

Global Boxing The Wild, Worldwide Fight for Business

By Jet Parker

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In a global economy, where a Chicago firm's nearest competitor may be in India rather than New York, it is imperative that CEOs align their strategic performance goals with the finest survival tactics if they intend to sustain a competitive advantage in the worldwide war for business. The best of these winning tactics follow.

Innovate

Over the last ten years, American enterprises discovered the merits of off-shoring the production of certain products or services. Overseas sources became the go-to solution, particularly telemarketing and manufacturing. There's nothing wrong with this except that by doing so, we are failing to capitalize on what we do best: innovate rather than *delegate*.

Whereas the Japanese often refine what we create and the Chinese tend to duplicate what we develop, U.S. companies, supportive of science, engineering and technology development, excel at the invention of new, visionary products and services. Or, we did.

According to the Semiconductor Industry Association, today, only six of the world's top 25 information technology companies are U.S.-based. Asia now spends as much on nanotechnology research as the U.S. Although we maintain a leadership position in the commercialization of semiconductors (nearly 50 percent of the market). As other countries replicate our entrepreneurial business models, our power and position are eroding.

Winning Tactic 1: Dream Lean

Jack Welch may have popularized lean management through Six Sigma practices, but the Malcolm Baldrige program and its best proponents make it possible for almost any sized company to mainstream a lean dream. The Baldrige methodology, developed in 1987, was designed to help American firms sustain a competitive advantage by applying best practices that drive superior, consistent performance.

World renowned Baldrige coach, Glenn Bodinson, notes, "Perfecting these best practices will fine-tune an enterprise so that it operates at maximum in every department, driving productivity,

maximizing resources, diminishing costs, and significantly improving profitability.” Companies applying these processes literally save millions. If you're skeptical, review the case study results. They are available (at no charge) through baldrigeresults@ceoiq.com.

Core Values/Best Practices

The Baldrige criteria is based on these values and practices

- Visionary leadership
- Learning-centered education
- Organizational and personal learning
- Valuing faculty, staff, and partners
- Agility
- Focus on the future
- Managing for innovation
- Management by fact
- Social responsibility
- Focus on results and creating value
- Systems perspective

Categories

The Baldrige values/practices are addressed in seven categories:

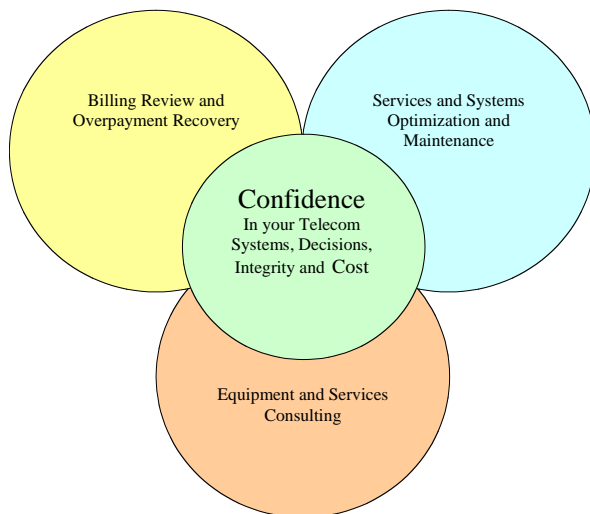
- Leadership
- Strategic Planning
- Student and Stakeholder Focus
- Measurement, Analysis and Knowledge
- Management
- Faculty and Staff Focus
- Process Management
- Performance Results

Winning Tactic: Leverage Technology

Technology is the ultimate equalizer – when it's leveraged. Corporate giants are bested by savvy start-ups, mid-sized companies gain market share against Fortune 500 firms by using current technology and being the first to apply emerging technology.

A recent *Information Week* article showcased a 13-person firm called Niche Retail. The company is beating larger and global competitors through search-engine optimization. As an *Entrepreneur Magazine* study noted, the average annual revenue of a small business is \$3.6 million; the average annual revenue of a small business with a website is \$5.03 million.

Schooley-Mitchell presents methods to recover telecom expenses yielding an added bonus: more funds to grow a company in other areas. Schooley applies a technology-based system to measure the effectiveness of local phone, cellular, long distance, data and Internet services. The result: reducing a firm's telecom expenses 18 to 35% through the implementation of improvements to existing systems following an integrated process like the one shown below



The result: reducing telecom expenses 18 to 35% through the identification of billing errors and implementation of improvements to existing systems or services.

Exploit the inexpensive, subscription-based network services on the market. Charles Babcock, a columnist for *Information Week*, noted the numerous time-saving, cost-reducing options in a recent article, including sales-force automation and customer relationship management from Salesforce.com; Web-site statistical analytics from Coremetrics; human-resource management from employees; and online integration of business partners from Hubspan and Viacore.

Technology-smart firms tend to be more nimble, adjusting to market change and trends faster than competitors. Their must-have speed and agility enable them to go to market faster and jump on emerging opportunities while other firms are still forming a committee to discuss it.

Refine Your Gap Niche Radar

How's your radar for discovering new opportunities in the market? - The untapped gaps that can create enormous financial gains, worldwide.

There are 76 million Baby Boomers in the market determined to hold on to their youthful appearance. Time, sun damage, genetics, pollution and free radicals (whatever that is) say otherwise. Cosmetic companies generate products to cover up aging, aestheticians work to make it appear to look better, plastic surgeons focus on removing the evidence of the aging process. Myong Chong realized there was a gap in the market, and developed Hanna Isul, a skincare line that heals damaged skin so it is younger.

Gap Niche markets capitalize on a narrower but lucrative specialty. Packaged properly, these same products (or services) can be exported overseas. Now across the US, Japan and Korea, Myong has learned to capitalize on one of these gaps and every Baby Boomer, in any country, that has used her products, is glad she or he did.

Collaborate

Many other countries have attempted to imitate America, but they often succeed in only

manufacturing or servicing innovations developed by entrepreneurial Americans. On the other hand, other countries excel in areas where America has failed to keep up. Americans feel entitled to a healthy economy, the Japanese feel thankful for it. Americans talk about the importance of grooming more scientists, mathematicians and engineers while South Koreans, with one-sixth of our population, graduate as many engineers as the U.S..

Collaborating, rather than competing can open grand doors of opportunity, enabling each country and enterprise to take advantage of each other's strengths. Explore licensing agreements with another country, extend franchise operations overseas. If you lead a corporate giant, consider joining forces with a smaller firm that specializes in delivering a highly valuable, unique product or service. Statistically speaking, small businesses are the number one source of new innovations. They move with lightning speed and they are hungry. You may find collaborating with a young enterprise is the shot in the arm for a lethargic, oversized behemoth.

Fuel the Entrepreneurial Fire

We should continue to structure our economy around reasonable risk-taking. Entrepreneurship is the backbone of the American economy and one of the primary advantages we have in the global market.

Where can we improve? America makes it easy for entrepreneurs to start a business, however, we have failed at making it easier to help them successfully *build* a business. Nearly 50% of new businesses will fail within a year; 80% within five years. The American dream isn't just about ownership, it's about financial freedom. Only success ensures both.

The US needs more practical business teaching methods to refine the entrepreneurial skills of new business owners. Training and education can reduce these failure rates 15-25%. Organizations like The Alternative Board (TAB), Young President's Organization (YPO), and CEO IQ operate to help fill this void. Corporations need to work with universities to support the curriculum series that will groom talent to fill specific specialties. For example, NT Logistics, a Texas corporation donates funds to the University of North Texas graduate program. They also find their best hires from the same source.

Entrepreneurs are free to pursue their greatest dream or fail while doing so. It's the American way. However, we're in the fight of our lives now and if we intend to win the global match, America better hit the ring with a bigger punch.