

How business can survive technological changes

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Face extinction or Evolve!

Technology is constantly shifting and changing the way people communicate, giving rise to Digital Darwinism. Digital Darwinism is when technology and consumer behaviours evolve quicker than businesses can naturally adapt which may lead to extinction.

In the early 2000's Sony was at the top of the market with the Walkman and Discman for cassettes and CDs. They invested greatly and it paid off, their sales went up and became the market leaders. That was until the Mp3 and digital music came into the picture. Sony hesitated to make the change to digital as it seemed too risky. The result of this, unfortunately, was they lost their lead in the market.

Too many companies are only willing to make small gestures towards embracing new technology whilst holding onto old practices. Such as banks which introduced an application that scans checks to be deposited, instead of rethinking the entire element of paper checks. This is the mistake most companies make of adding small fractions of technological advancements into dying systems. Here are two ways of cultivating change:

Self Disruption

This is the process of investing in a business process that would scrap out your existing process. Netflix realised this disruption and reinvented itself in 2007 as they shifted from DVD rentals to streaming. The change resulted in an increase in subscribers and stock prices went from \$10 per share to selling at over \$100 per share.

Reinvention

In order to cultivate change in your business, operational plans must not be inflexible and rigid in order to pave the way for continuous evolution with your organisation. This was the major key behind Apple's successful from the very first desktop computers to today's iPhone X. Even during periods when the company struggled it was known for its innovation. Steve Jobs was well known for knowing what people wanted even before they knew it which contributed to their many years of success.

Digital Darwinism is about being able to quickly adapt to the changing global market as a means of staying relevant. It is *survival of the fittest*.

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