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BUSINESS ADVANCEMENT INC.®

The Harper Report:

How to Create New Opportunities in a Changing World

Recently, we've been hearing more executives talk about "watching and waiting" for conditions to return to normal as a strategy for navigating the unpredictable business environment. However, since combinations of big and little changes in technology, workforce demographics, customer needs, and legislation are happening every day, waiting for things to return to the way they were at an earlier time often leads to bigger problems and missed opportunities.

In fact, "business as *unusual*" is the new normal, and whole industries are changing in response to a series of unprecedented demands and issues in the business environment. While we can't always control circumstances and events, there are things we *can* do to minimize problems and leverage new opportunities for growth and profitability.

Add New Value To Your Current Customers

Changes in the economy may sensitize your customers to the value of what they spend their money on, where they spend it, and when they spend it. But – they *are* spending money. Three things you can do to create new value for current customers include:

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- **Adapt products and services to meet customers' new needs.** For example, IBM, a company that traditionally made computer equipment, started offering more services so their customers could more effectively and

efficiently use the hardware they already owned. (Example: services include consulting, training, and coaching in addition to different levels of hotline and field service support). As a result, the company has rebounded from its slump of a few years ago, and has posted steady gains in revenue and profit, even during the recent economic downturn.

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■ **Demonstrate how the *same* products/services can address *new* needs:** Customers will continue to buy the same products and services at premium prices are – even in a down economy – provided that customers recognize how the value of the product/service meets their most important objective *at this time*. (Example: If buyers can't justify buying a luxury car for "fun," they may still justify it for business reasons, performance, safety, security and other "practical" reasons).

■ **Provide incentives that increase value:** Find new ways to add value for buying now rather than later, for buying bundled service packages, or for buying in larger quantities by offering special deals (Example: a storage company offers 2 months "free" if the customer purchases a one year contract instead of a monthly contract).

Bottom line: When faced with less demand from current customers, be sure to explore the reasons behind the drop and new ways to add value before abandoning the market. There may be more opportunities than first seems apparent.

Find New Markets for Your Products and Services

Increasingly, the answer to less demand from current customers is for companies to reach out to new markets. For instance, both Southwest Airlines and Jet Blue Airlines –traditionally focused on leisure travel – are now aggressively pursuing the business travel market. This approach has promise, but to be successful it's important to

remember one thing:

The key to successfully entering a new market is to adopt an investment mindset. For example, both airlines discovered they needed to make a number of changes in order to be "business traveler friendly." Everything from flight schedules, layout of gate areas, accounting systems, and reservation management systems had to be adjusted to meet the needs of corporate travel departments. Clearly, these two airlines are evolving in ways that will eventually impact every aspect of their company.

Bottom line: Entering a new market has the potential to profoundly and permanently impact the nature of your company. Be sure that your key stakeholders (internal and external to your organization) understand and are committed to the significant investment and change it's likely to take in order to succeed.

Uncover Assumptions to Create Opportunities

One of the biggest areas of control we have, regardless of the circumstances, is how we lead and manage our organizations on a daily basis.

These days, as collaborating with external stakeholders such as customers, suppliers, alliance partners, and outsource providers becomes more central to accomplishing objectives, it's important to engage them as well as those of employees in your organization, asking and listening to answers regarding questions such as:

- What needs to be done? Why? What else could be done to accomplish the same objective?
- Who will do it? Why should they do it? Who else could do it and still achieve our objective?
- Where will it be done? Why? Where else could it be done and still accomplish our objective?
- When does it need to be done? Why? At what other time could it be done and still meet our objective?

Bottom line: The way leaders tailor two-way communications to the specific needs of

different internal and external stakeholders can explain why one company can excel while their competitor in the same industry fails. The more that you and your stakeholders uncover and address assumptions about your objectives and goals, the more choices you have available to respond, regardless of the circumstances.

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Where does this take us?

Ultimately, the world is changing and we must adapt, up to and including reinventing our businesses, in order to not only survive but to sustain growth in the long term. The key to finding new opportunities is to constantly stay in touch with both big and little changes in the business environment, and the reasons for these changes. Understanding the issues hinges upon effective and consistent communication with your key stakeholders on a continuous basis. This enables you to break down artificial barriers to growth and take advantage of even more opportunities than may have first seemed possible.

About the authors:

Pamela S. Harper is the Founding Partner and CEO of Business Advancement Inc. (BAI), based in Glen Rock, NJ. She is an internationally known business performance expert, author, and professional speaker with over 20 years experience in internal and external consulting to entrepreneurial, middle market, and Fortune 500 companies in a wide range of industries, all going through extraordinary growth and change. Pam is the author of the critically acclaimed book, *Preventing Strategic Gridlock®: Leading Over, Under & Around Organizational Jams to Achieve High Performance Results*. She has published and been quoted in prominent media outlets including: *BusinessWeek*, *Investor's Business Daily*, *Red Herring*, *Entrepreneur*, and major newspapers around the world.

D. Scott Harper, Ph.D. is Sr. Partner and COO of BAI. He is a globally recognized expert in innovation processes and systems with a unique ability to translate technical insights into desired business results, gained from over 20 years of leadership experience in Johnson & Johnson Consumer Company, Pfizer Consumer Healthcare, and Warner-Lambert Company.

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