



Jim's Profit Accelerator 130: Efficiency versus Innovation

When the rare ice storm looms in Portland, Oregon, stores freeze up:

- Cars line up into the street to get into parking lots
- Checkout lines bloom like spring flowers
- Out of stocks spread like dividing cells across the stores

All of this is excused as beyond control by managers groomed for efficiency instead of opportunity. Remarkably, weather forecasting is pretty accurate. Actions to handle excess capacity are well rehearsed but ignored:

1. Shelf-stocking during the day
2. Trucks delivering goods the night before
3. Traffic direction to speed traffic flow in the parking lot

Fred Meyer (founder of the eponymous Northwest superstore chain, a pioneer in one-stop shopping) is rolling in his grave. The drumbeat of efficiency and control flows endlessly down from the top, leaving no room for the flair and payoff of real merchants.

SPEED BUMP: "You'll find it at Freddy's" lives in words only.

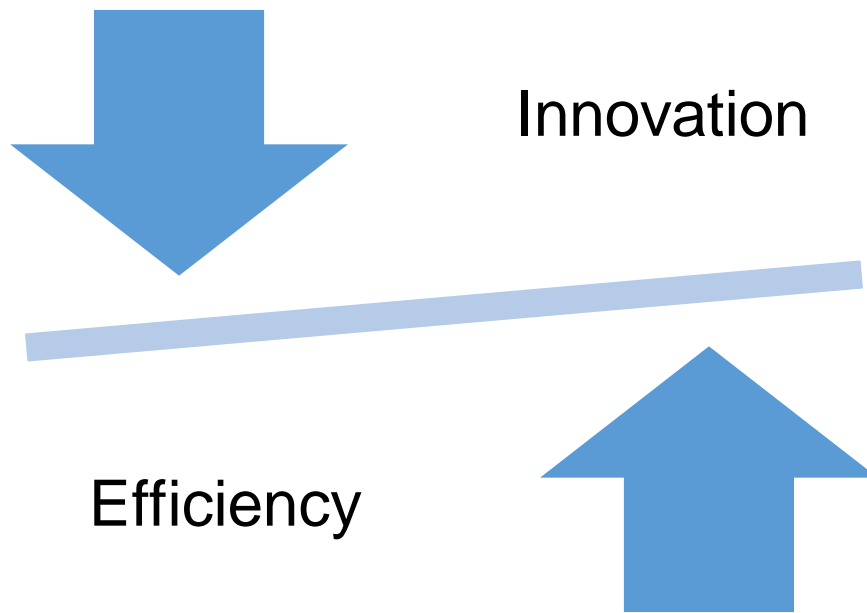
- Out of melting salt in early January? Impossible.
- No snow shovels? Not a regular item.
- Gloves and mittens? Asleep in their assigned shelf spot.

The #1 challenge of brick & mortar retailers is foot traffic to their stores. And yet they sleep past a huge opportunity to dazzle: providing items that I didn't need yesterday but do need now. Not in 24 hours. **Now.**

SPEED BUMP: Efficiency kills innovation effortlessly.

More efficiency means less innovation, unless innovation is fed and watered at ground level, and celebrated by top leaders relentlessly. Strangely, as smooth operations boost efficiency numbers and cut costs, essential bursts of new ideas are plowed to the side.

SPEED BUMP: A secret cost of LEAN is less innovation outside its focus.



How is innovation boosted? Like any essential activity:

- Applaud trial, not success.
- Ask about rough ideas, instead of skewering them for their holes.
- Promote innovators, not just efficiency-makers
- Your idea here: _____

ACCELERANT: Where will you fertilize innovation?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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