

"Adaptive Strategy Planning"

The Art of Keeping Pace with Today's Rapidly Changing Business Economy.

Survival in business today, regardless of the industry you're in, requires an attention to detail far beyond that of ever before in history. The "Threat Level" of oncoming danger can virtually decimate a business in a matter of months. It's for this very reason that the designing of rapidly adaptable business plans and action programs have become the very life blood of companies today.

Consider "The Critical Forces of Dramatic Change." You see, as soon as somebody outside your niche sees your niche is viable and profitable, they declare war on you, very quickly.

This is usually done one of two ways: A major player in an affiliated area will launch a direct, head-on attack. This is what happened with IBM and Apple. Everybody knew that if Apple was going to do a good job in the personal computer industry, certainly IBM would jump in.

Or, acquisition. Somebody comes in, a major player that's not in the same industry, sees what you're doing and tries to buy you out. Usually an entrepreneur decides he wants to sell by convincing the buyer it should go after this particular top management position. So he sells his company, keeps the position, earns a lucrative salary, and picks up a lot of money for selling out his interest. Not bad.

But this can be a dangerous situation because the acquiring company could be the number two, three, or ten player in your niche; that's not even a significant factor. But, if it sells out to another big company who has lots of resources, the next thing you know, a big competitor is in the game.

"The Critical Forces of Dramatic Change are going to change things within your niche, that you have absolutely no direct control over."

"Taking all of this into account, there are factors and forces that are going to change things within your niche, that you have absolutely no direct control over. I have identified ten of these factors and forces.

TECHNOLOGY BREAKTHROUGHS

Constantly occurring, these give and individual an opportunity to exploit the niche in a radically short amount of time. You have to keep your eyes absolutely glued on these technology breakthroughs, because some of these things seem ridiculous. An example is manufacturers of remote control units for televisions, VCRs and cable television. There are so many hand-held channel selectors now, that it has had a major impact on the way some of the big players advertise on television.

For example, one of the largest television advertisers is McDonald's. Today, McDonald's is running its ads back to back on the four major networks because commercial breaks are the times that views are most apt to starting rambling through the channels. So, a technological breakthrough has affected McDonald's which is not even in high technology.

LEGISLATIVE RULINGS

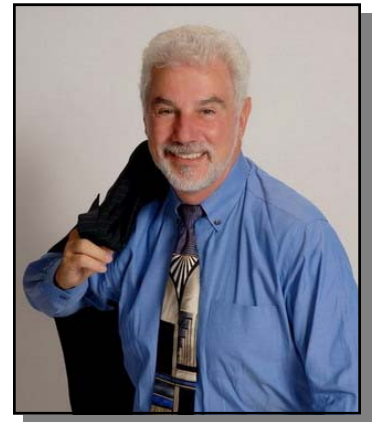
You never know when legislation will step in and impact you negatively or, in some instances, give you opportunities to do something's that you couldn't do before. For example, an ecological imbalance in the area could suddenly change the way you dispose of toxic waste and chemicals used in etching solutions.

COMPETITIVE AGGRESSION

The most obvious and visible is when *Summary:*

In anticipation of Dr. Peter Johnson's "Leading Your Market Niche in Turbulent Times" - "Getting Top

"Those organizations who Think Strategically, Plan Competitively and Implement Intensely, will most certainly eclipse the rest in their field."



Dr. Peter Johnson
Marketing Strategist

Team Performance," Conference", Technology Business asked Dr. Johnson about the importance of Strategic Vision, and what steps a CEO should take to attain Dominant Market Position — and sustain it over the long term. In characteristic rapid-fire fashion, Dr. Peter Johnson's enumerated ten steps to the goal.

a competitor suddenly assaults you head-on because your competitor has decided it wants your niche because you are doing well, yet you're vulnerable enough that it can usurp your position. You have to be alert, not just to who the top competitors are, but where you think this competitive aggression might come from if somebody gets ambitious. Things that fall into competitive aggression are even such subtle actions as acquiring talent from a competitive company.

When you pirate the number two executive from a competitive organization it has to have a dramatic impact. First, it takes a key player out of the enemy's camp. Second, it brings a lot of competitive intelligence into your camp. Third, it gives you a top talent without having to groom or train somebody - you've just bought them. The cost is high, but what they swing in power and advantage is significant.

INFLUENCING INDUSTRIES

There are other industries that have an indirect effect on your industry. As an example, if we have another oil crisis, it will affect everybody. Oil is an influencing industry because if we end up without it we have problems getting people to work. In high tech, one never knows what these factors might be, because so much of what we do is manufactured off shore and imported.

AESTHETIC DESIGN

This affects high technology directly, because the way things look or are packaged has direct impact. An obvious example is the way office buildings are built today. About fifteen years ago you never saw a building with a full glass facade. With the glass exterior comes certain internal environmental concerns - with that much glass, sun rays come in, raising the interior temperature, making it almost impossible to regulate the temperature without using more sophisticated internal computer systems.

MEDIA IMPACT

This is significant because these are the elements that communicate a company's message to its market. The technology industry doesn't necessarily sell to end users. Maybe only 20 percent of all high tech products are ever marketed to end users. They are marketed to other companies who bundle other products with their product and then the assembled product goes onto an end user. But, there are a lot of companies who sell products that are integrated into other companies products that advertise. For example, Rockwell International advertises just to establish identity in the public's mind, as well as to promote its stock, even though the average consumer will probably never purchase a Rockwell product.

DEMOGRAPHIC TRENDS

A demographic trend takes a long time to have impact, but, over time, it can have a sweeping, if not a devastating, effect. Right now there are two major demographic trends that manufacturers are targeting with media campaigns. The most obvious are the "baby boomers," that's no big secret. What is happening is that the "boomers" buying trends are changing as they reach age 40 and go through mid life crisis. The other targeted group is senior citizens, for whom more and more people are developing products. For example, the senior citizen group is one of bio-med's biggest target markets. No one anticipated

STRATEGIC INITIATIVE

Step 1: RECOGNITION...The ability of a senior executive staff to rapidly identify any significant factors of change which may impact the future health or direction of an organization.

Step 2: ANTICIPATION...The ability to predict with a high degree of accuracy the precise direction this change will take and the possible ramifications it will have to the organization.

Step 3: RESPONSE...How the organization in specific terms will adjust or reposition itself based on the impact or effects this change will have on the industry or its marketplace.

Step 4: INTEGRATION...The ability of the individuals occupying the "Front Line" positions within the organization to adapt their thinking and behavior to the adjustments defined by management.

Step 5: EXPLOITATION...The ability of the organization as a whole to take maximum advantage of its skill in coordinating the rapid deployment of its critical resources.

Step 6: REASSESSMENT...The continuous ongoing reevaluation of the "Forces of Change", the impact they are having on the organization and its marketplace, and the effectiveness of our midcourse adjustments.

that this would happen some 50 years ago. People simply didn't pace themselves or care for themselves as they should have, because they didn't think they would live as long as they have.

CRITICAL RESOURCES

These are any element or component in the manufacture or development of your product that, if limited, could dramatically hamper your ability to produce and market it. The element may not be critical now, but it could be critical if there were a change. Sometimes a competitor buys all or part of the company that makes a particular component, swinging the allocation of its product away from you.

For example, say I needed some special chips to produce a computer system. And let's say I had enough clout that I could go in and buy a controlling interest in the smaller company that is furnishing these particular components. Other companies don't have the chip because of patents, and now I've bought a significant amount of stock. I now could inhibit my competition from getting their hands on it. Thus making those chips a critical resource, whereas before they were not because everybody had access to them.

LABOR ISSUES

Labor issues could be over some ridiculous incident or catastrophe that is job related. Let's say somebody gets fired and suddenly everyone wants to walk out with him. Sometimes labor issues are like the things you see going on with pilots, or when there's a contract (such as the National Football League) that comes up for renewal and the discussion gets heated in the eleventh hour. Suddenly

speculation as to whether or not they will have a strike influences the stock price.

NATURAL DISRUPTION

This is the factor over which you have the least control. No one ever knows when a tornado is going to whip through town. If the "Big One" (giant earthquake) should occur here, you can imagine the kind of investing that is going to take place in the technology companies in Boston's Route 128 and in Texas. It will happen dramatically, and you have no control over this. A really alert company or executive can exploit the situation when one of these disruptions takes place somewhere else.

In every instance, if you're an astute CEO, well-versed in the "Critical Forces of Dramatic Change," you can look at situations that impact your competitors, others in the industry, or yourself, and then make the mid-course corrections necessary to continuously lead your niche.

Dr. Peter Johnson is widely recognized as the nation's leading speaker on Corporate and Marketing Strategy. A veteran of IBM, General Electric, and McDonnell Douglas. Dr. Peter Johnson is a consistently top-rated lecturer and keynote.