

Disintermediation...people love it or they hate it, and sometimes both, even if they haven't really heard the actual word before. Have you ever heard that term—disintermediation? No? So, how about we put it in different language, like when we say “cut out the middleman.” OK now, that's disintermediation!

So, disintermediation is when the use of middlemen or intermediaries between a supplier and a consumer is reduced or even eliminated. That intermediary could be a broker or an information dispenser or a knowledge hoarder or a package handler.

Is that still about as clear as mud? Well, then, how about a simple example: travel agents booking flights for clients! There are very few travel agents compared to a couple of decades ago...they were largely replaced by online platforms such as Travelocity, Expedia, and Kayak. This disintermediation—cutting out the middleman—is like many such migrations, done through a combination of radical technological innovation and entrepreneurship.

How about another real-world example with a bit more complexity, one that has unfolded for decades? For a long, long time, wealthy Americans who wanted to buy and sell stock ownership in companies would use a stockbroker. That stockbroker would be available to provide research on publicly-traded companies, to make recommendations for buying and selling stocks, and to basically give investors a certain comfort level that their choices of stocks to purchase were sound. This approach generally prevailed as a primary client and broker arrangement for equity trading activity for many years. So, many stockbrokers often made a relatively large amount of income, so much so that a joke circulated for years, namely, that all the yachts in the harbor were owned by stockbrokers, not their clients!

But major shifts happened as time went on, as more and more ordinary Americans acquired enough wealth in their IRAs and 401ks to consider investing meaningfully in the stock market.

What were those shifts? First, many successful stockbrokers were not inclined to pursue the numerous emerging smaller investors because these investors' wealth was not perceived to be significant enough to generate enough real income for the stockbroker. Fair enough.

Second, companies like E*TRADE emerged to provide an easy, digital, self-service platform as a very low-cost mechanism to buy and sell stocks and as a portal to pretty thoroughly research equity investments.

Third, the renowned John Bogle pioneered and constantly championed index mutual funds, a form of investment vehicle that allows investors to manage risk across a shopping basket of equity investments—all at a relatively much lower long-term transaction cost to the investor. Over the past several decades, this area that Bogle pioneered has truly exploded in size and importance.

Fourth, over time, despite a widely-persistent belief that utilizing stock pickers was the still the best means to make a great return on equity investments, extensive data analysis in the last couple of decades persuaded many investors that, indeed, traditional stock pickers were not better at all. In fact, the data showed that most brokers perform worse than average market returns—and are quite expensive to boot.

Fifth, and last, some stockbrokers were perceived to be “churning” their clients' portfolios, buying and selling more often than would be wise, and perhaps doing so just to obtain commissions on the activity—rather than recommending that clients “buy and hold” desirable stocks. When such churning did happen, the stockbroker's strategy and commissions deteriorated the earnings and wealth of the client, of course.

So, with an evolving mix of several of these key trends—self-service digital access to meaningful digitized research, very low transaction costs, access to highly popular mutual fund-types of investments, loss of trust in some churning brokers when mutual funds and the like could be bought and then held—well,

then, many traditional stockbrokers have been significantly disintermediated! That is, stockbrokers have been cut out as a middleman by many investors.

Stockbrokers—at least those who stayed in the financial industry—then largely migrated to repackaging themselves as investment advisors or financial advisors, a professional who typically built a revised overall compensation arrangement with clients, often less expensive to the investor, as least per each investment dollar handled. This migration is in fact disintermediation, the move away from traditional stockbrokers that was started, then accelerated, by radical technological innovation and entrepreneurship.

The list of disintermediations in recent times goes on. Dell selling computers directly to consumers, revolutionizing personal computer marketing. Amazon cutting out the need for large retail spaces to handle large retail volume, disintermediating mall or retail space owners. Zillow working right now to cut out real estate brokers' roles and activity. The big picture is that—in the current era of radical technological innovation and entrepreneurship—disintermediation is relentless and is mushrooming.

But the most powerful disintermediation of all hits very close to home. In the Old Testament, God chose several different intermediaries—customized to different situations. Like Moses, who served God and God's people in a special way. Like the prophets such as Isaiah and Jeremiah, communicating God's message to His people. And like the high priests, appointed to fill a special role between God and Israelites.

But that was radically changed by the Cross! As Paul wrote to Timothy, Jesus is the “one mediator between God and men.” Previously, God had appointed a go-between role for the Israelites—a high priest, a middleman—to approach God on their behalf. But now—and this is astounding—God disintermediated the Old Covenant mediator role, the high priest, that He Himself had created. His Son Jesus became the new High Priest after the order of Melchizedek, replacing the priestly class for Jews. Now that's a disintermediation far greater than what Expedia, E*TRADE, or Dell could ever accomplish!

So now, every person who knocks can enter into fellowship with God—and no one besides Jesus is appointed in-between Father God and humanity. The Son of God represents God to humanity and represents humanity to God. There is no way to the Father except through Jesus. And Jesus paid the full cost...and all of that is free to believers entering in!

In our uniquely blessed position, we stand unceasingly amazed that Jesus is the Way, the Truth, and the Life. All other systems that humanity utilizes to attempt to reconcile creature to Creator fall pathetically short. Like good works. The law of Moses. Family. Piety. Priest or pastor. Culture. Good behavior. Religion. None of these things—not one—brings any one person anywhere near the Father for eternity. Yes, only Jesus, God's Son, is appointed as a worthy mediator.

Now, this truth is often questioned, tested, and of course disputed outside the church—by individuals, by cults, by large-scale religious systems. One can only lament that such hardened hearts will direct their own destiny at the great white throne judgment.

Sadly, this mediator truth is also sometimes questioned, tested, and disputed by people who purport to be Christians. But the fact is, Jesus' finished work of the Cross is sufficient, fully sufficient, and solely sufficient for any one person to be reconciled to Father God. Priests are not appointed to do so, traditions of any stripe will carry no weight, the opinions of religious experts who spend a lifetime crafting a balance of other supposed remedies with Christ...well, all such vain striving will be found lacking.

That's because the Great Disintermediation—that's in capital letters—the Great Disintermediation that was established at the Cross cut out every middleman, every religious contrivance, every merely human effort...and did so comprehensively! Isn't that the most stunning story ever told? Then, let's go tell it!

A&A: Application & Action

1. In your workplace enterprise, has your leadership team developed a list of potential or even likely disintermediating parties that could be an existential threat to your organization? No matter the answer, provide your version of the top three likely disintermediating parties.
2. How might your church be tempted to mix Jesus with other mediators in its doctrine or its teaching?
3. Are you absolutely certain that you are really looking solely to Jesus as your only legitimate mediator, perhaps just adding a quick dose of your works or your (self) righteousness?