



Media release

Business strategy execution has always been important...now it's urgent

Tuesday November 4, 2014. One of the frequent comments received by Converge Consulting Co Founders and Principals Ty Wiggins and Wayne Condon from managing directors and company owners is concerning the increasing speed with which businesses need to operate and adapt. A key driver of this is the shorter life cycle of competitive advantages and the rise in popularity of 'second to market' strategies.

"Industry after industry is saying the same thing – being first to market has many significant advantages but being second and benefiting from the experiences of predecessors can be better. Air Asia wasn't the first airline and Google wasn't the first search engine. What they do have in common is the opportunity to learn from the mistakes and experiences of their pioneering competitors and apply the lessons when they followed them to market", said Wiggins.

In times past a business could establish a competitive advantage and methodically build and exploit that advantage over a number of years – thus the old practice of 3 and 5 year strategic planning. In addition, by being the first entrant to market relationships, resources, patents, distribution networks, brand profile, etc can be locked away making it harder and more daunting for the second to market businesses to convince consumers and suppliers to "try us".

Condon added, "Unfortunately, in business today the notion of a long term sustainable competitive advantage that capitalises on well established deep relationships with customers and suppliers is becoming increasingly limited to heavy capital industries such as mining and manufacturing and necessities such as food".

"For the majority of industries and business there is no longer the luxury of a sustainable competitive advantage that can be exploited over many years".

Both Wiggins and Condon affirm that stability can in fact be counterproductive, leading to the creation of internal rigidity and inertia as people adopt routines and habits that inhibit innovation and an inability (or unwillingness) to respond to marketplace changes, rapid shifts in consumer demand and preferences and adoption of new technologies and practices.

Instead more and more businesses in multiple sectors and industries face situations in which their advantage is fleeting with market share and dominance eroded rapidly, products copied quickly, new technologies superseding those of the past, or customers seeking other options and moving on.

These businesses operate in dynamic competitive environments and are characterised by their willingness to pivot and shift when the market dictates that their advantage is no longer one that drives sales.

Today, competition can emerge from anywhere and it's not necessarily in the form of cut rate product substitutes to target the low-end customers before moving upstream to pick off the high-end A List clients.

Innovative, agile, late marketplace entrants can redefine and reshape the market and in doing so, dominate the sector – a classic example is Apple in the mobile phone sector that was originally pioneered by Motorola.

“The implication for many businesses is that their ability to quickly implement or execute their strategy is vital to generating a return from the advantage.

Our simple advice to business leaders right now says Condon, is twofold, “They need to shorten the planning cycle and have a specific process in place for direct and systemic customer feedback. Some businesses have moved to quarterly strategic planning in an attempt to both maximise the advantages they build and stay in front in terms of moving with the market”.

“This is blurring the line between strategy design and execution – a process that formerly sat as distinct stages in strategic planning”.

“An organisation’s leadership must also include a sense of urgency around this strategy and incorporate open and honest dialogue between leadership, management and employees so that each individual understands the organisation’s plan, the imperative for change and the marketplace or economic conditions to which the business is responding”, concluded Wiggins..

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