

So I'm back to my somewhat disingenuous message: To put the marketplace customer first, I must put the person serving the customer "more first." Excitement and self-stimulation first. Customer service second. That's my cause-and-effect scheme.

My message is that in order to *put the marketplace customer first, I must put the person serving the customer "more first."*

There is no great external focus unless a great internal focus is in place. I contend that finding and keeping and co-creating with great folks is not about clever tools to induce prospective "thems" to "shop with us," but a 99 percent internal effort to create such an exciting, spirited, entrepreneurial, diverse, humane "professional home" that people will line up by the gazillions (physically or electronically) to try and get a chance to come and live in our house and become what they'd never imagined they could become!

If you are serious about developing leaders, I suggest that you construct small leadership opportunities for people within days of their start on the job. *Everybody a leader* is entirely possible. So give you folks leadership responsibility from the outset, if not day #1 then within the first month. Hence, leadership development becomes a theme activity from stem to stern.

Boost Your Brand

Take this quick quiz (only 10 questions) for assessing your organization. Ask team members to rate themselves and the team against each question.

1. I know what my organization does to provide value to our customers.
2. I understand our products and services well enough to explain them.
3. I see how my job contributes to the value our organization creates.
4. I understand what a brand is.
5. I can tell the story of our brand.
6. I believe our brand is valuable.
7. We continually improve how we deliver products/services to customers.
8. I understand how my job brings our brand promise to life.
9. I can develop my talent while contributing to this organization's success.
10. I'm passionate about my work.

These questions investigate how connected you and your team feel to your *Purpose* and *Brand Promise*. The consolidated results can be used in a team discussion to identify the most promising targets for development. **LE**

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ACTION: Put the person serving the customer first.

Blue Ocean Strategy

It's now more relevant than ever.



by W. Chan Kim and Renée Mauborgne

WE'RE OFTEN ASKED WHAT BLUE Ocean Strategy (BOS) means in today's global economic slowdown. Globalization is characterized by global production and exchange of goods as well as a global flow of information, technology and capital. These developments have enabled suppliers to produce an unprecedented array of products and services while removing niche markets and monopoly havens, making competition more intense.

At the same time, in many industries, supply is overtaking demand, resulting in a hastened commoditization of products and services, intensified price wars, and shrinking profit margins.

Hence, leaders must move from red oceans of bloody competition to blue oceans of profitable growth through "value innovation" and creating new market space.

Competition is only likely to worsen as the sharp drop in investment and consumption further widens the gap between supply and demand. Whereas companies can take every measure to lower costs, their revenues are also likely to drop sharply due to market contraction and falling demand.

To create new demand—instead of competing over contracting markets—leaders need to pursue value-based innovation and create blue oceans of new market space. Such actions aim to break the value-cost trade-off. By reordering and recombining value elements across market boundaries that provide breakthroughs in buyer value and reducing and eliminating those taken-for-granted factors that are irrelevant to buyers, BOS achieves differentiation and low cost concurrently. That is the key to unlocking new demand in the market and producing profitable growth. *The right strategy is to place equal emphasis on creating breakthroughs in buyer value and controlling costs.*



With the global financial turmoil, leaders are faced with revenue and margin erosion, coupled with sharp drop in share prices. Meanwhile, consumer buying power is decreasing, resulting in drop in demand and pressure on selling price. Financial turmoil is likely to erode business confidence and contract both investments and consumer spending. A recession is typically marked by decline in demand, exacerbating the situations of companies already facing intense competition and shrinking profit margins. In such conditions, competing over a contracting market and dividing shrinking demand only leads to doom. So, leaders need to shift their attention and efforts from the competition to buyers, and from dividing existing demand to creating new demand in order to embark upon the path of profitable growth. BOS achieves these objectives.

A crisis is typically accompanied by resources crunch and low morale. To overcome the crisis, a leader needs not only vision and determination, but also strong execution capabilities. With its actionable frameworks and tools for both strategy formulation and execution, BOS provides a roadmap for strategic transformation.

And, through tipping-point leadership and fair process, BOS helps leaders take blue ocean strategic moves successfully, thereby achieving strategic transformation fast and at low cost. Moreover, BOS ideas and analytic frameworks are scalable.

They can be used to achieve turnarounds or to inform national policy-making and implementation.

In a slowdown, you need to re-evaluate and readjust your growth model. You need to value innovation by pursuing differentiation and low cost to create blue oceans, generate new demand, and produce profitable growth.

Most blue oceans are created from within, not beyond, red oceans. Think of GM's emotional, stylized cars in the 1920s, or the Japanese gas-efficient autos in the 1970s, or Chrysler minivans in the 1980s. These were all blue oceans created within the auto industry at times of economic difficulty!

The difficult economy only makes it more urgent for leaders to seek profitable growth by creating blue oceans. **LE**

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ACTION: Create innovative value to unlock demand.

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