# Disruptive Innovation

Disruptive innovation is a theory by Clayton Christensen of Harvard Business School about how small companies with modest resources can challenge established market leaders. His surprising finding was that strong leaders often fail not because they are careless, but because they follow good habits, such as listening closely to their best customers. In this video we follow four ideas: sustaining or disruptive, the foothold, moving up, and respond early. Our guide is Salma, strategy manager at a chain of language schools, and her cases are invented illustrations for learning, so real decisions still need real data.

## 1. Sustaining or Disruptive

Christensen separates two kinds of innovation. A sustaining innovation makes a product better for the customers a company already serves, such as each new phone model, and leaders excel at it because it supports higher prices and profits. A disruptive innovation begins differently: it is simpler, cheaper or more convenient, and at first it performs worse on what mainstream customers value. Because of that weakness, leaders see no danger and ignore it. The test is therefore not how new something is, but who it serves first and how it grows.

**Example:** In an article from two thousand fifteen, Christensen and co-authors argued that Uber is not a classic disruptor. It did not start with a worse service, or with people who never took cabs, and it won mainstream customers from the beginning. So they treated it as a sustaining innovation, however new it felt.

**At work:** Salma lists the projects on her school's roadmap. An advanced business English course and refurbished classrooms are sustaining, since they serve people who already pay. A short daily practice app for people with little time is the only disruptive candidate, so she gives it its own budget and its own measures of success, because classroom standards would kill it early. From now on, every proposal carries one of the two labels before any money is assigned.

## 2. The Foothold

A disruptor needs a foothold, a place where it can survive while its product is still weak. In a low-end foothold, it serves over-served customers, who pay for more performance than they use and welcome a simpler, cheaper option. In a new-market foothold, it reaches people who were not buying at all, because existing products were too expensive or too complicated. Leaders gladly leave both groups alone, because the margins look small. The entrant starts weak, but it starts where nobody is fighting it, and that quiet start gives it time to learn.

**Example:** In the steel industry, small mills first made only reinforcing bars, the lowest-grade product. The large mills earned little on them and were glad to give that business up. That gave the small mills a low-end foothold in which they could improve, order after order. That is exactly what a foothold means: a safe place to start despite weakness.

**At work:** Salma studies the enquiries her school declined or lost last year. Many came from shift workers and parents who could never attend a fixed weekly class, which is a new-market foothold. Others came from travellers who wanted only basic phrases, which is a low-end foothold. The sales team calls both groups too small to matter, which is exactly why they are a safe starting place for a rival.



This document is a property of Asaseeyat Academy - © Copy Right Protected.

## 3. Moving Up

A foothold is only the beginning, because disruption unfolds over time. The newcomer keeps improving its product, usually staying cheaper or simpler. Eventually it becomes good enough for the leader's main customers, and when they switch in large numbers, the disruption is complete. Being cheap is not enough on its own, and neither is being exciting. A product that never wins the mainstream is not a disruptor in this sense.

**Example:** Netflix began by renting films by mail, which did not appeal to the mainstream customers of Blockbuster at first. Step by step its service improved, with more titles and faster delivery, and those customers gradually switched. In two thousand ten, Blockbuster went bankrupt. That is exactly what moving up means: a weak start that keeps improving until the leader's own customers leave.

**At work:** A competitor's practice app starts with basic phrases, but after a few updates it adds speaking exercises and a progress report that companies can use. Salma sets one signal to watch: do employees of her corporate clients now choose the app instead of a class? Until then, the threat is rising but not complete. She records the answer every quarter, so the school acts before the switch, not after it.

## 4. Respond Early

Why do strong leaders miss disruption? They listen to their best customers, chase higher margins and invest where returns look largest, and each decision is sensible on its own. Together these habits pull the company towards the high end and away from the small foothold where the rival is growing. Christensen recommended a separate, autonomous unit with its own targets, so the main business does not smother the new idea. The practical lesson is to watch the edges of the market, not only the centre. Test the new idea while it is still small.

**Example:** A music teacher with advanced students notices that many beginners never join because private lessons are expensive. She keeps her main lessons as they are. Instead she starts a separate pilot of short, low-priced online lessons, with its own simple measures, and watches who comes. That is exactly what responding early means: testing a small idea before it grows.

**At work:** Salma's finance team rejects the practice app because it misses the school's margin target. She proposes a separate small team with its own budget for one year, judged on learners reached and monthly progress instead of margin. Within six months it shows steady growth among shift workers. The board approves a second round.

## Conclusion

In summary, disruptive innovation is a pattern, not a label for anything new. It starts with a low-end or new-market foothold that leaders ignore, improves over time, and wins the mainstream once it is good enough. Leaders miss it because they follow sound habits, not because they are foolish. The four ideas are sustaining or disruptive, the foothold, moving up, and respond early. We use this theory to ask better questions, check claims against real evidence, and watch the edges of the market.

### Sources


- Christensen Institute: Disruptive Innovations (sustaining innovation, low-end and new-market footholds, steel mini-mills starting with rebar) – https://www.christenseninstitute.org/disruptive-innovations/ (opened 26 Oct 2026)
- Groden, C. (2015). Why Uber isn't Disruptive but Netflix Is. Fortune – https://fortune.com/2015/11/17/uber-disruption-christensen/ (opened 26 Oct 2026)
- Christensen, C. M., Raynor, M. E. and McDonald, R. (2015). What Is Disruptive Innovation? Harvard Business Review – https://hbr.org/2015/12/what-is-disruptive-innovation (opened 26 Oct 2026; only the summary page is readable without a subscription)
- Christensen, C. M. (1997). The Innovator's Dilemma (book; listening to best customers, autonomous organization): https://en.wikipedia.org/wiki/The_Innovator%27s_Dilemma (opened 26 Oct 2026)




This document is a property of Asaseeyat Academy - © Copy Right Protected.