



Making Competition Irrelevant

By Martin Pollins



On making progress, Walt Disney put it rather well when he said:

“We keep moving forward, opening new doors, and doing new things, because we’re curious and curiosity keeps leading us down new paths.”

I’ve written previously about Blue Ocean Strategy, a book published in 2005 and written by W. Chan Kim and Renée Mauborgne, Professors at INSEAD and Co-Directors of the INSEAD Blue Ocean Strategy Institute. If you haven’t got the book or read it, my best advice is to do so today. The book explains how a one-time accordion player, stilt walker, and fire-eater, Guy Laliberté is now CEO of one of Canada’s largest cultural exports, Cirque du Soleil. What he did, made the competition irrelevant. But how did Cirque profitably increase revenues by a factor of 22 over the last ten years in such an unattractive environment? The answer is in an early tagline: “We reinvent the circus.”

If you’ve watched TV last month, or tried to travel in London, you’ve definitely heard of Uber. They too are making the competition irrelevant. They’re changing the way taxis are hired.

Heard of Airbnb? They’re the new kid on the block if you want to find a place to stay. Their online service enables people like you and me to rent from people in over 34,000 cities and 190 countries. Their competition is irrelevant.

But these aren’t the only companies doing what they do so differently and making the

competition irrelevant in their industry. In my blog last month, I mentioned several companies – look up what I said at: <http://onesmartplace.com/making-competition-irrelevant/>

There’s a great article on this subject titled Social Capital: The Secret Behind Airbnb and Uber, which you can read at: <https://www.linkedin.com/today/post/article/20140604125559-10448698-social-capital-the-secret-behind-airbnb-and-uber>

How Barclays feels about the future of banking

The boss of Barclays may well have read Blue Ocean Strategy because Barclays Bank fear that tech firms could replace banks one day. The bank’s chief executive Antony Jenkins said last month that customers are increasingly happy to manage their finance online. Banks must give customers a reason to stay with traditional lenders instead of jumping ship entirely. To do that, he said, banks must continue to invest in new technologies and customer service if they want to avoid being replaced by firms such as PayPal and Amazon.

Read about this here. <http://www.cityam.com/article/1402451338/barclays-fears-tech-firms-could-replace-banks>

Action – do nothing or do something but you must make it different and better

The message for firms is that you must change according to demand and you must respond to the way that your market takes advantage of new technology. Change or die, in a nutshell. The question is:

What can you or your firm do to make your competition irrelevant?

The last word in this article comes from Homer Simpson: “All my life I’ve had one dream, to achieve my many goals.”



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About the Author

Martin is Managing Director at **Bizezia**. He is a Chartered Accountant with wide experience in corporate finance and business management. He holds a number of directorships and has served on the boards of several companies, including those listed on the London Stock Exchange, AIM and OFEX.

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He ran his own accounting firm based in Sussex and was the first Accountancy firm in the UK to advertise on television and Martin went on to create and launch the CharterGroup Partnership (the UK’s first Accountancy network) and then LawGroup UK (one of the largest networks of lawyers in the country).

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