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Avoid disruption and focus on core business

Is disruption good for your business? Why it pays to debunk the business world's favourite myth.

Disruption has become the business world's favourite mantra. But it could also add a veil of complexity that can steer your business off course.

In modern-day business, there are a few words that have become mission statements quite like “disruption.” The phrase was first used to describe ideas that could transform the marketplace 25 years ago by Jean-Marie Dru, the chairman of New York agency TBWA Worldwide. It's since become a go-to mantra for business leaders from the campuses of Silicon Valley, the headquarters of global financial institutions and everywhere in between.

In a cultural climate ruled by the bleep of email notifications and the cycle of 24/7 news updates, businesses are investing in the newest, shiniest innovations. This focus on novelty forgets that technology is simply an enabler not a solution. It adds an unnecessary layer of complexity to an already-challenging set of problems. This instinct to pivot from opportunity to opportunity can also erode the confidence that's central to taking a clear-eyed approach to risk management. It can prevent an organisation from developing the tools to respond quickly and effectively to crisis without damaging trust — among a company's most important assets.

Disruption is also being shaped by government intervention. Over the last few years, senate inquiries and public investigations such as the royal commission are sparking wide-scale upheaval across various industries and demanding that businesses be transparent and accountable. This increased scrutiny has also revealed gaping flaws in the very foundations that organisations are built on and made it vital for businesses to focus and fix their core operations — before signing up to new markets and trends.

Here's how avoiding disruption and focusing on the core business can help your business evolve and develop the resilience necessary to bounce back from future challenges.



Focus on creating value rather than creating distraction

Given that regulatory measures and senate inquiries are increasingly focused on exposing operational inconsistencies and identifying processes that compromise customer outcomes, it's little surprise that when businesses move swiftly into markets that don't speak to their customers, it can damage reputations. It can also fail to make long-term commercial sense.

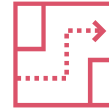
For many organisations, their attempts to become one-stop financial shops for their customers has fallen flat. Avoiding the urge to react to the market, making the effort to fix the problems that plague their core business and investing in activities that provide ongoing value for customers is the wiser move.



Prioritise the future trends that could adversely impact your business

In a fast-changing world, it's naïve to think that businesses can simply ignore the changes that will affect the future market. But, with or without a crystal ball, managing uncertainty doesn't have to mean being ruled by anxiety. It's not about responding to everything. It's about anticipating tomorrow's obstacles and putting in measures to address the challenges that could create future risks for your business. And it's about making meaningful choices about the course of your organisation – without abandoning the operational activities at your organisation's core.

Some of the most successful global players in retail offer a case in point. According to a November 2018 CBS report, Macy's is investing in smaller footprint stores that don't demand the inventory or overheads of their traditional outposts. By acknowledging the fact that their customers still value offline experiences while addressing their appetite for experiential retail, the US department store giant is a compelling example of prioritising future trends – while protecting the elements of your business that garner the highest level of loyalty from customers.



Cultivate ongoing confidence by aligning actions with strategy

In theory, disruption is associated with creative thinking, innovation, bold new prospects. But in reality, it can open organisations up to a raft of risks and challenges that stem from unnecessary complexity and additional burden of operations. And it can reveal an absence of a clear strategy that connects today's efforts with tomorrow's goals.

For many businesses, the problem stems from a lack of confidence or faith in an organisation's mission. But by ignoring the impulse to be all things to all people and focusing on the elements of your business that create value, you can set the stage for decisions that revolve around a sustainable, profitable evolution rather than quick fixes or short-term growth.

Conclusion

Disruption is a fact of modern-day business – whether its forces revolve around new technology or a government bodies that demand transparency and a public intent on holding organisations to account. By acknowledging and investing in the trends that could pose a risk to your organisation and putting your core business front and centre, there's a higher chance of facing the winds of change – and coming out stronger on the other side.