

Your Business in the Information Age Part One



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Economists and management experts define business as the process, system, skills, and abilities, which convert a resource, distinct knowledge, and experience into a contribution of economic value in the marketplace. They concluded that the most important resource of doing business and what makes it distinct is its knowledge and the knowledge only.

Therefore; our government is spending a lot of money and effort in creating, focusing, fostering and implementing continuous training programs and campaigns to increase and improve the knowledge workers. The government supports organizations and individuals continuously with fund, ideas, trainers and much other free service. Still, many people and organizations are hesitant or they even refuse to take this unique and great opportunity.

The government is also doing its best in promoting the state and encouraging the well-established and strong local and foreign organizations to bring their business into the state. This – with no doubt – will improve the economy and bring benefits for organizations and for almost every individual in the state, except for those who are not ready for competition.

Those will face frustration, stress, closed doors, low sales, and every other symptom associated with anyone who is uncertain about his survival. They will be in a position of struggle, trouble and unmanageable crisis. Regardless of its operational effectiveness

and regardless of how long the organization succeeded in the past, its yesterday's knowledge is today's ignorance and it will face difficulties if it is not ready when the competition appears.

Huge, strong and well-established organizations, even though they enjoyed a long-term success, were faced with the same challenges and difficulties. When Harvard Business Review Editors interviewed Samuel J. Palmisano, the CEO of the International Business Machine (IBM), he said, "We were so successful for so long that we could never see another point of view. And when the market shifted, we almost went out of business".

In today's fast-changing environment, and in this competitive economy, any business must be leading in something in order to survive; its products or/and its customers' service system. However, no business is ever secure in its leadership position. Any business leadership position is short-lived, for; rivals can copy any leading position quickly - except people. In addition, the market and the knowledge are generally accessible almost by all rivals.

In order to be ready for competition, while having operational effectiveness and efficiency, the organization must develop and implement an overall strategy that translates this desire into a day-to-day reality. To be able to outperform rivals the organization need to implement a process that requires continuous improved knowledge, learning, (*which is change*) focus, commitment, effort, action, excellent internal and external customer service, and developing consistency in every area in the organization. Developing a strategy and taking action in only one area will not work.

Most importantly, the organization must identify its real competitors and the core competence in order to have business leadership that would enable the company to improve its service continuously.

In this regard, Don Listwin, the CEO of Openwave Systems, said, "How do dominant companies lose their position? Two-thirds of the time, they pick the wrong competitor to worry about". However, identifying the right competitor and becoming another one will not lead to the organization's long-term success. Organizations must either perform different activities from those of rivals' or perform the same activities in different ways; to be leading in something.

Tom Peters said "Instead of obsessing on competitive position and other abstractions, as the business schools and consultants would always have us do, I instead wondered about some 'practical stuff' which I believe is more important to the short- and long-term health of the enterprise".

Indeed, to be ready for this new age and economic shift, our assumptions, thoughts, plans and decisions must fit reality. One of the business realities is that what counts in the business' success are the organization's people, knowledge, its customer service system, and the product. Another reality is that customers do not pay for the product; they pay for the satisfaction and the pleasure that the product and the service bring.

Sam M. Walton, the owner and the CEO of Wal-Mart said, “Literally everything we do, every concept perceived, every technology developed and associate employed, is directed with this one objective clearly in mind – pleasing the customer”.

Organizations must be customer-focused organizations, for; the purpose of any business is to create an external customer. If we ask any business owner about what he really wants, the answer will be that he wants loyal and productive internal customers and loyal and satisfied external customers. However, no organization will have long-term loyal and satisfied external customers without having loyal and productive internal customers.

Internal customers are the people we work with and rely on us for service, production and information. Not only it is too important to hire the right person for the job, but also to give him/her the same care that we give to the external customers. Otherwise, there will never be an external customer. When being asked about his “secret to success”, Herb Kelleher, the CEO of South West Airlines, said, “You have to treat your employees like customers”.

Hiring the right person, even though with a higher pay, will insure effectiveness and efficiency in the business process. Paul Russell, the Director of Leadership and Development at Google, said, “Development can help great people be even better— but if I had a dollar to spend, I would spend 70 cents getting the right person in the door”.

External customers are the people we deal with from outside the company. Without them, we have no sales, no business and no salary. They are the people who vote with their money and pay everyone’s salary and who decide whether a business is going to succeed or fail. In fact, the external customer can fire everybody in the company, and he/she can do it simply by spending his money somewhere else.

The future is going to be different, and unless we are ready to face it, we will face difficulties in maintaining our business. The economic growth, as Peter Drucker said, “Can no longer come from either putting more people to work, or from greater consumer demand. It can only come from a very sharp and continuing increase in the productivity of the one resource, in which the developed countries still have an edge: the productivity of knowledge work and of knowledge workers”.

Our government is giving almost every necessary support to organizations and individuals to be ready for tomorrow’s competition. What we have to do is to take this opportunity to improve ourselves, our organizations in any area that needs improvement and change.