

Acme Industries

A case study in adapting to changing market conditions in the middle of a recession.

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In the 1970's I knew of a good size aluminum extruder in the Los Angeles area. We'll call this company "Acme". Acme was much smaller than Elixir Industries, the largest company in their market space. Every time Acme picked up market share, Elixir would lower prices and retake market share. One of the markets Acme served was the flooring industry. They knew from their exposure to that market that there was a growing opportunity for a West Coast based carpet mill. Since petroleum and petrochemical prices were increasing, and virtually all carpet was manufactured in the Southeastern United States, the cost of carpet on the West Coast was increasing rapidly.

In a bold move, Acme's owner purchased the equipment to make carpet, hired consultants, learned to manufacture carpet and sold the extruding equipment all in one year. Within five years, Acme garnered a huge share of the carpet market in the Western United States.

Had Acme's owner seen himself and his company simply as an aluminum extruder, he never could have made that change. But he thought of himself and his employees in a different "bigger" way! He and Acme were *business people* involved in *manufacturing*. Circumstances beyond their control relegated them to an unacceptably small portion of a very competitive market. They found a more lucrative market and "did what it took" to become the dominant force in the West Coast flooring market.

We have seen this current market shake out weak enterprises in banking, retail and manufacturing. There were too many players in a shrinking market. Times like these create huge opportunities if you can see them. Focus on market and market share, keep your company lean, and keep looking for new opportunities. Most of all, *think forward!*

We collaborate with a Strategic Planner who teaches Hewlit Packard's disciplined approach to market based planning. If we can assist you in developing this skill set in your company, give us a call.