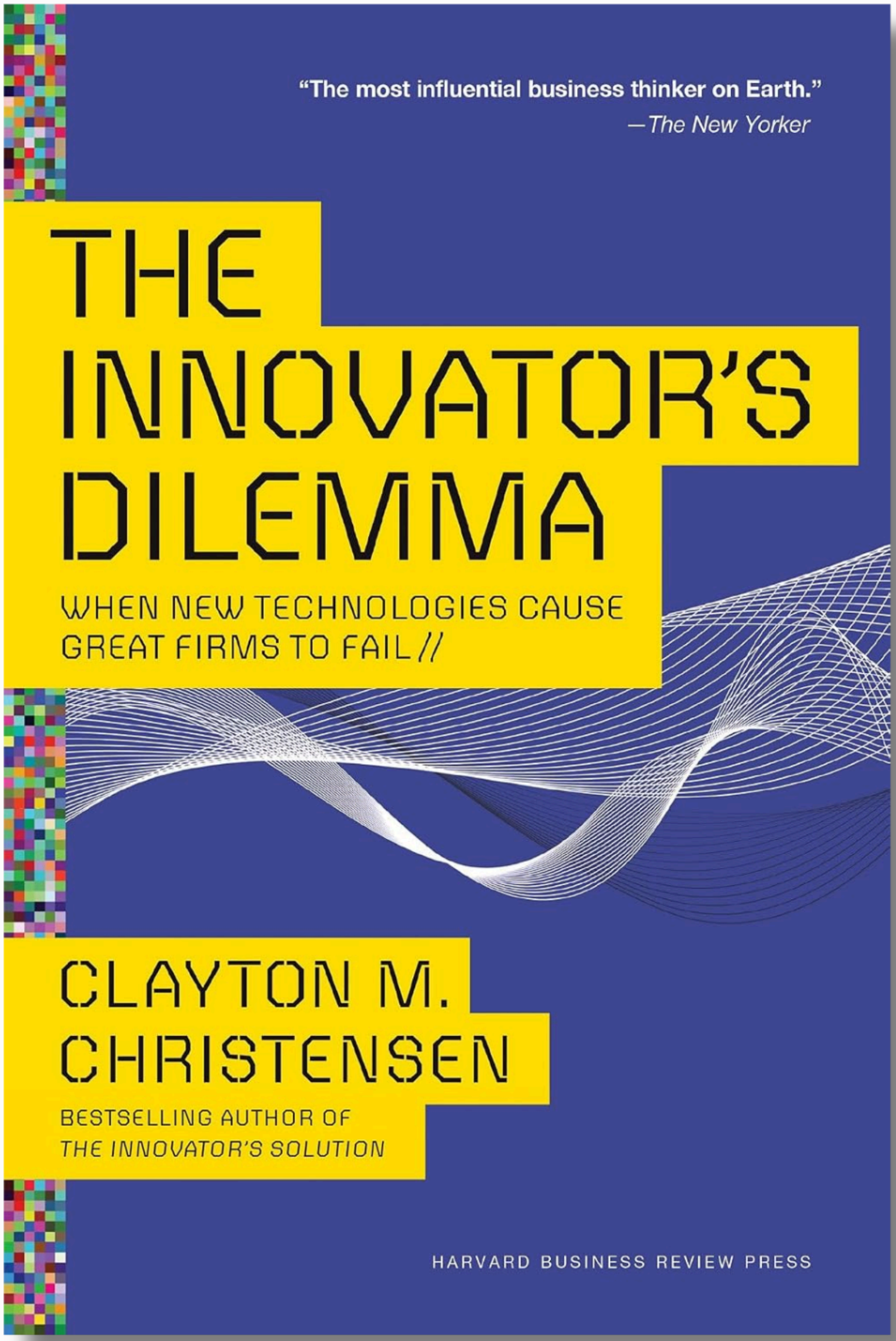


Book Key Takeaways

Kaan Demiryurek

Main Idea

Great companies fail because they are well managed. They listen to their customers and target high margins and big markets. Disruptive technologies begin where incumbents have no appetite (small markets, lower margins) **By the time disruption scales, new entrants may already have the advantage.**

Sustaining vs. Disruptive

Sustaining technologies improve products along dimensions that existing customers value, which incumbents do well. Disruptive technologies perform worse on these dimensions, but offer a different combination of simplicity, convenience, accessibility, or lower cost.

Customers Shape Investment

Resources naturally flow toward what customers and shareholders value.

Disruptive opportunities look unattractive because expected margins are lower and markets are small.

For incumbents, rejecting the disruptive tech/product can initially be a perfectly rational decision.

Big Growth Needs

As companies grow, their growth needs grow as well.

A new market that is big for a startup might be small for a large company.

Waiting until the market becomes large enough means entering too late.

Resources Processes Values

Resources can be moved easily. However, processes and values cannot.
The same capabilities within processes and values that make an organization successful can prevent it from pursuing small, uncertain, lower-margin opportunities.

Technology Can Overshoot

Technology usually improves faster than customer needs. This leads to established products offering more performance than many customers need. Disruptive alternatives become “good enough,” while improving on attributes that customers now value more.

Markets That Don’t Exist

Emerging markets cannot be reliably forecast because they do not exist yet. The first strategy will probably be wrong. Therefore, enter, experiment, and learn early and cheaply. Let the market unfold where the technology creates real value.

Place to Grow for Disruption

Disruptive businesses often need autonomy. They need customers who value them, cost structures that tolerate lower margins, and expectations appropriate for small markets. Creating autonomous organizations within big incumbents is one way to address this.



So What?

With disruptive innovation, learn by accepting small markets and uncertainty, and by matching the organization to the opportunity.

Disruptive innovation needs protection from the processes and values that made the established business successful.

Kaan Demiryurek - 19 Aug 2026