

Get on top of rapid change

If your company culture doesn't embrace agility, innovation and flawless execution, you could be headed for trouble.

By Jim Carroll
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If there are three key words that should carry companies into the future, they're these: agility, innovation and execution.

- **Agility**, because we're confronted by absolutely furious rates of change, and we need incredible flexibility to be able to respond;
- **Innovation**, because as new opportunities, threats and challenges confront us faster than ever, each of us must become an innovator, whether it be with business models, skills partnerships or customer solutions;
- **Execution**, because everyone is becoming a competitor, often offering the same commodity services. The only way to stand out will be in excellence of delivery: customer service, product lineup and the ability to respond instantly to consumers' fast-changing demands.

Stephen Hochman, vice-president of sales at athletic shoemaker New Balance North America, once observed that, "Success is a function of an organization's capacity to absorb change as its own." That's a great way to think about the type of corporate culture you need to deal with rapid change.

Things are certainly changing fast. Think about these trends that have impacted almost every industry in the last few years:

- **Customers are more challenging**, empowered by information, compelled by choice and driven by disloyalty;
- **Prices are becoming commoditized**, as the "China price" means that cost alone drives purchasing decisions in many markets;
- **Costs are increasing continually**, as a seemingly endless rise in uncontrollable costs squeezes margins;
- **Business models are shifting** as new competitors emerge literally overnight.

These trends make it clear why agility, innovation and execution are critical. So, how can you develop a culture that will help you respond to the rapid rate of change?

- **Focus on collaborative relationships.** Paul Moss, divisional marketing director at British Bakeries, put this trend in a nutshell when explaining why his firm was seeking a new relationship with retailers: "We have more to talk about than price." For a long time, food companies developed new products with little input from retailers and packaging companies. But today, throughout the world of retail and food products, there's a lot of collaboration among

packaging firms, consumer product manufacturers and retailers, all of them working together to come up with innovative product solutions.

- **Respond to hyper-innovation.** We're witnessing faster times to market in almost every industry. The concept of a product life cycle is disappearing as products come to market and thrive only for micro-bursts of time. Make sure your team has the agility to cope with this reality and you might survive. This means understanding the vast range of new products or services you might be responsible for in the next year to 18 months — in particular any unique and emerging sales, marketing or support issues around them.
- **Get used to contentious consumers.** Desires, needs and demands will continue to change at an ever more furious pace, often in ways that won't make sense to you. Don't despair; rather, learn from it. For example, take the sudden birth and equally sudden death of the low-carb fad. Sure, it was a disaster simply because it was a fad, and companies that rushed into the market should have known better. Yet, rather than beating themselves up, the smart ones are using the experience to learn how agile they are, particularly how quickly they can get a new product to market. Did they respond fast enough to a rapidly changing market? What blocked their ability to do so? How can they fix that?
- **Capture the insight of creative new competitors — constantly.** Face it: there will be folks out there who are more creative than you are. They'll beat the pants off you with short, quick bursts of tactical success, while you're still busy marshalling your forces. Rather than losing sleep over that, learn from them. Then do what they do — only better.
- **Ride the wave of continuous innovation in business models.** Retailers, for example, are constantly experimenting with store formats, brand partnering, in-store displays, logistics and tracking studies, and countless other new ways of doing things. Get on board the tornado of change and ride it for all it is worth. How? Develop a team that has a well-tuned radar for unique trends, experiments, success stories and innovations.

The bottom line is this: the business world today is one of relentless, continuous change. Agility is your ability to respond to this change; if you lack that, you'll miss out on big opportunities and find that challenges become barriers to success.

Innovation is critical. And that's not just a matter of developing new products; it's about examining how you operate, your business model, the markets you're in, the partners you seek and how you challenge yourself to do something different every day. Execution is paramount, because these days you can't afford to be anything but your best.

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