



## Business as a Force for Good: A Blue Ocean Perspective

### How to shift from dividing to expanding the economic pie.

Disruption is popular. Business leaders are constantly reminded that disruption lurks around every corner, that they must disrupt their industries or even their own companies to succeed. In many cases though, disruption is destructive and people lose their jobs in the process.

In a world where the strategic focus of organisations is on competing and disrupting, it is difficult for business leaders to do social good. From a blue ocean perspective, however, this doesn't have to be the case – what is good for business can be good for society. Here is why and how business and society can go hand-in-hand.

#### Shift beyond competing and disrupting

The media tells us and our strategy courses teach us that we should admire those who beat the competition and win. Do we admire these players? Yes, we do. But more so we admire those who create the next genres of music, poetry and art, the next markets and industries to solve our problems and create opportunities for us that we never thought possible. Like microfinance to lift people out of poverty or Sesame Street to provide fun, early free education for all children regardless of economic means or Viagra that has enhanced many couples' and men's lives.

With supply exceeding demand in most industries,

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we need to shift from competing to creating to unlock new growth opportunities. And while disruption may be what everyone fervently focuses on today, you don't have to disrupt and displace others to create. As our research shows, disruption is only half of the picture of how new markets are created. The other half of the picture, and we would argue the more important half, is what we call “nondisruptive creation”. By nondisruptive creation we mean creating new markets where there once wasn't any. So there is no displacement or loss of jobs. From microfinance to Sesame Street to Viagra, life-coaching, and online dating – all are prime examples of nondisruptive creation at work. In contrast to disruption, all these multi-billion dollar industries create new jobs, drive strong profitable growth, and solve new problems or seize new opportunities without displacing or disrupting existing businesses, industries or jobs.

There are so many problems in our world today that need solving. There are so many new opportunities that we can all create for society and our world with nondisruptive creation. And by applying creative strategies we can solve those in a way that makes the world better and our organisations strong, profitable and inspiring. Think of some of the challenges that need solving in the world today, from excessive carbon dioxide emissions to municipal water shortages, to electricity and energy. Without opening up new value-cost

frontiers, we are not going to be able to create solutions that governments can afford to buy into and roll-out. Governments don't have the funds to prop up costly, complicated solutions. At a societal level, isn't that also what our world especially needs – new solutions and growth, not triggered by displacement and destruction, but by nondisruptive creation that doesn't require existing players to lose so that others advance. We need more nondisruptive creation – not disruption – for progress as well as peace.

### **Creating as a force for good**

When we see companies sputtering along with employees neither motivated nor inspired but often filled with fear as to how long their job will last, we see the importance of creating offerings that break away from the pack, generating strong profit and growth, and bringing pride and passion back to people. Today from healthcare to education, to publishing and even libraries, all are in need of new solutions. Almost every industry in the developed world faces a situation of supply exceeding demand. These situations represent red oceans of crowded competition. Businesses can break out of them. That, for us, is not only a business mandate for growth. This can help them become a force for good.

We cannot help others when we can't help ourselves and be strong. It is the strongest firefighter who can save the most, not the weakest. As they say on airliners during safety briefings, "in the event of a loss of cabin pressure, put your own mask on first before helping your neighbour." When we are strong, when we inspire, when we create new opportunities for society and our employees, economic micro-actors are the strongest force for good.

Let's not forget as well the societal impact of inspiration that creating new markets and opening new value-cost frontiers brings. When a company makes a lot of money by doing more of the same, it may inspire shareholders. But when companies change the world by creating breakthrough offerings, they inspire everyone else as well. When Steve Jobs passed away, people around the world cried because what he did for Apple made them wonder at some unconscious level, what they could do too, and why they shouldn't settle for the status quo.

We all want to make a difference and stand apart. Millennials largely reject the current focus on beating the competition to stand out. They embrace and are inspired by creativity and cooperation. They want to change the world in a constructive and positive way. They want to move away from notions of zero-sum competition that we have long taught in business schools. In its place, they are seeking new

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solutions to create a larger economic pie for all.

People often tell us "Chan and Renée, you're naïve. What you're saying can't be done. Not in our industry and not in the world." And to this, we respond, "You're right. It can't be done. Until it's done."

We ask, "Can you imagine that in 10 years or even 5 someone will have created a new solution?" Remember, we put a man on the moon. And when the answer almost invariably comes back yes, we ask, "If then, why not now?" Why wait if we believe it can be done now.

The role of leaders is not to do what is easy. It is to do what is worthwhile. And in that there is no doubt some difficulty. This is why we admire leaders who make a difference despite difficulties. We admire them not because it is easy but because it is difficult yet they had the fortitude to see it through. That for us is a leader who is a force for good. Who doesn't provide excuses for why things can't happen but instead tries themselves to find a way to make them happen.

For us, those who open new frontiers of opportunity, growth and jobs, who shift from competing and playing a win-lose game to creating and opening up a larger economic pie, those are the true forces for good at the most primal business level. Be that leader. Make that shift. Create your blue ocean.

*W. Chan Kim & Renée Mauborgne are professors of strategy at INSEAD and co-directors of the **INSEAD Blue Ocean Strategy Institute**. They are the authors of the New York Times, #1 Wall Street Journal, and USA Today bestseller **BLUE OCEAN SHIFT – Beyond Competing: Proven Steps to Inspire Confidence and Seize New Growth**. Blue Ocean Shift lays out a roadmap with tools, guidance and the questions you need to ask to see new opportunities and move yourself, your team, and your organisation from cutthroat markets to wide open new markets. For more on the authors' new book, visit <http://www.blueoceanshift.com/>.*

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