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“David vs. Goliath” by Ken Lerman

When the competitive intrusion of a Goliath (a big brand) threatens the security and prosperity of a David, the smaller business must respond and not become stuck like a deer in the headlights of fear, uncertainty and doubt.

As the story in 1 Samuel, Chapter 17 goes, Goliath dressed himself powerfully with his most fearsome weapons. Then Goliath showed himself openly, morning and evening, for forty days to the smaller armies – threatening and challenging them to send one man out to fight with him, winner take all. The smaller army was “dismayed,” full of fear, uncertainty and doubt. What to do? What to do? This is the exact reaction and confusion the big brand wants to instill in small competitive brands. It is part of their strategy. Don’t fall for it!

David, battling with current or new creative weapons should intelligently challenge and change the competitive agenda – the playing field, its terms and rules. The smaller, threatened business should create new end-user solutions, benefits, values and purchase conveniences that are desirable and readily perceivable to their current and targeted new users. Forge new weapons – change the agenda.

Back to the story. David’s response was creative and strategic in the weapons he chose. He considered other weapons, competitive strategies and tactics, but he was unaccustomed to them – he hadn’t “proved them” – they did not fit. David chose weapons he had previous success with – “five smooth stones in a shepherd’s bag and his sling.”

Yes, David was careful to select the right strategic weapon and smart to take *quick tactical action* against the Goliath. “David hasted and ran” to the tall, fearsome giant Goliath – putting himself on the offensive and not giving the Goliath time to defend himself against the stone “that sank into his forehead.”

Oh Pious One, I’m not suggesting that a small business can kill the larger brand or chase them out of the market. What the smaller brand, the David, must do is out-think the big guy and keep their current cash flow profitable (without discount) and hopefully growing. If the large brand should kill a smaller competitor, let it be someone else that dies.

Here is a fairly current illustration of a David and Goliath analogy from the Wichita, Kansas market. I’m selecting a restaurant example for it is a category we are all familiar with and one I consult in quite often.

Imagine you’re the owner of Kwan Court, a large, independent full-service Asian restaurant with lunch buffets, the first Sushi bar in Kansas and an upscale dinner menu. You learn that P. F. Chang’s will build and open one mile east of you. While you are planning college for five young daughters. Doesn’t make your day a good one. What to do? What to do?

P. F. Chang’s is the Goliath of Asian restaurant brands. They open, become number one in the market and they don’t close. They never lose. They are publicly traded and well financed. What to do?

You decide to fight to stay alive. You won't kill Goliath. You figure out how you can live with Goliath one mile away. If you remain "dismayed," stuck in the headlights of fear, uncertainty and doubt and do nothing, you will be killed.

Here is what we did. While Goliath built a professionally designed building with a superb décor package, we took every travel opportunity to visit P. F. Chang's across the U.S. We unashamedly asked questions of managers, wait staff and operations personnel. We didn't always get to see or learn what we asked for, but the knowledge was good. We spoke with customers in the dining room, waiting for tables and leaving the restaurant and learned more. We spoke with local foodservice brokers and competitors.

Then we stopped to think about Kwan Court's current situation. We developed a Competitive Strategic Plan not to take Goliath head-on and not to fight with his weapons. No, we chose familiar, affordable weapons and strategies that would help us survive and keep positive cash flows – hopefully during, if not after the big brand's opening.

Two months prior to P. F. Chang's opening, Kwan Court introduced the first lettuce wraps in Wichita. Lettuce wraps are – P. F. Chang's signature item,

When P. F. Chang's and Abuelos opened, neither accepted table reservations for parties of four or less. As they opened, we wrote and ran the following radio copy: "If you're tired of waiting hours for a table and drinking with folks you don't know – come to Kwan Court. We'll bring your drinks to your table. Enjoy Kwan Court's lettuce wraps – the first and best-tasting in Wichita. At Kwan Court the one thing you can always count on hearing are the people at your table." Today P. F. Chang's and Abuelo's take reservations for four. Kwan Court changed their "reservations agenda." Significant new competitive changes, introductions and investments continue at Kwan Court today.

It's been nearly three years since the big brand restaurant intrusion began across Wichita, Kansas. To those Davids who took thoughtful, strategic competitive actions against Goliath, it's been a rugged battle, but they are still in it. They may have found an Achilles Heel. Ah, but that's another old story.

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