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Companies compete better with 'disruptive processes'

The term “disruptive innovations” refers to inventions that are so radically improved over their predecessors they soon dominate the market. They meet customer needs that, before, were either not being met, or satisfy those needs much better than prior products.

Here are some examples of disruptive processes that touch our lives:

- The electronic fuel injector made carburetors obsolete in auto engines.
- The digital camera changed the way we take photos.
- The compact disc and the iPod revolutionized how we listen to music.

These innovations are, typically, significant improvements to existing products.

The first time I used a twin-blade razor; it was obvious that a single blade razor was never going to carve up my face again. Our new vacuum cleaner easily turns on a large ball rather than fixed wheels. It's simply amazing.

In each case, those early to market with the disruptive innovation find prosperity while those replaced have to quickly figure out how to join the club or risk going out of business.

Most of us dream about the light



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bulb flashing over our heads and providing that one great idea that will leave the rest of the world lamenting, “Why didn't I think of that?”

While we tend to think of disruptive innovations in

terms of unique products (e.g., inventions), it's important to remember that disruptive innovations can also come in the form of unique processes. In other words, having a significant advantage in how we provide products or services can be just as fruitful as what we provide. Examples include:

- Dell revolutionized the personal computer industry when it figured out how to build a customized unit to order and deliver within a couple of days.
- Domino's Pizza became a household name, not because it had the best-tasting pizza but because it could deliver it to customers quicker than anyone else.
- Wal-Mart became the world's largest retailer due to its ability to manage the supply chain and inventory

store shelves, rather than the uniqueness of those products.

Closer to home, a couple of Iowa companies have successfully created a niche for themselves because of how they provide their products.

Custom Made Boxes, in Des Moines, deals in the rather mundane market of corrugated cardboard containers. But owner Mike Wilkinson and his employees excite customers by supplying specialty boxes with no minimum order quantity when their customers need them.

It starts with providing quotes to potential customers within two hours of request and continues through design, production and same-day shipping (if required).

Wilkinson and his crew don't try to be the biggest or the cheapest. They've built their entire business around the ability to quickly quote, design, produce and ship specialty containers.

Interpower is another example. With plants in Oskaloosa, Lamoni and Ames, it produces electrical cords. Again, nothing too exciting there. But Interpower effectively competes by agreeing to provide cords in one week, with no minimum order size. They're not set up

to be the low-cost supplier; but if someone needs just 50 cords with a special connector, they call Interpower.

If a company has a shipment of electrical cords from China stuck in customs, Plan B is often a short lead-time order to Interpower.

Both of these Iowa companies compete — not through product innovation but via process. And they don't try to go head-to-head with competitors from low cost countries based on price.

I've often used the analogy that I'm willing to compete against Mike Tyson; I just want to be able to choose the activity. Chess or Trivial Pursuit? Game on! Golf? Name the tee time! Boxing? Er, no thanks.

These companies choose speed, flexibility and agility as their primary competitive weapons. Many Iowa organizations would do well to follow their example.

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