

Your Business in the Information Age Part Two



Dr. Ali Qassem

www.aliqasseminternational.com

Most organizations set major meetings for setting the organization's goals and objectives, the present and future plans and strategies for increasing profit, development and growth; however, only few organizations ever realize them.

In Harvard Business Review, October, 2005, Robert S. Kaplan and David P. Norton quoted Chris Zook and James Allen in their book, "Profit from the Core" saying, "that between 1988 and 1998, seven out of eight companies in a global sample of 1,854 large corporations failed to achieve profitable growth".

The cause of nearly every one of these failures is that things are being done but with outdated ideas, narrow conceptions of problems, and denying the business, the customer and the market realities. In addition to that, the assumptions, on which the organization has been built and is being run, no longer fit reality.

Any organization which does not adapt to change will remain static and this applies to all organizations big or small.

Malaysia is growing rapidly and the future is going to be different. Organizations that living in the comfort zone, which is now called the "Danger Zone" will not be able to maintain their business and will face many unpredictable difficulties in the future when the competition enters the market.

Organizations must accept the fact that attaining objectives and rapid growth demand a serious rethinking of their understanding of this information age realities, markets, identifying customers and competitors, their values and behavior, technology and its dynamics, and the company's strengths, weaknesses, opportunities, and threats.

Not only organizations have to be customer-focused organizations, but also to innovate and implement strategies that focus on the entire resources that the organization has, particularly, those that the competitors cannot reproduce or imitate – people. Moreover, there is no point focusing on a position the company cannot maintain or on developing competencies that have no competitive results.

Business owners should ask themselves what would happen if business giants enter the market. What would happen to our supermarkets here if, for example, Wal-Mart or Carrefour comes in?

What will happen if the strong organizations in West Malaysia come and have branches in every city in the state? The answer is that any unprepared business will face major problems and it will struggle for survival.

It is not enough that the organization is making profit at the present; it also must realize its potential and build a strong foundation for the future. It must re-evaluate its position and plan to be ready for the unpredictable future by committing to change.

However, when it comes to change, there are three choices. The first is that organizations wait for things to change then react to it, and that – in most cases – will be too late.

The second is that organizations anticipate that things will change then act before it happens. The third is that organizations actively participate in the necessary change and create their own future, and this will make the big impact and difference.

Organizations also must hire the best people. Knowing what is best to do to satisfy customers is too important for the organization's success. The key is that organizations must locate the functions that are most important to customers and locate the best people and utilize their skills, abilities and talents to focus on that specific unit's performance.

To be ready for the future, the organization also must be a "learning organization". A term first used by Chris Argyris, which means, "a company that learns as it goes along, adjusting its strategies and ways of doing business very responsively, developing its human resources and continuously improving.

Learning organization is where people continually expand their knowledge, where new innovation and thinking are nurtured, where creativity is set free and where people are continually learning how to learn together to create the results the organization truly desire.

Becoming a learning organization will assure the competitive advantage of the company. The competitive advantage comes from the persistent search for improvement and excellence that done by a series of steps made continuously, rather than from great leaps.

Being a learning organization will not only improve the Knowledge work, but also will increase the number of the knowledge workers. Organizations must participate in the process of creating what is now called, "Intellectual Capital".

Intellectual Capital" is a term refers to people in jobs with knowledge and expertise, analytical and problem-solving skills, general thinking and creative skills, which all are important for the success of a business.

Organizations can be successful in the present and the future if their key players are incredibly smart, committed to change and cope with it. They can be successful if they develop their people, identify their competitors and the competitive advantage, and pull the best out of the best people and getting them to deliver superior work.

They can be successful if they are always prepared when things get tough for the business, learn from mistakes, and use this knowledge as a school that will help them to produce excellent results.