



Information Dominance

Definitions

Information dominance: Requires every member of your organization knows the organizational narrative, the critical elements of the story, and their role in the story.

Information dominance requires the free movement of information throughout the organization without friction to the point in the organization where the information enables advantaged decision making.

Information dominance requires that the organization can seek and learn information from the environment and react to the information faster and more efficiently than the competition armed with superior information.

Information dominance requires the organization to have an authentic narrative that is understood globally throughout the organization and resourced consistently with the narrative.

Excess Profits: A condition that is normally associated with monopoly pricing ability but in this case, it is achieved because you to operate without peers due to the competitive advantage you receive from achieving information dominance.

Example: A sales force operating with information dominance develops an algorithm that predicts which households are most likely to need a new vacuum cleaner in the next two months. They initiate a direct mail campaign to those homes before sending their sales force to contact each household personally. As a result, they outsell their peer competitors by 70% and sustain this sales advantage for several years.

Competitive Advantage: A condition derived from your ability to comprehend your market environment better than any competitor and react to changes in the environment such that you can deliver your product or service more efficiently than any peer and you reap a marginal advantage.

Example: A man with a degree in botany opens a lawn care service in a small town where the competition is operated by people who run franchises with minimal training.

Veil of Ignorance: Refers to the level of comprehension that you gain about an environmental system such that any action that you direct is equally likely to produce positive outcomes as negative outcomes. Actions directed above the veil are more likely to produce positive outcomes, and actions directed below the veil are more likely to produce negative outcomes.

The further you operate below the veil of ignorance the more effort will be required to achieve the same positive output. The further you operate above the veil, then a reduced amount of effort will be required to produce positive outputs.

Example: You have a broken pocket watch and a strong desire to get it fixed. If you have the tools and you have enough knowledge about watch mechanics to operate above the veil of ignorance with respect to watch repair, then you can expect to open and repair your watch. If you have the tools required to open the watch but lack the skills and knowledge to repair the watch then your chance of fixing the watch are no better than chance. If you lack the tools and the knowledge to repair your watch, then you will need to exchange money or barter services to repair your watch.

Attempting to fix your watch while you lack the skill and tools to operate above the veil of ignorance in watch repair, then you will have very low probability of fixing your watch. Improve your knowledge about your subject so that you can operate above the veil of ignorance.

Information Superiority: Is a condition that exists such that your ability to comprehend your environment and to communicate your decisions is greater than your peer competitors.

Peer Competitors: The elements within your market environment whose actions directly affect your ability to operate, with a similar level of resources or market influence based on the price they can charge for a good or service.



Example: The food vendors in a gated festival comprise the peer competitors for a hot dog vendor in a small-town festival.

Market Environment: That segment of the environment that can be affected by your presence or the actions of your operation. The depth of your market environment is the area that is affected by the price that you charge for a good or service.

Example: Vendors selling hotdogs at a Founders Day festival could consider the individuals inside the gated area of the festival as the Market Environment. Factors affecting the environment include the ability of visitors to bring outside food into the festival and governing ordinances that control the sell of food at festivals.

Intelligence: Having a systematic process for collecting data and converting it into useful information which can be shared as organizational knowledge above the veil of ignorance, in pursuit of information dominance.

Stupid: Acting in a manner that inconsistent with the accomplishment of your clear objective or failing to take clear action that would result in the accomplishment of your objective.

Example: Imagine, a restaurant manager from a chain of restaurants that preaches the virtue of establishing long term relationships with customers as being key to long term profitability refusing to refund or replace the product of a regular customer because the receipt is misplaced. Failing to make the decision to keep a regular customer happy is an action that works directly against the company desire to maintain long term relationships with customers. An action that meets the stupid criteria.

Unity of Purpose: Members of an organization share the same objective as it relates to the organization story. Using this unified purpose members of the organization gain the ability to respond to changing information consistent with the organization purpose without having to wait for guidance. Unity of purpose contributes to the agility of an organization and makes it possible for the organization to take advantage of opportunities when they present themselves.



Example: A member of a boutique car dealer is vacationing in Hilton Head South Carolina. She spots a rare car that is often in demand by his firm's customers. She observes an elderly woman placing a For Sale sign on the windshield and before the woman returns to her home, our inspired employee is on the phone with her boss and uses her vacation cash to snag the car before the competition learns the vehicle existed on the market. This sort of agility becomes possible when every team member works for the same purpose.

Shared Comprehension: Shared comprehension is a state of awareness within an organization where the company story is known by every member of the team, and there are systems in place to share new information throughout the organization. This state of awareness

Enabling Capacity: When a person or organization operates with a story driven purpose to accomplish an objective, two elements are required. The clear objective and the resource required to achieve the objective.

Example: A group of friends need to get a grand piano into a fifth story loft apartment. Their objective is clear, find a way to safely move the piano. If the building has a lift crane on the roof to handle large pieces of furniture, the lift crane along with the skill to use it, constitutes the enabling capacity.

