

# AIM, AIM, AIM, READY... FIRE!

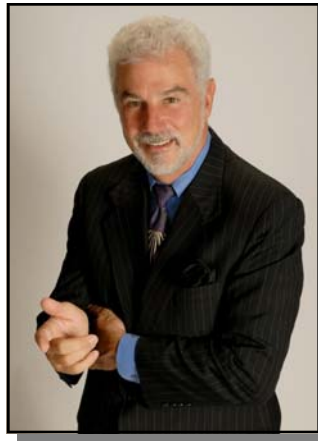
No business succeeds in the long term without sound strategic positioning, says Dr. Pete Johnson. And this fact is easily demonstrated when one considers the keys to success of the most admired companies in South Africa and abroad.

Take Pick'n Pay, for example, where customer focus and value for money reign supreme. Or Proctor & Gamble, who have built an empire by selling leading products and conducting aggressive marketing warfare against any potential market entrants.

On the other hand, where would Honda or Apple be today, had they not considered product innovation a critical component to their long term success? Or how could the legendary Federal Express possibly have become a leading mail company without CEO, Fred Smith's commitment to 24 hour turnaround?

Deceptively simple at first sight, the strategies of the above companies stemmed from more than a flash of managerial brilliance. Had they not been carefully thought through and planned from their very inception, then none of these organizations could possibly have reached their present heights.

For example, in order to implement their strategy of customer focus and value for money, Pick'n Pay has had to instigate relevant and comprehensive customer service and buying practices. Few Senior managers unfortunately take the time to formulate corporate strategy carefully, resorting instead to fire fighting or the occasional flirtation with the latest manager "flavor of



**Dr. Pete Johnson:**  
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the moment."

The common excuse for this reactive rather than proactive approach is that strategizing is commonly perceived to be a lengthy and unproductive process.

Dr. Pete Johnson cites a recent experience where he was called in by a major corporation to assist in fine tuning their corporate strategy. Lengthy environmental scanning had led to the compilation of three weighty volumes of strategic research, but when Dr. Johnson asked the senior managers who had read these volumes in their entirety, not one member of the planning group raised his hand!

According to Dr. Johnson, the overriding criteria for strategic planning are the following:

1. Must Be Simple.
2. Must Be Quick.
3. And make sure that the plan leads to producing visible results

within six to eight weeks.

Dr. Johnson divides strategic positioning into the following five components:

- a) *DrivingForce* (the corporate philosophy);
- b) *Mission Statement* (the internalized culture);
- c) *Strategic Theme* (market perception);
- d) *Major Objectives* (strategic business units); and
- e) *Targeted Milestones* (critical achievements).

Although it will take you at least a few hours to formulate the strategic objectives pertinent to your own company, the form overleaf demonstrates how short and concise the end product should be.

## **A. Driving Force (corporate philosophy)**

The driving force of the company expresses the underlying purpose motivating employees to pursue specific objectives. Briefer than the mission statement, Dr. Johnson comments that it usually takes ten years for a driving force to go full cycle. Some examples:

"Continuous excitement from start to finish." - *Steven Spielberg*

"We have one ambition - to be the best." - *Lee Iacocca*

"Conspicuous, superlative value." - *Dr. Pete Johnson*

"Values naturally differ from company to company," comments Dr. Johnson. "It is also important to review, and if necessary, change the driving force of a company every few years."

"Dr. Johnson's unique 10-step blueprint for Strategic Business Performance helps to maintain a control of focus on both long range as well as short term sales growth."

# Strategic Planning

## B. Mission Statement (internalized culture)

"The mission statement of a company should be a truth told in advance," says Dr. Johnson. "The mission statement defines the future direction of the organization, its efforts and activities in broad terms. Designed only for internal use, it should be

superlative, lofty and goal oriented. Remember nevertheless, to keep it short and no longer than one paragraph."

"Don't restrict your vision to present limitation," says Dr. Johnson. "Think like a Lee Iacocca, envisioning what could be possible five to ten years down the line."

An American bank phrased their mission statement as follows:

*"To clearly establish and maintain a positively recognized and respected reputation as THE BEST, full service financial institution providing the very highest caliber of market oriented products and backed by the finest team of responsive service professionals available anywhere in the United States today."*

## C. Strategic Theme (market perception)

The strategic theme of the company conveys the essence of its driving force and mission statement to the public. It is a verbal expression of a distinct, unique and visible market position, and is communicated to consumers in the form of a jingle, slogan or tag line, such as:

- "The Pepsi Generation";
- "It will be there in the morning";
- "It may cost a little, but it's worth a lot";
- "We may be No. 2, but we try harder."

"Strategic themes may not necessarily be 100% true, but they should always be believable," says Dr. Johnson. "For example, when Avis coined their No. 2 slogan, they were actually No. 6, but the public still bought their runner-up line."

Dr. Johnson also stresses the need for visual material and messages to be congruent. An outstanding example of visual and verbal congruency was IBM's campaign titled "Simple answers to your questions about IBM PCs", staged to compete against Apple's "user friendly" advantage. This message was accompanied by a picture of a Charlie Chaplin figure shot against a stark white background, with an IBM PC placed on a table decorated by a vase with one rose. Like the verbal message, this visual represented simplicity.

"Even nuisance taglines ultimately work in the favor of marketers," Dr. Johnson says, "because when it comes to buying, the consumer is always more comfortable with the devil he knows."

*"A comprehensive strategic plan should comprise no more than a few pages which can easily be read over a cup of coffee."*

## D. Major Objectives (strategic business units)

Major objectives should be both qualitative and quantitative, says Dr. Johnson, and pertain to the major strategic business units in the organization, such as:

1. The product;
2. The support Service;
3. Marketing and sales; and
4. Operations.

In order to check whether your major objectives are working, ask yourself the following questions, says Dr. Johnson:

1. Is the objective attainable?
2. Is it measurable?
3. Is it profitable?

An example of a sound marketing and sales objective would be reaching a specific turnover by the end of say, the first, second and third years in business.

On the product side, a sample objective could be achieving a stipulated level of customer satisfaction on a designated index.

## E. Targeted Milestones

Targeted milestones relate to activities needed to create short-term momentum in the company within a period of no longer than the following three months. "The advantage of setting these milestones is that they help you to do the right things at the right time and for the right reasons," says Dr. Johnson.

*Note: The above article comprises extracts from marketing seminars held by Dr. Pete Johnson. It is the second in a four-part series based on these two seminars.*

*Internationally recognized for his revolutionary insights his comprehensive career includes positions with companies like IBM, General Electric and Litton Industries in disciplines as diverse as customer service, computer engineering and sales.*

*Dr. Pete Johnson also holds degrees in electrical engineering, business management and a Ph.D in human resource development.*

*He will be lecturing throughout the US and acting as the keynote speaker at the Salesperson of the Year awards banquet. He will also be conducting the following three seminars:*

1. "How Top Executives Maintain Their Competitive Edge"
2. "Advanced Sales and Marketing Strategy for the 1990s and Beyond"
3. "High Impact Advertising - How to Influence the Buying Response"