COMPETE SMARTER, NOT HARDER

A PROCESS FOR DEVELOPING THE RIGHT PRIORITIES THROUGH STRATEGIC THINKING
Praise for Compete Smarter, Not Harder

“In today’s technology-driven, ‘ready—fire—aim’ business environment, competitive strategy is all too often left behind by the push to deliver the next shiny thing. Real competitive strategy is about prioritization; most important, prioritization that wins for customers, thereby winning for the business. Compete Smarter, Not Harder is on target with its simple steps to ensure the business prioritizes its efforts in an effective, efficient manner, and most important, excludes those things that are not within the strategy and only distract or divert the business. This book does a great job illustrating the importance of knowing where and how to compete. Bill’s stories resonate and clearly illustrate those business principles that define success while pointing out the fallacies that are often employed as fact when making business decisions. Make this book part of your business education and keep it in your reference library.”

—Greg Bowlin,
Strategia Global, LLC., and former—Senior Vice President and Chief Strategy Officer for Jeppesen, Inc.

“This book delivers high-quality service to both scholars and practitioners. From a research perspective, it demonstrates step-by-step analysis of how to make strategic decisions on where or where not to compete in such a rapidly changing market as today, based on the process of screening for priorities. Meanwhile, it also provides specific solutions for a practitioner like me when it comes to making real and critical decisions.

Some traditional books about marketing or strategy are highly focused on one or few specific regions or customers. However, this book seeks for a universal solution by drilling into the core of competing in the right market, in the right part, for the right customers, with the right incentives, and with the right offering.
Therefore, the principles and tools can be utilized worldwide without boundaries, in the United States, China, and anywhere else.

The thought-provoking principles and tools is not elaborated in a traditional way. It is quite impressive that the book is filled with vivid examples and logical statements. The examples cover from literature, relevant theories, to the business world.

Making strategic decisions sometimes is so critical and highly related to the fortune of the entire organization. The book would enrich practitioners’ minds by making important contribution to their understanding about what to focus and hence the quality of strategy decisions.”

—Kehai Xie,
Senior Vice President and Chief Human Resources Officer of Peking University Founder Group Co., Ltd.
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A Process for Developing the Right Priorities Through Strategic Thinking

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WILEY
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Priority  
|priˈɔrəti|  
noun (pl. priorities)  
a thing that is regarded as more important than another.
Introduction

Priority
“The art of the wise is knowing what to overlook . . .”
—William Blake

I know you recognize the following story. The names and situation may be different, but the story is the same, for it plays out all the time inside of companies around the globe:

Scene: A conference room inside a company’s office with managers sitting around an oval conference table.

Issue: Deciding on a future strategic direction and customer base.

Manager 1: We have a great offering that would fit perfectly with segment X, where market growth rates are off the charts.

Manager 2: No, we need to go after market Y; the margins with this group are incredible.

Manager 3: You’re both wrong! We can’t alienate our core. The largest market by far is Z, so our focus should be here.

Manager 4: Our budget allocation for next year is constrained; how are we even going to fund this expansion? Perhaps we need to think about reorganizing.
We’ve all lived these conversations. Who usually wins? The person who wins is typically the one with the highest position on the org chart, the one who controls the budget, or who talks the loudest. But who should win? The one who’s right.

Today more than ever, companies need to make choices about allocating scarce resources. Not only must they decide in what part of the market they should compete, but they must also adopt the right tactics for the part of the market in which they are competing. Moreover, just as important is the need to determine where not to compete. Doing precisely this—setting the right priorities at every stage of the process, from the 30,000-foot view of strategic vision to the detailed “in the weeds” tactics on the ground—is what good companies do at every step. How to set priorities at every decision point is what this book is about.

To illustrate, think for a moment about the obsolescence of mobile phones. That is: what if we didn’t need phones anymore? We wouldn’t have to worry about losing them, where they are, or if they’ll ring at some inopportune time—because we’d be wearing them. Google’s Project Glass aims to do just this. Google has developed glasses (really just one lens and hence the singular Project Glass)—which, at some point in the not-so-distant future, could easily morph into contact lenses or an item of clothing—that provide a heads-up display with all kinds of information projected onto the glass. They’ll give users a weather forecast for the day, provide the optimal route for getting to your destination, keep your calendar appointments, video conference you into the person calling you, or broadcast what you are seeing to others (www.youtube.com/watch?v=9c6W4CCU9M4).

So, what do you think about the ability to wear your phone—one that can inform you every step of your day, from where to eat to a storm brewing later in the day (don’t forget the umbrella) to the subway line being delayed or traffic on the highway? This isn’t science fiction; it’s reality, complete with a working prototype and planned market launch in 2014 (www.google.com/glass/start).

However, there is one thing in particular that Google Glass needs in order for it to succeed. It requires a seamless, always on,
ultra-high-speed broadband wireless Internet connection. It must work in your home, out on the street, in the store, on a rooftop—all without disruption as you move from one wireless source to the next. Enter “Google Fiber.” Google has launched a project (called Google Fiber, see https://fiber.google.com/about) in Kansas City to test the market for this, delivering ubiquitous ultra-high-speed broadband, both wired and wireless, throughout the city of Kansas City. It has begun rolling this out in various other locations in the United States (e.g., Provo, UT and Austin, TX), prompting headlines like “Google as Your ISP?” It’s also starting to provide free Internet access in New York. There’s a plan here, and it’s brilliant.

Imagine that Google is able to establish this initiative throughout the United States. This would give it ownership of the key point of high-speed Internet access in this future market. It would essentially control the next-generation communication device beyond the smartphone. In this Google Glass environment, your Internet connection is paramount. If Google can develop and run the ubiquitous, omnipresent, ultra-high-speed broadband service, this—combined with the suite of services and products it already has in place—would make it virtually impossible for other players that own only one piece of the puzzle (such as Time Warner Cable, Comcast, or even Apple) to compete. The key to Google Glass and the next generation of communication and information devices is the ability to own the Internet connection.

**Key Takeaway:** What is Google’s real priority here? Its goal is to own the Internet connection since owning this provides leverage for Google at every other point throughout what we will refer to later as the value chain and gives the company a complete solution that no one else can offer.

Now, imagine it’s 2015 and Google has launched its high-speed Internet service throughout the United States. Imagine that you’re a