



# “DISRUPT YOURSELF” summary by TEEB.LA

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## Introduction

In 1984, Jay Samit was 24-year-old and had a small multimedia company that created special effects and production for hire. He launched a computer kiosk with laserdisc players, motion detector, and speakers that would talk to potential customers and encourage them to purchase. He was convinced that he would win a contract with California Lottery but was not awarded the prize. He was broke and felt dejected. Upon arriving in LA the next morning, he stopped at the information booth to ask for information, but no one was there. That morning he decided to pivot his business to deliver automated Airport information booths. The kiosk that disrupted the human ticketing agent was once a failed lottery machine.

Jay Samit says that his early success was thanks to his introspective process that resulted in a method of self-disruption. To be a successful disruptor you must look internally, question your assumptions, and re-evaluate your talents. You must also understand that you cannot fall in love with your ideas and must be ready to destroy your concept and pivot before the market makes your business obsolete. All disruption starts with introspection.

YouTube was initially called Tune In Hook Up, and was brought to life to disrupt the world of online dating. Only when they abandoned their original dating site concept the team pivoted with the video platform and became a success as YouTube. The great disruptors constantly reinvent themselves and their careers. They control their own destinies. The book is for all those willing to annihilate their assumptions in order to create a re-imagined self.



# Chapter 1. In defense of disruption

For a product or process to be truly disruptive, it must create a new market and transform an existing business model. The 40 billion music industry was born out of one invention: the gramophone. It comfortably relied on the same business model for more than a century, but the disruption came from another technology: the internet. Disruption causes large sums of money to flow from existing businesses and business models to new entrants. There has never been a time in history when upward mobility has been so evenly disbursed. To disrupt you don't necessarily need to invent a new technology yourself, you can simply capture the value released through others disruptive breakthroughs. The disruption in one link in the value chain creates opportunity in other things. All you have to do is fulfill the same function in a more efficient manner in one of the links, be it, R&D, design, production, marketing and sales, or distribution. Jay Samit gives the example of his friend Billy who saw the breakthrough of the PC and decided to not dive into the pool of entrepreneurs who were investing in complex computer systems but chose to focus on accessory market. By delivering plastic cases for floppy discs and plastic file drawers he tapped into a market that grew to a 16 billion business.

Building disruptive organizations must be infused into the DNA of every successful 21st century corporation. Incremental innovation is like walking on quicksand: It will keep you very busy but won't get you very far. Most people are not willing to risk what they have built for the opportunity to have something better. Security doesn't rob ambition: The illusion of security robs ambition.



## Chapter 2. Become a disruptor

Every successful person who transformed a business started with a personal problem and noticed how many others share the same problem. For Sir Richard Branson, starting a billion dollar airline really was the result of missing a flight. Rather than only observing and waiting for others to solve it, these entrepreneurs jump headfirst and consider massive problems as massive opportunities.

Self-disruption is not comfortable or easy process and it's necessary to get out of your comfort zone. It requires you to analyze your internal value chains and find the single link that's holding you back. However, it's important to know that this is an internal process and you should try to bypass the external voices. A lot of time we temper our ambition based on the feedback we received from those around us. The unfortunate reality is that we internalize the negative feedback and what holds us back is actually our own beliefs that we are not good enough or deserving enough to be successful. We become what we believe we are, and we get what we believe we deserve. Luckily you have the power to alter the physical hard wiring of the connections in your brain. Recent studies have shown that positive thinking is more than a motivational tool, it actually adapts our physiology.

By taking 5 minutes every morning to visualize success, you can train your brain to handle opportunities and success. Morning visualization makes you feel good and helps you avoid starting your day with a negative state. Success is merely turning obstacles into opportunities, and opportunities are not visible in a negative state. So much of self-disruption is making deliberate choices in your life instead of running on autopilot. Success does not come from circumstances beyond your control, but from the way you respond to the circumstances.

Annihilate all the assumptions that put limitations on your dreams and your expectations for yourself. Question what you've always been told about your strengths and weaknesses. Train yourself to think differently. Market your potential. Distribute your energy wisely and efficiently. You can't win a race without a winning mindset.



## Chapter 3. The disruptors map

The innovators that create opportunities for themselves see their lives and the path to success as a journey. Not everything is planned out, but they do have a starting point and an end goal in mind from which they try to draw some sort of map for themselves. Ask yourself what matters most to you. Write down your core values on a piece of paper and include your personal and professional goals. Try to be honest and detailed. Plan for ways to get more enjoyment into your life and you will get more joy out of it. In most cases, you will discover in your journey a world full of people waiting to help you achieve your goals. Mentors are crucial to disruptors success. Success can actually rub off on you. To find your mentors go to more conferences and gatherings in your field and get to know the industry leaders. To really achieve everything, you set out to accomplish you must set deadlines. The easiest way to set priorities is by working backwards from a future goal.

Remember that you will have more regrets about the things you didn't try than the ones you tried and didn't succeed at it. The number one regret of dying patients is that they wish they had the courage to live true to themselves and had not been guided by the expectations of others. Do not wait. Successful distributors don't worry about the time being right or the conditions being perfect: They just dive right in. The difference between successful and unsuccessful people is that successful ones know what the most unprofitable thing ever manufactured is an excuse.

## Chapter 4. Building a brand of one

To succeed in business, you must see yourself as a brand of one. The links in your personal value chain make up your unique brand. Don't be afraid to put yourself out there in an interesting way. Jay Samit explains how his out of the box thinking landed his ideal job. He



published a job opening ad in a paper describing his fantasy position that matched his qualifications. In this way he got insight in the resume of his competitors, he could see which jobs were the steppingstone to his ideal job and he gained insights in which companies had employees who were planning to leave their current job.

Getting noticed and differentiating yourself from your colleague is half the battle. Remember that how we market and sell ourselves comes into play long before we get the opportunity to prove ourselves through our work. Jay explain how he had to replace his pinstripe suit and power tie with all black clothes in order to develop a look that was consistent with a message he was marketing, namely that music had evolved. Personal branding is challenging but it's something that stays with you throughout your different jobs. You need to believe in your core values that subsequently will make you believe in yourself. One of the best ways to leverage and promote your brand of one is through public speaking. Another way to communicate with millions without uttering a word in public is social media. Either way it's important to be authentic with your voice and share your expertise. Your words allow you to define your reality and disrupt your industry. Within time your name will start to be familiar in your field.

The era of the gold watch guaranteed pension is over. No industry or company is safe from disruption. By staying actively aware of your personal brand and the tools available you will be able to reboot yourself quickly and be able to change yourself or your industry.

## Chapter 5. Disruptors at work and the value of intrapreneurship

Big companies keep focusing on other big companies because in the past this was the right model but now disruption comes from the smaller and unexpected players. Jay was hired in 1999 at EMI as global head of digital distribution, even though there was actually no music digitally distributed back then. All the major music labels viewed digital downloads as a



threat and were focusing on the CDs. Then came Napster who disrupted the whole industry and made sharing music from any computer with Napster software possible. They were successfully sued but they had already changed the industry drastically. Even though Jay had tried many things to launch new ways of monetizing music the company was still disrupted. EMI was sold in 2011. As an intrapreneur you have to be Fearless when your survival is at stake and anything less is corporate suicide. Disrupt or be disrupted. There's no middle ground. Customers always find a way to get what they want, even if the traditional supplier won't comply. As an intrapreneur you are not concerned like the rest in maintaining the status quo, you are potentially taking away revenue streams from other divisions. The goal for the intrapreneurs is to show measurable results before those were about to be dethroned destroy you.

According to Vijay Govindarajan there are three classical traps of corporate success. Firstly, they overinvest in antiquated systems while ignoring new opportunities. Secondly, their lengthy planning cycle deprioritize anything that isn't core to past success. Thirdly, their failure to plan for evolving future. Business organizations are not built for innovation, but they are built for efficiency. Very little attention is paid to initiative that could cannibalize current revenue streams. Too often, senior management is rewarded for achieving more of the same. Company leaders risk personal career extinction when they venture too far of course. This is why CEO's will gladly pay for a possibly disruptive company if the acquisition enables them to keep their jobs. Thousands of millionaires and dozens of billionaires built their personal fortune without ever making a profit. They all got rich selling money losing companies that many times didn't end up adding value to the acquirer.

When Jay was younger, he blamed older executives who didn't see his vision for just not getting it. Later he realized it was his inability to communicate his vision in a context that they could comprehend that was the issue. It's up to you to explain the future in term of the those living in the past and present can follow. An average idea enthusiastically embraced will go further than a genius idea no one gets. What Jay discovered was that the trick to disrupting from within an organization is to get what you want by giving the company what it thinks it wants.



## Chapter 6. In search of the zombie idea

The key to finding a big idea is first finding a problem that needs a solution. Every disruptive idea makes use of a new technology to solve the problem. The next step is to kill your big idea. If you can find a problem that will destroy your idea, then so will the marketplace. The quicker you can eliminate your current idea, the more capital you will have left to focus on the next idea that cannot be killed. We think that great destructive ideas come from “Eureka” moments where the innovative idea comes to people fully formed at once. In reality, most discoveries come from the simple act of identifying life’s problems. The truth is, those eureka ideas are actually fairly easy to come across – but they don’t come from chance moments of brilliance; they come from careful and methodical observation. In essence disruptors are simply problem solvers. The worse your day is going, the better the opportunities to be discovered from your frustration. A disruptor finds opportunity and profits from his own misfortunes. Problem is just businesses waiting for the right entrepreneur to unlock the value. Insight and drive are all the skills you need. Everything else can be hired.

After all the observations have been distilled to one big idea, most people are afraid to act on it. Most of the time it is the fear that someone with more money will steal their creation. Serial entrepreneur Adeo Ressi loves to tell first time entrepreneurs “nobody is going to steal your stupid idea”. According to him your goal is not to promote and protect your idea but rather it’s your job to kill your dumb ass idea. Through this process you build a strong, defensible, beautiful business that the competition and market factors cannot destroy. You don’t want a big idea; you want what Jay calls a zombie idea. No matter what is thrown at it, zombie idea can’t be stopped or killed.

If your idea is truly disruptive to a market, get used to hearing the word no. If your idea is not original, then it’s hard to convince people to invest and you will need to show why your approach is different and timely. Sometimes you can’t even give away your ideas at any price. Before paid search, Page and Brin tried to sell all of Google to Excite for 1 million. Excite negotiated Googles price down to \$750,000 but didn’t close the deal, because they



couldn't convince the board that there was any value in owning Google.

## Chapter 7. Pivoting your energies

In a constantly changing world, learning when to pivot is a skill that's useful for any business. Pivoting is less an admission of failure and more a way to find new opportunities to be successful. For example, the music industry pivoted too slowly from manufactured goods to digital distribution and didn't survive intact. Bill Gates famously pivoted the entire company in 1995 when the software industry was disrupted by the internet. Gates restructured all of Microsoft and pivoted the market leader in packaged software into a leader in the new digital economy. Test, verify, and adjust is the only way to stay on course. Data has no ego and makes an excellent co-pilot.

Yelp was initially an automated service for emailing recommendation requests to friends. It turned out that the emails were not appealing, but users enjoyed writing reviews about the local businesses. The service pivoted to follow its audience. Burbn was a Foursquare wannabe mobile app where people had to take pictures and post to prove they were in the venue. The founders ditched the whole check-in concept and pivoted to photo posting and social sharing. Later they added some fun filters and changed their name to Instagram. Tune in Hook Up was a video based online dating platform that pivoted towards helping people search for any type of video and renamed the company to YouTube. Odeo was going to be the place for music files to discover and share music podcasts. When Apple conquered iTunes they needed it to pivot to survive. They launched a short messaging app renamed it Twitter. Not all pivots end up a success, and the vast majority of startups fail. But failing is part of the entrepreneurial process. Success doesn't teach us many lessons as failure. Many great entrepreneurs went bankrupt before creating the billion-dollar empire. Smart entrepreneurs learn that they must fail often and fast.

Single biggest reason most startups fail isn't that the founders had a bad idea. They fail because they run out of capital before they discover how to bring the idea to market. Data is





the most rational and productive member of any start-up team. Invite data to as many planning meetings as you can. Data may disappoint, but it never lies. As soon as your initial concepts are defined you can use a process known as effectuation which is a set of decision-making principles you can use in situations of uncertainty. The process begins with simply defining what you know about your new business and its underlying market. The list of questions should be exhaustive. Try to interview as many potential customers as you can. Next, add to that information what a value you can bring to or capture from the market. The focus is to define your goals for the new business or idea. Third step is the most important: Meeting with people in the target market. Talk to actual customers who feel their life would benefit if your innovation was successful. Real customers actually value their time as much as their money. If your idea lacks merit, they will let you know. Many startups believe they can skip this step.

Never stop talking to your customers and you will never stop learning how to improve your business. Unless you are diligent about always challenging what, you can do and what your market wants, more nimble startups will come along and disrupt your business. Most startup failures result from entrepreneurs who were better at making excuses than products.

Customer and data instantly let you know how your business is doing and where it is heading. Failing isn't the same as failure. The only true mistake is not realizing the value of the mistakes you are making. The faster you pivot, the more time, money, and energy you have to spend on a better idea.

## Chapter 8. Unlocking the value chain

Value is the commodity that consumers actually purchase. Differentiating value is the only competitive advantage any single business can maintain over another. Five links in a company value chain are: research and development, design, production, marketing and sales, distribution. It's the easiest to make money from disruption by focusing on the most profitable links in the chain. Disrupting a simple value chain is how two guys in San Francisco



went from not being able to pay rent in 2007 to having a company worth 10 billion in 2014. To help cover their rent, Brian Chesky and Joe Gebbia created a simple website to rent out air mattresses in the apartment. Eventually this led to Airbnb. Airbnb is not profitable, and its evaluation is not based on current revenues but rather on the potential its business model has to completely disrupt the hospitality sector and capture much of the value that could be unlocked. Being able to quickly identify this proportionate links is the key to disrupting an existing value chain and capturing the greatest return for your investment. Following chapters will each focus on one of the 5 links of the value chain and illustrate how others have disrupted their industries by seizing opportunities available in one of those links.

## Chapter 9. Research and development: Unlocking the value of waste

Most scientists don't know what they are doing. Millions and millions of research data without any product of business rationale. Often it takes the fresh perspective of a disruptor to look at scientific breakthrough with a market-driven set of eyes. This is where financial opportunity life. Disruptors don't have to discover something new; they just have to discover practical use for a new discovery. Sildenafil was developed in the lab as a cardiovascular drug to lower blood pressure. It's when Pfizer's marketers sold it for longer lasting erections under the name of Viagra that it became so successful.

The R&D link has never been easier to disrupt than it is today. Many inventions and scientific discoveries are cast-off because they're ahead of their time or don't fit the strategic direction of the company developing them. Disruption can come from learning to reuse, repurpose, recycled the R&D of others to achieve new products in new categories never imagined by the original creators. For example, Richard James was a naval engineer who one day accidentally dropped a tension spring on the ground and was amazed how simple harmonic motion kept the spring moving. Together with his wife they launched a toy name slinky which of over 300



million have been sold to date and the toy continues to be bestseller.

Hundreds of government and University Laboratories share their discoveries license free in an effort to promote universal access to the work. Entrepreneurs who has used these resources have built businesses around open Source software, medical Research, robotic engineering, even beverages. NASA for example actively encourages entrepreneurs to commercialize their discoveries. In just the past decade alone, technology spin offs of NASA have created over 14.000 private sector jobs, generated over 5 billion in revenues. The technology behind the cordless mini vacuum we call the Dustbuster was initially meant as a self-contained drill for extracting lunar core samples.

Activating dormant science discoveries is just one way to disrupt the research link of the value chain. Another method is to crowdsource the research you need. By harnessing the skills of half million members, Quirky gives lone entrepreneurs a team dedicated to getting the best ideas to market quickly. The investments of others can always be leveraged by those able to see beyond the original scientific vision.

## Chapter 10. Design: Disruption through an aesthetics

Nike and Converse did not invent the running shoe. Design disruption focuses on the art of simply building something better. In our interconnected mass market world, even the smallest incremental improvement in design and manufacturing efficiency can yield billion-dollar results. Oftentimes, the real disruption comes not from changes to the product itself but from innovations in packaging design. Pennzoil designed a plastic bottle in 1984 which was cheaper to manufacture and easier to pour. Based solely on this innovation design, Pennzoil disrupted the market and quickly became the number one selling motor oil in the United States, without reengineering motor oil or changing its pricing. It's often the case that the solution to one industries problem already exist in another unrelated field.



Disruption in design can be as simple as taking branding from a product in one market and applying it to another market. Brand extensions is an easy way to disrupt the category through design. It reassures potential customers who are familiar with the original brand and it immediately becomes associated with quality. The fundamental principle behind successful brand extension is tapping into consumers feeling about the brand and matching a product to the attribute associated with established brand. ESPN means sports to consumers in much the same way that Heinz is synonymous with ketchup, so it makes sense for ESPN to have a sports magazine and for Heinz to make pickle relish. Every company can go after every market niche, but there are plenty of trusted brands that can easily be licensed by entrepreneurs introducing new products or product categories. Through partnerships and licensing, disruptors can save the millions of dollars it takes to establish a new brand and allow entrepreneurs to focus their limited resources on building a better product. In the digital age disruptions through design doesn't have to be as complex as brands equity in a thoughtful partnership it can be as easy as rethinking the user interface of a website. One of the first industries to be shattered by internet use of an innovative interface was travel. Before the internet, people had to call often to travel agencies and go visit their offices to find out about travel packages, flights, or even hotel rates. Anyone who has ever booked online knows that most of the travel sites are difficult to use and aren't especially consumer centric. But one man's problem is another opportunity. In 2010 HipMonk launched clean and visual interface that helped travelers find the easiest route which became a huge success because it captured value through its design. Poor design presents a world of opportunity for disruptors looking to make their mark without having to invent or introduce a new product to the world.

## Chapter 11. Production: Reuse, repurpose,



## recreate

While we feel as though we live in a post-industrial age, most of the items we purchase, wear and consume are manufactured in factories overseas. In a free market economy, there will always be a cheaper labor market to outsource manufacturing to, but endless shifting of factories around the globe is not a viable long-term solution. Disruptors need to tackle the systemic problem of labor supply and demand. To disrupt production, and capture value, one must look to on-demand manufacturing. This idea is not new, it's just being newly empowered by changes in technology.

Jay gives the example how the oil press was adapted to make wine and disrupted the wine business. The press as a production method was later used to create the printing press which disrupted the distribution of knowledge and changed our societies. The Gutenberg press made it possible for everyone to become a publisher of ideas but now we are on the threshold of making everyone a manufacturer of finished products thanks to the 3D printer. 3D printer is shattering the existing value chain for physical goods the way the internet destroyed the value chains for intellectual digital goods such as music, movies, books. As with all disruptive technologies, a whole new ecosystem of opportunities will develop around the new equipment. For the first time in history, anyone can now own the means of production. Everyone has the power to compete on a global scale without having to raise millions of Dollars for equipment and tooling. Size is no longer an advantage. Designers can use social media to market their creations and manufacture items only after they are purchased. It's by definition profitable from its very first sale. Those who recognize inevitability of changes stand to benefit the most.

## Chapter 12. Marketing and sales: Finding the



## problem to fit your solution

At the heart of all sales and marketing is creating demand even in the absence of logic. Jay explains when he was selling shirts, he had a sign saying: one for \$1,5 or 3 for \$5. He was amazed to see the most people went for the value of 3 for \$5. Andrew Mason disrupted retail pricing by creating a website that allowed consumers to sign up to purchase items at a group discount. The concept proved to be so successful with Chicago consumers that the company expanded nationally under the name Groupon. The challenge is not coming up with a new and creative marketing campaign, but rather in developing completely new sales strategies, channels, and business models.

In 1977 a station manager had an advertiser who had a lot of inventory but no money to pay for the radio spot. He decided to sell the product itself directly on the radio and disrupted the sales channel. It was so successful that they later started a local TV channel and launched the home shopping network. A good example of disruption of the sales channel are penny auction sites. Consumers can name the price for dozens of luxury items but are charged for each bid they place. It's a clever pay-to-bid model.

On the marketing side, the biggest form of disruption is in the area of branded entertainment. Branded content is now a key revenue driver for film, television, an online video content. Another piece of sales and marketing link that is often overlooked this customer service. Customer service should be thought off as a marketing because it influences how customers feel about your company. Great customer service creates brand loyalty and product differentiation. As Amazon CEO Jeff Bezos says: It certainly matters online, where word of mouth is so very, very powerful. At the heart and soul of good customer service is building a great company culture. Happy employees will service the customers better. A happy customer is the only one who comes back to purchase from you again and again.



## Chapter 13. Distribution: Unlocking an unattained value and the challenge of unlimited shelf space

In 2003, engineers of Sony created an entirely new category of devices: E-readers. Unfortunately, they didn't understand the value chain it was disrupting and the role of content in the world of digital distribution. Sony knew how to build great hardware but didn't want to be in the software or content business. We understand that no one buys a device to own it; consumers buy devices to play content. Amazon understood that the real value to capture in digital distribution is the relation with the consumer. In the digital era, distribution is no longer about supply chain efficiencies, but rather about ability to connect directly with the end consumer. Using the same technology as Sony, amazon released the first Kindle in 2007 and it was sold out in 5 hours. Amazon had the foresight to cannibalize it's a regional sales model in order to own the emerging distribution channel. Sony misunderstood the importance of distribution link in the value chain of the book market.

The introduction of e-commerce 1990s forever changed the global face of retail. Once consumers overcame their initial fear of entering their credit card number on the web, the internet became an endless store with unlimited shelf space. The American shopping malls are quickly becoming a vast wasteland as many chains struggle to adapt.

eBay is the most efficient global marketplace ever created. All of the usual supply chain constraints of distribution and pricing were removed simply through connecting a willing buyer with an equally willing seller. E-commerce so successful that retailers have a new problem known as showrooming, where consumers touch and feel the product they would like to own and then shop online. On the other hand, Apple stores don't suffer from showrooming, they benefit. Because Apple is both retailer and manufacturer for all these products, it doesn't matter whether consumers buy iPads online or in the store; the company gets the same margins.



Because television was losing its most valuable demographic, multi-screen and second screen solutions were brought to the market for the fight to win living room. In the meantime, the so-called second screen is becoming the primary screen, so that the fight for the living room is a mirage. Smartphones are turning digital dimes into mobile pennies. 6 billion mobile users still have the potential to add up to a lot of pennies. When a simple mobile game such as Candy Crush Saga can gross 1/2 billion dollars in the year, there's clearly money to be made through the distribution of mobile content.

## Chapter 14. Capital Revisited: Other people's money

The single most common complaint for entrepreneurs is the lack of funding. Jay's favorite kind of money is not borrowed money, nor investment money. It is money that is freely and gladly spend to help you in building your business: Other people's money (OPM). This can only occur when you are solving someone else's problem in order to cost effectively solve your own. It is about creating opportunities for those with more capital than ideas. The secret to OPM is to find someone else's problem and make your product their solution.

Jay gives the example how he launched Sony connect, alternative to iTunes, without any approved launch budget. Firstly, he was scanning the news to find which fields or companies had problems. In 2004 United Airlines was in trouble due to the terrorist attacks, a McDonald's was facing PR issues thanks to the "Super Size Me" film. He managed to do two campaigns in collaboration with these companies. Together with United Airlines they performed "concert in the sky" with Sheryl Crow in an airplane filled with journalist. United got positive frontpage news all the cross the globe, and the new Sony connect music service was front and center in every story. At the same time, McDonald's launched a TV spot that showed how the world became one giant music video every time you held a Big Mac in your hand. On the side of every Big Mac box was a code for free music tracks that could be





downloaded from Sony connect. McDonald's head sales increase of 9% and traffic to Sony connect rose by 3000%.

Too many entrepreneurs give up because they run out of cash or can't find investors. There's always another point of view, another company that will benefit. Look at the challenges from others perspectives and the source of OPM will become obvious. First, identify and define your target market. What is the specific audience that your product appeals to? Next step is to make a list of other, non-competitive products marketed to the same audience. Study the slogans and ad campaigns of the biggest players until you find a fit. Finally, search the internet to find the company's ad agency and contact the creative team for the account.

You're bringing the idea to them only makes the agency's team look smart.

Another variant of OPM is cause marketing. Cause marketing is a wonderfully selfish selfless activity. You donate your time and energies with the sincere desire to help others, when in fact you and your company come away from each activity more enriched, more inspired, and more empowered to face the daily problems at the office. OPM and cause marketing are two ways to expand the marketing reach of your company without reducing your runway.

Pursuing other people's money is a great way to make industry contact with people who think collaboratively and creatively and who might care about more than just hitting the numbers.

## Chapter 15. Disruption in the era of the Crowd

While YouTube and others built business models around monetizing crowdsourced content, two of the most successful of these new crowdsourced enterprises, Wikipedia and Greg lists, chose by design not to capture the value they created. They pioneered the sharing economy. Crowdsourcing is the ultimate disruptor of disruption, because the content is controlled by everyone and no one at the same time. Wikipedia disrupted the business of encyclopedias, books, and almanacs by having the crowds contribute for the betterment of all. 70000 unpaid editors routinely patrol Wikipedia to ensure the accuracy and quality of the content. The site has become a self-sustaining, living community, universally embraced by 350 million unique



monthly visitors.

These companies pioneered a new business model: Reduce competition by making services and products free. Industries will be disrupted as consumers shift from consuming to sourcing. Crowdsourcing is not the end of consumerism: It is a step in a cycle of disruption. Eventually this cycle comes full circle when consumers are willing to pay for a better version of an existing free service. Feedback is the engine that improve the overall quality of crowdsourced businesses and is the one aspect of the crowd economy the big businesses are struggling to embrace. The more open the system is to consumer interaction, the more robust the market will become. The crowd is more powerful and important than the technological infrastructure that connect them. When you are searching for an industry to disrupt, the best opportunities are those where inefficiencies are your only competition. The internet's efficient ability to connect millions of people who have never met but who share a common need, interest or desire will ultimately disrupt all business based on being the middleman. For the aspiring disruptor, the possibilities to capture value by using the crowd to revolutionize these multi-billion-dollar fields are nearly limitless.

## Chapter 16. Disrupt the world

Jay tells the story that he received a surprise call from Bill Clinton asking for his help to get the educational system ready for the 21st century. Even though he felt he was not a high-profile entrepreneur, he had made a name for himself by spreading the word that the internet should be accessible in all classrooms in the United States. Just like Carnegie he believed that information is the most important tool for improving society. Because they didn't have any budget, they decided to start a non-profit organization and do the first online charity auction. They used the only existing online auction tool in 1996. By the time the 21st century arrived they reach their goal to wire every public school in the United States without \$1 from the government. The online auction tool they used, used this experience to solve logistics issues and eventually renamed itself eBay.



Not all disruptors are motivated by profits. The biggest big ideas have existential goals such as freedom, equality, health and justice. Dr Jonas Salk developed the polio vaccine and never patented it. When asked he replied: could you patent the sun? There are currently many disruptive ideas in education. Massive open online courses (MOOC) are a movement to provide great online lectures for free or for a greatly reduced price. Corporations understanding the importance of education are also investing in their employees. In 2014 Starbucks planned to offer it 135000 workers the option to earn an online degree and Starbucks would pay the college tuition.

As Margaret Mead said, “Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.” With greater international access to capital, human capital, and cloud computing, nothing that can be imagined but humanity is outside the scope of possibility. Disrupting large institutions and systems requires a healthy dose of pragmatism, but through analyzing the value chain and finding new ways to capture value, virtually any system can and will be improved. The real challenge is for each of us to determine where we feel we can make the most impact.

## Epilogue: The self-disruptor manifesto

We all start our life filled with big dreams and ambitions. The stories told and the process described in his book are designed to rekindle the childlike sense that anything is possible. Our future world is far more malleable and controllable than most people realize. History doesn't remember those who maintain the status quo. We are all born into imperfect world filled with opportunities for improvement. Only 13% of the world's billionaires were born into money.

Innovation is merely problem-solving, and problems are merely opportunities waiting to be seen. No obstacle is so big that one person with the determination can make a difference. Jay says that the more world leaders he meets, the more he realizes that they are not different from you and me. Ask yourself the question: Isn't it better to walk alone than to follow a



crowd going in the wrong direction? The revolutionary advancements in connectivity between people and between devices will keep empowering the next generation of disruptors. The joy of disruption comes from accepting that we all live in a temporal state. Our purpose is to contribute to the time we live in by reinventing ourselves and the world. Disruptors benefit society by bringing positive change to all aspects of life.