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Success Is Built On Frameworks, Not Rules by Bob Manna & Matt Manna • 71D02937(R05) "The proper objective of a business model – to anticipate and coalesce with ever changing customer emotions & behaviors – can only be achieved at the framework level."

Bookstores are in decline. So are electronics stores. As for music stores, are there any left? People continue to buy books, electronics, and music, yet the decline continues. Why?

The decline continues due to the conviction that success is a model. Those with such a conviction argue that a painstakingly crafted set of rules, derived from an analysis of past events, will guide an enterprise to future success. The term for this process is "business model."

Change happens however and it demands accommodation. Model makers respond to change by adopting a strategy of differentiation — a process of re-tuning, re-positioning, and re-launching existing products, purported to allow an enterprise to appear as if it is adapting to change.

The model maker can think of no other way to respond because the model maker believes the future is bound to what came before. And in a way it is...

Differentiation has been around for at least 50 years, ample time for its results to be assessed. And what does the assessment reveal? The failure rate for new product entries is 80%.





Faced with this fact, the model maker is forced to lay blame not on the rules of differentiation, but on a failure to properly implement the rules of differentiation. That narrow point of view is complete and absolute nonsense. The rules responsible for past and current success are totally discordant from what can happen in the future.

What rules did Amazon adopt from the historical bookstore model to sell books? Why hasn't Radio Shack and Best Buy been able to differentiate themselves back to their previous levels of success?

Isn't it more likely that the future success of Radio Shack and Best Buy (if there is one) will result from discarding what worked before, in order to seek and discover what can work in the future? The obvious answer is yes! The means to do so requires an understanding of the difference between rules and a framework.

Rules are explicit controls designed to regulate behavior. A framework is the environment within which behavior exists.

The twelve notes of the musical scale comprise a framework that enables notes to be assembled in ways that convey various musical motifs. The framework doesn't determine whether a piece of music will be considered jazz, classical, rock, etc. That determination results from the set of rules the composer follows as he or she creates music.

Also, there is no predetermined set of rules that determine whether or not a composition will be successful. Success is the result of the composer's ability to create music that can coalesce with an audience's emotions. That ability is the literal origin of the phrase, "striking a chord."

Anticipating and coalescing with audience / customer emotions and behaviors is the proper objective of a business model. Such an achievement is almost always temporary. In the same way as most music falls in and out of favor, so do most business models. Change of this sort is not due to a lack of adherence to rules, it's due to a shift in the audience's / customer's emotions and behaviors.

The Latin alphabet is a framework within which the rules of Italian, French, English, et. al can exist. The futures of Italian, French, and English have almost nothing at all to do with the rules of each. The futures of Italian, French, and English are dependent upon what happens within the environment in which each exists.

For instance, Italy was once the banking capital of the world. At such time Italian was a dominant language. When Italy's banking industry faded the popularity of the Italian language declined. The Italian language did not change, but the audience sure did!

A very important point regarding marketing must be made here. No amount of marketing expertise can mitigate the forces that bear when emotions and behaviors change. The dislocation of the Italian language, of the book business, of the electronics and music business, has nothing at all to do with the level of marketing expertise in each. In fact marketing expertise is totally disconnected from the talent to predict and coalesce with changing emotions and behaviors.

Imagine you're stuck in an apparent traffic jam on a highway that is totally covered in fog. You can make out the bumper of the car in front of you, but nothing else. Given your situation it might make sense to honk your horn. Marketers call this advertising, SEO, Networking, "filling the funnel," eMail Marketing, etc.

But if you could see through the fog to an assembly of cars surrounding you, then honking would be revealed as an absurdity. Seeing through the fog reveals that the problem lies at some level other than that of the car in front of you. What you have done by seeing through the fog is reveal the *framework* within which cars operate.

You still don't know the basic and invariable cause of the jam. But you do know that no amount of expert horn honking (marketing) will help. This is framework stuff, and what is needed is knowledge of the forces that can act on highways and traffic. The rules for blowing horns and motoring through fog are inconsequential.

The same is true in business. When a large number of people change what they normally do, business models and marketing become barriers.

Success (be it in electronics, music, books, or banking) only accrues to those individuals with the talent to anticipate and coalesce with an audience's emotions and behaviors. This talent is built upon an ability to look past the barriers of existing business models and marketing techniques to the untapped possibilities available at the framework level.



This document available at:

http://www.mannagroups.com/frameworks/

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