Will Silicon Valley Disrupt Everything?

David Moschella, Research Director
Generational shifts in IT leadership are the norm.

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<th>Mainframe</th>
<th>Mini</th>
<th>PC</th>
<th>Mobile</th>
<th>Internet</th>
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<td>IBM</td>
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<td>NEC</td>
<td>Lenovo</td>
<td>LG</td>
<td>Uber</td>
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HQ in Silicon Valley
Silicon Valley wants it all

**Technology Disruptions**

- Cloud, SaaS
- Mobility/Apps
- Social Media
- New Interfaces
- Big Data
- IoT, Wearables
- Open Source/DevOps

**Industry Disruptions**

- Mfg – 3DP, Robots, Food
- Health Care – Retailization
- Transport – Cars, Avionics
- Retail – Same Day Delivery
- Banks – Kickstarter, Bitcoin
- Education – MOOCs
- Insurance?

*Dis-intermediation, Peer-to-Peer, Aggregation, Commoditization, Standardization, Re-invention …*
Vertical disruption varies widely, thus far

- **Security/Regulatory Requirements**
  - **High**
    - **Little Disruption**
      - Defense
      - Aerospace
      - Energy
    - **Potential Disruption**
      - Banking
      - Insurance
      - Professional services
  - **Low**
    - **Significant Disruption**
      - Retail, distribution
      - Electronics, Japan Inc.
      - Taxis, hotels
    - **Highly Disrupted**
      - Music, books, film, TV
      - Software/publishing
      - Education/learning

- **Product Offerings**
  - **Atoms**
  - **Bits**
But vertical disruptors can face major barriers

- Laws/Regulations
- Vested Interests
- Licensing/Credentials
- Chicken/Egg Dilemmas
- Unions/Labor Laws
- Monopoly/Antitrust
- Privacy/Permissions
- Tariffs/Protectionism
- Customer Inertia
- Lack of Standards
- Lack of Cooperation
- Global Differences
- Patents/Copyrights
- Liability/Insurance
- Technology Immaturity
- Risk/Uncertainty
“Disruptive innovation” best explains this pattern

- 78% US Born
- 90% US Educated
- 78% College Grads
- 46% Advanced Degree
- 76% Firm Founder
- 58% Worked in California
- Avg Age, Founder/Inventor – 32
- All Men
Silicon Valley is where ideas “cross-pollinate”
Thank You!