

Surface Finishing in the “Exponential Economy”

What you need to do to keep up (and thrive) in a time of rapid change.

I love my iPod. 40MB. 10,000 songs. I have my entire and rather extensive CD library loaded onto it. I load books on tape, news programs and business speeches onto my iPod, and my commute is over before I know it.

Want to know something else about my iPod? Obsolete. Absolutely obsolete. More than a year ago I went surfing, thinking about an upgrade. What I found astounded me. An 80MB iPod with a 20,000 song capacity that could also hold 25,000 photos or 100 hours of video. Pretty cool, but, get this—I paid \$545 for my iPod two years before. I could buy this new one for \$349! Everything mine could do, plus video and twice as much storage for almost \$200 less. Fast forward to today. 160MB iPod. Double the capacity again. Around \$332.

We’re living in an exponential economy. I borrowed this concept from the book *Innovation: The Five Disciplines for Creating What Customers Want* (Crown Publishing Group, 2006) by Carlson &

Wilmot. The premise is that products in certain markets; consumer electronics, computers, medical equipment, and telecommunications, to name a few, are doubling in price performance every 12–18 months. The iPod is a perfect example.

What’s more, this rate of change is affecting everything, including surface finishing technology and the tech-driven tools available to finishers.

Our businesses are changing at lightning fast rates. Our job is to face up to this reality and take action.

In an exponential economy, the performance of individuals

working for our customers is being measured and rewarded in entirely new ways. Find out what drives the individual’s personal economic engine (i.e. what determines the amount of their bonus) and make a proposal that makes your sale and increases their bonus at the same time.

In an exponential economy, customers are convinced they don’t have time to complete everything they need to do. Take work off their plate and put it on yours.

In an exponential economy, customers need instant information. When I buy a book from Amazon, I receive an e-mail confirming my order, another when my book is ready to ship and still another when it’s handed off to UPS. Then I get a tracking number and I can go online and track the package all the way to my front door. How could your customers benefit from electronic updates of order receipts, order status, expected and actual ship dates, etc.? This technology wasn’t available to the average finisher ten years ago. It is today.

In an exponential economy, customers carry no inventory and lead times are razor thin. Do everything you can to shrink the period between the day you quote and the day the order ships.

In an exponential economy, customers expect it right the first time. Your first chance at a new project may be the only chance you get.

In an exponential economy, product cycles are short. We can no longer afford to take a bath in the first year of a project with the hopes of making the lost margin back in future years. Do what you must to know your margin before you quote.

In an exponential economy, commerce is global. Focus your marketing efforts on domestic markets that are likely to remain strong. Customized products, large products consumed in the U.S., products with low labor content, delicate products, etc.

In an exponential economy, customers don’t have the time to stay current on rapid changes in technology. Even in a mature market like surface finishing, one only needs attend an industry trade show to know that advances in finishing technology are taking place on an ongoing basis. Remain current and become the surface finishing expert to your customer base. ■



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