



How to Stay Competitive in Today's Fast-Changing World

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In today's fast-changing business world, new technologies can render businesses and entire industries obsolete practically overnight. This makes it critical that Los Angeles and Southern California business owners and entrepreneurs develop strategies for dealing with rapid change. This includes planning for how their companies will compete not just today, but next month, next year and five years down the road.

A recent promotional piece for the Intergrowth 2015 business conference in Orlando promises to address the question, "Why new organizations are ten times better, faster and cheaper than yours (and what to do about it)". While we don't suggest that all Southern California business owners and CEOs spend several thousand dollars to attend this event, we do think you should consider the implications of this statement for your business in the coming years.

Established Industries Beware

Sure, it's easy to brush off statements like this one as applying only to businesses in new industries spawned by today's new technologies. However, it also applies to businesses in established industries. The challenge for companies in any industry today is to compete with businesses that might enjoy a host of advantages, including:

The latest in IT systems — These are often cloud-based systems with little up-front cost and minimal investment in hardware.

More flexible working arrangements — Cloud-based systems allow for telecommuting and office sharing programs as remote workers have access to real-time data, while also reducing the need for expensive office space.

More accurate and timely data — This provides benefits throughout the business: supply chain, inventory management, etc.

High-tech sales strategies and distribution systems — New businesses are likely to incorporate an e-commerce presence as a fundamental pillar of their sales strategy. They are also likely to take advantage of more cost-effective distribution systems.

Highly effective and inexpensive web-based marketing — Similarly, new businesses will likely have a strong focus on Internet and social media marketing, rather than the relatively expensive traditional marketing and advertising programs.

While it's true that older businesses in more established industries may benefit in the short term from established brand recognition and market share, they are likely to lose ground to new and more nimble competitors that can adapt more quickly to the new paradigm. In this paradigm:

- Executive decision-making is not hampered by a lack of relevant real-time data.
- Staff has easy, real-time access to data, making them more productive and effective.
- Costs are lower than the competition, whether this is related to the supply chain, distribution, inventory, sales, marketing, overhead, etc.

- Social media allows brands to become established much more quickly.
- A robust online presence is essential: an effective website, positive online reviews and social media feedback, etc.
- E-commerce channels are increasingly important in both B2B and B2C sales.

Perhaps most important for some business owners is the fact that many potential business buyers will be deterred by the prospect of having to update an older business' systems and operating processes. The price offered for the business will likely reflect this.

Companies can turn to an outsourced CFO services provider to help them address these issues and remain competitive in today's fast-changing world. For example, an outsourced CFO can help companies:

1. Benchmark themselves against the competition. By comparing the margins achieved by similar companies in the same industry and the level of expenses they incur, management can identify areas for improvement.
2. Create a strategic plan that addresses how the business will succeed in the changing environment. This plan will analyze current systems and replace outdated legacy systems with new ones, create a robust e-commerce platform, and devise an effective social media presence.
3. Analyze overhead expenses and identify opportunities to reduce costs.
4. Create a financial plan that will calculate return on investment in new business systems and project cash flow to ensure that all initiatives can be funded.

Concluding Thoughts

It is critical that businesses today develop strategies for dealing with rapid change. This includes thinking about and planning for how their companies will compete not just today, but next month, next year and five years down the road. An outsourced CFO services provider can help you address obstacles that might keep your company from remaining competitive in today's fast-changing world.

About CFO Edge

CFO Edge, LLC delivers enterprise-class financial and operational performance solutions to executives throughout Southern California. Based in Los Angeles, our formerly-seated chief financial officers engage on demand as part-time CFOs, single-project CFOs, and interim CFOs to help business leaders successfully resolve pressing challenges and realize their financial and operational goals. At CFO Edge, we are passionate about helping our clients create, grow and sustain value. For more information, visit www.cfoedge.com or call 800.276.1750 Ext 101.

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