# Forget ‘Disruptive Innovation’ — This Is What You Need to Focus on Instead

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More than a decade ago, business gurus were quick to label any idea or development that was mildly novel as “disruptive innovation.” Originally coined by American academic and business consultant Clayton Christensen in his 1997 book *The Innovator’s Dilemma*, it was used largely to describe how small businesses could challenge larger players within a market, often entering at the low end and moving upmarket and disrupting established competitors’ core business.

But in the mid-2010s, gone were the days of the so-called disruptors, as critics began noting how the term had become a business buzzword rather than a term that was describing meaningful change. Jill Lepore, a professor of history at Harvard, wrote an article for *The New Yorker* about how “disruptive innovation” is being used inaccurately in the business world, stating that many companies described as “disruptive” never succeeded in displacing incumbents. Her critique sparked a major rethinking in business circles, which made way for terms like “transformative innovation” in the 2020s.

Furthermore, when compared with “disruptive,” the word “transformational” helps you visualize positive systemic change. The effects caused by transformational innovation are incremental and long-lasting, and frankly, quite relevant in the age of systemic shifts, such as climate change, ESG and sustainability factors, AI technologies and other major global

innovations. Here are five reasons why entrepreneurs today need to focus on transformational innovation instead.

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# 1. This is where technology creates social impact

Entrepreneurs can be transformational innovators who creatively use technological solutions to create meaningful change, which leads to increased economic impact, which in turn creates lasting social impact. This is an area of entrepreneurship that focuses on the "grand challenges" that societies need to address, from poverty reduction to environmental action to good health and well-being, as listed under the United Nation's Sustainable Development Goals for 2030. High-growth technology entrepreneurs in particular have the potential to leverage unique opportunities to create social value, for instance by utilising open-source collaboration for problem solving, using social media platforms for advocacy campaigns and activism and unlocking data analytics to personalise lifestyle changes and improve healthcare solutions. It is generally understood that technology is the lifeblood of transformational innovation.

# 2. It's people-focused

You must first understand consumer behaviour before you try and change it for the better. Therefore, transformational innovation is an exercise of using people's adaptability to drive significant and lasting change. To innovate this way, one needs to be accepted by the wider population, and this often requires entrepreneurs to understand diverse groups of people instead of having a silo mentality. For your venture to

succeed, you need people to trust what you do and commit to your process to derive value.

## 3. It is driven by the $8 trillion global longevity market

In its July 2025 report, Swiss banking giant UBS announced that transformational innovation is where investors should expect attractive returns from in the years ahead, and that longevity is one of the leading industries driving valuable growth in this space, next to AI, power and resources.

The longevity market is expected to grow from $5.3 trillion in 2023 to $8 trillion by 2030, which will surpass AI industries which are only estimated to reach $1.16 trillion by 2027. The longevity market is transforming the global economy, according to UBS, which says that the change is being fuelled by increasing life expectancy and ageing populations worldwide.

## 4. Transformational innovation industries are stable

Innovation is a key driver of long-term equity performance. According to UBS, transformational innovation industries offer “durable, secular growth” that the bank believes can withstand short-term market volatility. The Swiss bank also suggests that if there are potential market dips in these industries, they are likely to be short-term and would act as useful entry points for long-term investors.

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# 5. It’s a brave new world

While disruptive innovation is largely about creating cheaper alternatives, transformative innovation is about creating whole new market spaces with completely different frameworks to what already exists. For entrepreneurs, working within these industries can help them experiment with newer and better business models. It’s all about exploring the untapped potential.

All in all, to embrace transformational innovation, an entrepreneur must be prepared to embrace change. It requires one to be proactive and have the ability to anticipate future trends that will come with it. To remain at the forefront of this entrepreneurial revolution, entrepreneurs must develop a multi-pronged innovation strategy through planning and in-depth research.

Most importantly, entrepreneurs should develop a culture of innovation in their businesses, where entrepreneurs, managers, CEOs, employees, consumers and clients all collaborate to form a cohesive creative force. Leaders should inspire others to be bold, intellectually brave and challenge existing paradigms. Entrepreneurs should have a vision, forge strategic partnerships and create meaningful industry-level changes, even if they own a small business with limited resources. To remain competitive and to lead industry trends, entrepreneurs today must engage with the concept of transformational innovation.

We are now in the year 2025 – it’s time to change the game.

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