



Valuable Advice From Workshop I

Disruption – Threats and Opportunities Held on Wednesday 1 June 2016

Chaired by Kerri Dewe, Corporate and Commercial Principal at Lowndes, the workshop was led by three speakers: Fady Mishriki, CEO of PowerbyProxi; Lillian Grace, CEO of Figure.NZ; and Tony Falkenstein, CEO of Just Water International.

Kerri opened the workshop suggesting that while disruption in business is not a new concept, we are facing an accelerated rate of change brought on by exponential technological change, the Fourth Industrial Revolution. We are experiencing the rise of Big Data and the Internet of Things which impacts industry, businesses, employees and society as a whole – a technological revolution that will fundamentally alter the way we live, work and relate to each other.

50% of directors surveyed in the 2015 NZ Director Sentiment Survey (IoD/NZIER) think their industry will be affected by major disruptive change in the next two years. Kerri outlined the progress of various innovations and the anticipated impact on business and jobs in the foreseeable future, noting that what we think is happening in the future is happening now. With tremendous opportunity available in disruptive times, the challenge that businesses face is staying ahead of the game. Understanding the dynamics of disruption can help face the unknown challenges and harness those benefits.



(L-R) Fady Mishriki, Lillian Grace and Tony Falkenstein with Kerri Dewe (Chair)

Being a Disruptor, and being Disrupted

Fady, the CEO of PowerbyProxi, a company developing groundbreaking wireless charging technology solutions for both industrial and consumer application, described his experience in starting up a company that aimed to disrupt the wired plug industry, an 100 year old industry.



Fady emphasised the importance of a market entry strategy for a disrupting technology and “*picking your moments*”. PowerbyProxi’s experience concerned acceptance of wireless charging technology in the consumer electronics market. When PowerbyProxi was founded in 2007, the mobile phone market was undergoing a state of disruption with the introduction of the first smartphone. Rather than attempting to enter an already disrupted market, PowerbyProxi turned their focus to industrial applications, turning its focus to the consumer electronics market again only once the battles being fought in that space had settled down.

He believes that staying ahead of the game starts with culture and values – does your company have a proactive culture and company values that support people

exploring things outside the day-to-day? Do you talk to customers directly about their concerns, challenges and what they want?

Fady also gave his perspective on how new technologies can face their own disruption. There has been constant new technology in the wireless charging industry. Fady advised that understanding the competition, openly assessing whether it is a threat, and understanding where the threat may play a part in your industry and how your offering may need to evolve, is vital. He recommends taking every threat of any disruption very seriously and not to dismiss or be in denial about it.

Evolving Business Models

Lillian is the CEO and Founder of Figure.NZ, a charity devoted to getting people to use data about New Zealand, in the belief that informed decisions are better decisions. Lillian began by noting that until about 10 years ago we lived in a world where it

was difficult to share information widely and to communicate in multiple directions. Now, both these tasks are easy and this change has instigated some of the biggest workplace shifts we have seen. Previously, information would go to the leaders and the leaders would make decisions based on that information. Now that information is so easily and widely shared, everyone can access information and make decisions, and this fundamentally shifts what is possible, and how we are organised.

Lillian used her experience at Figure.NZ as an example. She explained that Figure.NZ instils a remote first principle. With employees working remotely, they use an instant messaging tool that has different channels for different teams, but which allows those who are part of the conversation to see the background and to contribute as appropriate. This could be seen as time consuming and the team being distracted from fundamental tasks. However, Lillian's experience has been that there are significant benefits to everyone in the team understanding how decisions made and providing valuable contributions, rather than simply challenging why a decision has been made. Lillian found that as CEO, her natural inclination was a dictator style leadership, but the use of technology has influenced that style and the way Figure.NZ organises itself.

Lillian noted that as the leader of the organisation may no longer be the principal decision-maker, the traits of a good leader are changing. The leader's focus becomes on ensuring that there is clarity of purpose and vision. This allows your business to be flexible when industry change moves the ground beneath you – disruption may change the way you do things, but not what you are trying to do. Lillian advised that your business focus should not be the most recent applications and technology, but the required cultural shift in human behaviour allowing your business to respond proactively to change.

Entrepreneurship and Disruption

Tony is the CEO of Just Water International and a well-known entrepreneur. Tony began by speaking on the difference between entrepreneurship and disruption. Entrepreneurship is working in an existing market and causing some disruption in that market, such as Uber. Disruption is the creation of a new market, impacting on and cannibalising existing markets, such as Airbnb.

Tony spoke of how disruption can impact all business and is not limited to technology driven products and services. He also noted that disruption in your market may come from you, and that companies must be open to this opportunity. He spoke of companies that have disrupted themselves. Trans Pacific (owner of Waste Management) used to deliver big, steel waste bins to peoples' homes. When it discovered a strong flexi bag in various sizes produced in China, Trans Pacific recognised this would become the customer preference and, notwithstanding its significant investment in steel bins, took this route and disrupted its own market. Similarly, Rayglass, making big boats, recognised the value of producing a new boat at a lower price point, creating a new market.

He noted that others in your organisation want to be involved, and facilitating ways to obtain information and ideas from your staff, suppliers and customers on the operations of your business and its future could lead to great ideas from outside the leadership table. While it is difficult for corporates to be flexible, with fixed plans, strategies and budgets developed for the year ahead and beyond, he concluded by noting the importance for businesses of taking time to consider what, outside these plans, the business can do and what change is, or may, disrupt the business.



The session concluded after Kerri Dewe thanked the panel for sharing their passion, knowledge and experience, and thanking all participants and sponsors of the first of the 2016 Business Intelligence series workshops.

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