

The Dimensions of Business

Business often gets a bad rap because it is seen as one dimensional, with the proprietors focussed only on generating excessive profits for themselves.

When you think about business as any other aspect of human endeavour, other dimensions of our lives come to the surface in the form of:

1. Meeting a need that people and other companies have for required goods and services. This can include our most fundamental needs such as food, clothing and housing.
2. Providing personal fulfilment through a career working as a professional, technical, frontline, trade, office, or management person.
3. Having agreed values and goals around how the business should operate. Sometimes in smaller businesses these are not written down and also some businesses fail to understand that these will evolve as society's values shift over time.
4. Hard and unrelenting work, to ensure that goods and services are provided on time and in the agreed quantity and quality.
5. Focus, by ensuring that all elements of the business are working in accordance with developed processes to meet agreed metrics.
6. Planning in the form of business and marketing plans and ensuring that there are short and long-term investment plans to build the business from.
7. Creating products or services that are new to the market or provide innovative approaches to established problems.
8. Understanding that business environments are never static, and the ability of businesses to adapt and survive in challenging economic conditions, as well as major shifts in technology and human behaviour, are critical to long-term business success.
9. Related to the earlier point, but specifically about managing risk to retain value and minimise business disruption.
10. Ongoing business and professional development of the people and processes and systems.

There are as many other dimensions to business as there are in our lives. Sometimes we forget that ultimately business is about people transacting a good or service for a financial or other agreed offer. The well-known Maori proverb puts this in clear context as below:

He aha te mea nui o te ao
What is the most important thing in the world?
He tangata, he tangata, he tangata
It is the people, it is the people, it is the people

Businesses that have an agreed and articulated value proposition and purpose find it much easier for staff to communicate this through their "elevator pitch" in the face of change. This change can be in the form of rapidly evolving technology, maturing processes, unstable economies and volatile social conditions. Understanding that constant change is normal and adapting while staying "true" to the values of the business will go some way to ensure that a business has the resilience to cope with these changes.

I note that there are many younger people in business that are serial entrepreneurs because they understand the creative and disruptive nature of change and that this process creates opportunities for emerging businesses to enter the market and grow rapidly. Those businesses that cannot adapt (much like an athlete cannot adapt to changes in their sport) will soon find it a challenge to survive. This can mean as the business evolves that sometimes people have to change their ABC (attitudes, behaviour, culture) to ensure that work processes and procedures and other tools can adapt to the changes.

The intensity of these changes cannot be underestimated as recent research has shown that the average life of a businesses has decreased significantly in recent yearsⁱⁱ.

Business like life is multidimensional, and ensuring that there is a clear plan, agreed value proposition and great product or service to meet customer requirements and ongoing research and development, will go some way to ensuring that the business has a better chance of long term success.

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12 June 2017

ⁱ From Wikipedia - An elevator speech or elevator statement is a short sales pitch, that is, a summary used to quickly and simply define a process, product, service, organization, or event and its value proposition.^[1]

The name 'elevator pitch' reflects the idea that it should be possible to deliver the summary in the time span of an elevator ride, or approximately thirty seconds to two minutes and is widely credited to Ilene Rosenzweig and Michael Caruso (while he was editor for *Vanity Fair*) for its origin.^{[2][3]}

The term itself comes from a scenario of an accidental meeting with someone important in the elevator. If the conversation inside the elevator in those few seconds is interesting and value adding, the conversation will either continue after the elevator ride, or end in exchange of business cards or a scheduled meeting. A variety of people, including project managers, salespeople, evangelists, and policy-makers, commonly rehearse and use elevator pitches to get their points across quickly.

ⁱⁱ There is a prevailing narrative that the life expectancy of large companies, faced with the challenges of technological disruption, has been reducing for some time. Work done by Professor Richard Foster of Yale University in particular, seems to show that the average lifespan of a company in the S&P 500 index has decreased from 61 years in 1958 to just 18 years today, a run rate that would mean that by 2027, more than three-quarters of the S&P 500 will be companies that we have not yet heard of.

Yet perhaps the picture is actually more nuanced. This analysis by Boston Consulting Group looking at the patterns of entry, growth, and exit for 35,000 publicly listed companies in the US since 1950 shows that over the long-term company lifespans have indeed decreased, yet in the recent past they have plateaued and may have actually slightly increased. Whilst human lifespans have increased markedly since 1950, say BCG, company life expectancy has almost halved (http://www.onlydeadfish.co.uk/only_dead_fish/2015/09/is-the-life-expectancy-of-companies-really-shrinking.html).