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Finally, unless senior executives make market focus a personal, strategic priority, they will not initiate organizational change, even if all data indicate that such change is warranted. Most top-level managers routinely spend time visiting customers. But all too often, these visits are superficial; the managers don't invest the effort needed to understand and empathize with the customer. They may

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Spend a Day in the L

by Francis J. Gouillart and Frederick D. Sturdivant

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Another danger is that most managers do not understand the distinction between information and knowledge. Even if they include information from all points on the distribution channel, most general market data do not show a manager how each customer relates to the next or how customers view competing products or services. Managers faced with too much general information tend to average results, blur boundaries, and miss distinct, segmented market opportunities.

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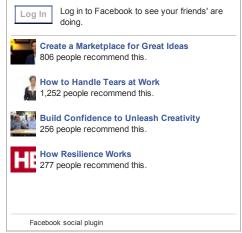
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have preconceived ideas about a client's situation and, as a result, may not ask imaginative, probing questions or separate significant kernels of information from the overall picture.

This failure to listen carefully to all customers, to empathize with their needs and desires, results in reduced service levels, streamlined product lines, and uniform product designs. It inadvertently favors cost reduction at the expense of individuality, even when market needs point toward greater customization. What's more, managers who are not market focused often come to the conclusion that there is really no fundamental difference between their offering and that of their competitors. Commoditization, the natural outgrowth of all competitors fighting with the same weapons, becomes a self-fulfilling prophecy. And commoditization is why so many industrial companies that embraced time-based competition or reengineering may have realized short-term gains but have ended up destroying their industries' profit margins.

Top-level managers need to spend a day in the life of key customers in their distribution chains. There is no substitute for managers' instincts, imagination, and personal knowledge of the market. It should be the essence of corporate strategy. Only in that context can analytical devices like customer-satisfaction indices, market-share data, and benchmarking results become servants rather than masters. And only with market-focused leadership can companies continuously and quickly reinvent themselves to meet new market needs.

Consider the following fable as an illustration of how senior executives' commitment to marketfocused management makes a critical difference.

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Francis J. Gouillart and

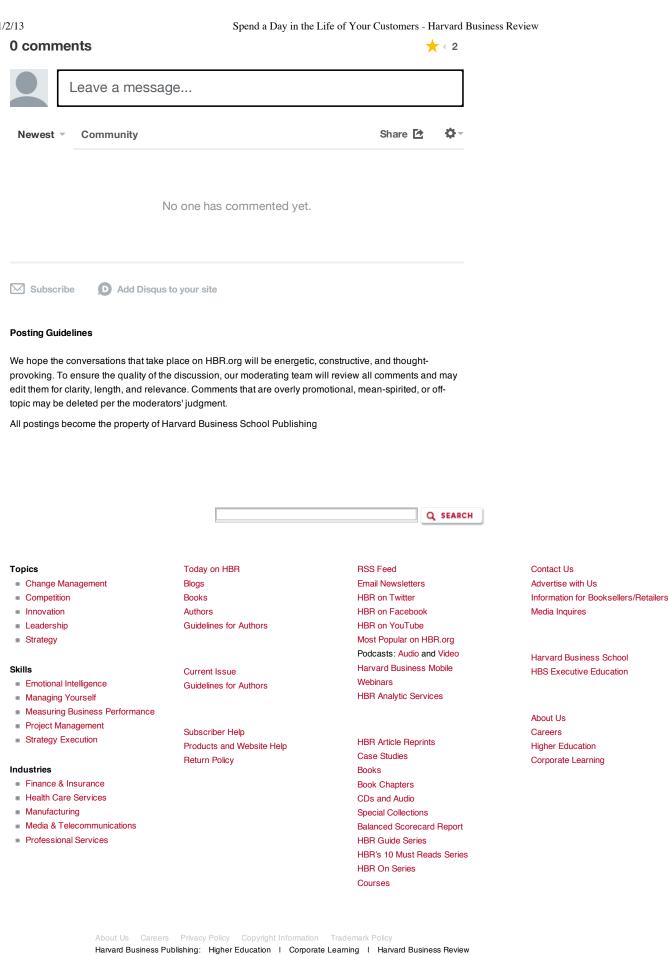
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