Industry redefined

Industry convergence is the disruptive blurring of two or more previously distinct industries and sets of participants.

1. With traditional consolidation and diversification ...
   - Core industry activities
   - Value chain fundamentals
   - Customer proposition
   - Dominant economic characteristics
  
   ... key industry characteristics stay the same

2. Disruptive convergence redefines the “invaded” industry
   - Reconfigures/democratizes industry information
   - Creates new complexities
   - Takes place at speed
   - Barriers to entry fall
   - The “invaded” industry’s basic long-held characteristics are overthrown

3. The three drivers of convergence
   a. The role of technology
      - Tech company advantages:
        - Growing software content of products and services
        - Digitally savvy – excel at codes and algorithms
        - Substitution of digital platforms for physical world ecosystems
        - Fixed right via vix vix incumbents
      - Example: Industry redefined

   b. The role of customer
      - Digital technologies have given consumers:
        - Democratized access to information
        - More informed decision-making
        - Powerful voice
        - Greater choice
      - Empowered consumers with more choices:
        - Redefine what’s valued
        - Eliminate industry boundaries
        - Become center of evolving industries
      - Traditional industries with high customer pain points are vulnerable to convergence
      - Example: Industry redefined

   c. The role of ecosystems
      - The world faces big global challenges ...
      - ... beyond the scope of any single organization or industry to address effectively, causing the future of competition to shift.

4. The upside of convergence
   - Consumers
     - New cross-industry opportunities; option to acquire or partner with new competitors; business model innovation
   - Entrepreneurs
     - Lower barriers to entry
   - Societies
     - Potential to leverage collective cross-discipline intelligence to solve global problems