
Nondisruptive Creation: An Alternative Path to Innovation and Growth?



By W. Chan Kim and Renée Mauborgne, INSEAD

How leaders can innovate and achieve growth without displacing industries, companies or jobs.

We've all heard the refrain: Disrupt this, disrupt that. Disrupt – or die.

Unsurprisingly, many business leaders have come to view “disruption” as a near synonym for “innovation”, with many companies having achieved their success by disrupting traditional sectors. For instance, Uber, Lyft and Grab were founded as challengers to the taxi industry, just as E-ZPass effectively disrupted the tollbooth industry and Netflix clobbered the video-rental market.

From the tech hubs of Silicon Valley and Shenzhen to the financial centres of New York and Tokyo, disruption is all around us. But is upending traditional industries the only way for organisations to innovate and grow? And is it necessarily the best approach? As we lay out in [our new book, *Beyond Disruption*](#), the answer is no.

Our research reveals that the obsession with disruption can lead companies to overlook an alternative pathway to innovation and growth. We term this process “nondisruptive creation” – creation or innovation without disruption or destruction. Nondisruptive creation presents a new way of thinking about what is possible and opens a bold new path for all of us to innovate new industries, new jobs and profitable growth without the social costs of shuttered companies, hurt communities or lost jobs.

From blue ocean to nondisruptive creation

After the publication of our books [*Blue Ocean Strategy*](#) and [*Blue Ocean Shift*](#), we noticed the same question kept popping up from practitioners, academics and consultants working in the field of innovation.

The question they posed was this: If blue ocean strategy is about the creation of new markets, when looked at through the lens of innovation, isn't that the same thing as innovating? How does blue ocean strategy differ from the innovation concepts of disruption, disruptive innovation and creative destruction? Given how disruption has become the battle cry of business over the last 20 years, as well as the historical importance of creative destruction, we set out to explore this question on a deeper level.

We began by re-examining our blue ocean data and found that although a few cases – such as Novo Nordisk's insulin pen and Apple's iTunes – largely disrupted and displaced existing industries, most blue oceans in our data were born not within the boundaries of an existing industry, but across them. Cirque du Soleil, for instance, created a brand new market space at a high price point across the existing boundaries of circus and theatre. Although it pulled market share from both industries, generating a measure of disruption, it did not significantly displace either industry.

Our examination also revealed something else that greatly intrigued us. Among the cases that had been added to our original database over time, a few had triggered **no disruption or displacement at all**. This piqued our curiosity. Were these cases a few unconnected anomalies, or were they the tip of an iceberg, examples of a new kind of innovation? If the latter, what were the implications for business and society, now and in the future? And was there a process or an approach by which we could conceive and realise this new kind of innovation in a systematic way?

To answer these questions, we collected historical and current cases on what we would call nondisruptive creation across the for-profit, non-profit and public sectors. As we did, we built a growing new database on nondisruptive creation, and the managerial actions involved in this process.

A distinct new concept

Our research showed that nondisruptive creation is a concept that is unique from both disruption and blue ocean strategy, with a correspondingly distinct impact on growth. Nondisruptive creation is not the same as – nor should it be confused with – scientific invention or technological innovation, or new-to-the-world products or services. Nor is it concerned with a specific geographic market or demographic group, such as the bottom of the pyramid, or a certain socioeconomic level, such as the low end.

Nondisruptive creation is distinct from existing innovation concepts and can be defined as “the creation of a brand new market outside or beyond the boundaries of existing industries”. It is precisely because the new industry is created *outside* the bounds of existing industries that there is no existing market or established players to be disrupted and fail, yielding nondisruptive growth.

In this way, nondisruptive creation opens a positive-sum approach to innovation and growth that allows business and society to thrive together. It achieves this by solving brand new problems and creating brand new opportunities beyond industry boundaries, whether those problems and opportunities exist but remain unexplored or are newly emerging.

Take “Sesame Street”. It unlocked the brand new market of preschool edutainment – that, for the most part, had not existed previously – without displacing preschools, libraries or even parents reading bedtime stories to their children. Or Viagra, which revolutionised men’s lives by solving the prevalent but long unaddressed problem of erectile dysfunction. By creating a brand new market of lifestyle drugs beyond the boundaries of the existing industry, Pfizer achieved nondisruptive growth without any displacement.

In contrast, disruption generates new markets *within* existing industry boundaries, which results in a high level of disruptive growth; and blue ocean strategy creates new markets *across* existing industry boundaries, producing a mix of disruptive and nondisruptive growth.

The future is ours to create

In [*Beyond Disruption*](#) we first aim to show why broadening the existing view of innovation and growth by including nondisruptive creation is of paramount importance today and will be even more so in the future.

In the face of the rising tide of stakeholder capitalism and the [*Fourth Industrial Revolution*](#), the challenge for companies will be to create new markets that don't disrupt existing markets, jobs, people or society. Towards this aim, we discuss the distinctive strengths of nondisruptive creation and how it allows organisations to be a force for good, while also acting as an important lever of their growth.

Second, we aim to show how business leaders can generate nondisruptive creation within their own organisations by laying out the building blocks for identifying, acting on and capturing nondisruptive opportunities. We outline areas that are ripe for nondisruptive creation that business leaders can seize, providing examples that cut across all sectors of the economy and a practical framework for guiding innovation efforts.

This research has key implications for business and society and can help companies more thoughtfully pursue their growth and innovation strategies. If we can achieve profitable growth without incurring disruptive social costs, business and society could progress more harmoniously. Our book *Beyond Disruption* [*redefines and expands the existing view of innovation*](#), opening a path to a positive-sum approach to innovation through which both business and society can thrive together.

Find article at

<https://knowledge.insead.edu/strategy/nondisruptive-creation-alternative-path-innovation-and-growth>

About the author(s)

W. Chan Kim is the Boston Consulting Group Bruce D. Henderson Chair Professor of Strategy and International Management at INSEAD and Co-Director of the INSEAD Blue Ocean Strategy Institute. Together with Renée Mauborgne, he is among the top Management Thinkers in the World ranked by Thinkers50.

Renée Mauborgne is an INSEAD Distinguished Fellow and a Professor of Strategy at INSEAD and Co-Director of the INSEAD Blue Ocean Strategy Institute. Together with W. Chan Kim, she is among the top Management Thinkers in the World ranked by Thinkers50.

About the series

Blue Ocean Strategy

Developed by INSEAD Professors of Strategy W. Chan Kim and Renée Mauborgne, Blue Ocean Strategy provides theoretical and scientific contributions to the fields of strategy and management that companies, governments and non-profit organisations can use to improve their practice and performance.

This series showcases the two professors' thought leadership amid their work as Co-Directors of the [INSEAD Blue Ocean Strategy Institute](#). They are also the authors of the New York Times and Wall Street Journal bestseller [Blue Ocean Shift - Beyond Competing](#), the international bestseller Blue Ocean Strategy and [Beyond Disruption: Innovate and Achieve Growth Without Displacing Industries, Companies, or Jobs](#).