

No Moussaka please! We're British!

(and the importance of core capabilities)

IN THE past new business development has assumed that it could be defined by rational and systematic approaches – an understanding of the business environment, moving towards the development of strategies to enable a business to exploit market opportunities and avoid market threats.

The business is then adjusted to ensure it supports the achievement of these strategies. But is this how it happens? Probably not - for all sorts of things interrupt this model – many of them from within the business itself.

A second and fitting view says that rather than build new business around a company's opportunities – why not build new business around its strengths. In other words define a business in terms of that which it is distinctively capable of doing well then conduct the market analysis to find a matching opportunity!



Take the cafe owner who specialised in cooking fried English breakfasts. He discovered a demand for a more varied menu - including Moussaka! Rather than cooking a bad meal the following week and damaging his reputation, he first took stock of his existing capabilities.

These were chiefly purchasing good raw products and making good, quick breakfasts - but only 'sausage-and-chip' and 'egg-and-chip' type meals.

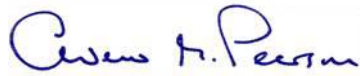
He concluded that he could build on some of his capabilities quite quickly - extending his experience with sausages to hamburgers and eggs to cheese omelettes - with chips, of course.

Moussaka, a totally new dish, however, required more development time. Chopping onions was a skill he already had, but cooking aubergines to a consistent standard needed to be researched and practiced when he had time, and only introduced when ready - a matter of weeks.

The point of this rather simple story is that the café owner's decision making was based on an awareness his core competencies combined with an appreciation of the opportunity opening up before him and the extent to which he could exploit the opportunity with his strengths and offer his customers real value.

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Best wishes



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