

**PLEASE SIT WITH  
YOUR GROUPS**

**Please submit your Reading  
Summary and Case Assignment**

# MIS 5402

## Managing Technology and Systems

Week 3: Disruptive Innovation and Two-Sided Platforms

Spring 2015

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*Adapted from material by Munir Mandviwalla and Steven L. Johnson*

# ASSIGNMENTS

## GRADING

1. **I USE THE GRADING SCALE IN THE SYLLABUS**, A exceeds expectations/B meets expectations/C fails to meet expectations
2. **Read them 2x min**: assessed on quality of the answers and INSIGHTS. Read as a group and assessed together.
3. **Grades listed in the Community Gradebook**: no grades on the papers.

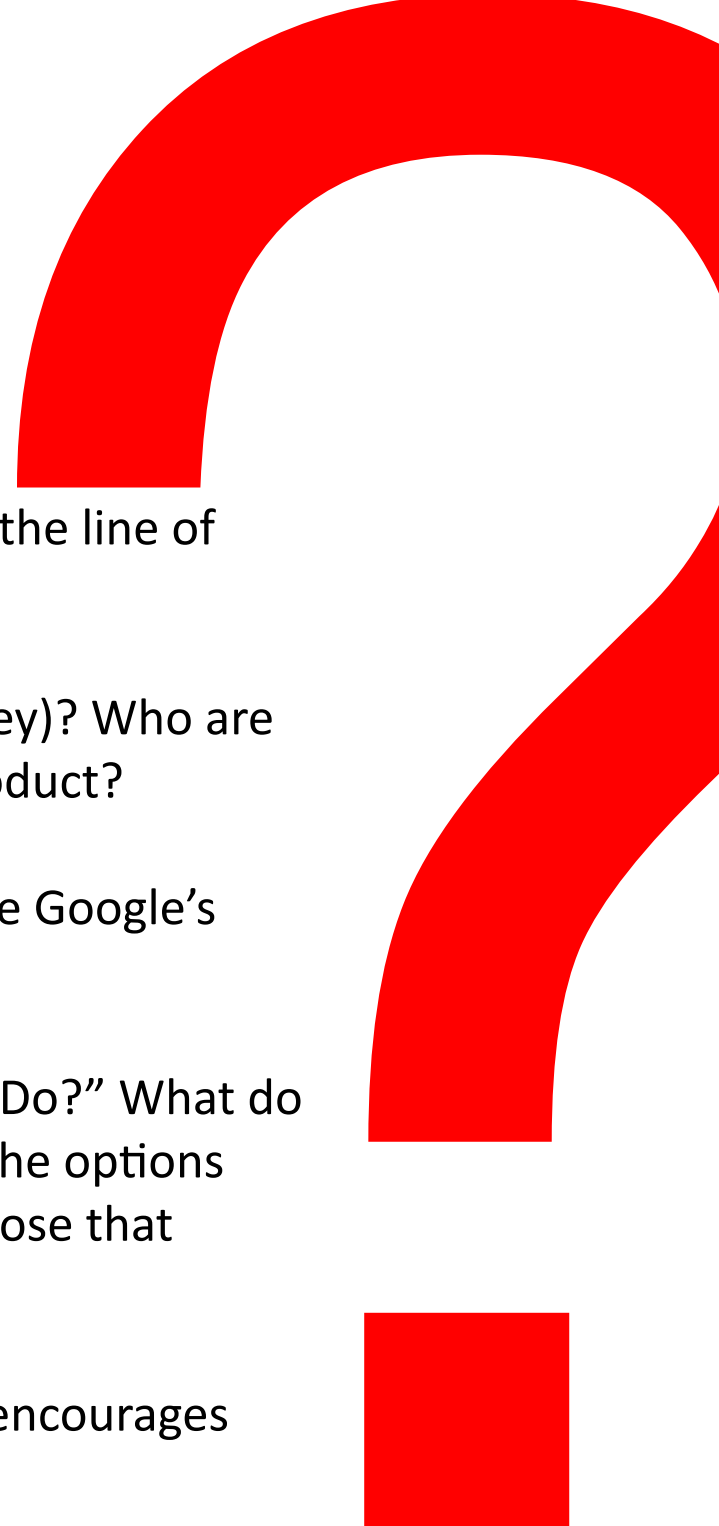
What did you learn  
this week?



# Weekly Reading Summary

## Disruptive Change & Technology / Google

1. **One key point you took from each assigned reading**, including the cases: one sentence per reading.
2. **One key point you learned from the readings as a whole**: one sentence maximum.
3. **One discussion question** that you would ask your fellow classmates: one sentence maximum.



## Case #1: Google, Inc.

The case describes several of Google's "products" (their search engine, Gmail, Google Earth, etc.).

What do they have in common? How would you describe the line of business Google is in?

What is Google's revenue model (how do they make money)? Who are its customers? With this in mind, what is Google's *real* product?

Based on the material in the case, how would you describe Google's strategy? Do they have one?

The last section of the case is titled "What Should Google Do?" What do you think Google should do (it doesn't have to be one of the options described in the case)? Make sure you explain why you chose that course of action.

How has Google created an organizational structure that encourages and enables innovation? Give specific examples.

# Breakout Session: **GOOGLE**

1. Pair up with another group.
2. Present your case to each other.
3. Briefly critique each others work.
4. Strategize how you will present to the class.

**10 min present / 5 min Q+A**

Presentations:

**GOOGLE**

**10 min present / 5 min Q+A**



Watch + Discuss:  
Inside the Mind of

**GOOGLE**

3 CLIPS / SEARCH / PRIVACY / ADWORDS

What issues does this  
raise?

How does it change your  
understanding of Google?



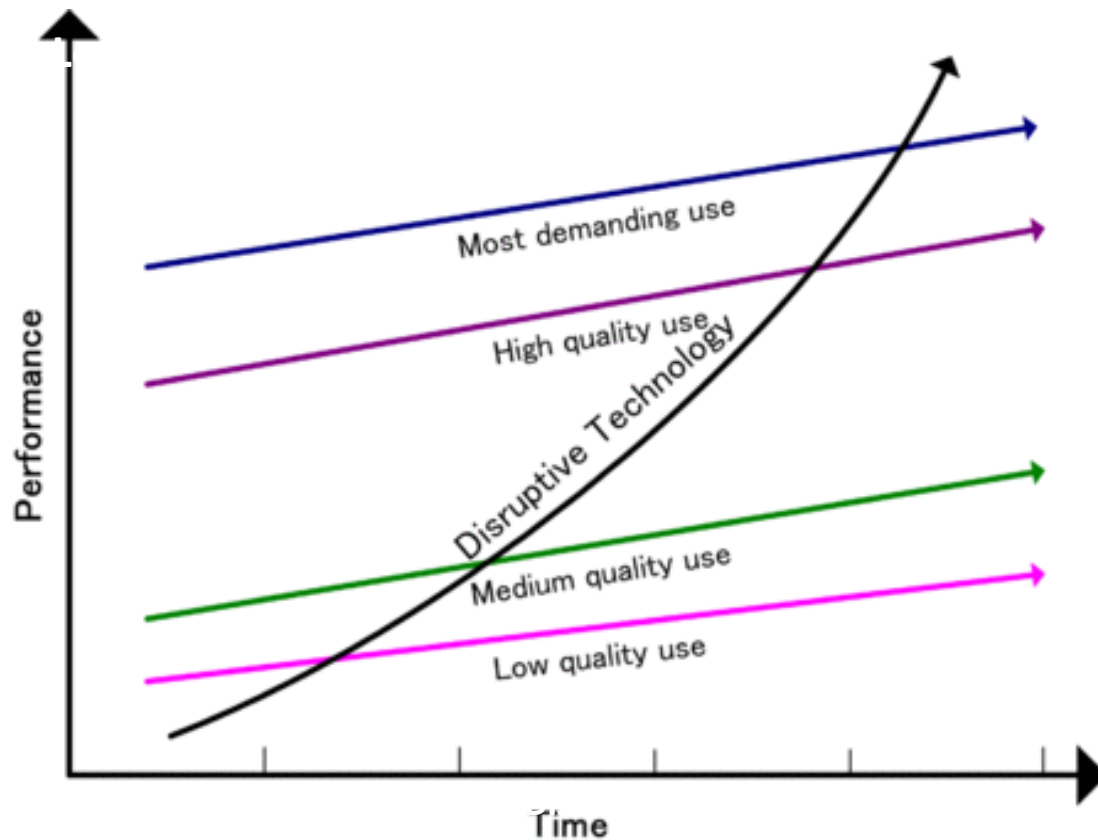
Discussion:

Disruptive **INNOVATION**

# What do these have in common?



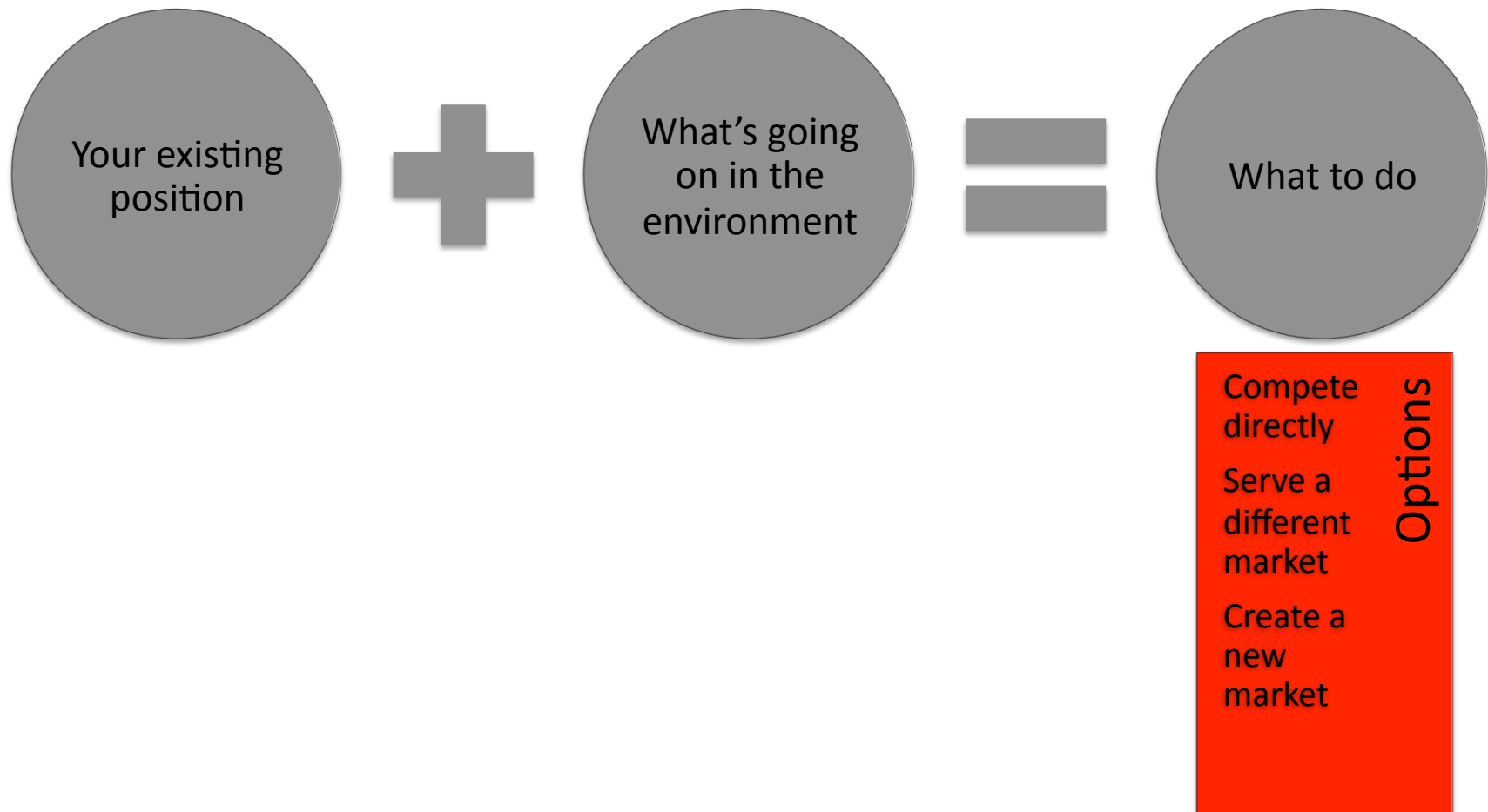
# Disruptive Innovation Theory



- Low-end
  - Quality increasing faster than need
  - Opportunity for low-cost entrant
- New-market
  - Fits an emerging segment with an unmet need

**HOW DOES THIS WORK?**

# Responding to Disruptive Innovations



# So how do companies innovate?

New products for high-margin customers

Cheap alternatives to existing products

New products for “nonconsumers”

# Resources, Processes, Values

## Resources

- **Assets**
- *People, cash, products*

## Processes

- **Way of working**
- *Hiring, budgeting, product development*

## Values

- **Criteria used to make decisions**
- *Customer demands, ethics, cost structure*

**HOW do these determine whether a company embraces or ignores a disruptive innovation?**



# Understanding Signals of Change

## Undershot Customers

- When companies are filling up-market need
- i.e., new data analytics software to handle “big data”

## Overshot Customers

- When companies are filling down-market need
- i.e., Netbooks, Kindle Fire

## Nonconsumers

- When new markets are being created
- i.e., Facebook, iPad

## Nonmarket Contexts

- Barriers to innovation are changing
- i.e., Government regulation

# Systems Thinking Versus Process Thinking

## Process Thinking

- Considering the system as a collection of independent processes
- Decompose and optimize

## Systems Thinking

- Considering the system as a collection of integrated processes
- Synthesize and optimize

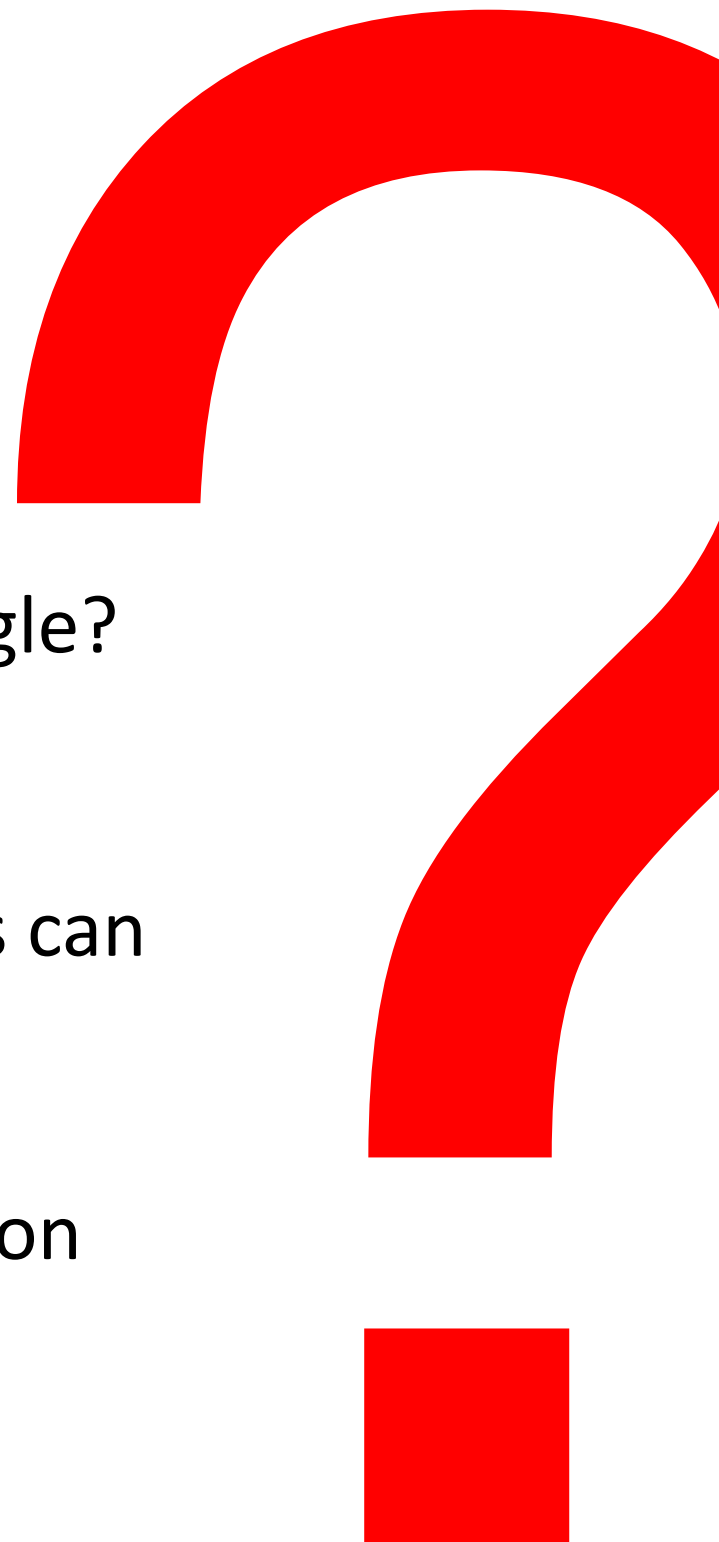
**For what types of problems is each best suited?**

## Breakout Session:

How does *disruption* apply to Google?  
What industries is it disrupting?

What other disruptive innovations can  
you identify?

What are their secondary impacts on  
society?



# Next Week: Learn IT Assignments #2

**Activity: Lynda.com Software Training**

## **Overview**

As a student at Temple University you have access to the technology training materials at [lynda.com](http://lynda.com)

## **Activity Requirements**

Login at [lynda.com](http://lynda.com)

Select one or more training modules (target 45-90 minutes of content length)

Complete the module(s)

Prepare a 1 page document answering the following questions

- What module(s) did you complete?
- Why did you make this selection?
- What are 3 key things you learned?
- Are you likely to use this resource again? Would you recommend it to others? Why or why not?

Submit a hard copy of your 1 page summary by the assigned due date.