



What would you do to protect your business?

This month marks the 70th anniversary of the last major U-boat “wolf pack” battle in the North Atlantic of World War II. Both sides realised the strategic importance of dominating the sea lanes between America and England.

The victor on the sea would ultimately win the war. If the English supply lines were cut, they would simply run out of materials and food; forcing them to surrender. If the English succeeded, then the industrial muscle of America would ultimately lead them to victory. In a pitched battle that lasted the entire length of the war; over 100,000 lives and nearly 4,500 vessels were lost in this struggle in one of the most inhospitable oceans in the world.

In April 1943, convoy “ONS 5” – a group of 43 merchant ships was dispatched from Liverpool, UK bound for Halifax, Canada where they were scheduled to bring vital supplies to the allied war effort. They were escorted by 16 naval ships of varying size and capacity.

The voyage was nothing less than remarkable. Firstly, the weather in the North Atlantic was so foul; it made many hardened sailors question their sanity.

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In a storm that lasted for several days, their ships were battered by 12 metre waves and winds blowing a brisk 100km/hr. In fact, the weather was so bad early on in the voyage, 2 of the merchant ships collided, forcing their withdrawal to Iceland for repairs.

The rest of the convoy scattered over nearly 2,500 square kilometres of inhospitable ocean and the

naval escort was forced to act like a sheep-dog on the high seas; rounding up stragglers in an amazingly inhospitable environment. However, the weather was the least of their concerns given what was waiting for them in the mid-Atlantic.

Far from the protective gaze and relative safety of the English or Canadian coast was no less than 3 strategic groupings (or wolf packs) of U-boats lined up to intercept the convoy. Covering the north, mid, and south routes to Canada was no less than 58 German U-boats. They simply couldn't help but find the convoy and wreak havoc on it.

After about 10-days of sailing with a few minor skirmishes with solitary U-boats; contact was then made with the southernmost wolf pack lying in wait for them. In a desperate battle over just 48 hours, 13 of the merchant convoy or 63,000 tonnes of shipping was sent to the bottom of the Atlantic.

Their escort however had sunk 7 U-boats and had badly damaged 6 more.

By the time the U-boat admiral called off the attack, over 480 lives on both sides of the conflict had been lost.

Somewhat remarkably, despite the losses of nearly 30% of the merchant ships en-route to Canada, this was seen as a significant victory by the Allies. They had taken a “whatever it takes” approach to protect the convoy, and as a result they were never again to see the same concentrated attacks on convoys throughout the remainder of the war.

When your business is under attack how should you respond? Many businesses can follow a simple 4-step process to identify and respond to competitive threats.

First, who is attacking you and why? What are their objectives? What is it about your competitor’s offer which is attractive to your customers?

Second, are they a real threat or a transient nuisance? Are they simply trying to carve out some market share, or are they genuinely trying to crush you? If it is the latter, what do they have which you don’t which would make their objective achievable? Do they have better supplier relations, cheaper cost structures?

Third – what is the outcome

you are trying to achieve?

Does another competitor in the marketplace make sense?

Sometimes additional activity in a sector is a good thing. They advertise; raise the profile of products and services, reducing the amount of time and money you need to invest in general education.

The “whatever it takes” approach to protecting Allied ships resulted in a dramatic decrease in coordinated attacks thereafter. In effect, it turned the course of the battle of the Atlantic

Alternately, competition can be very bad where there is a limited market share. In that instance, you need to restore the balance in your market segment quickly.

Fourth, what is the appropriate level of response? The British navy in this convoy had a ratio of 1 vessel for every

3 merchant ships they were trying to protect. The Germans had a ratio of 1 U-boat available to cover every single merchant vessel in the convoy. Clearly both sides were intent on destruction of the other. But it will not always be that way. Look at the bigger picture. Are you being attacked by a minnow or a real threat to your survival? You then can determine an appropriate level of response to achieve your commercial objectives. In other words, don’t use a sledge hammer to crack a peanut or conversely, don’t bring a knife to a gun fight.

At the end of the day, you are trying to protect your livelihood and your way of life. The commercial world does not stay static. Disruptive market players will always exist. Their objective: market dominance (at your expense). Like the convoy battles in the Atlantic 70 years ago, you may well be in a fight for your businesses survival.

How are you going to respond to protect your business and your way of life?