

Disruptive Innovation in Education and Health Care

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The Innovator's Prescription: How Disruptive Innovation Can Transform Health Care

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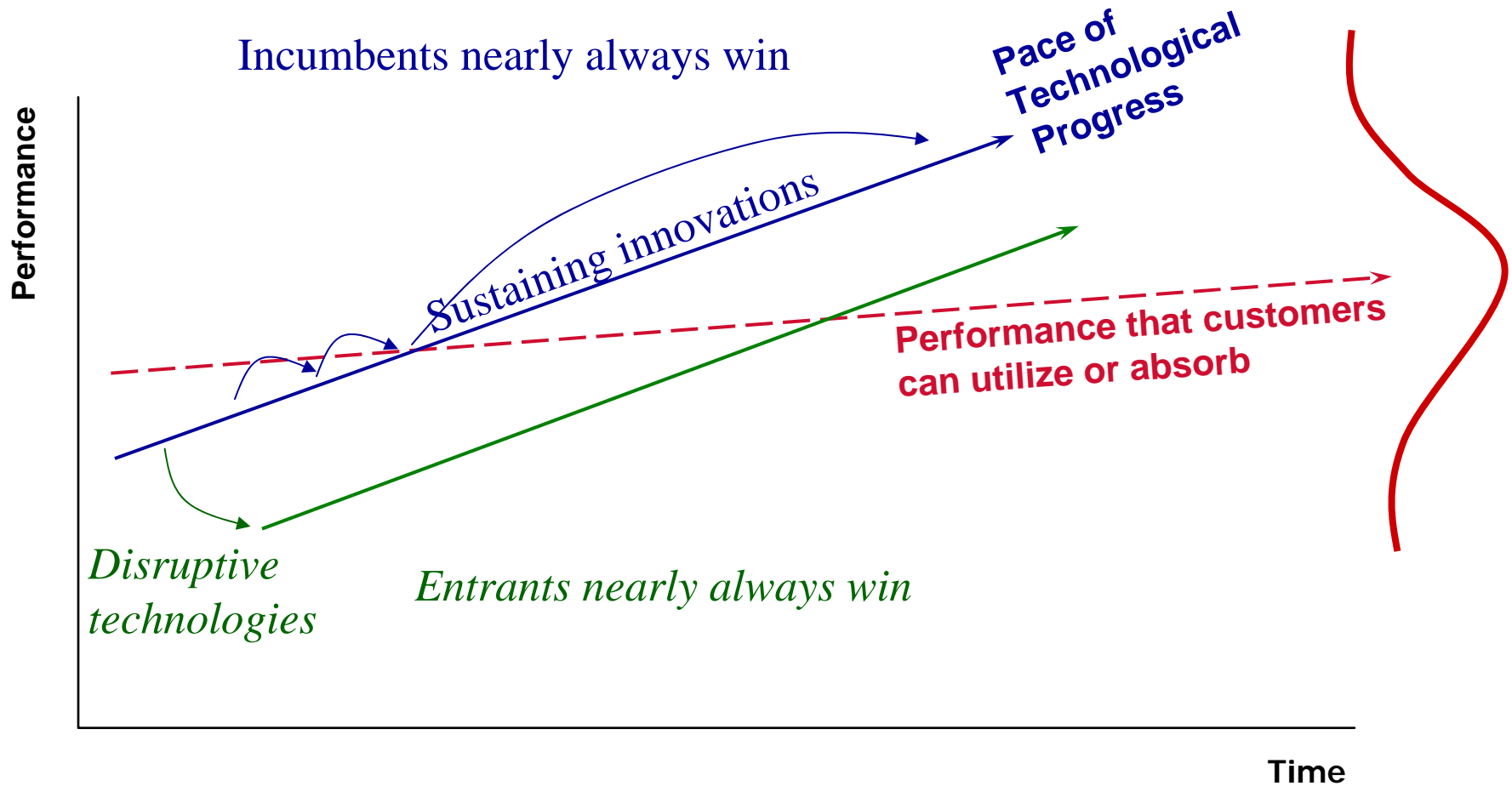
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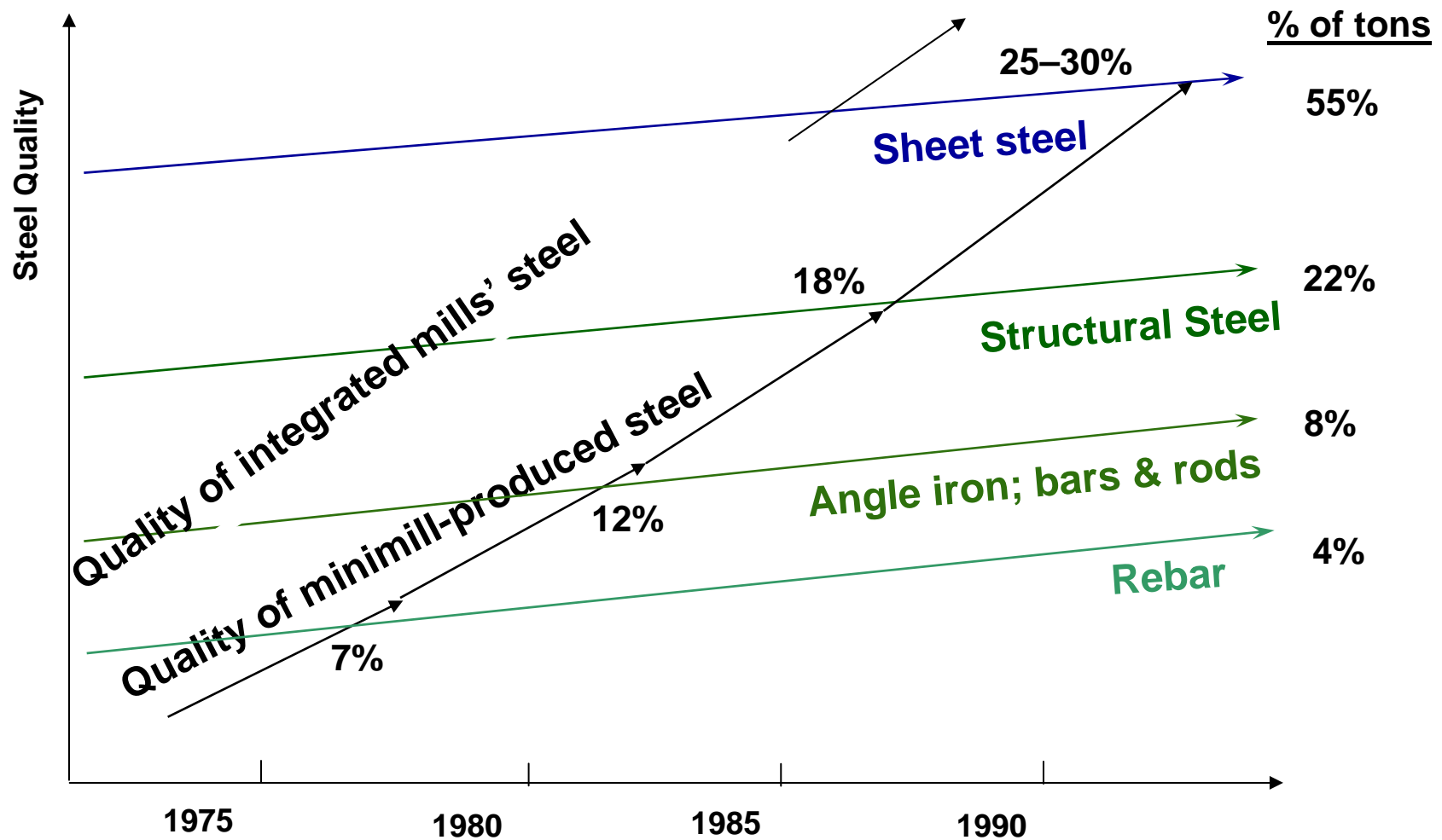


Disruptive Technologies:

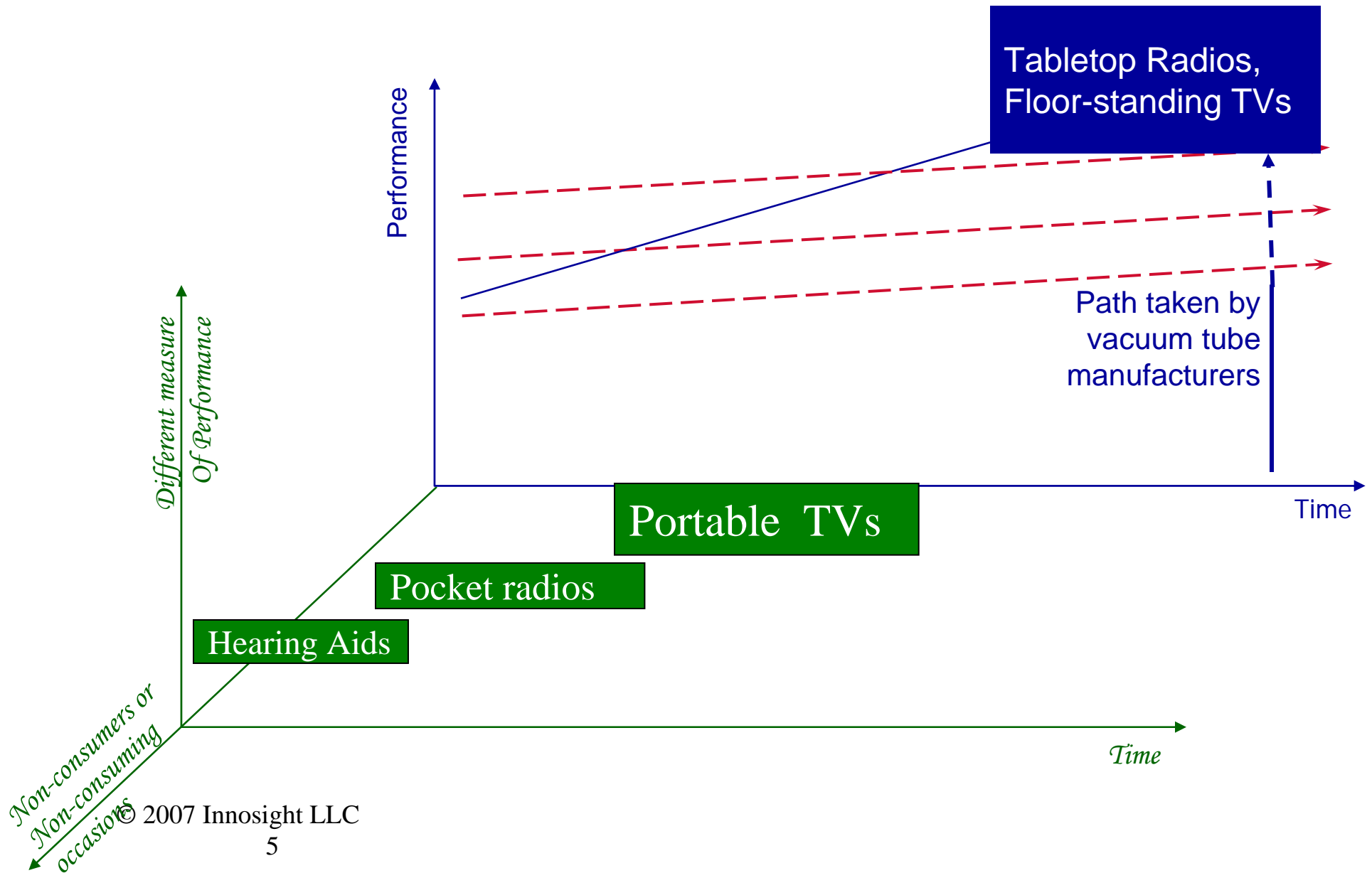
A driver of leadership failure and the source of new growth opportunities



Beat competitors with asymmetry of motivation



Expensive failure always results when disruption is framed in technological rather than business model terms.



Disruption in business models has been the dominant historical mechanism for making things more affordable and accessible, and for generating corporate and economic growth

Yesterday

- Ford
- Dept. Stores
- Digital Eqpt.
- Delta
- JP Morgan
- Xerox
- IBM
- Cullinet
- AT&T
- Sony DiskMan
- Japan

Today

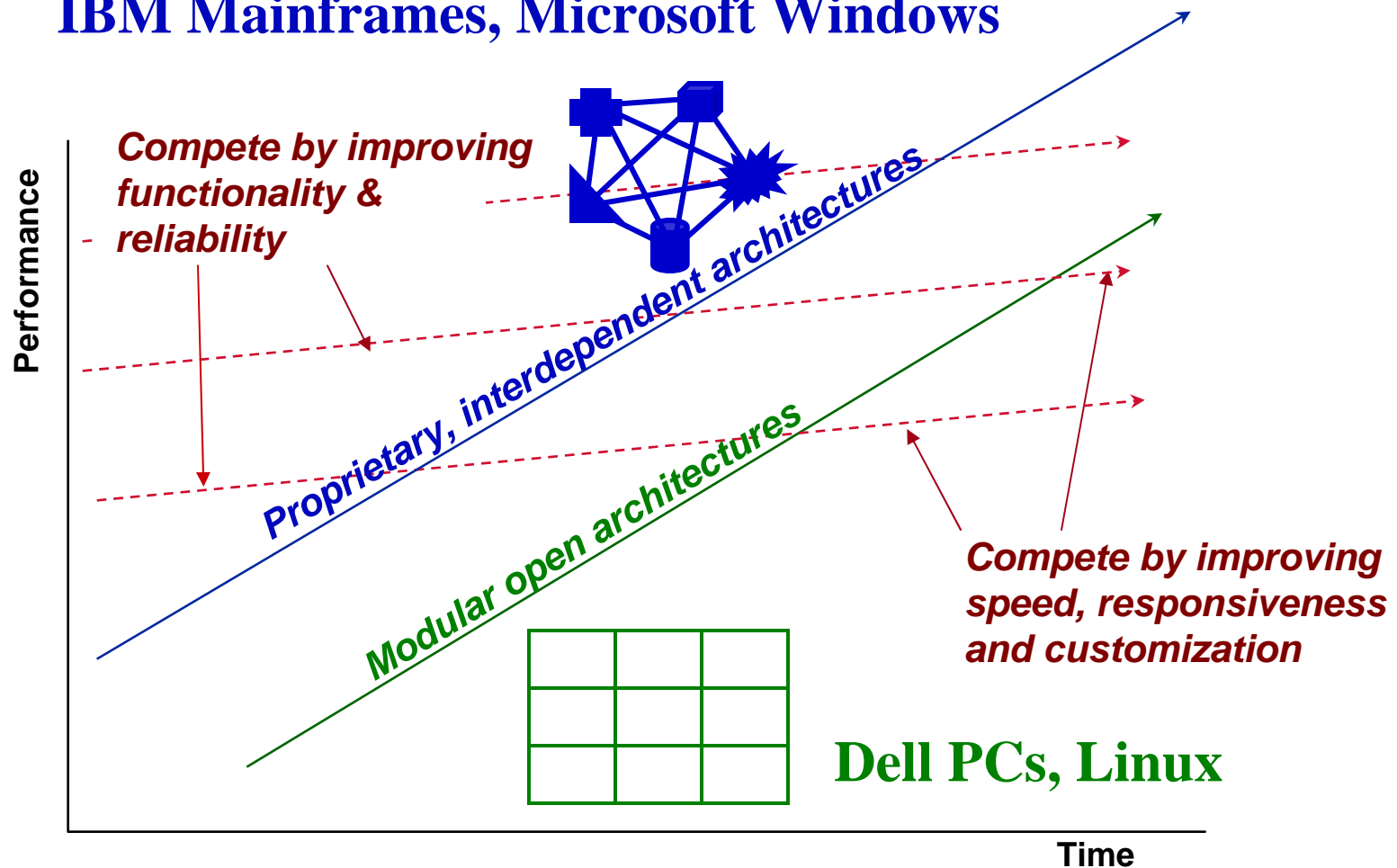
- Toyota
- Wal-Mart
- Dell
- Southwest, RyanAir
- Fidelity
- Canon
- Microsoft
- Oracle
- Cingular
- Apple iPod
- Korea, Taiwan, HK

Tomorrow:

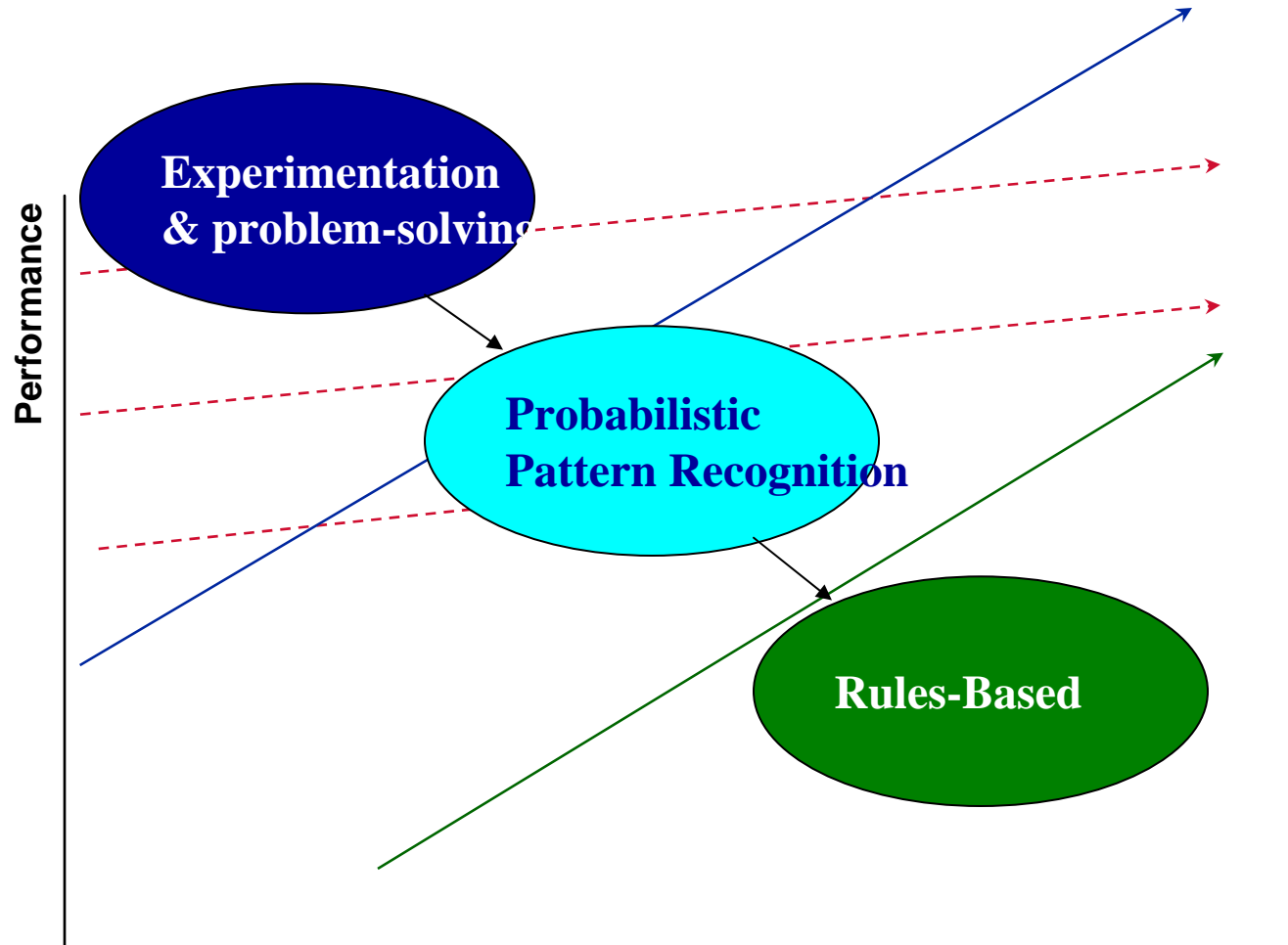
- Chery
- Internet retail
- RIM Blackberry
- SkyWest, Air taxis
- ETFs
- Zink
- Linux
- Salesforce.com
- Skype
- Cell Phones
- China, India

The right product architecture depends upon the basis of competition

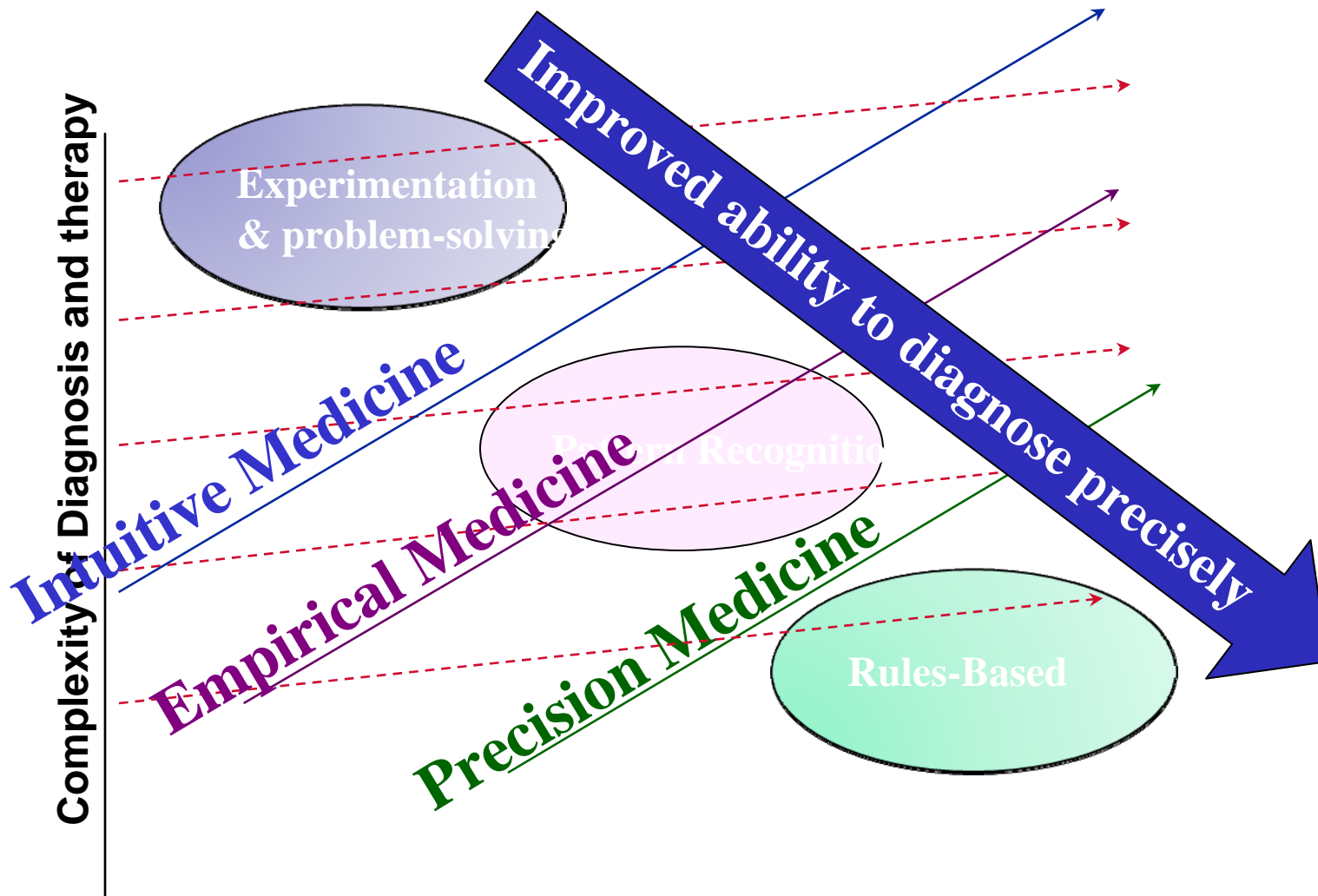
IBM Mainframes, Microsoft Windows



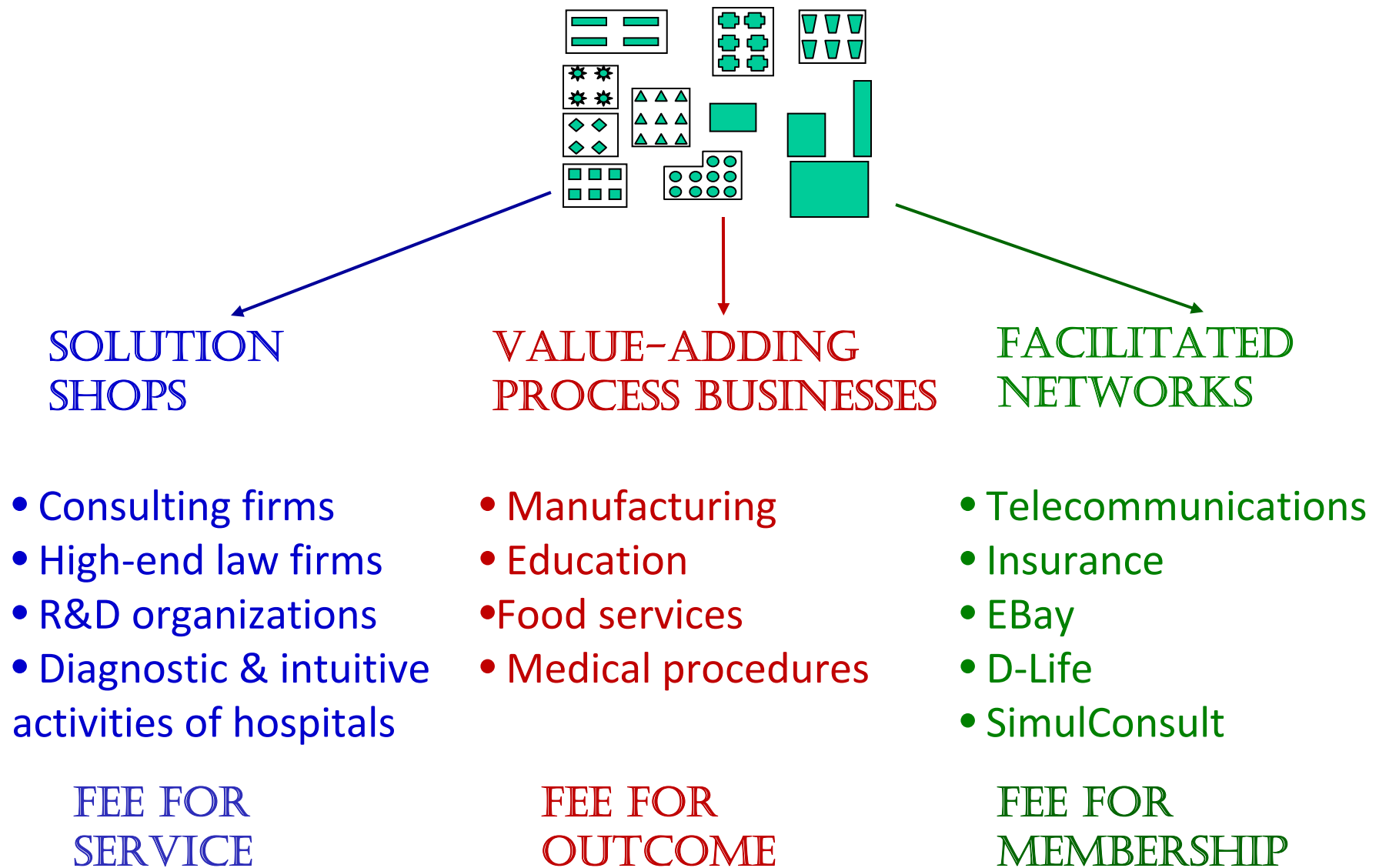
Disruption is facilitated when historically valuable (and expensive) expertise becomes commoditized



Molecular diagnostics, imaging technologies, and high-bandwidth telecommunications are important technological enablers for disruptive business models in health care



Hospitals are expensive conflations of three types of business models

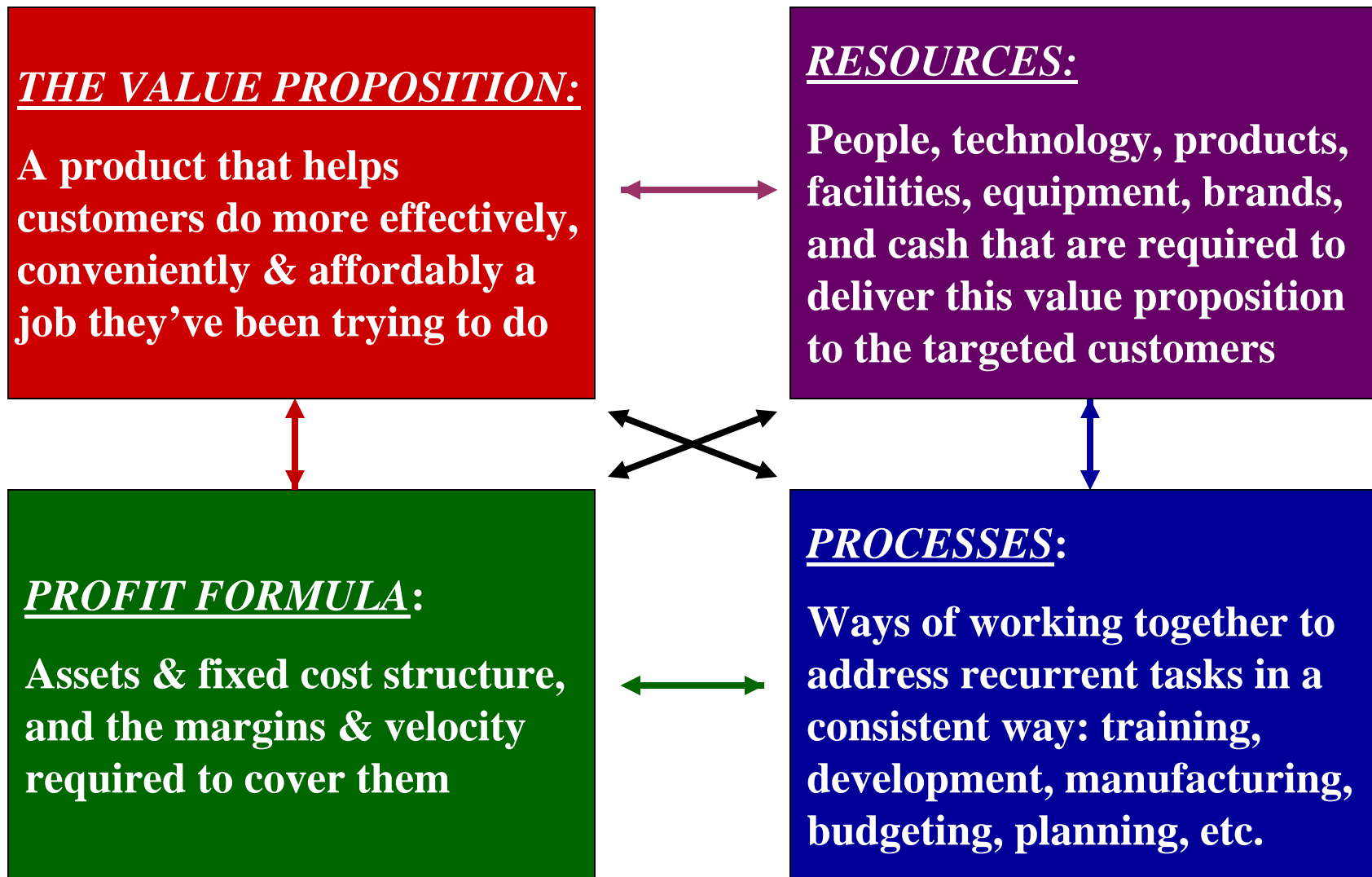


Market Understanding that Mirrors how Customers Experience Life

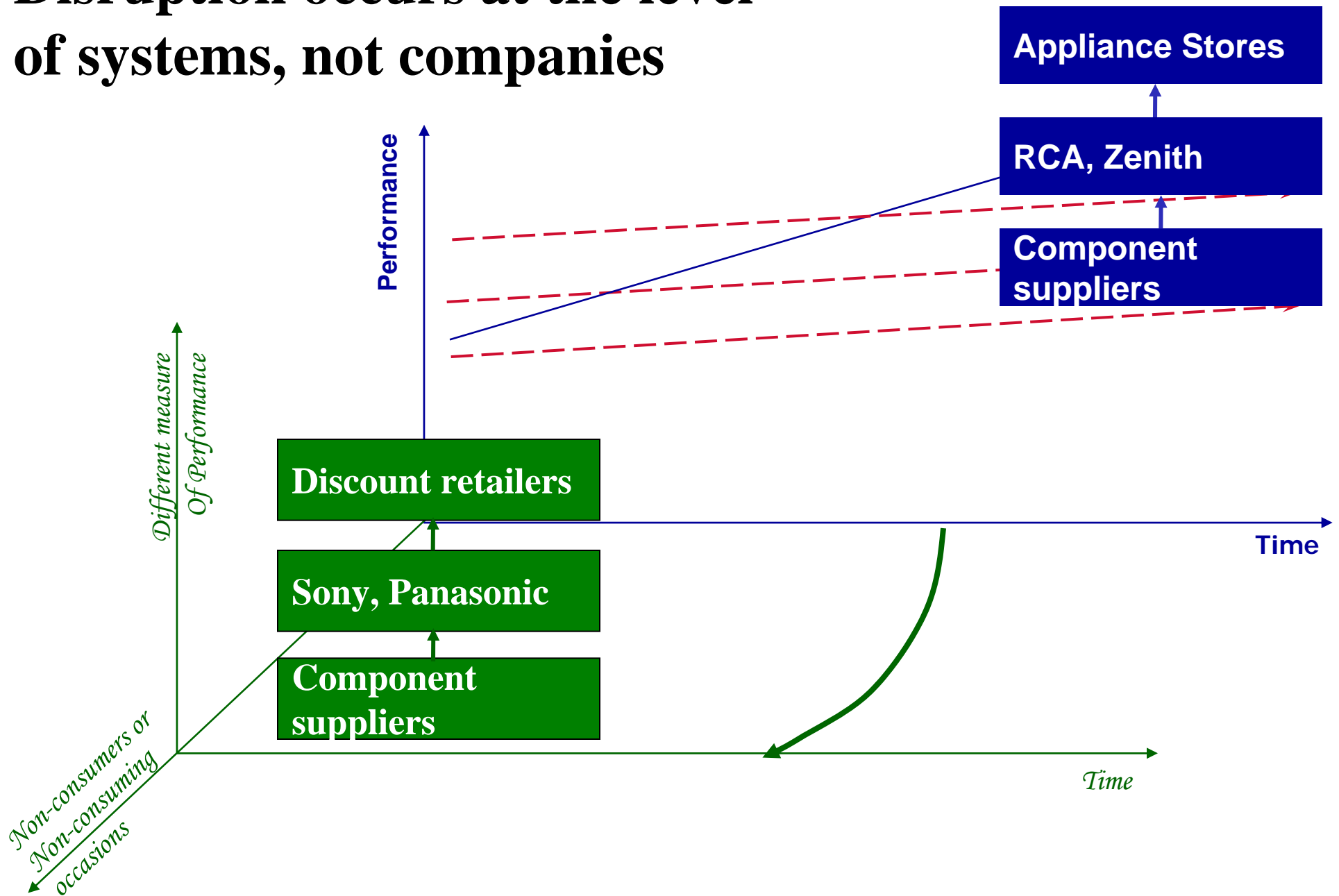


**“The customer rarely buys what the company thinks
it is selling him” - Peter Drucker**

What is a business model, and how is it built?



Disruption occurs at the level of systems, not companies



Powerful monopolies, network effects and stifling regulations are most easily broken through disruption

