

Overfished Ocean Strategy: How to Drive Growth and Attain Profitability

To say that we are facing a resource crunch seems obvious to anyone who is remotely tuned into the present day global economy. However, instead of beating one's hearts and lamenting the looming resource crunch does not solve any of our problems. Instead, the solution lies in innovating, moving **beyond vertical integration and** into non-linear as well **as horizontal integration**, and focusing on delivering an experience instead of a product alone so that wastage of resources and redundancies in the value chain can be eliminated are some of the aspects of the strategies to deal with resource crunches.

This is the overfished ocean strategy wherein managers have to contend with the oceans that have run dry of fishes to catch and irrespective of whether there is a new ocean (blue ocean), improvising in existing and saturated markets (red oceans), the bottom line remains that the entire ocean is being overfished and hence, a radically new approach which combines the elements described in the previous paragraph have to be actualized.

Introduction: Welcome to the Age of Decline



Ever since the Industrial Revolution began and led to the cascading changes that ultimately resulted in the birth and creation of the modern corporations and modern businesses, resources were plenty and hence, these companies could base their models on an ever increasing supply of everything ranging from oil and minerals to metals and food items. This abundant supply of cheap resources powered modern civilization for most of the 19th and 20th centuries. However, as businesses enter the new millennium and midway through the second decade of the new century, the tides seem to be turning against them as far as availability of cheap and plentiful resources are concerned.

This dawning of the age of decline or the era of diminishing resources means that businesses and managers in them need to wake up to the new realities of resource crunches and declines as well as face the prospect of ever increasing prices of raw materials coupled with declining supplies and ever scarce situations. When compared to the previous century, the prices of resources and raw materials followed a downward trend in terms of real prices, which meant that businesses and managers did not have to worry about sourcing, and finding raw materials or establishing supply chains that are also global in nature as resources were mined at ease and with success.

However, since the beginning of the last decade of the new century, the real prices of the resources have shown an upward trend meaning that for the first time in history, businesses are faced with the prospect of having to contend with ever-increasing prices of raw materials. Of course, resource crunch has always been a characteristic of human history. What is different this time is that while we have always relied on finding new sources of resources every time we ran up against the wall of scarcity, for the first time, we are increasingly facing the real prospect of having no new sources.

Akin to an ocean where the waters have been fished so much that there are no more fish left, the present times resemble a situation of overfished oceans or the situation where businesses and managers have to do with the threat of

GAUTAM SINGH, HOSPITALITY TRAINER, www.educatererindia.com, info.gautam94@gmail.com
having no resources or costly resources. Therefore, businesses have to learn to make do with declines and this is the overfished strategy that this report examines in detail.

The Overfished Ocean Strategy

Some businesses have responded to the overfished oceans or the saturated red oceans by turning to blue oceans or sources of raw materials that are unexploited. However, when one considers the fact that even these sources of raw materials are sought after soon after they are discovered means that the whole concept of the ocean itself running dry of fish has to be dealt with. If we consider the fact that in the last decade, prices of commodities in real terms have risen by 147 percent means that managers can no longer tweak and adjust their sources of competitive advantage but instead, have to radically alter the way they do business.

This is the Overfished ocean strategy where managers have to not only proclaim the end of the linear economy or the modes of production and consumption where products once consumed are discarded. Instead, the linear modes of production and consumption have become circular meaning that the production and consumption cycle turns full circle with the discarded materials coming back to the beginning of the subsequent cycles of production.

This is one aspect of the overfished ocean strategy. The other aspect of the overfished ocean strategy lies in the way synergies are actualized throughout the production and consumption cycle by turning resource scarcity into a competitive advantage. How many times have you carpooled or teamed up with your colleagues so that you can economize on fuel, parking costs, and other expenses? As this habit of consuming lesser resources by synergizing is being accepted in the West, the managers there are also turning to how Eastern and traditional forms of production and consumption practiced in countries like China and India can show the way forward in a world of declining resources.

When one adds innovation and inventiveness to the mix of strategies to deal with overfished oceans, then the result is that as many traditional cultures make do with less and lesser, the world would soon have to turn the clock back and unlearn some things and learn new things. There are already many companies in the West who have actualized the overfished ocean strategies for sustainable competitive advantage. We shall discuss some of these companies in the next section.

Examples of Companies Pioneering Overfished Ocean Strategy

For instance, the German global automobile giant, BMW has already put in place a strategy wherein it does not sell cars only but instead, sells mobility. In other words, it has moved beyond selling products and instead markets a service. The core idea of mobility has allowed its managers to offer the concept of a rented car sharing service with the motto of “pick up anywhere, drop anywhere” wherein commuters in densely populated cities can economize on fuel, parking costs, as well as share the per minute billing with other riders and can save on the investment needed to buy a car for themselves.

Further, there are some startups in Europe that let manufacturing companies having idle capacity to sell their spare capacity to others who can then economize on the need for capital investment of their own. The overcapacity can be anything such as land that is unused, skills that are transferable, and underutilized machines that can be used by smaller companies.

Apart from this, the global shoemaker company, Puma, is pioneering a way to reduce the wasteful consumption that is inherent in making and packaging shoes by removing the traditional boxes in which shoes are packed and instead providing consumers with a reusable and recyclable bag that is also less material intensive for its manufacture.

Of course, these companies are just some examples of the overfished ocean strategy and there are countless others who are transforming their value chains, moving from vertical integration to horizontal integration, and managing to grow and go from growth to growth despite being faced with the resource crunch.

Conclusion: The Future Belongs to Resource Crunch Innovators

Faced with oscillating prices and volatile commodity markets coupled with geopolitical instability and a world that is becoming more complex with each day, managers have to make do with less and ensure that they get more from less. The lessons for managers from the overfished ocean strategies are that they need to focus on all aspects of the value chain so that at each step they can cut down on waste and eliminate redundancies. The bottom line for the overfished

GAUTAM SINGH, HOSPITALITY TRAINER, www.educatererindia.com , info.gautam94@gmail.com
ocean strategy is that one must produce more with less and the fact that the linear throw away and disposable economy is coming to an end should be clear to the modern day managers. As with the companies discussed above, managers everywhere have to embrace frugality and think out of the box if they have to actualize success in the emerging overfished ocean economy of the future. In conclusion, the reality is that no matter where one is globally, the depletion of resources affects all managers and whereas some can take it easy for a few more years and others have to face it now, sooner or later all the lines meet and all managers everywhere have to embrace the overfished ocean strategy

Gautam Singh , Hospitality Trainer , 07830294949

