

Have you been working on cannibalizing your organization today? What, you say—cannibalization? You can't be serious! Yes, I *am* serious—cannibalization! But it's the business definition of that term!

In this episode, we're focusing on the one of the least-known, least-practiced dimensions of organizational success that actually can be quite vital. In fact, the lack of fully applying this principle is the downfall of many leaders and their organizations. Again, that dimension, that principle is cannibalization.

So, just what does "cannibalization" in an organization mean? It typically means that your organization deliberately replaces a current product offering with an improved offering—perhaps just a somewhat-improved offering or maybe a significantly-new offering. Either way, the older offering is fully or partially replaced, sometimes quickly...sometimes slowly. It's cannibalized—"eaten" by the organization itself.

So let's talk about some examples that can help us understand this important principle and how it can be vital to our workplace enterprises.

First, let's take a look at a couple of product offerings by Procter & Gamble, commonly known as P&G, a long-standing giant in consumer products. Crest toothpaste was introduced as Fluoristan in the mid-1950s. Ever since, Crest has been an amazingly prominent brand! In due course, P&G expanded its products beyond toothpaste to successful complementary products like dental floss and whitestrips.

But P&G also added different toothpaste options like Crest Gum and Sensitivity, Crest 3D Whitening, and Crest Kid's Cavity Protection...and loyal Crest customers switched to these other options. So, why bother offering those options? Because if P&G doesn't offer those options to a customer base that has grown accustomed to countless choices in consumer products, one of P&G's potent competitors will surely offer segmentations of the basic offering—like gum sensitivity or whitening—in their own brands.

So, did P&G actually "eat into"—cannibalize—its own sales of basic Crest toothpaste? Yes! But along the way P&G likely actually expanded use of its products, as consumers worked to use its products even more frequently in order to address gum or cavity or whitening issues that are important to those consumers.

Here's the powerful lesson. In a frenzied consumer society, better for you to directly address your loyal and future customers than to have them abruptly taken away by your competitors. In short, for most enterprises, the leadership task ahead is to wisely cannibalize existing product offerings!

But your savviness has kicked in right now and you say, what about the supposed "new and improved" label that is actually neither new nor improved...you know, the trick that some companies try to foist off on their customers. Well, your point is right on: customers are on to fluffy nonsense that is really not an improved product offering. But a veteran company like P&G works to do the real deal—substantive cannibalization of several highly successful billion-dollar product lines...like Tide basic laundry detergent adding a product such as "Tide Free and Gentle" because many customers have serious skin allergies.

But cannibalization is certainly not limited to toothpaste and laundry detergent. Remember the ubiquitous "Intel inside" sticker on so many personal computers—and that brain-inhabiting jingle on their TV ads: do-doot-do-doot? Andy Grove, the savvy, long-time CEO of Intel, cannibalized Intel's own offerings early in the history of growing use of PCs and laptops, moving from 286 to 386 to 486 processors in rapid succession. This time, cannibalization wasn't about sacrificing shelf space devoted to one kind of toothpaste to make room for another. No, Grove worked to quickly, completely replace Intel's own, very new, market-leading offerings when the market perception was that there was no truly close competitor. Grove's approach drove Wall Street analysts crazy! But those analysts didn't understand cannibalization, and Grove was a master practitioner at it. In the long-term, Gove was right, of course—the Intel brand became very profitable. That's what the best leaders do, zig when the laggards say "zag." They cannibalize!

Then take Steve Jobs, the best combined techie-inventor-innovator-fashion designer of the last fifty years. Remember his great run of products and innovation...the Apple IIe, the Mac, Pixar. But then Jobs really came into his element, starting with the iPod mini, then cannibalizing its revenue stream with the iPod nano, then the iPod line itself was pretty much ultimately hammered in oblivion with Jobs' introduction of the iPhone, which of course combined the iPod with a cell phone and internet access. But Jobs didn't stop there: he launched the iPad, jeopardizing sales of the Mac. And all of that looks very smart now!

You see, Apple did a lot of innovative things throughout its history. But only when Jobs cannibalized Apple's own product offerings in fairly rapid succession, *then* Apple became a behemoth, top-tier worldwide company. Successful leaders know how to navigate the key issues of cannibalization...and the very best leaders have the courage to do just that when others surrounding them become fearful.

Here's a saying that has been attributed to Steve Jobs: "If you don't cannibalize yourself, someone else will." Some say Andy Grove actually said it. I don't know which of those two really did say it, but it's a great quote! Nevertheless, the best of the cannibalization idea doesn't reside with Procter & Gamble or Intel or Apple—instead, here's the amazing story of God's approach, His movement to a better offering!

The writer to the Hebrews fashioned it this way in Hebrews 8:6-7 in the ESV: "But as it is, Christ has obtained a ministry that is as much more excellent than the old as the covenant he mediates is better, since it is enacted on better promises. For if that first covenant had been faultless, there would have been no occasion to look for a second." You see, God made a better covenant—and then opened it up to Gentiles, indeed, the whole world—as the Lord is, to this day, "not wishing that any should perish, but that all should reach repentance." That's found in 2 Peter 3:9.

You see, the old covenant is a vastly inferior offering than that of Christ and Him crucified! In fact, the clear inferiority of the results of a life striving after fulfilling the law is exactly what the Father intended to be the main mechanism spurring each of us to the New Covenant. That New Covenant with the grace and peace of God accessible through Jesus' finished work of the Cross is much, much better. Hebrews 8:13 says it this way: "In speaking of a new covenant, he makes the first one obsolete. And what is becoming obsolete and growing old is ready to vanish away." Wow, God makes the first covenant obsolete with a superior offering of His only Son! Moreover, God opened this better offering up to a vast market! Amazing!

But God has also done something almost inconceivable to the human heart and mind: He has asked all believers to join in the endeavor by proclaiming the good news—the Gospel of the Kingdom of God! But we followers of Jesus Christ must stay on message: this is all about the Cross...it's not about culture, it's not about better behavior in our own strength, it's not about keeping the law better than your neighbor. No, to anchor to these things would be like passing up the latest-model iPhone that you're offered for free from a friend, and instead going on eBay to buy a low-functioning iPod from 2002. Indeed, the New Covenant is apprehended in what the Apostle John wrote in John 17:3 (ESV): "And this is eternal life, that they know you [Father], the only true God, and Jesus Christ whom you have sent."

And the final word here goes to the Apostle Paul as he wrote to the Romans in 11:13-14: "Now I am speaking to you Gentiles. Inasmuch then as I am an apostle to the Gentiles, I magnify my ministry in order somehow to make my fellow Jews jealous, and thus save some of them." You see, why would such Jews be jealous if the New Covenant were just simply the adding of a simple feature, the adding of a limited dimension to the law of Moses or to the traditions of the Jews, or perhaps an isolated miracle deliverance of just a few. No, indeed, this was the Offering above all, that of God's only Son on the Cross. Astounding. But rest assured: this incredible New Covenant will *never* be surpassed by a better covenant!

Now, back to your daily work life. Where does your workplace enterprise stand? Is a key course correction ahead that includes cannibalization? After all, "If you don't cannibalize yourself, someone else will." Think.

