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Why Create a Market When You Can Revolutionize an Industry?

There are many industries ripe for innovation. Is yours one of them? Doug Ducey shares how his company turned the ice cream industry on its ear, and how your business can do the same.

Niche marketing was all the rage in the 90s. Everyone was looking for a way to position his or her products into small niches. From those niches, they would expand their business concepts. In essence, the hope was that the niche would create a lucrative market where there once was none.

However, not all products lend themselves to niches -- and sometimes niches can be limiting. That's why I firmly believe that business owners should look beyond establishing niches and determine ways they can revolutionize their industries.

One of my favorite companies that expanded its niche strategy into a revolutionary new industry approach is Starbucks. In the early days, Starbucks was a coffee bean roaster that sold whole beans to coffee enthusiasts, mostly in the Pacific Northwest. It was a fine niche business, and Starbucks was certainly leading the way in the out-of-the-grocery-store whole bean coffee category.

Enter Howard Shultz, a man with a vision. He saw the business of whole bean coffee limiting the potential of Starbucks. So, as is immortalized in his famous book, *Pour Your Heart Into It*, he recounts how he and the Starbucks' team moved from a strategy of niche domination to one of redefining the entire coffee industry. And since you likely passed several Starbucks on your way to work today, one could argue his strategy worked.

Is your industry ready?

In today's modern world, there are countless industries ripe for revolution. Some are evolving right before our eyes. Industries like energy, automotive, security, real estate, transportation, healthcare -- the list goes on and on. The likelihood is good that your company is playing in one of them. How do you know? Ask yourself these questions:

- **Is my industry "resting on its laurels?"**
The ice cream industry was tired and stagnant when we jumped in to change it.
- **Is my industry resisting change?**
In most cases, an industry that is resisting change desperately needs it. The automobile and related energy industries come to mind in this instance.

- **Do customers find businesses in my industry challenging to work with?**
Car rental is a good example of a "challenging" industry; customers frequently suffer from long lines, and inconsistent pricing and service.

Making the move

If you answered yes to any of the above questions, then you might be wondering what your next step is. How do you move your company from a niche strategy to an industry defining one? The answer comes in the form of three fundamentals: Creativity, Singular Focus, Execution.

Let's start with **creativity**. When was the last time you stepped 10 paces back and really viewed your industry? I mean really looked at it. What if it didn't exist and you could start it all over again from scratch? Would you keep it the way it is, or transform it into something else? Most industries, especially established ones, are far from perfect and far from creative.

Take ice cream for instance. When we stepped back and took a good look at the ice cream industry, we discovered it hadn't changed much since 1972. Ice cream parlors were ice cream parlors. There had been some innovation in flavors, but no innovation in overall experience. We found an industry ripe for revolution and seized it by modernizing the ice cream parlor experience and revolutionizing not only ice cream flavors, but also ice cream quality, ingredients, and consistency. We have since turned the sleepy parlor experience into the "ultimate ice cream experience" with ice cream made fresh every day in every store, and blended with the customer's choice of candy, fruit, brownies, cake, and more on a frozen granite stone. Then we topped it all off with energized crewmembers who love ice cream -- and making people happy.

Singular focus is the next element in revolutionizing an industry. Once you've identified an industry in need of an overhaul, determine how your company and its products can change it, set your sites on a big goal, and never let go. The more you repeat the goal, the more you'll believe you can achieve it, so talk about your vision to transform an industry often and to anyone who will listen.

We found that our vision of having 1,000 profitable stores open by December 31, 2004, became the basis of our company's entire strategic planning process. From there we developed key success factors that we felt must be achieved to reach the goal. And those in turn led to quarterly departmental and individual goals for each Creamery team member. Everyone knew what his or her charge was, and everyone was moving in the same direction.

The third element is **execution**, and it's the place where the rubber meets the road. "Execution is the missing link between aspirations and results." Those are the words of Larry Bossidy and Ram Charan in their bestseller, *Execution: The Discipline of Getting Things Done*. And that's just what revolutionizing an industry takes -- a lot of getting things done. How close would Howard Shultz have come to realizing his dream if he couldn't get that first... 21st... or 121st store open? Not very. We might still be drinking lattes, but they wouldn't be from Starbucks.

If planning is the mind work, execution is the elbow grease, and there is no shortcut. For us, having 1,000 stores meant finding the best locations and the best franchisees. It meant building out a lot of locations, and training lots of people. It meant developing new products and implementing marketing programs to spread the word about them. And no matter what we were executing, it took working together as a team on all fronts and constant communication. Execution to us meant never giving up.

There's no reason why a company -- big, small, or somewhere in between -- can't revolutionize its industry. The results can be great financial success for the company, certainly, but you may find the real thrill comes from giving customers what they truly want and creating a business that you and your employees are truly inspired by.