Free disruptive innovation essay sample

Business, Marketing



The constant rush of new products that manufacturers churn out every day has certainly changed the way the term 'innovation' is now understood. Yet, new products do not necessarily translate into the right kind of innovations, and this is what Clayton Christensen states in his lecture 'Disruptive Innovation'. (Cultural Research)

Clayton discusses the difference between disruptive innovative and efficiency innovations. According to him, disruptive innovations are products or services that take shape at the bottom of the market and then go on to beat the market leaders and shift the entire momentum of the industry. Disruptive innovations allow the availability of products and services that were previously too expensive in the lower half of the market, making the products and services cheaper and accessible to a whole new group of consumers. Disruptive innovations can also apply to the emergency services. The introduction of computerized medical records started in the West, but have slowly been making their way into the lesser developed countries. The cost of the software, although initially high, has now been brought down so that the use of digital records becomes easier for countries with less money in their hands.

Efficiency innovations on the other hand, focus on bringing down manufacturing costs of products and the provision of services. This type of innovation allows organizations to produce or provide the same kind of products and services at lowered costs by cutting down the number of labor. Since efficiency innovations cut down the number of workers required to produce or provide products and services, they reduce the number of jobs in an industry. Examples of efficiency innovations in the emergency services

include the use of computers by the police. The use of computers cut downs the costs, but also decreases the number of people that would otherwise be needed to perform various tasks manually.

Disruptive innovations allow organizations to open up new markets and grow. These innovations bring in new consumers and increase product exposure, which in turn increases revenues and profits. Efficiency innovations only cut down the costs, allowing organizations to milk existing products and services. Since disruptive innovations open up new segments and shift an entire industry's momentum, they are much more powerful than efficiency innovations.

Works Cited

Cultural Research. (n. d.). Cultural Research Blog. Retrieved March 21, 2014, from http://www. culturalresearch. org/2010/05/-disruptive-vs-sustaining-innovation-in-higher-education-and-academic-libraries. html