

Business Disruption and Its Positive Impact on the Island of Guam

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What is Business Disruption

- The technical language states that “Business disruption refers to any innovation within an industry that radically and lastingly changes that way all companies in that industry operate” (Hottenstein).
- We can put it in a simpler term, Business Disruption is when is a change happens with the environment or within the industry. The change effects the way we operate our business, the way we manage our businesses, as well as the way it effects on what we produce products and provide services.

Business Disruption can be both Negative and Positive

- To the average person, the word 'Disruption' can be received in a negative way.
- In the world of business, the word 'Disruption' is good than bad.
 - Negative effect: destroy a well-established business by loss of business due to the government regulations or change of preferences from the customers.
 - Positive effect: provide opportunities for new business ventures. It would also provide opportunities for business to become more suitable with the new changes and environment.

Example of Negative effect

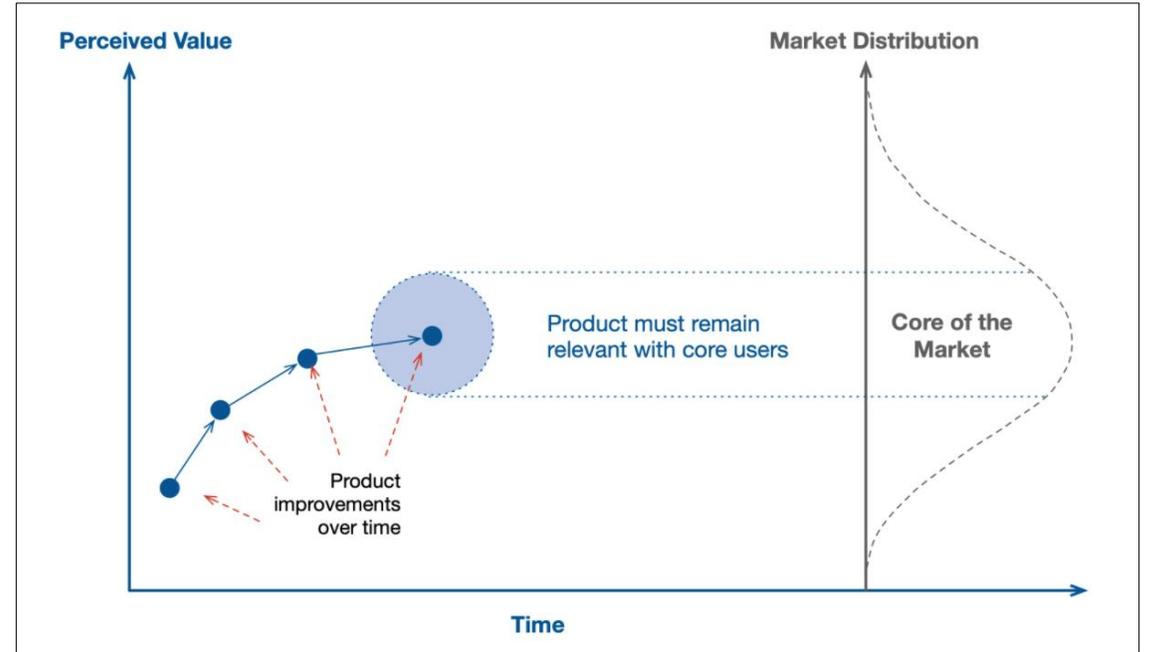
- A well-established restaurant
 - Focused on tourism before the pandemic
 - Failed to appeal to local customers
- Closed due to government regulations and loss of customers
- Unable to adapt to new business methods
 - Not providing pick-up services
 - Too much emphasis

Example of Positive effect

- New opportunities
 - Grocery stores: customers buying more products to cook/eat at home
 - Businesses improving sanitizing methods
 - Food delivery companies thriving
 - Restaurants upgrading pick-up system
 - So much more

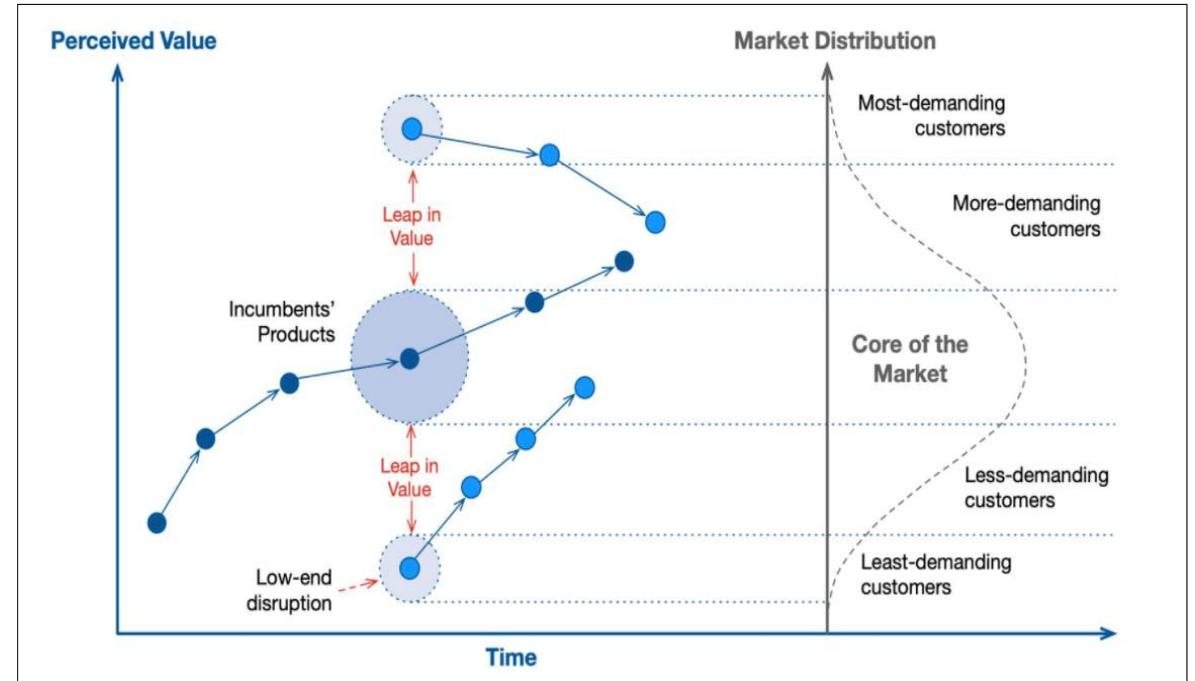
Market disruption

- Mostly related to an invention that causes changes to the whole market.
 - Examples: cars, computers, Netflix.
- When new inventions appear, thus changing the market, all other business must adopt the similar products.
- Positive effect: the product can benefit customers and can help improve lives.
- Negative effect: when business can not compete, they will likely go out of business or sell to the competition.



Product disruption

- When a new business starts to sell products that are virtually the same as the existing products already in the market
 - The difference: lowering pricing and/or better quality.
- Negative effect:
 - Decreases the profits of existing businesses
 - More competition
 - If the existing businesses cannot compete, possibility of going out of business
- Positive effect:
 - Consumers get low/affordable prices



Impact of Business Disruption on Guam

- When Covid-19 hit Guam, most of the government agencies were required to be closed
- The ones that did not close:
 - Port Authority of Guam: more than 90% of the region's goods and supplies pass through the Port.
 - Guam Memorial Hospital Authority: the biggest hospital in Guam

Negative Impact

- The Port:
 - The main lifeline for the residents of Guam.
 - The flow of goods were slowed, but the Port remained open to keep the Guam's resources coming in despite the health concerns of Covid-19.
- GMH:
 - The hospital must remain open in order for them to due their duty in helping those in need.
 - Working for the hospital, social distancing was challenging when the job often calls for close proximity to patients and colleagues.
- Essentially, both situations require employees to be in the premises physically.

Positive effect

- Despite the challenges, the Port was able to successfully stay open and operate under the accommodations made due to Covid-19.
- While there was really no change in operation for the Port, additional regulations were enforced to ensure the safety and good health of all employees.
 - Regulations included hand washing stations at strategic port locations, mandatory mask wearing, social distancing as much as possible and temperature checks.
 - Port dedicates all of its profit to the upgrading of equipment, facilities and the continued growth.

Positive Impact

- GMH was and is still able to adapt and find new ways to make sure everyone working as well as those coming in and out of the hospital were taken care of even with the challenges at hand.
- GMH also set up a new operation process, much like Port of Authority, visitors and employees are constantly being check with sanitizing requirements.

Food and Service Industry

- Food and Service Industry probably was hit worst during the pandemic.
 - Tour agencies were closed, due to the traveling restrictions and the overall decrease of tourism on Guam
 - Hotels shut down their parts of operation.
 - Restaurants were closed due to the no dine-in services.

Opportunity and Growth.

- There is always a positive side of it.
- When restaurants have no dine-in services, “grab and go” a food delivery company became very popular, they deliver food from restaurant to houses.
- With little tourism, hotels focused on local customers.
 - They came up with lots promotion rates and focused on the new market.

Summary

- The Business Disruptions can have both negative and positive effects on businesses.
- Businesses must constantly adjust themselves to the new norm.
 - Either with new products or improvements on business operation.
- Business disruption provide opportunities and growth.
 - They can bring in the new innovative products or services to the market and prosper.