



**Fight for Marketshare**  
*An Industry Disruption Story*

**Rowland Chen**



**Industry Norms**

# Much Publicized Disruptors



Here is a story you probably have not heard.

# Agenda

Case: Acme Shipping and Investors' Directive

Industry Disruption Playbook

Disrupting Your Industry – Breakout

Key Takeaways

Q & A

Wrap-Up



**MAERSK**



**Hapag-Lloyd**



**NOL**



**長 榮 海 運**  
**EVERGREEN MARINE CORP.**

# Customers

**Retailers**

*Value Proposition*

*#5 in Marketshare*

**Price**

*150 Years Old*

**No Differentiation**

*Commodity*

**Transit Times**

**Acme Shipping**

*Industry Booming*

**Customers' Supply Chains**

**Customers' Trucks Idle**

*Capacity-Driven Revenue*

*Under Utilized Capacity*

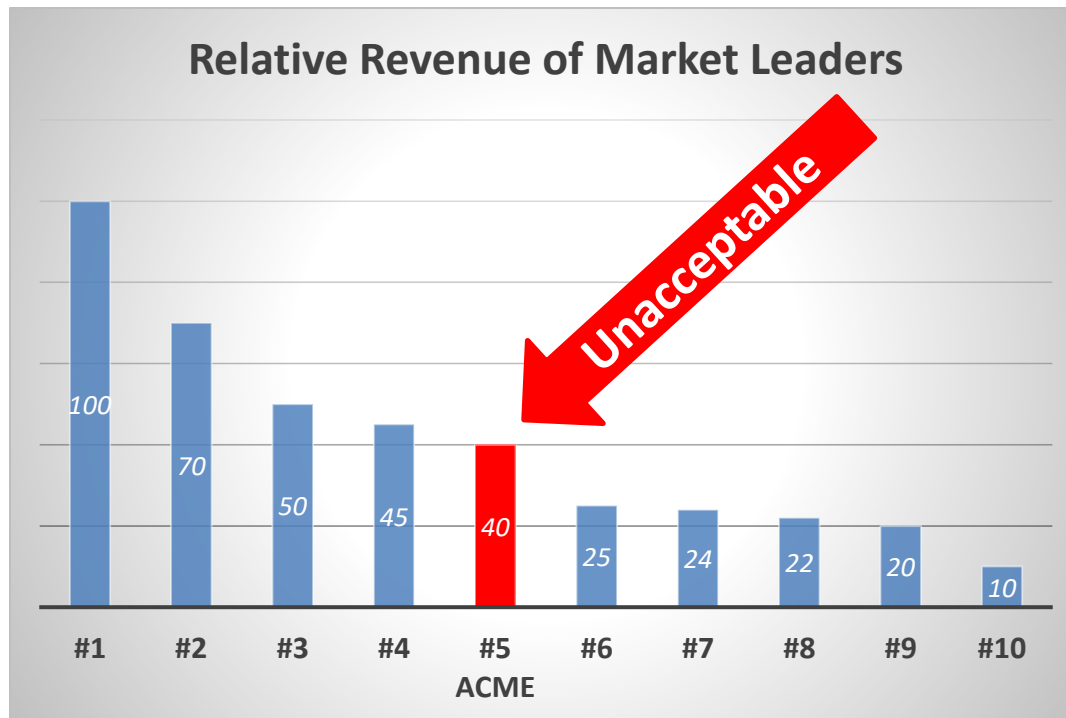
**No Capital Available**

**Gentlemen's Agreement**

**The Lie**

# Acme Shipping's CEO Was Faced with a Nearly Impossible Task

***“Grow marketshare in a commodity industry with no capital investment”***



Acme's CEO and Team Knew They Needed to Shake Up the Industry to Gain a Competitive Edge





# Agenda

Case: Acme Shipping and Investors' Directive

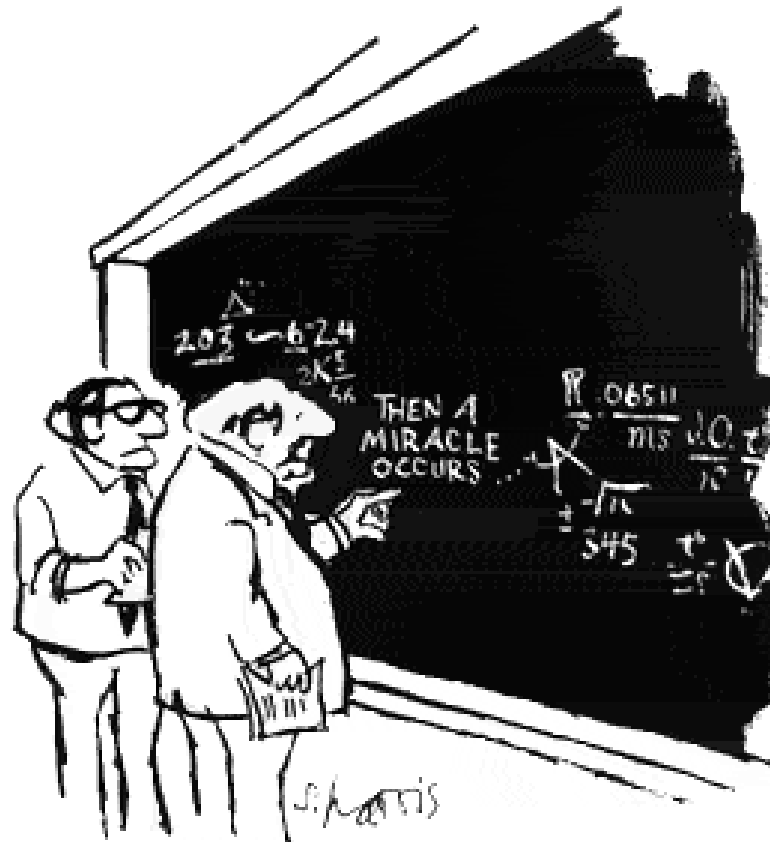
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"I think you should be more explicit here in step two."

# Industry Disruption Playbook



*We'll go through each step of the story ...*

# 1.1 Add Value to Your Customers' Customers

Model the industry value chain

Start and end with the customers' customer

Deliver stellar shopper experience, no out-of-stocks



# 1.2 Determine True Customer Needs



## False Assumptions

- Fast transit times
- No need to arrive on time
- Retailer is the customer
- Shopper experience ignored
- Price trumps all



























## The Truths

- Predictable supply chain
- Products on shelves
- Shoppers are true customers
- Shopper experience is paramount
- Value trumps all



# 2.1 Use a Strategy Canvas\* to Model Shipping Industry Constructs

| Strategy Canvas Worksheet               |   |   |   |   |   |   |   |   |   |   |   |                         |
|---|---|---|---|---|---|---|---|---|---|---|---|-------------------------|
| Shipping Industry Disruption            |   |   |   |   |   |   |   |   |   |   |   |                         |
|   |   | <b>Color Coding</b>   |   | <i>Acme Acme As Is</i>  |   |  |   |   |   |   |   |                         |
|   |   |   |   | <i>Competitor #1</i>  |   |  |   |   |   |   |   |                         |
| <b>Relative to Industry Competitors</b> |   |   |   |   |   |   |   |   |   |   |   |                         |
| Highest                                 | 5 |  |   |   |  |   |   |   |   |   |   |                         |
| Higher                                  | 4 |   |   |   |   |  |  |   |   |  |    |                         |
| Average                                 | 3 |  |   |  |   |  |  |   |   |  |   |                         |
| Lower                                   | 2 |   |   |   |  |   |   |   |  |   |   |                         |
| Lowest                                  | 1 |   |   |  |   |   |   |   |  |   |    |                         |
|   |   | <b>Number of Routes</b>   | <b>Condition of Containers</b>  | <b>Committed Transit Times</b>  | <b>Relative Vessel Capacity</b>   | <b>Cost to Operate</b>  | <b>Actual Transit Times</b>   | <b>Price per TEU</b>  | <b>Reliability</b>  | <b>Customers' Supply Chain Partner</b>  | <b>Customers' Customers Focus</b>   | <b>Customer Service</b> |
| <b>Industry Construct</b>               |   |   |   |   |   |   |   |   |   |   |   |                         |

\* W. Chan Kim and Renee' Maubourgne

## 2.2 Articulate Industry Constructs

- X No differences in service
- X No differences in value propositions
- X Committed short transit times never met
- X Price was the only competitive variable
- X Price war fought for each load

# 2.3 Re-Draw the Strategy Canvas to Determine Which Constructs to Disrupt

| Strategy Canvas Worksheet        |   |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
|----------------------------------|---|------------------------|-------------------------|-------------------------|--------------------------|-----------------|----------------------|---------------|-------------|---------------------------------|----------------------------|------------------|
| Shipping Industry Disruption     |   |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Color Coding                     |   | <i>Acme Acme As Is</i> |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
|                                  |   | <i>Competitor #1</i>   |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
|                                  |   | <i>Acme To Be</i>      |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Relative to Industry Competitors |   |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
|                                  |   |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Highest                          | 5 |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Higher                           | 4 |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Average                          | 3 |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Lower                            | 2 |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
| Lowest                           | 1 |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |
|                                  |   | Number of Routes       | Condition of Containers | Committed Transit Times | Relative Vessel Capacity | Cost to Operate | Actual Transit Times | Price per TEU | Reliability | Customers' Supply Chain Partner | Customers' Customers Focus | Customer Service |
| Industry Construct               |   |                        |                         |                         |                          |                 |                      |               |             |                                 |                            |                  |





## 3.1 Dig Deep to Arrive at What Is Truly Valued

A. Industry economic analysis

B. Customer conversations

C. Internal workshops

D. Financial analysis

E. Expert validation

F. Customer feedback

## 3.2 Define True Value to Deliver

- ✓ Meet committed transit times with reliability
- ✓ Uninterrupted supply chain of goods
- ✓ Predictable revenue stream for retailer

# 4.1 A Powerful Value Proposition

- ✓ Truly valuable
- ✓ Unique
- ✓ Creative
- ✓ Defensible
- ✓ First mover
- ✓ Profitable
- ✓ Easy to say
- ✓ Relevant

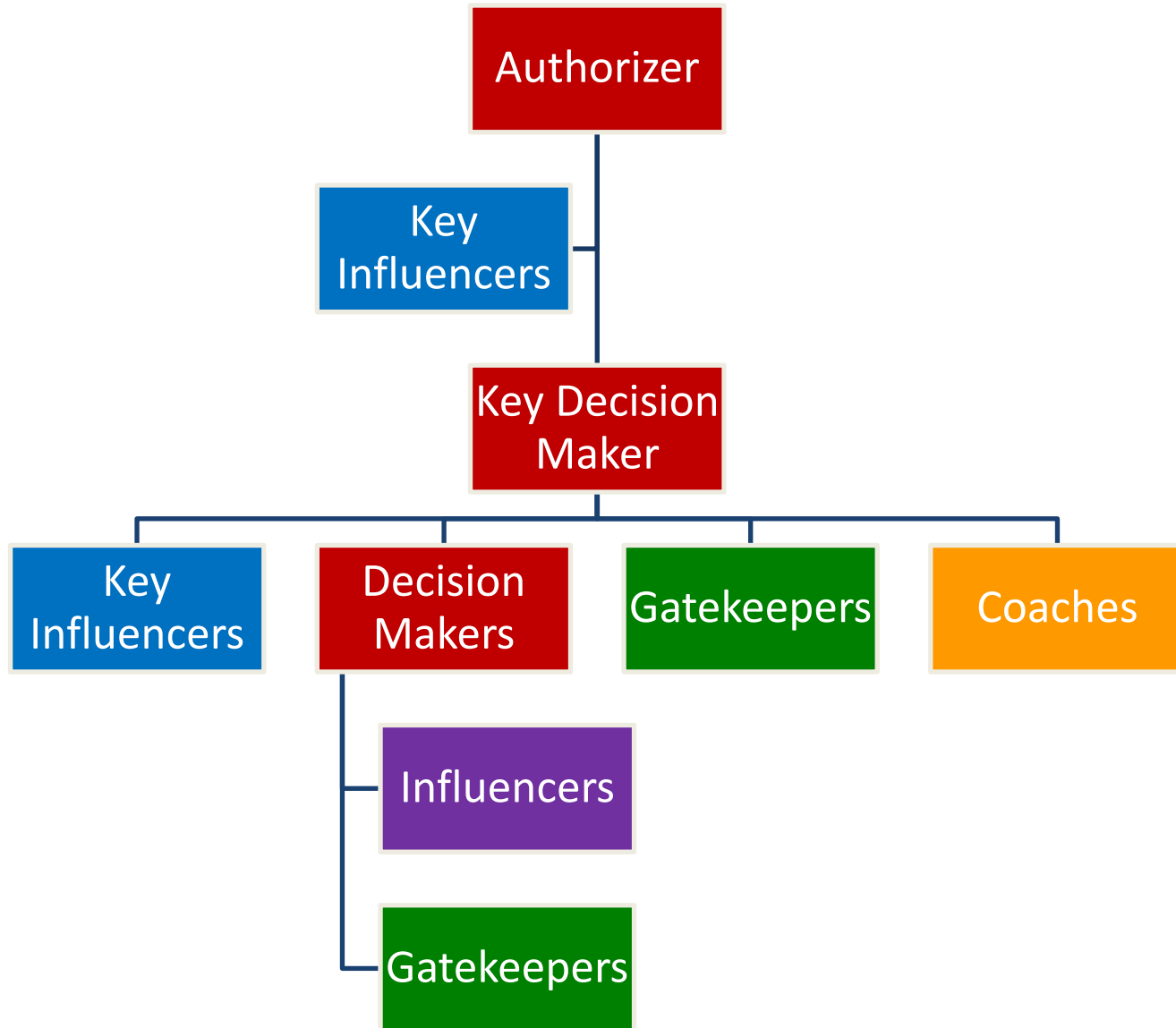


## 4.2 Write New Value Proposition

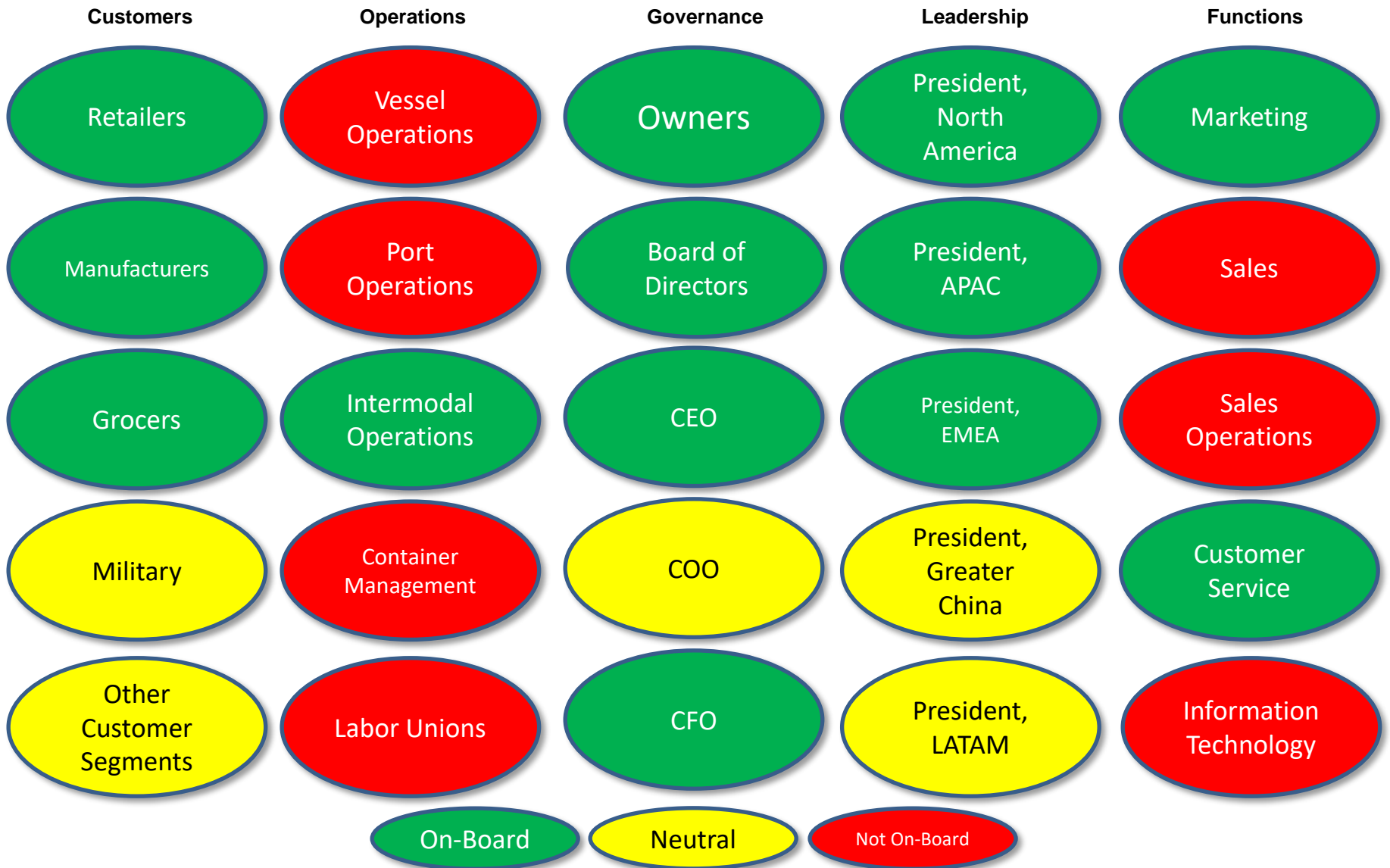
*“Your goods reliably delivered on-time as committed.”*



# 5.1 Internal Stakeholder Roles



# 5.2 Disruption Stakeholder Heat Map



# Now the most difficult part – EXECUTION ...

*Strategy*

Seamless Transition

*Execution*



# 6.1 Critical Success Factors for Transformation

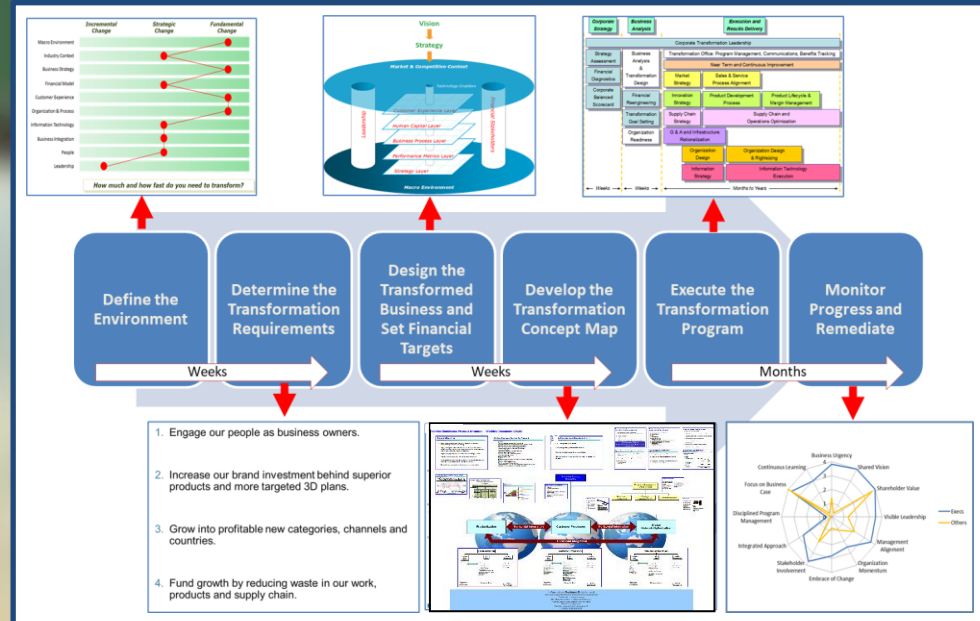
1. Unswerving focus on customer
2. Business urgency
3. Shared vision
4. Clear value add to shareholders
5. Visible top executive leadership
6. Management alignment
7. Sustained organizational momentum
8. Relentless embrace of change
9. Stakeholder engagement
10. Multifaceted, integrated approach
11. Disciplined program management
12. Continuous discovery and learning





# 6.2 Transformation Roadmap

- Deliberate
- Methodical
- Visible
- Predictable
- Controllable



# 6.3 Execute Transformation

Value Proposition Dissemination

Business Re-Engineering

Revenue Management

Information Technology

Performance Excellence

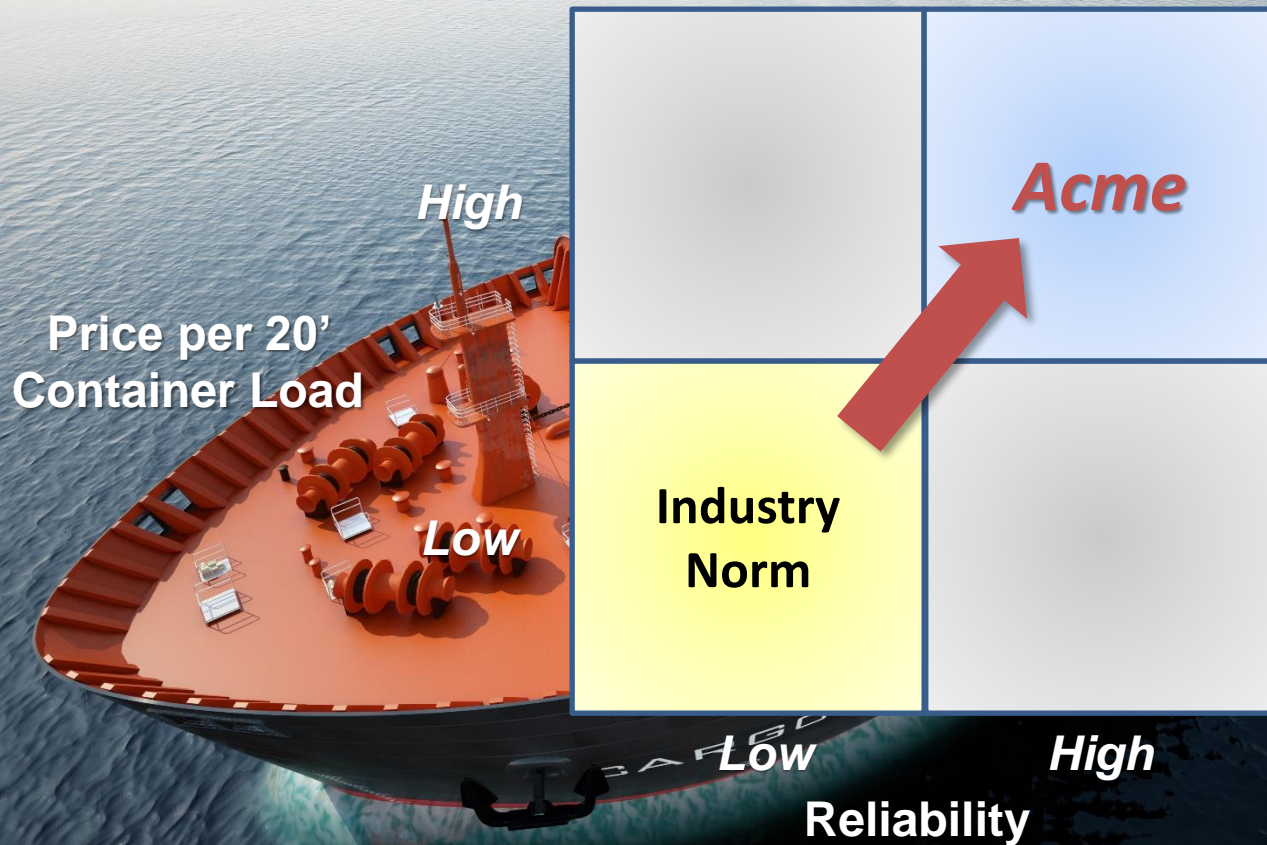
Behavior Change

Culture Change

Investor Expectations



# 7.1 Re-Position and Disrupt



Premium service at a premium price point

## 7.2 How to Reposition

### Higher Reliability

- A. Communicate true value to customer
- B. Commit delivery times in sales contracts
- C. Deliver on-time
- D. Meet commitments
- E. Reinforce value delivered

### Higher Price

- A. Determine incremental price of true value delivered
- B. Develop pricing strategy roadmap
- C. Experiment to test point of price indifference
- D. Raise prices customer-by-customer



## 8.1 Grow Revenue

Low capacity utilization

Sell existing capacity

No need for new ships

## 8.2 Load Up the Vessels

Re-direct marketing messages

Re-write Sales scripts

Convert Sales Ops to Value Ambassadors

New incentive compensation plans

Execute blue ocean strategies (literally, new ocean routes)

# 9.1 Monitor Revenue and Operations

Dashboards

Closed-loop feedback systems

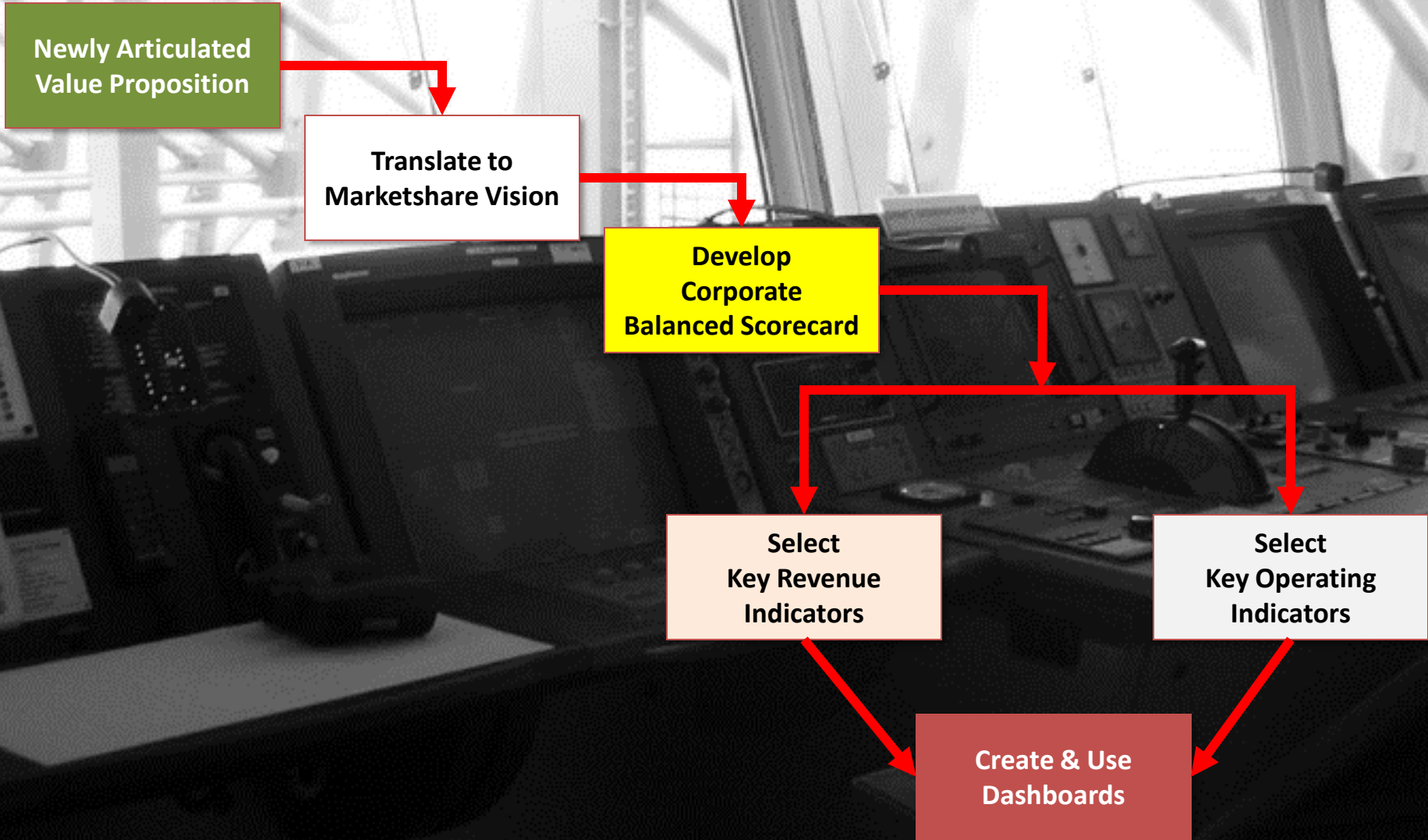
Leading and lagging indicators

Performance metrics

Operating metrics



# 9.2 Develop Revenue & Operations Dashboards





# 10.1 Reap Benefits of Disruption

**Industry Norms**



# 10.2 Secret Sauce

*Pride*

*Persistence*

*Performance*

*Perseverance*

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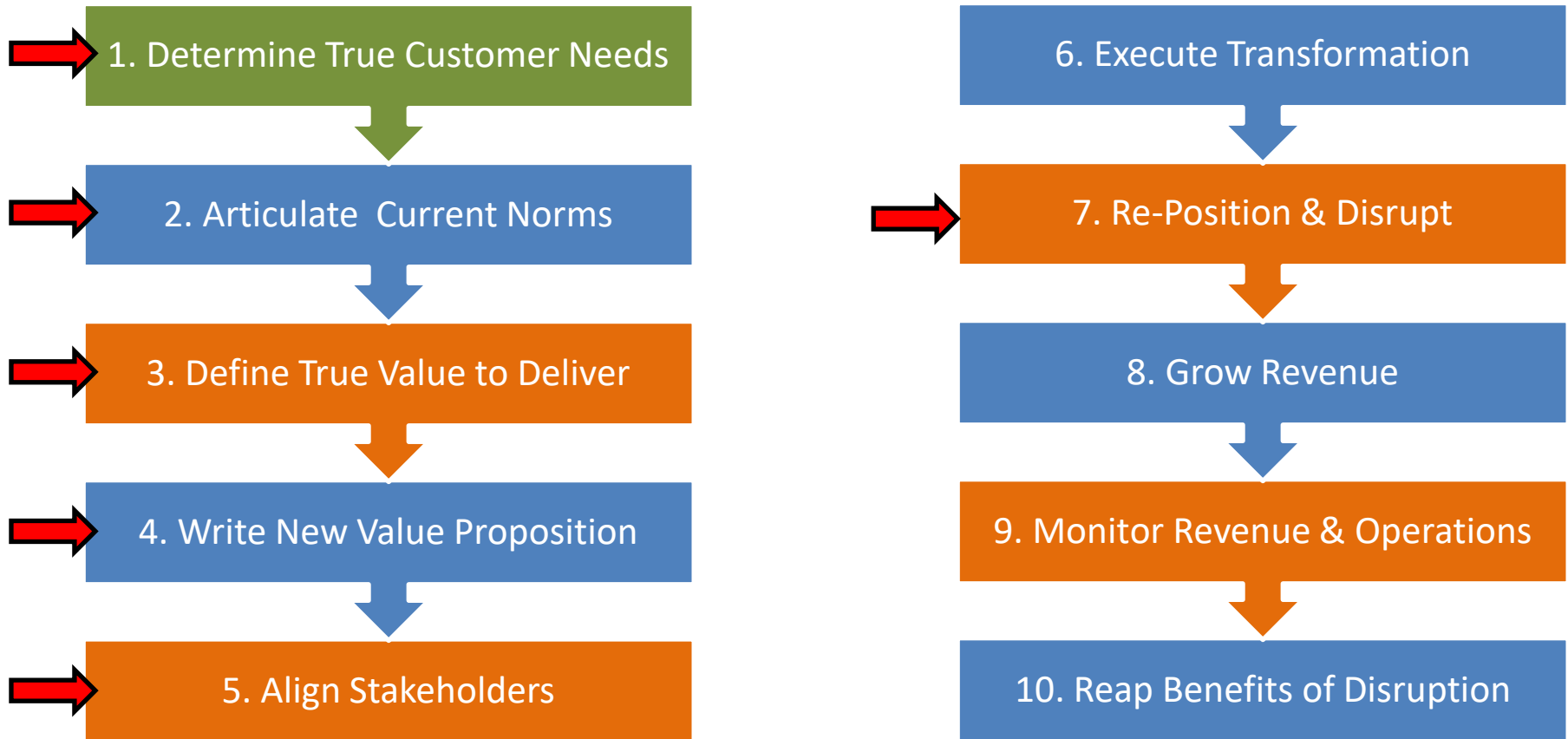
Wrap-Up

# Industry Disruption Playbook

*Strategy*

*Seamless Transition*

*Execution*



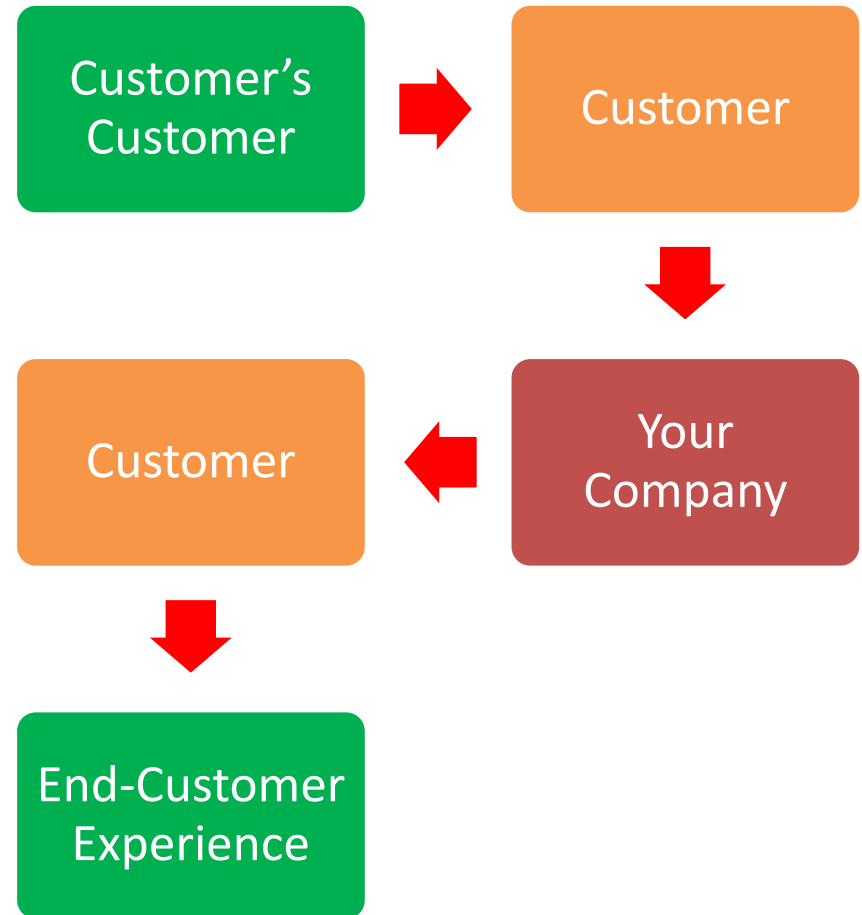
 Work on today

# 1.1 Add Value to Your Customers' Customers

Model the industry value chain

Start and end with the customers' customer

Deliver stellar end-customer experience: define UX





## 3.2 Define True Value to Provide Customer

✓ #1

✓ #2

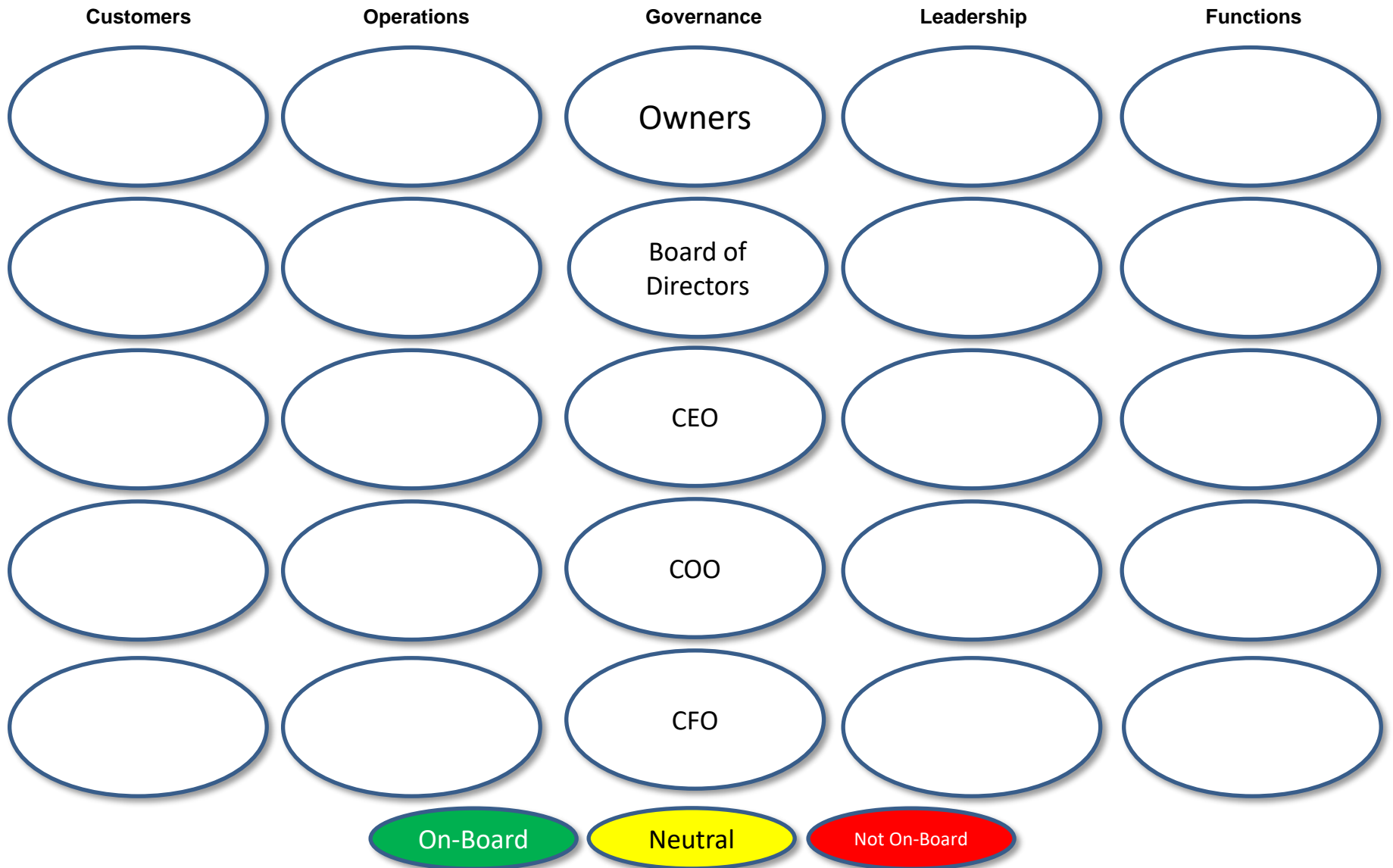
✓ #3

# 4.1 A Powerful Value Proposition

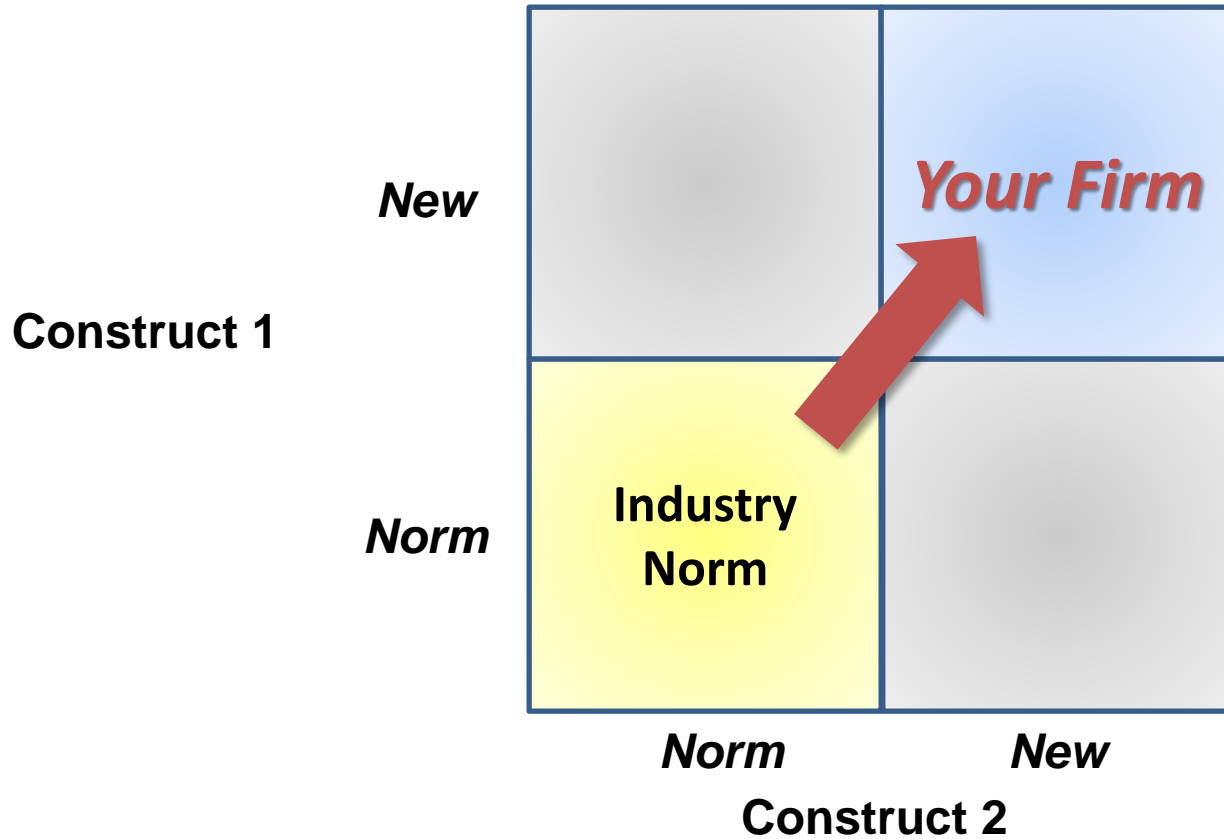
- ✓ Truly valuable
- ✓ Unique
- ✓ Creative
- ✓ Novel
- ✓ Defensible
- ✓ First mover
- ✓ Profitable
- ✓ Easy to say
- ✓ Relevant



# 5.2 Disruption Stakeholder Heat Map



# 7.1 Re-Position and Disrupt



Describe new position and how that position disrupts

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# KEY TAKEAWAYS

Customers

Transformative

Any industry

Disruptor



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**Thank  
You**



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