

The 7Ps:
A framework
for designing
tomorrow's
business model

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CHANGE is the only certainty for organizations as they travel through the Millennium. The business models that worked yesterday are almost certainly not up to the challenges of today. Today's models are unlikely to continue delivering sales and profits in the future.

To think effectively about the future of your company, you need what the Zen masters call "beginner's mind." You have to empty your thoughts, escape the hold of "what you know," and set your imagination free to explore possibilities.

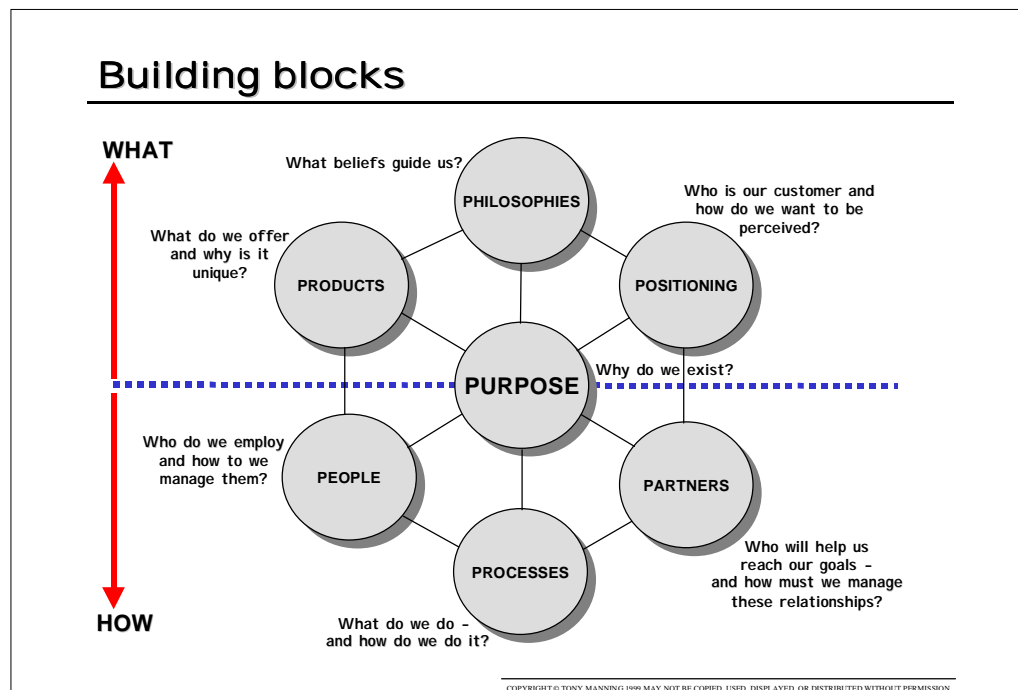
But you have to do this in a disciplined way, or you'll simply flail about. You have to examine your current situation from numerous perspectives – just as a doctor checks your physical health by taking your temperature, blood pressure, and pulse rate, and by looking in your throat and ears and listening to your heart and lungs.

The "7Ps" framework provides this discipline – and ensures that you consider all possibilities as you think about your business model. The questions that follow will help you through this process of provocation, enquiry, and design. (They are not the only ones you might ask. Use them as a starting point and a guide. Add any others you might think are appropriate.)

As you work through it, remember that each of the 7Ps impacts on all the others. So as you think about one, consider how it affects or is affected by the others.

For your business model to be truly effective, the 7Ps need to link together and complement each other, and ways need to be found to make this happen. Over time, these bonds should become tighter. But herein lies a danger, for the better the integration, the harder it becomes to change.

No business model is forever. The process of reinvention must be continuous. By returning constantly to this model, and by challenging your current thinking about it, you will ensure that your organization adapts to new realities and develops new advantages.



1. PURPOSE

Why do we exist?

- 1.1. Who do we serve?
- 1.2. What value do we deliver to our stakeholders?
- 1.3. How do we do it?
- 1.4. Why should do they want us to survive and grow?
- 1.5. Whose interests are most important?
- 1.6. Why would society be worse off without us?
- 1.7. What could our future contribution be?
- 1.8. What must we do to increase our value?
- 1.9. What is our ambition?

2. PHILOSOPHIES

What beliefs guide us? (Consider the following issues.)

2.1. Strategy—

- 2.1.1. The process (concepts, models, theories) we use?
- 2.1.2. Our business model?
- 2.1.3. Who we involve in creating strategy?
- 2.1.4. Sharing information?
- 2.1.5. How we define “success”?
- 2.1.6. How we decide what’s best?
- 2.1.7. Our performance measures?
- 2.1.8. How we make trade-offs or sacrifices?
- 2.1.9. The way we implement our strategy?

2.2. People—

- 2.2.1. The kinds of people we seek?
 - Skills/attitudes?
 - Diversity?
 - Age?
- 2.2.2. Their induction into our organisation?
- 2.2.3. The training and development we provide?
- 2.2.4. Performance management?
- 2.2.5. Our reward programmes?
- 2.2.6. Our management style?
- 2.2.7. Communication?
- 2.2.8. Our expectations of them?
- 2.2.9. Their involvement in outside activities?
- 2.2.10. Facilities we provide for them?
- 2.2.11. Our responsibility for their welfare?
- 2.2.12. Our responsibility towards their families?

2.3. Processes—

- 2.3.1. High tech vs. high touch?
- 2.3.2. Levels of technology investment?
- 2.3.3. Safety?
- 2.3.4. Quality?
- 2.3.5. Productivity?
- 2.3.6. Environmental preservation?
- 2.3.7. Constant improvement?
- 2.3.8. Outsourcing?

2.4. Competitors—

- 2.4.1. How carefully we watch them?
- 2.4.2. What we allow them to do?
- 2.4.3. Copying or leapfrogging them?
- 2.4.4. How aggressively we respond?
- 2.4.5. How fast we respond?
- 2.4.6. The lengths we'll go to in order to beat them?

2.5. Social responsibility—

- 2.5.1. Investing in education, welfare, housing, art, etc?
- 2.5.2. Involvement in external activities?
- 2.5.3. Environmental issues?
- 2.5.4. Consumerism?

3. PRODUCTS

What do we offer, what is our difference, and why does it matter?

- 3.1. What need does it fill, or what problem does it solve?
- 3.2. What makes it different?
- 3.3. Why does that difference matter?
- 3.4. For how long will this difference matter?
- 3.5. How far have we pushed the "value envelope?"
- 3.6. What improvements/changes are needed (and when)?
- 3.7. How defensible is our situation?
- 3.8. What substitutes are likely? (When? Where from? Impact?)
- 3.9. Which way are sales headed?

4. POSITIONING

Who is our customer and how do we want to be perceived?"

- 4.1. Who is our "right" customer?
- 4.2. What is their first response to mention of our name?
- 4.3. What do customers know and feel about our company/product?
- 4.4. What would we like them to think?
- 4.5. What can we do to change their perceptions?
- 4.6. Do we promote brands or sell products?
- 4.7. What stops competitors from making the same claims?
- 4.8. What must we do to defend our positioning?

5. PROCESSES

What do we do – and how do we do it?

- 5.1. Why do we do the things we do?
- 5.2. Does everything we do add value/cut costs?
- 5.3. Do we know where value is destroyed and costs are added?
- 5.4. Is there a better way?
- 5.5. Are we urgently and aggressively seeking that better way?
- 5.6. What should we give up?

6. PEOPLE

Who do we employ and how do we manage them?

- 6.1. Do we have “magic people” in all pivotal jobs?
- 6.2. Do our hiring practices enhance our competitiveness?
- 6.3. Is our induction adequate?
- 6.4. Do our training and development programmes equip people with appropriate new skills and attitudes?
- 6.5. Do we make people *feel* important ... or do we make them *important* by giving them information, resources, and responsibility?
- 6.6. Do we expose them to new ideas – and listen to their ideas?
- 6.7. Do we stretch them by giving them important assignments?
- 6.8. Do they think we see them as an asset or a cost?
- 6.9. Do they feel they can speak their minds – and do they speak up?
- 6.10. Is the corporate conversation “nourishing” or “toxic”?
- 6.11. What incentives do we offer – and are they adequate?
- 6.12. Are career paths clear and meaningful?

7. PARTNERS

Who will help us reach our goals and how do we manage these relationships?

- 7.1. Have we identified possible partners, defined how they could aid us, and made contact with them?
- 7.2. Do they understand our strategy?
- 7.3. Do they know what we expect of them?
- 7.4. Do we agree on how we'll work together?
- 7.5. What is the level of trust between us?
- 7.6. How much information do we share with them?
- 7.7. How good are our personal relationships?
- 7.8. Are the rewards balanced?
- 7.9. Who is driving improvement (us or them)?

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“If you don’t make a difference, you don’t matter.”

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