

*If you know a company — customer, supplier, friend, or your own — that could benefit from improved operations, let us know.*

*Your best interest is our best interest.*

The Finish Strong® monthly e-newsletter is for business leaders who recognize Operations as a strategic function that creates competitive advantage, profitability and brand loyalty to the marketplace.

## **CRAZY LIKE A FOX, or JUST CRAZY?**

Roger Penske recently announced interest in purchasing the Saturn brand and its distribution network. While much is unclear, it seems he intends to stay out of the automobile manufacturing business.

Contract manufacturing and assembly of passenger vehicles? That's a business model that was unfathomable to most only days ago, and many believe it completely crazy. Is it?

If the Penske organization has mastered coordinating and executing collaboration, communication, and problem solving skills across a disparately-owned supply chain, Mr. Penske may well be crazy like a fox. If not, he's merely crazy. Looking at his other businesses, it seems a fox is nearby.

The bigger and more general lesson here is that disruption to your market can come from where you least expect it, and in ways you least expect it. International competition, product or process alternatives -- those are the obvious threats to consider. Penske shows us that an externally driven change to the traditional "order of things" is equally possible.

Try this: Name 5 "that will never happen" threats to your business model. For example, if you're a defense contractor – the threat of international conflict declines to near zero. For those 5 threats (which are opportunities when you are prepared), identify the skill set and knowledge base that your business would require to thrive in the new environment. Most likely, the skills and knowledge that you identify is the same set that you will need for more probable changes.

Build them, nurture them, prioritize them. It's crazy to be crazy, but brilliant to be crazy like a fox.

## **INVESTMENT IN TOUGH TIMES**

The vast majority of businesses are enduring a significant recession. Cash is tight. It's easy to say "no" to everything because of fear, because of the lack of easily available cash.

But consider this: A McGraw Hill Research study found that companies that invested in growth during the 1981-1982 recession averaged higher sales growth (or slower decline) both during the recession and in the 3 years subsequent. In addition, the Strategic Planning Institute found that during expansionary years, the vast majority of businesses increased investment levels, but no direct major shift in market share resulted. Why not? Because when everyone does it, there is no advantage to doing it; only disadvantage to not doing it.

Unless you believe that for some reason those findings won't apply equally to this downturn, NOW is the time to invest in your company's future.

## **FINISH STRONG®**

### *The Starting Pistol*

Arie de Geus:

"The ability to learn faster than your competitors may be the only sustainable competitive advantage."

### *The Tape*

Rebecca Morgan:

"which is why continuous improvement of your standardized problem solving system must be a strategic priority every year."

## **REACH FULCRUM VIA SOCIAL MEDIA**

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