

4 | Early Warning Signs of Disruptive Change

How worried should you be about looming disruptive threats?
Use the table below to gauge the seven early warning signs of disruptive change

		LOW Risk	MODERATE Risk	HIGH Risk
Stage 1 Circumstances	Customer loyalty	Stable or increasing	Slow decline	Rapid decline
	Venture investment	Little or none	Substantial seed and early-stage activity	Substantial growth-stage activity
Stage 2 Catalysts	Policy changes	Little or none	Under consideration or discussion	In the process of being implemented
	Industry entrant activity	Little or none	Growth at the low end or fringe of the market	Entering or present in the mainstream
	Customer habit shift	Habits are stable	Change at the fringes	Change in the mainstream
Stage 3 Impact	Business model innovation	Entrants optimizing existing models	Entrants experimenting with different models	Entrants successfully executing different models
	Profit margins	Stable or increasing	Slow decline or increasing due to cost management	Rapid decline