Chaotics: Managing and Marketing in the Age of Turbulence

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John A. Caslione is a recognized expert on the global economy who has executed business strategies in 87 countries on six continents. He serves as advisor to large and middle market companies including: ABB, Becton-Dickenson Biosciences, Caltex Lubricants, ExxonMobil, GE, Hewlett-Packard, Johnson & Johnson, IBM and Philips N.V. He is founder and president of global mergers and acquisitions advisor GCS Business Capital LLC.
Drivers of Turbulence and Chaos in “The Age of Turbulence”

- National economies are now all intimately linked, interconnected and interdependent upon each other.

- While global interdependence works in everyone’s favor in good times, globalization's *interlocking fragility* rapidly spreads much pain and damage virally in bad times.
Drivers of Turbulence and its Consequent Chaos

1. Technological Advances and the Information Revolution
2. Disruptive Technologies and Innovations
3. The “Rise of the Rest”
4. Hypercompetition
5. Sovereign Wealth Funds
6. The Environment
7. Customer and Stakeholder Empowerment
Drivers of Turbulence and its Consequent Chaos

- Technological Advances and the Information Revolution
Drivers of Turbulence and its Consequent Chaos

- Disruptive Technologies and Innovations

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<th>DISPLACED/MARGINALIZED TECHNOLOGY</th>
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Drivers of Turbulence and its Consequent Chaos

- Customer and Stakeholder Empowerment
From Turbulence to Sustainability

Turbulence

Chaos Inflection Point

Opportunities

Vulnerabilities

Chaos Inflection Point

Sustainability

Detecting

Analyzing

Responding
The Chaotics Management System

1. Development of an Early Warning System
2. Construction of Key Scenarios and Strategies
3. Prioritize Key Scenarios and Strategy Selection
4. Implementation of Chaotics Management Strategic Behaviors
5. Implementation of Chaotics Marketing Strategic Behaviors
6. Expansion of the Stakeholder Base
7. Flattening the Organization
8. Shortening Strategic Planning Intervals and Multiple Execution Scenarios
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4. Implementation of Chaotics Management Strategic Behaviors

5. Implementation of Chaotics Marketing Strategic Behaviors
Chaotics Marketing: Strategic Implementation

- Take a complete inventory of marketing activities and costs.
- Shed unprofitable segments, customers, and geographies
- Delete poor-selling products and brands
- Weed out under-performing distributors
- Reposition your pricing
- Shift to a more efficient media mix
- Focus on getting more spending by existing customers and less on attracting new customers
- Build stronger relationships with high potential customers
- Experiment with new media to be ready when the economy improves
Budget for marketing research to learn how customers and competitors are adjusting and to test new segmentation and other new initiatives

Retain budget dollars to change product features or to introduce a lower cost version

Spend on reaching key customers to reinforce why it is still wise to buy your product

Budget for consumer and trade promotion

Properly fund highly promising new product launches
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The Chaotics Management System

7. Flattening the Organization

1. Accelerated speed of communication
2. Reduced lines of reporting
3. Accelerate speed to engage in Scenario Planning
4. Reduced filtering or sanitizing information
5. Accelerated speed of decision making
6. Enhanced Stakeholder Early Warning System
   “Touch Points”
8. Shortening Strategic Planning Intervals and Multiple Execution Scenarios
Business Enterprise Sustainability

- Conservatism in Finance
- Sensitivity to External Events
- Awareness of Identity
- Open to New Ideas
- Responsive, Robust and Resilient
  Long-Term Strategy
Critical to such a strategy are:

- The preservation of well-maintained assets,
- Ongoing replenishment of innovative products and services,
- A favorable reputation with customers, employees, distributors, suppliers, governments, and other key stakeholders investing in the business.
In the final analysis, *Chaotics* is not advocating a conservative risk-avoiding approach to strategy, but rather an alert, prudent approach that both protects the business enterprise from disruptive forces that impact businesses during times of turbulence, and yet still advances the interest and does so boldly and methodically.
Key Points

- Build an early warning system.
- Build scenarios including imagining the worst that can happen to your business and, as well as the best that can happen.
- Design your department to be more flexible in their behavior and in their budgeting.
Thank You!

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Upcoming Webcasts

- June 10: **Voice of Success For Women: Simple Vocal Skills That Will Accelerate Your Business Image**
- June 17: **Primal Management: Using Human Nature to Inspire Employee Engagement**
- July 8: **How to Build a Competitive Partnership: A Case Study of Cisco and Microsoft**
- July 15: **Webcast Project Management Skills for the Accidental Project Manager**

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- June 9: Leading Through a Layoff: How to Manage Before, During and After
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Q&A Time