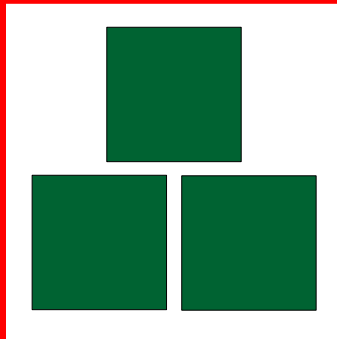


THE DUPLICABLE PRINCIPLE - EARNING VALUE THROUGH GROWTH RELIABLY



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Every successful enterprise wants and needs to further its vision and to expand profitably in order to build sustainable advantage. To facilitate sustainability, processes must be integrated from their components in a form that is duplicable. Once integrated, the enterprise can further penetrate existing markets, or expand into new markets reliably to earn value through growth.

The value of an enterprise increases when it can build a network of successful duplicable activities. This approach has been used by enterprises such as HSBC, McDonald's, Royal Dutch Shell, Starbucks, and Walmart to expand in both domestic and foreign markets as either corporate or franchise systems, or both.

The technique requires building a standardized business system from duplicable processes, functions, facilities and equipment with proven products and/or services in one market, that offer potential in others. The technique is applied most often by operators of bank branches, chain department stores, drug stores, fast-food restaurants, gas stations, and supermarkets. However, it is equally applicable to internal administrative departments and operational plants and warehouses.

The ingredients consist of a set of measurable, predictable, repeatable, and trainable processes that can be integrated together and with related functions, facilities, and equipment to form the business system itself. Standardized products and/or services are delivered through this highly routinized system as a bundle.

A vision may be realized with a single successful location; an aspiration may be realized through a global network of locations.

The system may start from a successful lifestyle business enterprise at a single location, which with some fine tuning, can be duplicated as an upwardly mobile enterprise in both local and foreign markets. Or it may start from an intentional strategy to build a network, with a proof of concept in the first market to determine what works, and what doesn't. Either way, once the recipe for success is fine tuned, the system can be duplicated as a corporate network, or offered as a package to franchisees.

It is essential to include only those components that deliver value effectively, efficiently, and economically, and shut out anything that adds unnecessary cost. A distinguishing factor of franchise systems from "mom and pop" enterprises, is that whereas the cost of entry in a franchise system is usually higher, the system has a higher chance of success and earning value.

The duplicable principle is also used by network marketing systems, which first offer products and/or services to customers, and then show them how to duplicate the process by offering the system to others. These systems are often based on the notion of switching products and/services to save money, and then showing others how to do the same thing to earn money.

The duplicable principle enabled Walmart to grow from a single location in Rogers, Arkansas to the world's largest enterprise in terms of revenue in less than fifty years. It enabled McDonald's to become a global restauranteur, and HSBC to become the world's local bank. It enabled Colonel Sanders (Kentucky Fried Chicken) to have one of the most recognizable faces in the world.

The principle enables an enterprise to penetrate existing markets with confidence, and to enter new markets with anticipation and deliberation, although some local adjustments may be necessary in foreign markets.

For example, McDonald's offers vegetarian burgers in India in accordance with local dietary customs.

The principle also enables customers to recognize and patronize their favorite establishments when traveling away from home. Hotel systems, such as Hilton and Holiday Inn, and car rental systems, such as Avis and Hertz, were built on the duplicable principle because they were recognizable in foreign markets, and perceived as safe and reliable by their domestic customers.

The principle also enables both employees and suppliers to know what to expect in terms of materials, supplies, and service standards.

Deploying the duplicable principle is an enterpriship (entrepreneurship, leadership, and management) competency that earns value through growth with reliability.

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About Nigel A.L Brooks...

Nigel A.L Brooks is a management consultant to entrepreneurs, business enterprise owners, executives, and managers, and the enterprises they serve. He specializes in developing the entrepreneurial, leadership, and managerial competencies that build sustainable advantage from vision to value. He is an author and a frequent speaker.

He obtained his professional experience as a partner at Andersen Consulting (now Accenture, Ltd.), as a vice president at Booz Allen Hamilton, Inc. (now Booz and Company), as a senior vice president at the American Express Company, as president of Javazona Cafes, Inc., and as president of The Business Leadership Development Corporation. He has been a contributing editor for the Bank Administration Institute magazine, and has served on boards of entrepreneurial networks. He was educated at the University of Exeter, Devon, United Kingdom.

His clients are in the financial services, food services, high-tech, manufacturing and distribution, pharmaceuticals, oil and gas, professional services, retail and wholesale, transportation, and government industries.

He has experience in North and Latin America, Europe and Asia-Pacific.

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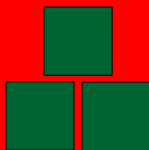
About The Business Leadership Development Corporation (BLD)...

The Business Leadership Development Corporation is a professional services firm that works with entrepreneurs, lifestyle business enterprise owners, executives, and managers, and the enterprises they serve.

BLD develops entrepreneurial, leadership, and managerial competencies that achieve performance excellence by *building sustainable advantage from vision to value*™ through:

- Strategic Management Consulting
- Executive Coaching and Mentoring
- Professional Training via The Center For Business Leadership Development (CBLD)
- Motivational Speaking

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