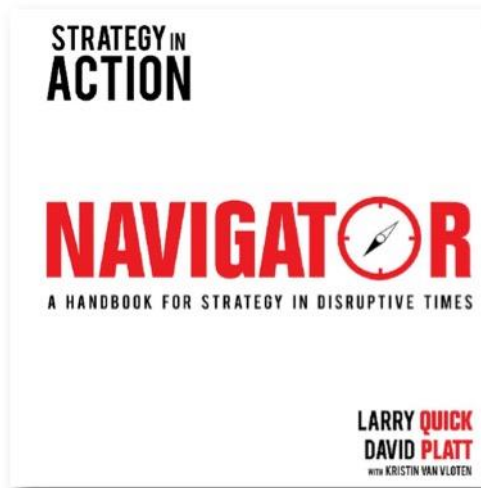
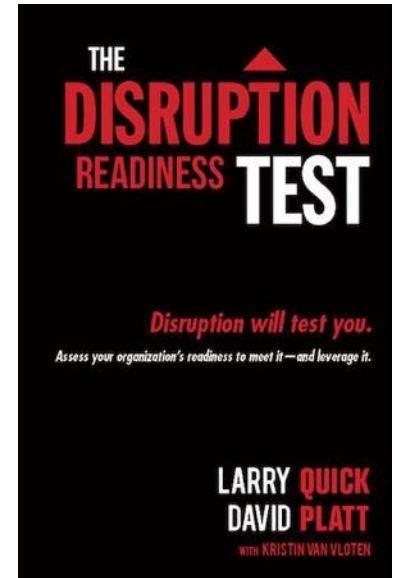
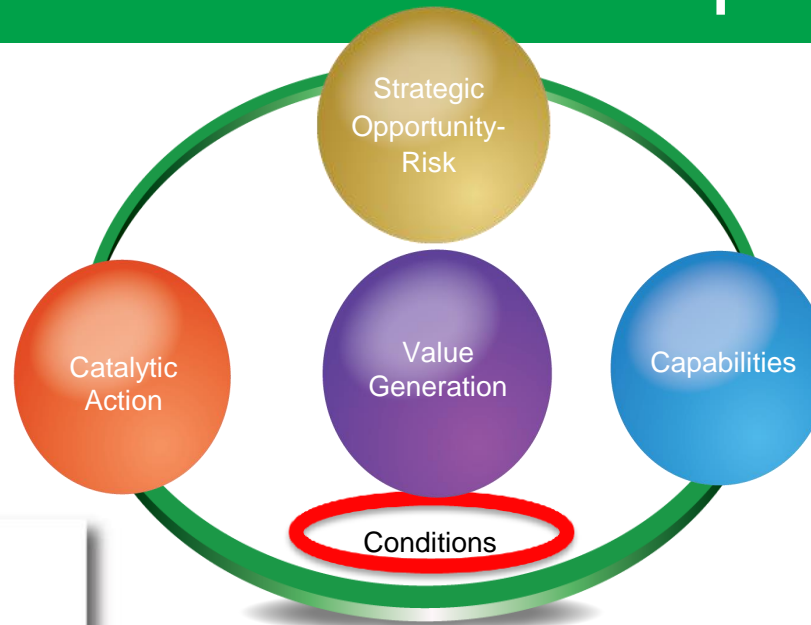




# Disruption in the VET Sector: Headwind or Tailwind?

VTA State Conference  
19<sup>th</sup> August 2016

# Resilient Futures and Disruption



# Disruption Readiness Test



# A Conversation in Four Parts

1. Aligning on disruption
2. Disruption Readiness
3. Leveraging Disruption
4. Observations and Insights

# Aligning on Disruption

# Disruption – organizational context

*Any event that limits or prohibits an organization's ability to generate sustainable value.*

*Generally occurs through unexpected or unprecedented change in:*

1. **Digital technology** – IT, Internet, digitization of services, etc.
2. **Physical technologies** – raw material conversion and manufactured products
3. **Non-technological change** - new business models, global and local economies, social environment, climate, etc.







# Johann Gutenberg and the Amazing Printing Press



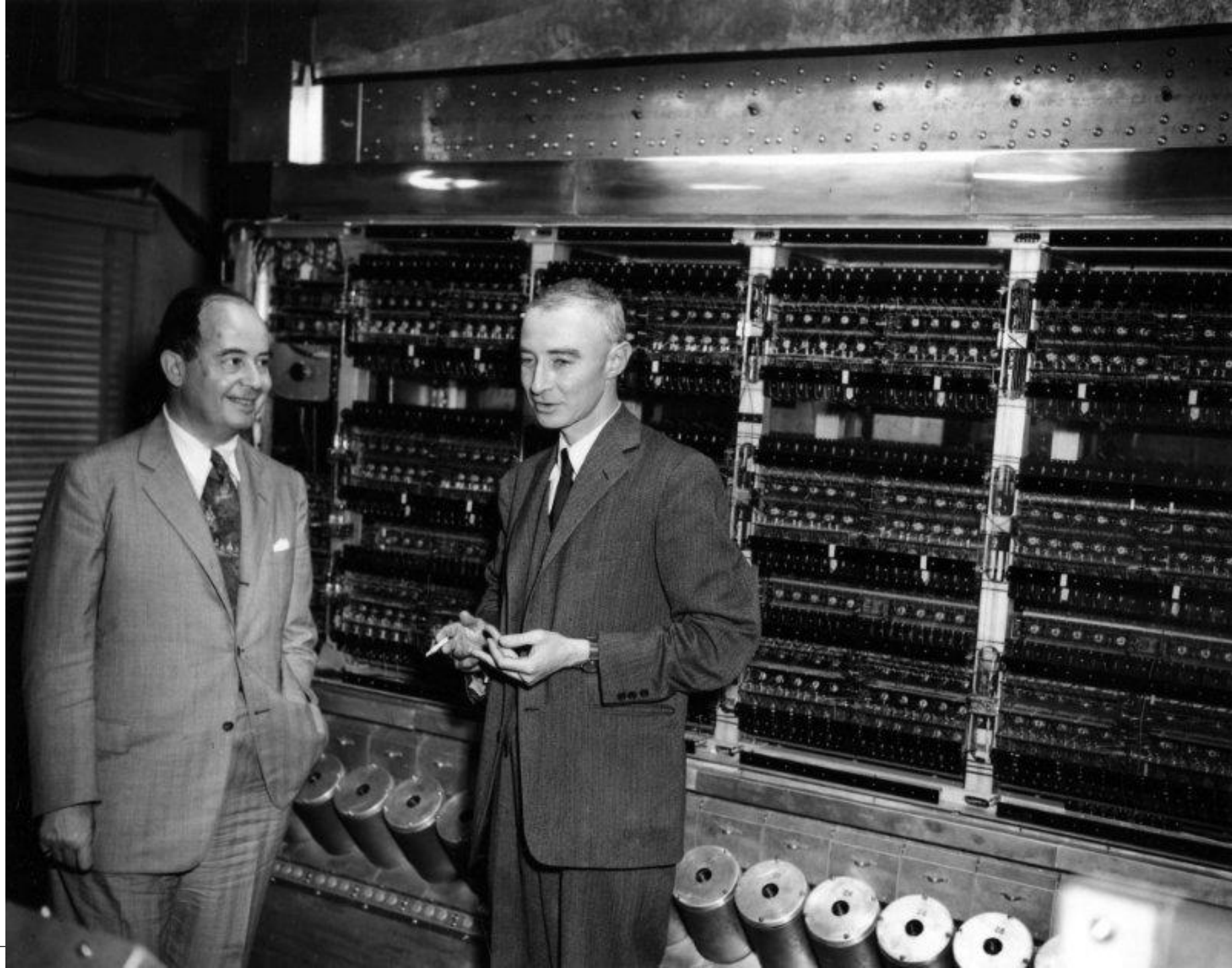
Bruce Koscielniak





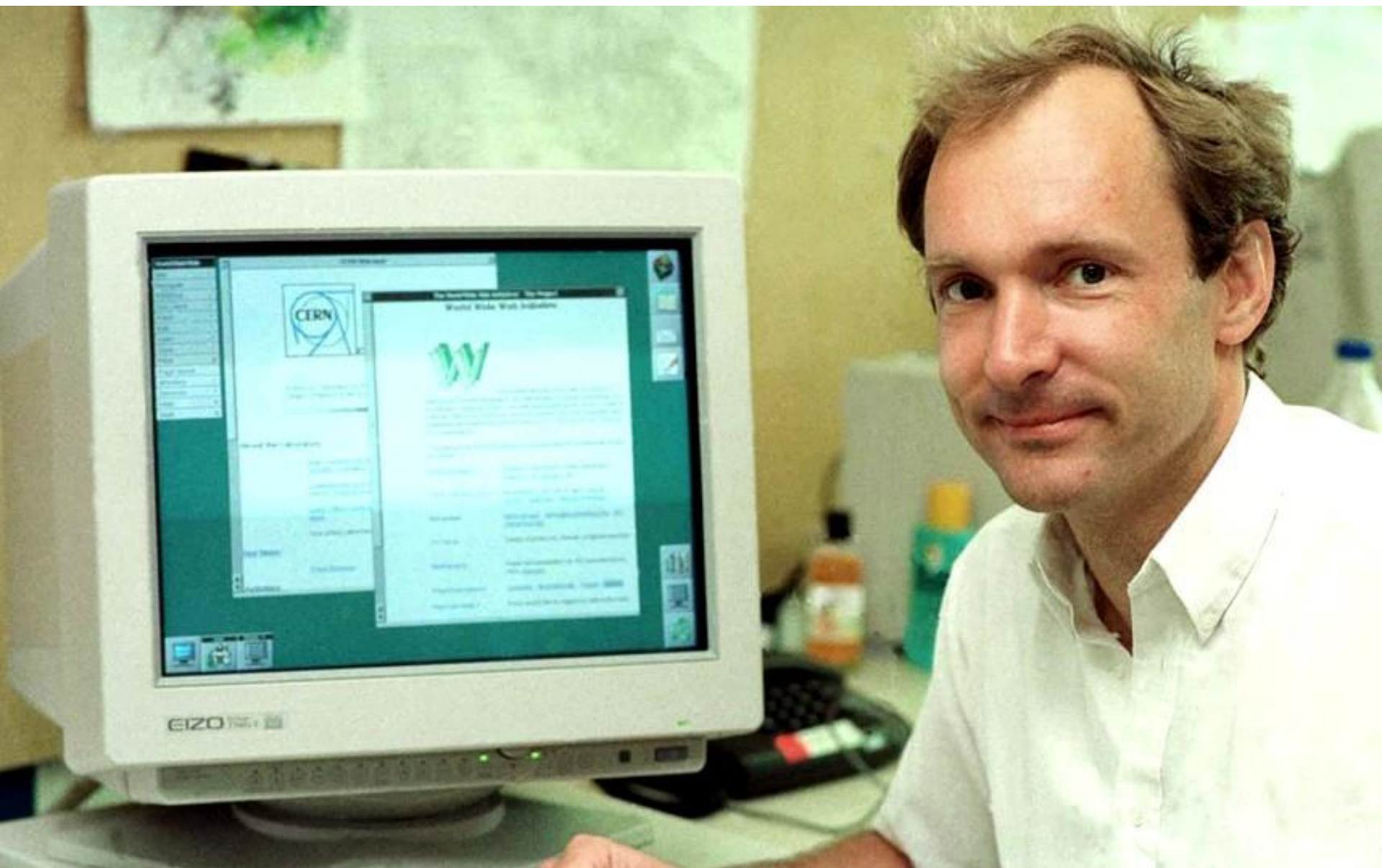












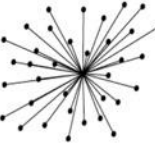
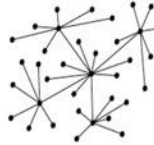
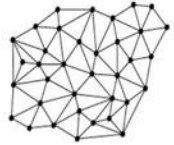


























# PayPal®





 <b>PAST</b>	 <b>PRESENT</b>	 <h1>Blockchain Startups</h1> <p>Top Blockchain startups disrupting non-financial markets</p>  <p>Venture Radar</p>
 THE WALL STREET JOURNAL  THE TIMES  HM Government  Hilton	 <b>facebook</b>  <b>twitter</b>  <b>Dropbox</b>  <b>UBER</b>  <b>airbnb</b>	<div data-bbox="647 542 840 635">  </div> <div data-bbox="859 528 1149 664"> <p>Cloud storage</p> <p>Filecoin </p> <p>TIERION  <b>STORJ.IO</b></p> </div> <div data-bbox="1159 528 1593 664"> <p>Smart Contracts</p> <p><b>TRUST</b>  <b>EP</b>  <b>appliedblockchain</b></p> </div> <div data-bbox="647 678 966 806"> <p>Social Networking</p> <p> <b>synereo</b>  <b>GEMS</b></p> </div> <div data-bbox="975 678 1304 806"> <p>Anti-Counterfeiting</p> <p> <b>everledger</b>  <b>BLOCKVERIFY</b></p> </div> <div data-bbox="1313 678 1593 806"> <p>Governance</p> <p><b>OTONOMOS</b> </p> </div> <div data-bbox="647 813 966 942"> <p>Digital Identity</p> <p><b>ONENAME</b> </p> </div> <div data-bbox="975 806 1304 892"> <p>Supply Chain</p> <p><b>thingchain</b> </p> </div> <div data-bbox="1313 806 1593 892"> <p> <b>followmyvote</b> </p> </div> <div data-bbox="647 949 966 1106"> <p>Art &amp; Ownership</p> <p><b>VERISART</b>  <b>Bitproof.io</b></p> <p><b>MONEGRAPH</b> </p> </div> <div data-bbox="975 899 1217 1028"> <p>Prediction Markets</p> <p> <b>augur</b></p> </div> <div data-bbox="1226 899 1593 1028"> <p>Internet of Things</p> <p> <b>FILAMENT</b> </p> </div>

More: <https://www.ventureradar.com/>

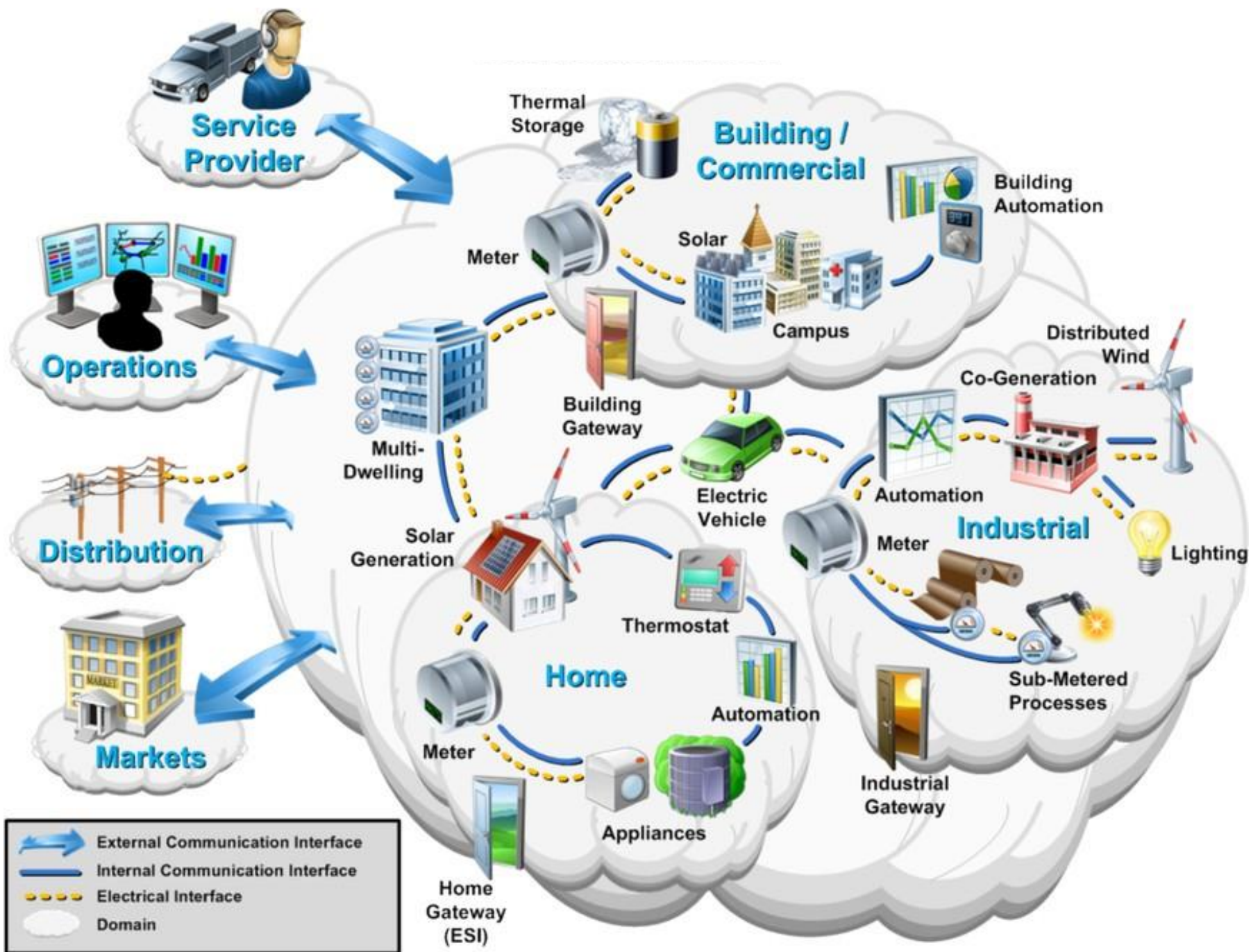












peer2peer

FINANCE ASSOCIATION



# UBER

EVERYONE'S PRIVATE DRIVER



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**resilient futures**  
Leveraging Disruption through Strategy in Action





<https://www.youtube.com/watch?v=MVWayhNpHr0>











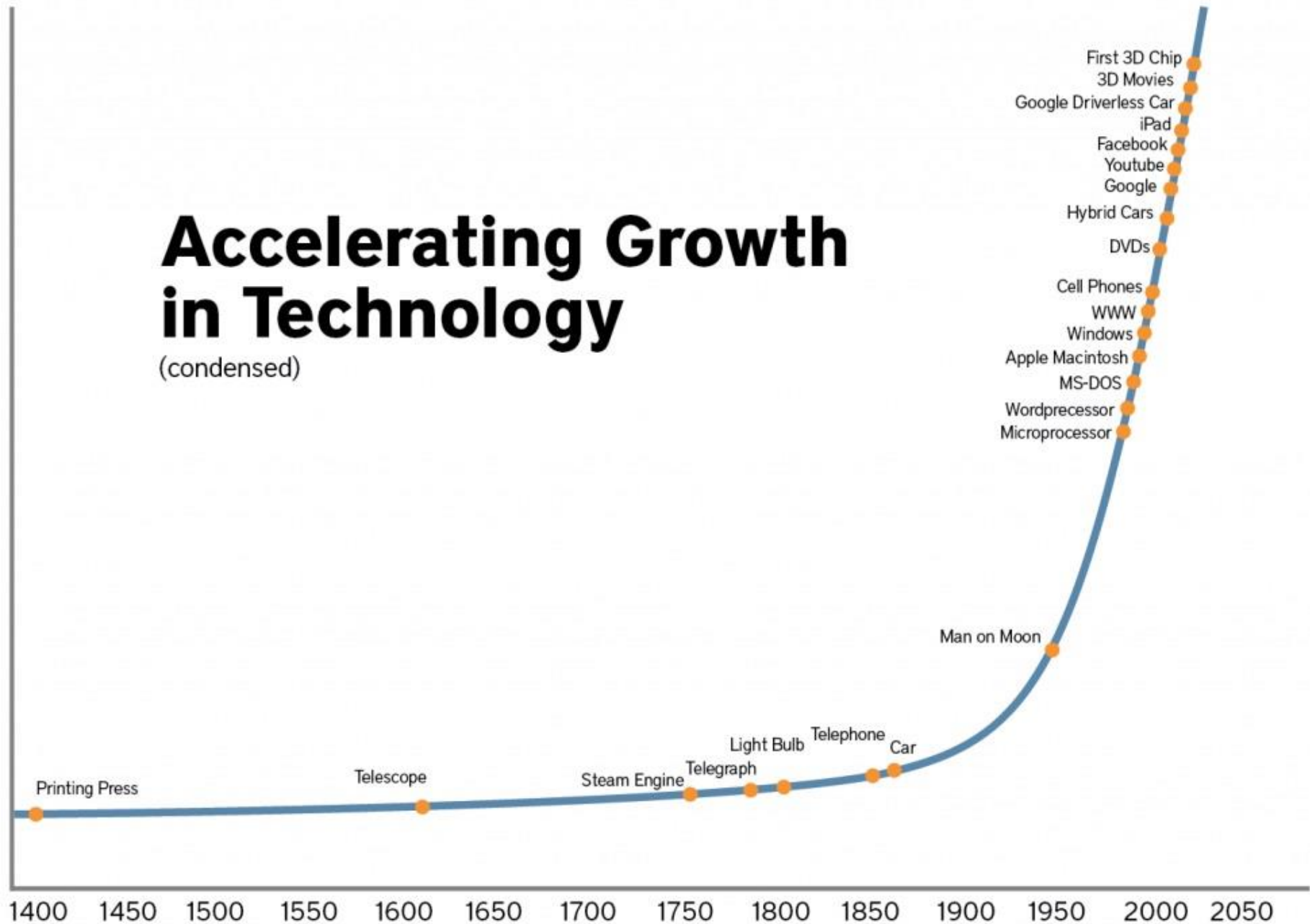
# Why is this time different?



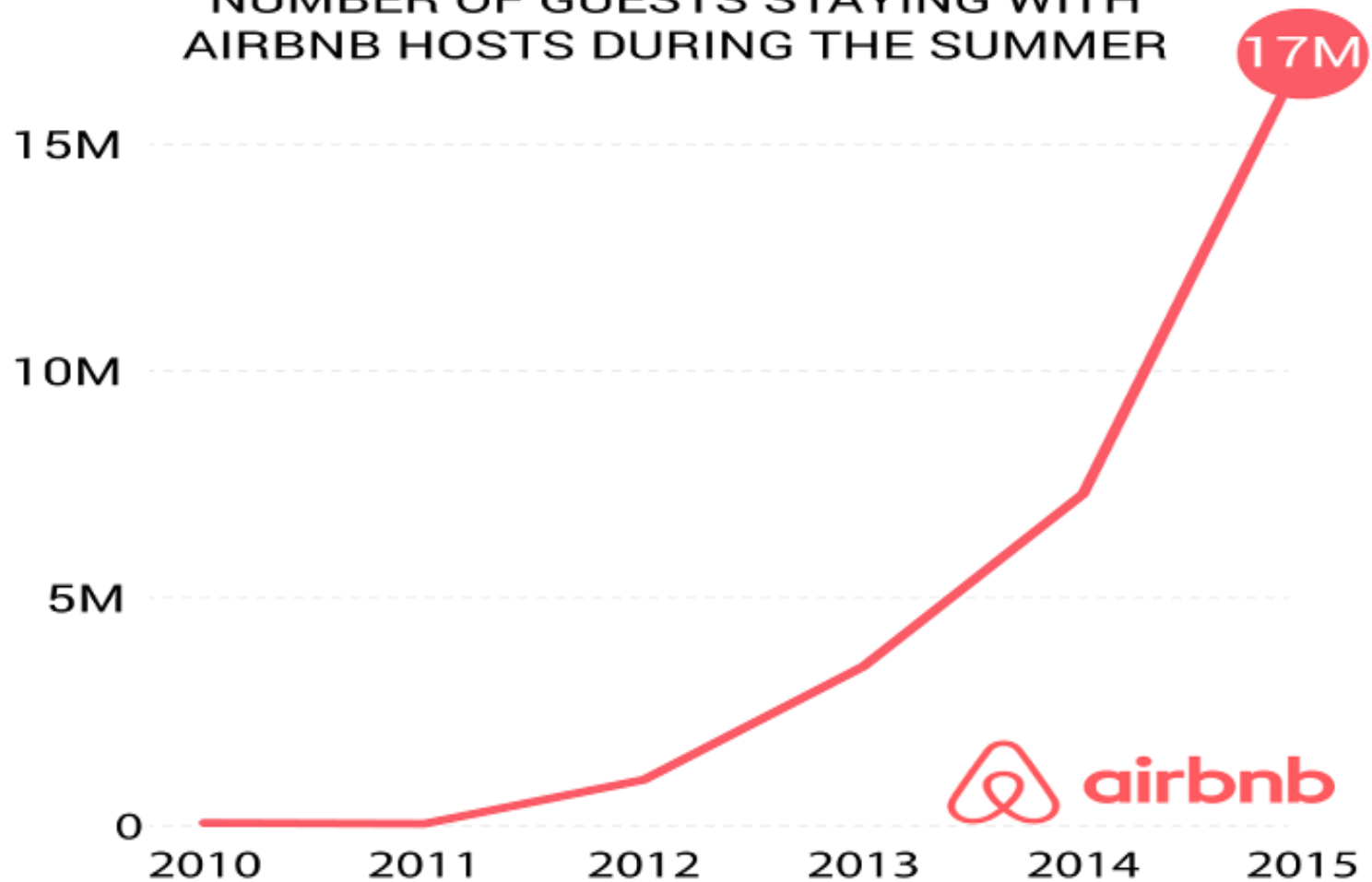


# Accelerating Growth in Technology

(condensed)

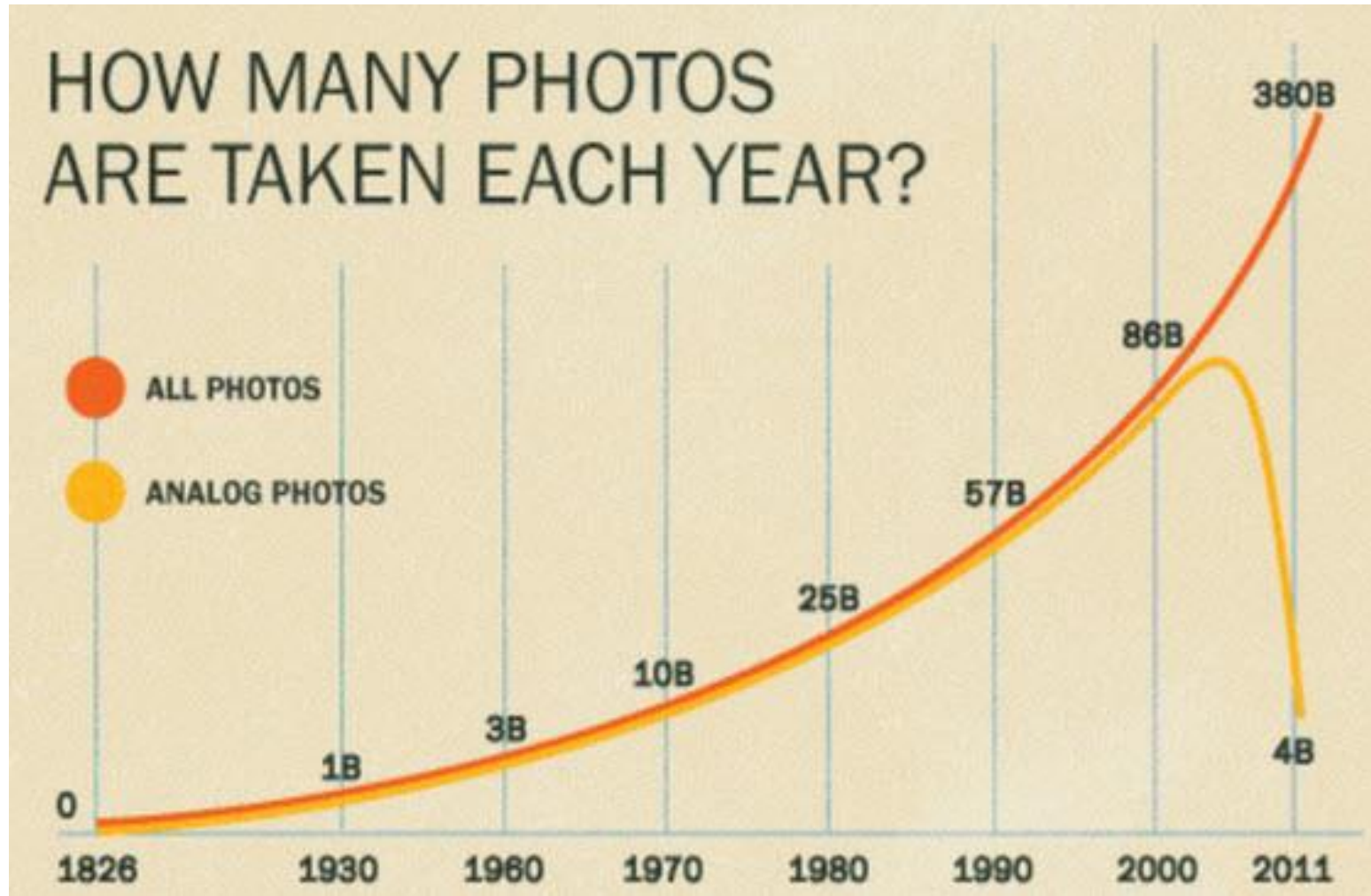


## NUMBER OF GUESTS STAYING WITH AIRBNB HOSTS DURING THE SUMMER



dadaviz.com

# Someone's disruption is another's innovation





 **65 billion**

Location-tagged payments  
made in the U.S. annually

**154 billion**



E-mails sent per day

 **87%**

U.S. adults whose location is  
known via their mobile phone

## Digital Information Created Each Year, Globally

2,000 BILLION GIGABYTES

1,800

1,600

1,400

1,200

1,000

800

600

400

2005

2006

2007

2008

2009

2010

2011

**2,000%**

Expected increase in  
global data by 2020

**III  
Megabytes**

Video and photos stored  
by Facebook, per user

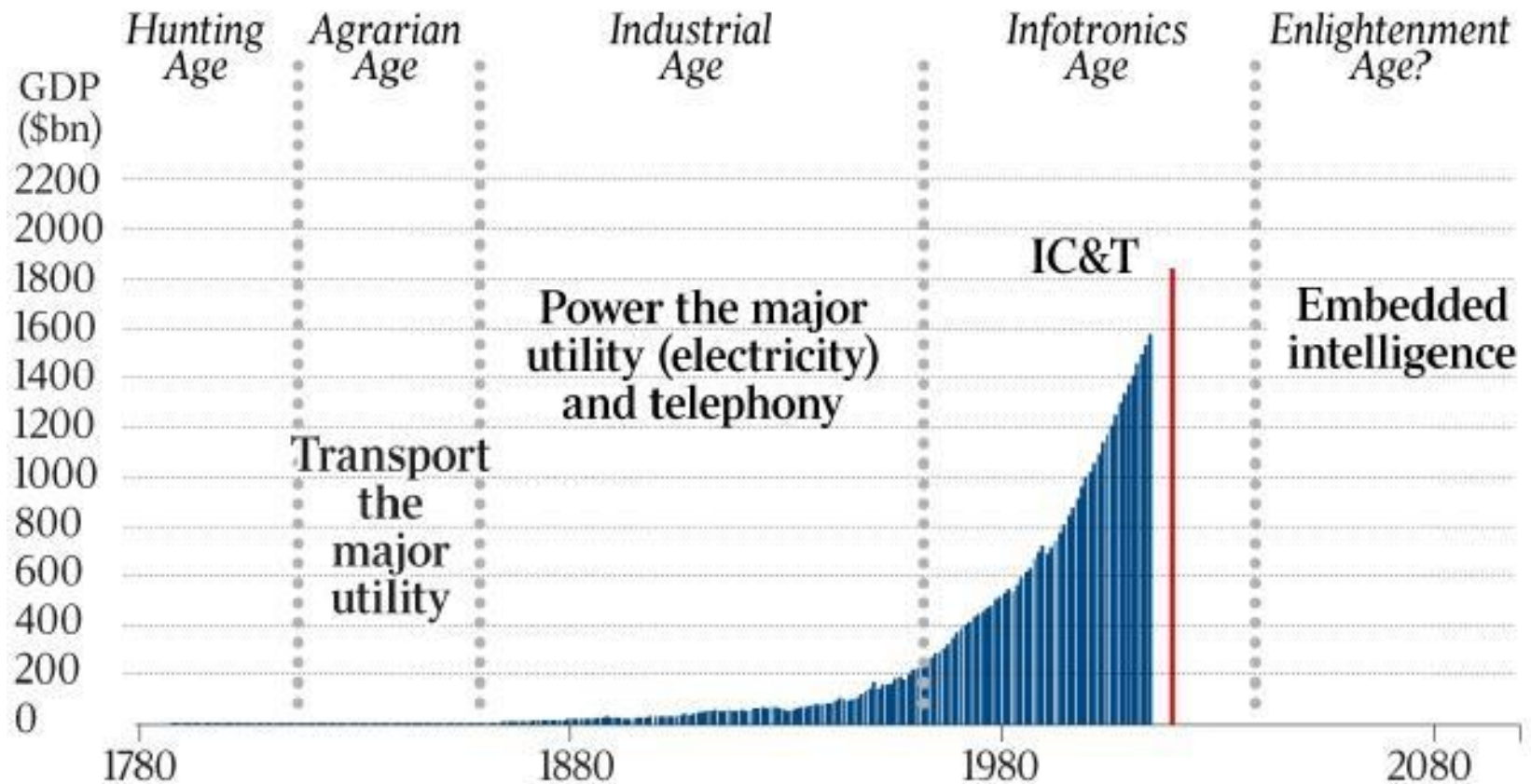
**75%**

Percentage of all digital  
data created by consumers

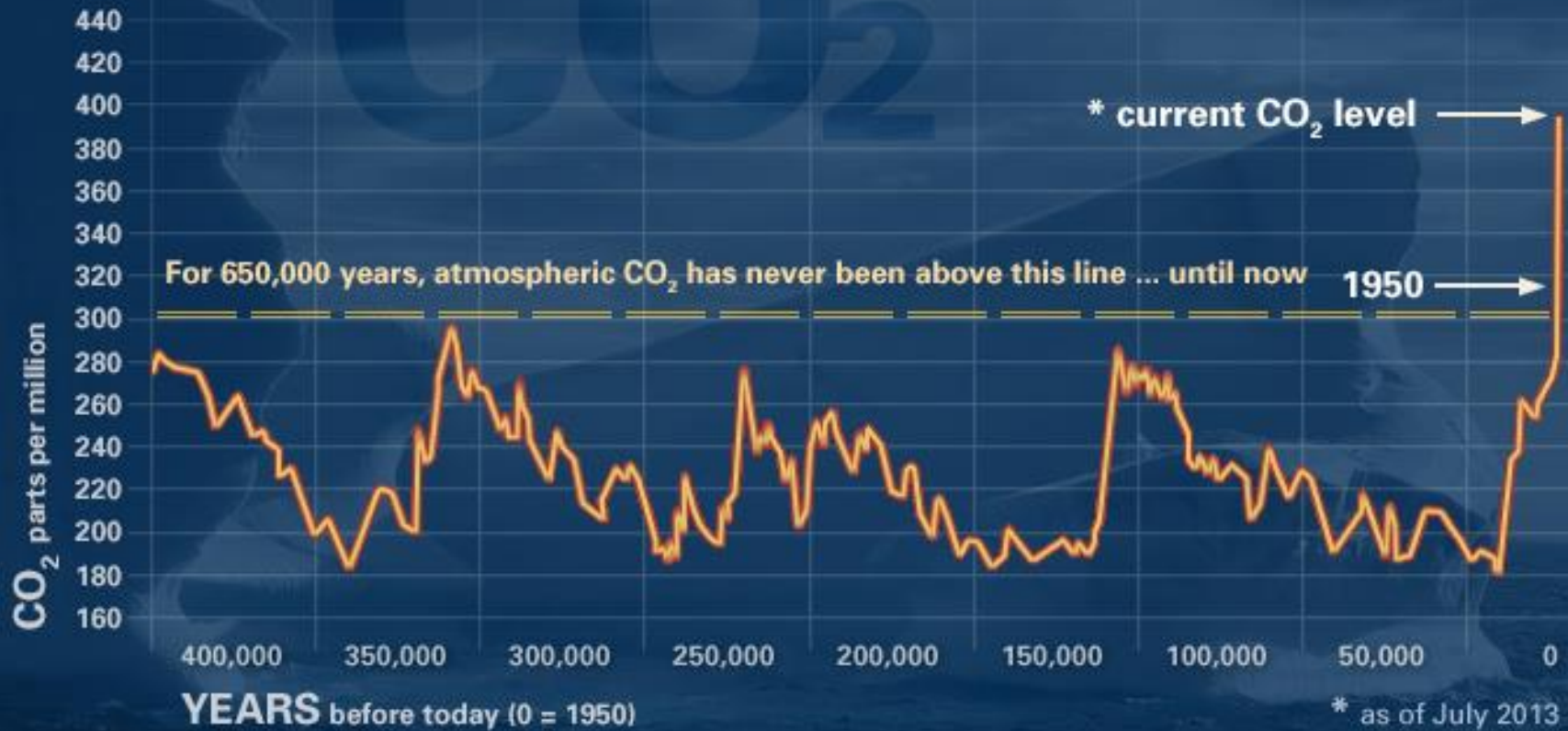
Sources: IDC, Radicati Group, Facebook, TR research, Pew Internet

# Economic Flow-on (Ibis World)

## Australia's ages of economic progress



# CO<sub>2</sub>

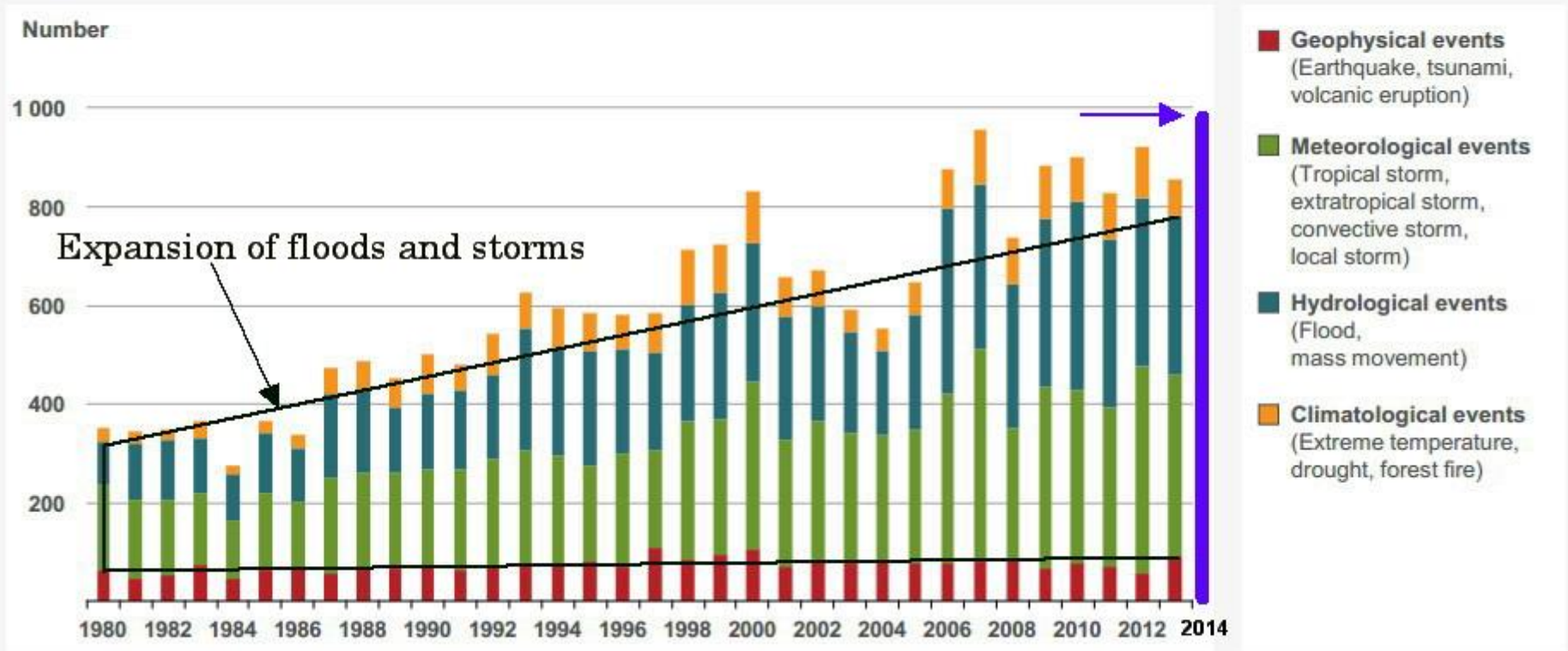


**GLOBAL CLIMATE CHANGE**  
climate.nasa.gov



# Loss events worldwide 1980 – 2013

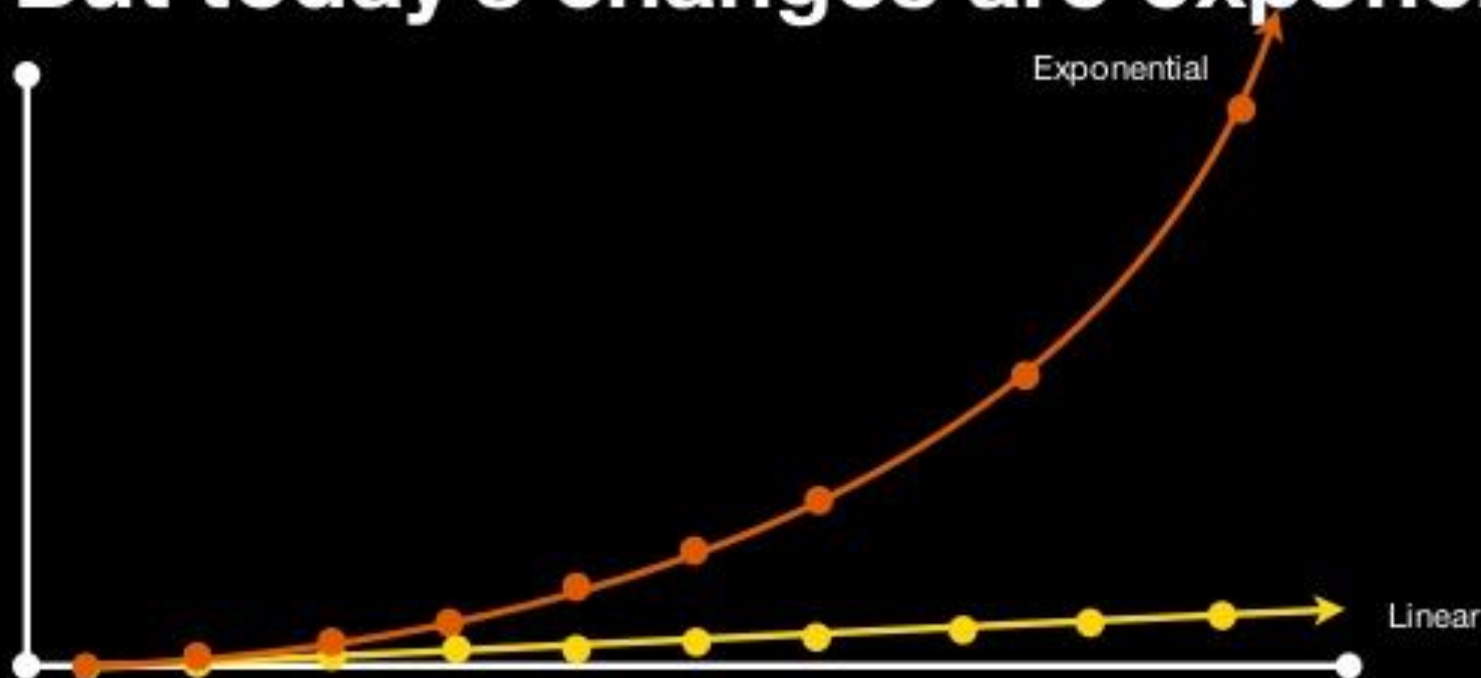
Number of events



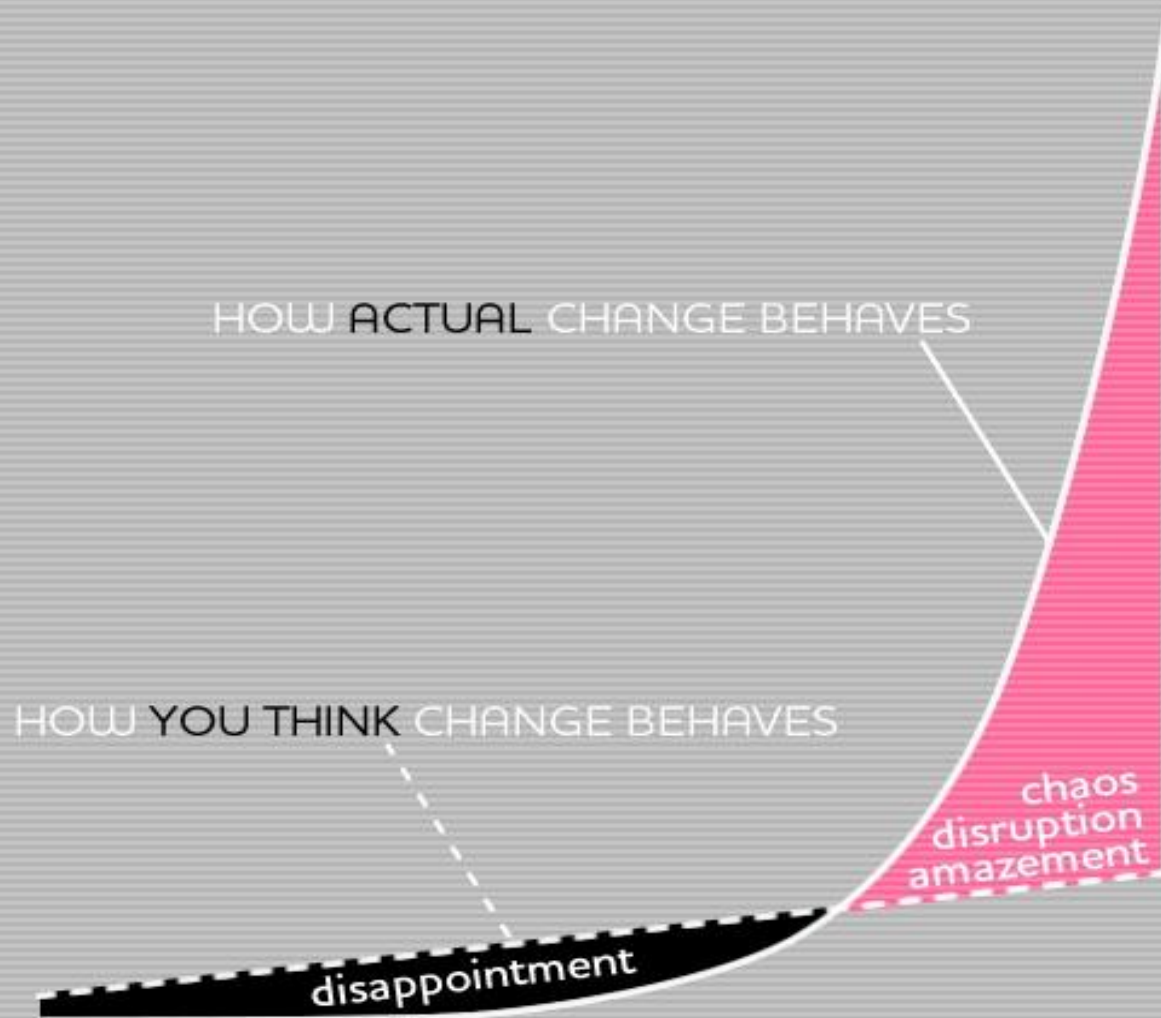
&

**Our blind spot comes from the fact that, historically, we have lived in a linear world.**

**But today's changes are exponential.**



# Deception of exponential growth



**SLAAK.BIZ**



# How ready are we?

## The Disruption Report 2016

**33% Running ahead** - aware of and willing to proactively embrace disruptive change – in some aspects, disruption ready

**16% Looking back** - relatively unaware and don't perceive the magnitude of disruptive change – so, business as usual

**50% Wait and see** – Aware these are disruptive times, but are waiting to see what others do (leaders in lag)

# They don't know what they don't know!

**33% Running ahead** - aware of and willing to proactively embrace disruptive change – in some aspects, disruption ready

1. Understated the speed and volume of change
2. Between senior executive and management – a large disparity in the understanding of the opportunities and risks
3. Use traditional thinking, systems, process, strategy and planning that are not designed and equipped for disruptive environments – business as usual rules
4. Are used to retreating from disruption rather than changing ahead of change and leveraging it

# Warning:

## Leveraging disruption is not for everyone

Typical responses:

1. Opting out and choosing to be oblivious to all news of change
2. Understanding but choosing to ignore or deny that change is happening
3. Retreating back to the past, doing what they thought worked then and doing it harder
4. Promoting unrealistic options for dealing with threatening change
5. Thinking ahead, embracing complexity of disruption and harnessing the change that is already happening to create a new, desired future (where all successful start-ups begin)



# Crash Test Dummy Syndrome



# Thelma and Louise Effect



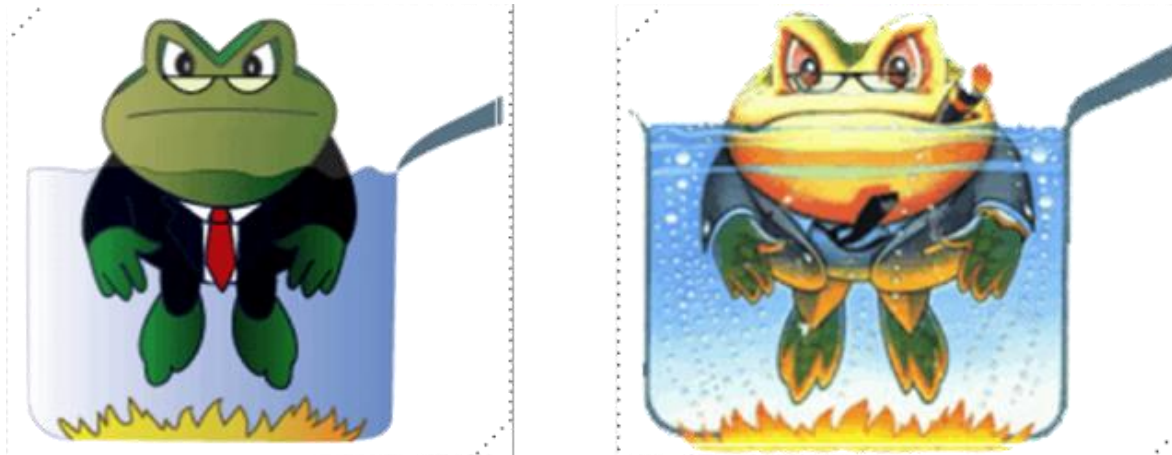
Looking good... going nowhere!



# Managed Adaptive Decline

**MAD** is adapting to  
declining conditions in a  
well-managed way

## Boiling Frog Syndrome





# Disruption Readiness

# Five Thresholds of Disruption Readiness

1. A commitment at all levels of your organisation to leverage disruption.
2. An aligned view of disruption and its current, imminent and potential impacts on your organisation.
3. A strategy focussed on actively leveraging disruption
4. Capability and resources to leverage disruption
5. The strength of disruption readiness of suppliers and customers

# First Threshold: Commitment

**Is there commitment at all key levels of the organization to leverage disruption?**

1. Are senior decision-makers committed to leveraging disruption as a strategic priority?
2. Are key staff committed to leveraging disruption as a strategic priority?

# Second Threshold: Alignment

**Is there an aligned view of disruption and the impact it has had (or may have) over time on the organisation?**

1. Remembering that disruption is coming from more than just technology, is there a shared understanding of disruption and its potential impact on sustainable value generation?”
2. Is the organization taking the exponential (that is, the compounding volume and rapid rate) nature of disruptive change into account?
3. Have the decision-makers identified how much time before disruption has an irreversible impact on your organization?



# Disruption and VET:

## A few disruptors to consider

1. **Rapidly transitioning economy** – fast-tracking a multi-channel economy
2. **Workforce redefinition** – training for the worker and jobs of the future?
3. **Demand for learn fast, apply now** – move away from 2 to 3 year credentials to just-in-time learning & micro-credentialing
4. **Explosive teaching-learning systems** - fast teach-learn, anywhere, anytime, anyone (data analytics to ...download from the matrix)
5. **Social enterprise education** – commercial organizations delivering
6. **Education start-ups** – no baggage, focus on now (from current RTOs to Lynda through LI to ...)

# Third Threshold: Focus

**Does your organisation have a strategy that is *focused* on actively leveraging disruption?**

1. Do the senior decision-makers have an aligned view of the immediate and emergent disruptors that are impacting, will impact, or may impact your organisation?
2. Have senior decision-makers identified the strategic opportunities that might be pursued, and the strategic risks they will need to mitigate, within these disruptors?
3. Have senior decision makers explored the potential new sources of value your organisation might generate in actively pursuing these strategic

# Third Threshold: Focus (cont.)

**Does your organisation have a strategy that is *focused* on actively leveraging disruption?**

4. Have senior decision makers identified the impact that these strategic risks will or may have on your organisation's ability to generate sustainable value?
5. Do senior decision makers have a good understanding of the organisational capability required to achieve these strategic opportunities and mitigate these strategic risks?
6. Will your organisation be agile and able to act quickly enough in order to get (and stay) ahead of the impacts of disruption?

# Fourth Threshold: Capability and Resources

**Does your organisation have the capability and resources to leverage disruption?**

1. Does your organisation have the capability to formulate and implement strategy to leverage disruption?
2. Is your organisation investing, or will it invest, in the organizational development required for it to leverage disruption?
3. Is your organisation committing the necessary resources for leveraging disruption in the pursuit of sustainable value generation?



# Fifth Threshold: Network Strength

**Can your organisation rely on the strength of disruption readiness of suppliers and customers?**

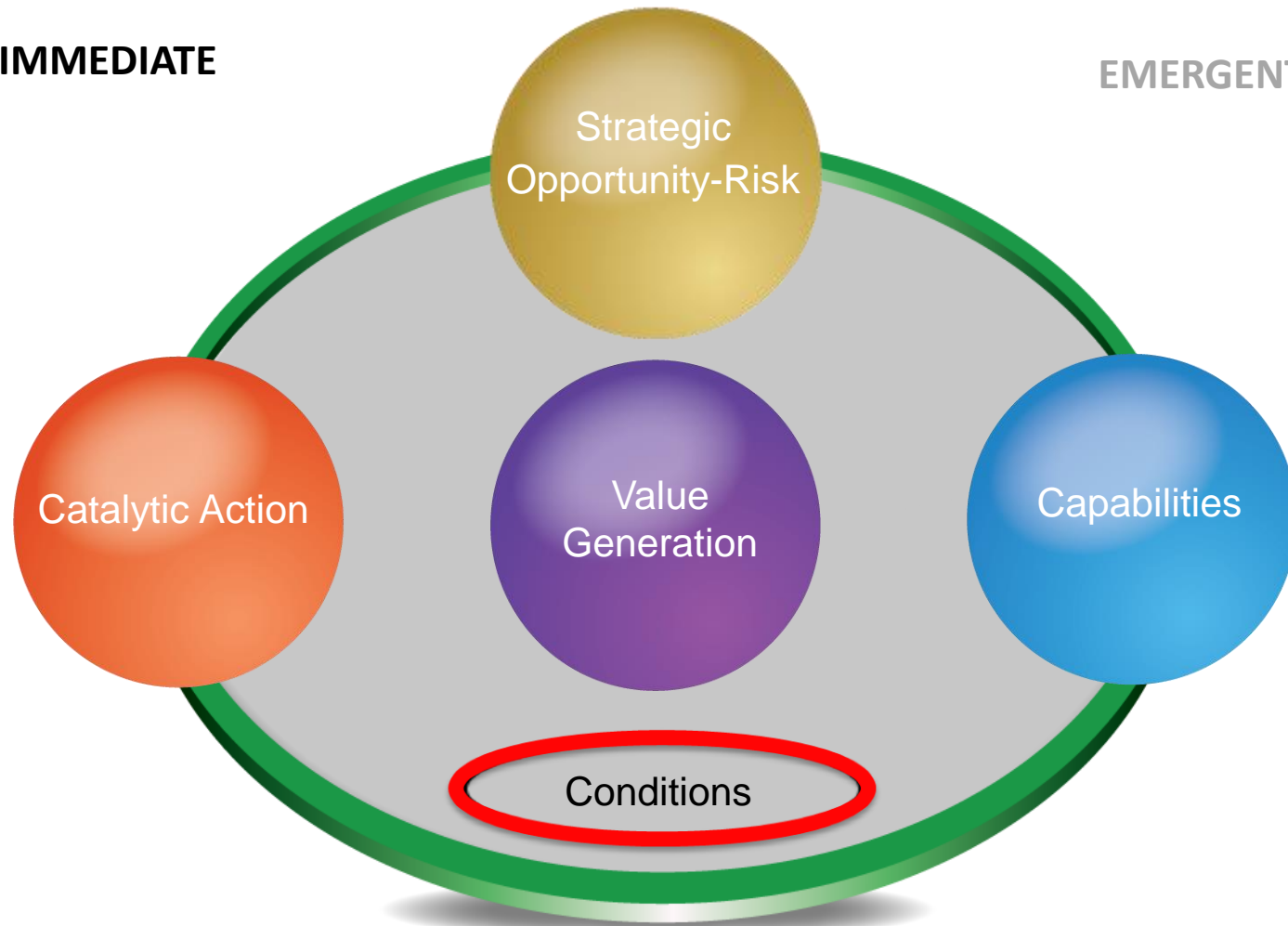
1. Are your key customers disruption ready so that your organisation's demand-side is secure?
2. Are your key supply chain members disruption ready so that your organisation's supply is secure?
3. Have you factored the disruption readiness of your demand and supply side dependencies into your organisation's disruption readiness?

# Leveraging Disruption

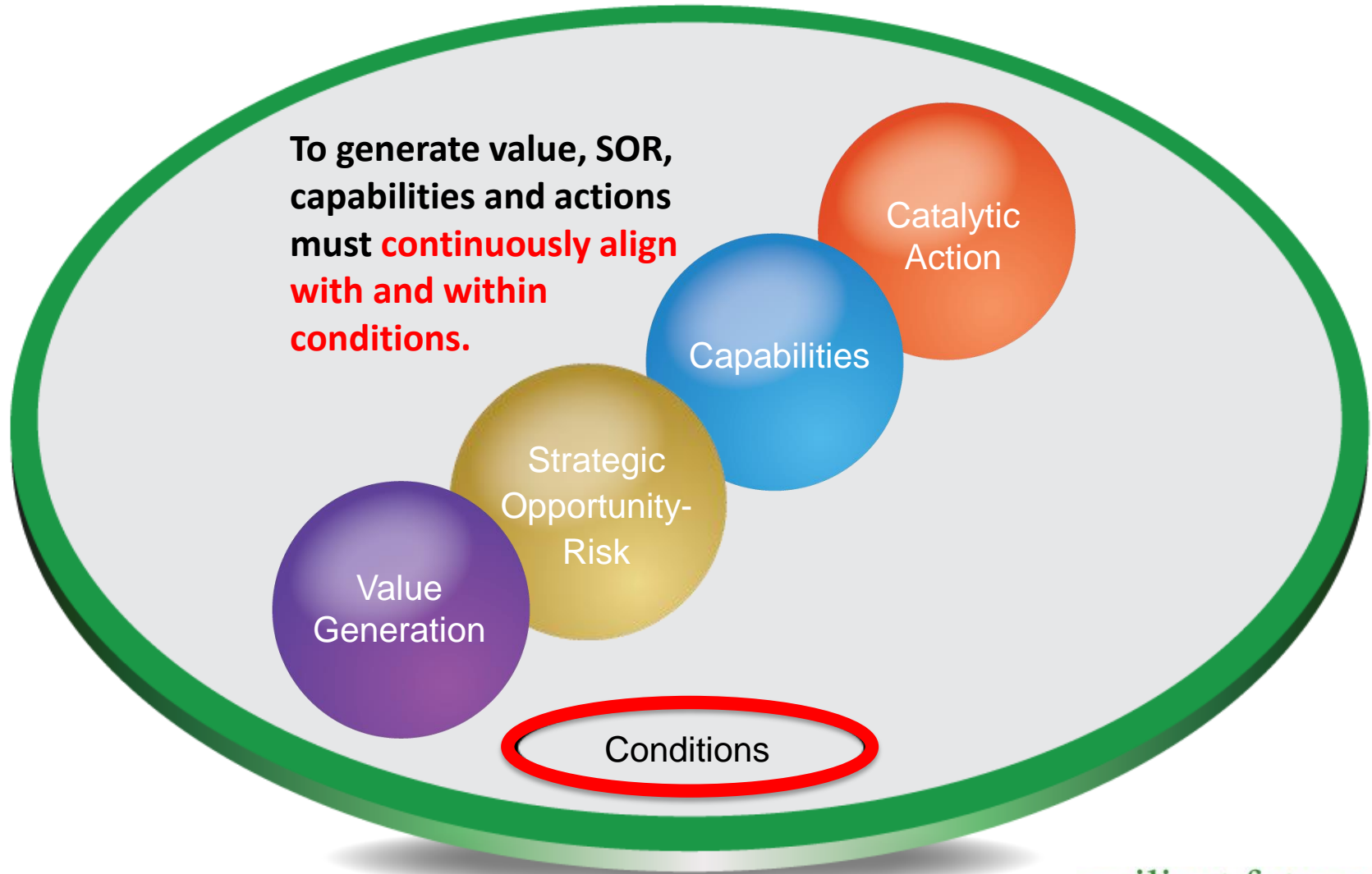
# Strategy in Action (SiA)

IMMEDIATE

EMERGENT

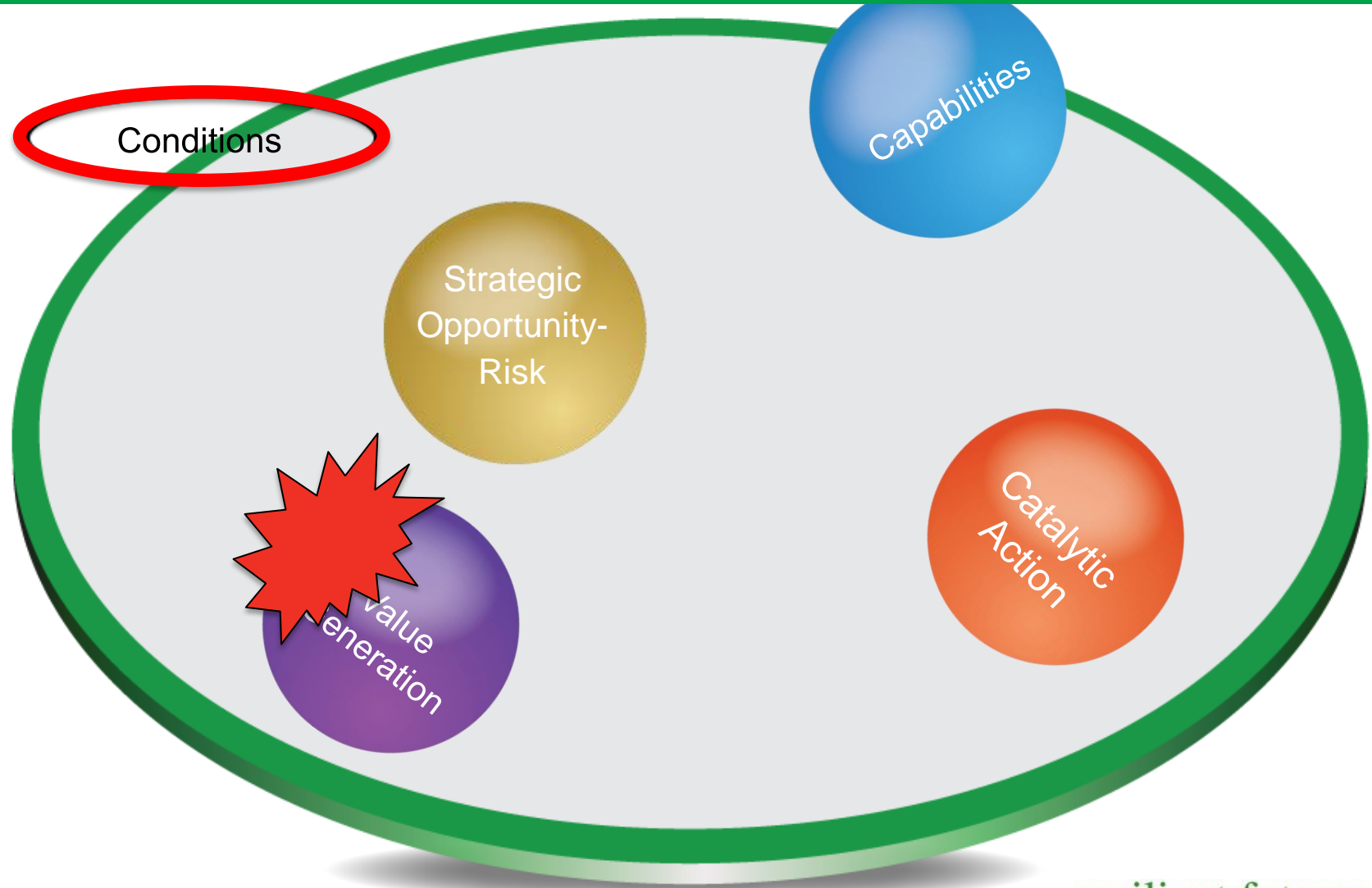


# The Goal: Maintain the First Principle



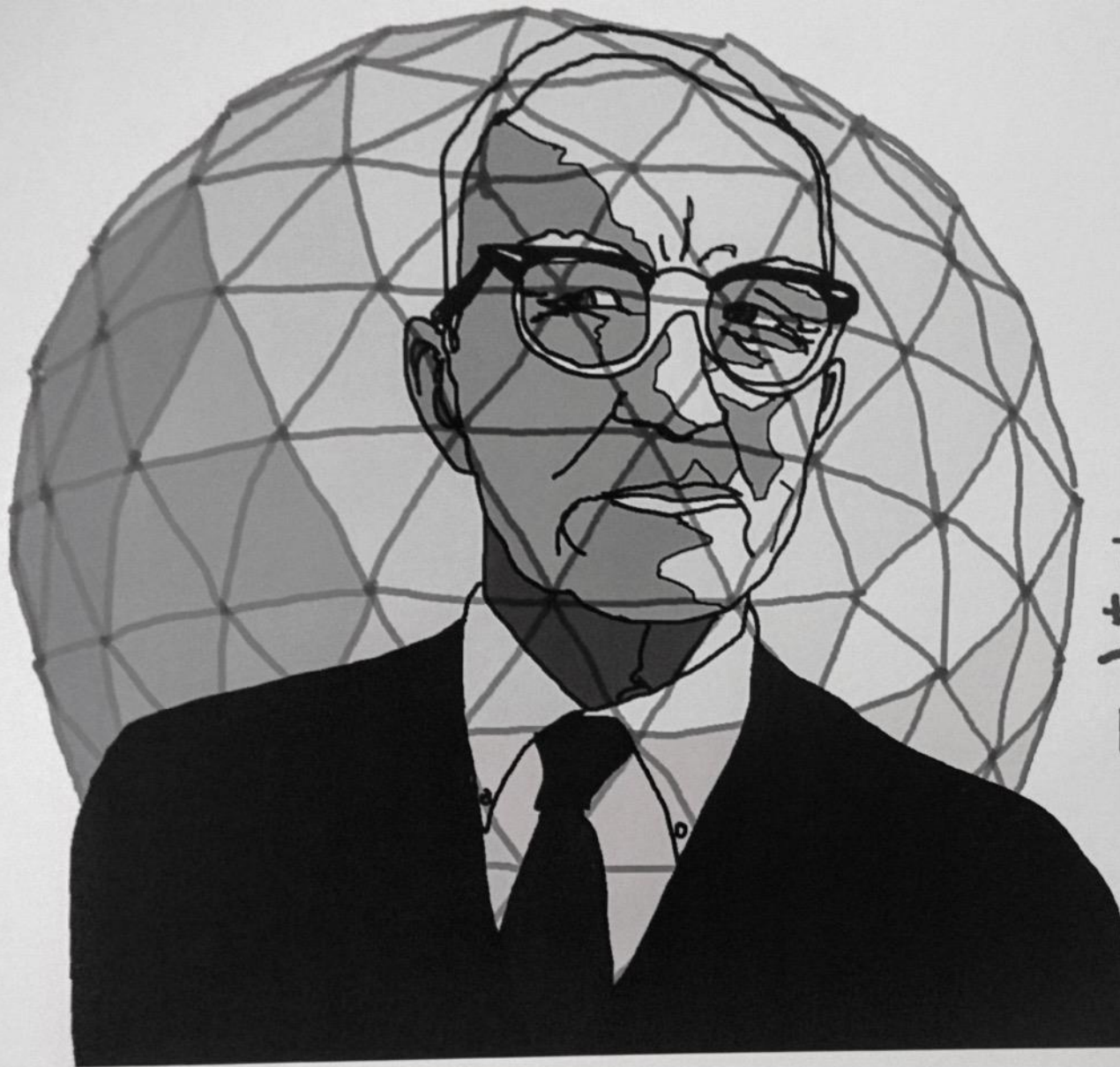


# Disorientation = Value Destruction & Disruption



# Where to now?





"You never change things by FIGHTING the existing reality. To change something, build a NEW MODEL that makes the existing model OBSOLETE."

- Buckminster Fuller

SH'13

# Thank you



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