



Pay Attention to these Business Models that are Disrupting Business As Usual!

Uber.
AirBnB.
Kickstarter.
Three companies that represent significant disruption in traditional industries.

Uber is the largest taxi service in the world but doesn't own any vehicles.

AirBnB is the largest hotelier in the world but doesn't own any hotels.

Kickstarter has helped entrepreneurs raise over \$2.5 billion but isn't a bank or a lending institution.

Overall, these companies represent a new economic model that's referred to as the Connection Economy or the Sharing Economy.

The premise is amazingly simple; find a consumer need:

For Uber it's the consumer who needs to get from point A to point B NOW

For AirBnB, it's someone who needs a place to sleep – preferably inexpensive

For Kickstarter, it's an entrepreneur who's funding a project that a bank would never consider.

Next in the business model is finding the consumer who can fulfill the need:

For Uber, it's someone with a car, extra time and who wants to make a few bucks to help pay his car loan.

*"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete."
- Buckminster Fuller*



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- Snack Food
- Packaging
- Aluminum Siding
- Glass and Glazing
- Industrial and Automotive Tools



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For AirBnB, it's someone who has an extra bedroom and wants to make some extra money to pay the rent.

For Kickstarter, it's the person who loves helping projects get off the ground but can't loan thousands or millions of dollars.

The Connection Economy is successful because it matches the buyer's need with the excess capacity of the seller and the company making the connection gets a cut of the transaction. So, the Connection Company doesn't make a product or directly provide a service, but connects the solution with the problem.

These three companies – Uber, AirBnB and Kickstarter – have dramatically disrupted the travel, hospitality and lending industries.

The core of what's happened is that the large institutions - taxi

companies, hotel chains and banks – have lost control of how they want consumers to purchase their goods and services.

Consumers today, especially the Millennials, do not trust big business and so they are opting out for an alternate solution that's less expensive, has more options, is technology based and gives them a better experience.

At the foundation of the Sharing or Connection Economy's success is technology. Apps, consumer access to powerful and easy-to-use technology platforms, along with mobile access, makes the sharing and connecting experience seamless and instantaneous.

And, don't think that the technology makes the experience less personal. Just the opposite. Personal connection and attention is high on the list for these successful companies. They just know how to use technology to make it happen.

For example, Uber is evaluating Uber Pool – a service that allows strangers to join in on a ride and decide if they want to hang out with the strangers they just met and all go to the same destination, like a club or restaurant. What a way to meet people!

JEFF BLEACHER



“Disruptive moves in the marketplace keep us all sharp. There are lots of attempts at disrupting an industry but they aren't all successful. Steve Jobs said, “You have to be burning with an idea, or a problem or a wrong that you want to right. If you're not passionate enough from the start, you'll never stick it out.” So, it's not just about the disruption, but the ability to see the world in a different way.”

KEN FALK



“The ability to create a Connection Economy that is built on such different business principles is amazing. Our traditional way of thinking about producing a product or service and all of the inventory or costs that go along with that just go out the window and make “business as usual” a thing of the past. It will be interesting to see how the Millennials continue to push the envelope on new business models.”



*“A disruptive innovation is a technologically simple innovation in the form of a product, service, or business model that takes root in a tier of the market that is unattractive to the established leaders in an industry.”
- Clayton M. Christensen*



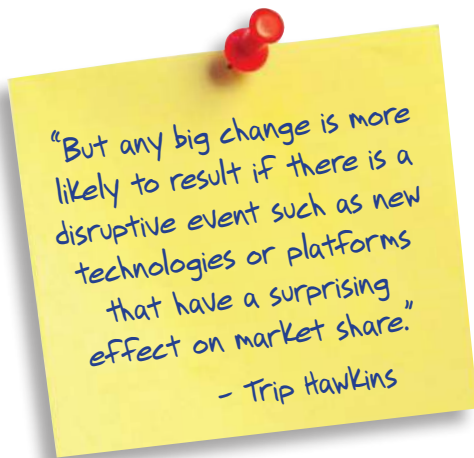
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AirBnB is looking at offering dinners – not just rent out a room – but selling tickets to a dinner made up of strangers that you offer at your house.

The very basic need to connect is so evident here. As the Millennials continue to be more transient with their job-hopping and city-hopping behavioural patterns, they are expressing the curiosity to experience the local culture

and its people. They want to connect in many different ways, both at home and half-way round the world.

As you examine the Connection and Sharing Economy, evaluate your own industry and see if there are opportunities others are already exploring. There may be something in your own backyard that you can explore!



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JEFF GROFF



"When I think about disruptive business models I think about how we could disrupt the tax system as we know it today. I hope someone is working on that disruption!"

PATRICK GENDRUE



"We give the Millennials a hard time for not connecting or only connecting through technology, but the Connection Economy shows that for the Millennials sharing is caring and that the experiences they are creating go beyond transactions. They are finding unique ways to serve one of our basic human needs and that is to be connected with our "tribe" and to create authentic and meaningful experiences that enrich their lives."