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Activity: Competence destroying and competence enhancing innovation

Look at the examples of the music industry, the imaging industry and the lighting industry on the Portal. Using this information, and anything else which you can research around it, try and review the case in terms of the following questions.

- To what extent are the changes involved competence-enhancing (i.e. building on what a player in the industry already knows so they can strengthen their position) or competence destroying (i.e. something completely new which requires learning some new tricks) innovations?
- And for whom? (Think about the different players in the industry who are the likely winners and losers).
- What strategies might a firm use to exploit the opportunities? (Again think about the different players in the industry and how they might defend their positions or open up new opportunities).

You might like to use the following framework to capture your answers; this example looks at the music industry.

	An established company	A newcomer wanting to offer entertainment on the Web	A music publishing company (responsible for copyrights on sheet music, etc.)	Other examples
Is the change competence enhancing? Why?				
Is it competence destroying?				
What might you do about this to secure and improve your position?				