



Differentiation that Matters – the key to organic growth

Seán Meehan
Martin Hilti Professor of Marketing and Change Management

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Motorola is the best managed company in the world. Nobody else is close. Fortune April 1994



Innovation, TQM, BPR, Training, Teamwork, Empowerment

1943 Portable two-way radio

1946 Car-phone

1969 First words from the Moon

1973 DynaTAC

1983 Commercial cell-phone

1990 HDTV

1991 GSM cell system & phones

1994 iDen Digital Radio

Global cell phone market 1994

Motorola 45%

Nokia 20%



Motorola's history is anything but boring, littered with iconic products from the Star Tec to the recent hit with the RAZR.....

Tom Meredith, CFO Motorola



1996 Star TEC wearable phone

2000 GPRS

2002 3G nationwide network

2004 MOTORAZR V3 cellphone

Global cell phone market 2000

Motorola 15%

Nokia 31%

Global cell phone market 2008

Motorola 9%

Nokia 40%



Motorola's history is anything but boring, littered with iconic products from the Star Tec to the recent hit with the RAZR. But you'd be hard pressed to name an iconic product from market leader Nokia. Yet, when you look at their profitability and successes, you see they had a portfolio that was complete.....from mass market to feature to enterprise and they....competed more effectively than we did.

Tom Meredith, CFO Motorola 2007



Organic growth strategy

Holistic brand: promise keeping and consistent communications

Market driving incremental innovation

ACI in product range, total costs, business systems – customer focused

Market-oriented leadership and values

Noyryys = humility

Very Human, engaging you, passion for innovation and working together

Delivering on Your Promise

**Can your middle managers accurately describe
your promise?**

Can you describe it?

Can your middle managers?

Accurately?

Is it a promise?

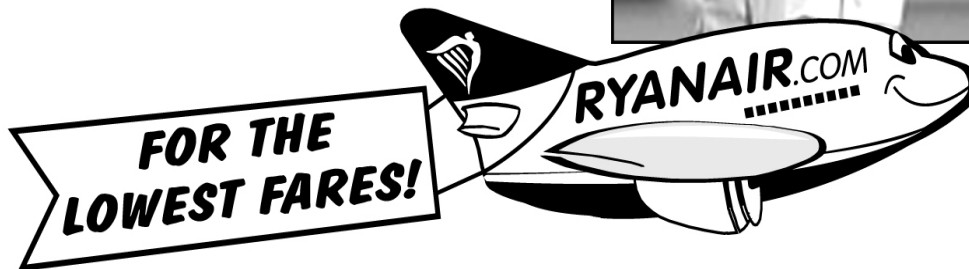
What does that mean?

Remarkable Clarity

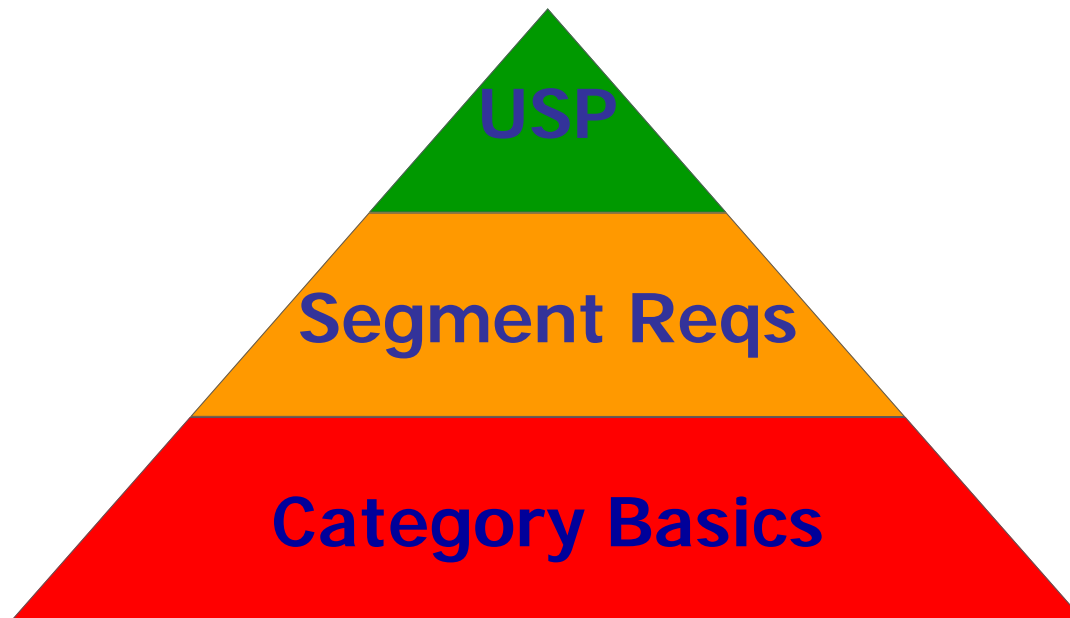
Cheap Hotel,
Cheap training pitch!!!!
Next thing they'll be
wanting us to
F#@kin fly Ryanair

**ROY'S RIGHT -
ONLY RYANAIR OFFERS
THE CHEAPEST FARES!**

(The preferred airline of the FAI ??????)

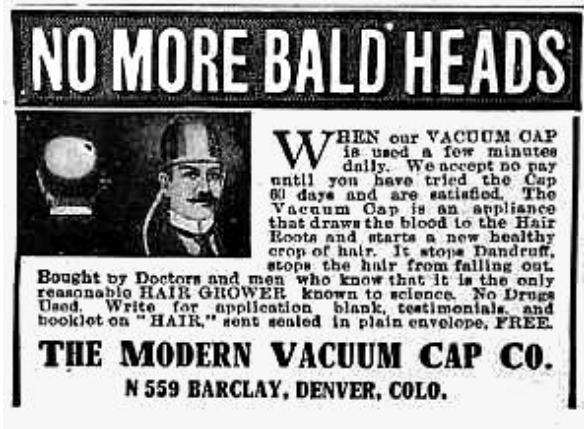


The Complexity of the Value Proposition

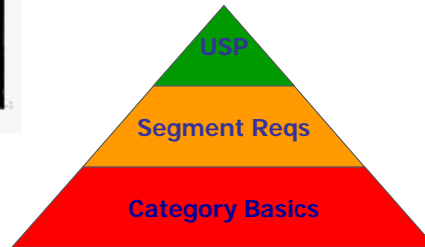


Delivering on the Promise

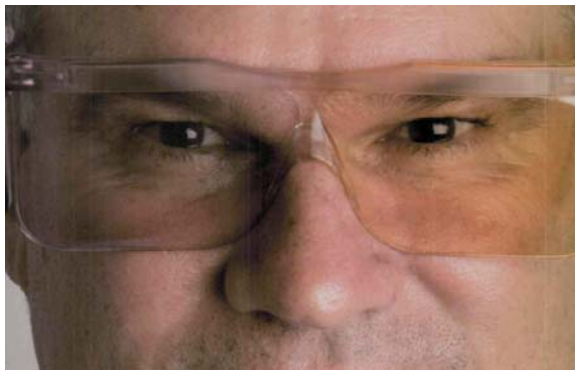
Clear and Sincere



Complete

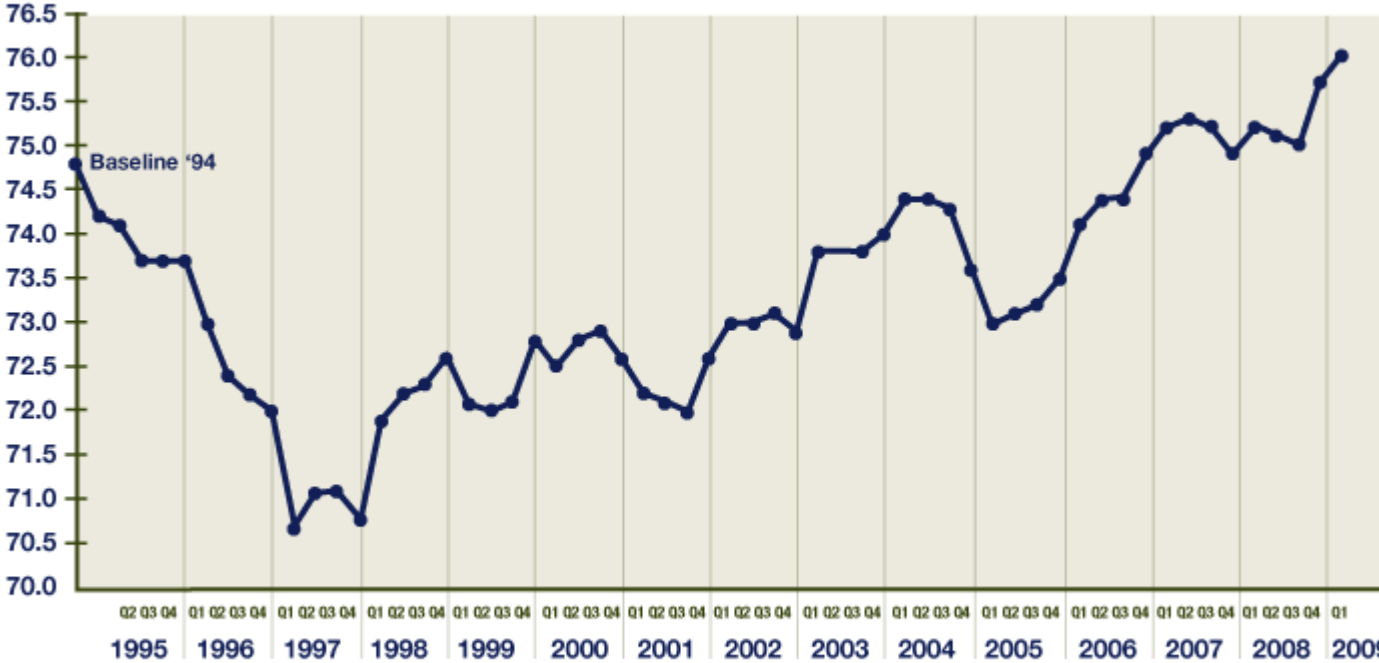


For Example:



Room for Improvement?

Change in the National ACSI (0-100 Scale)



What is Really Important?

“It is a profoundly erroneous truism....that we should cultivate the habit of thinking of what we are doing. The precise opposite is the case. Civilization advances by extending the number of important operations which we can perform without thinking about them.”

Alfred North Whitehead

Not even *THAT* Simple?

Dear Sir or Madam

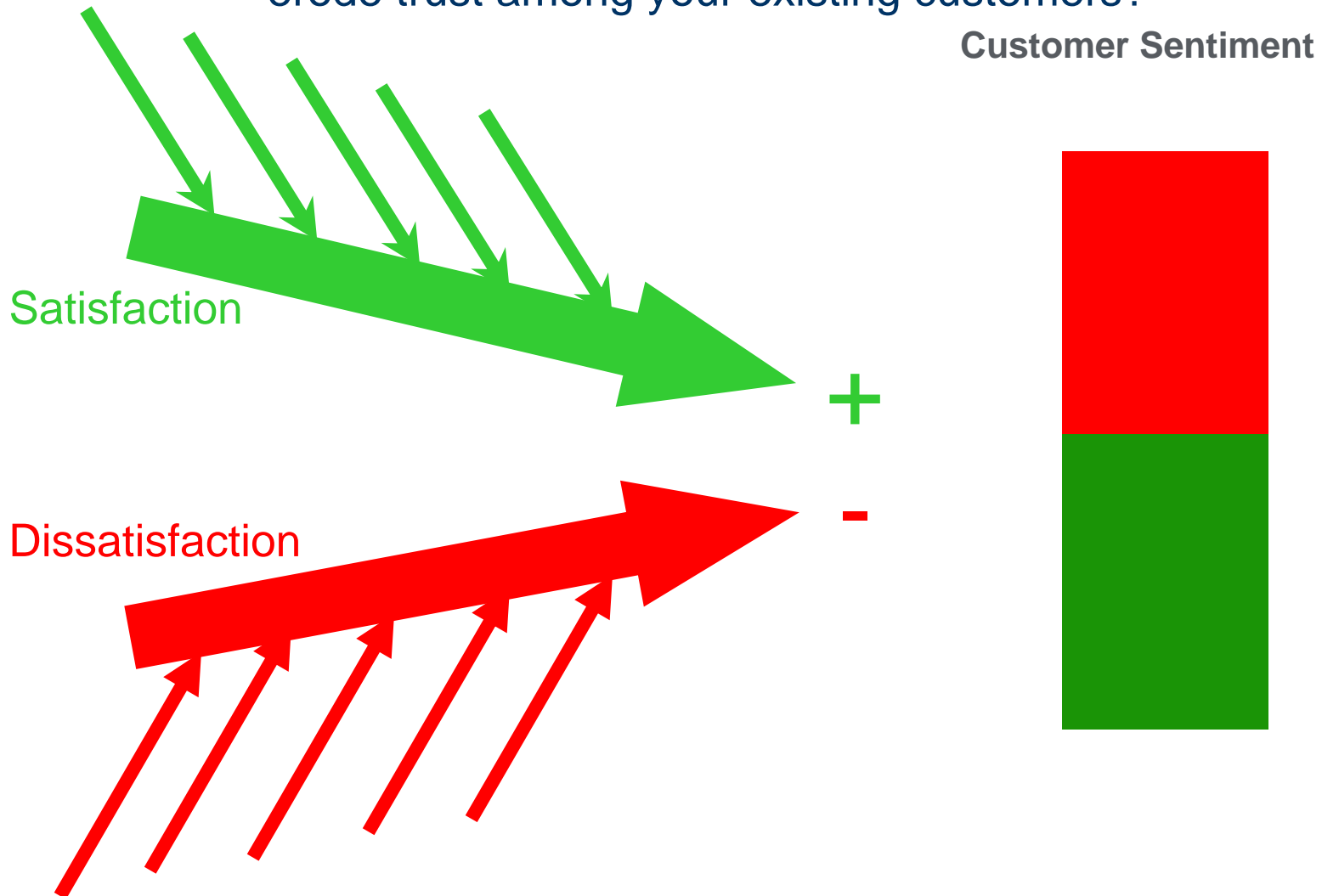
My congratulations to you on getting a yacht to leave on 28th November 2004, sail 27,354 miles around the world and arrive back 72 days later.



Could you please let me know when the kitchen I ordered 96 days ago will be arriving from your warehouse 13 miles away?

What is Getting Your Airtime?

Can every member of your top team list the three things that erode trust among your existing customers?



Building on the Promise

Is your brand really the best option for customers and will it still be next month and next year?

Big and Impatient

Step 1

Delivering on the Promise

Step 2

Building on the Promise



The first big change in soap making in 2,000 years

Building on the Promise

“Fits and starts, fortuitous accidents, vexing dead ends, and slow, laborious work, P&G did not march so much as crawl its way toward the breakthrough”

1946



2008

Tide is always the best laundry detergent

60 incremental innovations

Process innovations

Brand extensions

Consumer and retailer benefits

Building on the Promise

By 2001 Household penetration slowed for 8 consecutive years

Yes, Tide is better



But, that much (50%) better?

Aggressive Competition

Tide with a Touch of Downey, Tide with Febreze, Tide Coldwater

By 2005 these innovations boosted Tide's market share by 5.8%

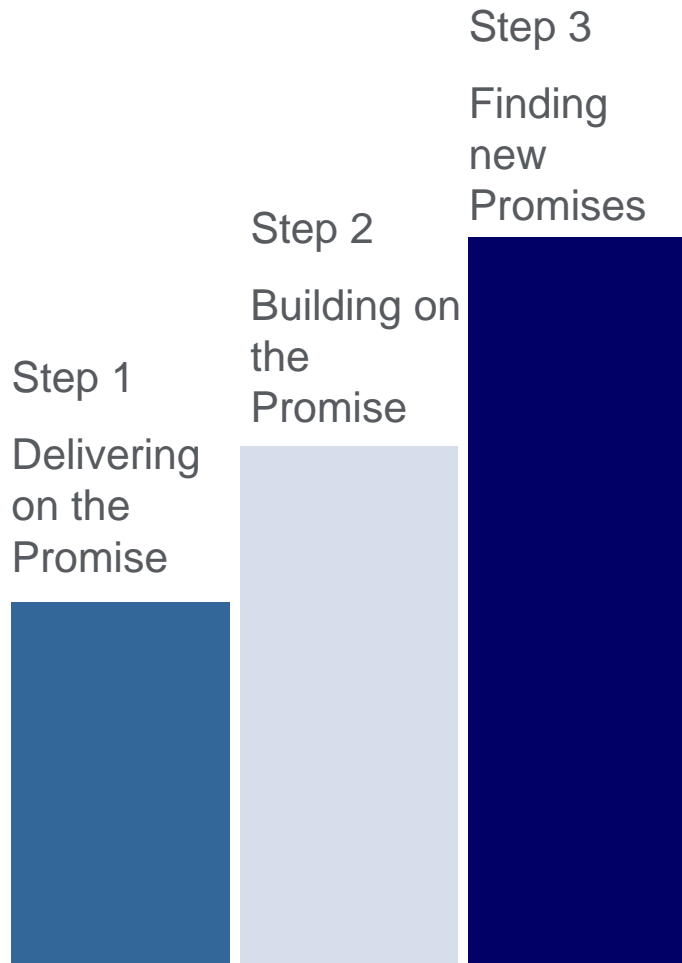
Emotional Mis-connection

Tide knows fabrics best

By 2007 Household penetration 37%, market share 44.5%

Finding New Promises

Have you acted on any novel ideas in the last year which led to a significant innovation beyond the familiar?



1998-2008

Outstripped every F500 co –
Shareholder return 51%

Finding New Promises

....and failing



Finding New Promises



With the Mac, Apple:

- Did not invent the key technologies
- Was not first in the market
- Did not succeed first time through
- Did not rest on its laurels

Finding New Promises



Apple's promise:

We make life enhancing technology truly accessible for the mass market

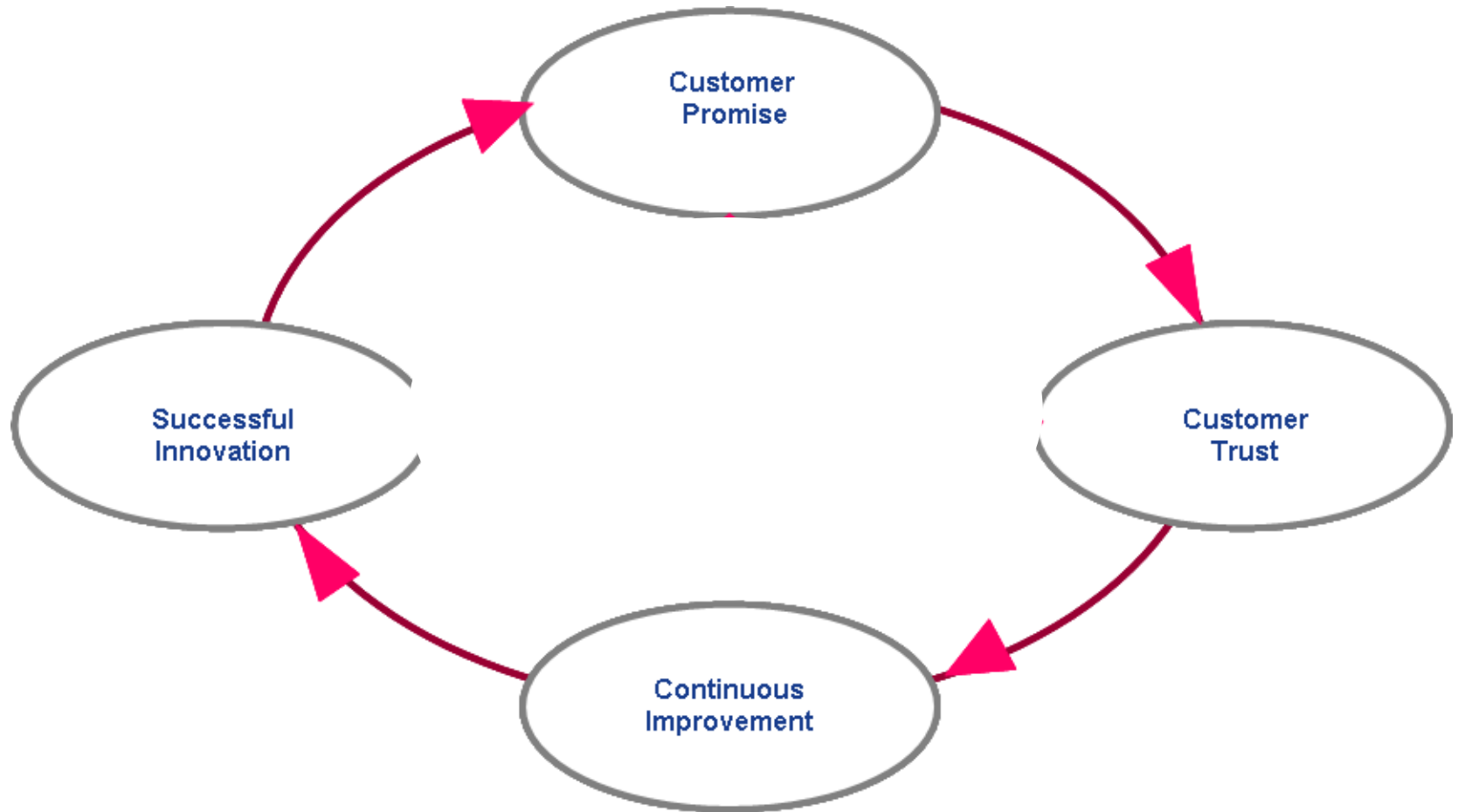
Introducing
iPhone 3G 
The fastest, most powerful
iPhone yet.



A user-centric fast-follower

An aggressive incremental improver

The 'Sweet Spot'



How Open Are You?

Have your front line staff asked you any uncomfortable questions or suggested any important improvements over the last three months?

We're Not As Open As We Think



1 complain to V. P.



“Every layer is a bad layer.....obstructing swift and simple communication...We must create an atmosphere where people can speak up to somebody who can do something about their problem”

Jack Welch



**Front-line
Service Providers**

to front-line



500 who are
dissatisfied

fied
t

in

Source: U.S. Office of Consumer Affairs



Opening Up

"Bad decision, moved too quickly, no controls in place, wasted some money,"

Sheryl Sandberg
Google

"I'm so glad you made this mistake," he said. "Because I want to run a company where we are moving too quickly and doing too much, not being too cautious and doing too little. If we don't have any of these mistakes, we're just not taking enough risk."

Larry Page
Co-Founder and CEO, Google

"We don't have quality problems"

GM Senior Management

"No problem is a problem"

Watanabe-san
President, Toyota

Conclusion

Can your middle managers accurately describe your promise?

In God We Trust.... all others must bring data.

W. Edwards Demming
Quality Guru

Have your front line staff asked you any uncomfortable questions or suggested any important improvements over the last three months?

The 'Sweet Spot'

