

Developing and Making the Most of the Slight Edge

Developing and Making the Most of the Slight Edge

By Mortimer R. Feinberg and Aaron Levenstein

Manager's Journal

How much difference could a little alligator on a sport shirt make? A lot of difference.

When Lenox entered its stemware crystal in a field where competitors were already established, it wrapped its product in an elegant silver-colored box. So what? It got widespread display from the distributors and captured the gift market.

A little added value can go the big distance.

In the last analysis there are only two strategies for progress in any human activity: (a) striving for the quantum leap, which may mean going for broke, or (b) playing for small increments that eventually add up.

Allowing for the rare geniuses who make the big breakthroughs, it's safe to say that most of the gains made by successful managers come from achieving a series of small advantages. Certainly more failures are registered by those who put their chips on one number. Some ball games are won by home runs, but most of the time the outcome depends on bunting singles, walks, bunts and sacrifice flies.

There are serious hazards in the "big-deal" approach. By putting too great an investment on the outcomes we create anxiety that may interfere with good performance. This is sometimes done on the assumption that people will be better motivated if they think they are confronting a Shakespearean "be-all and end-all."

To be sure, it is folly to attempt to substitute slight gains where a bold stroke is necessary, as in a dire emergency when time is of the essence. It would be like trying to leap across a chasm in two jumps. Daniel Patrick Moynihan has called attention to the frequency with which our politicians compromise by doing less than the situation demands: "To do just enough to be inadequate is hardly a clarion call."

But in most situations the slight edge can be meaningful and can make a difference. This strategy is likely to be appropriate when long-range goals are being sought, when circumstances allow for gradualism or in dealing with problems that are likely to be repetitive.

Human growth is a matter of small increments. All athletes know this. The champion prize fighter trains so that his reflexes will gain the added fraction of a second; the difference between the winner and his opponent lying on the canvas is the almost immeasurable superiority in speed.

For managers, achievement of the competitive advantage, however small, may involve any of the following:

1. Noticing details ignored by others. Alfred North Whitehead, the Harvard philosopher, once said, "It requires a very unusual mind to undertake the analysis of the obvious." This requires an ability to pick up subtle cues.

A historic example is the case of General Grant looking over a group of Confederate prisoners and noticing that their knapsacks were filled with food. They must be preparing for a long march, he reasoned, and that could mean only that they were about to retreat. This, then, was the time for him to order an attack.

Similar reasoning occurs in the mind of the executive who, on his peregrinations through the plant, notices that a particular light has been out and has not been replaced for some time. This kind of neglect suggests to him that he ought to check out a wider range of potential maintenance problems.

2. Adding a new ingredient. Improvement of one's position is sought by linking familiar functions that have been dissociated in the past or by joining a new element with an old one. When the Dutch multinational Philips came on the market with the now familiar cassette recorder, it had the advantage of being first. But it was quickly overtaken by General Electric, which gained a greater competitive advantage by combining the cassette with its already familiar portable radio.

The same principle applies in the effort to elevate employee performance. Training by itself does bring about progress, but when some additional effort goes into providing feedback the results are increased remarkably. Dr. Richard E. Kopelman, professor of management in the City University of New York, reviewing 27 different studies in a cross section of industries, cites an example:

"Training alone improved sanitation practices-specifically. hand-washing behavior among kitchen workers by 21.7%. Training combined with feedback led to an increase in (required) hand washing by 203.1%."

3. Rearranging components. Here you try to get a leg up on the problem by sorting out the critical factors and examining the effect of changing each. For example, a simple reordering of procedures produced major cost savings in hospitals. The usual practice had been to admit patients and assign them to beds before administering the various tests preliminary to surgery. By arranging to give the tests before admission, hospitals have reduced the length of stay, and society is now spared the cost of unnecessary days lost from work.

Unusual benefits are often yielded by the mental feat of reversing the chain of cause and effect. That was how Faraday discovered the principle of the electric generator. It had long been known that electricity produces a magnetic field; Faraday's objective was to determine if a magnetic field could produce electricity. Experimentation led him to introduce a moving wire into a magnetic field.

4. Focusing on the unusual. The slight advantage that offers the prospect of a big payoff is frequently found in the items that just don't seem right and therefore are glossed over. The development of penicillin and the subsequent antibiotics industry is a familiar example. Previous experimenters had seen the effect of the mold on bacteria, but dismissed it as a nuisance; Alexander Fleming's discovery of penicillin, on the other hand, "was due mainly to his perspicacity in seizing on the opportunity others had let pass," writes W.IJB. Beveridge in "The Art of Scientific Investigation."

The same logic applies when the company president insists on seeing the letters of complaint from customers, few and exceptional though they be. Follow-up on such communications is more likely to be productive than letters that contain laudatory generalizations about the product.

5. Beyond the paper chase. Too many executives— in business, in government and in education—allow themselves to be come buried in reports and memoranda that at best can only mirror reality. At the worst, such reports serve as a barrier to reality, robbing it of depth.

Visiting the scene of action may seem to provide only a small advantage, particularly if you have confidence in your subordinates. However; it is no affront to them if you feel the need to see for yourself what is going on. Thomas J. Peters, coauthor of "In Search of Excellence," tells of the Levi Strauss executive who regularly spends three days a month actually selling blue jeans at a counter in San Francisco to hear what the customers are saying.

In the end, it does come down to a willingness to expend the extra ounce of physical and mental energy. The batter who races toward first base on a dropped third strike is usually out. but baseball fans will never forget the game in which just such "heart" won the pennant/

Mr. Feinberg is chairman of BFS Psychological Associates, a New York consulting firm. Mr. Levenstein is professor emeritus of management Baruch College!

Article ID: 92

Last updated: 13 Apr, 2013

Revision: 1

Feinberg Insights -> Published Articles -> Developing and Making the Most of the Slight Edge

<http://www.sliwainsights.com/kb/index.php?View=entry&EntryID=92>