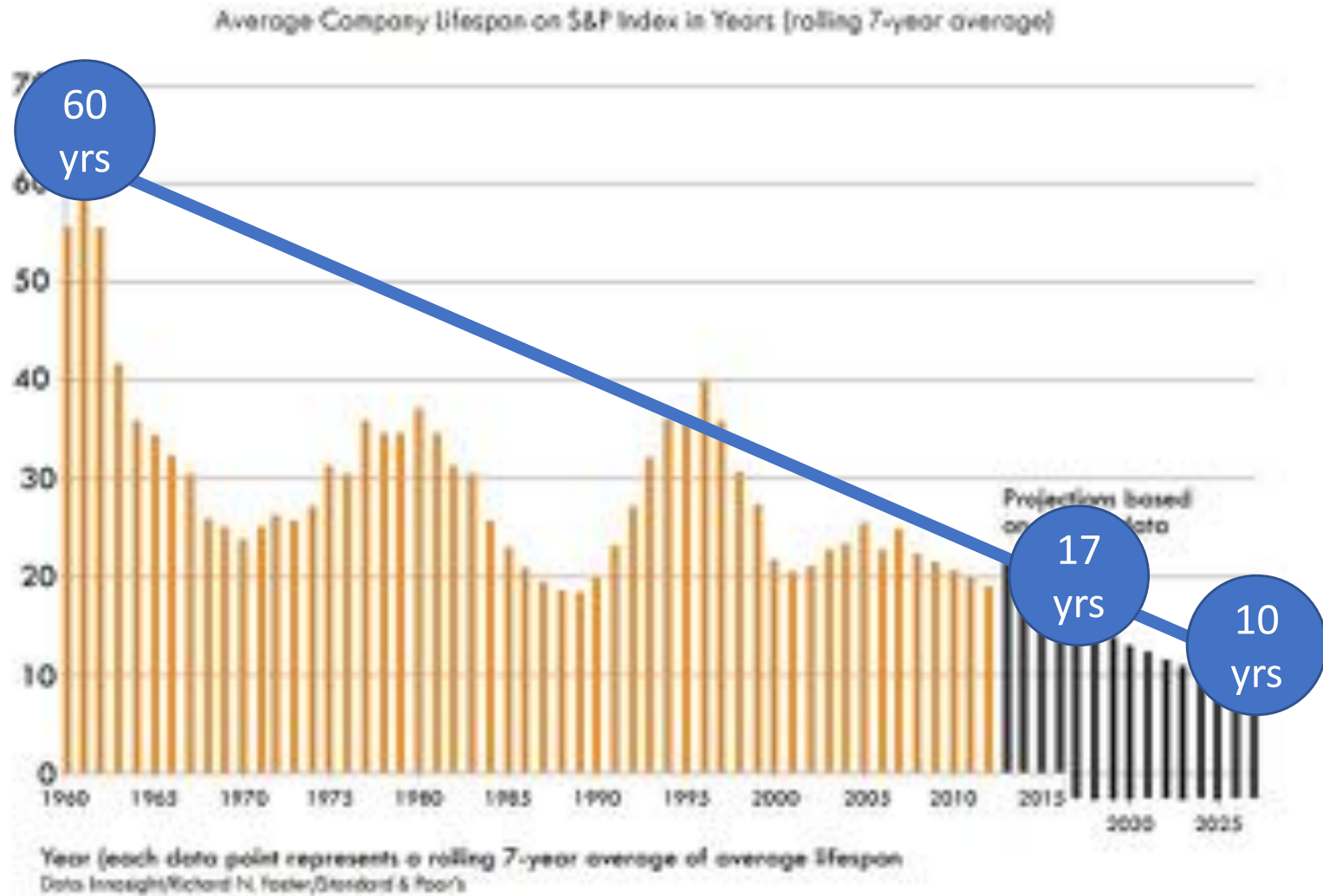
# Austin as an Innovation Hub



“Traditional companies execute a business model.”

Startups look for one!

# Technology is Changing Corporate America



# Disruption is often blamed...



# But, what exactly is Disruption?

- Sort of a combination of Judo and Sun Tzu!

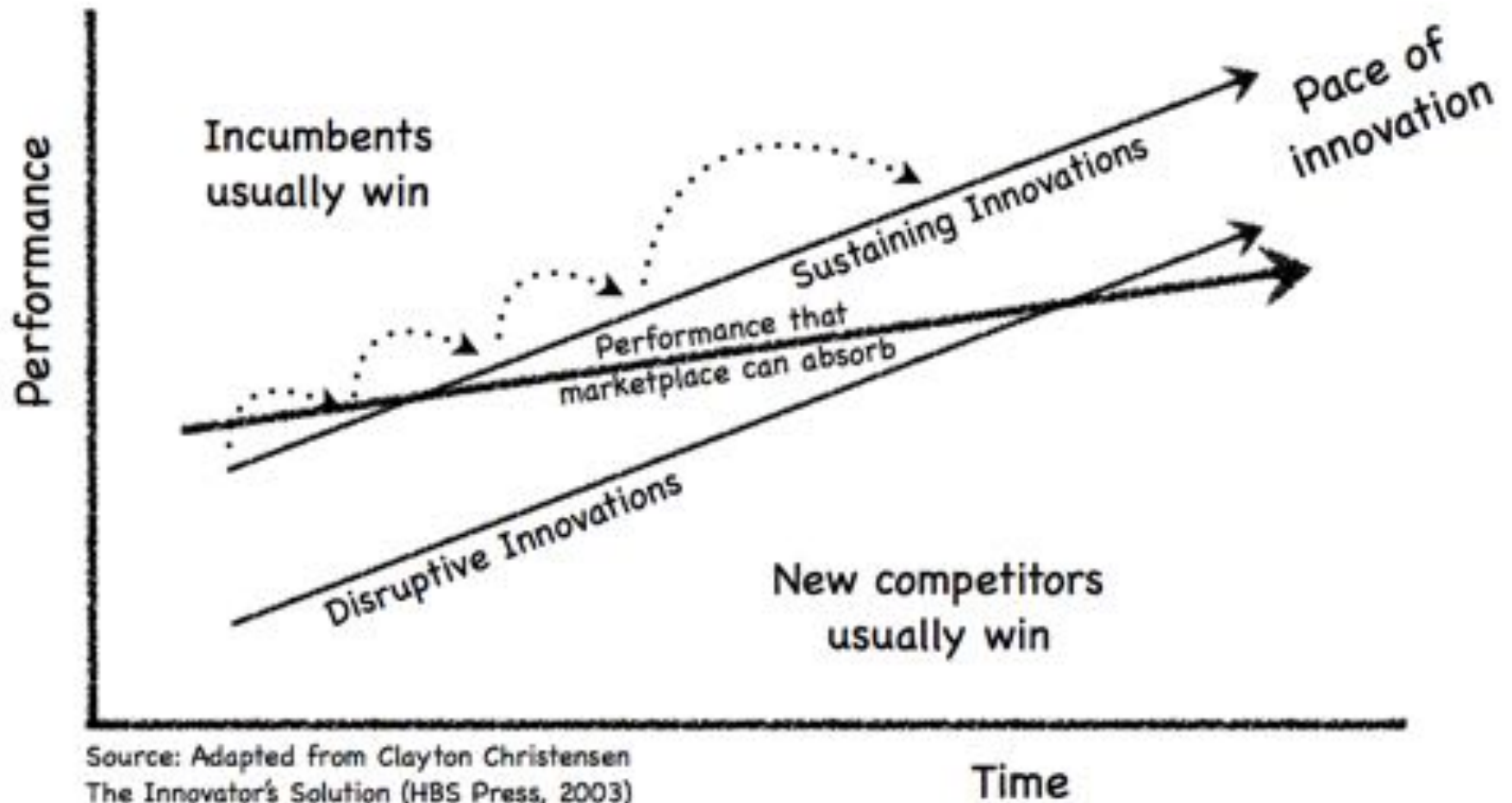
**Judo** techniques enable a weaker or smaller person to overcome a larger and stronger person because they are based on scientific **principles** such as leverage and balance.



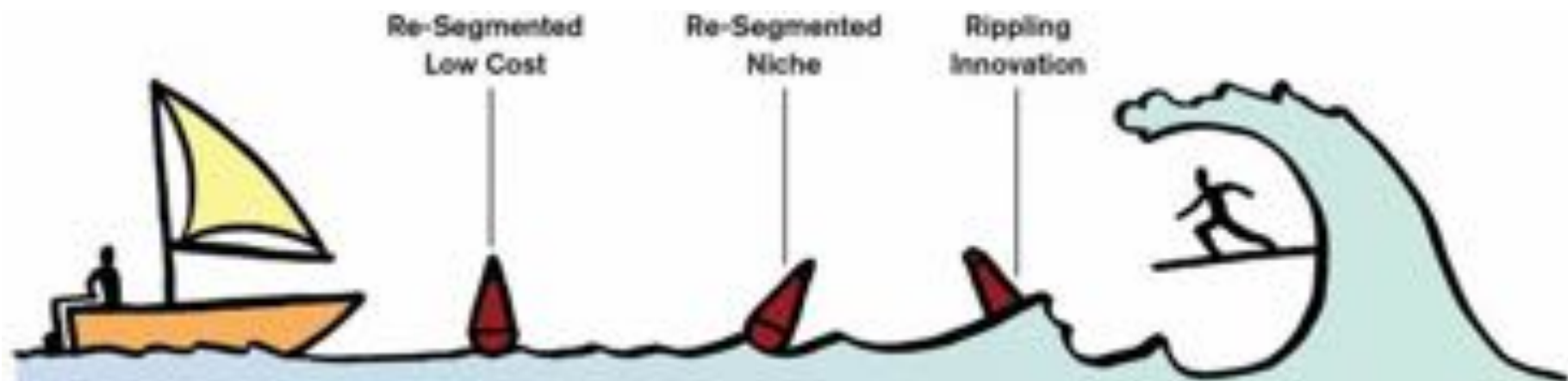
- Types of *innovations*:
  - **Sustaining** Innovation - improves existing product
  - **Disruptive** Innovation - creates new markets



# Disruptive Innovation Model



Source: Adapted from Clayton Christensen  
The Innovator's Solution (HBS Press, 2003)



## Sustaining Innovation

Problem is well understood

Existing Market

Innovation improves performance, lower cost, incremental changes

Customer is believable

Market is predictable

Traditional business methods are sufficient

## Disruptive Innovation

Problem not well understood

New Market

Innovation is dramatic and game changing

Customer doesn't know

Market is unpredictable

Traditional business methods fail



# Traditional Assets are now “liabilities”



# Disruption happens very quickly

**Garmin Ltd. (GRMN)** [Add to watchlist](#)  
ForecastQIS - [ForecastQIS](#) Real Time Price. Currency in USD  
**59.76 +0.02 (+0.03%)**  
At close: May 18 4:00PM EDT

Indicators Comparison Date Range 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max Interval

GRMN 57.3900

Open	46.8100
High	47.2700
Low	45.1200
Close	45.2100
Volume	3.04M
% Change	352.10%



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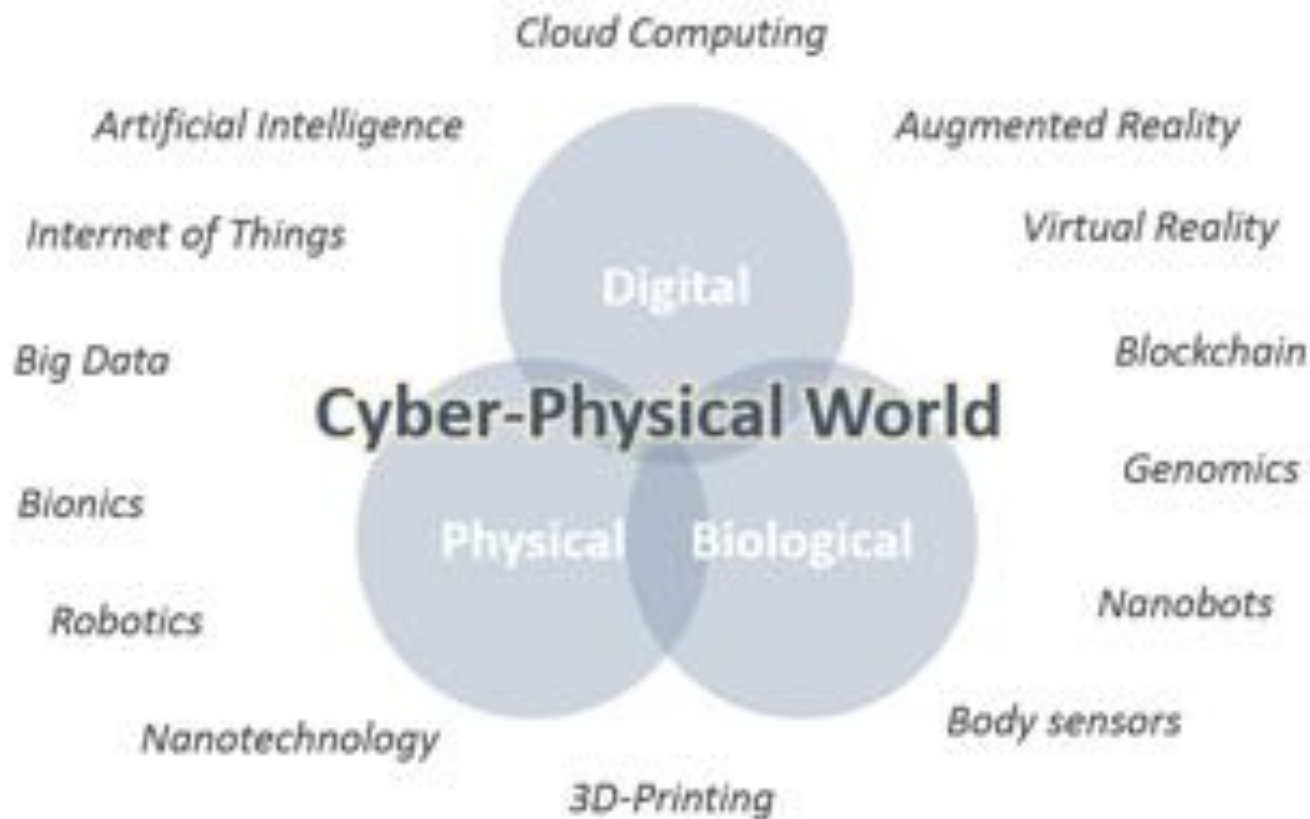
# The 4<sup>th</sup> Industrial Revolution

## Industrial Revolutions

<b>1<sup>st</sup></b>	1784	<b>Mechanical Production</b>	Steam, Water	
<b>2<sup>nd</sup></b>	1870	<b>Mass Production</b>	Electricity	
<b>3<sup>rd</sup></b>	1969	<b>Automated Production</b>	IT, Electronics	
<b>4<sup>th</sup></b>	2050 estimate	<b>Cyber-Physical Systems</b>	Physical + Digital + Biological	

Source: Foreign Affairs - The Fourth Industrial Revolution by Klaus Schwab, and estimates

# Emerging Disruptive Technologies





What got you **here**....



....won't get you there!

# Why do big companies have trouble innovating?

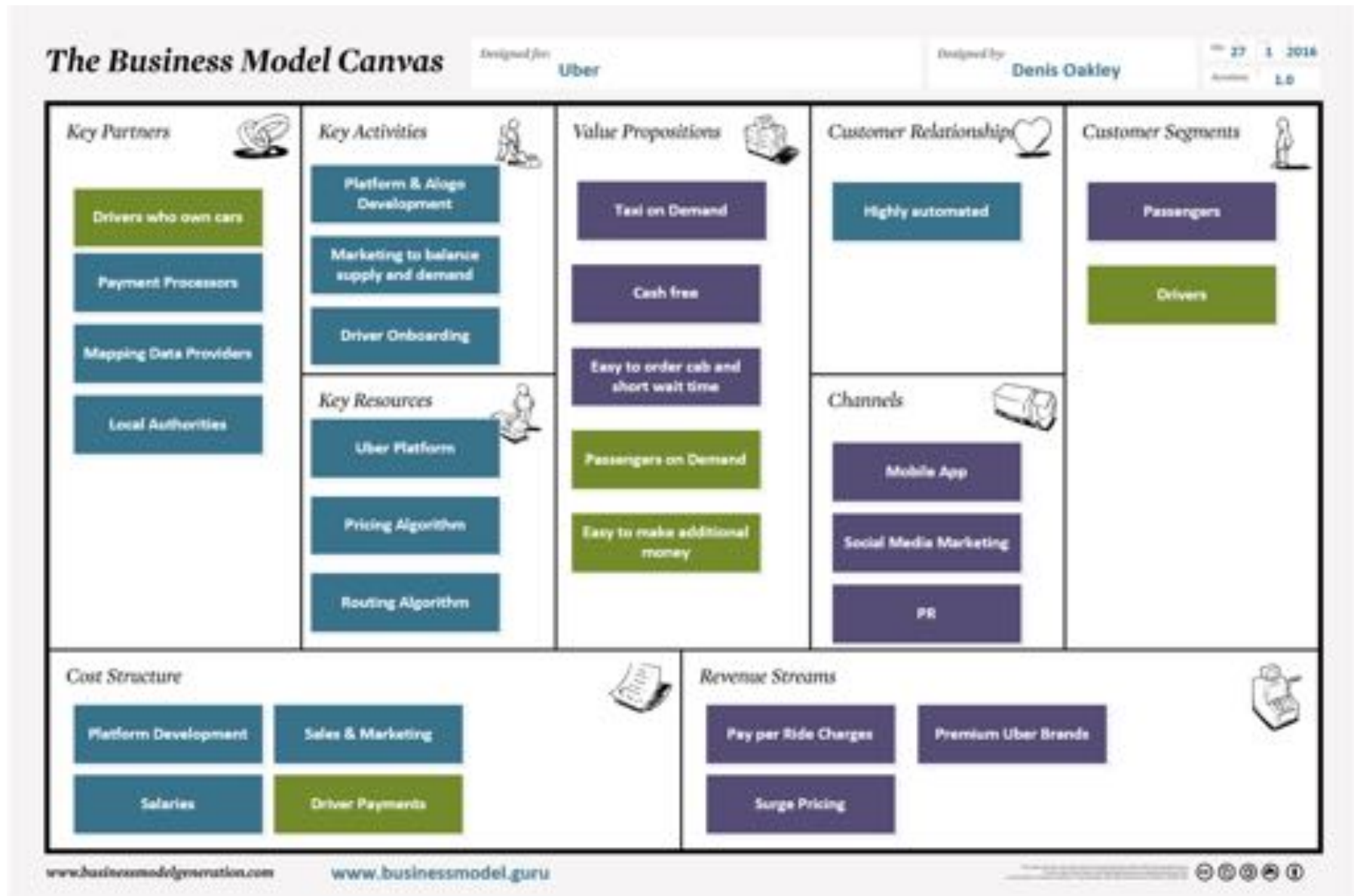
- Trapped in their own P&L
  - Expectations from analysts, investors and board
- The law of big numbers
  - Big companies must look for big markets – that's too late!
  - Disruptors look for “hair on fire” needs
- Good operational processes leads to innovation failures
  - Plans, budgets, forecasts, metrics
- Corporate culture doesn't reward risk taking and failure

Startups are just experiments...  
which often fail!



**Disrupters** tend to focus on getting the business model right – not just the product.

# The new business plan: Lean Canvas



# Ways to Respond to Disruptive Threats





# Do Nothing

- There's a 90% chance the startup will fail.
- But there's a 10% chance you'll be toast!

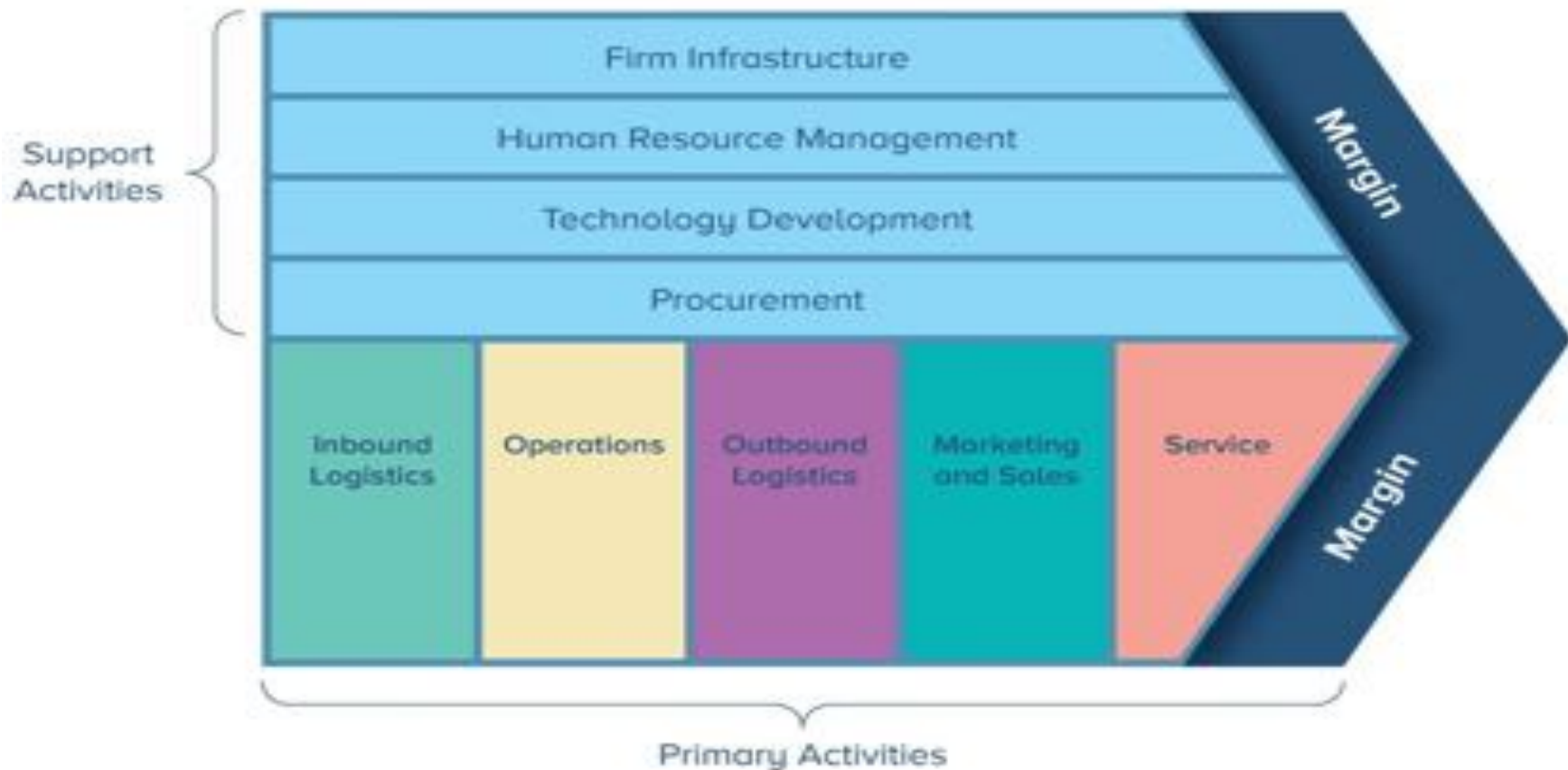


# Defcon 1



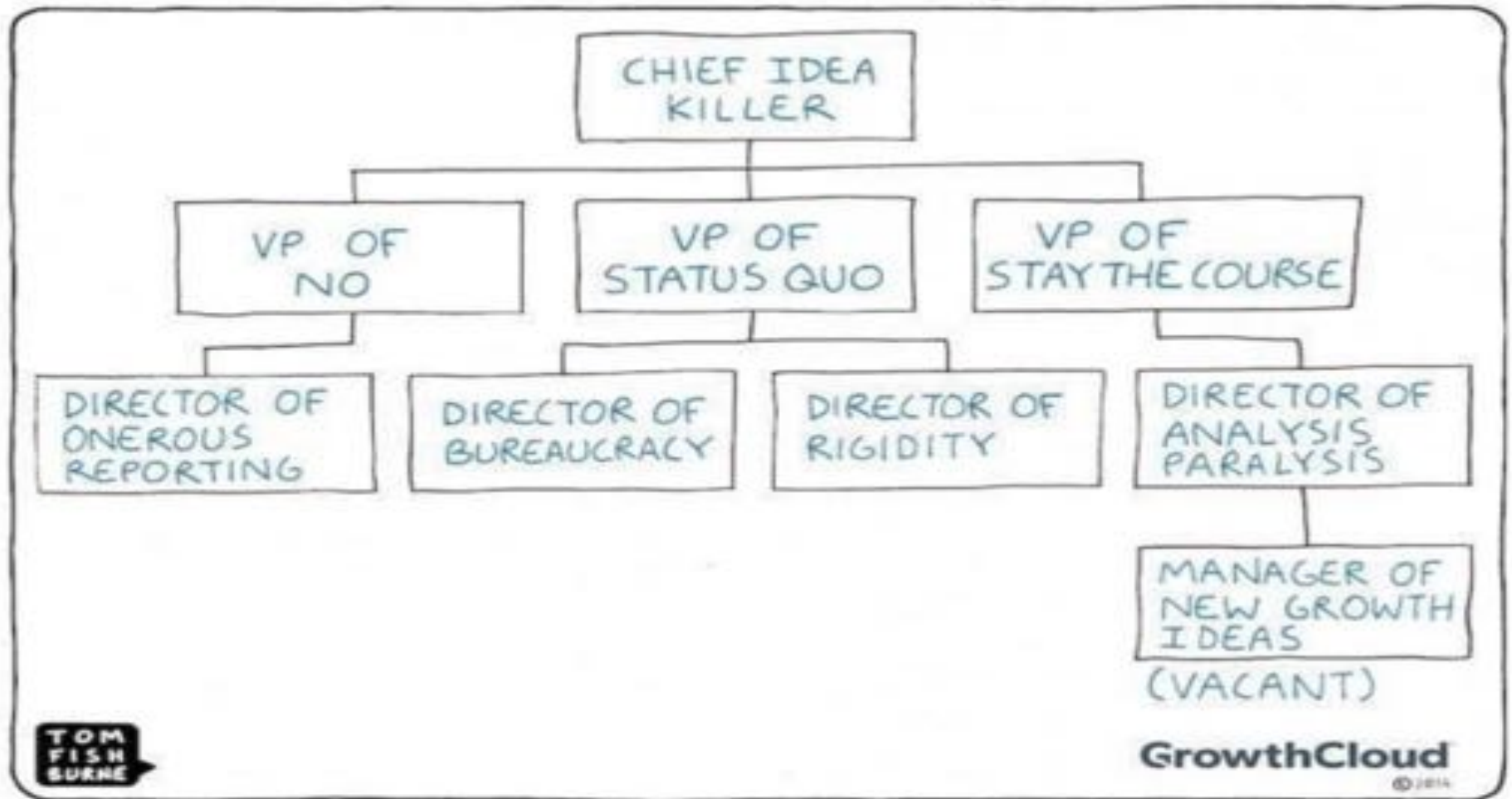
# Re-tool the value chain

- Focus on critical value-creating activities



# Reengineer the org..

## Innovation Killer Org Chart



# Role of the Entrepreneur



**Operations**



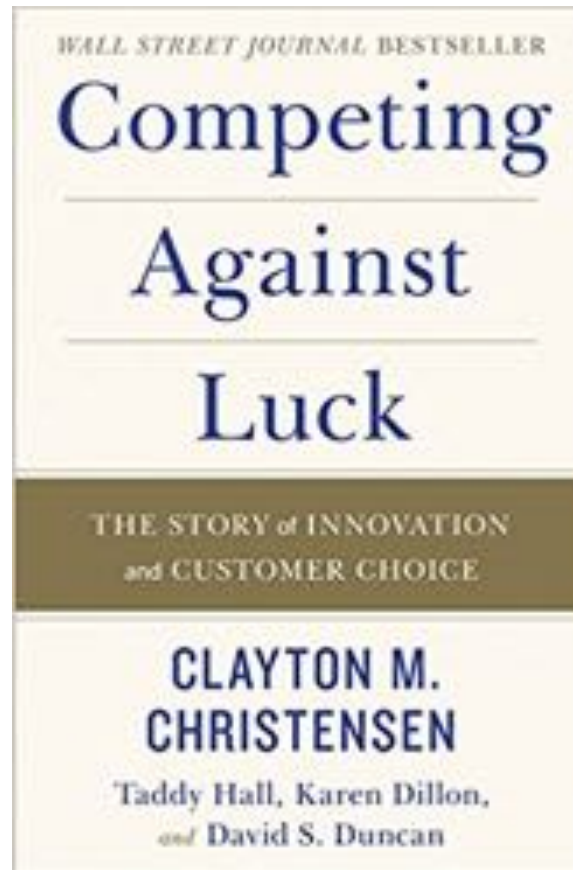
**Sales**



# Engage with Startups through Accelerators



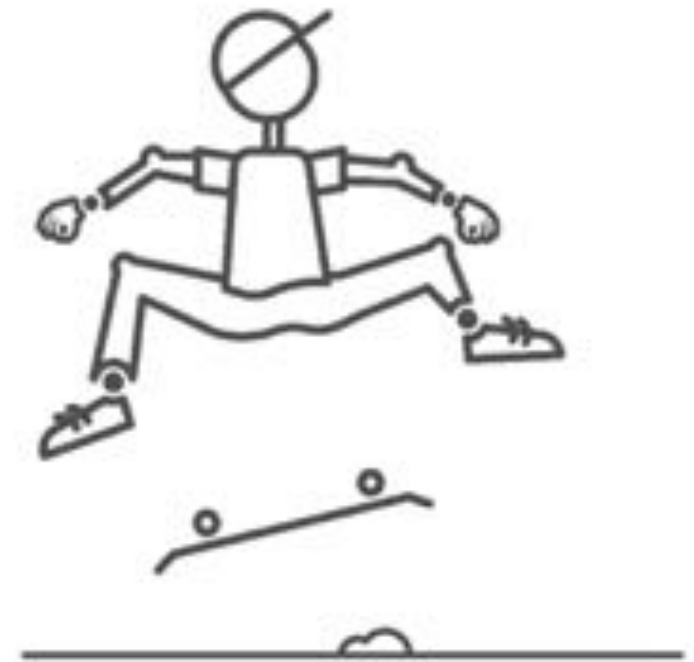
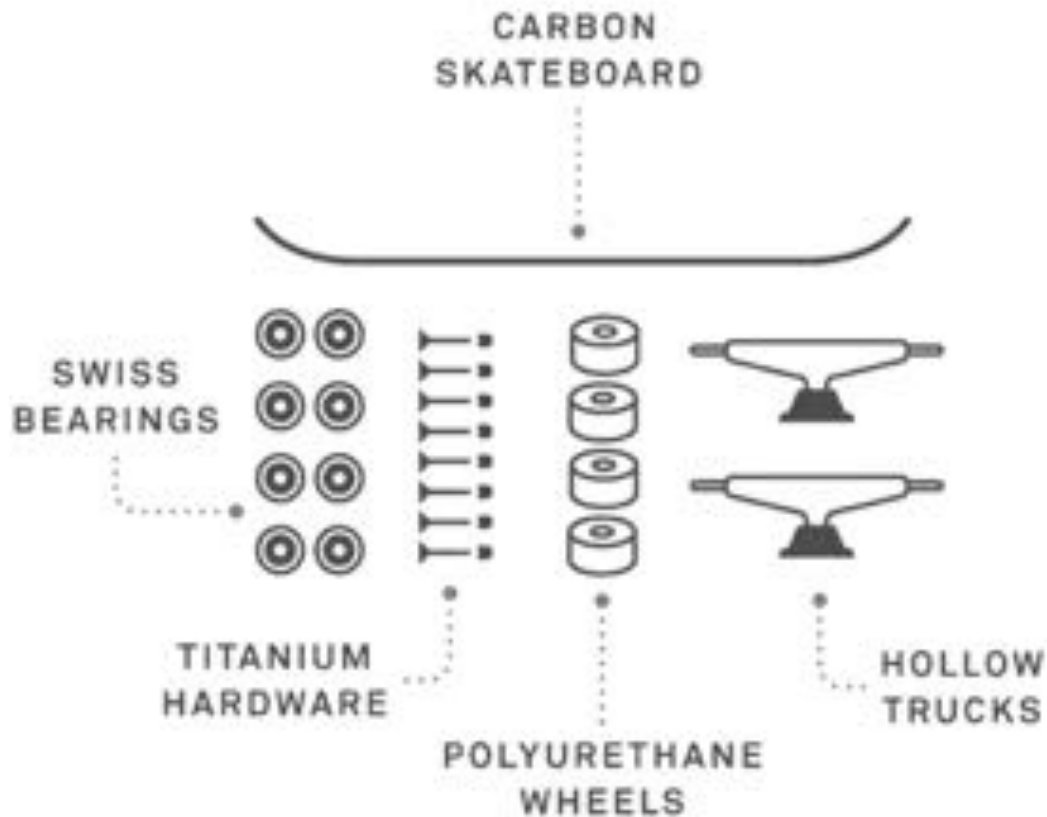
“Jobs to be Done” ...not products



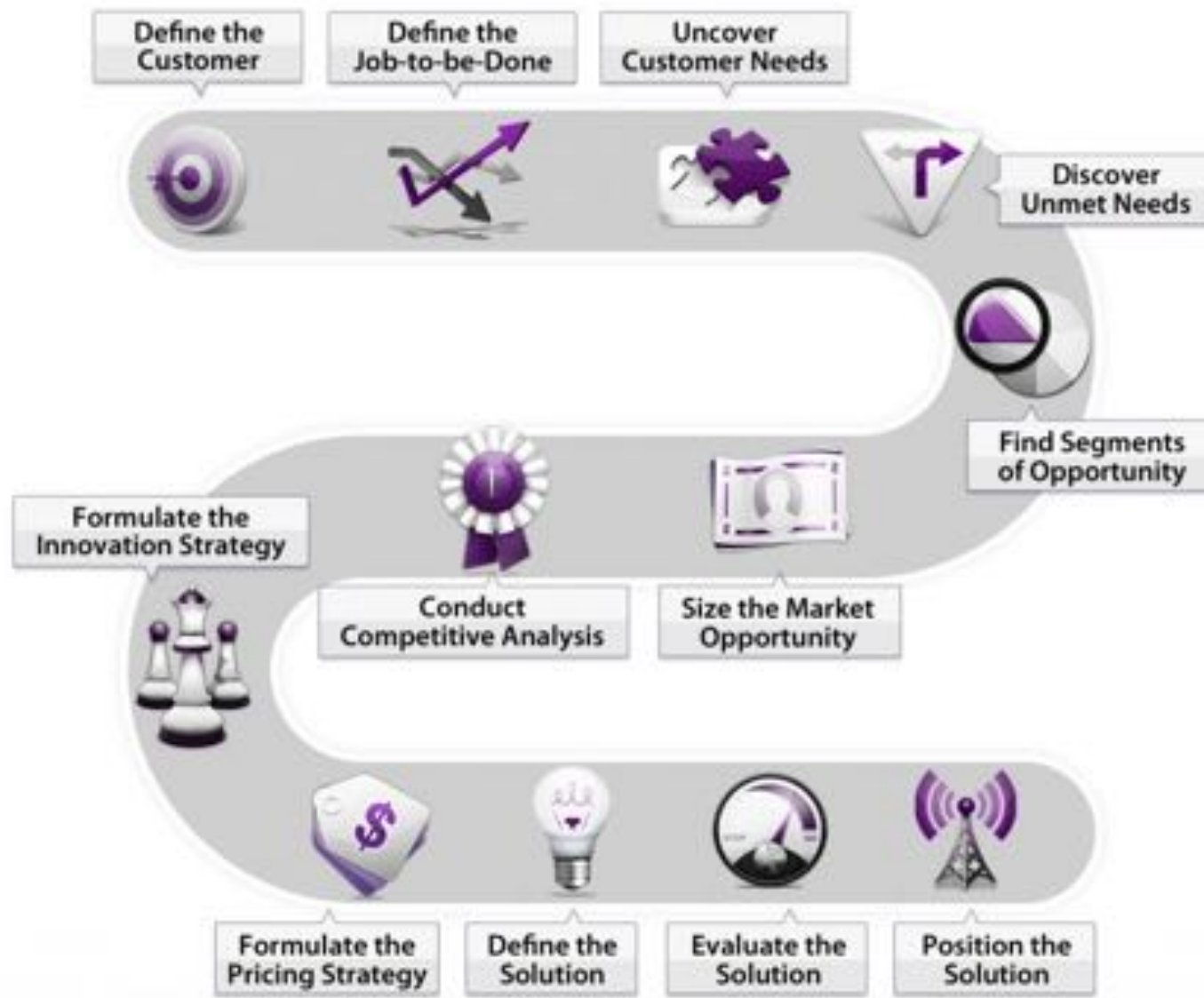
# “Jobs To Be Done” Theory

Even though customers buy this...

...they really want this.



# THE INNOVATION PROCESS





# Thank you!

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