

Marketing Inside the Loop

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The OODA (observe, orient, decide, and act) loop and E&M (energy and maneuverability) are concepts developed by and for fighter pilots. These concepts also represent useful models for effective food and food technology marketing during challenging times in the marketplace.

If you think “marketing” means “advertising and communications,” this article isn’t for you. If you define “marketing” as competitive business strategy, read on...

Marketing is about business flexibility and the ability to maneuver over and around competitors, as well as other obstacles, such as the economy. This article is about a new way of looking at business strategy and how the lessons of aerial combat strategy apply to business competition in the food industry marketplace. Given today’s new economic realities, this is essential to survival.

It’s about OODA decision-making loops and using E&M to your advantage.

Marketing as Strategy

Food technology suppliers employ a wide variety of tactics to market and sell their wares. Some suppliers display their ingredients at tradeshow exhibits, much like they do at a farmer’s market. Others doggedly knock on company doors at an average cost of \$350 per sales call—the more, the better. Others flood the market with advertising, but what’s their message? Meanwhile, others take pride in “marketing” their ingredients on shoe-string budgets, but what does that say about their supplier? Large food companies market their product using well-honed internal models—not much to change there. Some companies sell through websites, but most don’t. Whatever the mode of marketing, these are tactics, not strategies.

“Marketing,” in its fullest meaning, is strategic (not tactical) and proactive (not reactive). It’s about being prepared. It’s about being able to integrate tactics into a comprehensive strategy to achieve defined sales and earnings goals. It’s comprehensive because it should integrate every aspect of your company—production, R&D, quality, sales, manufacturing costs, brand equity, communication, regulatory compliance, and finance. It is also about increasing the “energy” state of your company and ensuring maneuverability around the obstacles and pitfalls of the competitive terrain.

Recent news commentaries have introduced the concept of OODA decision loops into the public forum. OODA is a concept developed by the late U.S. Air Force (USAF) fighter pilot and military strategist Colonel John Boyd. It’s a model that describes how fighter pilots compete to survive, although its lessons for aerial warfare also apply to ingredient suppliers. Here’s how.

Observe

For pilots and food ingredient companies, “observation” must be multidimensional. The first step is to observe the terrain (i.e., the marketplace, customers) and your opponents’ moves (i.e., competitive suppliers) therein. The goal is to understand the conditions under which the sale will be closed. You also need to observe how your organization responds to challenges and change.

You “observe” the food industry terrain by polling your sales force, meeting your customers, attending trade shows, reading publications, conducting market research, and otherwise drawing on third-party sources for market intelligence. Such intelligence needs to be organized. Unfortunately, few companies today enjoy the time or resources to collect or organize marketing intelligence properly. Time compression makes companies reactive, rather than proactive: margin- and workforce-reduced companies tend to be far too time-compressed to observe the competitive terrain, leaving them highly vulnerable to being outmaneuvered. Chances are, today’s economic circumstances will make companies even more time-compressed.

Question: Are you satisfied that you enjoy a clear, unobstructed view of your market, your customers, and yourself?

Orient

Most information is distraction. Once you’ve winnowed the core information from the clutter, you need to orient yourself by prioritizing your attention and activities toward where the action is going to happen. As the famous hockey player Wayne Gretzky put it, “...go where the puck will be, not where it is!” This means knowing how to pull resources away from lesser priorities and other distractions and focus them where they will do the most good. Ask yourself, how much money and time does my organization lose developing the wrong products, providing the wrong services, pursuing the wrong customers, executing mediocre marketing campaigns, or pushing ideas upriver through unwieldy organizational obstacles?

Orienting means prioritizing and quickly taking stock of the tools you have available at a moment’s notice. These tools include technical service, advertising presence, a company’s “goodwill,” and the ability to innovate and to intervene personally to close a sale. Usually, there is very little time to prepare, so your competitive tools should be primed for action at all times. Does your company have the internal capabilities to forge rapid decisions when necessary? This is easier for companies managed by assertive leaders with a good ear for sound advice. It’s not as easy for companies where decisions must be rendered by committee.

Question: Is your company proactive or reactive to changing circumstances?

Decide

The third step is to decide the best course of action in light of prevailing conditions—the “marketing plan.” Executives are constantly faced with options. How to decide? Sometimes one must act quickly, other times one must wait for the right moment. Slowness or indecisiveness can be fatal to your business, but so can rushing into action.

Sales and other market-opportunity windows tend to open and shut rapidly. In today's competitive and ever-shifting terrain, a decision made one day may be obsolete the next. In order to make a good decision, one needs a level of comfort with the available information. Many times, executives fail to act because they cannot perceive the consequences of their decisions. How often do we pause to consider the consequences of indecision?

Question: Does your organization's command structure permit you to quickly sift and prioritize available options in order to arrive at the best possible decision?

Act

There are hard and decisive actions, there are tepid and vacillating actions, and there is inaction. Sometimes the right decision is not to act but to let the competitive terrain shift into a new set of realities.

One of Boyd's unique insights into successful competition is that success depends not so much on how thoroughly the OODA loop is executed, but on how fast it is executed. Fighter pilots (i.e., companies) who win their engagements are those who can execute the OODA loop faster than their competitors. This is referred to as "getting inside your competitors' OODA loop." It is at this point that energy states and maneuverability come into play as key deciding factors.

Question: How does your company's management structure empower you to get inside your competitors' OODA loops?

Energy and Maneuverability (E&M)

Speed of execution hinges upon overcoming the E&M of your competitor. For fighter pilots, "energy" translates into altitude (potential energy), thrust, gravity and speed (kinetic energy), and flexibility or maneuverability (pilot experience, aircraft design). Companies should strive to overcome their competitors' energy levels. A company with poor marketing energy risks being plucked out of the air by higher-energy competitors.

What are the business equivalents of potential (stored) and kinetic (unleashed) energy? A company's potential energy can be composed of

- An effective and rapid decision-making capability to confront competitive threats
- High-quality, motivated personnel
- New, not yet introduced technologies, and short product development cycles
- Strong customer relationships (stored goodwill or karma)
- Strong brand identity that includes a quality image and ensures high visibility
- A low debt to asset ratio, as well as ready access to capital
- Cash on hand

A company's *kinetic* energy might include

- Hard-hitting, highly visible, and effective marketing campaigns
- New technology introductions of demonstrated value that capture the imagination of the marketplace
- An enthusiastic, aggressive sales force armed with effective marketing tools, compelling sales propositions, and T&E budgets

Question: What would a self-audit of your company's energy state reveal?

Maneuverability

In the air, maneuverability is defined by turning radius, vector thrusting, wing loads, pilot training, and other factors. In the food technology industry, maneuverability means being able to priori-

tize and make decisions quickly. It means committing resources to selling, advertising, customer service, innovation, delivery as needed, and the ability and foresight to change directions quickly. That last point is important. How many times have we heard executives say, "We need to continue on this course because we've already expended so many resources on it"? In finance, expended costs are referred to as "sunk" costs and with good reason.

For pilots and ingredient executives, a bad turn can turn into a fatal turn, unless quickly rectified. Does your company give leeway to executives, allowing them to admit taking a bad turn when new directions are needed? Ego can be a killer.

Companies that lack capital, internal resources, innovation, and profit margins are low on E&M. Slow, burdensome internal decision-making structures can tank a company. Companies that lack maneuverability eventually lose market share to higher energy competitors or changing market circumstances.

Question: In an environment squeezed by reduced profit margins and overworked personnel, is your company becoming more or less maneuverable?

Minimize Your Weaknesses, Maximize Your Strengths

No company competes solely on the basis of strength. No company can be strong in every category, and all companies come burdened with their own unique portfolio of vulnerabilities. The challenge is to develop strategies that minimize your weaknesses while at the same time maximizing your strengths.

You don't have to be the biggest or strongest to excel. American pilots began WWII with inferior aircraft and technology. In the face of the higher E&M of their competitors' more-advanced airplanes and pilot experience, they responded by developing unique tactics and strategies to overcome their weaknesses.

Similarly, companies must respond; through recognizing your own weaknesses, they can be overcome. If you understand your competitors' strengths, you can develop strategies to blunt or deflect those strengths as you apply your strengths to the competitive terrain. To accomplish this requires comprehensive and integrated marketing strategies executed "inside the loop."

Although the author is not a combat fighter pilot, he has had the privilege of flying combat aircraft competitively under the instruction of USAF pilots, to whom he remains eternally grateful for the life lessons learned.



Daniel Best is president and founder of Best Vantage Inc., a food technology-focused marketing and business development company based in Northbrook, IL. His eclectic career path includes working as a food scientist (Rustco Wholesale Bakery Products and General Mills, Inc.), executive director of the Dairy Research Foundation (now merged into Dairy Management Inc.), technical director for a leading food industry trade publication (*Prepared Foods*), and numerous entrepreneurial ventures. He earned an undergraduate degree in biochemistry and psychology from the University of Wisconsin-Madison, a M.S. degree from Colorado State University, and an MBA through the University of St. Thomas (St. Paul, MN). He served as editor of CEREAL FOODS WORLD between 2006 and 2007 and remains active in numerous professional organizations, including AACC International. He can be reached at dbest@bestvantageinc.com.