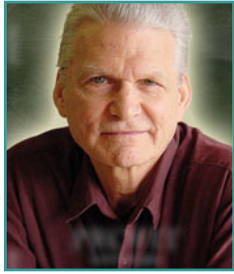




FEATURE



Predator or Prey?

[By Art Pennington]

Most companies are in danger. Information inefficiency puts them at risk of being devoured. New companies with modern capabilities or established companies that decide to change will become predators. With few predators, and many prey, the leaders who go on the hunt for transformation will survive.

It comes down to a simple choice. Wait, don't decide, hope the world continues on track... and be prey. Or try, experiment, dismantle old thinking...and have a chance to be at the top of the food chain, the king of the jungle.

In most industries, every company is prey.

There is no predator. When it comes to information, they all remain on the forefront of inefficiency. That's the perfect scenario — extreme inefficiency and no predator. Enter such a situation with a predator's attitude, a predator's plan, and a predator's ability, and the rest will be slowly, methodically devoured.

There are no barriers to entry. Somebody's going to shatter tradition, change the rules, and devour the competition, because they can. Is your company the one to seize the opportunity? Or will you be prey and go out of business? Or maybe you are already one of the lucky predators.

I have been in hundreds of companies over the past 40 years. What is most striking to me today is that nothing has changed. The same problems that were limiting profits decades ago are still strangling them. A lack of information capability is the problem.

With the right information at the right time, you could drastically cut costs, give your sales channels everything they need, and improve customer service. But even more than that, you could grow the top line in a big way. Everyone is trying to cut costs, to

improve the bottom line, but not many know how to grow the top line. Information is the key.

With the right information capability, you could not only grow the top line in a dramatic way, you could become the predator. You could be the only predator in a sea of prey. You could achieve major competitive advantage and capture a huge share of your entire industry's market.

The opportunity is huge. Information is the fuel which runs any organization. Commerce today is an interlocking, co-dependent world of business and information. Information technology is a powerful delivery mechanism for accelerating business results. Information at the right time to the right person can have an explosive impact on the top and bottom lines. The quickest path to success is to deliver that information.

You can create business-transforming results through innovative ideas and knowledge at the point of contact with your customer. You can turn your information into profitable wisdom in each customer encounter. But how do you do that? What information solution delivers the greatest value? How can your software have its greatest impact on your bottom line?

The value of any software solution is directly related to the business value it can deliver to an organization. Any future information project decisions must be based

solely on that criterion. New solutions must be a direct reflection of business goals and priorities. You gain great clarity in purpose and direction when you can relate your specific list of deliverables to future business outcomes.

I will not pretend to know the future priorities and goals of your business. Those are all decisions in the hands of your CEO and senior management. And, no doubt, many of those decisions are yet to be made. Even the ones that have been made can change, due to changes in the business environment, new opportunities, and changes in business direction. But success, and even long-term survival, in today's business environment requires an information engine built from the ground up to enhance your company's business goals. It requires an information engine created for your unique business.

Big business or small, it doesn't matter.

The playing field is level. All technology is available to everyone. There are no barriers to entry. The only barriers are in our ability to imagine the unique information solution for our companies that will catapult us to predator status. Your business leaders understand your business and its information. Your IT department understands the technology. Working together, you can create a transformation to predator. There are companies doing just that. There are companies which have used information capability to become dominant by design.



FEATURE

SC Design in San Diego is one of those companies. It is a home design center business selling and installing various options for builders in their homebuyer selection process inside the new-home building industry. They complete approximately 7,000 units annually over four states.

The owner, Steve Santa Cruz, and his CIO, Michael Eggert, have worked together to create an information solution that enables SC Design to dominate their market. Their gross margins are consistently five to eight points higher than those of all of their competition. They are the predator. They have the competitive power to accelerate profits during the good times and accelerate acquisition of their competition during the bad times.

A much larger example is USAA Federal Savings Bank in San Antonio. They have used information capability to enable on-line direct banking to the extreme degree:

- Customers can deposit checks electronically by scanning the image and electronically transferring only the check image. The customer retains the original paper. The funds are immediately added to the checking account.
- Mortgage loans are approved over the phone while the customer waits. All documents requiring signatures are sent the same day for overnight signatures. The only real delay

- is the legally required three-day waiting period before the funds can be spent.
- For all cash and investment accounts, transfers, withdrawals, and cashier's checks can be ordered online or by phone, with no signatures required.
- All statements are created as a PDF document and stored in the bank's database for online retrieval, at any time, by the customer.
- When a customer wants to buy an automobile, the bank will locate the desired vehicle at a dealer close to the customer's home, negotiate the price with the dealer, and send a site-draft check to the customer to pick up the vehicle.
- There are no service fees charged for any of these many services. Even ATM fees charged by other banks are reimbursed to the customer's account.

As you can imagine, most of this bank's customers would never even think about banking anywhere else. They also tell their friends and neighbors what a great bank it is. Eighty-eight percent of this bank's customers surveyed said, "My financial provider does what's best for me, not just its own bottom line." It is the only financial services company to ever receive the J.D. Power and Associates Chairman's Award.

Looking over the services provided by this bank, they seem almost unreal. But I assure you they are as real as can be. This is the bank I use for my personal banking. I have used every one of these services. And I would never dream of banking anywhere else.

SC Design and USAA Bank are both examples of the level of service and information efficiency that is within the grasp of any company. When applied to any business, it creates a picture of unequalled efficiency, unequalled customer satisfaction, and competitive power. What would a business with such attributes be worth? It would certainly be worth many times more than the cost of implementing the information capabilities. In fact, I would consider those implementation costs a very small price to pay for predator status.



About the Author

With over four decades of experience, Art Pennington is President of the Profit Research Institute, founder of four successful software companies, author, keynote speaker, consultant, holder of multiple patents, and creator of the "Profit Method" of business success. Read Art's free book *PROFIT*, available at profitmethod.com.

EmploymentCrossing is the largest collection of active jobs in the world.

We continuously monitor the hiring needs of more than 250,000 employers, including virtually every corporation and organization in the United States. We do not charge employers to post their jobs and we aggressively contact and investigate thousands of employers each day to learn of new positions. No one works harder than EmploymentCrossing.

Let EmploymentCrossing go to work for you.