Focus in a Fuzzy World

Even though it is tempting to merge and diversify and expand product lines, we urge you to keep a sharp focus.

The key trend affecting marketing strategy is the global economy and marketplace. Products and brands are moving worldwide.

We have come to realize two truths about the global economy.

First, the global economy is all about open markets and competition. The winners will be companies and countries that best understand competition and how to avoid falling prey to their competitors’ strengths while exploiting weaknesses. Mistakes are costly. South Korea has proven it can make electronic products and automobiles, but cannot sell them at a profit. If you make it, the global market will not necessarily buy it.

Second, the global economy is all about skilled managers and leaders. In a competitive world, you must know what you are doing. There is little room for company or country ego. The market will punish your mistakes, so you must avoid making them. Economic problems will be a direct result of bad management and ego-driven projects.

What happens to your marketing program as your market doubles or triples, expanding beyond your country or region to encompass the globe? Logic might tell you that you need a broader product line, but what should happen is exactly the opposite: the bigger the market, the more specialized you must become.

In a global market, diversified companies will find themselves under incredible pressure. As companies go global, they must observe the principle of specialization and narrow their product lines. When your market is one nation, a broad line is all right. But when your market is global, a broad line is dangerous. Big, diversified companies must become more focused. That means getting rid of all things outside your main line and focusing on your real future.

There are advantages to having small, flexible, entrepreneurial units—and maybe that structure will enable you to stay profitable for a decade or so. But long term, conglomerates are just putting a Band-Aid on the problem. Long term, even “lean and mean” conglomerates will be in trouble unless they focus on a specific market segment.

You’ve got to try to own a single word in the mind. You can’t be too fuzzy. You can’t confuse customers by being too diversified. You have to stand for something. You need to stay positioned clearly in the mind. Many companies are so fuzzy in their positioning, they are like closets. They start out neat and tidy, but over time they degenerate into messes. Entropy is a law of nature.

Corporate entropy means the same thing: you go from order to disorder. Most companies go in this direction when they increase their size instead of narrowing their focus and standing for something.

Rethinking Positioning

While many people use the word “position,” few understand it. Perceptions are what make you and break you. You win or lose in the mind of your customer and prospect.

Many companies get into trouble with too many brand extensions, or too many different businesses. Companies that have learned their lessons are now consolidating, shedding other activities, getting back to basics, doing what they do best, repositioning themselves.

As the world changes, you’ve got to reposition yourself to move forward. You need the next big concept that will take you into the future—and you have to use the concept to reposition yourself. You just can’t stay with what you are; you’ve got to move forward. Repositioning is often a brutal process because in trying to change people’s perceptions, you must deal with big egos and show enormous focus, courage, and visionary leadership.

When you get to a certain size, you can afford to think about multiple focuses. But you should treat second brands, like Lexus or Dockers at Levi’s, as separate, fully fledged brands. Creating a separate brand is not a project for a small company. It requires the resources of a major, multinational company.

The secret to making a multiple-focus strategy work is tight coordination of the brands. General Motors once had a multiple-focus strategy with its five brands: Chevrolet, Pontiac, Oldsmobile, Buick, and Cadillac. But the corporation still had a single focus on automobiles.

Marketing is a battle that takes place inside the mind. If you own a strong position in the mind, you can milk that position forever. The bad news is, you can’t easily change that position.

Strong brands will continue to be strong brands in the future. Gillette will likely have the dominant razor blade brand for decades into the future. Lead brands own the top position. They play it smart. They block competitive moves. They attack themselves with new ideas.

There will be two successful players: 1) powerful mega-brands who have the muscle to be market leaders around the world; and 2) specialists or well-positioned niche brands (guerrillas). The brands in trouble are the ones in the mushy middle. If you find yourself there, you must become a specialist, split up into smaller niche players, or find a way to become the number one or two brand in your market. Power comes from being a focused specialist.
Anticipating Change

Trust, or a lack of it, is the result of how others view our track record in competence, personality, and character.

TRENDY WORDS LIKE turnaround, re-invention, re-engineering, and bounceback are often used to describe change in anticipation of or response to new circumstances.

The question is: Are you changing because you have anticipated events, or because events are controlling you? If the former, you are proactive; if the latter, then you are reacting to events. And if your reaction amounts to “too little, too late,” your survival will be in doubt.

Those who anticipate events understand and apply Oncken’s Law: Before you plan your work and work your plan, you must have control of both the timing and content of what you do. If others are routinely controlling what you do and when you do it, you are reacting to someone else’s initiatives. A Boss who changes your priorities, support groups who are “late” with their support, staff who inundate you with their initiatives (upward delegation), and customers who chew up your time.

Our first priority is to recapture our discretionary time from the very people who tend to rob us of it: our bosses, peers, staff, and customers. We can cut down on interruptions from our bosses and customers by “selling” them ideas they can “buy.” Professionals know being right is not enough—their ideas must be backed by other key players, as the corollary to Oncken’s Law makes clear: What you know will not get off the ground without the active support of who you know.

The “what we know” must be communicated to our “target audience” using the language of completed staff work; that is, we answer the questions: what, why, who, where, how and when.

The amateur mindset has been aided and abetted by self-styled “re-invention gurus” who are bottom line, latest technology, and process oriented. Now, the gurus were right on “process,” but they lost sight of the human element, which was adversely affected by layoffs, overwork, and constant upheaval stemming from their advice. And the human element makes everything else work.

Professionals never forget the human element: they make maximum use of it, without taking it for granted or abusing it. They combine the language of completed staff work, which addresses the intellectual element of the mission, with the language of motivation, which addresses the human element of the mission. People must see, from their vantage points, that their part in the mission 1) will empower them to do things of significance and importance, 2) will recognize them for taking advantage of opportunities, and 3) will recognize their dignity.

For those who are on the “front line” interfacing directly with a VIP customer, their jobs provide elements of motivation. However, there are many others who either do not interface with the customer or whose jobs may, without context, appear to be meaningless. The professional makes sure these people see that their jobs are important.

Professionals who master both languages become exceptional leaders. But becoming managerially “bilingual” does not happen overnight because it is based on the trust factor. Our bosses, peers, and staffs will adopt our recommendations and follow our directives—even when risk and uncertainty are involved—if our track record allows them to gain confidence in our competence, rapport with our personality, and respect for our character.

If we are known as people who are competent, easy to do business with, and who keep our words (even when it may not be in our short-term self-interest to do so), our bosses, peers, and staff members will listen to us and support us.

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