

Steve Miller's Ramblings

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THE TEXAS HOLD 'EM STRATEGIES FOR FUTURE SUCCESS

Or As the Old Song Goes: "Every Hand's a Winner and Every Hand's a Loser"
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Texas Hold'em is a "community card" game, meaning that some cards are dealt face-up in the middle of the table and shared by all the players. Each player has two down cards that are theirs alone, and combines them with the five community cards to make the best possible five-card hand.

Play begins by dealing two cards face down to each player; these are known as "hole cards" or "pocket cards". This is followed by a round of betting. After the first round of betting, three cards are dealt face up in the middle of the table; this is called the "flop". A round of betting ensues, with action starting immediately to the dealers left. Another card is dealt face up, this is the "turn," followed by another round of betting, again beginning to the dealer's left. Then the final card (the "river") is dealt followed by the final round of betting.

Got all that? Basically, it boils down to this: everybody gets two cards to hold. Five cards are dealt face up. You (and everybody else) can choose any three of those down cards to "include" in your hand. Best five-card combination wins (if you're also a good bettor).

There's a lot of uncertainty in our world today; most of it caused by the new disruptive technology – the Internet. Faster, better, cheaper has become the battle cry of pretty much every consumer and end-user. It's no longer good enough for a company to just get better at what they're already doing – even if they're successful at it. Being merely better isn't going to guarantee future success for anybody, because everybody's doing it!

The reason for this is explained in *The Innovator's Dilemma*, by Clayton Christensen. He states that once a company has achieved a level of success, it works very hard to stay successful by doing more of the same. Hey, if this is what we did to *become* successful, then we'll just keep on doing it!

But this is a problem. New, disruptive players are invading our precious turf. They don't give a hoot about what made us successful and they certainly don't care about playing "fair." Their sole objective is to find our weak or poorly defended position and attack without prejudice.

Jim Clark is a classic example of this disruptive player. He's the guy who founded Silicon Graphics, Netscape, Healtheon (now Healtheon/WebMD), and myCFO. He's only made a few billion bucks off these. And now he's invading yet another well-established industry – the photo development market – with another new company, Shutterfly.com.

Shutterfly.com has developed a system to produce quality prints equal to 35 mm from digital cameras. It will use the Internet to store, edit, order, and send prints to anyone, anywhere.

Jim Clark enjoys disrupting industries and attacking established players. In an interview with *Business 2.0* magazine, he said:

“The real joy of this age is that you've got places like Seattle Filmworks, Wolf Camera, and one-hour shops that are paralyzed by the emergence of new ways of doing things. They don't know how to respond. It's one of the classic things that causes businesses to have problems. They refuse to cannibalize their own business. It just presents a huge opportunity for a startup. I get total joy out of that dislocation.”

Jim Clark is a disrupter. I also think he would be a good Texas Hold 'em player.

You most likely already have two cards in your hands. You might already have an established convention, exposition, or corporation. You might already have strong relationships with your customers and/or members. You might already have a great Internet website! And that's good. You want really good hole cards.

But there are five major new strategy tools laid out on the table; just like the five face-up cards dealt out in Texas Hold 'em. These new strategies are:

The Customer Experience Strategy

I've certainly talked at length how companies like Disney manage our “experience” while we enjoy their theme parks. A recent article in *Business Week* talked about how traditional brick-and-mortar retailers are using the customer's experience as a way to differentiate themselves from online shopping:

“In the new world of Xtreme Retailing, stores are combining the speed, convenience, and immediacy of e-commerce technology with the thrills of an amusement park. How? Essentially, by taking their core product and image and turning it into an experience.”

- Vans, Inc., a Los Angeles-based sporting goods store, opened a 60,000-square-foot skate park and off-road bicycle track.
- The Forum Shops in Las Vegas feature animated Roman Gods and the sinking of Atlantis every hour.
- REI, Inc. in Seattle and other locations, provides customers the opportunity to try out outdoor gear before buying. Climb an indoor mountain. Ride a bike trail. Walk a mountain path. Even check out how waterproof a rainsuit is. All in the store.

- Wizards of the Coast, in a dramatic redirection of their corporate strategy, opened retail stores in major malls. Kids can play Pokemon with each other, trade cards, or participate in online games on computers.

The point for the meetings and convention industry to realize is that we can't afford to just get better at what we've always done in the past. Our events must become Experiences that engage our customers' senses. It's the Wow that Tom Peters keeps talking about.

The Brand Strategy

That famous philosopher, Jerry Garcia, once said, "You don't want to be considered merely the best of the best. You want to be considered the ONLY ones who do what you do." (Certainly the Grateful Dead succeeded at that.) And in its simplest form, I guess that's what branding helps to accomplish.

Branding is creating a covenant between you and your customer base that goes far beyond isolated or individual transactions. Branding is creating a long-term, trusting relationship/partnership with the exact right target market. And everything you do or say reinforces, enhances or diminishes your brand.

What's the first thing your customers think when they think about you? When you think of Disney, UPS, Ritz-Carlton, or the new VW Beetle, what do you think of? When you think of the hotel that walked your attendees, or the airline who took off 2 hours late, what do you think of?

The Connections Strategy

Have you ever played the Kevin Bacon Game? It's a twist on Six Degrees of Separation. You name any Hollywood star and try to link them with Kevin Bacon in the shortest number of steps. (Ex: Mel Gibson. Kevin Bacon was in Footloose with John Lithgow. Lithgow was in World According to Garp with Robin Williams. Williams was in Mrs. Doubtfire with Pierce Brosnan. Brosnan was in Thomas Crown Affair with Rene Russo. Russo was in Lethal Weapon with Mel Gibson. Five steps. Can you do better?)

Is your organization the Kevin Bacon of your industry? Are you the most important resource for people to link with the rest of the industry? Do you provide the community, both at your event and online, for total industry interaction?

Obviously, the Internet is a major part of this strategy. The ability to morph your 3-4 day event into the hub of a year-round community would make you irreplaceable and very difficult to copy.

The Innovation Strategy

I've often asked in my speeches if the audience members believed in innovation as an important component of their organizations. Everybody always raises their hands. But then I ask how many actually have innovation strategies. Almost nobody raises their hand. Yet without continuous and ongoing innovation, we are more and more in danger of becoming commodities. If you are easy to copy, then you are a commodity.

Tom Peters said it in his book, *Circle of Innovation*: “If the other guy is getting better, then you’d better be getting better faster than the other guy’s getting better ... or you’re getting worse.”

This requires guts, because you’re often going in directions nobody’s gone before. The focus of your attention must be beyond simply beating the competition, otherwise you inevitably define your strategy in terms of the competition.

The Value Strategy

When we are asking people to give us their money, time, and attention, inevitably they will get to the question: “What’s the value I get in return?”

Let’s pretend that expositions, for example, are a brand new marketing/communications tool that somebody just thought up. What exactly is the purpose we would sell to Corporate America? It better be to create high value in return for their time and money, otherwise they probably wouldn’t buy it. And that value better be quantifiable.

Our problem is that expositions tend to be old habits for both exhibitors and attendees. Don’t believe me? Split your customers into two groups – one including those who have attended your exposition/convention every year for the last 5 years, and the other including those who have attended fewer than two times in the last five years. Which group has the highest turnover? New exhibitors and attendees have higher demands on measurable ROI, and you don’t get more than one or two chances to give it to them. Older customers may have received value in the beginning but maybe not now. They keep coming out of habit.

We all know the #1 complaint among exhibitors is their inability to measure value at expositions.

The new business world is much like Texas Hold ‘em because you have the ability to choose which of these strategies you want to incorporate in your overall strategy. Unfortunately, most organizations tend to move forward on inertia -- we’ll just keep on doing what we’ve always done. Those are the organizations who will play the game with just the two cards in their hands.

The winners in this new game will be the ones who successfully pick out those additional cards they want to use to make the best hand possible. But, unlike Texas Hold ‘em, you aren’t restricted to just three more cards. You can use all five if you want.

Obviously, successfully incorporating all five of these strategies takes a lot of time and a major commitment in resources. It requires a willingness to throw away what’s worked in the past and redesign major new strategies that aren’t guaranteed to work. And most won’t be willing to do that.

That’s what Jim Clark is counting on.

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and innovation. He also speaks to business groups around the world on corporate strategy. His website is www.theadventure.com.

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