Digitalization: Sustaining or Disruptive Innovation?

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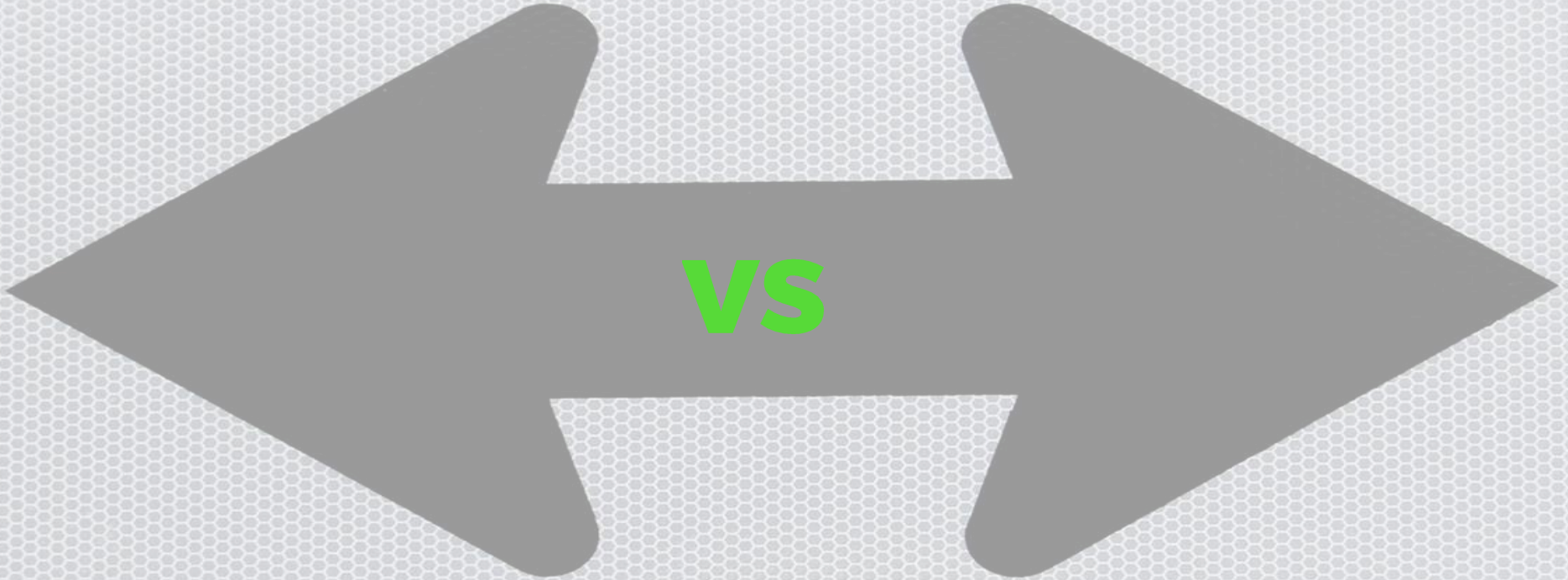
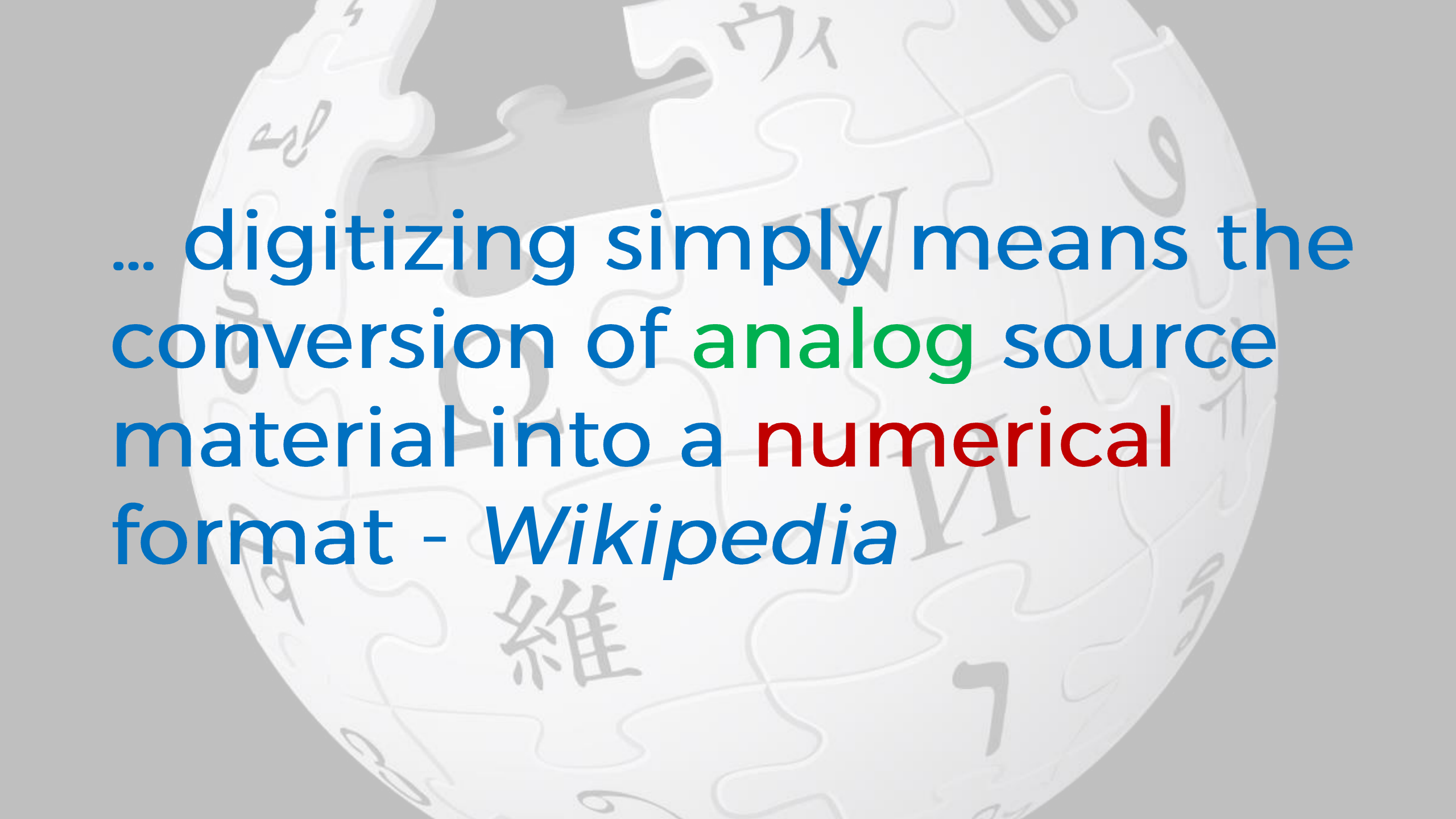
Digitization



vs

Digitalization



… digitizing simply means the conversion of analog source material into a numerical format - *Wikipedia*

Digitalization is the use of digital technologies to change a business model – *Gartner IT Glossary*

Sustaining Innovation:
An innovation that does **not significantly** affect existing markets and value networks

Evolutionary: improves an **existing** market in a way **expected** and driven by customers

Revolutionary:
unexpected, even **radical** innovation that **does not affect** existing markets

Disruptive innovation: creates a **new market** and value network and **eventually disrupts** an existing market and value network

Digitalization:

Sustaining

or

Disruptive

Argument 1: New technologies provide easier, cheaper, more convenient solutions

Examples: Uber, Airbnb, Netflix

Argument 2: Digital solutions open new markets

Examples: Bitcoin, Mobile Banking in developing markets

Argument 3: Internet of (Every) Thing(s) drive radical process changes

Examples: Cognitive Commerce, Smart Cities

Argument 4: Big Data and Analytics deliver unprecedented insights and digital intelligence

Examples: Predictive Maintenance, Autonomous Cars

Digitalization is disrupting many industries and will disrupt most others in the very near future

Thank you

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