



TEN DANGEROUS TRENDS – BUT FOR SOME A BIG OPPORTUNITY

Over the last few months I discussed with several persons what the biggest issues we face today in business today. The all overall answer was "Uncertainty". I think that is true – there are many unknowns ahead.

But while we might not be able to forecast which way different things will go, many other changes are quite evident. How we respond to them will determine whether they mean opportunities or not.

Here are 10 shifts that are already under way. All are major threats to companies convinced that they have a winning formula. These trends are already affecting businesses everywhere. If your strategy does not take them into account, you will lose the race for tomorrow's customers and profits. But make them work for you, and you will give your competitors a real run for their money.

1 Slow / fast: When I was a kid, life moved at a leisurely pace. There was enough time between new product launches to check them out carefully, and life cycles stretched out for ages. Now, the "next new thing" flies at us with astonishing speed. You snooze, and you really do lose. Speed is the new competitive weapon.

2 Commoditization / innovation: Living in an information age means that companies get to know the same thing at much the same time. Today's breakthrough product is tomorrow's old news. And because barriers to entry are low in many sectors, too many competitors chase the same limited pool of customers – so price deflation is inevitable. The only way to break free from the crows is through innovation.

3 Concrete / abstract: We used to buy stuff; now we buy ideas, perceptions, imagery, experiences. So if you want to compete for customers' attention, you have to understand their motivations, respect their feelings, and wrap your products and services in layers of emotional appeal.

4 Mass markets / niche markets: If the old way was "spray and pray," now it's focus, focus, focus. The finer you can slice and dice your target, the more likely you are to hit it and hold it.

5 Standardization / customisation: Henry Ford's offer of "any colour car you like as long as it's black" has been displaced by the new customer's demand for "any car I like." Customers want to fit in ... and stand out. And they expect your offering to do that for them.

6 Functionality / fashion: Remember when it was normal to run with comrades without shoes? Then along came high-tech athletic shoes like Nike, New Balance, and Adidas – brands that gave you maximum support, stopped ankle stability, and kept your feet cool. Today, the makers of these shoes are in a design war. And the hottest look is ... Puma.

7 Control / collaboration: Not long ago, companies tried to control pretty well every step in their value chains. They owned raw material sources, designed their products in-house, made every component, assembled them, and sold and serviced their products. Today, they're unbundling, outsourcing, and partnering like crazy.

8 Selling / advocacy: Yesterday's sales champions were masters of the "hard-sell". They were prized for their "the gift of the gab", their ability to "sell ice to Eskimos." But nowadays you can't force yourself down customers' throats. Instead of a pushy, one-way sales pitch, smart firms work hard to engage prospects in a rich dialogue loaded with information. They go out of their way to help customers make informed buying decisions – even providing comparisons of their wares with those of their competitors.

9 Hit-and-run / relationships: Most companies skip from customer to customer, making one sale at a time. Their aim is to "get the order." They don't even think about making repeat sales to the same "right" customers. This short-sighted view means that they have to keep starting from scratch, and they never gain traction or build momentum. In contrast, the winners work on lasting relationships.

10 Loyalty / experimentation: Customers used to respect the companies they bought from. They stuck with specific brands and seldom shopped around. But that's history. Today's customers are fussy, flighty, and seriously well-informed. So your value proposition needs to be honed to razor-sharpness, and your entire organization needs to pin your customers in a tight embrace.