



Ca' Foscari
University
of Venice

Double Degree Programme
in **Innovation & Marketing**
and in **Management**

in cooperation with ESCP Business School.

Final Thesis

Break it before it breaks

The importance of self-disruptive business strategies and how to
implement them

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Matriculation Number 891409

Academic Year

2025/ 2026

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Abstract: This thesis examines the role of self-disruptive business strategies as a key mechanism for sustaining competitive advantage in dynamic and uncertain environments. While strategy is widely recognized as essential to organizational success, it remains characterized by conceptual fragmentation and persistent challenges in execution. In particular, firms often struggle to translate strategic intent into effective action, a difficulty that is further amplified when continuous strategic renewal is required.

Building on existing literature on disruption, dynamic capabilities, and innovation, this research argues that firms must proactively renew their strategies before external forces render them obsolete. Self-disruption is therefore conceptualized as a deliberate and ongoing process of strategic transformation, rather than a reactive response to environmental shocks. However, implementing such strategies presents significant challenges, particularly due to organizational inertia and resistance to change.

The empirical analysis is based on qualitative interviews with practitioners, allowing the identification of key patterns and managerial insights. The findings highlight three main requirements for successful self-disruption: continuous analysis of the firm's position and environment, the ability to define and measure a desired future state, and the effective mobilization of people to execute change. In addition, the research emphasizes the importance of balancing exploration and exploitation, and of using prioritization and testing as mechanisms to manage this tension.

By integrating theoretical perspectives with practical insights, this thesis contributes to both academic understanding and managerial practice. It provides a structured framework and a set of actionable guidelines to support firms in translating strategy into execution and in implementing self-disruptive business strategies.

Keywords: Self-disruptive business strategy - Strategy execution - Dynamic capabilities - Innovation - Ambidexterity - Strategic renewal

Master thesis 2025/2026

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Confidentiality: No

Acknowledgments

I would like to express my sincere gratitude to my thesis supervisor at ESCP, Patrick Giry-Deloison, for his guidance, support, and insightful feedback throughout the development of this work. His perspective and advice have been invaluable in shaping both the direction and the depth of this research.

I am also deeply grateful to all the professionals who agreed to take part in the interviews. Their time, openness, and willingness to share their experiences provided essential insights and greatly enriched the empirical dimension of this thesis.

My sincere thanks go to Anne Catherine Tchokonté Tcholagheu: throughout this year, she has been a constant presence, offering encouragement, support, and valuable advice. I am particularly grateful for her availability and for always finding time for me despite her busy schedule. She is not only a trusted mentor, but a source of guidance and a valuable point of reference. It is a great honor to have her as the professional invited to my thesis defense.

I would also like to thank ESCP Business School, whose academic environment and diverse perspectives have played a fundamental role in shaping my understanding of strategy and innovation. I am grateful to the professors, who have always been available for further discussion beyond the classroom, offering valuable insights. My sincere thanks also go to the remarkable students I had the opportunity to meet, with whom I shared both academic challenges and meaningful moments throughout this journey.

Finally, I would like to express my deepest gratitude to my parents, who have always supported and encouraged me, making it possible for me to pursue this journey. They constantly push me to challenge myself, to strive for more, and to redefine what I believe is possible. They are not only a source of support, but also a continuous inspiration and an example of determination, curiosity and perseverance.

To all the people who pushed me to go forward,
To those with whom I've shared the whole journey,
To those with whom I've shared a little piece.

*The test of a first-rate intelligence is the ability to hold two opposed ideas
in mind at the same time and still retain the ability to function.*
(F. Scott Fitzgerald, *The Crack Up*, 1936)

*All extraordinary men, who have accomplished great and astonishing actions,
have ever been decried by the world as drunken or insane.*
(J.W. Goethe, *The Sorrows of Young Werther*, 1774)

Index

INTRODUCTION	1
CHAPTER 1. DEFINITIONS	3
1.1 UNDERSTANDING BUSINESS STRATEGY	3
1.1.1 <i>What is business strategy</i>	3
1.1.2 <i>Business strategy: art or science?</i>	5
1.1.3 <i>Toward strategy as a confirmatory science</i>	9
1.1.4 <i>The relationship between strategy and execution</i>	10
1.2 KEY DIMENSIONS OF BUSINESS STRATEGY INNOVATION	12
1.2.1 <i>Defining innovation in a strategic context</i>	12
1.2.2 <i>Where to play: the playing field</i>	15
1.2.3 <i>How to play: the operating model</i>	17
1.2.4 <i>How to win: the value proposition</i>	19
1.2.5 <i>How to capture value: the business model</i>	21
CHAPTER 2. BUSINESS STRATEGY DISRUPTION: WHY IT HAPPENS AND HOW TO DRIVE IT	24
2.1 THE CHANGES OF A BUSINESS STRATEGY	24
2.1.1 <i>Drivers of strategic change</i>	24
2.1.2 <i>Defining disruption</i>	26
2.1.3 <i>External factors driving disruption</i>	28
2.1.4 <i>Internal factors aiding or hindering disruption</i>	29
2.2 WHY FIRMS MUST ACTIVELY CHANGE THEIR STRATEGY	32
2.2.1 <i>Defining self-disruptive business strategy</i>	32
2.2.2 <i>Standing still is falling behind: the Red Queen Effect</i>	34
2.2.3 <i>Breaking suboptimal equilibria</i>	35
2.2.4 <i>Break it before it breaks</i>	37
2.3 IMPLEMENTING SELF-DISRUPTIVE STRATEGIES	39
2.3.1 <i>The need for ambidexterity</i>	39
2.3.2 <i>Pursuing ambidexterity: innovation funnels and errors</i>	41
CHAPTER 3. A FOCUS: DESIGNING DISRUPTION THROUGH THE PRODUCT AND PORTFOLIO INNOVATION	45
3.1 THE ROLE OF PRODUCT AND PORTFOLIO INNOVATION IN STRATEGY RENEWAL	45
3.1.1 <i>Product innovation as the primary interface with the market</i>	45

3.1.2 Product innovation as a driver of strategic renewal	47
3.1.3 From product innovation to portfolio strategy	50
3.2 GOVERNING EXISTING VALUE TRAJECTORIES	52
3.2.1 Opportunity identification: market research and gap analysis.....	52
3.2.2 Concept generation: product templates	54
3.2.3 Concept testing: stimuli design, compositive and decompostive tools	56
3.2.4 Development: A.T.A.R. model and Quality Function Deployment.....	58
3.2.5 Test and launch: pseudo, controlled, full sales, and Launch Management System	61
3.3 OPENING UP NEW VALUE TRAJECTORIES	64
3.3.1 Opportunity identification: lead user analysis, empathic design, human factors design, customer case research, and metaphor elicitation.....	64
3.3.2 Concept generation: pro-active questioning, overturning industry values	67
3.3.3 Concept evaluation: discovery-driven planning, experimentation.....	68
3.3.4 Development: Roger-Bass model	70
3.3.5 Test and launch: probe and learn; Launch Management System.....	73
CHAPTER 4. METHODOLOGY	75
4.1 RESEARCH DESIGN AND POSITIONING	75
4.1.1 Research objective and empirical approach	75
4.1.2 Theoretical lens, research logic and scope.....	76
4.2 DATA COLLECTION	78
4.2.1 Interviews: method and sample selection.....	78
4.2.2 Interview design and data collection process	79
4.3 DATA ANALYSIS	80
4.3.1 Analytical strategy: hybrid thematic analysis	80
4.3.2 From coding to patterns and managerial implications	82
4.4 RESEARCH RIGOR AND LIMITATIONS.....	83
4.4.1 Validity, reliability and biases	83
4.4.2 Ethical considerations	84
4.4.3 Limitations	85
CHAPTER 5. TRANSLATING STRATEGY INTO EXECUTION: A PRACTICAL GUIDE.....	87
5.1 WHY THEORY ALONE IS NOT ENOUGH	87
5.1.1 The strategy chasm.....	87

5.1.2 Evidence from practice between divergences and agreements: «Success only comes to those who can interpret the market and manage people»	88
5.2 OPERATIONALIZING STRATEGY: FROM THEORY TO PRACTICE	91
5.2.1 Proactivity: «Only the paranoids survive»	91
5.2.2 Tools to map the as-is situation: «There can be no strategy without analysis»	92
5.2.3 Tools to map the to-be situation: «You can only manage what you can measure»	94
5.3 SUCCEEDING IN EXECUTION: IT ALL COMES BACK TO PEOPLE.....	96
5.3.1 The human requirement: «Transforming an organization is about the people who are part of it» ...	96
5.3.2 Leadership as enabler: «Nothing happens without the right people, in the right places, with the right motivation»	98
5.3.3 The problem of balance: «If there is risk, there is no risk».....	101
5.3.4 Dos & Don'ts: «Strategy is about deciding what not to do, more than what to do»	104
CONCLUSION	107
BIBLIOGRAPHY.....	109
APPENDIX	117
Images	117
Tables.....	121
Interview guide	122
AFFIDAVIT.....	ERRORE. IL SEGNA LIBRO NON È DEFINITO.

Introduction

In an increasingly dynamic and uncertain competitive environment, the concept of business strategy has become both more critical and more complex. Firms operate in contexts characterized by rapid technological change, evolving customer expectations, and intensifying competition, which continuously reshape the conditions under which competitive advantage can be achieved and sustained. As will be discussed in Chapter 1, strategy itself remains a fragmented and contested concept, with multiple definitions coexisting across academic literature and managerial practice. This fragmentation extends not only to its meaning, but also to the tools and processes through which strategy is formulated and implemented.

At the same time, the gap between strategy formulation and execution persists as one of the most significant challenges faced by organizations. While firms may be able to design coherent strategic plans, they frequently struggle to translate them into effective action. This issue is further exacerbated in contexts requiring continuous adaptation, where strategies must evolve over time rather than remain fixed. As highlighted in Chapter 2, firms are increasingly required to adapt to external disruptions and internal dynamics, leading to the recognition that strategy is not a static plan but an ongoing process of alignment between the organization and its environment.

Within this context, the concept of self-disruptive business strategy emerges as a critical mechanism for long-term survival. Self-disruption refers to the proactive renewal of a firm's strategy, undertaken before external forces render it obsolete. This implies not only reacting to change, but anticipating it and acting ahead of it. However, this approach introduces a fundamental tension: firms must initiate change even when current performance is satisfactory, overcoming internal resistance and organizational inertia. In practice, this is particularly challenging, as individuals and organizations tend to resist change, especially when the need for it is not immediately evident.

The central argument of this thesis is that self-disruption is not only desirable but necessary for firms seeking to maintain competitiveness in dynamic environments. However, recognizing

its importance is not sufficient: firms must also be equipped with the appropriate tools and capabilities to implement it effectively. Accordingly, this thesis addresses two main objectives. First, it seeks to explain why self-disruptive strategies are necessary, building on theoretical perspectives related to disruption, dynamic capabilities, and strategic renewal (Chapter 2). Second, it provides a practical framework to support their implementation, combining analytical tools, strategic frameworks, and managerial insights derived from both literature (Chapter 3) and empirical research (Chapters 5).

To achieve these objectives, the thesis is structured as follows. Chapter 1 establishes the theoretical foundations by clarifying key concepts related to strategy, innovation, and execution. Chapter 2 explores the drivers of strategic change and introduces the concept of self-disruption, highlighting its necessity in contemporary business environments. Chapter 3 focuses on product and portfolio innovation as a key mechanism for strategic renewal, linking value proposition innovation to broader strategic choices. Chapter 4 outlines the research methodology, including data collection and analysis based on qualitative interviews. Finally, Chapter 5 translates these insights into a practical guide, presenting tools and managerial implications to bridge the gap between strategy and execution.

In doing so, this thesis aims to contribute both to academic understanding and managerial practice, offering a structured approach to navigating the challenges of continuous strategic renewal.

Chapter 1. Definitions

1.1 Understanding business strategy

1.1.1 What is business strategy

«There are few concepts in the modern business lexicon where people feel as strongly confident in their understanding of its meaning - while there is simultaneously such profound disagreement in how people actually define the term - than the concept of “strategy”» (Cory 2024). While most professionals feel confident in their understanding of the term, there is often significant disagreement regarding its actual definition, largely because it is frequently edited to fit the specific rhetorical needs of a particular company or industry. Academics have been equally unsuccessful in reaching a consensus, with one study identifying forty-one different definitions in the literature since the mid-1930s. This persistent confusion can dilute the perceived value of the field and make it difficult to put into practice (Cory 2024).

One of the most enduring perspectives defines strategy as the triangulation of three core elements. First, positioning: «strategy is the creation of a unique and valuable position, involving a different set of activities [than your competitors]» (Porter 1996). This definition encompasses all those actions aimed at occupying a distinctive and important position in the minds of consumers. Secondly, «strategy is creating fit among a company’s activities» (Porter 1996), implying the Resource-Based View of the firm: the competitive advantage is not found in market positioning but in a company’s «core competencies, distinctive competencies, and the impact of internal factors» (Barney 1991). It views the firm as a bundle of resources and capabilities that must be rare and costly to imitate. Lastly as any firm activity, strategy is bound by constraints, hence «strategy is making trade-offs in competing. The essence of strategy is choosing what not to do» (Porter 1996). In this sense, strategy is not merely a goal but a deliberate choice about where to compete and how to succeed by developing distinctive value.

However, these definitions are not enough to clearly define the field: as a consequence, despite them being taught and more or less shared among intellectuals, there is still confusion when the topic of business strategy is address. This lack of consensus is not merely academic:

it undermines the perceived value of the field and makes it difficult for practitioners to distinguish between a firm's strategy, its strategic plan, and its business model. Moreover, the problem is compounded by the fact that many organizations use the term "strategy" as an automatic verb for "planning", even though the two are fundamentally different. In fact, Cory (2024) hypothesizes that «one of the main reasons there are so many different and incongruent definitions is because people are actually describing at least five different concepts and calling each of them by, or generically aggregating them together, under the single term “strategy”. The five concepts are 1) the field of Strategic Management, 2) the Strategic Planning Process, 3) a Strategic Plan, 4) the Realized Strategy, and 5) the Business Model».

Strategic Management is the «field of study and practice of the entire set of activities and decisions that senior executives and boards of directors engage in while serving as leaders of their organization» (Cory 2024). Unlike marketing or finance, it is cross-functional in nature, and focuses on decisions that affect the firm as a whole. It's part of the day-to-day activities of senior executives and board members.

The Strategic Planning Process is «the set of activities associated with the continuous analysis, formulation, implementation, measurement, and governance of the strategic plan or of any ongoing, adaptive changes to the plan» (Cory 2024). The formal document that summarizes the «research, milestones, resource allocations, scenarios, and intended gameplan of the executive team and board» (Cory 2024) is the Strategic Plan. This serves as a basis for communication and self-auditing.

From an operational perspective, strategy is described as an «action guide that receives feedback from the action-result binomial» (López & Oliver 2023). It functions as a problem-solving tool or a «theory about how we can solve a problem» (Martin, 2022). Strategy is what an organization uses to move from its current mission (its current state) to its future vision (what it desires to become). Because strategy deals with the future, it is essentially a «hypothesis that you think will happen» and as such «it is impossible to test it in advance or guarantee it» (López & Oliver 2023).

This discrepancy between planned actions and what actually happens is the reason why a fourth concept is introduced, the Realized Strategy: it is the «course of action that an organization actually pursues, whether planned or reactive» (Cory 2024). The emergent strategy theory (Mintzberg & Waters, 1985) explains how strategy can unravel as a pattern of actions that develops over time without being explicitly planned in advance. Thus, an emergent strategy is not the result of formal strategic planning, as it arises from consistent behaviors, decisions, and responses to real-world conditions; managers may recognize the strategy only after it has taken shape, by looking back at what the organization actually did.

Lastly, Ovans (2015) explains the term Business Model is often used as a synonym for strategy because both concepts relate to how a firm creates and captures value. However, a Business Model is the «framework of assumptions (explicit or implicit) that guides how companies compete to establish and sustain a competitive advantage and to maximize risk-adjusted financial and non-financial returns» (Cory 2024). While strategy is the plan to create a unique position, the business model is often seen as a monetary and financial reflection of that strategy in action.

Consider business strategy as the navigation chart of a ship on the open sea. The Strategic Planning Process is the formal act of charting the voyage before departure (and periodically re-charting it), while Strategic Plan is the physical map and the planned route marked in ink. The realized Strategy is the actual path the ship takes as it reacts to unforeseen storms and currents, and the Business Model is the ship's operating system: how it is equipped, fueled, crewed, and provisioned so that the journey is economically viable. While many may confuse the map for the journey, the Strategy itself is the captain's underlying logic for choosing that specific destination and the specific maneuvers intended to reach it faster than any other vessel: Strategic Management is the ongoing act of captaining the ship.

1.1.2 Business strategy: art or science?

It's been said that «strategy is not an art, it is a science» (Cory 2024), but is it really? And what are the implications of such a statement?

The debate over whether business strategy is a science or an art remains a central tension in both academic literature and professional practice. While many practitioners rely on intuition, Cory (2024) argues that the field must move towards a methodical, rational, and verifiable framework to maintain its value and legitimacy.

In consulting circles, strategy is sometimes dismissively categorized as a pure art, implying that the best executives rely primarily on intuition and gut feeling, hence impossible to study under the lens of scientific analysis. The reason for that, Mintzberg (1987) argues, is that strategy can't be only a planning exercise. Instead, synthesis, intuitions and experience play a major role: while analysis can decompose complexity, strategy fundamentally requires integration and interpretation. The whole concept of emergent strategy (Mintzberg & Waters 1985) is based on how realized strategies diverge from intended plans, as managers respond to unforeseen events by adapting, crafting the strategy to the situation thanks to their own tacit knowledge and situational awareness. Andrews (1980) similarly portrays strategy as an exercise of executive judgment, influenced by values, beliefs, and perceptions that cannot be formalized or replicated through analytical models nor frameworks. Since strategic decisions are ultimately made under uncertainty, ambiguity, and incomplete information, they inevitably require context-awareness, intuition and creative problem-solving.

However, stating that strategic management is immune to scientific examination is implying there is no objective measure of good or poor management and this distinction is serendipitous, «and therefore the need for laws governing executive behavior and regulations mandating governance over executives is unnecessary» (Cory 2024). This is a dangerous statement in a world where the behavior of a firm influences the lives of millions, and such behavior is, according to the agency theory, guided by executives who need to be given the training and skill necessary to perform this important role. If strategy is an art that one learns by doing, no prior training is required, and many high-stakes mistakes are likely to happen.

It is true that from a philosophical standpoint, strategy may not qualify as a science with scientific objectivity or natural laws, because firms are «socially constructed complex adaptive systems» (Van Straten 2020). Unlike natural scientists, a strategist cannot fully know the future state of a firm, nor can he replicate the past for controlled experiments. However,

strategic thinking can be made rational by understanding how strategic knowledge is essentially propositional knowledge, expressed in declarative sentences that propose testable causal relationships.

To ensure strategy is practiced with scientific rigor, Van Straten (2020) propose six actionable canons that define the overlap of truth, cognition, intent, and the perceived business world:

- Justified True Beliefs: «to know that a given proposition is true, one must not only believe it is true, but also have justification for doing so. If that is the case, the proposition becomes accepted reality».
- Functionality: «statements in strategy must perform a task», which is they must provide reasons to act or not act.
- Necessity and Sufficiency: statements must be «individually necessary and collectively sufficient for strategic decision making», so that when all of them are taken into account, all that could impact the strategy has been considered. This is a key concept in all strategy-related elements, which is often referred to as “MECE”, Mutually Exclusive Comprehensively Exhaustive.
- *Phronesis*: from the Greek φρόνησις, it is translated as “practical wisdom, prudence or common sense”. It is an Aristotelian intellectual virtue that indicates the ability to discern the right action and the right balance in concrete situations in life, distinguishing itself from theoretical wisdom (*sophia*, σοφία). In this context, it’s related to «how to act rationally in particular situations» (Van Straten 2020), specifically by «being purposeful in defining and pursuing particular objectives» and maintaining an «attitude of skepticism towards arguments and assumptions» (Antonacopoulou 2010).
- Narrativity: because firms are dynamic and adaptive, strategy exists primarily in people’s minds as «stories that explain how enterprises work» (Magretta 2002). Moreover, as a strategy is implemented by many, strategists must construct narratives that convey meaning and constitute «an overall sense of direction or purpose» (Fenton & Langley 2011). The result should be «discursively negotiated and shared beliefs

which refer to both the essence of what must be agreed upon, and the end-goal of value creation» (Van Straten 2020).

- Heuristic: due to human limitations, the thought process itself must be trained. According to Maani & Maharaj (2004) people who display heuristic competence are those that are capable of collecting information methodically and evaluating the effects of decisions to cope with complex systems.

Besides, early strategy scholars managed to explain strategy through systematic analysis, formal models, and theory-driven explanations of firm performance. They aimed at defining strategy as a rational and analytical discipline, grounded in economic theory, and planning logic, hence laying the foundation for strategy as a science. Ansoff (1965) represents the deliberate strategy perspective: he states that strategy is a structured and it's made of a sequential process involving environmental scanning, objective setting, and resource allocation. By assuming a questionable degree of environmental predictability and managerial control, nonetheless he positions strategic management as a problem of rational optimization.

This scientific approach is reinforced by Porter's (1996) five force model, value chain analysis and other frameworks that show the causal relationships between a firm's environment and its strategy, thus assuming once again that industry structure and competitive advantage can be objectively analyzed and used to derive optimal strategic positions.

A complementary approach is given by the Resource-Based View (Barney 1991), which lists the internal elements of a firm that fuel sustainable competitive advantage. By highlighting classification, measurement and causal explanation, this approach suggests that differences among firms can be systematically explained by the differences among their resources' endowments.

Implying that superior outcomes could be achieved through studied internal organization, rigorous analysis and forecasting, the scientific nature of strategy comes into light: it seeks to predict and explain competitive success through systematic reasoning and empirically grounded frameworks, even if such explanations remain probabilistic rather than deterministic.

The scientific nature of strategy is also sustained by the hypothesis-driven method: a strategy is essentially a «hypothesis that you think will happen» (López & Oliver 2023) about where to find value creation. It is a problem-solving theory that cannot be fully tested in advance, thus the strategist acts as an applied researcher, using available data to hypothesize where value creation lies and then using the results of actions to provide feedback for the next iteration (Van Straten 2020).

1.1.3 Toward strategy as a confirmatory science

Modern research seeks to push strategy closer to a confirmatory science by using advanced statistical models to identify generalizable relationships (Schmidt & Scaringella 2020). The aim is to move beyond isolated case studies and provide confirmatory statements that are less sensitive to specific contexts. This evolution is driven by the need to provide managers with prescriptive knowledge, actionable rules and frameworks that are mathematically proven to work across different industries and contexts.

Historically, much of the research on disruption and business models has been qualitative or conceptual, relying on post-hoc analysis of famous success stories. While these case studies provide deep insights, they often suffer from context sensitivity, making it difficult to know if the same strategy would succeed in a different industry or region. The current drive for confirmatory statements seeks to consolidate these fragmented findings into generalizable relationships that hold true regardless of a specific case's peculiarities.

To achieve this scientific rigor, modern research utilizes Partial Least Squares Structural Equation Modelling (PLS-SEM). This method allows strategists to measure the abstract concepts underlying strategy, like “dynamic capabilities” through multiple observable indicators, such as survey responses from executives. The indicators are then used to model the hidden constructs and allow distinguishing causal relations from correlations by using large datasets that provide statistical significance.

This statistical validation model functions as a much-needed theory-testing and theory-refining instrument. Given that strategy cannot be just an art, because being good at strategic

management matters too much to leave it to «undefinably exceptional individuals» (Cory 2024), to advance the field researchers and consultants must be able to define, measure, improve, and teach leadership skills in a «methodical and translatable way» (Cory 2024). On the other hand, the complexity and variety of strategic phenomena such as disruption, dynamic capabilities, and business model innovation have generated rich but fragmented frameworks, often characterized by overlapping constructs and inconsistent empirical findings. Scholars have noted that this fragmentation of strategic management research undermines cumulative knowledge building in strategy (Foss & Stieglitz 2015; Helfat & Peteraf 2015), hence the need for strategy as a confirmatory science.

Although scholars warn against scientism, which is the belief that increasing quantification alone can fully capture strategic complexity (Mintzberg 1994; Tsoukas 2009), the confirmatory science approach enables the development of a theory of disruption. By establishing proven links between organizational capabilities and market outcomes, this theory will be able to offer predictive power, strategic renewal frameworks and actionable guidance (Schmidt & Scaringella 2020).

Returning to the metaphor, the firm can be seen as a vessel navigating uncertain waters, manned by Strategic Management, which both plans the voyage and adapts to changing conditions. Strategy as an art emphasizes the captain's intuition, experience, and ability to improvise in response to unforeseen events. Strategy as a science, relies on maps, instruments, and forecasts, using systematic analysis and probabilistic reasoning to reduce uncertainty and guide navigation. Strategy as a confirmatory science extends this approach by validating navigational rules across many voyages, replacing isolated success stories with empirically tested principles that eventually increase the likelihood of reaching the destination.

1.1.4 The relationship between strategy and execution

A fundamental yet often misunderstood aspect of strategic management is the relationship between strategy and execution. While strategy is frequently discussed as a plan or vision, its true nature lies in choice. As Martin (2022) argues, the essence of strategy is not aspiration

but decision: it consists of a set of explicit, purposeful choices about where and how to compete. He explicitly states: «Strategy is only made of choices for which the opposite choice makes a lot of sense [...] Don't mistake non-choices for strategy. The very essence of strategy is explicit, purposeful choice. If the opposite is stupid... then it's not strategy».

In this sense, strategy requires trade-offs and prioritization; it is defined as much by what the firm chooses not to do as by what it decides to pursue (Porter 1996). Strategy is not doing things just for the sake of action, nor it can be the accumulation of multiple goals without prioritization, or a checklist exercise based on generic frameworks.

Strategy can be defined as an integrated set of choices designed to achieve and sustain competitive advantage: it is not a race to outperform competitors on all dimensions simultaneously, as this would violate the principle of trade-offs. Nor is it the rigid adherence to a predetermined plan regardless of changing conditions. Strategy is «a set of assumptions that must be verified in execution» (Martin, 2022), that requires focused decision-making, disciplined execution, and continuous learning, ensuring that choices remain aligned with both the internal capabilities of the firm and the external environment in which it operates.

This perspective allows distinguishing clearly between strategy and execution. While strategy is about choices (concerning positioning, resource allocation, and the configuration of activities within the firm), execution, by contrast, refers to the organizational discipline of translating these choices into reality through coordinated action, capability development, and continuous adaptation. Empirical research has shown that many firms fail not because of poor strategies, but because of weak execution: Kaplan and Norton (2008) highlight that organizations often struggle to align objectives, measures, and initiatives with their strategic intent, leading to a gap between planned and realized outcomes.

However, reducing execution to mere implementation would be misleading. Strategy and execution form an inseparable system: strategy guides action, while execution tests, validates, and refines the assumptions underlying strategic choices. Indeed, strategy is inherently hypothesis driven. As Martin (2022) emphasizes, a strategy is a set of assumptions about how the firm can create value and achieve advantage. These assumptions cannot be fully verified

ex ante; they must be tested through action. Execution therefore becomes a learning mechanism, generating feedback that allows managers to assess whether their strategic choices are effective or require revision. This creates a dynamic interplay between deliberate intentions and emergent outcomes, consistent with Mintzberg and Waters' (1985) distinction between intended and realized strategy. Supporting this view, research on strategic performance management shows that organizations that systematically link strategy formulation with execution processes, through feedback systems and adaptive controls are better able to refine their strategies over time (Kaplan & Norton 2008; Hrebiniak 2006).

In short, strategy guides action while execution validates choices and assumptions, thus refining strategy, and together creating and sustaining competitive advantage. Strategy can and should use execution as a mean to understand if some of the choices that have been made need to be changed.

Returning to the navigation metaphor introduced earlier, strategy represents the captain's underlying logic for choosing a destination and defining the route, while execution corresponds to the coordinated actions of the crew in sailing the ship. However, the voyage itself generates new information about winds, currents, and obstacles. This feedback may confirm the chosen route or require adjustments along the way. Thus, strategy and execution are not sequential steps but mutually reinforcing processes, jointly determining whether the firm reaches its intended destination.

1.2 Key dimensions of business strategy innovation

1.2.1 Defining innovation in a strategic context

The concept of innovation is widely used in both academic and managerial contexts, yet its meaning remains ambiguous due to its frequent and sometimes imprecise use.

A first fundamental distinction is between invention and innovation. Invention refers to the creation of something new, such as an idea, a model, or a prototype, whereas innovation concerns its implementation in practice. As noted in the literature, «invention is the first occurrence of an idea for a new product or process, while innovation is the first attempt to

carry it into practice» (Fagerberg, 2013). This distinction highlights that invention belongs to the realm of knowledge creation, while innovation implies application, diffusion, and ultimately value generation. However, these processes are often continuous and intertwined rather than clearly separable.

A foundational contribution to the definition of innovation is provided by Schumpeter (1934), who conceptualizes it as the introduction of «new combinations» that can include «new products, new methods of production, new sources of supply, the exploitation of new markets, and new ways to organize business». This definition is particularly relevant as it extends the scope of innovation beyond technological change and positions it as a central driver of economic transformation. Innovation is therefore not limited to what firms offer, but also includes how firms produce, organize, and compete.

Building on this perspective, more recent approaches stress on the successful use of novelty as the key element defining innovation: in fact, innovation can be defined as the successful exploitation of new ideas, underlining that implementation and value creation are essential components of the concept. This managerial view is consistent with contemporary definitions that describe innovation as the firm's ability to «conceive, develop, deliver and scale new products, services, processes and business models» (McKinsey & Company, 2022). In this sense, scalability becomes a key dimension, as innovation must extend beyond isolated initiatives to generate sustained impact. Moreover, innovation must create value both for the customer and for the firm, as «innovation has to increase value and drive growth».

In line with Schumpeter's framework (1934), several typologies of innovation can be identified. Product innovation refers to the introduction of new or significantly improved goods and services, while process innovation concerns improvements in the methods used to produce or deliver them. In addition, organizational innovation involves new ways of organizing production and distribution, and institutional innovation includes broader changes such as financial arrangements, marketing practices, or governance structures (Schumpeter, 1934). These categories are not mutually exclusive, as innovations often combine multiple dimensions. For instance, the introduction of a new product may require new production

processes and new organizational structures, highlighting the interdependence of innovation types.

Another relevant distinction concerns the degree of novelty, particularly the difference between radical and incremental innovation. Radical innovations introduce significant changes that can reshape industries and create new technological trajectories, whereas incremental innovations consist of continuous improvements to existing products, processes, or systems. While radical innovations tend to attract more attention due to their disruptive potential, incremental innovations often play a crucial role in sustaining long-term competitiveness through continuous refinement and adaptation.

Beyond its typologies, innovation must be understood as a complex and non-linear process. Early models described innovation as a sequential progression from research to development, and commercialization. However, empirical evidence shows that innovation is better characterized as a messy, complex, contradictory process: it emerges from networks of actors that include firms, entrepreneurs, research institutions, users, and governments, and is shaped by continuous feedback loops and interactions (Fagerberg, 2013). As a result, innovation cannot be reduced to a purely technological or internal activity, but must be seen as a systemic phenomenon embedded in a broader economic and social context.

This systemic nature implies that innovation is also a learning process. Firms innovate through experimentation, adaptation, and the accumulation of knowledge over time. The process is inherently uncertain, as outcomes cannot be fully predicted in advance, and requires continuous interaction with the environment. In this perspective, innovation is not a one-time event but an ongoing process of variation, selection, and retention, consistent with evolutionary approaches to economic change (Fagerberg, 2004).

Finally, innovation plays a central role in economic and competitive dynamics. It is widely recognized as a key driver of long-term economic growth and a major determinant of differences in performance between firms, industries, and countries. As highlighted in the literature (Fagerberg, 2004), innovation is «crucial for long-term economic growth» and represents a «powerful explanatory factor behind differences in performance». At the same

time, innovation is inherently linked to change and disruption, as new combinations replace existing ones, leading to what Schumpeter describes as a process of creative destruction (1934). Firms that fail to innovate risk losing their competitive position, while those that successfully innovate can redefine the rules of competition.

In conclusion, innovation can be defined as the process through which new ideas are transformed into value-creating applications: it may be embedded in products and services, in production processes, in the customer experience, or in the way an organization is structured and managed. It is a multidimensional, systemic, and non-linear phenomenon that underlies the evolution of firms and industries. Understanding its nature and its different forms is therefore essential to analyze how business strategies can be renewed and transformed over time.

1.2.2 Where to play: the playing field

A fundamental component of business strategy concerns the definition of the competitive space in which a firm chooses to operate. This dimension, commonly referred to as the “playing field”, corresponds to the set of strategic choices that determine where a firm competes. In the Strategy in Action framework (Scarso Borioli et al, 2025; (Scarso Borioli et al, 2025; image 1, Appendix), it is explicitly defined as the “Where to Play” choice, which includes decisions regarding «customer segments, products, and geographies». These choices are not merely descriptive, but constitute deliberate and mutually reinforcing decisions that define the boundaries of competition and shape the firm’s opportunities for value creation.

Defining the playing field can be understood as specifying the domain of competition, that is, the scope within which a firm seeks to achieve a competitive advantage. This aligns with classical strategic thinking, where strategy is concerned with positioning the firm within its environment by selecting the arenas in which it competes (Porter, 1996). The playing field therefore represents the external dimension of strategy, as it determines the interface between the firm and its market environment. It is not a passive description of existing activities, but an active choice that reflects managerial intent and shapes the trajectory of the firm.

The playing field can be decomposed into several interrelated dimensions that collectively define where a firm competes: each of them is a potential area for strategy innovation. According to the Strategy in Action framework, some key questions must be answered. First, who are the key customers the firm chooses to serve, how are they segmented and what channels are used to reach them: shifting the focus from who the customers are to what problems the firm aims to solve, or redefining altogether who the target customers are, opens the possibility of redefining market boundaries. Same reasoning applies to the distribution channels, may they be physical or digital. Secondly, what markets is the firm currently operating in, what adjacencies should be considered and what are size, growth, attractiveness and economics of those markets. Thirdly, in those spaces competition needs to be assessed, together with opportunities and threats.

All these choices define the scope of the firm's activities, and influence: its positioning relative to competitors; the spatial dimension of competition (ranging from local markets to global operations); the strategic decisions regarding the sequencing and scale of expansion. Taken together, they highlight that the playing field is a multidimensional construct that goes beyond simple market definition and requires firms to structure and analyze market spaces systematically.

By redefining the boundaries of competition, entering new markets, or creating entirely new categories, the playing field can become a primary lever of strategy innovation. In fact, several forms of innovation can be associated with the playing field: firms may redefine the customer space they serve, either by targeting previously underserved segments or by reframing demand around new or unarticulated needs. Similarly, they can expand or reshape the scope of their offering by entering adjacent or entirely new product and service categories, thereby altering the competitive landscape in which they operate. Changes in distribution channels, particularly in the context of digital transformation, further enable firms to reach customers in new ways and modify the structure of access to the market. The geographic dimension also represents a key lever, as firms can extend, reduce or reconfigure their presence across regions depending on growth opportunities and strategic priorities. Taken together, these transformations illustrate how innovation in the playing field is not limited to entering new

markets, but involves a broader reconfiguration of where and with whom the firm competes. These changes are not independent, but often interact with each other. For example, entering a new customer segment may require new distribution channels and a different product offering. Similarly, expanding into a new geography may involve adapting the operating model and redefining the value proposition.

Furthermore, the playing field plays a central role in determining competitive advantage. As emphasized in Scarso Borioli et al. (2025), one of the key questions in strategic analysis is whether the firm is «in the right place» and how attractive the chosen sectors are. Differences in profitability across industries and segments imply that where a firm chooses to compete has a direct impact on its performance. In this sense, the playing field can be seen as a prerequisite for competitive advantage, as even a well-designed value proposition may fail if it is deployed in an unattractive or saturated market.

In conclusion, the playing field represents the first fundamental block of business strategy, defining the scope and boundaries of competition. It encompasses a set of interrelated choices regarding customer segments, products, channels, geographies, and vertical scope, which together determine where the firm competes. Beyond its descriptive role, the playing field constitutes a key lever of strategy innovation, as firms can reshape their competitive environment by redefining or creating new market spaces.

1.2.3 How to play: the operating model

The operating model defines how the firm competes in practice: if the value proposition is the promise the firm makes to its customers, the operating model represents the internal configuration through which the firm delivers this promise and translates strategic choices into concrete actions.

The operating model can be understood as the organizational backbone of strategy, as it «outlines how the company delivers value to its customers, operates on a day-to-day basis, and achieves its strategic objectives» (McKinsey, 2023). While the playing field is primarily an

external choice, the operating model is largely under the direct control of the firm and concerns the internal architecture of value creation and delivery.

The operating model encompasses the set of capabilities, activities, resources, and organizational arrangements required to execute the chosen strategy. Within the Strategy in Action framework, it corresponds to configuring «the capabilities, activities, and resources needed to deliver the value proposition»: this includes decisions regarding organizational structure, processes, technologies, people, governance systems, and partnerships. In line with Porter's activity-based view of the firm (1996), competitive advantage depends not only on positioning, but also on «performing different activities from rivals or performing similar activities in different ways». The operating model therefore determines how these activities are configured and coordinated to generate superior performance.

Firms do not compete solely through their external positioning, but also through their ability to deploy and reconfigure internal resources effectively, and the operating model represents the concrete manifestation of these dynamic capabilities: it determines how resources are organized, how decisions are made, and how activities evolve over time (Teece, Pisano, & Shuen, 1997).

The operating model provides potential areas for innovation, as firms can innovate in the way they create and deliver value by modifying the configuration of their internal system. This may involve redesigning processes, adopting new technologies, restructuring the organization, or redefining roles and governance mechanisms. Innovation can therefore emerge also from new ways of operating, as firms develop more efficient, scalable, or flexible systems. In this sense, operating model innovation becomes a key lever for sustaining competitive advantage, particularly in environments characterized by rapid technological and organizational change.

Innovation in the operating model is deeply connected to the one in the playing field: a change in the second, such as entering a new market or targeting a new customer segment, typically requires a corresponding transformation of the first; conversely, the development of new capabilities or processes may enable the firm to expand into new areas of competition. This

interdependence highlights that strategy must be understood as an integrated system of choices, where internal and external dimensions continuously interact.

Finally, the operating model plays a critical role in bridging the gap between strategy and execution: as emphasized in the literature (McKinsey, 2023), many organizations struggle not because of flawed strategies, but because they fail to align their operating models with their strategic intent. An effective operating model ensures coherence between what the firm aims to achieve and how it organizes itself to achieve it, enabling continuous adaptation and learning. In this sense, it constitutes a central mechanism through which strategy is tested, refined, and ultimately realized.

In summary, the operating model defines how the firm mobilizes and orchestrates its internal resources to compete effectively: it encompasses the configuration of capabilities, activities, and organizational systems that enable the delivery of the value proposition and being such, it constitutes a key lever of strategy innovation, as firms can reshape their competitive advantage not only by changing where they compete, but also by transforming how they operate.

1.2.4 How to win: the value proposition

The value proposition defines how the firm wins in the market. It represents the set of choices through which a firm creates superior value for its customers and differentiates itself from competitors. It reflects the promise the company makes to its customers, and it's possibly the most complex part to manage, as its success heavily depends on how customers perceived the firm relative to available alternatives.

The value proposition can be understood as the articulation of the benefits that a firm offers to a specific set of customers, and the reasons why those customers should choose it over competitors. It is the bundle of products and services that create value for a specific customer segment» (Osterwalder & Pigneur, 2010). As highlighted by Porter (1996) «strategy is the creation of a unique and valuable position», but this position must ultimately translate into customer value, that lies at the heart of competitive advantage: firms compete not only

through positioning but through «the creation of value for customers and the capture of value for the firm» (Amit & Zott, 2001). The value proposition therefore embodies the firm's logic of value creation, linking strategic intent with customer outcomes.

The value proposition can be decomposed into three fundamental elements. First, it identifies the customer problem or “job to be done”, that is, the need the firm aims to satisfy. Second, it defines how the firm addresses that need through its offering, whether in the form of products, services, experiences, or integrated solutions. Third, it clarifies why the firm's solution is superior to alternatives, highlighting the sources of differentiation that justify customer choice.

A critical implication of this perspective is that the value proposition is not fully under the control of the firm as only customers can validate it through their purchasing decisions: while the firm can design and communicate its intended value, its effectiveness ultimately depends on customer perception and behavior. This introduces a fundamental uncertainty, as firms must continuously test and refine their value propositions based on market feedback. In this sense, the value proposition can be interpreted as a hypothesis about value creation that must be validated through execution (Teece, 2010).

In order to operationalize the value proposition, firms must also make explicit choices regarding their competitive positioning. Classical strategy literature identifies two primary sources of competitive advantage: cost leadership and differentiation (Porter, 1996). However, more recent contributions emphasize that firms can also innovate by redefining the value logic itself, for instance by recombining activities, altering pricing mechanisms, or introducing new forms of customer interaction (Amit & Zott, 2001). This broader perspective highlights that the value proposition is not limited to product features, but encompasses the entire experience and meaning associated with the offering.

Within this framework, innovation plays a central role in shaping and renewing the value proposition. Firms can innovate by introducing new products or services, by enhancing existing offerings, or by redefining the meaning and experience associated with them. Innovation can also occur through new combinations of attributes, new pricing logics, or new

ways of interacting with customers, all of which contribute to redefining how value is created and perceived. In this sense, the value proposition represents one of the primary domains in which firms can pursue strategy innovation. Among the different forms of innovation affecting the value proposition, product and portfolio innovation occupy a particularly important position, and will be analyzed in detail in Chapter 3.

It is important to emphasize that the value proposition does not operate in isolation, as its effectiveness depends on its alignment with the other components of strategy: a compelling value proposition deployed in an unattractive playing field or supported by an inadequate operating model is unlikely to generate sustainable competitive advantage. For this reason, strategy innovation requires coordinated changes across multiple dimensions rather than isolated adjustments.

In conclusion, the value proposition constitutes the third fundamental block of business strategy, defining how the firm creates and delivers superior value to its customers. It encompasses the articulation of customer needs, the design of offerings, and the sources of differentiation that drive competitive advantage. As such, it represents a central lever of strategy innovation, particularly through product and portfolio innovation.

1.2.5 How to capture value: the business model

The business model defines how the firm captures value from its activities. It represents the logic through which a firm converts the value it creates into economic returns, ensuring the sustainability of its strategy: in fact, creating value alone is not sufficient unless the firm is able to appropriate a share of that value.

The concept of the business model has been widely discussed in the literature, often in close relation to strategy. A commonly accepted definition describes it as «the design or architecture of the value creation, delivery, and capture mechanisms employed» (Teece, 2010). This perspective highlights that the business model is not limited to revenue generation, but encompasses the entire system through which value is monetized. Similarly, Amit and Zott (2001) emphasize that firms must not only create value, but also «capture part

of the value created», as competitive advantage ultimately depends on the firm's ability to retain economic benefits from its activities.

Value creation and value capture are distinct but interdependent processes: as noted in Teece (2010), firms may create significant value without being able to capture it, for instance in cases where competition erodes margins, or where complementary actors appropriate a large share of the value. Conversely, firms may achieve strong value capture through effective pricing or cost control, even in the absence of highly differentiated offerings. This distinction is particularly relevant in dynamic environments, where technological change and new business models can alter the distribution of value across the value chain.

Value capture can be decomposed into several key elements. First, revenue mechanisms define how the firm generates income, including pricing strategies, revenue streams, and payment structures. These may take different forms, such as one-time transactions, subscriptions, licensing, or platform-based models. Second, cost structure determines the economic efficiency of the firm, as it reflects how resources are allocated and how costs are incurred across activities. Third, the margin structure, resulting from the interaction between revenues and costs, ultimately determines the firm's profitability and its ability to sustain competitive advantage. In this sense, value capture can be interpreted as the economic dimension of strategy, linking strategic choices to financial outcomes.

All these elements can be innovated, redefining how value is captured: business model innovation refers to changes in the mechanisms through which firms generate revenues and profits, often involving new pricing logics, new revenue streams, or new ways of structuring transactions. It can be a powerful source of competitive advantage, as it may be more difficult to replicate than product innovations alone. In fact, value capture is closely linked to the concept of competitive advantage, as it determines the extent to which a firm can sustain superior performance over time. Metrics such as Return on Invested Capital are often used as proxies for value creation and capture, as they highlight whether a firm generates returns above its cost of capital: it has been discussed by literature (Scarso Borioli et al, 2025) how persistent differences in such metrics across firms and industries mirror the competitive

landscape, suggesting that value capture is not only a consequence of strategy, but also a key indicator of its effectiveness.

It is also important to recognize that value capture mechanisms must be aligned with the other components of strategy. A strong value proposition without an appropriate business model may lead to situations where customers benefit disproportionately relative to the firm. Similarly, an efficient operating model may fail to generate returns if pricing mechanisms are inadequate or if costs are not properly controlled. This highlights once again the systemic nature of strategy, where each component must be coherent with the others to ensure overall effectiveness. Finally, business model innovation provides a complementary perspective to product and portfolio innovation. While product innovation focuses on what is offered to customers, business model innovation focuses on how that offering is monetized. The two dimensions are often interrelated, as new products may require new pricing models, and new business models may enable the introduction of new products.

To summarize, the business model constitutes the fourth fundamental block of business strategy, defining how the firm captures value from its activities. It encompasses the mechanisms through which revenues are generated, costs are managed, and profits are sustained over time. As such, it represents a critical lever of strategy innovation, enabling firms to reshape not only how they create value, but also how they appropriate it in competitive environments.

Chapter 2. Business strategy disruption: why it happens and how to drive it

2.1 The changes of a business strategy

2.1.1 Drivers of strategic change

Business strategy is not, and should not be, set in stone. It's something inherently dynamic rather than static, representing the continuous «act of aligning a company and its environment» (Porter 1991): because the environment changes continuously, the same should happen to strategy. Strategy formation «walks on two feet», necessitating a balance between deliberate intentions and emergent patterns that arise in response to an evolving reality: «managing requires a light, deft touch to direct, in order to realize intentions while at the same time responding to an unfolding pattern of action. The relative emphasis may shift from time to time but not the requirement to attend to both sides of this phenomenon» (Mintzberg & Waters 1985).

Strategy changes fundamentally because firms are «vulnerable to death» if they fail to adapt to their environment (Van Straten 2020). In the contemporary landscape, the average lifespan of an S&P 500 company plummeted from 60 years in the 1960s to less than 20 years today (Hunsaker & Knowles 2021) due to the complexity of dynamic markets (López & Oliver 2023). That's why thinking is only truly strategic if it is «consequential for the outcomes, directions, survival, and competitive advantage of the firm», which requires moving away from static mental models and towards «near real-time decision making» rooted in renewal and resilience (Van Straten 2020).

Sometimes strategy must change because firms are embedded in innovation ecosystems, collaborative arrangements where value creation depends on the joint probability that all partners satisfy their commitments (Adner 2006). Additionally, changes in the five competitive forces, such as a patent expiration or a supplier raising prices, can «abruptly shift an industry's underlying drivers of profitability mandating a new strategic position» (Porter 2008).

Moreover, as any human activity strategy changes through a process of learning, where the realized outcomes of past actions inform the adaptation of future intentions. This feedback loop allows managers to identify emergent strategies that were never intended but proved effective and subsequently formalize them into deliberate plans. This prevents the organization from focusing on a «stable fantasy» and instead allows it to respond to an «evolving reality» (Mintzberg & Waters 1985).

Modern business strategy is increasingly set off by digital transformation, defined as «organizational change that is triggered and shaped by the widespread diffusion of digital technologies» (Hanelt et al. 2021). Unlike older IT systems, digital technologies are «generative, malleable and combinatorial», meaning they afford and ask for continuous innovation even after implementation. This forces firms to move toward «malleable organizational designs» that enable «continuous adaptation» rather than reaching a final state of strategic and organizational perfection where they can refreeze (Hanelt et al. 2021).

Strategy also changes due to the promise of intertemporal choices or their coming into place. A nowadays common example is digital washing, a strategic behavior where «enterprises selectively disclose their digital transformation progress to shape an advanced image of digital competitiveness while a significant gap remains between their actual investment and their public claims» (Zhou et al. 2026). This "say first, do later" approach allows resource-constrained firms to gain market recognition and external support: while strategy change is fundamentally driven by the need for evolutionary fitness and alignment with a shifting environment, digital washing provides a low-cost pathway for resource-constrained firms to initiate this alignment which is not merely opportunistic. Instead, it has «intertemporal strategic value» because it attracts the R&D personnel and strategic alliances necessary to eventually transform the talk into «substantive innovation» (Zhou et al. 2026).

Finally, in conditions of extreme time pressure or business disruption, strategy changes through the «affective reactions» (Netz et al. 2020), the emotions of management team: this is where the “art” connotation of strategy tends to show the most. It has been studied that in the face of sudden change experienced teams prioritize the specific nature of the emotion: positive affect (such as enthusiasm or serenity) reinforces recursive practices like information

updating of the strategy, while negative affect (regardless of its intensity) triggers adaptive doubting that can stall decision-making. In contrast, inexperienced teams rely on high levels of arousal to drive engagement: for these teams, intense emotions (whether positive or negative) increase the likelihood of mapping activities, whereas low-key emotions cause members to become passive or apathetic, hindering the information exchange required for strategic reconfiguration. Thus, the experience of a team and the kind and intensity of emotion elicited by an event modify the strategy in different ways (Netz et al. 2020).

2.1.2 Defining disruption

In a broader sense, business disruption can refer to unforeseen, potentially threatening incidents that disrupt normal operations and force management teams to make fast strategic decisions under extreme time pressure (Netz et al. 2020). In this connotation disruption is driven by unexpected events, such as operational accidents, reputational crises, supply chain breakdowns, or regulatory shocks, that abruptly challenge existing routines and strategic assumptions. Netz et al. (2020) shows that such events create high-velocity decision contexts characterized by ambiguity, emotional strain, and severe time constraints, requiring organizations to rapidly assess whether an incident constitutes a strategic issue and to coordinate responses across hierarchical levels.

Firms can partially prevent the escalation of these disruptions through competitive intelligence and strategic early warning processes, which are designed to detect weak signals, monitor competitors, and identify emerging threats before they materialize into full-scale crises (Gilad 2011). In fact, a strong and independent competitive intelligence function aides strategic management by challenging assumptions and reducing overreliance on managers' intuition and past success.

Disruptions in this sense often escalate due to three recurrent organizational failures: big management egos and lack of countervailing power (like a strong and indented competitive intelligence function), outdated strategies resulting in the loss of competitive advantage, and insufficient monitoring of the external environmental dynamics. When these conditions prevail, firms are more likely to be surprised by foreseeable events and forced into reactive,

emotionally charged decision-making. Effective responses therefore depend not only on crisis management capabilities, but also on the institutionalization of intelligence practices that enable anticipation, rapid sensemaking, and coordinated strategic action under pressure.

However, not all industry shake-ups are disruptions. Firstly, different types of innovation have distinct competitive effects and must be treated as «distinct phenomena» (Markides 2006). Secondly, disruption is fundamentally «not a technology problem, it [is] a business model problem» (Schmidt & Scaringella 2020): no innovation is inherently disruptive by itself, rather firms make strategic choices to position an innovation disruptively, often by targeting specific segments ignored by incumbents (Schmidt & Scaringella 2020, Christensen et al. 2015).

In fact, disruption is «a process whereby a smaller company with fewer resources is able to successfully challenge established incumbent businesses» (Christensen et al. 2015). It is not an isolated event or a fixed point in time, but rather an evolutionary path that a product or service follows from the fringe of a market to its mainstream (image 2, Appendix). According to (Christensen et al. 2015), disruptive innovations originate in one of two market spaces that established firms typically overlook: low-end footholds and new-market footholds. Low-end footholds occur because incumbents overshoot the needs of their less-demanding customers by focusing on their most profitable segments, thus creating an opening for an entrant to provide a «good enough product» at a lower price. On the other side, new-market footholds turn out because disrupters create a market where none previously existed, effectively finding a way to «turn non-consumers into consumers» (Christensen et al. 2015). Since «incumbents are chasing higher profitability in more-demanding segments, [they] tend not to respond vigorously. Entrants then move upmarket, delivering the performance that incumbents' mainstream customers require, while preserving the advantages that drove their early success» (Christensen et al. 2015). Finally, true disruption has occurred when mainstream customers have adopted the entrant's offerings in volume after the entrant has moved upmarket and improved its quality to meet mainstream standards.

2.1.3 External factors driving disruption

Disruption is driven by a complex interplay of environmental shifts, strategic choices, and organizational capabilities.

Some of these factors are external to the firm and lie outside its direct control, relating mostly to shifts in industry structure and the broader technological landscape. Literature (Caner & Madhavan 2024) explains they can manifest as Black Swans (unpredictable, high-impact events), Gray Swans (high-impact, predictable but low-probability events), or Gray Rhinos (highly probable threats that are neglected on purpose until they occur), however the reality has many more shades.

A first circumstance relates to creative destruction and technological shift: the competitive context, which is more and more characterized by innovation-based competition and price-performance rivalry, can lead to «creative destruction», where existing organizational competences are rendered obsolete by radical changes (Teece et al. 1997, Tripsas 1997). The widespread diffusion of digital technologies, which are generative and malleable, shapes organizational change by forcing firms to adapt to new infrastructures (Hanelt et al. 2021).

Industry structural dynamics also play a major role. As profitability is dictated by five competitive forces (suppliers, buyers, entrants, substitutes, and rivalry), abrupt changes such as «advances in technology creating new substitutes» can rapidly erode the drivers of an industry's profitability (Porter 2008), pushing for change. Moreover, since modern firms operate within innovation ecosystems (Adner 2006), disruption can arise from interdependence risks (partners failing to deliver) or integration risks (delays in adoption across the value chain).

Disruption is also heavily influenced by the nature of the institutional environment, specifically whether it is governed by mandatory compliance or guidance-oriented policies. For example, in digital transformation, a relatively lenient institutional environment gives firms greater autonomy and lower regulatory risk compared to sectors like environmental protection, where strict taxes and mandatory standards prevail, and dictate strategy changes (Zhou et al.

2026). Beyond specific laws, institutional assets such as the national system of higher education, the judiciary, and intellectual property regimes (like patent and antitrust laws) act as macro-level determinants of how far and fast an industry can innovate (Teece et al. 1997, Teece 2007).

Moreover, customers themselves are a source of turbulence, embedding firms in environments characterized by high volatility and «unpredictability because of rapid changes in customer needs». In these systems, cause and effect may «cascade in unpredictable ways», requiring firms to co-evolve with a dynamically changing global landscape (Hanelt et al. 2021).

2.1.4 Internal factors aiding or hindering disruption

Other factors are to be found inside the firm: internal factors driving disruption refer to the internal capabilities, cognitive processes, and strategic choices that allow a firm to either successfully challenge incumbents or, in the case of established firms, survive such threats. These factors are often rooted in the way an organization perceives its environment and orchestrates its resources.

A firm's capacity for disruption is powered by its dynamic capabilities: the ability to «integrate, build, and reconfigure internal and external competences to address rapidly changing environments» (Leonard-Barton 1992). This includes strategic sensing, seizing and strategic learning. Strategic sensing is the ability to scan the ecosystem to identify and shape opportunities, threats and shifts in market conditions before they are visible to others (Cruz-Sánchez et al. 2020, Teece 2007), thus gaining a first mover advantage. Seizing refers to the «ability to promptly and effectively mobilize internal and external resources to capture the value of identified opportunities» (Cruz-Sánchez et al. 2020), hence making high-quality, unbiased investment decisions and selecting the right strategic architecture or business model to commercialize innovations (Teece 2007). Finally, strategic learning is key because strategy relies on a constant feedback loop between deliberate intentions and emergent patterns realized through practice. This allows managers to act before everything is fully understood, responding to an «evolving reality rather than a stable fantasy» (Mintzberg & Waters 1985).

Moreover, there are some forms of organizational design that aid disruption. In fact, disruption prizes firms who have malleable organizational designs that enable continuous adaptation to digital, everchanging business ecosystems (Hanelt et al. 2021). To remain responsive, organizations must favor decentralization, which brings top management closer to technological shifts and customer needs, facilitating near decomposability and decentralization: this allows autonomous units to act rapidly on local information without the need for a comprehensive "roll-up" of data to a central authority (Teece 2007).

Another critical internal element are specialized complementary assets, as they determine whether a firm can appropriate the value of an innovation, regardless of who invented the underlying technology (Tripsas 1997). A fundamental tenet of strategy is that technology per se has no inherent value, its commercial potential must be unlocked through a viable business model (Zott et al. 2011). In a regime of weak intellectual property protection, a firm's competitive advantage rests not on the invention itself but on bottleneck assets or choke points in the value chain (Teece 2007). If an incumbent owns specialized manufacturing, distribution networks, or proprietary content, it can maintain its market position even if its new products are technically inferior to those of entrants (Tripsas 1997). Specialized assets are often idiosyncratic and result in thin markets where the assets cannot be readily bought or sold (Teece 2007): because these assets must be built rather than bought, they are highly resistant to imitation. When assets are cospecialized, meaning their value is maximized only when used in conjunction with other specific assets, the incumbent creates a self-reinforcing system that new entrants cannot easily dismantle, even with a disruptive product (Teece 2007). The possession of these assets alters the timing of resource commitments (Adner 2006): well-positioned incumbents can afford to wait and let entrants do the prospecting for new technologies, only investing later, once market risk has diminished, because they know their complementary assets will eventually force entrants to work with them or allow the incumbent to catch up commercially (Tripsas 1997). Thus, specialized complementary assets can act as a strategic buffer during disruption.

However, the internal drive and capacity for disruption is heavily influenced by how management teams think and react under pressure: it has already been discussed (paragraph

1.2.1) how difference in experience can influence the quality of the strategy planning and its execution in the face of sudden change, but affective reactions are not the only factor driving engagement. Managers use analogies to transfer wisdom from familiar settings to novel ones. The effectiveness of this analogical reasoning depends on depth and breadth of experience and on the quality of the mental representation, focusing on dimensions that truly distinguish similar industries (Gavetti et al. 2005).

Disruptive success also requires overcoming internal rigidities, biases and mental models. Organizations may fail to disrupt or be disrupted because managers «coast», leading to a state of strategic inertia where leaders stop actively searching the physical environment for change and instead repeat established routines they have mastered. This behavior is a primary driver for why organizations are eventually outpaced by competitors or fail to innovate, as it creates blind spots, overlooked risks or opportunities, such as emerging technologies or evolving customer behaviors, that the organization fails to recognize due to limited perspective or incorrect assumptions (Gilad 2011). Another common cause is the anti-cannibalization bias, where firms «limit their new investments to innovations that are ‘close-in’ to the existing asset base» (Teece 2007), meaning that they refuse to invest in new products that might hurt their existing profitable lines.

Since disruption is a business model problem, it also relates to the value proposition innovation, which involves making strategic choices to position a business model disruptively relative to established alternatives. Specifically, internal activities related to new offerings and new channels serve as micro-level mechanisms that fully mediate the relationship between a firm's capabilities and its disruptive success (Schmidt & Scaringella 2020).

Referring to the ship analogy, external disrupting factors resemble sudden changes in sea conditions that lie beyond the captain's control: a rise in sea level (technological change) that reshapes the competitive landscape, or the emergence of hidden reefs (new substitutes or ecosystem dependencies) that render established routes hazardous, forcing vessels to reconsider routes that were once safe and profitable. Internal factors hindering disruption stem from failures in navigation and command. They include the captain's refusal to consult the sonar (managerial blind spots, strategic coasting, and other biases) as well as the crew's

affective reactions under stress, which impair coordination when waves intensify. Conversely, internal factors aiding disruption reflect superior navigational capabilities and vessel design. An agile speedboat, representing the disrupter, exploits dynamic capabilities to sense shallow waters, seize emerging passages, and learn rapidly from feedback, allowing it to navigate coastal routes ignored by larger ships. Meanwhile, the incumbent liner's heavy engine (its legacy business model and specialized assets) provides stability and protection but limits maneuverability. In this sense, disruption is not merely a storm at sea but a test of whether a vessel can perceive changing topography, adjust its navigation logic, and reconfigure its capabilities before the traditional deep-water route becomes impassable.

2.2 Why firms must actively change their strategy

2.2.1 Defining self-disruptive business strategy

A self-disruptive business strategy is a proactive internal mechanism where an organization purposefully initiates the «refreshment or replacement» (Agarwal & Helfat 2009) of its own strategic attributes to ensure long-term viability. This process implies altering, undermining, or replacing its existing sources of competitive advantage, business model or strategic positioning, often before external environmental pressures (paragraph 1.2.3) force such a change by rendering them obsolete.

Disruption is defined as an evolutionary process where smaller entrants challenge incumbents (paragraph 1.2.2) asking firms to respond by reactive adaptation, hence changing the strategy in response to external shocks or competitive threats. Unlike it, self-disruption shifts the agency from the external competitor to the firm's internal management. It represents a deliberate choice to “break” the existing business strategy to adopt a new one before the old one becomes outworn. Given that business strategy is an hypothesis about value creation under uncertainty, realized through a combination of deliberate intent and emergent learning, a self-disruptive strategy emerges at the intersection of this concept and the one of disruption: it is the conscious decision by an organization to revise its own strategic hypothesis and value logic, even when the existing strategy remains profitable and operationally sound.

Self-disruption focuses on how incumbents can replicate internally the conditions of disruption by allocating resources to alternative value trajectories, tolerating short term inefficiencies and under-delivery in the performance metrics. This is why self-disruption can be framed as a form of strategic renewal that is intentional and anticipatory, rather than forced and defensive.

«Strategic renewal includes the process, content, and outcome of refreshment or replacement of attributes of an organization that have the potential to substantially affect its long-term prospects» (Agarwal & Helfat 2009). Unlike general strategic change, which may include simple additions or deletions, renewal specifically involves restoring strength (refreshment) or substituting existing attributes with qualitatively different ones (replacement) to provide a foundation for future regrowth. It will be discussed that this process can be incremental or discontinuous. In fact, a firm could proactively introduce sequential innovations to create entry barriers and lead the external environment (rather than merely reacting to it), or it can put in place discontinuous transformations involving a fundamental shift in the firm's primary business model or technological base.

Hence, self-disruptive business strategy entails a balancing between refreshing and replacing the existing strategy whose success depends on dynamic capabilities (paragraph 1.2.4), as these capabilities allow managers to overcome organizational inertia, specifically resource rigidity (the failure to change investment patterns) and routine rigidity (the failure to adapt the processes using those resources) (Gilbert 2005). Self-disruption requires managers to overcome the anti-cannibalization bias, the refusal to invest in products that might hurt current profitable lines, and avoid «strategic coasting», where leaders simply repeat established routines they have mastered.

In the ship's metaphor, self-disruption is the captain deciding to dismantle the engine and install a new, experimental propulsion system while still in the middle of the ocean. It is the risky act of admitting that while the current engine (the existing strategy) is working perfectly today, the fuel is running out or the winds are shifting. The captain chooses the controlled chaos of a mid-voyage rebuild (strategic renewal) rather than waiting to become a stationary target for the faster speedboats (disrupters) already appearing on the horizon.

2.2.2 Standing still is falling behind: the Red Queen Effect

There are many reasons why a firm should implement a self-disruptive business strategy instead of passively waiting for something else in its environment to force the change. As already defined, strategy is the continuous act of aligning a company with an ever-evolving environment; failure to do so renders the firm vulnerable to death as its competitive advantage erodes.

The primary motivation for proactive strategic change is the so-called Red Queen Effect, a theoretical construct that describes a reciprocal system of causality where «competitive success and failure evolve through an ecology of organizational learning» (Barnett & Hansen 1996).

It's named after Lewis Carroll's character in *Through the Looking Glass*, who informs Alice that in her world, «it takes all the running you can do, to keep in the same place». This means that, since the environment is changing incredibly fast, stagnant firms do not merely stay still, they effectively regress as the competitive environment sharpens, and those who keep the pace with the environment, adapting to its disruptions, are basically staying still. Hence the fundamental "why" behind the necessity of active strategic change: to reach some place, a firm needs to run two times faster; it's not enough to follow and adapt to what happens, there must be a drive for change that comes from within.

It's important to notice that an organization's "fitness", meaning the ability to align with, survive within, and prosper across an evolving environment, is not absolute but relative to its rivals: when one firm improves its practices, it intensifies the pressure on others to engage in their own search for performance improvements, thus a firm's strategy emerges as a series of incremental adaptations. Over time, these small changes accumulate into potentially large evolutionary differences, developing strategic capabilities that may or may not have been intended by top management.

This is why Barnett & Hansen (1996) warns against the hazard of isolation: firms that achieve an isolated strategic position or occupy a monopoly may enjoy short-term static benefits, but

they ultimately fail because they lack the stimulation required to continuously improve: organizations that achieve a "sole occupancy" position lose the Red Queen stimulus. As competition triggers learning, these firms are more likely to run aground when the environment eventually shifts, because they have not practiced the "running" (adaptation) required to stay fit.

In conclusion, in competitive environments characterized by rapid innovation a firm must keep running, changing its strategies in a proactive way. It can't rely on its competitive advantage to last, as competition is an evolutionary process in which firms continuously try to best one another. If a firm stops running, its relative fitness declines as rivals coevolve and sharpen their own capabilities, and it falls behind.

However, self-disruption is not about growth or dominance per se, it is instead about survival and evolutionary fitness: as competitors imitate, innovate and recombine the existing features, the strategic horizon continuously moves. Firms that refrain from challenging their own strategies risk being left behind, locked into outdated value logics. (Leonard-Barton 1992; Tripsas & Gavetti 2000).

2.2.3 Breaking suboptimal equilibria

Organizations must continuously disrupt their own strategies also because the very knowledge sets that provided their initial success can become terminal weaknesses (Leonard-Barton 1992). This is the case of core rigidities, the «dysfunctional flip side» (Tripsas & Gavetti 2000) of core capabilities. While these interrelated knowledge systems (comprising values, employee skills, and technical and managerial systems) initially enable innovation, they become rigidities when the deeply embedded values and routines that served the firm in the past inhibit response to environmental shifts.

Firms often fall into "competency tramps", where they respond to new environmental shifts using routines learned under a previous regime. Research shows that while recent competitive experience increases viability, experience from the distant past can backfire, as the lessons learned become outdated and lead to «senescence and obsolescence» (Barnett & Hansen

1996). This is often manifested as shared set of beliefs based on historical success that limits how managers frame problems and search for solutions.

In addition, managerial coasting reinforces this strategic inertia by having managers repeat established routines they have mastered (Gilad 2011), leading to blind spots regarding emerging trends or internal weaknesses.

Self-disruption is essential to prevent an organization from being trapped in a suboptimal equilibrium, a state where it's highly efficient at an activity that is no longer relevant. In fact, self-disruption serves as a vital check against the over-exploitation of old certainties: without a balance of exploration, search and experimentation, firms risk being trapped in suboptimal stable equilibria, where their current efficiency prevents them from noticing that their strategy is becoming less viable as time goes by (March 1991).

Breaking these equilibria requires a deliberate shift toward the autonomous strategic process, where entrepreneurs test the boundaries of the corporate strategy and address organizational inertia in the forms of resource and routine rigidity (Gilbert 2005). A proactive perception of an imminent threat, self-disruption, can act as a catalyst to unlock resources and force a commitment to new strategic initiatives by changing the old logics.

If the organization is a racing boat, the Red Queen Effect is a strong marine current that pushes the vessel and all competing boats away from their intended direction. Progress requires the engine to operate at an ever-increasing speed simply to maintain position. When one firm upgrades its engine, competitors are compelled to do the same, not to gain advantage but to avoid falling behind. Then, your core capabilities are the heavy lead keel that keeps the boat stable in familiar waters; however, if the race moves into a shallow lagoon (a novel environment), that keel becomes a core rigidity that causes you to run aground. To survive, the captain must be willing to "self-destruct" the original design of the vessel, perhaps by switching to a lighter, retractable keel, to maintain the boat's evolutionary fitness in a sea that never stops changing.

2.2.4 Break it before it breaks

The decision to initiate self-disruption is a rational response to the diminishing durability of competitive advantage, as the procrastination of strategic change significantly escalates both economic and organizational costs. In fact, «incremental strategic renewal, if undertaken proactively, may enable firms to cope with changes in the external environment as they take shape, and thereby reduce the need for a much larger and more difficult transformation later on» (Agarwal & Helfat 2009). By contrast, delaying such change will often result in discontinuous transformation under crisis conditions, where external competence-destroying shifts render the core of the firm useless and make survival significantly more difficult (Tushman & Anderson 1986).

Early self-driven disruption functions as an internal window on future environmental variations, enabling an organization to discover intentions and manage uncertainty through an autonomous strategic process (Burgelman 1991). In fact, this process is often brought on by middle managers or astute technologists who possess unique data on emerging markets, and it can provide top management with a view into future environmental variations before they manifest as industry-wide shocks (Tripsas & Gavetti 2000).

This bottom-up experimentation allows firms to coevolve with their environment incrementally and without shocks, thereby avoiding to age without noticing until it's too late to act. Early self-disruption allows for incremental strategic renewal, a sequence of path-dependent innovations that keep pace with environmental shifts, in contrast with discontinuous transformations, which are often high-stakes bets made under crisis conditions when the firm's primary business has already begun to decline.

When disruption is imposed by the environment rather than chosen, organizations often find themselves operating under extreme time pressure and emotional strain, increasing both economical and operational costs due to poor decision quality. In high-velocity contexts, the quality of strategic choice is compromised by affective reactions rather than analytical processing as part of mental shortcuts to make fast strategic decisions. It's noteworthy that affective reactions are not bad per se as they serve as social signals that regulate information

processing between middle management and corporate levels. However, if not managed, they can lead to affective conflict, personal disagreements that distract the team from the strategic task at hand and stall the decision-making process (Netz & al. 2020).

Moreover, a strong perception of an imminent external threat acts simultaneously as a catalyst for investment and a constraint on organizational adaptation, leading to a state of active inertia, where firms respond to a crisis by doubling their speed along the same misdirected path, relying on mastered routines that are no longer relevant to the new landscape (Gilbert 2005). This behavior is strengthened by cognitive inertia, where a management team's mental models and dominant logic derived from historical success fail to evolve alongside a rapidly changing environment (Tripsas & Gavetti 2000).

Finally, implementing a self-disruptive strategy is not merely an internal reconfiguration of resources; it serves as signaling mechanism designed to acquire and maintain legitimacy in the eyes of critical external and internal stakeholders. When an organization proactively "breaks" its own strategy, on the one side it communicates a capability to anticipate hence resist to external changes, and on the other it creates a reputation for adaptability and innovation (Agarwal & Helfat 2009). It can also be applied as a "say first, do later" mechanism that signals a future state before a firm has fully achieved it to attract resource endowments: by signaling a disruptive path, resource-constrained firms can attract the high-tier R&D personnel and strategic alliances required to actually execute the innovation they have promised (Zhou et al. 2026). In this sense, self-disruption acts as a magnet for the very resources needed to complete the transformation.

To summarize, by proactively redefining its strategic direction, a firm is at the same time surviving and besting a quick-moving environment and its competitor, signaling to the market that it is not a prisoner of its own success and core capabilities, and avoiding having to take drastic measures when external disruption occurs. Breaking the strategy before it's broken by the external environment is for a firm key to survive and be the creator of its own future: the choice for management is not whether to experience disruption, but whether to control the process through strategic renewal or to be victimized by it during a terminal crisis.

2.3 Implementing self-disruptive strategies

2.3.1 The need for ambidexterity

«Organizations attempt to manage a number of dualities, such as exploration and exploitation, integration and responsiveness, low cost and differentiation, efficiency and flexibility, and so on. The simultaneous management of these tensions has been framed as an ambidexterity issue» (Markides 2013). In the discipline of strategic management, ambidexterity is defined as an organization's capacity to manage two different and often conflicting strategic demands simultaneously. This capability is fundamental to the "break it before it breaks" philosophy, as it allows a firm to maintain its current competitive advantage while proactively developing the foundations for its future. In fact, ambidexterity involves the simultaneous management of several organizational tensions, most notably the balance between exploration and exploitation (Markides 2013).

«Exploitation focuses on the refinement, efficiency, production, and execution of old certainties» (March 1991). It is the act of governing existing value trajectories to ensure short-term profitability by creating a new version of the existing offer that appeals to your target customers, who are currently buying from the competitors because they believe they're better.

On the other hand, exploration involves search, variation, risk-taking, and experimentation with new possibilities (March 1991). It is the act of opening new value trajectories that may eventually replace the current core business by pursuing non-consumers for whom new products, services, or experiences need to be designed. It's about convincing millions of people to start using something, creating demand for a product that didn't even exist before, going after unarticulated needs and unserved customers.

Exploration is imperative for many reasons, starting with the fact that all industries and all products have lifecycles, and when a product reaches the declining stage is better to have a new one ready to substitute it. The Red Queen Effect (paragraph 2.2.2), the need to avoid suboptimal state equilibria (paragraph 2.2.3), overcoming inertia (paragraph 2.2.4) and all the

other reasons to “break the strategy before it breaks” are drivers that should encourage firms to pursue exploration.

However, the dark side of the story is the low success rate (Castellion & Markham 2013): «one in four (25%) new SKUs are no longer bought 1 year later, a rate that increases to approximately 40% 2 years post-launch» (Victory & al. 2021). These data force firms to wonder why they should innovate at all. The answer is that without new products, signaling the stakeholders the future the company has in mind, there can be no growth and no future. It is true that in the early days the company will have to pursue a niche that may turn to be profitable or not, but if it does, if the firm manages to take on the majority of customers, revenues will explode. And if it doesn't, the firm will fail anyway because it won't be able to keep up with the changes happening in the environment.

Hence the need for, and the complexity of, ambidexterity, which arises when exploration of new possibilities and the exploitation of existing value sources have to be balanced. «The original concept of ambidexterity was all about a difficult trade-off the modern corporation faces: that of managing a duality. What makes this task difficult is the fact that the behaviors, attitudes, mindsets, and allocation of resources (money, time, attention) needed to manage one aspect of the duality (i.e., exploiting the current business) are not only different but also conflict with those needed to manage the other aspect of the duality (i.e., exploring new technologies and businesses). Conflict implies that by trying to do A and B, A suffers.» (Markides 2013).

Ambidexterity is the organizational manifestation of what Scott Fitzgerald (1936) called "first-rate intelligence": «to hold two opposed ideas in mind at the same time and still retain the ability to function». It is not merely a structural solution but a strategic commitment to renewal. By maintaining top-driven strategic intent (exploitation) while simultaneously nurturing bottom-up internal experimentation (exploration), firms can negate the inevitability of aging and sustain their evolutionary fitness in an ecology of sharpening competition (Burgelman 1991, Agarwal & Helfat 2009).

At its core, self-disruption is a shift toward exploration (search, variation, and risk-taking) over exploitation (refinement, efficiency, and execution) (March 1991). Organizations that engage only in exploitation risk being trapped in suboptimal stable equilibria, while those that explore too much may suffer the costs of experimentation without gaining its benefits. A self-disruptive strategy seeks an ambidextrous balance, where the firm simultaneously manages its current mainstream business while building a potentially disruptive new business in an independent unit to avoid the spillover of old corporate culture and policies.

2.3.2 Pursuing ambidexterity: innovation funnels and errors

Markides (2013) identifies three primary mechanisms through which organizations can implement an ambidextrous strategy: structural separation, temporal separation, and contextual ambidexterity. Structural (or spatial) separation entails keeping the two business models physically separate in distinct organizational units, protecting the pioneers of the new venture from the spillover of the established corporate culture and systems (Markides 2013, Leonard-Barton 1992). Temporal separation requires undertaking seemingly incompatible activities at different times, such as moving from a decentralized exploration-intensive stage to a centralized exploitation stage (Markides 2013). Contextual ambidexterity involves designing an organizational context (including values, culture, and incentives) that encourages and supports individual employees in balancing conflicting demands on their own time and attention.

Building on this framework, contextual ambidexterity can be interpreted as a *condition sine qua non* for ambidextrous behavior (Gibson & Birkinshaw 2004), as it trains individuals to continuously balance exploration and exploitation demands. Temporal separation, by contrast, appears more as a stylistic or strategic choice, reflecting different phases in the organizational life cycle rather than a universally required mechanism (March 1991). Finally, a substantial body of research (O'Reilly & Tushman 2013) provides empirical support for the effectiveness of structural separation, particularly in enabling firms to pursue radical innovation while protecting it from the constraints of the core business. This is why having in place two parallel innovation funnels, one taking care of exploitation and a different one for exploration, is a best practice.

When a company has to come up with something new, it pushes ideas through innovation (or development) funnels: it begins with a large number of hypothesized solutions that get validated or not as time goes on, until only one remains. Whether consciously or not, this process applies to all aspects of the company: its playing field, operating model, business model, and especially its value proposition.

The innovation funnel is a conceptual framework designed to manage the progression of a product from its initial ideation to its eventual commercialization. It provides a disciplined structure where a large volume of initial ideas is systematically narrowed down to a single, high-potential market result. This process is operationalized through a sequence of distinct stages, each separated by a gate where management must make critical go/no-go decisions (O5, Crawford & Di Benedetto 2015).

While the specific design of an innovation funnel can vary between organizations, scholarship (O5, Crawford & Di Benedetto 2015) identifies five core stages essential for successful development:

1. Opportunity identification: this initial stage focuses on finding gaps in the marketplace through either market research for existing trajectories or exploratory methods for new ones;
2. Concept generation: the unrefined idea is transformed into a defined product concept that outlines a specific need, the intended technology, and a clear value proposition;
3. Concept evaluation: this stage involves testing the concept's feasibility and desirability before committing significant engineering resources;
4. Development: the organization conducts rigorous business analysis and technical development, to assess the economic viability of the project;
5. Test and launch: the final stage involves validating the solution in real-world or simulated market conditions to refine the launch strategy and ensure large-scale implementation is defensible.

The central function of the funnel's gates is to ensure the efficient allocation of limited corporate resources and to mitigate risks. Large organizations often fail to innovate because they push new, high-potential ideas through the same development funnel used for their core business. However, exploration of new value trajectories and exploitation of the existing ones must be conducted in a parallel way: firms should learn to become ambidextrous in organizing for innovation in terms of mindset, decision making and operating trajectories and routines. Thus, they should have two different funnels, one to analyze new ideas, one to improve the existing value sources.

This duality decreases the risks of incurring in two failure modes: the Type 1 and Type 2 error.

If a potential new venture is perceived as a "rounding error" compared to the core revenue, management may deny it resources, thus incurring in the Type 1 error: it occurs when a management team gives a "go" decision to a product concept or strategic initiative that should have received a "no go". In this scenario, the organization proceeds through a gate in the innovation funnel and commits significant resources (capital, managerial time, and attention) to an idea that eventually fails to create value in the marketplace. The primary outcome of a Type 1 error is the waste of corporate resources. This is described as the "drama of survival or discontinuity". If a firm commits too many Type 1 errors, it risks draining its financial reserves on unrewarding projects, potentially leading to bankruptcy or a significant regression in competitive standing. To avoid Type 1 errors, firms often rely on traditional market research, listening closely to their "core customers" to ensure there is a confirmed demand before entering the expensive development or test-and-launch phases.

On the other side, listening too much to the customers could lead to the Type 2 error, the "drama of missed opportunities", where a breakthrough idea that should have deserved a "go" decision is instead given a "no-go". Type 2 errors frequently occur because managers rely too heavily on the feedback of their current core customer base, who may not perceive the value of radical innovations.

Consistently successful organizations avoid being trapped in suboptimal stable equilibria by balancing exploration and exploitation, in a double quest for growth: protecting radical ideas

from premature rejection by opening new value trajectories through exploratory techniques to safeguard against Type 2 omissions, while maintaining discipline over incremental improvements by governing existing value trajectories through rigorous analytical tools to prevent Type 1 failures.

This allows new ideas to be treated like option values, as early-stage innovation investments entail limited downside risk due to small and reversible commitments, while offering potentially substantial upside, and to be evaluated using different logic than the mature business.

Chapter 3. A focus: designing disruption through the product and portfolio innovation

3.1 The role of product and portfolio innovation in strategy renewal

3.1.1 Product innovation as the primary interface with the market

Among the different dimensions through which strategy can be innovated, product innovation occupies a distinctive position as the primary interface between the firm and the market. While strategic choices related to the playing field, operating model, or business model shape the underlying logic of competition, it is ultimately through products and services that these choices become visible and meaningful to customers. In this sense, product innovation represents the most immediate and tangible expression of strategy, as it directly embodies the value proposition offered by the firm.

This centrality can be traced back to the notion that competitive advantage is rooted in the creation of customer value. As Porter (1996) argues, «strategy is the creation of a unique and valuable position», which implies that firms must offer something distinctive that customers are willing to choose over alternatives. This distinctiveness is most often experienced through the product or service itself, which acts as the vehicle through which value is delivered. Similarly, the business model literature defines the value proposition as «the bundle of products and services that create value for a specific customer segment» (Osterwalder & Pigneur, 2010), reinforcing the idea that products are the primary carriers of strategic intent.

This perspective highlights that, although strategy is formulated at an abstract level, it is enacted through concrete offerings. Customers do not observe strategies, capabilities, or organizational structures directly; instead, they evaluate products and services based on their features, performance, price, and overall experience. As a result, product innovation becomes the most visible dimension of competition, as it shapes customer perception and ultimately determines market success. In this sense, product innovation can be understood as the point where strategy meets reality, translating high-level choices into observable outcomes.

Moreover, product innovation plays a critical role in mediating the relationship between the firm and its environment. Innovation studies emphasize that firms operate within complex

systems involving multiple actors, including customers, competitors, and institutions, and that innovation emerges from continuous interaction and feedback loops among these actors. Product innovation is therefore not only a result of strategic decisions, but also a mechanism through which firms learn from the market and adapt their strategies over time.

Another important implication is that product innovation is particularly suited to operationalizing strategy innovation: compared to other dimensions such as business model or operating model innovation, which may require deep organizational transformations, product innovation often provides a more accessible entry point for change. Firms can introduce new products, modify existing ones, or experiment with different configurations of features and attributes without necessarily altering the entire organizational system. This makes product innovation a practical and incremental way to initiate strategic renewal, especially in environments characterized by uncertainty and rapid change.

At the same time, product innovation is not limited to incremental improvements. It can also take the form of more radical transformations that redefine the basis of competition. Schumpeter's (1934) notion of innovation as «new combinations» includes the introduction of new products as a fundamental source of economic change. Such innovations can create new markets, disrupt existing industries, and alter competitive dynamics. However, even in these cases the impact of innovation is ultimately realized through products and services that embody these new combinations and make them accessible to customers.

Furthermore, product innovation is closely linked to the firm's ability to differentiate itself in the market. Differentiation strategies rely on offering products that are perceived as superior along dimensions that matter to customers, such as quality, functionality, design, or brand. In this context, product innovation becomes a key lever for sustaining competitive advantage, as it enables firms to continuously adapt their offerings to changing customer preferences and competitive pressures. This is particularly important in dynamic markets, where imitation by competitors erodes advantages over time, requiring firms to renew their product portfolio on an ongoing basis.

Finally, the centrality of product innovation does not imply that it operates in isolation from other strategic dimensions. On the contrary, it is deeply interconnected with the playing field, the operating model, and the business model. Changes in the product offering may require adjustments in distribution channels, production processes, or pricing mechanisms, while shifts in the playing field may necessitate the development of new products tailored to different customer segments. However, despite this interdependence, product innovation remains the most direct and immediate way in which strategic change is experienced by the market.

In short, product innovation occupies a privileged position within strategy innovation as the primary interface between the firm and its environment. It translates abstract strategic choices into concrete offerings, shapes customer perception, and provides a practical mechanism for initiating and sustaining strategic renewal. For this reason, it represents a particularly relevant lens through which analyze self-disruptive strategies, as it captures the point where strategic intent is transformed into market impact.

3.1.2 Product innovation as a driver of strategic renewal

While product innovation represents the most immediate interface between the firm and the market, its strategic relevance extends far beyond this role. In many cases, product innovation acts as a catalyst for broader strategic renewal, triggering transformations that affect multiple dimensions of the firm's strategy. Rather than being limited to incremental improvements of existing offerings, product innovation can initiate deeper changes in capabilities, organizational structures, and even business models, thereby becoming a key mechanism of self-disruption.

This transformative role is rooted in the nature of innovation as a process of recombination and change. As Schumpeter (1934) argues, innovation consists of «new combinations» that disrupt existing equilibria and drive economic evolution: within this framework, new products are not merely outputs of the firm's activities, but vehicles through which these new combinations are introduced into the market. Their impact is therefore not confined to the product itself, but extends to the broader system in which the firm operates.

One of the most important contributions to understanding this dynamic is provided by Henderson and Clark (1990), who distinguish between different types of innovation based on their impact on components and system architecture. In particular, they show that innovation may «change the way in which components are linked together», even when individual components remain relatively unchanged. This type of architectural innovation is especially relevant in a strategic context, as it can fundamentally alter the knowledge base of the firm and disrupt established competitive positions. As a result, product innovation may simultaneously enhance and destroy existing competencies, forcing firms to reconfigure their capabilities and rethink their strategic orientation.

This highlights that product innovation can act as a driver of strategic renewal by challenging the internal consistency of the firm: introducing a new product often requires new technologies, new skills, or new processes, which may not be compatible with existing routines. In this sense, innovation exposes the limits of current capabilities and creates pressure for organizational adaptation. This is consistent with the dynamic capabilities perspective, according to which firms must «integrate, build, and reconfigure internal and external competences» to respond to changing environments (Teece, Pisano, & Shuen, 1997). Product innovation therefore becomes a trigger for capability development and transformation, enabling firms to renew their strategic foundations over time.

An important implication of this perspective is that product innovation can serve as an entry point for broader strategic transformation. While changes in the business model or operating model may be difficult to initiate directly due to organizational inertia, product innovation often provides a more concrete and manageable starting point. By experimenting with new products, firms can explore new technologies, test new markets, and gradually build the capabilities required for more extensive strategic changes. In this sense, product innovation functions as a mechanism of exploration, allowing firms to move beyond existing trajectories without immediately committing to large-scale transformations.

At the same time, product innovation can also reshape the external environment of the firm by altering the basis of competition. Christensen et al. (2015) defines disruptive innovation as a process through which new entrants introduce inferior products that initially target

overlooked segments and eventually challenge established incumbents: in this context, product innovation is not simply a response to existing demand, but a mean to redefine markets and create new competitive dynamics. As they argue, «disruption is a process whereby a smaller company with fewer resources is able to successfully challenge established incumbent businesses», and although this process is often associated with new entrants, incumbents can also engage in similar dynamics by developing new products that challenge their own existing offerings, thereby engaging in self-disruption.

The impact product innovation will have on strategy depends on its degree of novelty. Incremental innovations may reinforce existing strategies by improving efficiency or enhancing customer satisfaction, while more radical innovations may require a redefinition of the firm's strategic logic. As highlighted in Henderson & Clark (1990), innovation can be both competence-enhancing and competence-destroying, depending on how it affects the firm's existing knowledge base. This dual nature makes product innovation a particularly powerful but also risky lever of strategic renewal, as it can either strengthen or undermine the firm's competitive position. The role of product innovation as a driver of strategic renewal must be understood in relation to the broader system of strategic choices: product innovation does not operate in isolation, but interacts with the playing field, operating model, and business model. A new product may enable entry into new markets, require new capabilities, or necessitate new revenue models. Conversely, changes in these dimensions may create opportunities or constraints for product innovation. This interdependence reinforces the idea that product innovation is both a driver and a consequence of strategic change, embedded within a complex system of interactions.

In conclusion, product innovation plays a central role in driving strategic renewal by acting as a catalyst for change across multiple dimensions of the firm. It not only shapes the firm's interface with the market, but also challenges existing capabilities, alters competitive dynamics, and enables the exploration of new strategic trajectories. For this reason, it represents a key mechanism through which firms can engage in self-disruptive strategies and renew their competitive advantage over time.

3.1.3 From product innovation to portfolio strategy

While product innovation represents a powerful lever for strategic renewal, focusing on individual products in isolation provides only a partial view of how firms actually innovate. In practice, firms do not manage innovation as a series of independent initiatives, but as a portfolio of projects that collectively shape their strategic trajectory. It's hence necessary to shift from a single-product perspective to a systemic view of innovation, where the allocation of resources across multiple initiatives becomes a central strategic decision.

It has already been discussed (paragraph 2.3.1) the need for ambidexterity: both exploration and exploitation are essential for long-term performance and must be balanced, and portfolio strategy provides the mechanism through which this balance can be managed, by distributing resources across initiatives with different levels of risk, time horizons, and expected returns. Specifically, product innovation often embodies exploration, as it involves experimentation, uncertainty, and the search for new sources of value; however, firms cannot rely solely on exploration, as they must also sustain and improve their existing offerings (image 3, Appendix).

In this context, the management of a product portfolio becomes a key expression of strategic intent: rather than asking whether a single innovation should be pursued, firms must decide how to combine incremental improvements, adjacent expansions, and more radical innovations within a coherent set of initiatives. This perspective is consistent with the concept of organizational ambidexterity, defined as the ability to «simultaneously explore new opportunities and exploit existing capabilities» (O'Reilly & Tushman, 2013). Portfolio strategy operationalizes this capability by structuring innovation activities in a way that allows firms to maintain current performance while preparing for future change.

A central implication of this approach is that innovation projects can be interpreted as strategic options rather than fixed commitments. As suggested in the literature on innovation management, early-stage investments in new products often involve limited and reversible commitments, while preserving the possibility of larger future returns. This logic aligns with the idea that firms should treat innovation initiatives as a set of options, where the objective

is not only to select the “best” project, but to maintain flexibility and learn over time. In this sense, portfolio strategy enables firms to manage uncertainty by diversifying their innovation efforts and adapting their choices based on emerging information.

Moreover, the portfolio perspective highlights that the value of product innovation depends not only on the success of individual initiatives, but also on their interaction. Different projects may serve complementary roles, for instance by supporting core business activities, exploring new markets, or developing capabilities that can be leveraged across multiple offerings. As a result, the strategic relevance of a product innovation cannot be fully assessed in isolation, but must be evaluated in relation to the overall portfolio and its contribution to the firm’s long-term positioning.

This systemic view also reinforces the importance of sequencing and coherence in innovation strategy. Firms must decide not only which projects to pursue, but also when and how to develop them, taking into account resource constraints, market dynamics, and organizational capabilities. Poorly coordinated portfolios may lead to resource dilution, internal conflicts, or inconsistent strategic signals, while well-designed portfolios can create a reinforcing dynamic between short-term performance and long-term renewal.

Finally, adopting a portfolio perspective provides a more robust foundation for self-disruptive strategies: as discussed in the previous chapter, self-disruption requires firms to challenge their existing sources of advantage before they are eroded by external forces. This process is difficult to achieve through isolated initiatives, as it involves managing trade-offs between current and future performance; by contrast, a portfolio approach allows firms to allocate resources simultaneously to sustaining and disruptive innovations, to innovation funnels aimed at improving existing value trajectories and to those aimed at opening up new ones, thereby creating a structured pathway for strategic renewal.

Moving from product innovation to portfolio strategy represents a critical step in understanding how firms can systematically manage innovation as a strategic process: it shifts the focus from individual products to the configuration of multiple initiatives, enabling firms to balance exploration and exploitation, manage uncertainty, and align innovation efforts with

their long-term strategic objectives. For this reason, the analysis of product and portfolio innovation provides a particularly relevant lens for understanding how firms can design and implement self-disruptive strategies.

3.2 Governing existing value trajectories

3.2.1 Opportunity identification: market research and gap analysis

In the strategic framework of management, opportunity identification for existing value trajectories focuses on the incremental refinement or replacement of organizational attributes to maintain competitive alignment within a known market (Agarwal & Helfat 2009). This process is predicated on positioning, which is the strategic effort to ensure that a firm's offerings occupy a distinct and valuable space in the minds of consumers relative to competitors. Within the innovation funnel, this is operationalized through market research and gap analysis to identify unmet consumer aspirations that can be converted into viable business opportunities (Crawford & Di Benedetto 2015).

Gap analysis is the statistical technique used to map the competitive landscape and identify open spaces (gaps) where current market offerings do not reside. It can be visualized through perceptual maps, on which product alternatives are plotted in a multi-dimensional Euclidean space where the distance between items indicates their perceived similarity. It's noteworthy that a gap does not inherently represent demand; it merely identifies a lack of current products in a specific part of the market. Strategists must determine if a gap exists because it represents an untapped opportunity or if it is a logical gap where no demand exists (e.g. a product that is both low-quality and high-priced) (Crawford & Di Benedetto 2015).

To be effective, the attributes used for this analysis must be determinant, meaning they are both important to the consumer's purchase decision and serve to differentiate between brands. From a managerial perspective, identifying determinant attributes is only useful if they are actionable: marketers must be able to influence or control these dimensions through physical properties, price, or promotional messaging (Shocker & Srinivasan 1979).

There are three main ways to create gap maps. The first one requires them to be generated through managerial judgment (Determinant gap maps), meaning that it's managerial expertise and knowledge that is used to plot products. Despite this method being speedy and cost-efficient, its result may not be aligned with customer perceptions, hence research rigor for existing trajectories generally requires customer-based data via two primary methodologies: Attribute Rating (AR) and Overall Similarities (OS) (Crawford & Di Benedetto 2015).

The AR methodology tries to answer the question "How can I build something that is a better value product?" by understanding how important are the different attributes for the customers, how does the company perform in each attribute and how prices relate (Crawford & Di Benedetto 2015). It requires respondents to rate a set of products on a series of prespecified attributes, typically using Likert or semantic differential scales. Because the data sets are often large and complex, factor analysis is employed to identify the underlying structure of the data: this technique reduces a large number of correlated attributes into a smaller set of factors (dimensions) that explain a significant portion of the variance. The number factors considered by management may vary, but the rule of thumb is to examine those that combine account for 60–70% of total variance (Crawford & Di Benedetto 2015, Stewart 1981). The result is an AR perceptual gap map where the axes are directly interpretable as the most relevant factors driving consumer perceptions.

The OS methodology does not require customers to rate products on individual attributes. Instead, it relies on pairwise comparisons, asking respondents to rank or rate how similar or dissimilar two brands are to one another. Data is processed through Multidimensional Scaling, which transforms these similarity judgments into a geometrical picture: the map shows relative brand positions, explaining which ones are perceived as most similar. Unlike AR, the axes are not predefined, and it is the researcher that interprets the dimensions *ex post* or uses follow-up analysis to label them. This approach assumes that what drives the similarity in consumers' minds are the most relevant attributes, as customer behavior is influenced by both perceptions and preferences.

The choice between AR and OS depends on the nature of the product category and the consumer's decision-making process.

Attribute rating requires the product attributes to be tangible and the consumer to be aware of them during the decision-making, hence it's best for high involvement products where attributes are easily articulated. Management's goal is to develop an extended product based on specific, actionable technical transforms (Shocker & Srinivasan 1979).

Overall Similarities is useful when consumers make purchase decisions based on hidden drivers or perceptions they cannot easily identify or score: if the category is characterized by low involvement, consumers do not engage in complex mental calculations of attribute importance. The aim of this approach is to identify which are the drivers of customer perceptions, hence the attributes they value more.

3.2.2 Concept generation: product templates

In the second stage of the development funnel for existing value trajectories, the focus shifts from identifying gaps to concept generation. This process is operationalized through the use of product templates (or creativity templates), a structured approach to find the "innovation sweet spot", a place that is far enough from existing products to attract real interest, but close enough to fall within a company's existing positioning and capabilities (Goldenberg & al. 2003).

These templates solve the brainstorming fallacy, where outside-the-box thinking yields "far out" ideas that are incompatible with a firm's brand image or resource base. Moreover, human creativity often performs better within the confines of a defined problem; templates provide a highly disciplined, inside-the-box methodology that channels the ideation process (Goldenberg & al. 1999).

The core philosophy is to listen to the voice of the product rather than the voice of the customer: this assumes that existing products are the physical embodiment of evolved customer needs; by manipulating the components of these products, new value can be uncovered. In fact, by analyzing a product's evolution, these templates can help predict new

product configurations before explicit signals of market demand appear (Hancock & Foster 2019).

The templates act as "operators" that manipulate the product's knowledge platform to produce new configurations. Goldenberg's method requires to list the essential elements of a product and those of the immediate environment, and then follow one or more of the five innovation patterns to manipulate those elements and come up with something new. The templates are: subtraction, multiplication, division, task unification and attribute-dependency change (Goldenberg & al. 2003).

Subtraction requires removing an essential component to see if the product still works. This is particularly useful for reducing complexity and cost in overshot products, as increasing the number of functions can cause frustration in customers instead of bringing value (e.g. numbers of buttons in a remote control).

Multiplication involves taking a component and adding copies of it, altering those copies in a qualitative way (e.g., the transition from a single-blade to a three-blade razor where each blade has a different function). It is used when a firm finds itself stuck in the "more of the same" trap, where standard product development only yields minor quantitative improvements, to move from quantitative to qualitative change.

Division entails breaking an integrated whole into component parts, physically or functionally, to offer unforeseen benefits (e.g., separating probiotics from yogurt in a straw to increase shelf life). It's used when some characteristics are lost in the merging.

Task unification means assigning a new task to an existing feature that previously did not serve that function, often resulting in hybrid products (e.g., using a shoe's sole to house a step-counting chip). Not unlike subtraction, it is ideally used when controlling costs is a priority, as it encourages a more efficient use of existing resources.

Attribute-dependency change is the most fruitful but also most difficult template to apply. The fundamental logic of this template is to identify two variables that do not currently have a relationship and force a dependency between them, usually a product attribute and one

attribute of the environment. By creating a dependency, when one variable changes, the other one should change as well (e.g., Domino's Pizza creating a dependency between price and delivery time, the fastest the delivery, the higher the price). This pattern is best used when managers want to organize their thinking systematically by pairing internal and external variables: if successful, it will create a state where the product is no longer a static bundle of features, but a dynamic system that responds intelligently to its environment (Goldenberg & Mazursky 2002).

3.2.3 Concept testing: stimuli design, compositive and decompositive tools

The third phase of the development funnel for existing value trajectories is concept testing, a critical gate where unrefined ideas are transformed into defined value propositions to ensure they stand out from the competition. It aims to mitigate the risk of over-investing in products that fail to meet commercial objectives by determining if a concept creates sufficient value for customers to justify its development, and eventually its price (Crawford & Di Benedetto 2015). Concept testing involves studying the process by which customers compare and evaluate brands based on their attributes or features, thus the trade-offs they are willing to make between various attributes and benefits. There are two methodological approaches that differ in how they reach these evaluations, namely compositive and decompositive.

Decompositive tools start with a global evaluation where customers react to a whole product profile. The analysis then works backwards to decompose that overall preference into separate utility scales for each component attribute. Conjoint analysis is the most common analytical tool used to assess trade-offs in existing markets (Green & Srinivasan 1990). It assumes that products can be represented as bundles of attributes and seeks to find the optimal levels for each. It requires researchers to identify a reduced set of attributes and attribute levels through qualitative research, then design some product bundles to represent different product configurations, each with all the attributes but different attribute levels. Respondents are then asked to rate or rank-order these complex bundles based on overall preference. The output will be part-worths (or utility coefficients) for each level of each attribute. These coefficients allow managers to calculate the Monetary Value of Unity of Utility, which determines exactly how much more a customer is willing to pay for a specific

improvement. In conclusions, conjoint analysis gives managers information about what is the preferred level of each attribute, the percentage of respondents that would most prefer one concept or another (as by measuring preferences individually, researchers can identify if they are homogeneous or heterogeneous, which directly informs market segmentation and targeting strategies), and what is the price they can charge compared to competitors. The actual product configuration, targeting, and price are then strategic choices to be made accordingly.

Compositive tools, on the other hand, are build-up methods where the researcher asks the customer to evaluate individual attributes separately. The overall value estimate is then composed by summing these individual ratings. The Fishbein approach is a value-for-customer composing model based on multiattribute attitude theory. The underlying hypothesis is that an attitude is not a single, vague feeling, but rather a calculated total derived from two distinct components: what a person believes about a brand's features and how they personally value those features. Thus, an individual's attitude toward a brand is determined by the strength of their belief that the brand possesses a particular attribute, multiplied by their evaluation of the goodness or badness of that attribute. These components are summed across all salient attributes to yield a total score representing the overall attitude (Bettman & al. 1975). In practice, this involves direct questioning: respondents are asked how much given features matters to them, and they rate a specific brand on those same features. This allows managers to identify exactly which levers to pull to improve the brand's total standing in the marketplace, either by changing the product itself to improve beliefs, or by using marketing to change how much customers value a certain feature.

In summary, while the Fishbein approach provides a direct method of composing value based on articulated beliefs, conjoint analysis offers a more sophisticated, real-world simulation of the purchasing experience, forcing customers to make complex trade-offs and allowing the firm to mathematically derive the precise monetary value of its product features (Crawford & Di Benedetto 2015).

Whatever the chosen approach, a delicate phase of concept testing is understanding who to question and how. Since its existing value trajectories that are currently under consideration,

respondent selection should first of all focus on the current core customer base, especially Innovators and Early Adopters: in fact, Rogers (2003) explains that even if these categories represent only 16% of the market, if a product doesn't appeal to them, it will never be adopted by the rest of the market.

As far as the how to conduct the questioning is concerned, a technique that has proven effective is stimuli design (Crawford & Di Benedetto 2015). Stimuli design is the tactical process of creating the representations of the product concept that are shown to respondents during the testing phase. Because customers rarely have a context for understanding a product without a prompt, the way a stimulus is designed is key in eliciting a reliable purchase intention. There are three primary levels of stimuli design: concept statement, visuals, and prototypes. Concept statements can be stripped-down (functional feature sets) or embellished (commercial, emotional tone) descriptions of the product: while research suggests both are equally effective in predicting choice, embellished statements are often preferred because they more closely replicate the real-world purchase environment. In addition, incorporating visual aids engages more human senses, which generally improves the quality of the response; however, practitioners recommend using more than one image to ensure that a "no go" decision is not triggered by a superficial dislike of a single attribute (e.g. color). The last step is prototypes, ranging from virtual to physical ones. Virtual prototypes are cost-effective but often fail to provide the tactile feedback customers require. Whenever possible, allowing trials through active experimentation is superior to mere showing of a product, as it provides a more accurate basis for purchase intentions. In conclusion, whenever feasible customers intentions should be investigated by providing them not only concept statements, but actual prototypes they can try.

3.2.4 Development: A.T.A.R. model and Quality Function Deployment

The development phase serves for rigorous business analysis and technical implementation. This stage is critical because it represents the transition from theoretical concepts to tangible products, requiring a significant commitment of capital and managerial time. To mitigate the risk of a Type 1 error, managers employ two core frameworks: the A.T.A.R. model to

investigate economic viability and Quality Function Deployment to ensure technical alignment.

The A.T.A.R. model is a forecasting framework derived from the diffusion of innovation theory. It is operationalized during the business analysis stage of development to determine if an innovation can achieve the necessary market size to be profitable by deconstructing the market into measurable conversion rates, allowing managers to identify specific bottlenecks in the purchase funnel. The model assumes that for a buying unit (a person, department, or firm) to become a loyal adopter, it must navigate four distinct stages: Awareness, Trial, Availability, Repeat.

Awareness is the first prerequisite for adoption: potential customers must not only know the product exists but must also recall its name and understand its unique value proposition. It is a function of both the quantity and quality of marketing communications, and managers often rely on agencies to estimate the expenditure required to achieve a targeted awareness level. Trial represents a limited usage that allows a customer to verify a firm's claims. In management research, trial is often measured using "Top Box" (Definitely Buy) and "Top 2 Box" (Probably Buy) scores from concept testing. To account for consumer overstatement, these scores are typically adjusted assuming only 80% of "Definitely" and 30% of "Probably" respondents will actually purchase (Jamieson & Bass 1989). Availability measures the probability that an intended trier can actually find the product on a retailer's shelf or via a digital channel. Research shows a direct correlation between distribution and sales volume; if availability is inadequate, even a superior product will fail to gain traction. Repeat describes the adoption phase, where the firm recovers its acquisition costs through long-term loyalty: repeat rates are a function of product quality, the perceived value relative to promised value, and the purchase frequency of the category (Crawford & Di Benedetto 2015).

The model provides a mathematical structure to forecast potential profit using the formula:

$$\text{Profits} = \text{Buying Units} \times \% \text{ Aware} \times \% \text{ Trial} \times \% \text{ Availability} \times \% \text{ Repeat} \times \text{Annual Units Bought} \\ \times (\text{Revenue per Unit} - \text{Costs per Unit})$$

This bottom-up approach allows managers to deconstruct a market and identify specific bottlenecks. For instance, if a forecast is poor, the model clarifies whether the issue lies in insufficient marketing spend (Awareness), a poor value proposition (Trial), or inadequate retail partnerships (Availability). This ensures that the business case is built on measurable drivers rather than "stable fantasies" or unrealistic top-down extrapolations.

While A.T.A.R. assesses the market's economic potential, Quality Function Deployment (QFD) is a Total Quality Management tool used to ensure the technical design of the product reflects the voice of the customer. It serves as a methodical framework for translating qualitative customer needs and expectations into specific, measurable technical design criteria, ensuring that customer requirements are explicitly considered at every stage of the development funnel, thereby mitigating the risk of creating technically superior products that fail to satisfy market demand (Mohr-Jackson 1996).

The core tool of QFD is the House of Quality, a framework that coordinates different departments (Marketing, R&D, and Manufacturing) and functions through four distinct steps (Mohr-Jackson 1996):

1. «Determining what customers require»: market research identifies the attributes customers desire in their own words, then these requirements are categorized into levels to provide detail for the design team;
2. «How to realize what customers want»: once customer needs are established, the cross-functional team identifies the technical design criteria necessary to meet those needs; these characteristics must be measurable so they can be compared against objective targets and competitive benchmarks;
3. «Relationships between hows and what»: strength of the relationship between each design characteristic and each customer requirement is represented in a matrix, allowing engineers and marketers to identify critical technical trade-offs.
4. Determining «how much»: the final step involves a customer-based competitive assessment where the firm's current or proposed offerings are rated against rivals. This

analysis establishes the specific target values for design requirements that will provide a competitive advantage.

By concentrating on understanding customer needs before production begins, QFD facilitates "doing it right the first time," which can substantially reduce development time and the costs associated with late-stage design changes. This orientation allows firms to build quality into the product's DNA rather than attempting to fix deficiencies through promotional efforts. The House of Quality also acts as a permanent archive of the product-planning process, recording every factor that led to a specific trade-off decision. This archive can be reviewed and reused for future versions of the product, ensuring that technical know-how and market insights are preserved for successors.

In conclusion, A.T.A.R. ensures economic fitness by providing the data necessary to justify moving forward at the decision gate, while QFD ensures technical fitness by forcing cross-functional teams to reconcile unarticulated customer needs with engineering realities. These tools represent a shift from "strategy as art" to "strategy as a confirmatory science" by reducing the reliance on executive intuition, which is often prone to active inertia or affective conflict, by providing a rational, verifiable framework for making the high stakes "go" decisions necessary for long-term firm survival.

3.2.5 Test and launch: pseudo, controlled, full sales, and Launch Management System

The concluding stage of the development funnel for existing value trajectories is test and launch: it represents the final gate where unrefined ideas are subjected to real-world market validation. At this stage, the firm moves from theoretical modelling and laboratory testing to active market participation to ensure that the concept can achieve the necessary market size to be profitable.

For a robust research perspective, it is imperative that these market tests "have teeth," functioning as a genuine decision-making mechanism rather than a mere procedural formality. Organizations are frequently susceptible to the sunk cost fallacy, where managers continue to invest in failing trajectories simply because significant resources have already

been committed: however, a disciplined testing framework mandates a philosophy of "not spending good money on bad money", requiring that the firm be culturally and operationally prepared to issue a "no go" decision if empirical data contradicts the initial strategic intent.

Market testing methodologies, namely pseudo, controlled, and full sales, are diagnostic processes designed to provide solid sales forecasts and identify pitfalls before the official launch. These methods are categorized by the degree of realism and control they offer (Crawford & Di Benedetto 2015).

Pseudo-sale techniques create a buying situation without requiring full product availability or a permanent market presence. They can be conducted in two ways, the first of which is speculative sale: primarily used in B2B and consumer durables, it entails sales personnel pitching the product to clients as if it were available to see if they would place an order. This provides high secrecy and it is cost-efficient for firms with close downstream relationships. The second is simulated test market: commonly used in B2C, this involves creating a false buying situation, such as a mini-store or a laboratory shopping experience, to observe consumer reactions and predict trial and repeat rates. While it offers detailed data, it relies on assumptions regarding retailer response and may not be applicable to entirely new-to-the-world products.

Controlled sales involve actual transactions but are limited to specific channels or customer groups. They can manifest as informal selling: in B2B contexts, customers place real orders, but the firm fulfills them through non-standard channels or with different lead times because the full infrastructure is not yet in place. Another option is direct marketing, which involves selling directly to a sample of loyal customers (e.g., via mail or digital channels), allowing for instant feedback and the testing of different positioning variations at a low cost. The last way is using minimarkets: the firm selects a limited number of outlets or specific small cities to test the product with representative advertising and shelf displays (Crawford & Di Benedetto 2015).

Full-sale methods test the product under completely realistic market conditions, including competitive response. They are test marketing and full sales rollout. Test marketing is a

controlled experiment in a limited but representative geographic area where the product is sold through regular channels at full promotional levels. While it is a powerful predictive tool, it is expensive and exposes the firm's strategy to competitors. Full sales rollout entails a gradual expansion by geography, trade channel, or application. Instead of a sudden national launch, the firm builds "critical mass" in one area, gaining information that allows them to adjust the strategy before full market coverage (Crawford & Di Benedetto 2015).

It's worth of notice that moving from pseudo-sales to full sale methods the reliability of the observations increases, but so does the risk related to competitive exposure, where a firm reveals its strategic intentions to rivals before achieving full-scale commercialization. This lack of secrecy allows competitors to monitor real-world performance data, potentially enabling them to replicate the innovation and erode the firm's first-mover advantage.

If market testing yields positive results, a Launch Management System must be designed and put in place. It is an operational framework designed to identify and manage potential problems that could derail a new product. It acts as a safety net, allowing managers to anticipate risks and venture possible responses if they turn into reality, rather than unexpectedly facing and reacting to them under the pressure of a live launch. Thus, the strategic utility of a LMS lies in its ability to transform a reactive crisis into a governed, pre-planned response, thereby protecting the firm's capital and the manager's professional standing.

An effective LMS is developed through a rigorous three-stage diagnostic process (Crawford & Di Benedetto 2015):

Problem identification: managers must first of all identify potential negative events, distinguishing between those that they can and can't control, and focusing on those that possess a high probability of causing damage. This involves competitive role-playing (e.g. anticipating rival responses like price cuts or imitation) and utilizing the A.T.A.R. model to identify bottlenecks in the purchase funnel;

Contingency planning: for every critical problem identified, a specific "If-Then" strategy is formulated. Managers must distinguish between company failure (e.g., inadequate distribution logistics) and consumer failure (e.g., low trial rates due to a weak value proposition);

Operational tracking and trigger points: relevant, measurable variables to monitor in real-time must be selected. Management must also establish specific trigger points, quantifiable thresholds that, once breached, automatically initiate the pre-planned contingency actions without the need for lengthy internal deliberations during a high-pressure launch.

The LMS is fundamentally built upon the assumptions of the A.T.A.R. model: during the launch, the LMS monitors these variables to ensure the reality of the market matches the projections of the business case. Unlike earlier development stages, the LMS is generally not about modifying the physical product; it focuses on correcting the marketing and distribution variables (e.g., awareness and trial) that determine the product's commercial viability.

Implementing an LMS is essential for maintaining "evolutionary fitness" in high-velocity markets. By disclosing potential risks to senior executives and investors *before* the launch, managers manage expectations and ensure that short-term shortfalls do not come as a surprise. Moreover, it provides a rational basis for a "no go" decision even after the product has reached the market.

3.3 Opening up new value trajectories

3.3.1 Opportunity identification: lead user analysis, empathic design, human factors design, customer case research, and metaphor elicitation

In the context of discontinuous innovation (opening up new value trajectories), traditional market research, such as focus groups or surveys, often proves inadequate or even hazardous. This is because such tools rely on historical data that cannot predict a future dramatically different from the past: «...unarticulated needs usually do not show up in survey and market research reports [Traditional market research is] not very useful when you try to invent a future that looks dramatically different than the past[...] it is pretty clear that if you try to

invent the future and all you got is data from the past ... if that data does not have predictive value, the whole methodology of analysis, which is so core to what we do as business people, actually increases our risk rather than decreases it»¹.

Hence, an exploration-oriented innovation funnel needs tools that analyze what customers are currently doing and making, rather than just what they say they do or what they did. It all starts with an idea for which applications must be found and from a «deep knowing of customers, a focus on customer not as people I am trying to sell stuff to, but as people who have problems in their life that I am try to use my capability as a business organization to solve»².

Lead user analysis is one of the methodologies that can be used in opportunity identification. Lead users are customers who encounter needs for an innovation well before the general marketplace recognizes them. Unlike average users typically targeted by reactive market research, lead users are situated at the leading edge of a trend and possess deep insights that can be leveraged to open new value trajectories: by encountering a need before the market, they had a significant economic incentive to innovate. They hold context-specific, tacit knowledge that is difficult to transfer to manufacturers through standard surveys: lead user analysis aims to access this information by shifting the problem-solving locus toward the user. They are frequently found outside the firm's primary industry; hence managers must engage in environmental scanning and networking to discover lead users in diverse fields. Lead user analysis is a critical tool for mitigating commercial risk during opportunity identification and concept evaluation (paragraph 3.3.3) of the innovation funnel: while standard concept tests would result in Type 2 errors, where an organization gives a "no go " decision to a breakthrough idea because current core customers do not yet perceive its value, lead user

¹ <https://www.youtube.com/watch?v=S1EAMntH8Jo>

² <https://www.youtube.com/watch?v=0IBAJCPNR6M>

analysis provides a rationale for a "go" decision by showing that even if current demand is low, the interest from lead users signals a future market explosion (Lilien & al. 2002).

Another qualitative approach is empathic design: it is rooted in the anthropological tradition of observing actual consumer behavior in its natural context and it solves a limitation of traditional interviews, where subjects may fail to articulate complex perceptions. Empathic design relies on the observation of unarticulated needs, aiming at establishing a partnership between developers and customers to identify pain points that the customer might have accepted as a normal part of life. The process involves choosing a representative group to observe, capturing data through non-textual cues (like photos or sensory observations), and interpreting those observations to brainstorm design ideas. It is particularly effective when the usage experience is too complex to be easily articulated (Leonard & Rayport 1997).

While similar to empathic design, human factors design emerges from an engineering background and focuses specifically on the interaction between people and objects or services. It aims to identify how various settings and physical or mental abilities impact the success of an offering. It evaluates products based on safety, pleasure, convenience, and ease of use by creating stories that define a usage context and then debugging the interface between the user and the offering. This technique is essential when the interface of a new technology is unfamiliar or complicated for a diverse user segment (Crawford & Di Benedetto 2015).

Customer case research is an exploratory method that uses interviews and observations to trace the entire lifecycle of customer interaction with a product: this "cradle-to-grave" analysis uncovers hidden purchase inhibitors, embedded segments or unanticipated decision criteria that often remain unarticulated in standard surveys. Rather than focusing solely on the point of sale or immediate functional utility, customer case research traces the customer experience through: evaluation and shopping, identifying how customers first perceive a need and the criteria they use to navigate a competitive marketplace; usage and support, observing how the product is actually integrated into the user's daily life, which often reveals "unintended product uses" that can signal new market opportunities; billing and disposal, analyzing the administrative and end-of-life phases of a product (MacMillan & McGrath 1997).

Lastly, metaphor elicitation is a hybrid methodology designed to surface the subconscious mental models that drive consumer thinking (Zaltman & Coulter 1995). It is based on the neuroscientific premise that the human mind operates visually and metaphorically rather than through language alone, and it operates asking participants to select images that symbolize their thoughts and feelings about a brand or experience. These images act as surface metaphors for deep-seated emotional structures. This allows researchers to identify «what people know, they do not know they know» (Hancock & Foster 2019) revealing the deep emotional drivers of consumption.

3.3.2 Concept generation: pro-active questioning, overturning industry values

For firms aiming at opening new value trajectories, the concept generation phase requires moving beyond incremental improvements to challenge established industry norms. Two critical methodologies for achieving this are proactive questioning and overturning industry values.

A central theme in modern product development is the distinction between responsive and proactive market orientations. Responsive market orientation is the traditional approach that addresses the expressed needs of customers, those they are aware of and can articulate. Relying solely on this mode makes a business economically vulnerable to parallel competitive responses and inevitable price competition, as offerings eventually become perceived as commodities. On the other side, proactive questioning is an "outside-in" research mode designed to discover the subconscious drivers of behavior and satisfy latent needs, thus discovering opportunities for customer value of which the customer is currently unaware (Narver & al. 2004); the ultimate goal is leading the customer toward new value trajectories, rather than having them lead the products.

In practice, it can be implemented through methods as “why” and “why not” questioning, where researchers repeatedly ask why something exists in a given way and alternatives are excluded, observing customers in real use context (hence aligning with the techniques discusses in paragraph 3.3.1) and frictions, reframing problems, and counterfactual

questioning, trying to understand what would happen if a core industry assumption was removed or inverted.

Parallel to proactive questioning is the logic of value innovation, the cornerstone of Blue Ocean strategy. This framework rejects the military-rooted tradition of head-to-head competition for limited market share and focuses on making the competition irrelevant by targeting untapped market spaces, where competition is irrelevant because the rules of the game have not yet been set (Kim & Mauborgne 2005).

To overturn industry values, break the traditional trade-offs and create a leap in value, managers must utilize a four-part framework: eliminate factors that an industry has long competed on but which no longer add value; reduce factors have been over-designed in the race to beat the competition (as complexity is the killer of margins), raise factors that directly address latent needs or provide an uncontested source of differentiation, and finally create new sources of value (Kim & Mauborgne 2005).

To sum up, proactive questioning and overturning industry values interact to reconfigure a firm's capabilities toward new demand. Proactive questioning serves as the sensing mechanism to identify unarticulated latent needs, while overturning industry values provides the strategic framework to design a business model that satisfies those needs while breaking the traditional trade-offs.

3.3.3 Concept evaluation: discovery-driven planning, experimentation

Concept evaluation serves to new value trajectories as the pivotal transition from abstract ideas to technology positioning. Applying a real options logic and experimentation economics, managers evaluate a concept not as a full-scale commitment, but as a sequential series of investments that confer the right, but not the obligation, to proceed.

Discovery-driven planning is a milestone-oriented, iterative management process that treats initial investments as options rather than full-scale commitments. Instead of a single "go/no go" decision, it breaks development into sequential stages where the cost of each stage acts as the "price" of an option to proceed. In this approach, investing in one stage provides the

right, but not the legal or financial obligation, to move to the next, allowing a firm to limit potential losses to sunk costs while maintaining access to high-variance future returns (McGrath 1997).

The engine of this system is the experimental cycle, which consists of four distinct steps: design, where the experiment is conceived; build, where the physical or virtual apparatus is constructed; run, where the actual test is performed; analyze, where data is interpreted to guide the next iteration (Thomke 1998). If analysis reveals that the design can be improved cost-effectively, the team modifies the design based on their learning and iterates the cycle.

This approach also allows to manage uncertainty by distinguishing between two types of uncertainty. Technical uncertainty relates to the probability of technical success and can only be reduced through internal investment: it creates pressure to invest immediately to avoid competitive preemption and time compression diseconomies, aligning with the “break it before it breaks” philosophy. Exogenous uncertainty on the other hand is due to exogenous factors (e.g., regulatory changes or market infrastructure) and no amount of internal investment can reduce it: the only way to mitigate it is by increasing strategic flexibility, which permits project redirection or discontinuation at the earliest possible time when something happens, and «amplifying preinvestments» to shift industry or regulatory boundaries in the company’s favor, increasing the value of the technology before full commercialization begins. By building knowledge and insight asymmetries, a firm creates a path-dependent development process that competitors cannot easily replicate (McGrath 1997).

To summarize, discovery-driven planning ensures that technology development does not exist in isolation but is part of a broader effort to capture rents in a dynamic and institutional context. Unlike traditional management that seeks to “get it right the first time,” discovery-driven planning often benefits from “getting it wrong the first time” through rapid, low-cost iterations (Thomke 1998). This iterative learning permits project redirection or discontinuation at the earliest possible point, thereby conserving precious resources (McGrath 1997).

3.3.4 Development: Roger-Bass model

Managers pursuing new value trajectories face a set of interrelated challenges that stem from the high uncertainty surrounding the emergence and diffusion of novel products.

First, uncertainty about potential total demand represents a fundamental managerial problem. Firms may incorrectly infer that a market does not exist when early adoption is slow, leading them to abandon a venture prematurely. In some cases, however, the market may materialize only after a prolonged period of consumer education and infrastructure development. This creates a difficult strategic dilemma: managers must decide whether to persist in the face of weak early demand or to exit, knowing that either choice may later prove to be a mistake. The cost of abandoning too early must be weighed against the equally costly risk of persisting for too long before market takeoff occurs. In short, managers face uncertainty regarding the timing of market takeoff: even when long-term demand potential exists, it is often unclear why and how long it will take before adoption accelerates and the market takes off. For example, Golder & Tellis (1997) shows that successful new consumer durables typically experience a takeoff (sales increase averaging over 400%) correlated with a 63% reduction from the introductory price and a market penetration of roughly 1.7%. Accurately anticipating this timing and the drivers of takeoff is critical, as it directly affects investment decisions, competitive positioning, and survival. Lastly, investment decisions under uncertainty pose a major challenge, as managers must estimate the potential total addressable market (TAM) and determine how to build capital and operational capacity over time.

These challenges are amplified by the fact that radically new products lack precedent, making traditional forecasting approaches unreliable. To address these uncertainties, two complementary streams of literature provide guidance. The consumer behavior literature, most notably associated with Rogers' diffusion of innovations framework (Rogers 2003), focuses on understanding the micro-level processes through which consumers decide to adopt new products. In parallel, the modeling literature, exemplified by the Bass diffusion model (Bass 2004) and its extensions, focuses on developing mathematical representations of the diffusion process. These models aim to capture the speed and shape of adoption over time

as a function of product characteristics, marketing efforts, and market conditions, thereby providing tools to reason about market growth and timing despite limited early data.

Rogers' diffusion theory (2003) provides the sociological foundation for understanding new value trajectories, positing that there are three key components that influence the time to take off: the characteristics of the innovation, the process of adoption, and the categories of adopters. The characteristics of the innovation are five perceived attributes of an innovation that predicate the speed of adoption by posing barriers to entry if the requirements are not met. They are: relative advantage, the degree to which an innovation is perceived as significantly better than the existing alternative; compatibility, how consistent the innovation is with existing values, past experiences, and needs of potential adopters; complexity, the degree to which an innovation is perceived as relatively difficult to understand and use; trialability, the degree to which an innovation may be experimented without a full financial commitment; observability, how much the results of an innovation are visible to others, which facilitates social contagion. These observations can be integrated with Blattberg & Golanty's approach (1978), a high-efficiency diagnostic tool to predict year-end sales after only three months of data that uses sequenced survey waves to identify whether a new trajectory is failing due to low awareness (company failure) or low repeat rates (product quality or consumer satisfaction failure).

Rogers also establishes a typology of adopters, categorized in Innovators (2.5%), Early Adopters (13.5%), Early Majority (34%), Late Majority (34%), and Laggards (16%). He argues that consumption is a social phenomenon where adoption is driven by the social context rather than just technical merit. Each category is driven by different factors, which will result in different timing of entry and in the bell-shaped process of adoption that characterizes Roger's diffusion of innovation model. In particular, Van den Bulte & Joshi (2007) highlights a "chasm" in the diffusion curve between Early Adopters (who value performance) and the Early Majority (who value solutions and convenience), posing that it can occur because the mainstream market discounts adoptions by "enthusiasts" and requires different value drivers. Also, Moreau & al. (2001) shows that while "experts" adopt continuous innovations faster, they often resist discontinuous, really new products. This is because their deep, entrenched

knowledge of a "primary base domain" is disrupted by the new product, leading to lower comprehension and higher perceived risk. Finally, the adoption of a new value trajectory is moderated by a consumer's self-regulation system: promotion-focused consumers (driven by nurturance and growth) own more new high-technology products because they are less sensitive to implicit risks, while prevention-focused consumers (driven by security and safety) are deterred by performance uncertainty, the fear that a new technology may malfunction or be too difficult to master (Herzenstein & al. 2007). Mentally simulating how a product fits into their current usage scenarios allows these way customers to reach more accurate and stable estimates of the product's future utility (Hoeffler 2003), as it increases compatibility and decreases complexity, hence improving the likelihood of adoption.

It's noteworthy that strategic management typically views the takeoff as the culmination of the adoption process; however, Shih & Venkatesh (2004) argue that the trajectory's longevity depends on use-diffusion: their model distinguishes between the rate of use (how often a product is used) and the variety of use (how many different ways the product is used). A significant insight for development is that intense use-diffusion leads to cultural anchoring, where the technology becomes inextricably part of the user's daily life, thereby driving higher satisfaction and increasing the user's propensity to adopt successive generations of the technology.

While Rogers (2003) and consumer behavior literature define the qualitative characteristics that drive adoption, Bass (2004) developed a mathematical framework to explain the process of diffusion. The Bass Model utilizes a hazard function to summarize the likelihood that an individual will purchase at time t , given they have not yet done so. It is defined by two primary coefficients: the coefficient of innovation (p) represents the "innovation effect" or external influence which drives adoption independent of previous adoptions; the coefficient of imitation (q) represents the "imitation effect" or social contagion, reflecting the influence of previous adopters.

The model provides a "Bass Curve" that centers on the pattern of adoption (a peak followed by a decline), allowing managers to make realistic guesses about the timing of the sales peak and the pattern of growth, even prior to product launch, through the method of "guessing by

analogy". Managers follow a systematic process to operationalize this guess: because p represents the external influences like advertising and q the internal social contagion, managers can select values from a "proxy" product, thus borrowing its p and q to define the shape of the curve and estimate the market potential of an entirely new product (Bass 2004).

Together, these two bodies of literature offer complementary perspectives: consumer behavior research explains why consumers adopt innovations, suggesting that development in new value trajectories is not merely a technical exercise but a market learning process that must account for social contagion, price-affordability thresholds, and the psychological resistance of consumers to radical change, while diffusion models help predict how fast and in what pattern adoption is likely to occur.

3.3.5 Test and launch: probe and learn; Launch Management System

The test and launch phase for new value trajectories deviates significantly from the analytical, staged approach used for incremental products, as the first are defined by such pervasive uncertainty that the target is often unknown at the outset. To navigate this, firms employ a probe and learn process, which is an iterative system of experimental design and successive approximations (Lynn & al. 1996).

The probe and learn process is deployed during the front end of a new product effort to help direct or redirect development based on real-world feedback, rather than extrapolated historical data. Unlike traditional market testing, which serves as a final screen before a national launch, probes are designed to generate information even, and especially, when they result in complete market failure.

The process is based on three main pillars: probing, learning, and iterating. First, firms introduce an early, often immature version of a product into a plausible initial market segment. These probes serve as to test technical feasibility and market limitations. Management uses these probes to learn about the technology's scalability, identify which market segments are most receptive to specific features, and observe the impact of exogenous factors. Based on the learning acquired, the firm modifies the product and the

marketing approach, and probes again. This cycle continues, with each iteration bringing the firm closer to a winning combination of product features and market demand (Lynn & al. 1996).

Because the probe and learn process is very resource-intensive and time-consuming, it must occur within a well-articulated strategic context: it will only be possible to persist through years of setbacks and unpleasant surprises if the project is strategically central to the business.

To refine this process and reduce the risk of betting on the wrong trajectory, firms may use Information Acceleration (Urban & al. 1996). This multimedia measurement system simulates the future buying environment, providing future conditioning to respondents who lack a context for understanding a radically new technology. It allows consumers to optimize their own information search within a virtual environment, simulating how they would interact with showrooms, word-of-mouth, and magazine articles years before the product is available. To do so, Information Acceleration uses virtual prototypes to give consumers a sense of the product's handling and utility, helping them internalize the benefits of the new value proposition. The data from these simulations are integrated allowing managers to effectively decision-make.

Ultimately, the probe and learn process transforms the launch phase from a single "big bang" event into a series of successive launches that allow the firm to identify and capture the target as it moves and evolves.

The Launch Management System for existing and new value trajectories differs in its strategic logic, shifting the managerial focus from hitting a predetermined mark to maximizing the value of information and strategic learning. However, the methodology consisting of problem identification, contingency planning and operational tracking of trigger points (Crawford & Di Benedetto 2015) does not vary.

Chapter 4. Methodology

4.1 Research design and positioning

4.1.1 Research objective and empirical approach

The objective of this empirical study is to investigate how self-disruptive business strategies are implemented in practice, complementing the theoretical framework explained in the previous chapters. While Chapters 1 to 3 conceptualize self-disruption as a deliberate process of strategic renewal, grounded in mechanisms such as ambidexterity, innovation management, and portfolio transformation, these contributions remain primarily conceptual. In particular, although the literature provides a rich understanding of why firms need to engage in self-disruption and which strategic mechanisms support it, the translation of these concepts into concrete managerial practices remains only partially explored. This research therefore aims to bridge this gap by examining how organizations operationalize self-disruption, what challenges they encounter in doing so, and which practices appear to support or hinder successful implementation.

In this perspective, the study is explicitly positioned at the intersection of theory and practice. Rather than treating existing frameworks as definitive prescriptions, the research seeks to confront them with empirical evidence drawn from practitioners' experiences. This positioning reflects the nature of strategic management itself, which, as discussed in Chapter 1, combines analytical reasoning with context-dependent judgment. By engaging directly with professionals involved in strategy, innovation, and organizational transformation, the research aims to assess the practical relevance of theoretical constructs while identifying additional dimensions that may not be fully captured in the literature. As such, the empirical component does not merely illustrate the theory, but actively contributes to its refinement and operationalization.

To address this objective, the study adopts a qualitative and exploratory research approach. The phenomenon under investigation involves complex organizational processes, decision-making dynamics, and context-specific adaptations that cannot be adequately captured through standardized quantitative measures. Self-disruptive strategies, by nature, are

embedded in organizational routines, power structures, and cultural constraints, making them difficult to observe through purely numerical data. A qualitative approach is therefore appropriate, as it enables an in-depth exploration of how managers interpret, design, and implement strategic renewal within their organizations, capturing both explicit practices and underlying rationales.

The exploratory dimension of the research is justified by the scarcity of empirical operationalization of self-disruption in existing literature. While related concepts such as disruption, ambidexterity, and innovation management have been widely studied, fewer contributions explicitly address how firms proactively “break” their own strategies before being forced to do so by external pressures. This creates the need for an empirical investigation that remains open to emerging insights rather than being constrained by predefined hypotheses or rigid measurement frameworks. Accordingly, the study does not aim to test causal relationships, but to identify patterns, recurring practices, and critical tensions associated with the implementation of self-disruptive strategies.

Within this framework, the research seeks to derive managerial implications and guiding principles from empirical analysis. By systematically analyzing practitioners’ experiences across different industries and roles, the study aims to move beyond isolated anecdotes and identify common mechanisms underlying successful and unsuccessful strategic renewal processes. This approach allows translating complex theoretical constructs into more actionable insights, while maintaining a strong conceptual grounding. In doing so, the research contributes to a more operational understanding of self-disruptive strategies, offering a structured perspective on how firms can navigate the tensions between exploration and exploitation, manage portfolio transformation, and overcome organizational barriers in dynamic environments.

4.1.2 Theoretical lens, research logic and scope

The research is grounded in a theory-informed analytical framework, drawing on the conceptual foundations developed in the previous chapters. In particular, the study builds on key constructs related to disruption, ambidexterity, and strategic renewal, which provide an

initial structure for understanding how firms approach self-disruptive strategies. These theoretical elements are not treated as rigid categories, but rather as interpretative lenses that guide the empirical investigation. They inform the formulation of research questions, the design of the interview guide, and the initial organization of the data, ensuring that the analysis remains anchored in established academic contributions while addressing a clearly identified research gap.

The research adopts a hybrid methodological logic, combining deductive and inductive reasoning. On the one hand, a deductive approach is employed to translate theoretical constructs into analytical dimensions, which are then used for empirical investigation: concepts such as exploration versus exploitation, portfolio management, and strategic renewal mechanisms provide a starting point for data collection and analysis. On the other hand, the study remains open to inductive insights emerging directly from the empirical material. Rather than imposing a predefined model, the analysis allows new themes, patterns, and relationships to surface from practitioners' experiences, particularly in areas where existing theory provides limited guidance. This dual approach enables a continuous interaction between theory and data, where empirical findings both inform and refine the conceptual framework.

The unit of analysis of the study is organizational practices related to the implementation of self-disruptive strategies. More specifically, the research focuses on how firms design, manage, and execute processes of strategic renewal, as described by individuals directly involved in these activities. This includes decision-making mechanisms, organizational structures supporting innovation, and the practical tools and processes used to balance existing operations with new strategic initiatives. By concentrating on practices rather than intentions or theory, the study seeks to capture the operational dimension of self-disruption, providing insights into how strategic concepts are translated into concrete actions within organizations.

The scope of the research is defined by a diverse sample of experienced professionals involved in strategic decision-making and organizational transformation. This perspective allows the study to capture how self-disruptive strategies are implemented across different

organizational contexts, while focusing on the underlying practices and mechanisms rather than sector-specific characteristics. In fact, the objective is identifying patterns that transcend individual organizational contexts.

4.2 Data collection

4.2.1 Interviews: method and sample selection

To address the research objective, data were collected through semi-structured interviews with experienced professionals involved in strategy, innovation, and organizational transformation. The choice of interviews as the primary data collection method is consistent with the qualitative and exploratory nature of the study. Given the focus on understanding how self-disruptive strategies are implemented in practice, it was necessary to access detailed, experience-based insights that could not be captured through standardized surveys or secondary data. Interviews provide the flexibility to explore complex phenomena, allowing respondents to articulate their reasoning, describe specific situations, and reflect on the underlying dynamics of strategic decision-making.

The use of semi-structured interviews offers a balance between comparability and flexibility: while a predefined interview guide ensures that all relevant topics are systematically addressed across respondents, the format allows for adaptation depending on the interviewee's background and experience. This is particularly important in the context of self-disruption, where practices may vary significantly across industries and organizational contexts. The semi-structured format enables the exploration of both expected themes, derived from the theoretical framework, and unexpected insights emerging from practitioners' experiences.

The selection of respondents follows a purposive sampling logic, aiming to capture informed perspectives from individuals with direct exposure to strategic renewal processes. The sample consists of eight senior professionals with diverse roles, industries, and firm sizes, ensuring a variety of perspectives. Its composition is summarized in Table 1 (see Appendix). It includes managers, consultants, and an academic expert with responsibility for organizational

transformation, in a deliberate effort to combine complementary viewpoints: managers provide in-depth insights into the internal dynamics of specific organizations, often drawing on long-term experience within a single firm; consultants, on the other side, contribute a cross-company perspective, having observed and led multiple transformation processes across industries and organizational settings; the inclusion of an academic expert with practical experience further enriches the analysis by bridging theoretical knowledge and applied organizational practice.

In addition to role diversity, the sample covers a range of industries, including strategy consulting, banking, telecommunications, fashion, and food and beverage. This cross-industry perspective allows the study to capture variations in how self-disruptive strategies are approached in different competitive environments, while also identifying recurring patterns that transcend sector-specific characteristics. All respondents occupy senior positions, ensuring that the insights collected reflect a strategic rather than purely operational perspective. This is particularly relevant given the research focus on decision-making processes, organizational design, and strategic trade-offs involved in self-disruption.

4.2.2 Interview design and data collection process

The interviews were conducted using a semi-structured interview guide, designed to align with the theoretical framework while remaining open to the emergence of new insights (see Appendix). The guide was structured around several key themes, including the nature of strategic change, the concept of self-disruption, implementation mechanisms, organizational structures supporting innovation, decision-making processes, and barriers to strategic renewal. This thematic organization ensures consistency across interviews while allowing sufficient flexibility for respondents to elaborate on areas most relevant to their experience.

The design of the interview guide reflects the theory-informed approach adopted in this study. Concepts developed in the literature, such as ambidexterity, innovation funnels, and portfolio management, were translated into open-ended questions aimed at stimulating concrete examples and practical reflections. At the same time, the guide avoids leading respondents toward predefined answers, encouraging them to describe their experiences in their own

terms. This approach supports the hybrid research logic, enabling both the exploration of theoretically grounded themes and the identification of new patterns emerging from the data.

All interviews were conducted remotely and lasted between 30 minutes and one hour. The online format facilitated access to respondents across different geographical locations, while maintaining a consistent interview setting. With the consent of participants, interviews were recorded, transcribed using automated transcription tools, and subsequently reviewed to ensure accuracy and completeness of the data.

The data collection process followed a consistent procedure across interviews, while allowing for adaptation when necessary. Interviews began with an introduction outlining the purpose of the research and ensuring confidentiality, followed by a brief contextualization of the respondent's background. The discussion then progressed through the main thematic sections of the guide, with the interviewer probing for clarification, examples, and deeper explanations when relevant. This interactive approach allows capturing not only explicit statements, but also underlying reasoning and implicit assumptions guiding managerial decisions.

Overall, the data collection strategy is designed to balance structure and flexibility, ensuring both the comparability of responses and the richness of insights. By combining a theory-informed interview guide with an adaptive conversational approach, the study is able to generate detailed empirical material suitable for identifying patterns, comparing perspectives across respondents, and supporting the subsequent analytical phase

4.3 Data analysis

4.3.1 Analytical strategy: hybrid thematic analysis

The data collected through interviews were analyzed using a hybrid thematic analysis approach, combining deductive and inductive reasoning. This analytical strategy is consistent with the theory-informed exploratory design adopted in this study, allowing the research to both engage with existing theoretical frameworks and remain open to insights emerging directly from the empirical material. Thematic analysis is particularly suited to qualitative

research focused on identifying patterns across participants' experiences, as it enables the systematic organization and interpretation of complex, non-standardized data.

The analysis process began with a deductive phase, in which key theoretical constructs developed in the previous chapters were used to define an initial set of analytical dimensions. Concepts such as self-disruption, ambidexterity, strategic renewal, and portfolio management provided a structured starting point for examining the data. These dimensions informed the initial reading of the transcripts and guided the identification of relevant excerpts, ensuring that the analysis remained anchored in the research objective and the conceptual framework: this approach allows connecting empirical observations to existing theory, facilitating a structured interpretation of how theoretical mechanisms manifest in practice.

At the same time, the analysis incorporated an inductive component aimed at capturing themes that were not explicitly anticipated by the theoretical framework. During the coding process, particular attention was given to identifying emergent themes and unexpected insights not explicitly anticipated by the theoretical framework. This inductive dimension is essential given the exploratory nature of the study, as it allows the research to identify aspects of self-disruptive strategies that may not be fully addressed in the literature. By integrating both deductive and inductive elements, the analysis avoids the limitations of purely theory-driven or purely data-driven approaches, instead enabling a more comprehensive understanding of the phenomenon.

The coding process was conducted manually, allowing for a close engagement with the data and a nuanced interpretation of respondents' statements. Transcripts were systematically reviewed and segmented into meaningful units, which were then categorized according to both predefined and emergent themes. This iterative process involved multiple readings of the material, progressively refining the coding structure as patterns became clearer. The use of manual coding, while more time-intensive, supports a deeper familiarity with the data and facilitates the identification of subtle connections between themes, which is particularly valuable in the analysis of complex strategic processes.

4.3.2 From coding to patterns and managerial implications

Following the coding phase, the analysis focused on identifying patterns across respondents and comparing perspectives to build a coherent interpretation of the data. This cross-case comparison is a central step in thematic analysis, as it allows moving beyond individual statements to uncover recurring mechanisms and shared experiences. By systematically examining similarities and differences across interviews, the research identifies common challenges, practices, and decision-making logics associated with the implementation of self-disruptive strategies.

Particular attention was given to the convergence and divergence of perspectives across different respondent profiles, including managers, consultants, and the academic expert. This comparative approach enables a richer interpretation of the data, as it highlights how similar strategic phenomena are perceived and addressed from different vantage points. For instance, managers tend to emphasize internal organizational dynamics and constraints, while consultants often provide a broader view informed by multiple organizational contexts. The combination of these perspectives contributes to a more comprehensive understanding of the mechanisms underlying strategic renewal.

The identification of patterns is complemented by a process of abstraction, through which empirical observations are translated into higher-level insights. Rather than reporting isolated anecdotes, the analysis seeks to group observations into meaningful categories that reflect underlying principles of action. This step is critical for ensuring that the findings contribute to theoretical and managerial understanding, rather than remaining purely descriptive. In this sense, the analysis moves progressively from raw data to structured insights, linking specific examples to more generalizable patterns.

The final stage of the analysis consists in deriving managerial implications and guiding principles from the identified patterns. This involves interpreting the empirical findings in light of the research objective, with the aim of articulating actionable insights for practitioners. These implications are not presented as universal prescriptions, but as analytically grounded recommendations reflecting recurring dynamics observed across cases. By anchoring these

insights in both empirical evidence and theoretical reasoning, the study provides a structured perspective on how firms can approach self-disruptive strategies, while acknowledging the contextual nature of strategic decision-making.

4.4 Research rigor and limitations

4.4.1 Validity, reliability and biases

Ensuring the rigor of qualitative research requires careful attention to the validity and reliability of the findings, as well as to the identification and mitigation of potential biases. In this study, validity is primarily addressed through the credibility and consistency of the data collected, as well as the coherence between the empirical material and the analytical framework. The use of semi-structured interviews with experienced professionals allows capturing detailed, experience-based insights into strategic practices, enhancing the internal validity of the research by grounding the analysis in real-world observations. In addition, the diversity of respondents in terms of roles, industries, and organizational settings contributes to strengthening the robustness of the findings, as it enables the identification of recurring patterns across different contexts rather than relying on a single perspective.

Reliability, understood as the consistency and transparency of the research process, is supported through the systematic approach adopted in data collection and analysis. All interviews were conducted following a guide aligned with the research objective, ensuring that comparable themes were addressed across respondents while allowing for flexibility in discussion. The use of recordings and full transcriptions further enhances reliability by preserving the integrity of the data and enabling a detailed and consistent analysis. The coding process was applied systematically across all interviews, allowing patterns to be identified through a structured comparison of responses rather than ad hoc interpretation.

Despite these measures, qualitative research is inherently subject to certain biases that must be acknowledged. A first source of potential bias relates to the subjective nature of respondents' perspectives, as interviewees may interpret experiences differently or emphasize particular aspects based on their individual backgrounds. This limitation is

mitigated by the cross-case comparison of responses, which allows distinguishing between isolated opinions and recurring patterns. A second potential bias stems from the researcher's interpretation of the data, as the coding and analysis process involves a degree of subjectivity. To reduce this risk, the analysis was conducted iteratively, with multiple readings of the data and continuous refinement of themes to ensure consistency and coherence. Finally, the use of semi-structured interviews introduces the possibility of interviewer bias, as the phrasing of questions or follow-up prompts may influence responses. This was addressed by trying to maintain a neutral stance during interviews and by using an interview guide designed to minimize leading questions.

4.4.2 Ethical considerations

Ethical considerations play a central role in the conduct of qualitative research, particularly when it involves direct interaction with participants and the collection of potentially sensitive information. In this study, particular attention was given to ensuring the confidentiality and anonymity of respondents. All interviewees were informed of the purpose of the research at the beginning of the interview and were assured that their participation would remain confidential. To protect their identity, respondents are anonymized in the analysis and referred to using coded identifiers (e.g., R1, R2), and no company names or personally identifiable information are disclosed.

Informed consent was obtained from all participants prior to conducting the interviews. Although consent was not formalized through written documentation, it was explicitly stated and recorded at the beginning of each interview, ensuring that respondents were aware of the nature of the research, the use of the data, and their right to decline participation or withdraw at any time. This approach is consistent with common qualitative research practices, particularly in professional contexts where formal consent procedures may not always be required.

The data collection and analysis process was conducted with the objective of respecting participants' perspectives and accurately representing their views. Care was taken to avoid misinterpretation or selective reporting of statements, and the analysis aims to reflect the

diversity of opinions expressed rather than privileging a single viewpoint. In addition, the use of automated transcription tools was complemented by manual review and correction to ensure the accuracy of the recorded material. Overall, the research was conducted in accordance with principles of confidentiality, transparency, and respect for participants, ensuring that ethical standards are maintained throughout the study.

4.4.3 Limitations

Despite the measures taken to ensure rigor, the study is subject to several limitations that must be acknowledged. First, the sample size is relatively limited, consisting of eight interviews. While this is consistent with qualitative research aimed at depth of understanding, it constrains the extent to which findings can be generalized beyond the specific contexts examined. The objective of the study is therefore not to provide statistically representative conclusions, but to identify patterns and generate insights that can contribute to the understanding of self-disruptive strategies.

Second, the geographical distribution of respondents introduces a degree of contextual specificity. Although the sample includes professionals from different national backgrounds, a significant proportion of respondents operate within similar regional contexts (Europe), which may influence the practices and perspectives observed. As a result, the findings may reflect particular institutional, cultural, or market conditions that are not universally applicable.

Third, the qualitative nature of the research implies a reliance on subjective accounts of organizational practices. The analysis is based on respondents' perceptions and recollections, which may be influenced by personal experiences, retrospective interpretation, or organizational positioning. While cross-case comparison helps mitigate this limitation, it cannot fully eliminate the subjective dimension inherent in interview-based research.

Finally, the focus on senior professionals, while ensuring a strategic perspective, may limit the visibility of operational-level dynamics. Strategic decisions and organizational practices may be experienced differently at other levels of the organization, and these perspectives are not

directly captured in this study. Future research could therefore complement this approach by incorporating a broader range of organizational roles or by combining qualitative and quantitative methods to further validate the findings.

Chapter 5. Translating strategy into execution: a practical guide

5.1 Why theory alone is not enough

5.1.1 The strategy chasm

In the previous chapters it has been discussed how, from a theoretical perspective, strategy is a field that is just as fragmented as it is talked about. There are ongoing debates about the definitions of what strategy is (paragraph 1.1.1), and about whether it should be treated as an art or as a science (paragraph 1.1.2). In the past, executives heavily relied on their instincts and experience to lead a company, while the most recent literature is trying to make strategy into a confirmatory science, with statistical models functioning as theory-testing and theory-refining instruments (paragraph 1.1.3). As nowadays firms are becoming bigger and failing has a higher price, practitioners agree on the need to provide managers with prescriptive knowledge, actionable rules and frameworks to make their decisions more reliable and justifiable than a “gut feeling”.

This is the task this chapter is set out to achieve, and to do so it will build on some questions that were introduced in the previous paragraphs but remained unanswered.

It has been said that strategy can't be only a planning exercise, as it must guide and translate execution (paragraph 1.1.2). The underlying problem, already synthesized by Mintzberg & Waters (1985) with the name of “emergent strategy” is that realized strategy, or execution, often diverges from intended plans: they hypothesize that this is due to managers responding to unforeseen events by adapting the strategy to the situation thanks to their own tacit knowledge and situational awareness. However, a bigger problem is that even more often strategy fails altogether in being executed: this persistent gap between strategy formulation and execution is referred to as the “Strategy Chasm” (Scarso Borioli et al, 2025).

The motivations for said gap manifest in four interconnected layers:

- The contents of strategy: as it has already been explained (paragraph 1.1.1) and will be furtherly proven (paragraph 5.1.1), the managerial word suffers from a fragmented language, often confusing strategy with mere financial planning or operational

effectiveness. This leads to incomplete strategies that lack clarity and competitive insight.

- The process of strategy: strategic efforts are frequently ad hoc, siloed, and burdensome. Instead of a continuous, adaptive effort, strategy often becomes a "one-off" exercise that fails to cascade effectively through the organization. A more sustainable path will be proposed (paragraph 5.3).
- The tools of strategy: current tools often rely on static and disconnected documents that cannot capture the dynamic nature of the business environment. These tools fail to link data to choices, making it difficult to adapt when conditions change. Some alternative proposals will be presented to make the process smoother.
- Strategic capabilities, culture, and commitment: there is often a lack of strategic acumen within leadership teams, leading to an over-reliance on external consultants. This creates a dependency that limits internal ownership and accountability: it should be a best practice among consultants to act as enablers of choices, not as decision-makers, as the ultimate decision must be made by the people who will pay the consequences for that choice.

Scarso Borioli et al (2025) frame this dysfunction through Ashby's *Law of Requisite Variety* (Ashby, 1991), which states that "only variety can absorb variety": in a business context, this means a management system must possess a level of complexity (variety) that matches the complexity of its environment. They venture that the Strategy Chasm occurs because the complexity of modern strategic challenges exceeds an organization's current capabilities, processes, and tools: this is where the necessity of self-disruptive business strategy manifests itself.

5.1.2 Evidence from practice between divergences and agreements: «Success only comes to those who can interpret the market and manage people»

In the interviews that were conducted, respondents were asked to define strategy, innovation, and transformation. The answers gathered reflect the fragmentation and complexity of these concepts, confirming the lack of a unified understanding already highlighted in the literature.

Rather than converging toward a single definition, practitioners approach these notions from different angles, shaped by their roles, industries, and experiences.

With regard to strategy, a first divergence emerges between those who interpret it as a high-level direction and those who emphasize its operational and organizational dimension. For instance, one respondent describes strategy as «a north star that guides organizations in achieving their goals under resource constraints» (R1), while another frames it as a «theory that you have to translate with guidelines and ownership» (R8). Others describe it as «having clear objectives» and, above all, the ability to «translate them into organizational terms and cascade them throughout the firm» (R6). Similarly, strategy is seen as an inspirational long-term orientation, «a 3 to 5 year goal that the company can follow» (R4), but also as a process rooted in continuous interaction with the environment, where firms must «listen and process inputs that come from everywhere in the market: not just from the customers, but also competitors, employees and stakeholders in general» (R3). These perspectives highlight a tension between strategy as intent and strategy as adaptation, suggesting that in practice it is both a guiding vision and a dynamic process shaped by external signals and internal constraints.

A similar plurality characterizes the understanding of innovation, which is consistently recognized as essential but interpreted in different ways. «Innovation is about doing things differently. It can be very light or disruptive, and it involves new products, targets and ways of working» (R8). Some respondents emphasize its cognitive and creative dimension, defining it as «new ways of thinking, and tools to address very intractable social and environmental problems» (R1), while others frame it more pragmatically as the «ability to change processes and avoid repeating established routines» (R6). In more market-oriented perspectives, innovation is closely linked to competitiveness and growth, being described as «a necessity in the business world to remain competitive» (R4). It's said to be «the enabler of a winning strategy, the ongoing search for what is missing, that competitors are not yet able to offer, and customer don't yet know they want. It's the pumping heart without which is impossible to live. It is about people, welfare and client relations» (R3). Innovation is, in fact, also associated with tangible activities such as product development, experimentation, and

portfolio renewal, confirming its role as both a strategic driver and a practical process embedded in everyday decision-making. Several respondents emphasize how «innovation is not just the shiny stuff, it is actually the consistent daily grid of you getting insights from your customers, and having that process to day-by-day chip at the edges» (R1, R3). It is above all «a combination of resources» (R2): «it entails identifying the Job To Be Done, creating experiences and aligning the internal processes around that identified job» (R5).

Finally, transformation emerges as the most ambiguous and overlapping concept among the three. In some cases, it is defined in broad terms as «changing the way things work in the company in order to improve the situation» (R4), while in others it is described as a «continuous adaptation process driven by the need to respond to a changing environment» (R6). Several respondents do not clearly distinguish transformation from innovation, instead presenting it as the organizational manifestation of change, encompassing processes, structures, and ways of working. This overlap is evident in the view that «strategy, innovation, and transformation are three faces of a pyramid» (R2), suggesting that transformation is not a separate concept but rather the outcome of strategic and innovative efforts implemented within the organization. Overall, the interviews reveal that transformation is perceived less as a discrete event and more as an ongoing, systemic process that integrates multiple dimensions of change.

However, despite all the differences among the respondents, their backgrounds and their views of strategy, innovation and transformation, all their observations can be summarized by something one of them put down like this: «Success only comes to those who can interpret the market and manage people» (R6). It means that there are two imperatives for companies:

1. They should be aware of the market they're in, meaning they have to know what is around them (customers, competitors, stakeholders,...) and what is the role they want to have in that environment (their strategy).
2. They should be aware of their own people and be capable of aligning them, to eventually succeed in turning strategy into execution.

What follows is structured around these observations.

5.2 Operationalizing strategy: from theory to practice

5.2.1 Proactivity: «Only the paranoids survive»

One of the problems of strategic change is its being «something of which the consequences are unknown» (R2), and people in general do not enjoy nor go looking for the unknown; as Hamlet rationalized a long time ago, « ...conscience does make cowards of us all [...] / And makes us rather bear those ills we have / Than fly to others that we know not of» (Shakespeare, 1600 ca.).

However, this research has by now proven the need to abandon the status quo, even if there are no “ills” in it, and move towards new situations, markets, products, customers,... It has been discussed (paragraph 2.2.3) that breaking suboptimal equilibria requires a deliberate shift, a proactive strategic process where entrepreneurs test the boundaries of the corporate strategy and address organizational inertia in the forms of resource and routine rigidity (Gilbert 2005), but how do they know when they need to disrupt the business?

As far as this research has been able to uncover, they don’t know. When asked what signals to look for, one answered «that is the point, there are no signals. You should always, continuously look for new opportunities, because you can’t always anticipate external factors, and you can almost never control them» (R3).

Another respondent highlighted how a team of Business Intelligence and/or Competitive Intelligence should always be present in a firm, working in close quarters with R&D: «Innovation driven by science and an understanding of the environment is proactive, whereas innovation guided by market changes is, by definition, reactive» (R2).

One interviewee said «the choice is between maintaining the current approach, or abandoning it altogether in favor of a long-term roadmap, spanning at least ten years, that entails significant commitments in terms of time, capital, and human resources» (R3), and when asked about what is the deciding factor he replied «In some cases, a business case is developed, outlining scenarios with their respective pros and cons. In others, decisions rely on judgment or “a hunch”. It should always be kept in mind, however, that not deciding carries a

cost; therefore, it is often preferable to take a wrong path that at least leads somewhere rather than remain inactive». This approach is also sponsored by others, who say «The key is to get moving, and then adjusts the course along the way» (R7).

An interesting approach is the one adopted by one of the respondents (R1), who is managing director in a firm: «We are always making sure we're at the edge of what's possible, and always making sure we're future-proofing, anticipating what might come». The interviewee strongly believes «Only the paranoids survive. I think it's a mindset. I think I am quite paranoid because I just know how fickle in our sector, my clients are [...] they always change their mind. They might like this now and they won't like this tomorrow. And I tell my team that everything has a shelf life».

However, this “paranoia” comes at a mental cost for the employees: «my team also constantly feels that we have to constantly innovate, we can't just sit back and relax [...] It doesn't feel good for people to be always on the edge, because then they're always feeling they're falling and they're insecure».

This author believes there are two streams of actions that can be taken in this regard: on the one side, there are some tools that can aid and structure the monitoring of the internal and external environment; they will be presented in paragraph 5.2.2. On the other side, leadership must do everything in its power to help employees alleviate and overcome this fatigue by explaining change (paragraph 5.3) and empowering them through complexity management enablement. In fact, «coaching is a great tool, but it is expensive. If there were more accessible ways for colleagues to assess access coaching, I think that would be great, to have a coach to help them bounce ideas or handling complexity. [...] There are some theories I'm looking at, like polarity management: is a school of thoughts on how you hold two very different ideas and the tension between them» (R1).

5.2.2 Tools to map the as-is situation: «There can be no strategy without analysis»

The proactivity described in the previous paragraph cannot be reduced to intuition, alertness, or managerial “paranoia” alone. If firms want to renew their strategy before something else

forces them to do so, they need analytical tools that allow them to understand where they are, formulate hypotheses on where they could go, and translate those hypotheses into concrete priorities and actions. This point emerged clearly from the interviews. As R2 stated, «there can be no strategy without analysis», while R5 similarly described strategic work as starting from a mapping exercise: understanding existing markets, customers, products, geographies, competitors, market size, internal competencies, and gaps before deciding which opportunities to pursue. In this sense, analysis is not opposed to entrepreneurial intuition; rather, it gives structure to it. It transforms broad perceptions about change into a more disciplined understanding of the firm's current position, its possible future trajectories, and the constraints that may limit implementation.

This is consistent with the theoretical framing developed in the previous chapters, where strategy was interpreted as a hypothesis about value creation that must be verified through execution. If strategy is a hypothesis, then analysis is the process through which that hypothesis is formulated, tested, refined, or rejected. «One of the biggest issues in turning strategy into executions is related to keep the strategy rolling as time goes on: to do so we'd need the right tools, governance and leadership» (R5).

The first practical implication is therefore that firms need tools to map the “as-is” situation. The Strategy in Action Canvas (Scarso Borioli et al, 2025; image 1, Appendix), can serve this purpose by decomposing strategy into the main domains previously discussed: playing field, value proposition, operating model, and business model. This mapping is particularly important because each domain requires different kinds of evidence. The playing field requires analysis of markets, customers, geographies, competitors, and market attractiveness. The value proposition requires continuous market feedback, because its validity ultimately depends on customer perception and behavior. The operating model requires an assessment of internal resources, capabilities, processes, governance, people, and systems. Finally, the business model requires economic analysis of how value is captured through revenues, costs, margins, and capital use. In this sense, the Canvas prevents strategy from remaining an abstract statement: it forces managers to ask where the firm competes, how it wins, how it operates, and how it captures value.

Several interviewees provided practical examples of this analytical logic, especially when it comes to mapping the value proposition. This is perceived to be a particularly important element that influences all the rest. In fact, it has already been discussed (paragraph 3.1.2) that product innovation can act as a driver of strategic renewal: introducing a new product often requires new technologies, new skills, or new processes, which may not be compatible with existing routines, hence pressuring for organizational adaptation. Practitioners agree with this view: «Product and service innovation are very central [...] Product innovation is what has allowed us to also be the number one company in the world in the sector: being able to propose something that others today haven't even imagined, haven't even thought about at the product level, definitely allows us to be at the top of the industry and open new frontiers».

In this regard, R1 explained that his organization uses the BCG product matrix (image 4, Appendix), and the product lifecycle (image 5, Appendix), to monitor their offering over time, identifying which ones are declining, which ones remain “cash cows”, and which ones may become future “stars”. He also described a more qualitative form of market sensing: «we look at what people are commissioning, what keywords they use. [...] We also analyze conference topics: what are people talking about? And how is that different from the past? Mapping then the keywords with our products and services and our own communication topics» (R1). This example is particularly relevant because it shows that analysis is not only financial or quantitative; it can also involve weak signals, language, client requests, and changes in public discourse. Similarly, R4 referred to market share and to what is «on top of everyone’s mind» as relevant indicators, while R7 emphasized financial and operational indicators such as profitability, customer complaints, product returns, and market trends. Taken together, these statements suggest that ongoing analysis must combine quantitative data, qualitative interpretation, and continuous market listening.

5.2.3 Tools to map the to-be situation: «You can only manage what you can measure»

Mapping the present situation is only the first step. Strategic tools must also help articulate the “to-be” situation: the future state the company wants to reach. This is where the notion of winning ambition becomes relevant: «the winning ambition may be compared to the notion of one’s desired future self: it functions as a guiding framework that shapes some actions more

than others and, although subject to modification, tends to preserve its overall direction» (R5). It is the conjunction point between strategy and execution, because it translates a broad vision into measurable success metrics: vision and purpose provide direction, but numbers make that direction concrete; «as commonly stated in management practice, you can only manage what you can measure» (R4). A revised Kaplan and Norton logic (image 6, Appendix) is useful here because it prevents strategy from being measured only through financial outcomes: it encourages the firm to define success across financial, customer, internal process, learning and growth, and ESG dimensions. In practical terms, this means identifying a limited set of “from-to” metrics: where the firm is today, where it wants to be tomorrow, and how progress will be measured. This step is essential because, without measurable ambition, strategy remains rhetorical; with measurable ambition, it becomes monitorable.

Once the current and desired situations have been clarified, the next step is prioritization. The interviews (R4, R5, R7) repeatedly show that firms rarely fail because they have no ideas; they fail because they have too many ideas, limited resources, and insufficient discipline in choosing among them: this problem will be further analyzed in paragraph 5.3.3. Therefore, strategic priorities must be distinguished from enabling priorities. Strategic priorities directly advance the firm’s position in the market, by implementing choices about where to play and how to win. Enabling priorities, by contrast, build or transform the internal capabilities needed to support those strategic choices. This distinction is important because it prevents firms from confusing external strategic moves with the internal work required to make them possible. For example, entering a new market may be a strategic priority, but upgrading IT systems, training people, or redesigning governance may be enabling priorities without which the strategic move cannot succeed.

The Three Horizons framework (Sharpe et al, 2016; image 7, Appendix) then offers a way to organize these priorities over time. Horizon One concerns the protection and improvement of the current core business; Horizon Two concerns emerging businesses that may become relevant sources of growth; Horizon Three concerns more uncertain options and experiments for the future. This framework directly addresses the challenge discussed throughout this research: how firms can exploit existing value while exploring new value trajectories. It also

helps avoid two opposite risks. On the one hand, firms may focus only on Horizon One and become trapped in the present. On the other hand, they may overinvest in distant opportunities without protecting the business that currently funds them. By allocating priorities across the three horizons, firms can make self-disruption more manageable: not as a chaotic break with the past, but as a portfolio of initiatives with different timeframes, levels of uncertainty, and resource requirements.

Finally, the translation from strategy to execution requires the articulation of objectives and actions: as R8 says, «to implement strategies you have to define what to do, who does it [...] and the specific actions they will do». After priorities have been selected, the firm must define what each priority is meant to achieve, and which actions can realistically be implemented to reach that objective. This is the point where many strategies fail, because the analytical phase does not automatically produce execution. «Execution requires planning the how, when, who, and how much» (R5): who is responsible, what sequence of actions is appropriate, what resources are required, and how progress will be monitored. Therefore, tools are not a substitute for execution, but they create the conditions for execution by reducing ambiguity, clarifying choices, and making progress visible. In this sense, analysis becomes the bridge between proactivity and implementation: it transforms the instinct to “stay on the edge” into a disciplined process of mapping, measuring, prioritizing, and acting.

5.3 Succeeding in execution: it all comes back to people

5.3.1 The human requirement: «Transforming an organization is about the people who are part of it»

It has already been discussed (paragraph 2.1.4) that disruptive success requires overcoming internal rigidities, cognitive biases, and entrenched routines. The interviews strongly validate this theoretical perspective: across all respondents, the most recurring factor, both as a primary obstacle and as a critical success condition in strategy execution and self-disruption, is the human dimension.

While expressed through different lenses, all interviewees converge on the idea that «strategy done by people» (R5) and that «on strategy, innovation and transformation the common ground is people. Transformation especially it's about the people: you can't change the way a company operates without taking people into account, because transforming an organization is about the people who are part of it» (R8). Therefore, a successful strategy disruption depends on their behavior, mindset, and alignment. «Every company is made of people; hence it works best if people align with the company's purpose» (R2).

R5 identifies four distinguishing elements between firms that succeed and those that fail: leadership capability, a strong strategic culture oriented toward asking the right questions, the presence of tools and governance mechanisms, and the existence of structures such as a PMO to ensure continuous monitoring and execution discipline.

Similarly, R1 stresses the importance of organizational culture and people selection, arguing that successful firms are those that «hire the right people, meaning individuals who are able to embrace complexity, view uncertainty positively, and approach change with an optimistic mindset». This perspective complements the idea that resistance to change is not merely a structural issue, but a deeply human one: individuals tend to prefer stability and may perceive continuous adaptation as a source of insecurity. As a result, the success of strategic renewal depends not only on a great strategy or good tools, but also on the psychological and cultural readiness of the organization.

A further critical element emerging from the interviews is clarity of purpose. R6 explicitly notes that, at the beginning of any change process, «the reason for change must be super clear», first to senior management and then to the entire organization, enabling individuals to act coherently toward the new direction. This highlights a fundamental requirement: without a shared understanding of why change is necessary, execution efforts risk being perceived as arbitrary, leading to disengagement or resistance.

In this context, tools such as the OKR (Objectives and Key Results) framework (Grove, 1983) become particularly relevant. OKRs function as a goal-setting system that creates alignment and involvement around ambitious and measurable objectives:

1. High-level strategic Objectives are mapped in the Three Horizons: they consist of qualitative statements answering the question “What do I want to achieve?”. They must be significant, concrete, action-oriented, and (ideally) inspirational.
2. Objectives are translated into concrete Key Results: quantitative, measurable steps as of how to get to the Objectives. They should be specific and time bound, aggressive, realistic and verifiable.

Crucially, Key Results should measure desired, observable outcomes, allowing individuals to understand how their actions contribute to broader goals. It’s important to note that OKRs focus on outcomes rather than tasks, enabling teams to retain autonomy in how they achieve objectives while remaining aligned with the organization’s strategic direction (R5). This reinforces the idea that people do not execute strategy simply by following instructions; they execute it by understanding objectives, internalizing them, and acting within a structured yet flexible framework.

Overall, the evidence suggests that the human requirement of strategy execution lies at the intersection of culture, clarity, and coordination. Strategy is not implemented through formal plans alone, but through the collective behavior of individuals who must understand, accept, and enact change over time. Without this alignment, even the most analytically sound strategy risks remaining unimplemented.

5.3.2 Leadership as enabler: «Nothing happens without the right people, in the right places, with the right motivation»

If people constitute the fundamental requirement for strategy execution, leadership represents the mechanism through which this requirement is activated and coordinated. As R3 states, «nothing happens without the right people, in the right places, with the right motivation», highlighting that leadership is not limited to decision-making, but extends to the orchestration of human and organizational resources.

This role can be interpreted through the concept of seizing introduced in paragraph 2.1.4, defined as the ability to mobilize resources effectively in order to capture strategic

opportunities. Leadership, in this sense, is not only about identifying opportunities (sensing), but about translating them into coordinated action across the organization. This requires making investment decisions, selecting the appropriate strategic architecture, and ensuring that resources are aligned with the intended direction.

However, mobilizing resources is not sufficient if individuals do not understand or accept the underlying rationale. For this reason, leadership must also operate through narrativity: as discussed in paragraph 1.1.2, strategy exists in organizations as shared narratives that provide meaning and direction. Leaders must therefore construct and communicate a coherent story that explains why change is necessary, what the organization aims to achieve, and how individuals contribute to that goal «the challenge is to make sure the strategy we have at the Executive Committee level arrives to the very last mile» (R8). This process transforms strategic intent into shared purpose and beliefs that guide collective action. R3 also emphasizes that «the manager of tomorrow has to be able to manage people», noting that aligning individuals is significantly more complex than solving technical or process-related problems. This corroborates the idea that leadership is fundamentally relational: it involves managing differences, expectations, and motivations across individuals who may interpret change in different ways.

Another recurring theme concerns the scaling of leadership efforts. R7 believes «At the beginning, the reason for change must be super clear to the seniors: why are you doing that for? Then, you must explain everything to everyone in the company and enable them to act on it». In fact, while strategic change may originate within a small, concentrated leadership group, it cannot remain confined to it. As R6 observes, «initial strategy development often involves small, cross-functional teams», but «the most important and difficult thing is bringing everyone else on board later on». This reflects a critical transition from formulation to execution: leadership must move from designing strategy to diffusing it throughout the organization, ensuring that it is understood and implemented at all levels.

To achieve this, R3 highlights two complementary mechanisms. First, leaders must ensure that the vision and rationale for change are clearly communicated across the organization, so that individuals do not perceive change as imposed but as meaningful, and necessary. Second,

governance structures and hierarchical mechanisms may be used to cascade decisions and ensure consistency of execution. However, this top-down approach must be balanced with engagement and understanding, as «purely imposed change tends to generate resistance» (R7). In this regard, leadership is not only about directing action, but about enabling it, giving it a meaning. R3 portrays this situation saying that «individuals must marry change»³.

Finally, an important behavioral aspect of leadership emerges from R1's observation that leaders must «treat feedback as intelligence» and «listen to understand, not to respond». This highlights the importance of openness and adaptability: effective leaders do not simply communicate strategy, but continuously refine it based on feedback from the organization and the environment. This reinforces the dynamic nature of strategy, where execution and learning are intertwined processes.

To summarize, R8 highlights some ways to «make the change easier on people»:

1. «Strategy needs to be co-built [...] It's important that it's those who will carry out the strategy that, after been made aware of the goal, define their own specific actions to reach the agreed quantitative targets».
2. «It helps to go deeper in the company with surveys to capture the voice of the employees, as it enriches the strategy on the one side, and makes people feel involved on the other. When we execute the strategy, they will see themselves in some parts of it and the ownership is bigger».
3. «We [leaders] need to repeat where we want to go at the end of each quarter: we have to share the results, the top priorities for the next quarter, and to recognize some people who have done something worthy».

³ The original expression used is «Le persone devono sposare il cambiamento», which would more idiomatically translate as “people must embrace change.” However, the more literal rendering (“people must marry change”) is retained here in order to preserve the figurative nuance of the original phrasing.

4. To succeed in execution, «we have to agree on what we're going to do day by day. We need to have routines and regular governance meetings to make sure we're moving forward [...] It keeps people engaged on moving forward».
5. As a leader, «you need to be able to listen to people emotions, and understand them, to convince them».

In conclusion, leadership plays a dual role in strategy execution. On the one hand, it ensures the alignment and mobilization of resources required to implement strategic choices. On the other hand, it creates the conditions for collective action by constructing meaning, fostering engagement, and enabling individuals to contribute effectively. Without this combination of direction and involvement, strategy cannot move from intention to execution.

5.3.3 The problem of balance: «If there is risk, there is no risk»

A central tension in strategy execution concerns the ability to maintain a balance among the three horizons, between core business and new opportunities. As discussed in paragraph 2.3.1, firms must simultaneously pursue exploration and exploitation, developing new sources of value while sustaining and improving existing ones: this need is testified by R8, who says «sometimes we know we are cannibalizing it [our core business], but we have no choice, because shortly it will not exist anymore. Still, it doesn't make it easier».

The duality between exploration and exploitation is at the core of ambidexterity, which has been cleared as a necessary condition for long-term performance. Portfolio strategy provides a concrete mechanism to manage this balance, by allocating resources across initiatives with different levels of uncertainty, time horizons, and expected returns (paragraph 3.1.3).

At the organizational level, this balance has been conceptualized as contextual ambidexterity (paragraph 2.3.2), whereby firms design systems of values, incentives, and practices that enable individuals to manage conflicting demands autonomously. Rather than structurally separating exploration and exploitation, contextual ambidexterity requires employees to continuously navigate between the two. As such, it can be interpreted as a condition sine qua

non for ambidextrous behavior, as it embeds the tension directly within everyday decision-making processes.

However, while theoretically desirable, maintaining this balance proves to be one of the most difficult aspects of execution in practice. The interviews consistently highlight this challenge. R5 explicitly identifies balance as a primary reason why «strategies crash down during execution. If this happens, we go back to our comfort zone in Horizon One, the core business, the things we know», suggesting that organizations struggle to translate high-level intentions into coherent and sustainable action. This difficulty stems from the inherently conflicting nature of exploration and exploitation: the former requires risk-taking, experimentation, and tolerance for failure, while the latter demands efficiency, control, and reliability.

A key dimension of this problem concerns the human cost of continuous change. As R1 observes, «operating at the edge comes with a significant mental burden, as individuals feel constantly exposed to uncertainty and instability». This highlights a paradox: while proactivity and self-disruption are necessary to avoid strategic inertia, they can also generate fatigue and resistance if not properly managed. In this context, the perception of risk plays a critical role. As R7 notes, «if there is risk, there is no risk», meaning that when individuals perceive a credible threat, they are more likely to act to neutralize it. This observation aligns with the idea discussed in paragraph 2.3.3, where the anticipation of disruption can act as a catalyst for change, unlocking resources and overcoming inertia.

Conversely, the absence of perceived risk can become the most significant threat. Several respondents converge on this point. R1 emphasizes that firms with strong market positions may become complacent and «sit back and relax», reducing their incentive to explore new opportunities. This is echoed by other interviewees (R3, R4, R5, and R7), who highlight how stability and past success can reinforce inertia. R6 further illustrates this phenomenon through the recurring expression «This is how things have always been done», identifying it as one of the most common and detrimental attitudes encountered during change processes. Together, these insights suggest that the challenge is not only to manage risk, but also to maintain an appropriate perception of it: too much perceived risk generates paralysis or fatigue, while too

little leads to complacency. R3 suggests that «it is precisely when things are going well that you should push the boundaries even further».

Given these tensions, maintaining balance requires two key mechanisms: prioritization and testing.

As far as prioritization is concerned, a recurring issue highlighted by respondents is that organizations often attempt to pursue too many initiatives simultaneously. As R7 notes, firms frequently «have their plate already full», while R5 observes that «individuals tend to be overly optimistic about what can be achieved, so they take on too many initiatives at the beginning and then they have a hard time letting them go, even if it has impossible to pursue all of them». This leads to a dispersion of resources and a lack of focus, ultimately undermining execution. To address this, R4 and R5 propose the use of an impact/effort matrix (image 8, Appendix), that maps the initiatives depending on the organizational effort they require and the expected impact. Both interviewees suggest concentrating on a limited number of high-impact, low- effort initiatives: R4 refers to this logic as focusing on «low hanging fruits», while R5 frames it through a Pareto perspective, «identifying the 20% of actions that generate 80% of the results», but the conveyed meaning is the same.

The second mechanism is testing. All respondents agree that, in conditions of uncertainty, it is impossible to determine *ex ante* which initiatives will succeed. As R6 explains, firms must «start going, and then adjust», highlighting the iterative nature of strategic action. This perspective reinforces the idea of strategy as a hypothesis that must be validated through execution. Testing allows organizations to learn from action, refine their assumptions, and progressively improve their decisions. In this process, leadership plays a crucial role in «fostering a culture where experimentation is encouraged and failure is accepted as part of learning» (R1). Moreover, as suggested by R1 and R2, organizations can approach innovation through the development of “option value” projects, which allow them to explore multiple possibilities while limiting downside risk.

Ultimately, the decision to «keep or kill an initiative» (R5) results emerges from the interaction between these two mechanisms and the organizational strategy. The first element is the

organization's capacity to sustain multiple initiatives at the same time, which relates to prioritization and resource constraints; R7 captures this element saying «How many initiatives the organization can realistically sustain? How much risk can it take on?». Secondly, the observed performance of the initiative, emerging through testing and iterative learning. Lastly, its alignment with the overall strategy, both in the present (and in its future evolution. As highlighted by R4 and R7, an initiative cannot be evaluated in isolation: even successful experiments may be discontinued if they do not fit the strategic direction, while aligned initiatives may be sustained despite initial uncertainty.

In conclusion, the problem of balance is not a static equilibrium to be achieved once and for all, but a dynamic process that requires continuous adjustment. Firms must simultaneously manage risk and stability, exploration and exploitation, ambition and feasibility. Prioritization and testing provide the practical tools through which this balance can be maintained, allowing organizations to act under uncertainty while avoiding both paralysis and overextension.

5.3.4 Dos & Don'ts: «Strategy is about deciding what not to do, more than what to do»

The final question posed to interviewees asked them to provide practical advice to firms aiming to successfully implement self-disruption, in the form of one “DO” and one “DON'T” statement. This dual framing was intentionally designed to capture both positive and negative prescriptions. While “DO” statements are generally perceived more favorably, as they suggest actionable guidance, “DON'T” statements proved equally important. As one respondent noted, «strategy is about deciding what not to do, more than what to do» (R5), highlighting once again that restraint and selectivity are central to effective execution.

Despite differences in wording, responses converged around three recurring themes: involving people, continuous and proactive analysis, and finding the right measure.

Involving people is the most reiterated: across all interviews, strategy execution emerges as a fundamentally collective process. As already presented (paragraphs 5.3.1 and 5.3.2), firms that succeed are those that actively involve individuals at all levels, ensuring that strategy is understood, shared, and enacted. Conversely, attempts to impose change from the top are

consistently identified as a major cause of failure, as they generate resistance rather than alignment. Some statements that clearly reflect this topic are:

- «DO get operational teams involved in change through periodic reviews» (R4).
- «DO engage people and broaden the scope of the strategy, especially in structured organizations. Because strategy is made by people» (R5).
- «DO engage employees and share strategy objectives» (R6).
- «DO listen to you people, they know better» (R8).
- «DON'T believe you can do strategy without people. Imposing top-down strategy is devastating» (R3).
- «DON'T impose change from the top, it won't work. Purely imposed change tends to generate more resistance than participation among individuals» (R6).

A second theme is the need for continuous, forward-looking analysis. Respondents emphasize that firms must remain alert and willing to question their current position, especially in periods of success. Proactivity, however, must be supported by structured analysis, as purely intuitive or reactive decisions are often ineffective. Some exemplary quotes from the interviews follow:

- «DO be a paranoid, because only the paranoids survive» (R1).
- «DO implement a Business Intelligence or Competitive Intelligence unit, better if made by people who come from different fields and with different levels of experience, as they may bring a fresh perspective» (R2).
- «DO be curious to step outside the comfort zone, be attentive and never think you have arrived. Go search for new paths, asking yourself "What more or different can I do?", especially when things are going well. Because it is precisely when things are going well that you should push the boundaries even further» (R3).
- «DON'T take decisions without analysis» (R2).
- «DON'T take gut feeling decisions, as very few of them pay off [...] The issue does not lie in intuition per se; rather, these decisions are frequently motivated by managerial

ego or perceived threats, prompting hasty action and insufficient analytical consideration» (R4).

- «DON'T implement unilateral, top-down change without understanding what's been going on» (R8).

Finally, respondents highlight the importance of maintaining the right balance in ambition, effort, and expectations. Successful firms are those that approach innovation as a disciplined and continuous process, avoid overextending their capabilities, and remain grounded in realistic priorities and ethical standards. The following quotations further illustrate this theme:

- «DON'T believe innovation is necessarily the shiny stuff. It is actually the consistent daily grind of you getting insights from your customers, and having that process to day-by-day chip at the edges» (R1).
- «DON'T overdo it. If you have millions of priorities and then face reality, you end up disappointed. Strategy is about deciding what not to do, more than what to do» (R5).
- «DON'T do shortcuts, be ethical and excellent in all you do» (R7).

In conclusion, the insights collected from the interviews suggest that successful self-disruption is not driven by isolated actions, but by a coherent set of behaviors. Firms must involve people in the process, ground their decisions in continuous analysis, and maintain discipline in how they prioritize and execute initiatives. The interplay between “DO” and “DON'T” statements reinforces that effective strategy is not only about taking action, but also about making deliberate choices regarding what to avoid.

Conclusion

This thesis set out to address a fundamental paradox in strategic management: while firms operate in increasingly dynamic and uncertain environments, their ability to adapt remains limited by conceptual ambiguity, organizational inertia, and execution challenges. Strategy is both essential and inherently fragile: it suffers from fragmented definitions, inconsistent tools, and a persistent gap between formulation and implementation. In such a context, the ability to continuously renew strategy is no longer optional, but necessary.

The concept of self-disruptive business strategy provides a response to this challenge: rather than waiting for other forces to impose change, firms must proactively question and transform their own strategic logic. This requires a shift in perspective: strategy must be understood not as a static plan, but as an ongoing process of hypothesis formulation, testing, and revision. The analysis conducted shows that firms that fail to embrace this perspective risk falling into strategic inertia, particularly when current performance masks underlying vulnerabilities.

However, recognizing the need for self-disruption is only the first step. The core contribution of this thesis lies in demonstrating that self-disruption can be operationalized through a structured approach combining analytical tools, strategic frameworks, and managerial practices. In particular, three key elements emerge as critical.

First, continuous analysis is necessary to understand the current position of the firm and identify emerging opportunities and threats: strategy cannot be developed or adjusted without a clear and ongoing assessment of markets, capabilities, and performance. Second, the ability to define and measure a desired future state provides direction and enables alignment, as without clear objectives and measurable outcomes, strategy remains abstract and difficult to implement. Third, and most importantly, successful execution depends on people: organizational culture, leadership, and the ability to mobilize individuals around a shared vision are central to translating strategic intent into action.

At the same time, the implementation of self-disruptive strategies introduces significant tensions. Firms must balance exploration and exploitation, risk and stability, ambition and

feasibility. These tensions cannot be resolved once and for all, but must be continuously managed through prioritization and testing. The evidence collected highlights that firms often struggle not because they lack ideas, but because they attempt to do too much, fail to prioritize effectively, or avoid confronting uncertainty through experimentation.

From a managerial perspective, these findings suggest that successful self-disruption requires a combination of discipline and adaptability. Firms must be able to focus on a limited number of strategic priorities, test them iteratively, and align them with their broader strategic direction. At the same time, they must foster a culture that embraces change, encourages feedback, and enables individuals to act. In this sense, strategy execution is not merely a technical challenge, but a human one.

This thesis also acknowledges several limitations. The empirical analysis is based on a limited number of qualitative interviews, which, while rich in insights, may not capture the full diversity of organizational contexts. In addition, the frameworks proposed are primarily conceptual and would benefit from further empirical validation across industries and firm sizes. Future research could extend this work by testing the proposed approach quantitatively or by exploring sector-specific dynamics of self-disruption.

In conclusion, the central message of this thesis is that firms must learn to change before they are forced to do so. In a market where reactive responses are no longer sufficient, self-disruption is a proactive capability that must be deliberately developed and sustained over time. Achieving this requires not only analytical rigor and organizational discipline, but also a certain degree of courage: questioning a strategy that is still performing well, investing in uncertain initiatives, and challenging established routines may appear irrational or unnecessary in the short term. Yet, as Goethe (1774) observed, «all extraordinary men, who have accomplished great and astonishing actions, have ever been decried by the world as drunken or insane». In this light, the willingness to break a strategy before it breaks is not merely a strategic capability, but an act of leadership. Firms that embrace this approach will be better equipped to navigate uncertainty and sustain their competitive advantage. Those that do not risk being overtaken by changes they failed to anticipate.

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Appendix

Images

Image 1: Strategy In Action Canvas

Source: Scarso Borioli et al, 2025

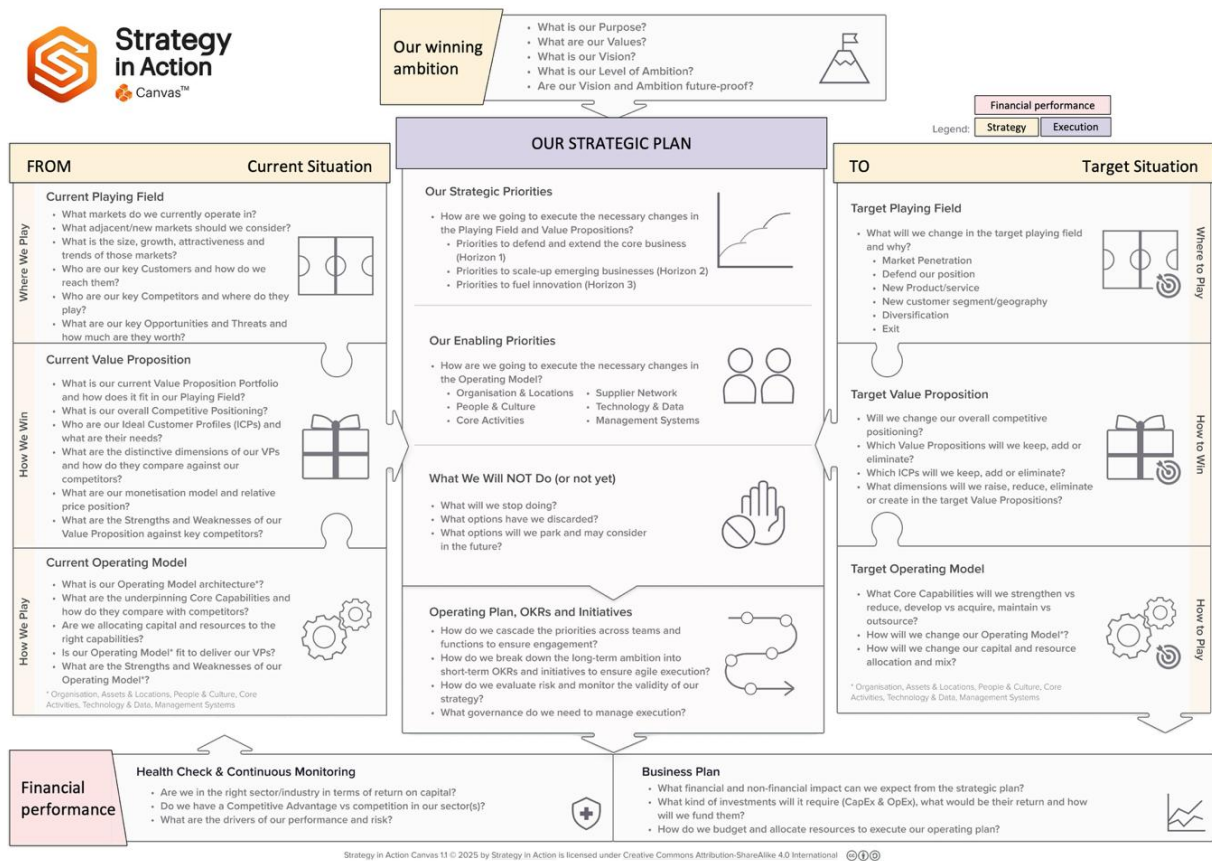


Image 2: Disruption pattern

Source: own adaptation

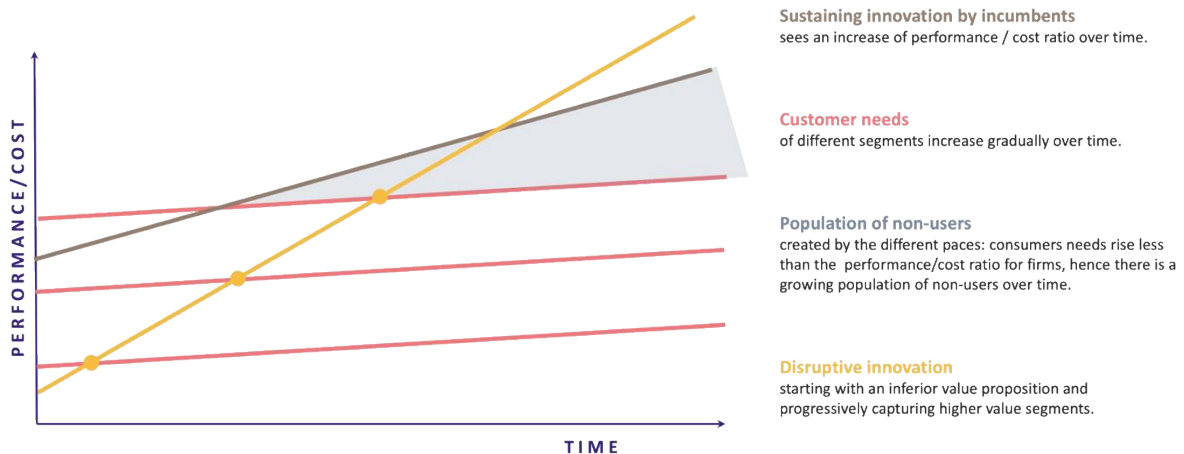


Image 3: Innovation funnels for new and existing value trajectories.

Source: own adaptation inspired by Durisin, B. (2026), Marketing of Innovation course framework, ESCP Business School.

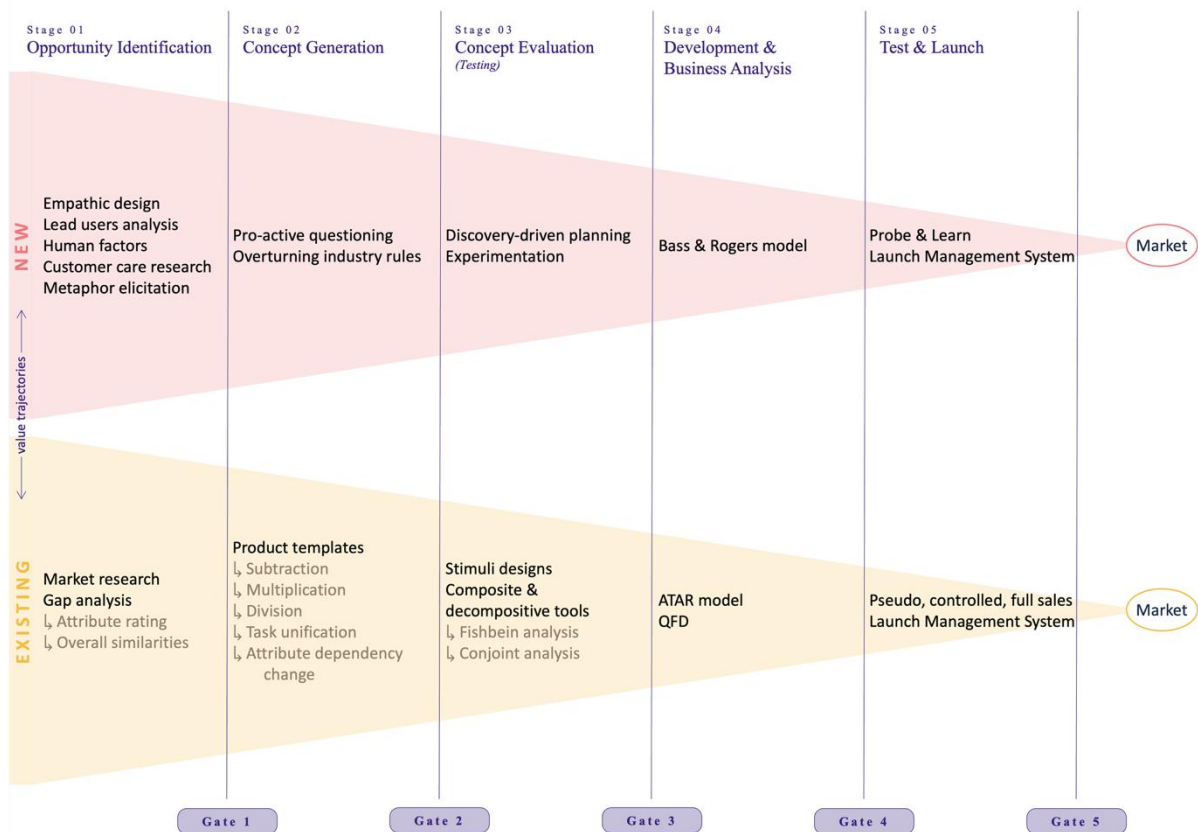


Image 4: BCG Product Matrix

Source: own adaptation

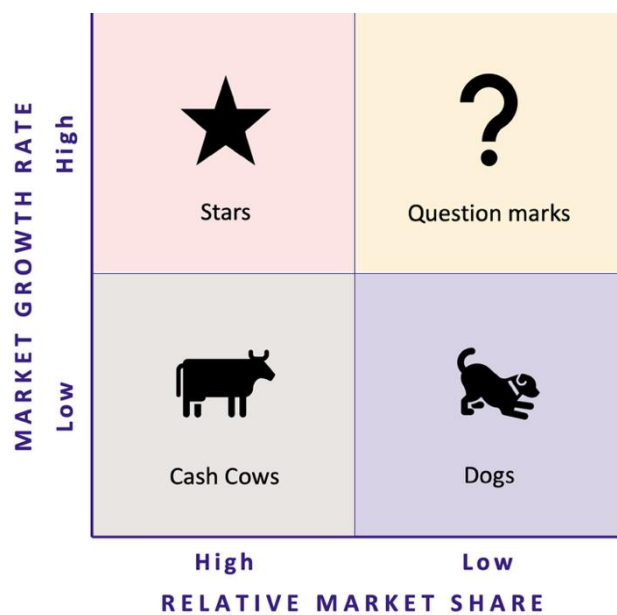


Image 5: BCG Product Matrix categories mapped in the Product Lifecycle framework
 Source: own elaboration

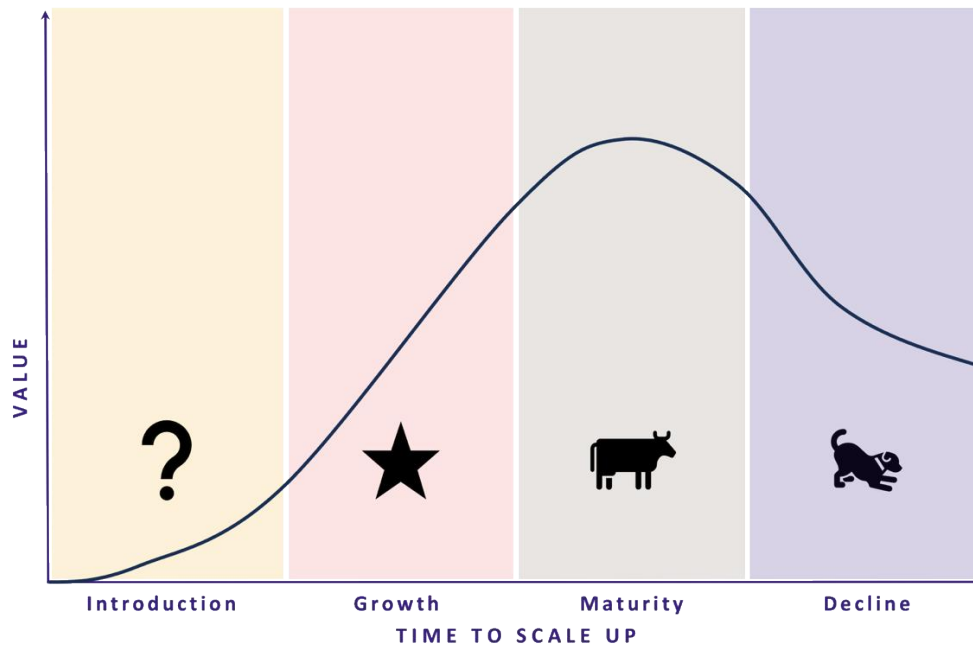


Image 6: Kaplan Norton model extended.

Source: Kaplan & Norton, (1992); Scarso Borioli, G. (2026), Advanced Business Strategy course, ESCP Business School.

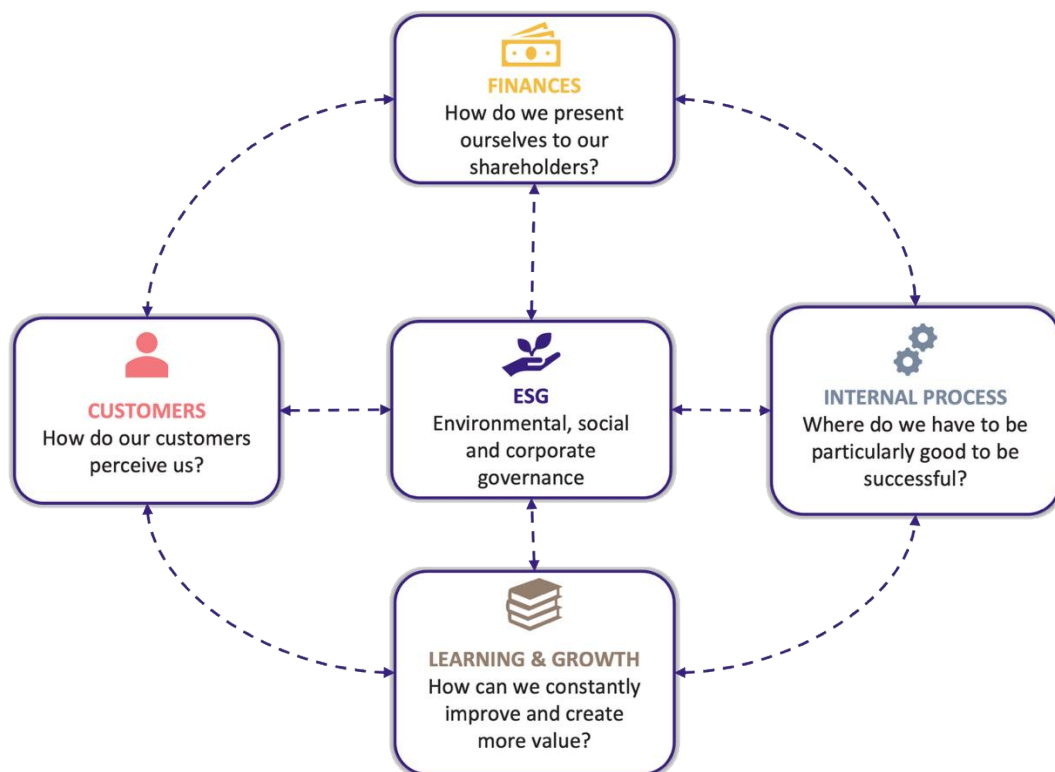


Image 7: Three Horizons framework

Source: Sharpe et al, (2016); Scarso Borioli, G. (2026), Advanced Business Strategy course, ESCP Business School.

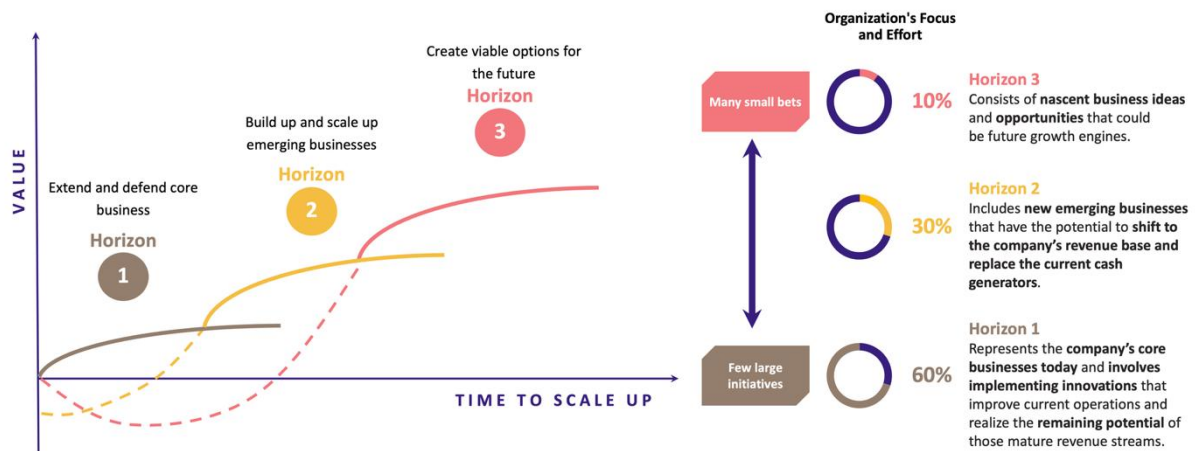
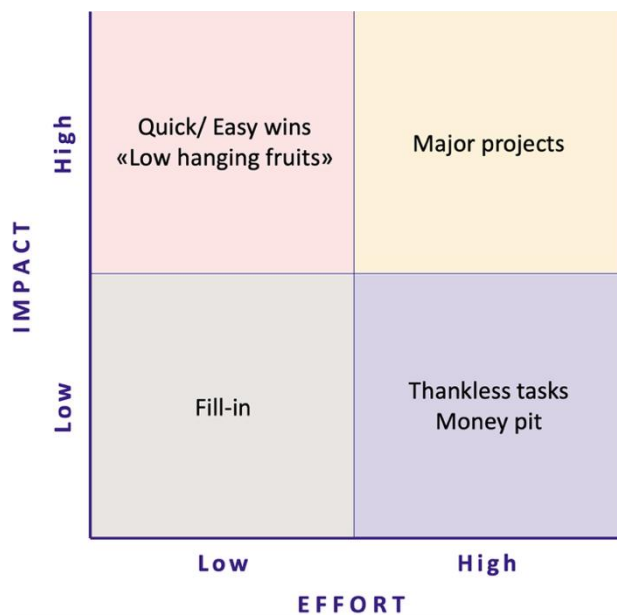


Image 8: Priority matrix (also known as Impact-Effort matrix)

Source: own adaptation



Tables

Table 1: Sample composition, anonymized

Code	Role	Industry	Firm Size	Firm Site
R1	Managing Director	Strategy Consulting	Small	UK
R2	Senior Academic in charge of Organizational Transformation	Academia	n/a	IT
R3	Senior Operations Executive	Fashion	Large	FR
R4	Senior Consultant	Strategy Consulting	Large	PO
R5	Project Leader	Strategy Consulting	Medium	UK
R6	Senior Manager	Food & Beverage	Small	IT
R7	Senior Manager	Banking	Large	IN
R8	Managing Director	Telecommunications	Large	MG

Interview guide

Introduction

- Thank you
- This interview is part of my Master thesis on how firms proactively renew their strategy before being forced to by external factors (“self-disruption”)
- The goal is to understand how this happens in practice, what works, and what challenges arise.
- There are no right or wrong answers, I'm interested in your experience and perspective.
- The interview will last around 30–45 minutes and will remain confidential.
- Any questions before we start?

SECTION 1 - Respondent Background

Objective: contextualize answers

1. Can you briefly describe yourself, current role and responsibilities?
2. In which industry(ies) have you mainly worked?
3. What is your experience with strategy, innovation, or transformation?

SECTION 2 - Strategy & Change

Objective: understand how they see strategy as dynamic

4. How would you describe how firms typically adapt their strategy over time?
5. In your experience, what usually triggers major strategic changes?
 - (If needed: market shifts, technology, competition, internal factors...)
6. Do you think companies tend to change their strategy proactively or reactively? Why?

SECTION 3 - Self-Disruption

Objective: validate core concepts

7. Have you ever seen a company deliberately change or “disrupt” its own strategy before being forced to?
 - Can you describe that situation?
8. In your opinion, why would a firm choose to do this?
 - What are the main motivations?
9. How common do you think this behaviour is in practice?

10. What are the main risks of self-disrupting?

- Probe: cannibalization, uncertainty, internal resistance...

SECTION 4 - Implementation

Objective: feed the framework

A. Mechanisms

11. How do firms actually implement major strategic changes in practice?

- What are the key steps or processes?

12. What role does product or service innovation play in strategic renewal?

13. How do firms manage their product portfolio when trying to innovate?

- (Probe: balancing core vs new products)

B. Organization & structure

14. How do firms organize themselves to manage both:

- current business (exploitation)
- new initiatives (exploration)?
- Probe: separate units, teams, processes...

15. In your experience, is it difficult to balance these two? Why?

C. Decision-making

16. How are decisions made regarding:

- investing in new ideas
- killing projects
- scaling innovations?

17. What criteria are typically used?

D. Tools & processes

18. Do firms use specific tools or frameworks to manage innovation and strategic change? -> Probe if needed:

- innovation funnels
- experimentation
- portfolio management tools

19. How important is experimentation (trial-and-error, testing) in these processes?

SECTION 5 - Barriers & Success Factors

Objective: identify patterns

20. What are the biggest barriers to implementing self-disruptive strategies? -> Probe if needed:

- Culture
- Incentives
- Leadership
- Fear of cannibalization

21. What differentiates firms that succeed vs those that fail in this process?

22. What role does top management play?

SECTION 6 - Reflection & Advice

Objective: enrich managerial framework

23. Are there companies you think are particularly good at this? Why?

24. If you had to advise a company that wants to “break its strategy before it breaks,” what would you recommend?

25. What should they absolutely avoid?

Closing

- Is there anything you’d like to add?
- If needed, would you be open to a short follow-up clarification?
- Thank you

Dichiarazione del ricorso a strumenti di Intelligenza Artificiale (IA)

La sottoscritta Alice Nicolini matricola numero 891409 iscritta presso Ca' Foscari al corso di Laurea magistrale in Innovation and Marketing, autrice della tesi di laurea *Break it before it breaks*, relatrice Elisa Cavezzali, consapevole delle sanzioni previste dall'art. 76 del Testo unico, D.P.R. 28/12/2000 n.445, e della decadenza dei benefici prevista dall'art. 75 del medesimo Testo unico in caso di dichiarazioni false o mendaci, sotto la propria personale responsabilità ai sensi degli artt. 46 e 47 del D.P.R. 28/12/2000 n. 445,

DICHIARA

di aver fatto ricorso a tecnologie di intelligenza artificiale generativa per supportare vari aspetti della ricerca e della scrittura del suo elaborato finale/della mia tesi di laurea, in particolare:

- *Chat GPT-5, ambiente EDU*
- *Per la revisione e ottimizzazione dei testi per migliorare chiarezza e coerenza;*
- *Nel capitolo 4, Methodology.*
- *La correttezza, la qualità e l'attendibilità delle informazioni generate sono state verificate mediante confronto con altre tesi precedentemente scritte da altri studenti.*

DICHIARA INOLTRE

che tutto il materiale generato dall'IA è stato attentamente verificato, rivisto e rielaborato dall'autrice, che si assume la piena responsabilità per la qualità, l'accuratezza e l'integrità scientifica del lavoro.