Traditional and innovative paths towards time-based competition

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Abstract

Time performances and time-based competition concepts are analysed, introducing three types of time-based competitors. A traditional and an innovative path towards time-based competition are then recognised, the former achievable by over-resource applying, while the latter by practices related to just-in-time and concurrent engineering. It is explained how making a firm structurally faster leads a company to face a “conversion dilemma”, i.e. to choose the proper strategic orientation that can be definitely regarded as affecting its external configuration, visible to the market, or only the internal one, transforming the time advantage into a cost one. Finally a matrix linking market sensitivity to external time performances and competitor typologies is proposed. © 2000 Elsevier Science B.V. All rights reserved.

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1. Introduction

In this decade time has been shown to be a new source of success for many companies. The literature provides enthusiastic assertions, describing time as the common denominator of all things vital to long-term competitiveness \cite{1} and therefore “the next battleground” \cite{2} or “the next strategic frontier” \cite{3} for most firms.

Although time has always been considered a fundamental of any human activity, the great attention paid to it nowadays is due to a new awareness of its potential. Time-related characteristics of supply can change, in fact, consumer’s perception of products and service and become the new dimension for differentiation. The term time-based competition, coined by George Stalk and his colleagues at the Boston Consulting Group, underlines how time can be the heart of renewed strategic movements.

The different nature of time performances and how they can be related to the new forms of competition have to be clarified. It is also important to analyse if there are distinct paths that lead firms towards time-based competition.

This work is organised as follows: initially external and internal time performances are described, the time-based competition concept is discussed and some distinctions concerning strategic orientation are introduced. Then two different ways to obtain a time-based competitive advantage are identified: a traditional path and an innovative