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Put competitiveness at the top of your agenda

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Where will your business be by the end of 2004? What products and services will you offer? What markets will you own? How profitable will your company be? How much better off will you be than you were at the end of 2003? And what will be your prospects for 2005 and beyond?

These questions have always been important, but today demand more attention than ever. Complacent managers can expect nasty surprises in the short term, and even worse ones in the longer term. Now is the time for a cold-eyed review of your environment, your plans, your capabilities, and your processes. Now is the time to knock some strategic stakes into the ground.

South African executives can expect serious pressure in the year ahead. There's a growing risk that many of them will be distracted from their central task of making their companies competitive and profitable.

The volatile rand will continue to hurt them. Black economic empowerment is gaining momentum, and will consume increasing amounts of time, and money. Corporate social responsibility (CSI) demands attention, for otherwise issues of crime and poverty will keep dogging us. And managing HIV/Aids needs to move up the business agenda (or at least *on* to the agenda of those firms foolish enough to think it doesn't concern them).

These issues have to be dealt with. They're "tickets to the game" that allow you to do business in this country, and they will impact greatly on your performance. But never forget that the game itself is about sales, costs, productivity, efficiency, service, and cash flow. And above all, about the *innovation* that lets you constantly raise the bar in all these areas.

Of course, this has always been the case. What's different now is the speed at which things are changing. While we were fixated by news of dot-busts, terrorism, and war, profound changes were under way in the business arena.

Consider:

- Not long ago, Boeing owned the airliner business. But sales are down, scandals are erupting, and Airbus is flying into its space.
- Not long ago, Kodak owned the film business. Now digital technology is disrupting its sales and profits and it faces new competitors like Canon, Sony, and – maybe even more threatening – Nokia.
- Not long ago, the music industry made good money from CDs. Now internet pirates are stealing its songs, and the Apple iTunes Music Store is where things are happening

As changes like these proliferate, the pressure for more change grows. What might have been considered “hostile” competition back in 1995 is positively wimpish compared to what’s happening today. And no one should be in any doubt: the temperature is rising.

Companies everywhere are stepping up their efforts to improve and promote their products and services. Their new mantras are innovation, design, and branding. At the same time, they’re frantically getting rid of every possible cost in order to adjust to deflationary economic conditions. They’re cutting jobs and making better use of technology. Outsourcing of even the most critical work has become the new core competence.

To complicate things further, “sustainability” has become an over-arching issue that can’t be ignored. Today’s managers know they have to demonstrate ethics and integrity, care for the planet, and concern for their people; to survive and thrive, they have to be all-round good corporate citizens.

But be warned. Doing business in SA demands a great deal of dexterity in juggling priorities. If you’re like most managers, you have a cluttered “to do” list. If you don’t make competitiveness your Big Issue, you’ll be on a hiding to nothing.

Strategy is about shaping the world to suit yourself, and owning the chunk of it that you want. If you agree with that, then you not only need to apply the best minds in your organization to the process, you also need the best possible process.

The “best minds” do not necessarily reside in your top team. So be sure to identify and involve them wherever they are.

The best process is not a SWOT analysis, and does not involve writing new vision and mission statements or trying to pin down your business “drivers.” It’s a rich and robust “strategic conversation in which assumptions are challenged, renegade thinking is encouraged, ideas are nurtured, and action is everything.

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