



Blockchain for Music Business:

Preventing the Threat of Disruption

// wolfgang senges

8th Vienna Music Business Research Days, 2017/09/13

ContentSphere



innovation cycles in technology

more frequent innovation cycles

+

accelerating



fear of disruption



challenges in blockchain

- 1. Metadata**
- 2. Evaluation and mapping**
- 3. Integration**



Integration.



integration

long-term challenge
advantages beyond blockchain



finding a **strategy** applicable
to **other** technology & industries



integration in music industry

Why important?

To avoid Napster #2.

What's different with blockchain?

We are aware of it.



re-think innovation

reacting → anticipating

→ don't stifle new concepts
evaluate & pick the best from innovation

protect & adopt



the premise

Establish regular inter-project communication,
multi-stakeholder and **multi-level**
communication.

Blockchain inspires communication.



missing link

required: a **framework**

balance existing workflows principles
and newly drafted concepts



Blockchain & Disruption



is blockchain disruptive?

Disruption describes a **process**.

1. (New) player focuses small target group.
2. Service circumvents common ways or methods.
3. (New) player moves upmarket.
4. Mainstream adoption ends the process.

Christensen, C. M., Raynor, M. E. & McDonald, R. (2015):
“What is Disruptive Innovation?”, Harvard Business Review, December.
<https://hbr.org/2015/12/what-is-disruptive-innovation>



categories of disruption

Low-end footholds disruption:
Blockchain as a part of Bitcoin

New-market footholds disruption:
Blockchain as a concept of its own



learnings

- monitor constantly
- act flexible
- watch out for opportunities
- shape the impact



How to handle a disruptive process



requirements to handle disruption

- tolerance & understanding
- collaboration
- guidelines how to deal with impact
- framework that flexibly adapts to demand



tools & methods

- cooperation platform
- “Wikipedia” management
- collaborative management
- agile methods



not suitable

Migration Management Change Management

**What's in demand is something
including both.**



Transition research & Transition management



literature

- Schneidewind, U. & Scheck, H. (2012)
“Zur Transformation des Energiesektors – ein Blick aus der Perspektive der Transition-Forschung“, Smart Energy, pp. 45–61, eds H.-G. Servatius et al., Springer-Verlag, Berlin/Heidelberg
<http://bit.ly/2eZuO26>
- summary based on research from Netherlands
- transformation of energy sector



definition

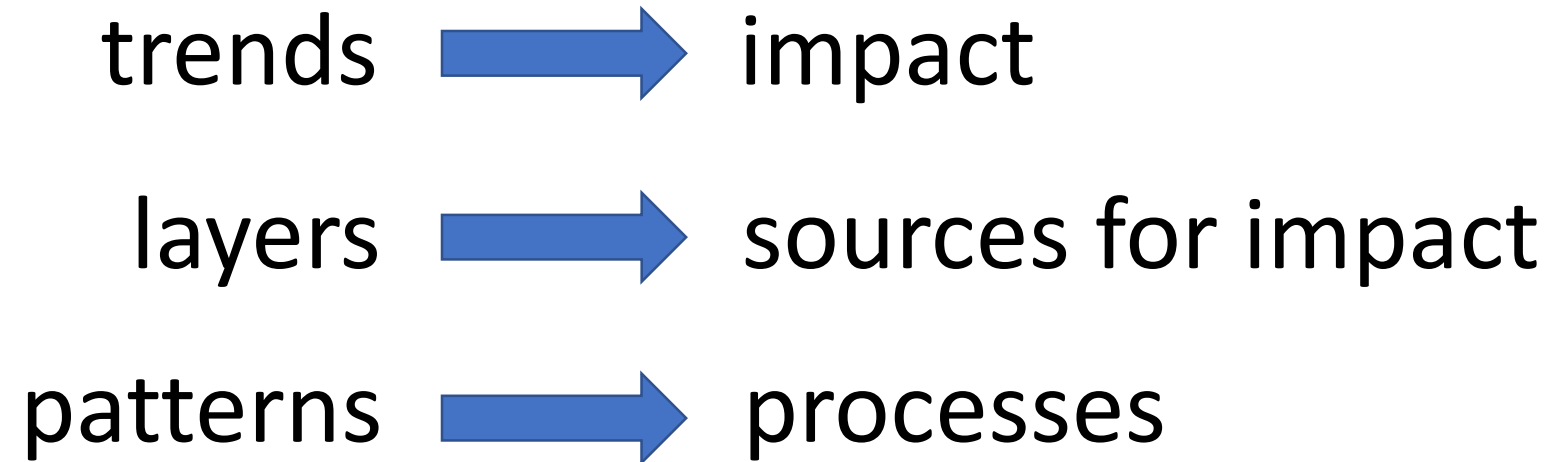
Transition

“radical [and] structural change of a social system”

“consequence of co-evolutionary economical
as well as
cultural, technological, ecological and institutional
trends on various levels”



components





“trends”

- economical
- cultural
- technological
- ecological
- institutional



“layers”

the socio-technical niche

- innovators & incubators

the socio-technical regime

- institutions & major players
- *normative, regulative, and cognitive rules*

the socio-technical landscape

- environment: impact hardly controllable



“patterns”

- bottom-up
- top-down
- hybrid



conclusion

Blockchain can initiate a disruptive process.

Blockchain is likely to happen – in one way or another.

Anticipate and prepare instead of wait and react.

Transition research might be a suitable framework.



Thank you!



Wolfgang Senges

Business Consultant
Music, Media & Technology

+49 (0) 173 278 2957
wolfgang.senges@contentsphere.de
www.linkedin.com/in/senges

www.contentsphere.de

