

something. Leadership is neither easy nor is it necessarily comfortable. The first advantage of playing along with the role is that you're buying time. This gives your employees more of a future (which I'm sure they would thank you for) and so as unpalatable as it is (the waves of cost cutting) then consider it a more graceful withdraw for the company from the market. With skill this can easily last a decade or more. However, we can go one step further and create a future assuming we don't make the grand mistake.

The grand mistake

This is known as the spiral of death and it is one of the most commonly repeated mistakes in business. It's also a company killer. Let us assume that the shift from product to utility (what I describe as the "*war*") is upon us and we're in the position of "*rent extraction*" from a legacy. Capital is already flowing from our industry into new industries whether more evolved utilities or higher order systems that have been created on top of this. We're watching this marvellous new world forming but we are on the sidelines. The good news is we're maintaining our position for now through some form of sweating play. You're going through the fairly difficult time of constantly cutting costs in order to restore profitability and return dividends even though revenue is declining. You may be acquiring and performing more of the same. It's a tough spot especially when you look at spectacular growth elsewhere. Your problem is the revenue will continue to erode due to evolution in the value chain. You need to somehow respond by adapting and possibly moving up the value chain despite the resistance and any inertia created by your legacy customers, your sales data and