180-degree vision comes insight as to how just one measure of a company's performance can result in a level of imbalance that leads the company (or industry) gradually in a direction that reduces viability to a point that the company is not able to continue operations.

*__CASE STUDY:__
Financial Services/Banking Industry

Prior to 1980, the commercial banking and savings and loan industry was regulated and kept separated from the insurance industry and equity/stock market industry. This separation dated back to the early 20th century with regulations such as the McFadden Act of 1927, and the Glass-Steagall Act of 1933.

Within the banking industry, companies were regulated as to where they could operate geographically as well as to what products and services they could offer and at what price. Most components within the marketing mix (pages 56 and 57) were set and standard.

Within this very important industry, financial standards within many of the components described on pages 56 and 57 became ones by which companies were judged as "well run." Two efficiency ratios accepted as important industry measures were the return on assets (ROA) and return on equity (ROE) of the company or bank. These benchmarks are illustrated as a subcomponent within the section exploring financial principles and process (box labeled "net income") on pages 56 and 57. Prior to 1980, the ROA statistic suggested that a well run banking company should earn from point eight (.8) percent to one (1.0) percent return on its assets (i.e., a one billion dollar bank should earn 8 to 10 million dollars as net income after taxes). A major reason for that accepted standard was that regulation of banks and savings and loans defined how much they could pay in interest and charge for loans, as government standards restricted maximum interest rates.

Beginning in 1980 and lasting for more than 15 years, the deregulation of interest rates, restriction of geographic locations where companies could operate, combined with past regulations that prevented certain financial institutions (banks, insurance companies, and brokerage firms) from offering certain products and services restrictions were all but eliminated. The marketing mix components stated on pages 56 and 57 were no longer standard and as such, the leadership of banks was faced with new and constantly changing situations.

****Growth of an improper industry standard over time**

The previously described situation led to a redefining of performance including the return on assets (ROA) statistic. Due to inflation during the late 1970s and early 1980s, as well as deregulated interest rates (where mortgage rates reached a high of 15 to 20 percent and certificate of deposit rates hit levels up to 15 percent), the new level of the ROA statistic moved to a 1.5 percent return on the assets of a bank from 1.0 percent as a target high performance rate (a