The four phases of system change

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01 PHASE ONE
Heresy

The alternative is demonstrated to be possible – and promptly dismissed. Incumbents treat it as marginal, naive, or threatening.

02 PHASE TWO
Early Breakthrough

New value chains begin to form and scale. Costs fall, technology improves, and early coalitions emerge. What was heresy becomes demonstrably viable.

The question shifts from *can this work?* to *how fast can it grow?*

03 PHASE THREE
Tipping Point

This is the hardest phase. Incumbents can see an existential threat. As they approach peak demand for their current products, business models and sources of revenue, they strongly resist. Two systems run in parallel, each sub-optimal, each imposing costs. There is understandable hedging from politicians, investors and citizens towards new systems which have not yet proved themselves at scale. The most critical barriers are no longer technical or financial, and are often rooted in politics, vested interests and the coordination challenges of declining the old system while accelerating the new. Shocks can change everything – quickly.

04 PHASE FOUR
Long goodbye

The new system is dominant, but the old one takes decades to fully unwind – posing long-term risks that will require sustained collective action long after the outcome feels settled.