

# CHANGING TIMES, CHANGING BUSINESS MODELS

Five executives. An invitation to talk openly and unscripted. A unique opportunity sits on the table: rediscovering dialogue as a mechanism of seeking out new business strategies. Sharing points of view on the upcoming competitive playing field and the future of our organizations. A strategic discussion.



**ÓSCAR VALDIVIELSO**

Project Manager  
B+I Strategy  
ovaldivielso@bmasi.net

Looking around at our present economic situation, it is clear there is a range of opinions on how things will look “the day after” the recession is over. Discussions start off around this concept: warnings of disruptions and decisive changes in markets, and new factors to be considered.

On the other hand, the role of countries includes: a general rise in debt, falling demand in Europe or the growing leadership role played by developing countries, primarily BRIC countries. All these factors will require our companies to comprehend, learn and to adapt to.

Neither should we ignore the negative impact of idle production capacity, whether it be on the competition, socially or financially, as well as high levels of unemployment and a lack of liquidity. For example, the leading role of Governments when considering “non-market strategies”, regulation reform, advancing protectionist measures or increasing the burden on tax-payers.

## Not all will be new

Soon, however, before anyone can take these questions further, the discussion seemingly comes to a complete halt: “not all will be new”. Despite the introduction of new factors, the dynamic of future competition will essentially be shaped by familiar playing rules, albeit taking on an unexpected relevance.

For example, the predominance of information technologies, the impact of countries on the world economy or the shift in consumer values toward cooperation, sustainability, pro-activity and communication, to name a few.

“The challenge is in managing the uncertainty and taking short and long-term decisions.”

Aingeru Aizpurua



## Redoubling efforts in the face of uncertainty

The conversation begins to take shape and the participants seem, in unison, to point toward a variable that has been hanging over the room from the outset: uncertainty. Will there truly be light at the end of the tunnel? How do we adapt our business models after it’s all over, with the challenges posed by the market along with additional factors?

“As Michel Camdesus used to say, “there has been an ethical deficit”...”

Javier Gutierrez



Naturally, on the other side of the recession certain positive outcomes can be glimpsed, such as a reduction in the number of competitors as a result of some not making it through the downturn, or the tractor effect of those international markets making a recovery in the local exporting sector.

St. Ignatius of Loyola, founder of the Jesuits, provides a possible answer of wisdom: “In times of distress never undertake changes, rather steady the course and persevere toward the goals laid out the day before such distress.”



Bearing in mind how the new scenario is shaping up before us, we are called upon to redouble efforts vis-à-vis the “fundamental” variables in our organizations: sustained generation of value over time, as well as a deep knowledge of the business and of our basic capacities. Furthermore, focusing on values and credibility that underpin a business project, talent and a work ethic and creating trust in all our dealings, are some variables which unfortunately all too often get pushed to the back burner.

### Strategy and business models

Lessons gleaned from past crises bring all participants to agree on one critical point: we must renew efforts within our organizations to pay attention and pour concentrated thought into our structural elements. It is now, therefore, the time for STRATEGY.

“The low cost effect is here to stay”

Joan Enric Ricart

A case in point: One business experience. The downturn of the 90’s. A drop in demand. An analysis of possible alternatives turns up one final strategic decision: diversifying toward new sectors to slowly steer the company’s path from markets apparently doomed to failure. A light showing the end materializes, allowing a period of bonanza and growth. However, today the situation is repeating itself dramatically and uncertainty reigns on the horizon.



Nonetheless, those same remedial proposals in “times of distress” frequently remain just that, proposals. Our executives insist: let’s not allow this opportunity to pass us by. Not only is this an opportunity to reinforce the pillars of our businesses, but also to tackle the necessary strategic decisions in order to ensure their future sustainability.

### “There is a lack of strategic dialogue within our organizations”

Sabin Azua

Let’s think and talk about our company’s business model and its known elements: striving for differential value, searching for opportunities by understanding each market’s idiosyncrasies, open collaboration with

clients, optimizing our activity, who we work with and why, the value of people and their implication in the company, among others.

And all with a two-edged approach: the known and the unknown; continuity and disruption; looking inwards and outwards; short and long term; resisting and reinventing ourselves; urgent and important.

As in any good conversation topics and thoughts arise endlessly, simultaneously intertwining and complementing each other, leaving participants and guests alike thirsting for more. Alas, we must remember that a conversation is never ended. Thus we continue to converse.

