GLEANINGS: FOR THE BUSINESS OF CHURCH

by Daniel A. Brown, PhD

"THE BIAS MENACE"

Daniel Refers to "Focus" (Harper Business, 1996) by Al Ries:

> *Additionally, wouldn't it be interesting to know how many of us who pastor Foursquare Churches are actually Pastor-Teachers (as opposed to Prophets, Teachers, Exhorters, etc.)? And by the way, how many of us have given a message in tongues with interpretation or functioned in a word of knowledge in the past twelve months?*
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> *The survey that accompanies this letter is being sent to every licensed Foursquare Minister. The results will be used as part of the book; my hypothesis is that the individuals who pastor churches represent a wide variety of gift-mixes, and they should not all be lumped together for comparison or training. For example, an Exhorter has many tendencies almost exactly opposite of a Teacher; when it comes to stories/examples. A Prophet couldn't preach a three-point sermon, no matter how hard he or she tried!*

According to Mr. Ries, the future of any organization depends on the ability to stay focused in its basic mission and core competencies, and not follow the natural bent of all organizations which moves them toward blurred expansion and confusion over the must do's with the could do's. The longer and the more narrowly a company can keep its focus, the more powerful and effective it will become.

Companies tend to extend themselves beyond their core mission for several reasons, both conscious and unconscious. Looking for ways to increase productivity and to boost profits, company executives ask themselves several dangerous questions that seem reasonable:

Distribution—*What else can we be selling? Since we have such excellent distribution, channels and contacts, can't we move more products? Bad question! The more unrelated products a company has, the less focused it will be.*

Manufacturing*—What else can we be making with our machinery? Can't we make use of our idle time by manufacturing other products? Oops! By trying to make too many things, a company dilutes its momentum.*

Marketing*—Since we got such a good response to that program, won't we get a good response to anything else we promote? Wrong! By promoting too many activities, a company loses its reputation as a leader in its niche.*

Lifecycles*—Since some of our customers have outgrown our products, shouldn't we expand new services and products to recapture our former customers? Bad move! When a company is so focused that its clientele can "leave" it that is actually a good sign.*

Geography*—We have done well here; won't we do well in other places? Bonk! If servicing a local customer is a key ingredient to a company's mission, shifting or expanding the region of service can be disastrous.*

Pricing*—What about the people who cannot afford what we currently sell; can we offer a less expensive alternative with our label? Big mistake! Unless the new product has a completely separate identity, it will create unwanted disassociations for a company's core products.*

The larger the market, the more specialized and focused a company must be to be viable and profitable. Far better to excel at one main enterprise locally, and then expand globally, then to become an international conglomerate with many unrelated products. After about six years, most mergers and takeovers prove untenable, and companies divest themselves of the very parts that they acquired not long before. Just becoming big or multinational does not assure success; in fact, it seems to work against true profitability.

Despite the success of Costco and other superstores, the future belongs to the companies that narrow their focus and adopt a simple five-part strategy.

1. Narrow the range of services and products you offer.

2. Within that narrow range, stock in depth, and offer many options.

3. Produce your products as cheaply as possible—with inexpensive labor and materials.

4. Offer your products as cheaply as possible—by reducing their cost or inconvenience.

5. Dominate your market category or niche—through increased visibility.

It is important not to compete with one's own customers by having overlapping products or services that are not clearly different from one another (i.e., Tab and Diet Coke, as opposed to regular Coke and Diet Coke). Otherwise, one product will undermine the other.

For the most part, quality is a myth. The reality of quality is that it is merely a perception about quality. Because everyone believes that the best product will do the best in the marketplace, the best-selling item or the most widely used service is viewed as the best quality. After all, one million Frenchmen cannot be wrong.

Consequently, once a company leads the market in its volume, it has the reputation as the best. The equation becomes self-fulfilling. Overtaking a company that is the volume leader takes a competitor with a narrower focus—a leader in some specialized service or product. A higher price or a better name can do wonders to give such a narrowly focused company the "*leadership*" it requires.

All business is really a niche business. Since we cannot service everyone, we must "*give up*" some things in order to define our position within the whole market. Such sacrifice is a good thing! One of the best ways to narrow our company is to ask who and what we are not. Instead of trying to appeal to all sides, where do we stand, and with whom do we disagree? The point is not to become antagonistic to others, but to become more narrowly defined in our own minds. We are not reacting to other companies; rather, we are focusing ourselves to take more advantage of the future before us. So, what do other companies do that we do not do?

When a company takes its eyes off its core concept, and ventures into related but non-essential activities or products, it almost always loses in the long run. We must keep "*getting back to basics*." What is the core business we are in? What is our best opportunity for specialized leadership (products/services) within that business? The key question is, *what differentiates us from other companies in our field?*

An unfocused company cannot be improved merely by doing the same things better—improvement depends upon better focus. And if it is unfocused in its mission, its redoubled efforts will not change the results. Rather than trying to improve what it is already doing the company should do whatever it takes to return itself to a focused strategy of doing what it does best to accomplish its mission.

The narrowed focus will become a "*driving force*" to establish the organization as a leader in its field of enterprise. It is possible, of course, to have multiple "*steps*" or brand name(s), within a single-focus business, and the best place to add "*steps*" is at the lower end of the ladder—where the customers are the newest or the youngest. Care should be taken not to divide the limited energies behind the core concept when adding "*steps*." Each step should have its own focus within the larger focus of the company.

A big mistake is to launch a new brand just because the competition is doing so. True leaders do not respond to others; they respond to opportunity. Thus, an organization must keep asking itself, “What opportunity is presenting itself for us to do something within the narrow framework of our core activity?”

In general, “*steps*” should be targeted at a single attribute—like age, gender, region, need, etc. Companies should maintain clear distinctions between the brands and the attributes each brand is trying to appeal to. When the lines get blurry, the results suffer. We do not want to compete with ourselves by adding products and activities that unnecessarily force our customers to choose between one or the other.