

JAN
FEB
2022

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NEW VISION
E D I T I O N

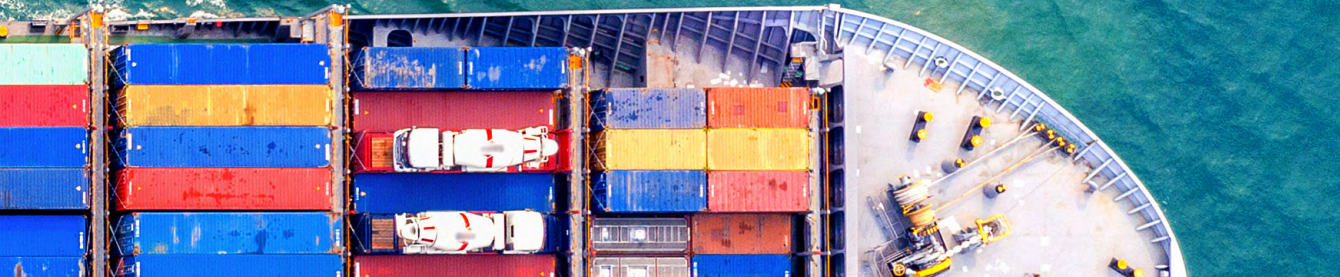
**DO 2022
WITH YOUR IDEAS
WIDE OPEN**



3 Every Idea Has a Season



7 Just-In-Time Is the Reason for Supply Chain Failure



JIT
VS JIC



by David Cooper

EVERY IDEA HAS A SEASON



Smart companies stay focused on what they're going to do next. They are obsessed with ideas and the next big things and great solutions to market or company challenges. Neither company size nor the potential size of a new thing can stop them. They do everything they can with what they have and never stop. It could be as small but consequential as a new slogan or perk that boosts employee performance, or something big, like a new product or business model.

These companies know advancement is a constant cost of doing business and that having fun doing it is key to their creativity. Yet since time immemorial, countless other firms have failed to realize that creativity and relentless progression are their life force. Efforts to transcend and inspire must be perennial, lest employees and customers grow complacent and prone to flight.

Every idea has a season. Every innovation and way of operating has a determined lifespan. Too many leaders believe their brands, products, services or business models have an unlimited life. They don't. History books (and Google) are flush with real-life examples of companies that neglected to innovate or adapt to market disruption, and they paid the ultimate price.

Act accordingly!

Staying relevant right now and over the long term is both an art and science. Here are two essential keys to sustainable innovation and the science portion of the equation:



1. Become more passionate and prepared to adapt

Today's normal is different than yesterday's and tomorrow's will morph into something else.

Granted, reacting to disruption can be hard to avoid since market dynamics and buying behaviors change on a dime. But staying in reaction mode robs a company of the energy and resources it needs to innovate. If your company is lagging, it's time for a reset.

Rev up the internal engines by

deciding that you're going to seize the opportunities that disruption brings, rather than react to the challenges. Better yet, decide to be a disruptor!

Remember this as you move forward...

■ **The best inventions always answer a need:** Investing in research brings clarity, certainty and ideas for moving your business to the next level. Get in front of the curve by becoming and remaining

current on market projections and trends, product development trends, your customers' sentiments and needs, your employees' satisfaction and engagement levels, and your competitors' moves and offerings.

Business and market intelligence safely guide decisions and developments for improved operations, R&D, HR and customer experience. For industry and market intelligence, I am a long-time subscriber of [IBISWorld](#)

REAL SUCCESS is delivering what customers and employees want before they start looking somewhere else.





If customers say you're perfect just the way you are, don't rest. The onus is on you to keep surprising and delighting them because perfect is never forever. Always remember to thank customers who respond.

research, which provides current, in-depth knowledge on thousands of industries with economic, demographic and market data, as well as analytical, forward-looking insights to help organizations of all types make better decisions.

■ **Gravitate toward meeting new demands:** Real success is delivering what customers and employees want before they start looking somewhere else. For example, meeting growing customer expectations for on-demand service becomes possible when the company itself can perform real-time, on-demand functions.

Today's expectations have everything to do with technology, ideas and action – but it must start with research so you know what customers and employees want in the first place, and what they can get from competitors that you don't offer. Customer, competitor and employee research can be performed by your company or commissioned from external analysts.

Business leaders must be willing to make the investment in research and sustain it because disruption is here to stay – and clear vision and facts are needed to navigate and innovate.

2. Adopt the best technologies of the day
 What good are ideas and inventions when you lack a platform for delivery? Digital transformation is no longer a choice but necessity that must be integrated into every operational function. The right tools, applications and architecture will transport you to success now,

post-pandemic and well into the future. IT is your best friend on the road to innovation and advancement. Here's why...

■ **Dramatic Benefits:** When you become more reliant on technology, internal communication, interdepartmental collaboration and awareness grow by leaps and bounds. Employee productivity and performance levels accelerate and escalate; plus, your IT commitment will attract the best talent for the road ahead. Importantly, you can deliver more customized and personalized customer communications and services to increase engagement and retention.

■ **Real-Time Reporting:** How do you know your idea is working or successful? Anecdotal evidence doesn't count! A priceless advantage of digital competence is the real-time, on-demand access you gain to company, employee, customer and sales data to track trends, performance and sales. You see hard evidence of how your ideas and innovations are performing now and over time. Keep in mind that not every great idea meets with success, and that's okay provided you know right away when to tweak, fix or abandon it. Real-time data alerts you to weaknesses before they have a chance to negatively impact the company.

■ **The World Is Your Oyster:** Fortunately for today's businesses, there is an abundance of choices and providers that can quickly enable IT advancement, with requisite experts and support structures to help companies and employees deploy and adapt.

Due to so many choices and the competitive nature of the IT industry, cost of entry, ongoing support and upgrades can be modeled to fit budgets and timelines of companies of all types and sizes.

Keep those concepts coming to breathe life into your future

There are tried-and-true methods to generate ideas for improving operations, developing products, increasing brand awareness and growing sales. Assuming you have performed due diligence (research) for a specific goal, you have the data you need to immediately put some ideas on the list – and then start brainstorming for more.

Here are some great approaches to idea generation and bringing your future to life.

■ **Create a culture around innovation:** If everyone at your company works in silos, don't just open the doors. Break down the walls! Invite employees to participate in the brainstorming process. Define the need, present the goal and ask your people to weigh in with their ideas and rationale on how to one-up existing products, expand on ideas identified through research, or resolve pervading issues. Remember to establish trust with the attitude that "there are no bad ideas." Make it fun and exciting. You can spike participation with an incentive for winning ideas. And always thank employees who participate.

■ **Bring your customers into the loop:** Nothing says "we are innovators" quite like asking your

customers what they want to see you do next. Survey them, call them, email them from time to time, engage on social media. Tell them your number one goal is to anticipate their needs and desires. If customers say you're perfect just the way you are, don't rest. The onus is on you to keep surprising and delighting them because perfect is never forever. Always remember to thank customers who respond.

■ **Consult with an expert on branding or business model innovation:** If you're entertaining a company or product re-brand, introducing a new product, expanding your presence in the market or transforming your business model, it's best to work with a creative agency or management consultant. You can provide them the data you have already gathered or let the firm perform due diligence for you. Either way, a reputable firm will always draw conclusions and make recommendations to you that are based on rock solid evidence.

■ **Filter the best options and validate them:** There are several ways to discover whether the list of ideas you have generated have real potential. You may need to perform additional research on some of them. For example, a new product or enhancement may need to be vetted based on customer wants or needs, or whether the product already exists and how it is faring in the market. A select group of employees and customers can be queried about a potential new process, a new product or name, or a new slogan or way of operating. The important thing is to thoroughly vet an idea before you invest time or money implementing it.

■ **Create an implementation plan and go to market:** Now that your chosen idea has been validated to the extent you know it holds great promise, it's time to engage the necessary teams, define responsibilities and timelines, and let it fly. Make sure flexibility is built into the plan to allow for unexpected events or the need for additional time. Keep the communication lines open through regular meetings and progress reports from the entire team, and once implemented, have a plan in place to measure progress and response.

■ **Constantly add value and watch your profits grow**
Smart companies also have a value proposition that explains to customers why they should buy a product or service – the clear-cut benefits they gain. Companies obsessed with ideas, those that stay focused on what they're going to do next, have believable and winning value propositions that they repeatedly demonstrate and live up to. Be like those companies! Never stop innovating. Be calculated in your approach. And remember to have fun along the way.



by David Cooper

JUST-IN-TIME IS THE REASON FOR SUPPLY CHAIN FAILURE



The first article in this issue of Strategy HQ, “Every Idea Has a Season,” reminds business leaders that new ideas and ways of operating never work forever. From the get-go, some aren’t even sustainable for short periods of time or effective for consistent, across-the-board application. Too often, just-in-time (JIT) production is an example of these realities.

Operating with little or no on-hand inventory, with production directly tied to demand, has left companies and customers empty-handed far longer than many businesses

recognize. In fact, we saw this catastrophe coming long before COVID-19 emerged and brought the worlds of manufacturing and business to their knees.

In the decades since this limited inventory model became an industry standard, companies that adopted it have become vulnerable to small disruptions. Compared to today’s supply chain crisis, which has reached global proportions, earlier vulnerabilities seem like minor blips on the screen. But they signaled a clear and present danger.

Today’s problem is that JIT is an integral part of a much broader sphere of operations, closely integrated with lean manufacturing practices. While it is no small feat to dismantle or restructure parts of an enterprise-wide operating model, desperate times call for desperate measures, and companies worldwide are being forced to explore new paths to survival and success.

Since complete reliance on just-in-time production is pretty much a death wish – past, present and future – what are companies doing to adapt?

One solution to the problem is called “Just In Case”

Contrary to just-in-time, which reacts to demand, the just-in-case (JIC) strategy responds to anticipated sales, with companies proactively purchasing inventory to meet expected demand. This model helps businesses circumvent inventory management disruptions that are so prevalent today, like supplier delays and spikes in costs and market demand.

As reported by IndustryWeek, today’s businesses need to rebalance their priorities; specifically, to balance the low cost and efficiency of the just-in-time model with the need to be nimble and agile in reacting to market changes. Their article, “[Moving from Just in Time to Just in Case](#)” underscores that there is little risk in trying something new when the old way is not working.

The old way is certainly failing a lot of companies, and as we enter the third year of the pandemic with no end in sight to the supply chain crisis, there is no time to waste in changing or adding to existing operating models.

JIC is saving the day for many companies and there’s more to it than stocking up on inventory to meet anticipated demand. Following are highlights of some of the components of this model as shared by IndustryWeek:

- **Simplify your supply chain:** Sharpen your focus on products that matter most to clients.
- **Focus on business continuity:** Outsource non-core activities so that management can devote time and attention to activities that support business continuity.

- **Renew your supplier focus:** Revalidate suppliers for credit worthiness and disaster recovery capabilities and distill your number of suppliers to those most critical.
- **Scrutinize partners:** Prioritize partners with the skills, tools and knowledge to enhance your capabilities and minimize your risks.
- **Stock up:** Hold a larger inventory of sensitive items or double-source key products.



- **Activate Plan B:** Protect yourself from trucking, air and ocean carrier disruptions by having a Plan B and putting it into action for each of your main supply chain providers.
- **Seize new opportunities:** Think of ways your company can benefit from major sustained shifts, such as the migration to e-commerce, new delivery services and working from home.

A hybrid approach is gaining favor

How has just-in-time survived so long, given the vulnerabilities it creates for companies? On the other hand, how can just-in-case prevent companies from experiencing waste and loss when demand takes a dive? Today’s unprecedented and wildly unpredictable environment is

perilous from either vantage point.

The answer for a growing number of organizations is, once again, a matter of rebalancing their priorities and finding strategic ways to employ a new model or blend the use of different models. Leaders wanting to explore the latter approach should analyze the benefits and drawbacks of each, based on the company’s unique inventory management patterns, challenges and needs.

■ **The words of an expert:** According to Oracle, there are more cons than pros in strictly adhering to either a JIT or JIC inventory management strategy. They maintain that in the real world, the two work best in tandem. A hybrid model combines the buffer of just-in-case inventory with just-in-time’s conservative use of capital, delivering the best of both worlds.

■ **Get educated:** If you are considering a hybrid approach, the best place to start is understanding the benefits and disadvantages of each. A primer from Oracle, “[Just-in-Time vs Just-in-Case: Choosing the Right Strategy](#)” takes an interesting and highly detailed look not only at each model, but also how, where and when to best apply their individual attributes.

Figuratively speaking, your next move might be just in time

It takes time, thought and planning to build new capabilities and deploy more effective operating strategies, so the time to act is now. Shift your company into the best possible position so that you can manage with agility and control whatever comes next in the volatile saga of supply chain disruption.



Calm in the storm.

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