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The Realm of the Red Queen: Facing Change in the 21st Century

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Abstract

Change in the 21st century occurs at an accelerated pace. American companies who wish to remain competitive in the emerging world market must change the way they face their respective industries and ultimate consumers. The primary drivers that propel this change are global competition, new technologies, and the constricting labor market. In order to face these challenges, survivors are embracing the idea of becoming "learning companies" as defined by Peter Senge This case study follows O'Hair Shutters, Ltd. as the company faces change with other likeminded businesses adapting to survive.

The Realm of the Red Queen: Facing Change in the 21st Century

Change often builds slowly and quietly. When the impact surfaces, it surprises businesses and shatters long held paradigms, completely altering the way a company competes within its industry. In a modern world, where technology rapidly morphs and introduces new possibilities, companies face a dilemma: change or die. This may seem overstated to some; however, in the new world market, the only constant that will be readily noticeable is change. This reality can be intimidating to older companies as they attempt to restructure the way they function and compete. In 1973, Dr. Leigh Van Valen introduced the "Red Queen Hypothesis," or the idea that it is not enough to stay the same; organisms in nature must adapt to survive (Dye, 2005, p. 1). While Van Valen was speaking of science and not communication, his hypothesis applies in both studies. An organism must evolve to stay ahead of its predators; a company must innovate to stay abreast of its competition. The Red Queen Hypothesis stems from the beloved Lewis Caroll novel, *Through the Looking Glass*. Alice reflected that everyone in the Red Queen's kingdom seemed to be perpetually running:

> "Well in our country," said Alice, still panting a little, "you'd generally get to somewhere else—if you ran very fast for a long time, as we've been doing."
>
> "A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!" (Huseman, 1999, p. xv)

The communications world can often feel just as Alice described, forever in motion. Technology, competition and market changes force companies to remain in a constant state of evolution just to maintain their market share. New methods of

communication affect the way these businesses advertise and deal with their consumers. Contemporary media practices also have a significant impact on their day-to-day operations. Delbert L. Stapley, a famous American religious leader, once wrote, "The things we accept as normal and enjoy today were considered impossible twenty-five years ago and beyond the power of man to achieve." R.J. O'Hair, founder of O'Hair Shutters, Ltd., could have never imagined decades ago that his small venetian blind business could turn into an industry-leading, cutting edge, shutter-manufacturing company. He started his business with less than 20 employees, a typewriter, and a few advertisements in a local newspaper. Now, his children and grandchildren are learning to run faster and faster to compete in the Realm of the Red Queen.

Growing up, I was never interested in the business that had been my family's mainstay since 1939. Now, I have become fascinated with the whole realm of window treatments. It is not the actual shutters themselves that have so captured my attention, but the process of change in becoming a *learning company*. A learning company must structure itself to remain in a constant state of innovation (Pedler, 1998). Up against the cyclone of change that constantly rushes across the United States, it is difficult for any business to develop fast enough to please new consumers. Too often, generations-old family businesses are forced to shut their doors because they simply cannot adapt quickly enough to compete with newer, technologically perceptive companies. Obviously, one company cannot represent the thousands of businesses throughout the world with their unique challenges and solutions. However, examining O'Hair Shutters, Ltd. and its journey can help to better explain and understand what will be the focus of this study: the forms of change, the process of becoming a learning company, and communications

expansion. This case study will follow the upward battle of one company as it navigates uncharted waters and learns how new media affect its marketing.

The Forms of Change

Before examining the factors that drive the current accelerated pace of change, it is important to understand the fundamental nature of change. The famous author, H.G. Wells, was a prolific writer in the nineteenth century whose works focused on the future and time-travel. He was also a great historian. Whenever interviewed and asked how he dreamed up his fantastic futuristic worlds, he always remarked that the only way to predict the future was to understand the past (Huseman, 1999, p.xiii). Wells was no fortune reader or prophet. He simply understood the principle of learning from past mistakes and observing world trends. O'Hair Shutters, Ltd. has almost seven decades of history to learn from and to ignore it would be to disregard a unique resource.

Often when faced with a "change or die" situation, companies resort to a short-term plan to combat their foe, whether it is in the form of new competition, emerging technology, or shifts in the labor market. These near-sighted methods, however, do not fix the problem; they only further delay a true healing. Richard C. Huseman and John P. Goodman (1999) in *Leading with Knowledge: The Nature of Competition in the 21st Century*, said that "…companies are beginning to balance the short term fixes of restructuring with the long term opportunities of relearning" (p. x). This balance can be a delicate one. For example, O'Hair sometimes must purchase new machinery with the foreknowledge that it will be replaced in four to five years. For O'Hair Shutters, relearning has meant fresh product lines, a new operating system, and a new target audience. One of the keys to becoming a learning company is recognizing that, even if a

company is experiencing a period of rapid growth, preparation for a future of slower growth is imperative. Peter Senge et al. (1999) relate business expansion with nature's laws: "There is another old saw in biology that says 'nothing grows forever.' While reinforcing exponential growth is nature's vehicle for expansion, it never operates unchecked" (p. 59). From 1975 to 2000, O'Hair experienced power curve growth. Steadily and constantly increasing, O'Hair was struggling to increase production capacity and had no time to look forward. In the year 2000, the growth curve flat lined. Rather than growth, mild recessions in volume now categorize O'Hair's volume curve.

Just as development in a business operates in a cycle, so do change initiatives. The primary problem with most new programs that promise extraordinary results is that they only modify actions rather than the core ideas behind them. Arthur D. Little and McKinsey & Co. each conducted independent studies in the 1990s regarding change projects and found that two-thirds of total quality management programs fail. These initiatives "grind to a halt because of the failure to produce hoped-for results" (Senge et al., 1999, p. 5-6). Employees and management quickly become disillusioned as the program either starts out strong and dies out or never really takes off. Understanding that significant transformation follows a life cycle and recognizing the limiting factors of change can help a change initiative to be more successful. Peter Senge (1999) in his book *The Dance of Change* explains that growth in nature and in business is the result of a constant interchange between growth processes and limiting factors. Leaders of companies who wish to survive a rapidly changing world must examine this interchange. Change is ambiguous in that while one knows it will occur, the form of approaching

change is typically unforeseen. However, three forms of change stand out: international competition, technology, and the labor market.

International Competition

International competition has become the most feared foe of U.S. businesses, especially manufacturers. In the Asia Development Outlook of 2003, this movement was recognized: "Competition has become increasingly international and, in many industries, completely global" (p. 58). Intertwined with competition is globalization. As technology has removed communication barriers, a global economy has emerged and trade flows freely across international lines. The Outlook also recognized that businesses whose former output was drastically limited by the size of their domestic market, "now have the chance to reap greater advantages from economies of scale by 'going global'" (p. 58). These foreign companies have launched a full-scale attack on U.S. industries as the price of imported goods falls drastically below those produced in the U.S. This environment of competition in the global marketplace has created what Joseph Schumpeter, an Austrian economist and political scientist of the mid 1900s, called "creative destruction" (Killkullen, 1996, p. 1-2). The premise of the phrase is that drivers of change are constantly reinventing the environment in which businesses compete. Entrepreneurs are responsible for innovations, such as the development of new products or production techniques. These innovations come in clusters and cause the eruption of change in the market. The depression, or vacuum, is the result of the process of adapting to the changed conditions introduced in the boom. The elimination of companies that do not develop quickly enough creates a vacuum for new companies and technology to emerge. Schumpeter (1945) described the dynamic force of innovation in *Capitalism, Socialism,*

and Democracy: "The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers, goods, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates" (pp. 82-85). With the onset of international competition, companies are forced out of any sense of security to enter a competitive battle for their segment of the market.

The U.S. automobile industry is a prime example of competition from overseas driving change in the U.S. (Huseman, 1999). After WWII, the big three in the automobile world, General Motors, Ford, and Chrysler, paid no attention to the small car manufacturers overseas, primarily in Germany and Japan. The big three's dominance in the auto industry made them overconfident and they ignored international competition as a real threat. Then the 1960s hit, and with these years came the onset of the smaller automobile. This marked the start of the growing ascendancy of Europe and Asia in global markets. Edward Deming, a famous American statistician and management consultant, led Japan in its rise to the top of the automobile market. Deming focused on one key message in his dealings: quality improvements in production lead to higher productivity and market share. He revolutionized Japan's manufacturing through his management ideas: "To successfully respond to the myriad of changes that shake the world, transformation into a new style of management is required. The route to take is what I call profound knowledge - knowledge for leadership of transformation" (Deming, 1993, p. 97). Deming understood the importance of creating a steadiness of purpose for the enhancement of the product or service, the ultimate goal being to become competitive. The automobile world is just one of many industries confronted with

international growth. The margin of U.S. companies in the world's top 100 companies fell from 64 in 1970, to 24 in 1995, placing the U.S. below both Europe and Japan (Huseman, 1999, p. 27).

O'Hair Shutters began to face this same fight at the turn of the millennium. Up until 2000, overseas competition in the window shutter industry had been insignificant and posed no real threat. The onset of the twenty-first century brought a new era and new competitors. Taiwanese producers tapped into the market, setting up manufacturing in China, using their inexpensive labor and lower costs of production to challenge the U.S. shutter market. Norman International, the leading shutter producer with facilities in China, manufactures a finished, ready-to-install product. Norman makes its economy line using composite construction, combining particleboard and plastic. O'Hair, in contrast, focuses on shutter millwork, using real wood to manufacture individual, unfinished shutter panels. O'Hair's dealers customize and finish those panels, installing completed shutter units.

Since the year 2000, roughly 25 of O'Hair Shutters' dealers added the Norman line to their offering. The threat that is now largely carried out by Norman is not their ability to steal existing volume or customers; instead, they have affected O'Hair by capturing most of the growth in the market. Many potential consumers, when faced with the choice of either increasing their shop facilities to become a customizer dealer of O'Hair or becoming a Norman distributor of finished panels, choose the latter. Responding to such aggressive international competition is a process that has forced O'Hair to reevaluate its position in the industry and focus on another market foray: woodworkers. According to Hammer and Champy (1993) in *Reengineering the*

Corporation: A Manifesto for Business Revolution, the best way to meet international competition is with four key words: fundamental, radical, dramatic, and processes. The first two are the most important.

Fundamental: asking the right questions is imperative. Getting down to the core of why a company operates the way it does is difficult. The process must be done with no assumptions. A business cannot simply ask how to do its work more efficiently, but must challenge the necessity of the very action itself: "Reengineering takes nothing for granted. It ignores what is and concentrates on what should be" (Hammer and Champy, 1993, p. 33). A prime example of this is O'Hair Shutters' marketing plan. From 2002 to 2004, O'Hair implemented its "Get Real" advertisement campaign. This series of trade ads ran in several window-covering magazines that catered to designers and window covering retailers. These retailers are typically interested in adding shutters to their mix of window treatment options. O'Hair had previously advertised and successfully sold to this market sector and felt the need to regain its share of this niche lost to the Chinese manufacturer, Norman. The ads highlighted the superiority of real wood shutters and were excellent in both design and content. The marketing effort failed miserably, however. The campaign's lack of success resulted from O'Hair's marketing team asking the wrong question. O'Hair attempted to find a better way to advertise to retailers, rather than questioning if competing for this market was still viable. After two years of talent and money wasted on the campaign, O'Hair realized that Norman had forced them out of the window covering retailer market, and it was time to refocus its target audience. That audience is woodworkers. O'Hair always had a portion of developing new dealers who were woodworkers first, but had never considered the potential of advertising aimed at

this demographic. Recent advertising efforts are proving the new target to be successful. Making no assumptions and calling into question the necessity of every action may seem frustrating, but it can help companies to avoid costly mistakes and blunders.

Radical: getting to the core of a company's ideas is vital. International competition often succeeds because these companies reinvent the way work is completed. It is not enough simply to alter the processes already taking place, new ways of realizing the work must be created. Radically changing work methods comes as a direct result of asking the right questions. Foreign competition has forced hundreds of companies, just like O'Hair Shutters, to reinvent the way they approach their individual industries. One of the ways foreign competition is challenging U.S. markets is through new technologies and the accelerated pace at which these innovations emerge.

Technology

When the Red Queen tells Alice in *Through the Looking Glass* how old she is, one hundred and one, five months and a day to be exact, Alice declares that it is simply impossible to believe such a statement. To this, the Queen replies that she must close her eyes and try:

> "There's no use trying," said Alice. "One cannot believe impossible things."
>
> "I daresay you haven't had much practice," said the Queen. "When I was your age, I always did it for half an hour a day. Why sometimes I've believed as many as six impossible things before breakfast. (Peters, 2003, p. 63)

Lewis Carroll's whimsical children's story holds many predictions for the future. Ray Kurzweil, an esteemed inventor and comparable to the likes of Thomas Edison, believes in impossible things. In his essay, "The Law of Accelerated Returns," Kurzweil (2001)

explains how his study of the history of technological change shows that it is growing exponentially. He has predicted that there will be one thousand times more technological change in the 21st century than there was in the 20th century (Peters, 2002, p. 23). This number is staggering in its magnitude. The technological world seems now to revolve around making once impossible things possible. With the onset of computers and the internet, processes that used to take weeks now take minutes. Companies that embrace technology enable themselves to survive in today's communications world.

O'Hair Shutters has seen the impact of most major new technologies in the past century. Utilizing these new tools has become an integral part of its business process. For O'Hair, the issue will not be recognizing technology's impact on the industry, it will be facing the quickened pace of the change: "In the past…although technology had the ability to change an organization, it typically took a considerable amount of time for the change to make its full impact on the corporation" (Huseman, 1999, p. 32). Businesses became used to meeting technology at a slower pace and, thus, felt no urgency in converting their old practices. O'Hair Shutters certainly fell into this line of thinking. In the eighties and early nineties, production was at capacity. The marketing department was so inundated with the work of taking orders from current customers; it did not have the time to generate new sales leads. Unfortunately, this trend died out with the onset of foreign competition. In the late nineties, it became quite clear that marketing, ignored for the greater part of a decade, could not be pushed aside any longer. Many companies, like O'Hair, have found like Senge et al. that, "…thanks to the delays inherent in the system, the challenges of profound change are already probably upon you. By the time they become visible, they will be stronger and much more difficult to manage" (1999, p. 62).

The communications world had already begun its period of rapid transformation. However, O'Hair did not recognize the need for new marketing until the situation had elevated into a crisis. Utilizing new technology like the web, video, and new operations software has now become the battle cry of the company's marketing war.

Modern communications and information technologies are broadly accessible and enable consumers to personalize their media experience. This includes what advertising they choose to view and how often they interact with a product. The current generation's obsession with individualism has changed the way a company must market and interact with its customers. Just as important as the modes of communication between a businesses and consumers, is the way in which a company interacts within its own infrastructure. In 2004, the executive board of O'Hair Shutters made a critical decision to update the company's main software system. With the help of SAP, North America and its consultant network, the company launched its "go live" on R3 software in October of 2005. The system is known as an MRP, or manfacturing resource-planning package. O'Hair's MRP requirement is extensive in its integration with finance, human resources, and marketing functions. R3 paved the way for all the non-traditional media O'Hair Shutters has since used and will continue to integrate into its marketing. The conversion to the software was only one of many examples of O'Hair Shutters' effort to keep ahead of the communications technology flow. While most aspects of the new software related primarily to the production side of the company, SAP also provided new ways to communicate within the business itself and with consumers.

In spite of technology's impact, it is important to remember that technology alone cannot transform a business. O'Hair Shutters has developed a unique position about

technology that incorporates an attitude of responsibility towards its employees. O'Hair never replaces people with technology. When new machinery reduces the number of employees needed in one section, O'Hair will simply shift those employees to another section. This reflects the attitude of stewardship the company feels they have because of the amount of employees who depend on the O'Hair Shutters as a source of livelihood. Capezio and Debra Morehouse (1993) point out that a company must develop a habit of listening to its consumers and developing solid relationships with suppliers and employees (p. 84). Focusing on the "human side of enterprise" in order to deal with a shifting labor market is imperative to staying on the continuous road to improvement.

Labor Market

However advanced technology becomes, it will never be able to replace entirely the need for human ingenuity. This initiative is often hard to find in today's labor market, a market that is becoming increasingly sparse. Jeff Joerres (2007) in "Changing Labor Market" understood there are many factors that have contributed to the shifting labor market: "Dramatic changes under way in the world's labor markets. These include outsourcing, aging populations and an increasingly severe shortage of talent, even in places like China" (pp. 57-58). O'Hair Shutters has faced the fight of maintaining an able workforce of trained individuals. Three primary culprits contributing to the shrinking market of employable labor are the retirement of baby boomers, three decades of large-scale birthing rate recession, and our failing school systems.

Approximately 76 million people were born between 1946 and 1964. The sheer magnitude of this number reflects the impact it had and will continue to have on the work force of the United States. When the baby boomers reached working age, 15-32, in the

late seventies, they comprised 45 percent of the workforce (Dohm, 2000). As this entire generation continues towards retirement, its mass exodus from the workforce will exacerbate an already tight labor market, especially in industries such as manufacturing. Aggravating the situation is the relative small generation following behind the baby boomers, creating a vast deficit in the labor market. Hit hard by the lack of blue-collar workers, O'Hair Shutters, like many manufactures, feels society's growing distaste for manual labor. Current culture has discounted blue color work as an inferior alternative to a four-year degree. Many manufacturers are frustrated with society's views and consider trade school as a valid alternative for individuals with strengths in kinesthetic aptitudes and other learning differences.

Low unemployment has forced O'Hair Shutters to reduce its interview qualifications. Starting in 2002, O'Hair relaxed their job requirements from holding one job for one year to holding one for just nine months. In the past two years, standards fell even lower, and now potential employees only have to cite one job they held for six months. Another negative impact of a smaller workforce is the prevailing attitude among blue-collar workers. Knowing that their services are in high demand and that it is easy to obtain jobs, workers today will not tolerate being mismanaged. This has forced O'Hair to spend more resources on specialized employment legal services to protect themselves from wrongful termination lawsuits.

The school systems have also greatly affected the labor market. David R. Schwandt and Michael J. Marquardt (2000) in their book, *Organizational Learning: From World-Class Theories to Global Best Practices,* felt that public schools' inability to adequately prepare students for work was to blame for increased skill shortages. The

shortage of capable workers has also forced O'Hair to change its spending habits. Whereas formerly, a high school graduate entered into the job market with a strong set of skills, now one in five students graduate from high school while being functionally illiterate. In addition to educational deficiencies, the emerging labor market possesses a patent generational loss of the will and discipline to just show up on time and work hard. Over the last five years, O'Hair has increased its spending on training programs from $10,000 to $75,000 a year. In addition to onsite training, O'Hair also offers training reimbursement for any further education employees receive outside of work hours. The focus of the onsite programs is not only to help employees to develop their skill set, but also to instill in them a sense of pride in their work.

The labor market has become a major driver of change as companies are seeking to eliminate the need for human workers. O'Hair has just recently entered into a planning phase to reorganize their assembly section. The difficulties O'Hair faces in finding and keeping qualified assemblers has made the time and money it takes to train a new assembler not cost efficient. As such, O'Hair has begun the path to develop technology that will enable their assembly section to keep up with the growth in the production.

Response to Change: The Learning Company

The three major drivers of change have undeniably influenced O'Hair Shutters. International competition, technology, and a shifting labor market created a need for the company to initiate the process of becoming a *learning organization*. This catch phrase, coined in recent years by Peter Senge, is what many writers are using to refer to businesses that have reinvented themselves. One definition of the phrase is found in *The Learning Company: A Strategy for Sustainable Development*: "A 'learning company' is

an organization that facilitates the learning of all its members and continually transforms itself" (Pedler, 1998, p. 56). The transformation process involves several distinct phases, combining to make a company more readily capable of facing change. This idea may seem ridiculous, structuring a corporation to be in motion. However, larger, more cumbersome organizations have begun to envy the quick adaptation of smaller businesses.

The old metaphor of a business being a machine is no longer applicable. O'Hair Shutters' production facility is filled with machinery. These machines have many parts that work together to produce an action. Problems develop when one part of the machine becomes slow or needs to be replaced. The machine must be completely shut down in order for engineers to fix the damaged portion. In today's communications world, a death knoll would ring for any company that stopped marketing or interacting with their consumers to fix a problem. Rather, compare modern businesses to a chameleon. They change their appearance in order to adapt to their environment. Companies must take on different, ever-changing roles as they face their various publics: consumers, employees, dealers and stockholders. Innovation is the new cornerstone for businesses who wish to survive. Harrison Owen (1991) in his book *Riding the Tiger: Doing Business in a Transforming World* described how in the past, the purpose of business was to create a profit and a product: "there is now a prior, prime business, which is to become an effective learning organization…without continual learning, profits and products will no longer be possible. Hence the strange new thought that the business of business is learning—and all else will follow" (p. 1). The products and services companies offer to

the public are still important; however, a business' ability to foresee the future trends and wishes of consumers is vital.

David Skyrme of David Skyrme Associates, a consulting firm that specializes in advising senior executives on how to implement successful knowledge-based strategies, described the key component of a learning organization (2003). A company must become adaptive to its external environment. The focus of this step is to evolve the core ideas and beliefs, the theory of business, behind a company's day-to-day operations. Senge et al. (1999) used nature's growth processes as a comparison to the business world: "Biology teaches us that leadership strategies are not enough . . . [you] must have the full organizations cooperation and leaders should focus on limits that will slow or stop growth" (p. 8). A significant change cannot occur by a handful of people at the top. An entire organization must embrace a clear theory behind business.

Theory of Business

Companies cannot allow a theory of business to remain stagnant. The theory must develop alongside the company it represents. Peter Drucker wrote, "The theory of business has to be tested continually. It is not graven on tablets of stone. It is a hypothesis. And it is a hypothesis about things that are in constant flux—society, markets, customers, technology. And so, built into the theory of business must be the ability to change itself" (Senge et al., 1999, pp. 493-492). As mentioned before, O'Hair has recently redirected its marketing efforts towards a new target demographic, woodworkers. For years, the target market had remained retailers. O'Hair had to allow its theory of business, including whom the company marketed towards, to change along with the shifting of the shutter market.

While it is very important to maintain a theory of business that has the ability to adjust, it is also vital to develop a mission statement that remains solid despite industry shifts. This mission statement answers the fundamental question of the very nature of the company. Sherry Ferguson (1999) in her book *Communication Planning* defines the mission statement as the "ultimate objective of the organization and the most important strategies to be applied in attempting to achieve the ultimate goal" (p. 4). On the company website, O'Hair expresses its own mission statement, "to continue building a solid reputation for delivering quality products and customer service" (p. 3). O'Hair's the ultimate objective has always been to produce quality shutter treatments throughout all industry changes. According to Harvard Business Essentials (2006), everything you do in marketing must align with your business strategy (p. 2). For O'Hair, this strategy involves a unique partnership between O'Hair and its customers. This is an example of an important strategy utilized to achieve the company's ultimate goal. As briefly explained before, O'Hair Shutters provides the millwork, or the manufacturing of individual shutter panels, and its customizer dealers take those panels and fabricate them into completed shutter units. Regardless of how technology or competition change the way in which the company accomplishes this goal, O'Hair's business philosophy, one that involves collaborating with other small business, will never change.

After the initial effort to become a malleable company, comes the ongoing process of enhancing a business' ability to change. Leslie Warner, former chair and CEO of General Telephone and Electronics, described this daily process by saying, "Communication must be continuous and it must look ahead . . . good communication

must be a day-after-day fact of corporate life" (Reuss & Sildis, 1981, p. xi). This statement is astute in its simplicity.

During the summer of 2006, I worked in the Marketing Department of O'Hair Shutters as an intern. Brant O'Hair, CEO of O'Hair Shutters and my father, assigned me the project of updating a video presentation for the promotion of the Millwork by O'Hair product line. I was to write the script, initiate negotiations for the videography and animation, work on-site with the videography staff, supervise the editing, and at the end of the summer, have a completed DVD ready to be distributed. Everyday I faced the challenge of keeping our project on course and, more importantly, maintaining a long-range view of what the new DVD could do for O'Hair. Instead of just focusing on what we were trying to accomplish in the present year, I made provisions for adding to the content. I wanted the DVD to be able to advance with the company and not remain stagnant with old information. One very small example of this was the fact that we recorded two versions of the plant tour segment concerning shipping. The content included a fixed charge per shipment called the freight constant. The first version contained the current amount of thirty dollars. Knowing that within the next year, pricing would increase due to fuel surcharges, we taped another version with the thirty-five dollar freight constant. This small detail allows the company to shift easily to the new pricing structure without having to worry that its marketing tools are out of date. However small this example, it represents a way of thinking that if a company embraces, can help them to adapt quickly.

Brand Uniformity

A learning company must also focus on developing a uniform brand identity that extends from internal communication with employees to external contact with dealers and consumers. A marketing strategy that focuses on uniformity develops a strong sense of connection with a company's publics: "A brand reaches out with a powerful connecting experience. It's an emotional connection point that transcends the product . . . a great brand is a story that's never completely told" (Peters, 2002, p. 155). In 2003, O'Hair Shutters began its drive to create a brand identity that would pull together all its marketing efforts into one large-scale effort. This included a conversion from the O'Hair Shutters brand name to Millwork by O'Hair™. In 2006, the executive board of O'Hair Shutters needed a more palatable connotation for associating brand identity with its Homeowner Rated™ dealers. Homeowner rated dealers participate in O'Hair's cooperative marketing program. The key phrasing is, for example, "Whitney Burns Shutters, customizer of Millwork by O'Hair™", rather than "Whitney Burns Shutters, customizer of O'Hair Shutters". The former better supports the message that O'Hair produces the millwork, while its dealers do the custom work. The specific phrasing above actually appears on marketing materials such as sample bags, used on retail visits to the home. O'Hair Shutters' dealers appreciate the new phrasing as it allows consumers to understand better the value added by the dealer, making the product as much theirs as O'Hair's.

Similar to O'Hair Shutters' branding strategy is the approach Coca Cola utilized to climb to the top of the soft drink industry. Asa G. Candler was the first president of Coca-Cola and through his efforts helped Coke to become the first brand to control the national market (Huseman, 1999). The brand identity created by Candler and his son,

Charles, was centered on the idea of uniformity. He wanted every salesperson of the soft drink to use the same marketing tools. His son described the training of these men:

> If he was not already sold on Coca-Cola, he was thoroughly acquainted with its merit and was afforded the opportunity of watching its manufacture, particular attention being called to the quality of ingredients used; the profit to be derived by a retailer in dispensing Coca-Cola was demonstrated to him; the various pieces of advertising material were displayed to him and he was taught how to best use them. (Huseman, 1999, p. 11)

O'Hair's recent marketing strategy follows Candler's overwhelmingly successful approach to marketing. As mentioned earlier, O'Hair invites all its customizers to participate in the Homeowner Rated program. O'Hair asks retailers to deliver surveys to homeowners upon completed installation. Based upon these responses, customizers receive a rating and consumers can access this score in O'Hair's web site. Not only does this allow homeowners to learn the caliber of the company they are potentially going to deal with, it also helps O'Hair Shutters with quality control. If a company reaches a Homeowner Rated Gold status, O'Hair gives it the option of entering into a subsidized cooperative marketing program. This means that 2 % of every order placed will go into a fund set aside for brochures, literature, commercials, DVDs, etc., to cover costs on a 50/50 basis. O'Hair also provides the creative and practical means to produce many of these marketing tools at a low cost based on volume purchasing.

Just as Candler's training for Coke salespersons involved assistance with advertising, O'Hair becomes more than just a shutter provider. Also, this type of uniform marketing allows O'Hair to largely control brand presentation and identity. Along with

providing marketing for retailers, it is important to understand that creation of a strong brand requires all communicators to be privy to all information. O'Hair's customizers cannot convey a message they do not understand and improvisation is never good. Ferguson (1999) in *Communication Planning* pointed out that, "Communicators must understand the mission, mandate, and strategic objectives of the organization" (p. 12). Along with assisting customers with marketing, O'Hair has initiated a training program to orient customers with the company's processes and theory of business. A uniform brand is essential to creating a lasting impression in consumer's minds. In order to form such a brand, businesses must employ a unique combination of strategic planning and trial and error.

Strategic Planning vs. Trial and Error

Many companies spend thousands of dollars and countless hours developing the ever-impressive strategic plan. This practice has undergone a transformation, however. No longer can corporations make a ten-year or even a five-year plan and expect to follow it through with no changes along the way: "Frequent updates to relatively long-term strategic plans enable the organization to respond to threats from changes in the technological, economic, political, demographic, and other societal spheres" (Ferguson, 1999, p. 3). As the communications world accelerates, so has the debate between strategic planning and rapid-fire trial and error.

Harvard Business Essentials relates the art of strategy to the art of warfare. In war, you must understand not only your opponent's strengths and weaknesses, but also your own. Just like in any war, the ultimate end goal is to divide and conquer by

understanding where the company fits within its trade and how to accomplish business goals. Historian Mead Earle, described strategy as "the art of controlling and utilizing the resources of a nation…to the end that its vital interests shall be effectively promoted and secured" (Harvard Business School, 2006, p. 3). Oftentimes, however, it is simply impossible to utilize resources that are constantly shifting. What once was a company's strength can easily fade into the category marked, antiquated. Tom Peters in his book *Re-imagine* (2003) felt that a company must never count on current advantages to propel it into the future: "We must learn that excellence is not something we can 'envision'. We create it as we go along. Then blow it up, and start anew" (p. 305). I found myself an unknowing participant in this argument during my internship. Having never participated in a professional video, I found myself lost at times. Due to my lack of experience, I relied heavily on detailed planning during the first phase of the project. I thought my time saving organizational skills would make up for any errors in planning. And this proved to be true, some of the time. A written plan and schedule helped to give all those involved a clear picture of the overall direction in which we needed to move to get things done. But within this schedule, for ordering equipment, shooting, and editing, there became an apparent need for rapid-fire trial and error.

Having never shot in a manufacturing facility before, the two men hired to film and edit the video faced many unknowns. I gave them a plant tour and allowed them to conduct field tests with all their equipment several days before we began shooting. But even with all their assessment and my research, we made mistakes. Research is important and can never be overlooked. Invariably, however, companies encounter mistakes and problems along the way. Barry Feig (1999), in his book *Winning Marketing*

Strategies expressed it well when he said, “Marketing is not for the fearful. Nor is it for the person who is overwhelmed by the breadth and complexity of the American marketing scene that he or she is afraid to blaze new trails” (p. 220). The simple montage your mother taught you applies in such situations; you never make the same mistake twice. The videographers spent time filming machines only to discover in the editing room, that the shots they had were not what they needed. By keeping their mindsets constructive, however, they were able to develop new ideas of how to best film the machinery. Peters (2003) understood that innovation comes from failure. He describes a conversation between Regis McKenna, Silicon Valley’s marketing wizard, and Robert Noyce, co-inventor of the integrated circuit and co-founder of Intel:

McKenna: “A lot of companies in the Valley fail.”

Noyce: “Maybe not enough fail.”

McKenna: “What do you mean by that?”

Noyce: “Whenever you fail, it means you’re trying new things.” (p. 27)

Noyce understood the power of failure. True innovation cannot be born out of fear. A fearful business will soon find itself fading into the shadows of corporate America along with other businesses who did not find a new way to compete. Bill Gates, head of mega-business Microsoft, once said. “In the corporate world, when someone makes a mistake, everyone runs for cover. It’s fine to celebrate success, but it’s more important to heed the lessons of failure” (Feig, 1999, p. 220). Failure is a central part of the creative process. The DVD project I managed was new territory for everyone involved, so strategic planning could not have covered every possibility. I learned to allow for the unexpected.

The debate between strategic planning and trial and error cannot be resolved with a definitive answer. The solution is a combination of both. However small the project in the pool of the business world, I learned a vital lesson many businesses are learning today: embrace failure. O'Hair's past failures are what propelled them into their recent successes.

"More Than Just"

Change occurs so rapidly that forging "new territory" will become the day-to-day norm. A company that not only faces change, but also embraces a shifting culture, requires more than just a strong theory of business or brand to survive. For decades, the elegance of the real wood shutters O'Hair produced was enough to keep its business thriving and customers content. However, an excellent product is no longer enough to ward off the perpetual wolves growling at the door. Understanding that a product or service is just the beginning and that customers demand more from businesses is the central driving force of the future. This concept of becoming "more than just" is a necessity and the compiled result of competition and technology. O'Hair's fight with China for example was the force that catapulted the company into its successfully developing cooperative marketing program. Peters (2002) pointed out that in a price conscious America, "Customers will try 'low-cost providers,' because the majors have not given them a clear reason not" (p. 86). O'Hair's customers will continue to try Norman's less expensive plastic shutter line unless O'Hair transforms into "more than just" a shutter provider. Most of the customers O'Hair partners with are family-owned businesses, woodworkers, men who do not have the time or the expertise to market themselves. That fact has allowed O'Hair a venue to expand what it brings to the

customer's table. No longer just a shutter producer, the company is now becoming indispensable to its dealers. The trend of growing a company's capabilities is crossing industry lines; the ability characterizes businesses that are preparing for the future. Marty Feinstein, CEO of the Farmers Group explained his own company's transformation. "No longer are we only an insurance provider. Today, we also offer our customers the products and services that help them achieve their dreams, whether it's financial security, buying a car, paying for home repairs, or even taking a dream vacation" (Peters, 2002, p. 87). In a global market as competitive as the one in which businesses exist today, it is important to offer consumers a lifestyle, not just a service. Jerry Garcia, the lead guitarist and vocalist of the 1980's band, The Grateful Dead, made the following statement that sums up the "more than just" concept: "You do not merely want to be considered the best of the best. You want to be considered the only ones who do what you do" (Peters, 2002, p. 158). O'Hair Shutters entered the fray of the window covering industry and discovered that becoming the source of quality millwork and marketing was essential to distinguishing themselves from their competition.

Many companies, like O'Hair Shutters, have felt like the perpetual Alice, running to keep up in the Red Queen's world. She slows down for no one, and constantly increases her want of "impossible things". However, O'Hair Shutters reflects the ability of some future-minded business to adapt and survive. Many factors contribute to the evolution of the communications world. International competition has set the example for the U.S. and catapulted the technology industry into a period of rapid modernization. The tight labor market has led the way to innovation and demonstrated the need to depend less on a human workforce.

To face these drivers of change, new learning companies now focus on the growth of knowledge. These companies are realizing the need to develop theories of business that change with the company rather than remaining stagnant with old ideas. Their growth includes the creation of strong brands that represent lifestyles and not just products. Finally, the learning company understands the balance between strategic planning and allowing for error. O'Hair Shutters has seen both failure and success throughout seven decades of business. As a company, O'Hair has embraced the idea that simply staying equal with the changes outside the organization is not enough. Albert Einstein once wrote that "No problem can be solved from the same consciousness that created it; we must learn to see the world anew" (Schwandt, 2000, p. 16). The Realm of the Red Queen is a new world, a world of change. The most important lesson I have learned in observing O'Hair Shutters battle is simple, but I leave you with it: in nature and in the business world, change is not to be feared, but embraced. Because without it there would be no life.

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