

BE DIFFERENT or be dead: Your Business Survival Guide

SECTION ONE LEARNING POINTS

- Today, businesses operate in a world of unpredictability, constantly bombarded by external events that simply cannot be managed in a traditional sense. Yes, you need to be proactive and build a strategy based on the likelihood of certain future events occurring, but you also need to be prepared to renew your business fast by responding to shocks that you have not predicted.
- What are the market dynamics that pose significant challenges for businesses today?
 - Outrageous customers – Beware of empowered customers. They have more information at their disposal to make product choices and they have more suppliers from which to choose. In addition, the lacklustre performance of many organizations is fuelling customer dissatisfaction and consequently providing the motivation for them to flex their muscles.
 - Fickle customers – Customers change their minds now more than ever by changing suppliers more frequently, as the costs to a client to switch suppliers are declining and customers display their dissatisfaction and complain with their feet.
 - Competitor proliferation – Competitors are springing up all over. The Internet is one driving force that is producing a mosaic of new businesses; constructive self-destruction is another strategy that is creating many businesses from a single one.
 - Too much talking – There is an amazing amount of communications clutter in the marketplace, making it extremely difficult for customers to figure out who will best satisfy their needs.
 - Government oversight – Regulatory and other government policy changes can impose body blows to an organization which, in turn, must react to these unexpected events and recover from the potential negative impacts on them.
 - Technological change – New technologies can render your business obsolete overnight. You need to be on a constant technology watch for you and your competitors.
- The prescription to immunize your organization against external shocks and be successful amidst constant and accelerating change is to build a strategic approach that is driven by the need to Be Different from your competitors. If you can't Be Different you are dead, or soon will be.
- Competitive differentiation based on unique value differences rather than price differences around common sets of values is the theme of the surviving business. Having the lowest prices on the same products offered by your competitors is not a sustainable position as they can easily copy your prices. Having unique value on some dimension that only you provide, such as service, brand, location, etc., on the other

hand, enables you to charge premium prices and achieve sustainable differentiation in the market. Do whatever it takes to avoid commoditization of your business.

- The ultimate goal of a Be Different strategy is the ability of an organization to compose the *only* statement for itself. 'We are the *only* ones that...' is a claim that will define your organization's uniqueness. Spell it out and then test it constantly with customers to make sure it is compelling and real and continues to be so.
- Beware of benchmarking as a strategy development tool. Benchmarking is useful to determine a path of operational improvement for your business, but it has limitations in helping you to Be Different. Don't benchmark to copy the best-in-class company. Benchmark to establish the baseline level of performance you want to exceed.
- Opportunities abound in any organization to Be Different. Look at every aspect you offer to customers and how you do it. Evaluate all of your organizational capabilities and look for ways to leverage them, distinguishing yourself from the pack. Check out Webkinz; they know how to do it.