This article analyzes the competence-destroying transition from mechanical to electronic technology at Olivetti, a leading Italian office machines firm. It develops a unifying framework of the organizational process by which a new technological competence displaces an existing technological competence. It shows how a technological competence becomes institutionalized through the increasing convergence of its cognitive, moral, and pragmatic legitimacy, the power of organizational agents, and attainment and allocation of organizational resources. However, the reinforcing relationships between legitimacy, power, and resources may also be broken to aid in the de-institutionalization of an incumbent technology while placing the building blocks of its alternate. The study identifies four levers of technological transition: organizational separation, cooptation, exploiting contradictions and dissensus, and resource diversion.