

| Are You a Market Runner? | |
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| Bill Creamer Gates and Company | |
| | <p>World markets require constant re-validation and confirmation of a company's value proposition. Executive management of enlightened companies, or Market Runners, continually reclaim, reaffirm, and/or reconstruct their company's value proposition.</p> <p><i>Are we there yet?</i></p> <p>The economic expansion path for the U.S. is directly linked to innovation -- creativity -- economy of scale -- and leadership dynamics.</p> <p>Value, like energy, when created must be used. Growth companies or <i>Market Runners</i> today are reinventing themselves and creating new strategies that fully utilize and leverage their enterprise experience and culture. Over the years, organizations tend to create a store of value or an inventory of experience, knowledge, operational, and intellectual property advantages. Unfortunately, these advantages are often lost and not harvested. The reasons for this are many, but, simply put, the company's current management may be focused on monthly results that exclude projects or opportunities that require longer term nurturing and resource investment. Further, management may often not be compensated for the risk associated with the development of breakthrough technology or innovation creation.</p> <p><i>Are you a Market Runner?</i></p> <p>Some identifiable characteristics* found among <i>Market Runners</i> that are leading in the international marketplace include:</p> <ul style="list-style-type: none"> - Design your business model with a trap door. Today, many new business models are financially viable based on a variable cost model. This means a smaller percentage of fixed costs are necessary past start-up phase. Fixed costs are outsourced. This can be found in companies like Wal-Mart, Dell, and Apple. - Consider and evaluate new opportunities on the marginal cost theory of economics. Jet Blue, SouthWest, and FedEx in all likelihood wouldn't be in existence today if the traditional business school financial models were used as their starting points. |
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- **Take a long-term strategic view of the marketplace**, keeping growth and revenue objectives in sight and work backward.
- **Determine future international demand** and growth trends and overlay these patterns with your company's opportunity matrix.
- **Consider strategic partnering, including co-development and collaboration, as part of the business model focus.** In cases where the new business opportunity appears outside your company's opportunity matrix, it may instead be an optimal fit for a strategic business partner, which increases your influence and strengthens your position.
- **Create a new global value chain with key suppliers and customers.** Most companies want to be part of a more efficient and effective value chain. The economics are compelling, while also supporting and fostering continual process improvement and innovation.
- **Design future success into current market offerings.** Consider the needs of the entire distribution channel and value chain with each new opportunity under evaluation. If your company's offerings provide benefits to other members in the value chain, as well as to your target customers, then you achieve the ultimate position. Growth and innovation become continuous.
- **Test your Alpha and Beta hypotheses** through rapid market testing and responses on new products and services that could include newly created and integrated value chain members. If a value chain member buys into a new business opportunity, your company is practicing the "designing in" strategy, increasing your leverage and influence.
- **Decide what pieces of the global value chain you want to own exclusively.** Remember, in the new economic model of variable costs, your company no longer needs to own the entire value chain, but simply to manage/control it.

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