



Are You On Top Of Your Changing Market?

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As a business executive you are doing everything you can to stay on the top of your business. You are concerned about everything – your customers, your products and services, your internal processes, your finances, your workforce, etc. But is that enough? Could you possibly be missing something very crucial?

The market for every organization is dynamic and always changing. In today's world, every organization is going through a market transformation requiring fundamental change. This transformation for most part is accelerated by technology and is here to stay.

Hence the question - Are you on top of your changing market?

In this *Mantra™* I will share some of my views and ideas regarding the market dynamics. Read this article and put it into your own context and perspective and think what may be happening within your organization's markets.

In the ever changing markets, the only constant is change, and constant reassessment and updating of thinking is required. When change is the order of the day, a pivotal question becomes who is positioned to change in time? In reality, and for a variety of reasons, some can and will change; others will not. Successful organizations keep an eye on the dynamics of their markets and continuously update their strategies to meet the changes. Those that change early will reap the rewards, those that don't may perish.

To begin, ask the following questions. The answers are liable to surprise you.

- ✚ Am I on top of my changing market?
- ✚ How do I know that there could be a change on the horizon?
- ✚ How adept is my organization to change, should change be necessary?
- ✚ Can my organization handle the trauma associated with serious internal change?

But what causes the markets to change in the first place?

One of the biggest drivers of change in the marketplace is innovation. The human mind is forever generating ideas and organizations are translating those ideas into products and services that people buy. This phenomenon has existed since the pre-historic times and will go on forever.

I live in the State of Michigan that is going through tremendous economic challenges. For over 100 years the automotive industry has been the predominant industry of this state. The energy crisis in early seventies was the first sign of change for the US automotive industry that would eventually play havoc on the Michigan economy. Did the industry catch the first sign in 1973? Probably not!

I remember reading an article in the Newsweek magazine written by Milton Friedman, the Nobel Prize winning economist some 30 years ago. I remembered this article because it was written shortly after the energy crisis in 1973. In this article, Mr. Friedman suggested that oil is a depleting resource and there would be a dramatic jump in oil prices by the end of the century. Oil at that time was less than \$5 per barrel and no would have dreamt of \$115 price for a barrel of oil some 35 years later.

Since 1973, there have been many signs that have undoubtedly suggested that a serious change was in the works for the automotive industry but no one, and I mean no one, prepared their business to deal with the change. Large businesses are more to blame than the smaller ones. They are more equipped to spot the economic trends that drive the market changes, but often they don't.

Automotive industry is not the only one. When the digital revolution began, giants like Xerox and Kodak were very slow to change and paid a hefty price. These companies have now recovered but what about smaller businesses that were suppliers to these giants and were not able to change. Many of them do not exist anymore.

The current state of Michigan economy is frequently being blamed on India and China. It is true that a lot of basic manufacturing has moved overseas but that is not the cause of Michigan's declining economy; it is an outcome of actions that were not taken when they should have been taken. Time to prepare for this eventuality was years ago when the signs of change were lurking on the horizon.

I work with the Michigan Small Business Technology Development Center (MI-SBTDC). This organization is helping create a new economy for the state by promoting entrepreneurship, investments and creating new jobs within the state. This is a great program that will have significant impact down the road. However, if the State had initiated some of these programs 30 years ago, the effects of India and China may not have been so severe.

Farmer's Almanac has predicted weather for over 100 years. Their forecasts are based on solar activity, tidal actions, planetary positions and many other factors. They believe that there is a cause-and-effect pattern to all phenomena and once you understand those phenomena, things become predictable. Such predictions, however; can be inaccurate and should be considered directional as opposed to an absolute forecast but they are indicative.

I agree that my observations here are after-the-fact and the signs are not always easy to spot when they first become visible. However, my point simply is that CEOs and executives should always be on the lookout for signs of change in their markets and interpret those signs as best as possible. The organization's strategic plan should always factor in these interpretations. History tells us that only those that do this will survive.

From the Coach's TOOLBOX - Things you can do to stay on top of your market

Make it a priority to ask the following questions at least once a year:

- ✚ How has my market changed over the past 5, 10, 15 and 20 years
- ✚ For each of the above timeframes what were some of the significant things drove the change
- ✚ See what role technology played in the significant events and how it might affect the future
- ✚ From this data interpret trends and extrapolate. This will give you some idea of the things to come.
- ✚ Adjust your strategic plan accordingly and prepare your organization for change

Some inspirational quotes

These great people learned have written great things about change, marketing and selling. Read them and get inspired!

- ✚ Change is the law of life. And those who look only to the past or present are certain to miss the future - *John F. Kennedy*
- ✚ Authentic marketing is not the art of selling what you make but knowing what to make. It is the art of identifying and understanding customer needs and creating solutions that deliver satisfaction to the customers, profits to the producers and benefits for the stakeholders - *Philip Kotler*
- ✚ A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well - *Jeff Bezos*
- ✚ Our success is a direct result of knowing how to market a brand and having the right people representing the brand - *Greg Norman*
- ✚ This may seem simple, but you need to give customers what they want, not what you think they want. And, if you do this, people will keep coming back - *John Ilhan*