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News that Inspires

Disrupt Yourself
by Whitney Johnson

"Are you sure you aren't making a mistake?"
I had just announced to one of my dearest friends that I planned to walk away from Wall Street and my seven-figure salary.
"Yes, I'm sure." But was I?
Years earlier, I had moved to New York City with a degree in music and a husband who was beginning a Ph.D. program. My first job, and the best job I could get, had been as a secretary at a brokerage house. By working 70-80 hours a week, taking business courses at night, and doggedly pursuing a jump to the professional track, I finally got a break, and moved into investment banking. When I decided to leave Wall Street, I was the Senior Media and Telecom analyst for Latin America at Merrill Lynch, and the top-ranked analyst in my field.
In leaving Wall Street, I was not only walking away from the money that came with my position, but from a certain level of prestige and power as well. I had worked for over a decade to develop relationships with Latin American business leaders, several of whom were on Forbes' billionaire list. These influencers were now reading my research, meeting with me, quoting me, and even occasionally quaking when I'd downgrade their stock.
Notwithstanding the considerable career and financial (I am the primary breadwinner) risks involved, it was time to leave my comfortable perch and become an entrepreneur. Time to disrupt myself. We typically define disruption as a low-end product or service that eventually upends an industry. But I've found that the rules of disruption apply to the individual too. Or as thought leader Jennifer Sertl writes, "innovation ultimately begins on the inside."
Six years into my mid-career move, here are some lessons learned from my personal disruptive trajectory:
If it feels scary and lonely, you're probably on the right track
The term "disruptive innovation" has become an industry buzzword. We all want to start a disruptive company or invest in disruptive ventures, but in reality an innovation that takes place at the low-end of the market or where there is no market (yet) is just not that sexy. It's a similar story when you contemplate disrupting yourself mid-career. There is the possible loss of stature and influence and the very practical loss of financial stability. Hence, the Innovator's Dilemma: whether you innovate or not, you risk downward mobility.
My start on Wall Street as a sales assistant was, without a doubt, a low-end, if not potentially a dead end, job; playing in the secretarial pool was not the stuff of bragging rights. In fact, I remember a conversation with two Ivy League graduates after I'd become an analyst. When they asked about my background, I quailed at telling them of my plebeian beginnings. Moving into investment banking wasn't a fait accompli by pursuing a disruptive strategy, but my odds had improved. Note too that the fear of disrupting myself early on was nothing in comparison to the mid-career thrill ride when there was so much more at risk.
Be assured that you have no idea what will come next

Because disruptive innovations are in search of a yet-to-be-defined market, we can't know the opportunity at the outset. "What you can know is that the markets for disruptive innovations are unpredictable, and therefore your initial strategy for entering a market will be wrong," writes Christensen. As famed angel investor Dave McClure tweeted, "DEAR VCs/ANGELS: if you ask for pro forma revenue projections for immature startups, you are wasting their time. STOP IT."

The checklist of conventional planning doesn't work on the personal level either; disruption requires discovery-driven planning. For example: when I left Wall Street in 2005, I was writing a children's book and pitching a reality TV show about soccer in Latin America: neither transpired. I then started my Dare to Dream blog, wrote no less than a dozen draft business plans, and my husband and I launched a magazine which initially was quite successful, but ultimately failed. During this time, as I volunteered in public affairs for my church, I became acquainted with Professor Christensen. This introduction eventually led to my role as a founding partner of Rose Park Advisors and the launch of the Disruptive Innovation Fund.

It's an unnerving and unpredictable path, but you'll be in good company. Columbia University professor Amar V. Bhide has noted, for 90 percent of all successful new businesses, the strategy the founders initially pursued didn't lead to the business' success. With a nod to McClure: "Dear You. If you ask for pro forma projections about what disrupting yourself will look like, you are wasting your time. Stop it."

Throw out the performance metrics you've always relied on

"A disruptive innovation must measure different attributes of performance than those in your current value networks," writes Christensen. Nearly everyone hits a point in their life where they examine their trajectory and consider a pivot. We typically label this mid-life crisis, but isn't it more often a re-thinking as to which performance attributes matter? Perhaps earlier in your career the metric was money or fame, but now you want more autonomy, flexibility, authority, or to make a positive dent in the world. These require different metrics of success. If, for example, after leaving Wall Street in 2005, I had continued to gauge my success based on money earned, I was nothing short of a failure. But if I measured success by the progress I made during the ensuing years — learning, developing, building something, doing good — I could judge my performance as successful. It's still not easy to measure, but as social media expert Liz Strauss said, "It's not possible for the world to hold a meeting to decide your value. That decision is all yours."

Your odds of success will improve when you pursue a disruptive course

What Christensen found in his analysis of the disk drive industry (which is discussed in The Innovator's Dilemma, and is foundational to our investing), is that firms seeking growth via new markets are 6x more likely to succeed than firms seeking growth by entering established markets, and the revenue opportunity is 20x greater. It's counterintuitive, isn't it? When we start in a place where no one else wants to play, where the scope of the opportunity appears limited, the odds of success actually improve.

To say that my disruptive trajectory has been one straight shot up the y-axis of success, as noted, would be wildly inaccurate. But it was a good decision; in fact, I see no other way. Perhaps you too are ready to disrupt yourself. Maybe your hand is forced by downsizing or new technologies are automating you right out of relevance. For most of you, however, I suspect the decision to make a dramatic disruption runs deeper than that. Like me, you may be looking to do more with your life. As you walk away from a future you easily foresee toward a more obscure trajectory, there will be times when you will feel lonely, scared, and even impoverished. But as you face your personal innovator's dilemma, both the probability and magnitudes of success will improve greatly.

We give a lot of airtime to building disruptive products and services, to buying and/or investing in disruptive companies, and we should. Both are vital engines of economic growth. But, the most overlooked engine of growth is the individual. If you are really looking to move the world forward, begin by innovating on the inside, and disrupt yourself.