



Kodak or not Kodak?

That is Your question.

1. A story of disruption : The case of Eastman Kodak

- 1881: George Eastman and partner Henry Strong form the Eastman Dry Plate Company.
- 1889: A Kodak chemist creates a new roll of film made out of celluloid, the first plastic
- 1900: The Brownie camera, priced at \$1, makes photography affordable.
- 1975: Kodak invents the digital camera
- 1976: Kodak sells 90% of the photographic film in the US along with 85% of the cameras
- 1986: Kodak invents the first megapixel sensor
- 1988: Kodak acquires Sterling Drug for \$5.1 billion
- 1994: Kodak manufactures the Apple Quicktake, the first ever consumer digital camera
- 2012: Kodak files for bankruptcy

Switching from dry plates, difficult to handle, to roll film and then plastic roll film, shows that George Eastman set out to disrupt the world of photography, which remained profitable for 100 years.

As the timeline shows however, Kodak, even after inventing the digital camera and the first megapixel sensor, still thought that its future was in the chemical business and acquired Sterling Drug in 1

2. The story of disruption

- A company adequately fills a concrete need at a given point in time
- Later, this company, instead of adapting to the customer's needs and to innovations in the field, is in denial regarding the evolution of its environment and turns to means to protect its decaying margins and monopoly (acquisitions, lobbying, etc.)
- Another company, or several companies, see the gap in the value chain, aptly assess customer needs and, through innovation, manage to entirely or partially bypass the disrupted former monopolist

YESTERDAY

- *Eastman Kodak: the biggest innovator in silver halide photographic equipment invented digital photography*
- *Taxis: a reliable (heavily regulated, mandatory training of drivers, etc.) mean of transportation more flexible than public transportation*

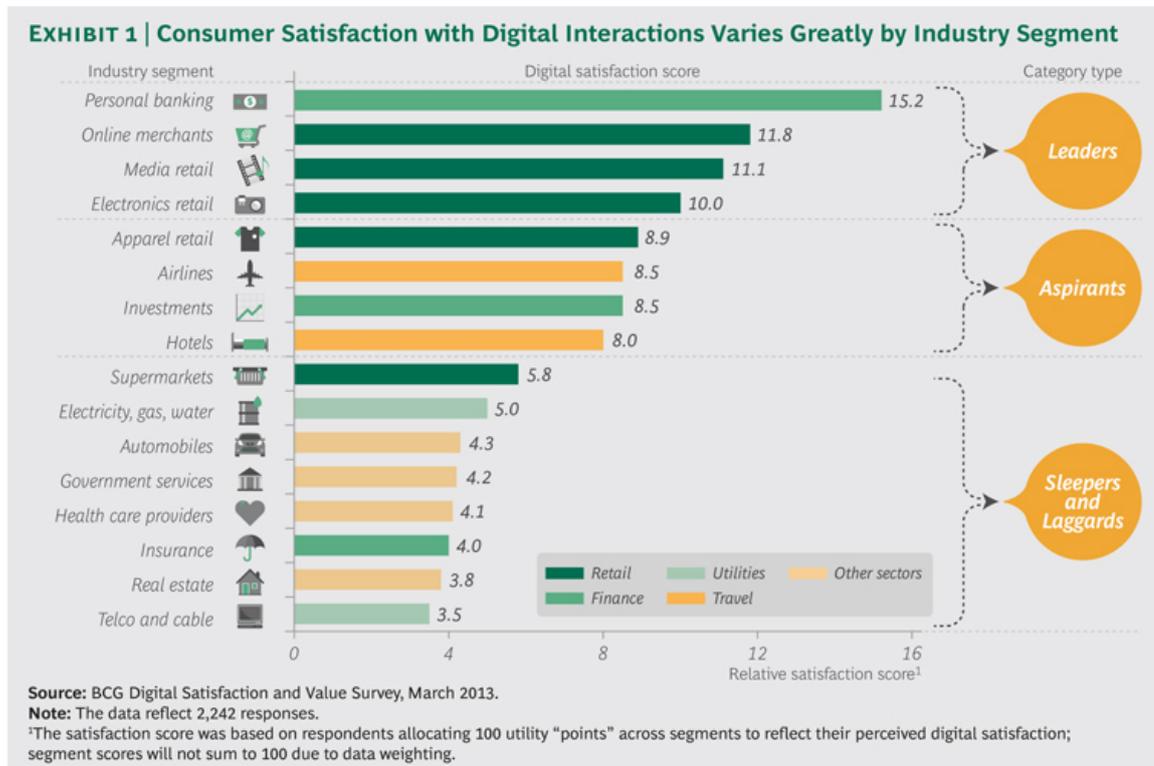
RECENTLY

- *Eastman Kodak: Ignored an internal study describing the rise of digital photography, acquisition of Sterling Drug, ...*
- *Taxis: In Paris, successfully rally against creating 10000 new taxis, refusal to accept credit cards, etc.*

TODAY

- *Eastman Kodak: Digital cameras producer got totally rid of the need for Kodak expertise*
- *Taxis: Uber, Worldwide...*
- *Numerous other examples: AirBnB disrupts at the same time the hotel industry and the conventional rental market*
- *The capitalization of Digital Innovators is much bigger than the one of old traditional companies, of which value chain is victim of disruption.*

3. An opportunity for self-disruption?



Whatever you are in a B2B, B2G, B2B2C or B2C, you must be watchful to ensure that you keep the final user on your side. This can be done only:

- *Engage the final user through a Win-Win digital relationship*
- *Change your image through high value added services, that may not be only in but around your core business*

4. Helping you to ask the right questions

- *What were the drivers of our previous success?*
- *What are the current and future drivers for your success*
- *Where are we at risk of being disrupted?*
- *(for example, by new players : GE, Schneider, IBM, Google, start-ups, ...)*
- *In which ways can we disrupt other businesses?*

A Digital Evolution for Your Business Revolution

