



Change – adapt or perish

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Be it our age, our bodies or the technology that surrounds us, our lives will be completely transformed in 20 years from now just as our lives 20 years ago were far removed from our current existence – whether we like it or not.

Let's turn the clock back a couple of decades and look at how life has changed...

Firstly, there was no such thing as Facebook or Twitter. Communication outside of email was still very much via verbal conversation. Watching a family video was as close as we got to reality TV. Giving our credit card details over the internet was looked upon as reckless and irresponsible. These activities are now as regular in our lives as brushing our teeth.

**Has
technology
dictated our
behaviour
or has our
behaviour
dictated
technology?**

It's probably somewhere in between. And has technology enhanced our lives or turned us into monotonous and mechanical like creatures? Again, it's probably somewhere in between, depending on your perception and past experience.

I recently heard David Parkin (AFL legend) speak. I was fascinated by how he described Alistair Clarkson's view on consistently improving and staying

ahead of the game for the future, ie "If it's not broken, smash it to pieces." Whether you are interested in football or not, I believe this mode of thinking is the way we need to position ourselves, both in our personal lives and in our careers.

The world has changed so much over the past five years due to the technology onslaught. By all reports the change is exponential and in the future will come upon us at a faster rate of knots than it already has.

Let's explore two commercial examples on both sides of the ledger. One company has continually adapted to change and is still thriving in today's ultra-competitive market. The other company failed to do so when they had the chance. In their stubbornness and denial they have paid the price into irrelevance and eventual bankruptcy.

Adapting to change failure: Kodak

Kodak had a monopoly on the photography market in the mid to late 90s yet failed miserably into looming bankruptcy only 15 years later. It wasn't that Kodak failed to see the onslaught of technology in the form of digital photography - it was the fact they chose to do nothing about it. That is the most astonishing fact of its whole demise.

The company board received a report from a research consultant in 1985 declaring good and bad news. The bad news was that digital photography would be the next disruption to the industry. The report advised this development had the capacity to completely wipe out Kodak's market share and jeopardise its relevance and existence. The good news was that they had at least ten years to do something about it.

Kodak obviously didn't take the claim seriously. In their ignorance they decided it was an interesting theory but they would keep doing what they were doing as it had 'worked so far'.

Instead of investing in building an expansive digital photography arm Kodak used digital technologies to improve the quality of their film. Huge mistake!

Other competitors such as Sony and Apple saw an opening and pounced. They have now ruled the digital market for the best part of a decade and do not look to be going anywhere soon. Kodak on the other hand has been left to lick its wounds and contemplate the decision never to change from film to digital.

Kodak filed for bankruptcy in 2012. After selling off many of its patents Kodak exists today as a much smaller company.

One thing that is guaranteed in our world is change. We can pencil it in and lock it away as a certainty. But do we?

Adapting to change success: McDonald's

Whether we are a fan of McDonald's food or not, we can't deny the fact that it has been able to remain a relevant and recognisable brand for over half a century in nearly every country - and in one of the most competitive markets in the world. However it hasn't come without its challenges.

After the mammoth growth of the McDonald's brand worldwide in the 60s and 70s - as a result of its golden arches campaign - its first real fight came in the form of the 'Burger Wars' in the 1980s. Competitors such as Burger King and Wendy's entered the market aggressively.

So what was McDonald's response to these wars? Answer: Chicken McNuggets. By the end of 1983 McDonalds was the second largest retailer of chicken in the world.

McDonald's cruised along reasonably smoothly for another two decades adding an array of new products. Some of these caught on (McFlurry's) and some didn't (McLean Deluxe sandwiches).

McDonald's next challenge came in the early 2000s from an unlikely and unknown source called Morgan Spurlock. Many of us wouldn't know him if we passed him in the street, but we would definitely know what he did. This was the man who ate nothing but McDonald's for one month and recorded the negative health effects it caused. He recorded it all for the universally viewed documentary 'SuperSize Me'.

As a result of this documentary the world seemingly became more obsessed with healthy eating. What was McDonald's response? They created a healthy options menu.

Forward thinking

There has been one other area where McDonald's anticipated and adapted to change that has helped shape its success and sustainability. In fact, they entered this space **even before it was embraced by the mainstream market.**

In 1993 the first McCafe was launched in Melbourne Australia. McCafe has now become a prominent asset to McDonald's restaurants across the globe.

The coffee and café scene is more a lifestyle than a consumable in today's society. McDonald's was smart and proactive enough to implement a strategy well before the general population caught on. By 2003 it would become the largest coffee shop brand in Australia and New Zealand. That's staggering!

Their strategy? 'Instead of parents purchasing a coffee next door, why don't we give them the opportunity to enjoy their caffeine hit right here while their kids indulge in a happy meal? We'll hit the market from both ends.' This was the message filtering down from head office to individual McDonald's restaurants.

Whether we agree on the consumer market McDonald's represents or what their brand stands for in the community, we can't deny the fact they are prepared to adapt and they are prepared for change. They are also prepared to make some mistakes along the way.

Compare this innovative thinking to Kodak and it's not hard to see why it's highly likely McDonald's will remain one of the most recognisable and competitive brands in the future, regardless of whatever change is around the corner.

What challenges or interruptions will you, your organisation or your industry encounter in the next decade? What are you prepared to change and adapt to stay relevant? Failure to do so may just leave you feeling frustrated and deserted while you reminisce the glory days over your old photo collection.