TIME PACING – Competing in Markets that won`t stand still

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Time Pacing

- A strategy for competing in fast-changing, unpredictable markets by scheduling change at predictable time intervals

- Small and large companies – high or low tech – can benefit from time pacing, especially in markets that won`t stand still

- Cisco Systems, Emerson Electric, Gillette, Netscape, SAP Sony, Starbuck and 3M → all use time pacing

- Time pacing can help managers to anticipate change and set the pace for change in rapidly shifting industries

- Can counteract the natural tendency of managers to wait too long, move too slowly and lose momentum even in industries in which the rate of change is low

Like a metronome, time pacing creates a predictable rhythm for change in a company

Time-Pacing Basics

1. Performance Metrics :Set up measures based on time like elapsed time,speed and rate. Every critical process should be tracked with at least some time based measures e.g. number of products launced per quarter.

2. Transitions: Review the critical transituons in your business e.g. shifting from one product development project to the next, changing merchandise according to the season. Do you have a formal process for managing each critical transition? Can you simplify or shorten them? Can you accomplish more within a transition that simply getting from A to B ?

3. Rhythyms: List your company´s own rhythms and ask yourself which are really attuned to your business and which are just habit. Are there important areas with no rhythms at all? List the major rhythms for each of your key external relationships. Would getting in sync with any of those rhythms create new opportunities for you? What would it take for your

3 questions can help managers to put in place the fundamentals of time pacing in their organziations

Time Pacing vs Event Pacing

- Companies change in response to events like moves by competitors, shifts in technology, poor financial performance or new customer demands
  → e.g. creating a new product when a promising technology comes out of the R&D laboratory

- Familiar and natural order of things → managers follow a plan and deviate from it only when performance weakens

- In stable markets event pacing is an opportunistic and effective way to deal with change

Event Pacing is a reactive and often erratic strategy

Time Pacing vs Event Pacing

- Companies create new products or services, launch new businesses or enter new markets according to the calendar
- Time-Paced companies can be extraordinary fast but it is important not to confuse time pacing with speed
- Running a business through regular deadlines to which managers synchronize the speed and intensity of their efforts

Time Pacing is regular, rhythmic and proactive

1) Process to excel in Time Pacing: Managing Transitions

Transitions can be very complicated, not only from the organitational point of view but also from a business prospect. If the transitions are poorly managed the risk to fail is very high. Considering that the transition occur very less frequently and involve generally a large number of people, the managers have less possibility to learn from the experience, this is why it is necessary to have a **DISCIPLINED TRANSITION PROCESS.**

The transitions matter **most in fast-changing markets and in markets characterized by constantly shifting opportunities.**

Example of transition to be managed :

- Development of new product
- Acquisitions of new company
- Entering in new markets

1) Process to excel in Time Pacing: Managing Transitions

The best transitions not only brings the company to point A to point B but allow the managers to use that process to learn, to change direction, to reflect and to accomplish other goals.

Each company can have different processes to manage the transitions depending on the each context but how to manage the transition must to be clear to all employees involved in that process. Everybody knows exactly what he has to do.

The real Dilemma is : How often the comany has to change. If the changes come too often for the context, it could be risky for the company, which has no time to manage it, if the changes come too infrequently could be risky firstly in fast-changing markets.

2) Process to excel in Time Pacing: Managing Rhythms

While managing transition support the company during that moment, managing rhythms helps to synchronize their activities.

Setting a rhythms allow the managers to be proactive and not reactive.

Ford example the 3M Dictum is that 30% of its revenue comes every year from new products. Netscape introduce a new product about every six months.

What is the right rhythms?

It depends on the company and on the markets:

1) Companies for which setting a rhythms that complains with the market means to be faster
2) Companies for which setting a rhythms that complains with the market means slowing down

Each company will choose their rhythm based on own capabilities and not only on the market context because setting a rhythm means also execute it.