## Digital disruption: a discussion guide for incumbents

<table>
<thead>
<tr>
<th>The disruption is...</th>
<th>Detectable</th>
<th>Clear</th>
<th>Inevitable</th>
<th>New normal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Faint signals with lots of noise</td>
<td>Emergence of a validated business model</td>
<td>Critical mass of adoption achieved</td>
<td>At scale and mature</td>
</tr>
</tbody>
</table>

### Acuity
- Gather sharp and privileged insight to work through the noise
- Challenge your own story
- View your business through a potential disrupter’s lens

### Action
- Develop a pipeline of new initiatives with stage-gated investment approach, to create options and build capabilities
- Expose the core business to competition with the new ventures
- If needed, begin transformation of the core business

### Acceleration
- Shift resources including management focus from core business to double down on new ventures
- Build a coalition of believers to change mindsets across the organization
- Evaluate ‘best owner’ scenarios

### Adaptation
- Develop talent and capabilities required to compete in the new model
- Structurally realign the cost base to match the new profit pools
- Evaluate ‘best owner’ scenarios

### Myopia
- Overconfidence
- Willful ignorance (i.e., not looking for or wanting to see disruptive trends)
- Entrenchment in orthodoxy

### Pain avoidance
- Reluctance to endure pain of upfront cost
- Unwillingness to cannibalize the core business
- Putting short-term results ahead of long-term value

### Inertia
- Old centers of power lock in increasingly scarce resources
- Legacy cost base becomes an anchor
- New initiatives get lip service but little actual commitment

### Fit
- Lack of people or capabilities to compete in the new world
- Likelihood that you’re too late to the game
- Unwillingness to make tough owner–ship decisions
- Possibility that the industry is no longer profitable

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