

Competing Using the Same Technologies

In the hard disk drive industry, the major manufacturers buy many items from the same component suppliers and sell to the same customers. Multiple manufacturers stay in business for two reasons: (1) customers don't want to depend on a single supplier for all of their supply; and (2) certain manufacturers are better at developing products for certain market segments than others. Overall, there is little to distinguish the products based on core technology. The major difference is in volume manufacturing capability, supply chain management and customer support. These conditions make the disk drive industry ripe for consolidation, because there are few key technological differences between the products.

That is why you no longer see names like IBM, Quantum, Conner, Hewlett Packard, and Maxtor in the disk drive business.

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Get Out of the Way!
How to Manage Development
of Timely, Innovative, and Relevant Products
by John V. Levy, Ph.D.