

Disruption: good or bad?

We are now well into 2019 and the pending doom of Brexit is upon us. In truth, I am sick of listening to the self-serving incompetent behaviour of our politicians who have completely failed to deliver the job for which they were elected, which was to manage the country on behalf of the British population.

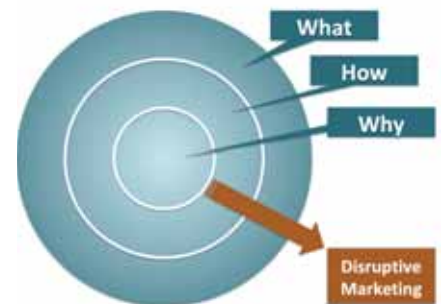
I am also sick of listening to moaning companies and business leaders who have had two years to prepare for Brexit and should have been demonstrating leadership through proactive scenario planning as a critical element of an integrated business planning process. The fact that many companies appear to complain about the 'lack of clarity' but have failed to do any scenario planning until it was far too late is an indictment on British company management and leadership.

I wrote a paper a couple of years ago that discussed the nature of competition in the future. My proposition was that future competition will not be product vs product, but supply chain vs supply chain. My point was that in many product categories there has been a huge amount of product consolidation, which means that the differentiation of products is increasingly becoming eroded and in many sectors irrelevant. If this is true, then a much greater differentiation will need to

be created through brand and not product differentiation. The globalisation and consolidation of companies also continues to have an impact upon the changing face of competition.

I still firmly believe that the competitive winners in the future will be those companies that create the most effective, flexible and customer-focused supply chains and not those who have the 'best' products. Supply chain capability will also require companies to recognise the customer and consumers of the future will expect shorter lead-times, more flexibility and much greater levels of customisation of product and services. Just like in the last century, the winners were those companies who cracked mass production; in my opinion, the winners in this century will be those companies who crack mass customisation.

Disruption is only negative if we do not plan for change and learn to love it. We must not be resistant to change, because it is inevitable. We must plan for it: indeed, create it. In fact, a colleague recently said to me: 'The pace of change today is faster than it's ever been, but as slow as it ever will get.' His comment completely resonated with me, but I admit that it scared me a bit, too. If this is slow, then wow! This is going to be an exciting ride. We have already heard about the concept of disruptive marketing and disruptive



Simon Sinek's Golden Circle

Figure 1

market strategies, which rather than being a bad thing can and could be a very positive policy for turning disruption into a competitive weapon.

I have studied, promoted and believed the concept that suggests that behaviour is driven by understanding the 'why' not the 'how' or the 'what'. In this context, behaviour could mean internal company process behaviour, but can also mean marketplace and customer behaviour: in other words, their decisions to do business with us and buy our product or service. Simon Sinek, author and motivational speaker, has recently been talking about the 'why'. Based upon his Golden Circle model – see Figure 1 – he claims: 'People do business with you not because they want what you do, but because they believe in what you believe in – the why! And all of the great companies communicate from the inside out not the outside in.'

This model has significant implications for the disruptive marketing communication and brand equity and core values. Simon Sinek's message is that the marketing communication of market leaders must be from the inside out; in other words, from the 'why' to the 'what' and not the 'what' to the 'why'.

My own view is that creating this form of disruption is a very positive competitive strategy. Therefore let us not resist change and disruption; let us embrace and, indeed, create it.

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Supply chain capability will require companies to recognise the customers of the future