

Changing Face of Competition

Competition is increasingly coming from

"...where you least expect it"...industry newcomers - not the traditional competitors - had taken the best advantage of change over the past ten years"...by profoundly changing the rules of the game..."

GaryHamel, 1997

eg retailing of groceries has evolved from the horse and cart to corner store to general store to supermarket to petrol stations and now E commerce

People like Murdoch, Gates and Branson do not play by the traditional business rules of a particular industry they enter. This trend is expected to intensify. It has been observed that the traditional business rules that have gone into the history books include

"...- brand creation as a long-term proposition

- consumers are loyal

- the cost of entry is high

- traditional advertising is essential

- full-time employment is the answer

- sticking to core business is the only way to grow a business..."

Tim Flattery et al, 2000

The continuously changing nature of the playing field of competition is creating opportunities for new and smaller players to get into traditional industries that previously had high barriers to entry, ie capital, expertise, etc

Furthermore, more and more traditional business rules are becoming sacred cows, ie

"...an outmoded belief, assumption, practice, policy, system or strategy, generally invisible, that inhibits change and prevents resources being used for new opportunities..."

Examples of sacred cows that have disappeared over the last few decades:

- 40 hour work week

- job security

- life-time employment in one organisation or industry, ie 25 year golden watch

- retirement at age 65

- management by objectives

- command-and-control organisations

- top-down decision-making

- single paycheck households, etc

"The idea is to create a world that is no longer governed primarily by habit prevents people, companies and societies from making radical change"

Peter Senge as quoted by Mike Hanley, 2005

"Our behaviour is driven by fundamental core beliefs: the desire, and the ability of an organisation to continuously learn from any source - and to rapidly convert this learning into action - is its ultimate competitive advantage"

Jack Welch in Senge et al, 1999

"Over 50% of technological breakthroughs that influence an industry or organisation come from outside that industry"

Peter Drucker, 2001