

The Competitive Advantage

Economists may continue to forecast highs and lows in the chemical industry, but one thing is for certain: continued globalization means intense competition in all aspects of the market.

In a hyper-competitive industry where strict regulations and commodity pricing dictate so much of how a business is run, organizations must go the extra mile to differentiate themselves. One way to stand apart from the competition and to bring value to the customer is to focus on something that you can influence—your employees' actions.

Of all the techniques for taking a lead over rivals, the first and last rule is "think customer." But, it's about more than just being customer focused. The key is to get every member of your organization, from chemical engineers to production, focused on what drives the customer and how you can positively impact the customer.

It's about creating an attitude—and behaviors—that permeate the whole business, reaching every employee and attending to every detail. It's about building an internal culture of continuously analyzing and consistently deliv-



ering on the customer's needs, expectations and aspirations.

Your Culture Is Your Brand

To dominate the competition, your employees must function within a carefully crafted corporate culture—one that creates an obsession for delivering value to the customer. You must also provide a compelling vision, a grand mission that gives your people a clear sense of direction and a belief that you can be the No. 1 player in your industry.

When every person in your business shares common beliefs, values and goals, it creates a powerful force—an organization that will not tolerate anything less than exceptional performance.

This type of culture becomes self-regulating, turning your business into one that consistently does the right things. Positive beliefs become positive actions. These positive actions build your reputation for excellence, both inside and outside the organization. Ultimately, the culture becomes who you are, your brand and your competitive edge.

How do you create your carefully crafted culture? Here are the steps you need to take:

- Clearly define your core values, making "customer obsession" a key component of who you are and what you do.

- Articulate a corporate mission, a true sense of purpose that explains the value you bring to the world.

- Set grand goals—significant objectives that you will have to stretch to achieve.

- Forge mutually beneficial alliances. By joining forces and becoming involved in industry-related partnerships and networks, you are better equipped to gather relevant information about your customers.

- Hire for fit. You can teach people new skills, but changing their values is significantly more difficult, if not impossible.

- Manage to your values. Never tolerate anything less than 100% commitment (in words and actions) to your beliefs and goals.

- Support your culture via compensation plans and reward systems.

- Reinforce your culture with regular celebrations of your successes and public reminders of your vision, mission and core values.

Build Innovation into Culture

Innovation is vital in maintaining your competitive edge. To insure that innovation is always a part of your company's culture you need to:

- Initiate constant research to help you understand, anticipate and meet your customer's expectations.

- Encourage creativity in producing your products, in developing your processes, in your communication, in marketing and logistics, and in virtually every other facet of your company's operations.

- Generate enthusiasm for innovation by continually seeking input from your employees and rewarding their creative ideas at every level.



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- Publicize ideas that lead to innovative changes and improvements.
- Celebrate innovation as a mark of accomplishment.

Leverage IT

Make IT your culture enabler. Harness the power of your IT function to learn more about your customers, learn faster, encourage creative discussion and share your “corporate knowledge.” For example:

CRM applications. Customer Relationship Management tools have exploded onto the market and become more than a passing fad in recent years. However, beware of the common pitfall associated with this kind of investment. Many companies have “bought in” to the idea, but have failed to utilize the program to its fullest potential.

The challenge is to find ways to use these applications to uncover substantial sources of customer knowledge. This knowledge can include information about customer purchases, preferences, attitudes and perceptions that can be analyzed to improve the delivery of future customer value. When you’re ready to make an investment in CRM, make sure you choose a system that will work for you, and create a strategy for how you’re going to utilize the information you collect.

Intranets. Make your customer knowledge more accessible to more people with less effort. Encourage greater employee participation in brainstorming and other forms of creative and innovative thinking.

Extranets. Get your customers more involved with your organization on a regular basis to make them an integral part of your decision-making processes. Create online communities that forge bonds between your employees and your customers.

The goal is to use technology in ways that will enhance your ability to respond to customer needs, whether it’s through faster service, lower costs or better innovation and responsiveness to problems.

People Are the Key

At the competitive edge the real difference is people. They implement your plans. They interact with your customers. And sometimes, their ideas turn out to be the most innovative and useful because they are most in touch with customer needs. As a manager, the consistent performance of your employees is the key to long-term success.

As a leader in your organization, you must aggressively manage your workforce strategies. Be proactive in determining exactly whom you need to hire and where you will find the talent. Don’t compromise your hiring decisions. Be passionate about management, never tolerate anything less than exceptional performance. Attention to details that drive culture keeps your business a competitive force in the chemical industry.