

How To Leapfrog Competitors As The Economy Rebounds

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By: Ron Wince, Guidon Performance Solutions

The economy is beginning to show some signs of life as the stock market has recovered nearly 50 percent and Fed Chairman Ben Bernanke and others explain that the recession is coming to an end. But while business leaders may be tempted to celebrate, there is little time to waste in preparing for what's next. Business leaders must shift their attention away from a single-minded focus on survival and start looking again toward growth. But with the future remaining murky, it will be difficult for companies to define clear roadmaps to success while also maintaining a strong defense against what turmoil may still lie ahead.

So what should companies do now? Maintaining vigilance about the current business climate while avoiding being left flat-footed as the economy recovers will be no small feat. While there are no silver bullets that can guarantee success in the future, there are a few core principles which can serve as a foundation for success for many years to come.

1. Maintain a focus on building lean and agile business processes.

This recovery will not occur at the same pace as previous recoveries. As a result, companies will need to keep one eye on efficiency improvement, cost and doing more with less. The recovery will feel agonizingly slow and may even plod along for some time. Sustained efforts that reduce the cost of doing business will help position companies to thrive in a protracted recovery. Companies that have already started the sustainable journey will need to continue to leverage business process improvement methods such as lean six sigma to drive rapid, bottom-line improvement in cost and quality. Those who have not made a concerted effort to adopt some of these principles risk being left at the starting gates of recovery.

2. Act nimbly to create new products and services.

In developing products and services in the new economy, companies will not have the luxury of hiring more resources, spending capital or managing through long innovation cycles. Business leaders must aggressively seek opportunities to refine the way they develop new products and services. They will embrace collaboration with business partners, customers and, in some cases, companies who may have been competitors in the past. The processes required to go from concept to production must be lightening fast and focused on the product features that can deliver the most value for customers and satisfy their unarticulated needs. Decision making and portfolio management must rely heavily on real-time competitive intelligence to avoid miss-hits.

3. Strategic planning is an ongoing process.

The days of annual strategic planning are long gone. To be viable in the coming tumultuous future, companies must revisit like fighter pilots in dog fights and less like chess masters.

4. Build a culture of agility.

Organizational agility will be a requirement for success. "Corporate quarterbacks" must have a team that can quickly adjust entire business units to audibles called at the line of scrimmage. Problem solving and change management can no longer be initiatives or projects but must become embedded in the social and operating norms of the moment.

There is no question that uncertainty will be the new business normal. Companies must prepare now for not only surviving but thriving in difficult scenarios. Those corporations who can embrace ambiguity can leverage it to leapfrog their competition. But leaders must act now to develop people, processes and technology that enable them to react in real time to a continuously shifting business landscape.

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866.986.4414 or 480.986.4414

contact@guidonps.com

www.GuidonPS.com

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