

COMPETING FOR THE FUTURE

Breakthrough Strategies For Seizing
Control Of Your Industry And Creating
The Markets Of Tomorrow

GARY HAMEL and C.K. PRAHALAD

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at <http://www.summaries.com>.

MAIN IDEA

The companies and business organizations that will prosper in the future are those that

1. Succeed in improving the quality of life of their customers by creating new products and services that deliver unexpected benefits.
2. Create a viable and meaningful way for employees to contribute personally to the success of the firm.
3. Manage to invent and then dominate new competitive space in consumer markets.

In essence, competing for the future means thinking and acting in new and unconventional ways. It requires identifying how the future will be different, understanding what these differences will mean to consumers, mobilizing the company to position itself advantageously in that new environment and getting to the future before any competitors do. Along the way, techniques like expeditionary marketing and attempting to achieve global preemption will play a role.

The end result? A company can not only imagine the future it wants to enjoy, but actively create it.

The New Paradigm For Competitive Strategy Page 2

Competing for the future means to identify, create and then dominate emerging market opportunities -- before your competitors have the opportunity to exploit them. In essence, competing for the future requires you to anticipate and execute before your competitors are even aware of the need.

Initiative #1 -- Identify -- Visualize the ways competition will differ in the future. Page 3

To identify the market opportunities of the future, a new vision will be required, incorporating abilities:

1. To unlearn historical processes, and develop the new processes of the future.
2. To lead the industry in a new direction by identifying and exploiting tomorrow's opportunities.
3. To compete for the right to shape the structure of the markets of the future.

Identifying the future involves creating a vision of where the company should be in the future to succeed.

Initiative #2 -- Understand -- Capture and refine insights into future opportunities. Page 4

Once the future has been imagined, it must then be translated into reality. That is a strategic architecture:

1. To unlearn what worked in the past, allowing room for creativity about the future.
2. To develop the foresight to see the markets of tomorrow.
3. To build a strategic architecture around which the competencies of the future can be built.

When a company understands the future, it can develop a map for getting from where it currently is to where it wants to be in the future.

Initiative #3 -- Mobilize -- Energize and unite the company for the journey ahead Page 5

The race to the future of any market does not go to the company with the greatest resources at the start of the race. Rather, the winner is invariably the company that is the most resourceful -- that has the clearest vision of the future around which the energy and efforts of the entire organization are focused. To be resourceful, a company must utilize a new strategy:

1. To stretch -- by finding ways to achieve targets that seem impossible.
2. To overcome any constraints on resources by creating greater leverage.

In short, stretching and using leverage provides the fuel for the journey the company must go on if it is to arrive at the intended future circumstances.

Initiative #4 -- Arrive -- Get to the future before your competitors -- without risk. Page 6

The payoff occurs when a company converts intellectual leadership into market leadership before its competitors do. Again, this will require a new strategy with the following elements:

1. Compete for control of the industry's future direction.
2. Compete for leadership in a core competence.
3. Compete as part of a coalition of businesses working together.
4. Attempt to learn more about where consumer demand will lie in the future.
5. Focus on minimizing the time required to pre-empt competitors in global markets.

Expeditionary Marketing Page 7

Expeditionary marketing is all about finding out where the heart of the end-user market actually lies. Being successful in expeditionary marketing usually requires:

1. Brand name awareness.
 2. A strong channel of distribution.
 3. The capacity to roll-out products quickly.
- The key lies in maximizing the return of learning for investment -- that is, in learning faster than competitors where the market is headed in the future.

Global Preemption Page 7

Companies that launch and establish their products first into global markets derive four benefits:

1. They maximize returns.
2. They lock up distribution.
3. They build mind-share.
4. They are positioned.

Thinking and Acting Differently Page 8

If a company aspires to industry leadership, it must differentiate itself by thinking and acting differently about three key topics:

1. Competitiveness
2. Business strategy
3. The organization of the firm

Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- Learn from the mistakes and success of the smartest people in business;
- Get fresh ideas, strategies & motivation that could be worth millions to you;
- Follow emerging trends, so you can catch the wave before your competitors do;
- Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

