

Gaining the Edge Increasing Value through Harnessing New Concepts

Many businesses in China and India are pursuing a radical but pragmatic *bootstrapping* approach to build up their resources, while focusing on marketing opportunities.

Rise of Bootstrapping

Bootstrapping refers to an array of techniques that are designed to help businesses substantially improve with limited resources. This includes rapid increasing innovation that's designed to obtain revenue and market feedback quickly, while balancing the resources of other businesses.



Bootstrapping doesn't just apply to small, entrepreneurial businesses but to large ones as well. This has become apparent since China has surpassed the United States in the private entrepreneurial sector as the global center of management innovation and pioneering management techniques. Focusing on product innovation provides the key to accelerating and sustaining the institution at large. Therefore, products and services that are offered on the market can generate more value.

As we have seen over the last few years, this change in innovation focus has been a result of more fundamental changes that have occurred on the global landscape. This has forced us to re-examine some of the most basic assumptions that we have about our institutions, regardless of if we're discussing business, education, government or elements of our culture.

Adapting Bootstrapping to Your Business

In order to gain a reachable edge on Chinese and Indian businesses that have taken advantage of these bootstrapping techniques, we will have to master them. In the past, domestic businesses have tended to fall short when they seek to implement these management techniques because they misunderstand where and how to capture the value.

For example, some companies have carried out the practice of outsourcing and conducting offshore activities, but have done this incorrectly. As a result, this weakens their businesses more than strengthens it.

Many companies will go offshore in order to save on costs, which is not the reason to engage in that route in the first place. Offshore activities are supposed to provide the opportunity to participate in networks of relationships that can accelerate skill building, which most companies don't understand.

These latest techniques provide creative ways to connect highly-specialized participants worldwide in order to mobilize resources; allow more flexibility and enhance the potential for innovation in extended business practices.

Conventional approaches narrow the number of participants, where western businesses have tended to narrow their external relationships in their quest. This makes sense if the sole objective is to reduce operating costs.

New approaches to organize business processes are designed to dramatically expand the number of participants that will create opportunities to tap into:

- Deeper specialization;
- Greater operational flexibility to tailor value;
- Significant innovation at multiple levels in the process.

These companies succeed by focusing on future opportunities and long-term relationship that will come up with innovative approaches to delivering greater value to the marketplace. They view the potential for product and process innovation to be virtually unlimited.

Getting Past Traditional Routes as Obstacles

Traditional approaches to business strategy actually slow down the learning and capability-building process. An F.A.S.T. (Focus, Accelerate, Strengthen and Tie Together) strategy approach provides a way to focus organizational learning based on a limited set of operational metrics, and to balance longer-term direction setting with high-impact near-term initiatives.