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## Will you surrender to 'creative destruction?'



In business, the term "creative destruction" applies to successful new ventures rising out of the ashes of other failed businesses. We watch a typewriter manufacturer go out of business, but find that its building and its employees are snapped-up by a new supplier to the computer industry. Or newspapers lose circulation and layoff journalists who instead find jobs making online publications successful. How does the "creative destruction" concept apply to the motorcycle industry?

Last week at the Long Beach Motorcycle Show, products appeared from some manufacturers that we simply would not have seen three or four years ago. A great example was a sharp-looking, entry-level 250cc sport bike from Honda, with optional ABS. During the same week, we heard from J.D. Power and Associates that the average age of U.S. motorcycle riders had climbed from 40 to 49 over the past nine years. Or in other words, the same group of motorcycle buyers purchasing new bikes today were the ones buying bikes back in 2001.

What does this tell us? That the U.S. motorcycle industry world is in the process of major change. Call it creative destruction, because some motorcycle businesses — both manufacturers and dealerships — will follow the lead of the typewriter companies, while others will find themselves succeeding in a very different industry three or four years from now.

What can you do to make sure your business does not surrender to creative destruction? Customers are the answer. Make sure you are selling what your customers are willing to buy, and make sure that you understand what your customers are willing to buy. Nowhere is it guaranteed that what worked three years ago is what will work for the next three years.

