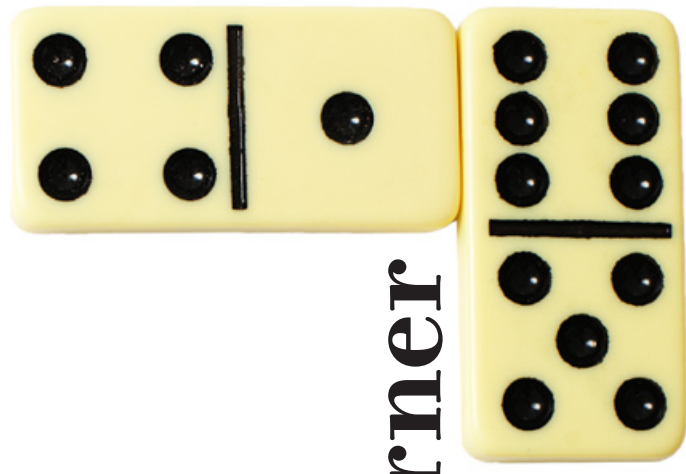




Robert H. Bloom



Looking

Around the Corner



# Today, looking ahead is useless.

Prior to this moment in our world, “looking ahead” was the time-tested protocol, perhaps essential and potentially valuable when the world told time in seconds, not nanoseconds. Today, it is almost useless, because when you “look ahead,” you will see and learn little or nothing.

Prove it for yourself—grab your most powerful binoculars and if the weather permits, you may see the horizon. What did you learn? Eratosthenes, the Greek mathematician who first calculated the circumference of the earth, saw the same horizon. The horizon has not changed since c.276 BC.

From the perspective of my corner office and experience in boardrooms, I observed that we business leaders planned our future by using previous years’ financial results as our base line. Today, this relevant but regressive methodology is more-often-than-not still in use, for want of a progressive process coupled with robust software.

**This fixation on an obsolete planning process guarantees that firms that use it will not keep pace with the rapid, substantive changes in our business world.**

Historically, we business leaders assembled our management team in a locked-down environment for the dreaded annual strategic planning meeting. Some of us arranged the session offsite so our team could “bond” while constructing our plan forward. Others combined the planning session with a mountain climbing adventure, as a metaphor for “teamwork.” All-too-many hired the “consulting firm of the moment” or the “guru of the day” to provide external perspective and help us “look ahead.”

The sequence of this dated planning process dictated that we spend the first grueling hours going over the minute details of our past financial performance. After this restrictive look backward, we spent even more time developing and manipulating our financial projections.

In the limited time remaining, we “looked ahead” at the very predictable changes that would influence our company, industry, economy, and nation and discuss their implications for the financial projections that we had already set on concrete.

Little time, if any, was spent on “looking ahead” to discover the few changes that might influence our customers’ purchasing behavior because, at that time, we business leaders were transfixed on our company’s “numbers,” not our customers. Moreover, customer purchase behavior did not change year-to-year, so it never occurred to us that we might want focus on customers’ very predictable wants, needs, aspirations or concerns, apprehensions, fears. Moreover, little time was spent on the vital challenging issues of today, such as globalization, environment, and social responsibility. They were not on Eratosthenes’ horizon, nor on business leaders’ horizon.

When the time allocated for this annual exercise evaporated, there were silent sighs of relief all around and our rigorous activity concluded with high-fives. This seemingly spontaneous, enthusiastic, and artificially synchronized response gave those of us in the corner office absolute confidence that internal consensus had been achieved. Soon after, we would produce a weighty document and lofty “mission statement.” Then, everyone but the top gun surreptitiously locked the weighty document in a drawer and snickered at the mission statement, a superfluous requisite of that period, posted in the reception area to prove that our firm had “looked ahead.”

Of course, that was long ago; *or was it just last week?*

Of course, those scenarios are parodies; *but are they very different from reality?*

Of course, it is an unflattering characterization of business leaders; *but is it entirely undeserved given scandal after scandal in the corner office and boardroom?*

Of course, it applies to some business leaders, but not all; and, certainly not to you and me; *or does it?*

Here's what is most shocking about this cynical "looking ahead" scenario—it is not shocking news to most of us.

Why aren't we astounded?

Perhaps, all-too-many of us sense that we are looking in a mirror, even though we know with some certainty that:

- Our world has changed profoundly.
- The changes in our world are no longer easy to predict.
- Our businesses are affected, some severely, by these seemingly unpredictable changes.
- The velocity of today's change is almost unfathomable.
- The pace of change will continue to accelerate in the near future.

Could any of us have predicted the following changes in our business world five years ago?  
Or, even last year?

**Books for Amazon's e-reader outnumber sales for hardcover books.** "The shift is astonishing when you consider that we've been selling hardcover books for 15 years and Kindle books for 33 months," said Amazon.com CEO, Jeff Bezos. (IHT, 7/21/10 and 7/30/10)

**Procter & Gamble decides to sell directly to consumers on the internet.** "I don't feel the need to have every sale go through a retailer" and "P&G must always be where the consumer wants to shop," commented P&G CEO, Robert McDonald and Former CEO AG Lafley (FT, 5/20/10)

**In less than four months this year, Apple sold more than 3 million iPads, generating revenue of \$2.1 billion.** "iPad is off to a terrific start. We have some amazing new products coming out this year," said Steve Jobs, Apple CEO, regarding the firm's net income growth of 78% in Q2. (NYT 7/22/2010)

**Italy's Fiat takes over one of America's iconic "Big Three" Car Manufacturers.** "In 2010, Sergio Marchionne, CEO of Fiat Group, marketer of legendary automotive brands, Alfa Romeo, Lancia, Ferrari, Maserati, and Fiat, announced "the creation of a global automotive firm that will incorporate Chrysler." This development is even more surprising when one understands Fiat's recent history, "In 2002, Fiat, reported a net loss of €2 billion. Soon after, Marchionne became CEO of Fiat Auto and three years later, Fiat restyled all models and launched the brilliantly cool Cinquecento (500), European "Car of the Year," the brand that encourages buyers to co-design on the internet. That same year, the firm reported all-time high trading profits." (IHT, 7/22/10)

If looking ahead is no longer a valuable strategic planning tool, given our radically changed business environment, what is our option?

Today ... when you "look ahead," you will see  
and learn little or nothing.

**This manifesto offers a realistic alternative—looking "around the corner."**

Before proceeding, here is an obvious, but necessary observation. A few business leaders seem to have been born with the ability to look "around the corner" and still others were able to cultivate this valuable talent. If you feel that you are another Jobs, Bezos, McDonald, or Marchionne, you may prefer to watch your favorite TV show instead of reading on.

However, if you still want to learn how to look "around the corner," please read on because you will find it a productive experience and far easier than you might imagine.

Let's start by agreeing that some things will not change:

- Technology's influence on everything will not change.
- Globalization's influence on everyone will not change.
- Change will not stop doing what it does best—change.

*However, the pace of change will accelerate.* This breakneck, unrelenting change will probably take a breather from time-to-time, as it has in the past, due to external influences such as the economy, wars, humankind's knack for fowling things up, and the reality that rhythm seems to be an integral part of everything on this planet. At some point, when the world settles down once again, change will shift back into high gear and usher in a new phase of accelerated change.

Technology, globalization, change, and the speed of change—these are the factors that make looking “around the corner” imperative and urgent.

There are the three fundamental precepts of looking “around the corner” in the business world:

1. Logical Sequence
2. Internal Consensus
3. Customer Focus

Here's what is most shocking about this cynical “looking ahead” scenario—it is not shocking news to most of us.

## LOGICAL SEQUENCE

We must assassinate a time-honored tradition before moving on. Never (that's, never-ever) begin to look "around the corner" by examining, calculating, projecting, or even thinking about financial data. If you start with numbers, you will most assuredly conclude with a flawed, opaque strategic plan that will fit nicely within your numbers, but fail to enhance your company's future. I can hear the CFO in you squirming; however, Logical Sequence is essential to the process of looking "around the corner."

If it is no longer effective to begin strategic planning with numbers, where should we begin?

Let's consider the benefits of beginning the process with an examination of the external and internal factors that will influence your ability to survive and thrive in today's profoundly changed business world. This transformative reversal in sequence will enable you to look "around the corner" without the constraint of financial considerations—create an ambitious, but achievable strategy that is consistent with today and tomorrow, not yesterday.

Of course, this is heretical and more-than-a-little scary—however, consider the following before you drop out:

- Do you think that Amazon, Apple, Fiat, or P&G would have been able to achieve their customer following, financial success, or prominence by first considering their financial constraints, rather than considering their financial opportunity? Looking "around the corner" is not scary—it is exhilarating and promising.
- When you conclude the logical sequence with financial considerations vs. starting with them, you can at that time, determine how, whether, or when you need modify the scale or timing of your future strategic vision rather than trash it. Moreover, you can consider the option of reallocating funds from less essential or less potential priorities in order to benefit from your

strategic future vision. Numbers don't have to be constraints, they can be opportunities, if managed with determination and imagination. Looking "around the corner" is the only way you can get a glimpse of your opportunity and potential.

## In a large group, internal consensus is both painful and unachievable.

### INTERNAL CONSENSUS

You must achieve true consensus at each sequential step in the looking "around the corner" methodology, so the firm's management team should meet together in an offsite location to avoid being disturbed. Forget the mountain climbing and bonding, because the process itself will drive teamwork and consensus.

All C-level executives and anyone who is mission-critical to success must be included, but do not fall into the destructive trap of including people who cannot contribute or whose feelings will be hurt by exclusion. *In a large group, internal consensus is both painful and unachievable.*

Everyone in the room must be equal for the duration of the meeting, so each participant, including the CEO, should have the same rank and title—perhaps, Chief "Looking- Around-The-Corner" Officer. Forget the consultants, gurus, and external facilitators who do not know your business and do not have a stake in its outcome; elect one tough, but fair-minded member of the management team (not the CEO) to serve as facilitator. Her or his job is to insist on participation by each attendee, manage the clock to maintain momentum, disallow intimidation, and follow the methodology's sequence.



## CUSTOMER FOCUS

The most important precept of looking “around the corner” is Customer Focus. As we know all-too-well, the death rate of companies in today’s fiercely competitive global marketplace is higher than ever before because customers are more demanding and aggressive than ever before. *In fact, today’s customers no longer care where or from whom they buy—they are a new generation of aggressive, internet-empowered customers—they are the “new experts.”*

Here is the brutal evidence that “Customer loyalty,” long in decline, has virtually disappeared:

- In 2009, only 36 percent of business travelers claimed that they were brand loyal, compared to 42 percent in 2007. (NYT, December 1, 2009).
- In 2009, only 20 percent of US car buyers were brand loyal, compared to 80 percent in the 1980s. (NYT, October 20, 2009).
- Most of today’s shoppers are addicted to sites that instantly compare choice, availability, quality, service, and the most dangerous comparison of all—price.
- There is no longer any difference in the purchase behavior of “online customers” and “offline customers.”

These “new experts” are confident and determined because they are equipped with purchasing firepower unavailable to any previous generation. They employ three lethal weapons to get their way:

1. **Instant, comprehensive information from the internet** about all products and services sold—online and offline.
2. **Immense choice** in every segment of commerce—a wide variety of options and prices in every local community and from every corner of the world.
3. **Real-time price comparison at the moment and location of purchase** on smarter-and-smarter technology and newer-and-newer apps on customers’ ubiquitous mobile devices.

Moreover, social media constantly informs and influences these intensely self-centered customers. Facebook and Twitter enable these “new experts” to share and compare their real and perceived purchase experiences—online and offline—with millions of people around the globe. *Today, sellers live in a virtual glass house.*

This era of “new experts” will endure and become a more potent force in the future because the generations of customers that follow will have more effective, more agile technology, and they will be more adept at using it for their benefit—not yours.

These “new experts” are confident and determined because they are equipped with purchasing firepower unavailable to any previous generation.

Today’s most successful companies—every type and size—understand the need to look continuously “around the corner” for the instantaneous changes in customer purchasing behavior. Of course, Jobs, Bezos, McDonald, and Marchionne consistently stay out in front of the changes in customer purchasing behavior, as evidenced by their strategic initiatives and financial accomplishments:

- Books for Amazon’s e-reader outnumber sales for hardcover books
- Procter & Gamble decides to sell directly to consumers on the internet
- Apple sold more than 3 million iPads in less than four months this year
- Fiat takes over one of America’s iconic “Big Three” Car Manufacturers

*Your customers, not your numbers, must remain your primary focus as you look “around the corner” because your numbers will decline or cease to exist without customer focus.*

With those three precepts firmly in mind, here is the Logical Sequence (LS) of my “looking around the corner” methodology:

**LS 1 | Define and comprehend the most significant external factors that will influence your business as you look “around the corner:”** the world situation; your nation’s situation (no politics); the categories in which you now market and may want to enter; your direct rivals for customers; and most important, the purchasing behavior of your customers and prospects. Put these factors on flip charts with as few, simple words as possible, place them on a wall for all to see, and get consensus for a meaningful short list of external factors that will likely have the most impact on your business in the period of your planning cycle.

**LS 2 | Identify a few business leaders (5-10) who have proven successful at looking “around the corner,”** not just those that turned on the best financial results. From their accomplishments in the marketplace, try to figure out what they discovered when they looked “around the corner” and what strategies they employed to capitalize on their findings. Determine the commonalities in their discoveries and strategies, not their tactics, and place them on the wall. Analyze these discoveries and strategies, get consensus on those that are relevant to your business, and consider adopting, modifying, or enhancing their conceptual value in a manner that will benefit your business in its determined effort to look “around the corner.”

**LS 3 | Define and comprehend the most significant internal factors that will influence your business:** your company’s strengths, weaknesses, and gaps; staffing strengths, weaknesses, and gaps; customer performance strengths and weaknesses; prospect-to-customer conversion and customer retention performance vs. competition; infrastructure and technology issues; growth barriers and opportunities. Place them on the wall and get consensus for those that need to be changed, enhanced, or discontinued as well as those that will influence your effort to grow by looking “around the corner.”

**LS 4 | Break into two groups and task each group with “role-playing” one of your two most challenging competitors.** This “role playing” can be both fun and useful if the two teams portray the manner and style of these competitors and identify the strategies they might employ to assault, damage, or destroy your company. Reassemble, so each team can describe its strategies to “annihilate your company.” Abbreviate the competitive strategies, avoid duplication, and place them on the wall. Allow them frighten the hell out of you! Take a deep breath and then determine what changes your company must introduce to prevail over its competitors, especially in your effort to grow by looking “around the corner.”

**LS 5 | Break into two new groups of different composition.** Task each group with reexamining all of the charts on the wall before endeavoring to look “around the corner” to identify the most relevant, highest potential, and greatest impact developments, trends, and occurrences that will likely affect your company. Reassemble to review and gain consensus for the combined short list of influences the company must consider as it creates strategies to capitalize on its future vision.

This is the moment to have a brief celebration in honor of your job well done!

**LS 6 | Keeping all the flip charts, especially your view “around the corner,” on the wall for everyone to see, begin to create a sturdy, imaginative, and ambitious “strategic framework” for your firm.** At this important juncture in the process, all-too-many businesses make a huge mistake—they begin filling page and page with prose, data, assigned responsibilities, and timelines, rather than create a thoughtful, meaningful, carefully crafted “strategic framework.” This is the moment for thinking, debating, and imagining and the moment that demands consensus. Your “strategic framework” must describe the solid foundation and innovative spirit of a thriving company that, in this challenging era of “new experts,” will be your customers’ 1st choice.

**LS 7 | Task a small group of C level executives to develop a first draft of a comprehensive strategic plan** that mirrors and magnifies your strategic framework and includes a preliminary estimate of the financial investment required to realize your look “around the corner” strategy.

Simultaneously, task a second group—operating independently of the first—to develop an initial draft of a financial plan for the company that incorporates a range of investments in your look “around the corner” strategy.

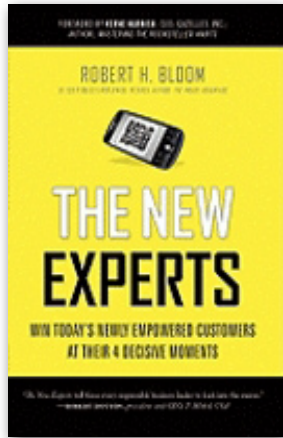
Each group must complete its preliminary draft within two weeks of the conclusion of your off-site and both groups working together, must craft a preliminary merged document within another two weeks of the conclusion of the off-site.

Using the preliminary merged draft as a template, the company must create a final integrated plan and gain total internal consensus for it within two addition weeks. This final plan must incorporate the company’s ambitious look “around the corner” within the context of prudent fiscal governance.

Yes, this timetable is aggressive. But, without its discipline, the meal you cooked at your offsite will get cold.

By the way, few people involved in your strategic planning process will lock this document in a drawer or snicker at it, because it will reflect their thinking, imagination, and sweat and enable them to realize their full personal potential.

**This is the moment for another brief celebration to mark the conclusion of your company’s look “around the corner,” although the moment to celebrate big-time is when the company realizes its rewards and benefits. 📍**



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## ABOUT THE AUTHOR

Robert H. Bloom is a widely respected authority on business growth. He advises firms of every type and size on their growth strategies. As US Chairman and CEO of Publicis Worldwide, the centerpiece of the \$4.6 billion global marketing services company, he managed over 1000 employees and 12 US offices. Bloom has also helped craft and implement the growth strategies of some of the world's largest companies and brands including BMW, L'Oreal, Nestle', TGI Friday's, Zales and Whirlpool, and has directed the launch of numerous brands that have become household names such as Southwest Airlines, Nestle' Juicy-Juice, T-Mobile US, Novartis' Theraflu and Triaminic. Bloom is author of *The Inside Advantage: The Strategy That Unlocks the Hidden Growth in Your Business* (McGraw-Hill, 2008).

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