



## Disruptors and New Business Models of the Future by Manoj Menon

Speakers:

- ◆ Manoj Menon, Senior Partner and Asia Pacific Managing Director at Frost & Sullivan

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Manoj Menon, a Senior Partner and Asia Pacific Director at Frost & Sullivan, presented a lecture titled “Disruptors and New Business Models of the Future,” at the 2015 World Knowledge Forum in Seoul, Korea. The goal of Mr. Menon’s lecture was to help businesses reduce waste, and therefore costs, by utilizing an “innovate to zero” approach.

“We want to use innovate to zero as a framework for your business,” he said, suggesting that businesses should take a hard look at their operations and learn new ways to reduce waste.

When Mr. Menon talks about innovating to zero, he means disrupting industries by reducing waste and cost. The concept, first coined by Bill Gates during a TEDTalk, can be applied to many different industries. One example was WhatsApp, the messaging communications application, which disrupted the telecommunications industry.

“WhatsApp can offer a service to billions of people around the world with only a few hundred employees,” said Mr. Menon.

Mr. Menon laid out several fundamental ideas for companies to consider when they are looking at their business and trying to innovate to zero. This includes implementing the Internet of Things (IoT), considering a mobile strategy, and embracing big data.

He also spoke about business model innovation.

“Companies put a lot of money on product innovation, but the best return on investment is business model innovation.” Mr. Menon suggested that companies hire someone to evaluate their business model.

Mr. Menon asked the audience to consider this: “How do we think of a product and transition it into a service?”

He referenced Adobe, a company that turned their software products into a monthly service and put it on the cloud in 2012. They now have five million users and their stock price has soared.

His final suggestion was that companies figure out how to build platforms for customers to interact on.

“We are moving fast from businesses that used to be built around economies of scale, to a business now of economies of platform,” Mr. Menon said. He used Apple’s iTunes and Amazon as examples of successful platforms. These platforms are often more successful when they are open and allow people from outside the company to sell products.

Industries are not the only ones who can innovate to zero.

“Governments have to think about how they will put in the right ecosystems to manage themselves,” he said, adding that they could innovate to zero by reducing their inefficiency. This could allow governments to reduce the number of people they employ, potentially saving tax payers money. He also said education is already starting to innovate to zero by making the best professors available online for people to learn from.

Of course, the concept of innovating to zero can have a dark side, as Mr. Menon pointed out.

“Jobs might also get innovated to zero,” he said, adding that companies should not seek to simply maximize revenue at the cost of jobs.