Marketing myopia – myopia h. mintzberg flashcard

To take Levity's favorite examples, railroad companies were to see themselves In the transportation business, OLL refiners In the energy business. Companies had a field day with the Idea, rushing to redefine themselves In all kinds of fancy ways-? for example, the articulated Nilsson of one ball bearing company became " reducing friction. " It was even better for the business schools. What better way to stimulate the students than to get them dreaming about how the chicken factory could be in the business of providing human energy or garbage collection could become beautification? Fortunately, it was all too easy, a cerebral exercise that, while opening vistas, could also detach people from the mundane world of plucking and compacting. Often the problem came down to some awfully ambitious assumptions about the strategic capabilities of an organization-? namely that these are almost limitless, or at least very adaptable. Thus we have the example from George Steiner, presented in apparent seriousness, that " buggy whip manufacturers might still be around if they had said their business was not making buggy whips but self-starters for carriages" (1979: 156).

But what in the world would have made them capable of doing that? These products shared nothing in common-? no material supply, no technology, no production process, no distribution channel-? save a thought in somebody's head about making vehicles move. Why should starters have been any more of a logical product diversification for them than, say, fan belts, or the pumping of gas? As Heeler suggested, " instead of being in transportation accessories or guidance systems," why could they not have defined their business as " flagellation"? (quoted in Norman, 1977: 34).

Why should a ewe clever words on a piece of paper enable a railroad company to fly airplanes, or for that matter, run taxicabs? Levity wrote that “ once it genuinely thinks of Its business as taking care of people’s transportation needs, nothing can stop It from creating its own extravagantly profitable growth” (1960: 53, Italics added). Nothing except the limitations of its own distinctive competences. Words on paper do not transform a company. Levity’s Intention was to broaden the villous of managers. At that he may have succeeded-? all too well. As Kettle and Sings, also from marketing, argued: “ very little In the world …

Is not potentially the energy business” (1981 34). Ironically, by In effect redefining strategy from position to perspective, Levity really reduced Its breadth. Internal capability got lost; only market opportunity mattered. Products did not count (railroad executives defined their Industry “ wrong” because “ they were product-oriented instead of consumer-oriented” [45]), nor did cannot be considered as a vital aspect of the industry” [55]).