

Does Your Business have a Demand Problem?

Looking at what has been happening in the world with the slow economy, you would think it all has to do with a bad recession or political activity that is less than favorable to the business world. Look a little deeper, and you will see things are changing. We should be aware of all that is going on for the sake of positioning our businesses for the most potential possible.

I believe, as a leader of a company and the one responsible for putting us in the path of future waves of opportunity, my purpose is to read and learn as much as possible. To achieve this, I participate in the [E0 University Conferences](#), attend the [Verne Harnish Fortune Conference](#), and read a large number of books every year. This exposes me to people, speakers, and ideas that help me contemplate what the future may look like.

Back in the early 2000s, I came across a book called “[The New Law of Demand and Supply](#)” by [Rick Kash](#) that was sent to me by the [Williams Inference Center](#), and I have been reading a book more recently called “[How Companies Win](#)” also by Kash and [David Calhoun](#). The first book put some interesting thoughts in my head, but I didn’t see really the power of this thinking until the great recession hit us. Why? Because it took the significant decline in business to magnify how the Demand and Supply forces have changed.

✖ In the past, we had huge demand from those who wanted everything businesses could throw at them. For decades, we could grow revenue by adding more offerings and streamlining supply. We globalized the supply chain, reducing costs by making products in China or India or even just down the street if that was most efficient. We were able to buy so many things as our living standards increased and the costs decreasing. We

accumulated so much!

Now, things have changed. The demand is simply not there. We have excessive supply from where we increased it so much in the previous decades to meet the high demand, but this terrible economy has taken away our buying power. We now see an economy that has vast oversupply but not enough customers to support the businesses that are out there trying to provide that product or service. This is the new world in which we are living, so decision makers need to know how to deal with this in order to generate growth in their business.

For those that zone out when you hear “supply and demand” due to the brain trauma you received in Econ 101, let me say it another way. In the past, we desired lots of things (lots of demand) and the business world struggled to make all we wanted and to provide at affordable prices (not enough supply). Now, we have this huge amount of goods (over supply) that companies are trying to sell and not enough people with the desire or resources to buy them (lacking in demand).

There is so much supply for what you are offering, so it is tough to grow business. Can you see this in your business environment?

Supply has vastly outpaced the demand in the economy right now, and the global economy has become unbalanced. We need to grasp this new reality that in order to get customers to want our offerings, we need to zero in on exactly what they are demanding. We will focus on this in next week's blog.