

URL: <https://stvp.stanford.edu/clips/fail-cheaply-and-disrupt-thyself>

Failure is a very important part of the learning process in Silicon Valley, says Greg Papadopoulos, CTO of Sun Microsystems. And people should disrupt themselves frequently and as inexpensively as possible. An organization not on its game will allow an upstart to dislodge their market foothold more easily or for less cost, thereby putting you out of business. Instead, the successful, stable enterprise will constantly question their own efforts and their own technologies and learn how to cannibalize their own actions. Papadopoulos cites as an example a recent Intel processor powering a fleet of netbooks. While they are taking market share away from their own flagship processors, it's better for Intel to usurp themselves, rather than to be crushed under a competitor's innovation.



## Transcript

One of my favorite Paul Saffo comments is why the buildings in the Valley are only two stories high and have grass all around them is so when people jump out of the buildings, they only sprain an ankle.. I think that's what a real important part of the Valley is.. Failure is really an important part of the learning process and you want to make - this may sound a little bit strange - you want to make failure really cheap and allow people to do it.. That's the process again of learning because when you get the success, you get to go run with that, too.. I think it's a great cultural aspect of the Valley.. This is another one along these lines which is disrupt thyself, and I mean disrupt in the Christensen sense.. I may have built the greatest technology and I think I'm on top of the world and I got it and I just killed my competition at this.. And I keep making that product better and better and yet somebody comes along with a less good thing but it's cheaper, simpler, and easier to use and it comes up underneath and disrupts what you do.. You don't want that to happen to you and if you don't want it to happen to you, you have to do it to yourself.. So oftentimes you'll go in and say god, do you have a cheaper way of doing this thing, I better go get it to market before somebody else does..

I'm talking about in our competition space like one of the most courageous things that Intel has done recently is the Atom microprocessor, which is not as good as the flagship microprocessor they do, but it's a lot less expensive and it consumes a lot less power and it's pretty good and it's the netbook revolution.. It has happened because of that.. Trust me.. Intel makes a lot less money off of each Atom they do off of the Pentium but much better that Intel is doing it than AMD, from their perspective...