

## Competitive Intelligence Notes

For High Technology Leaders

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In every organization, there are many roles and responsibilities. Each position faces specific kinds of challenges and needs specific information to make good choices. Without good information, outcomes are less predictable and results are poorer than they otherwise might be.

One of the most valuable types of information concerns the competitive environment. What are competitors doing? What are their strategies and plans? How will our plans work given what others are simultaneously attempting? What are the trends and factors that all companies in the industry must consider?

Competitive intelligence is often an unplanned and ad hoc activity. When that is true, the value it brings is uneven at best. Some may be inclined to dismiss the function entirely because of subpar contributions to strategy planning. Why bother with an activity that is not helping?

Perhaps the answer is that expectations of competitive intelligence need to be higher, not lower. Maybe the competitive intelligence functions need correlation to the key organizational functions needs. It is possible that tailored competitive intelligence (when integrated appropriately) can provide a competitive

advantage to the organization by substantially improving its decision-making.

The following six notes address concerns and needs of key individuals in the organization. Five of them occupy important roles. The last note is to the holdout that fundamentally doubts the value of competitive intelligence. I call him "The Skeptic."



## A Competitive Intelligence Note to a CEO



It took you years of hard work to reach the corner office.

You worked through multiple assignments to deliver results and overcome challenges. At each career step, your responsibilities

increased and so did the expectations. More and more people looked to you to set the strategies and determine the directions to follow.

Now, after all that time, the entire company is yours to lead. You have arrived.

Others look at you and think that you have the most latitude because of your high position. If they only knew the truth. So many things constrain and concern you. The employees look to you for leadership and countless decisions about priorities, promotions and their own job security. Customers constantly want more and on better terms than before. Investors want the share price to increase and their investments to pay off. Analysts want above average growth and a story about ongoing differentiation. Meanwhile, your many competitors only want you to fail and are doing their best to make that happen.

Somehow, you have to orchestrate this complex combination of constituencies and competitors.

There is not one answer to this balancing act. You naturally will integrate inputs from your team and the environment to settle on what seems best. One source of inputs is competitive intelligence. **Competitive Intelligence can help you to organize your external perspectives and align your team to compete better.** Here are five ways.

- **Monitor the environment.** The competitive environment is not static. Known competitors are adapting their strategies. Potentially disruptive companies are emerging. Other standards, social, demographic, technology and regulatory trends affect all of the actors. Usually, understanding the future better gives you more confidence to prepare more effectively. **Competitive Intelligence systematically monitors market dynamics, significant trends and likely competitors' responses to frame your strategic options better.**
- **Establish priorities.** You have to get this part right because you cannot frequently change priorities. Of course, many factors affect priorities including knowing the market niches you want to protect and those that you want to attack. Especially when attacking, it is important to know where you need to improve your products, processes or resources. With that knowledge, you can hold someone accountable for the required improvements. **Competitive Intelligence supports gaps analysis and closure processes to make sure that the organization is constantly working to overcome important disadvantages.**
- **Make decisions.** Your decision-making is often complex. Where

others might see or wish for simplicity, you have deal with a myriad of factors. Your position requires you to make the difficult decisions that affect many people. Thus, organizing frameworks, models and scorecards become essential tools for you. Sorting through issues to find what is most important while deemphasizing the less important is a constant duty for you. **Competitive Intelligence provides regularly evaluated market and competitor information and models that highlight critical issues to inform your decision-making.**

- **Motivate the organization.** In competition, it is often best to identify the competitors and the specific challenges that they pose. Properly framed, you can use this information to explain your strategies within your company. Furthermore, you can set competition-based metrics to serve as performance goals. Tangible competitive threats helps link your strategic goals and tactical or operational mindsets of the rest of the organization. **Competitive Intelligence helps you to explain competitors better by documenting their strategies, product plans, customer targets and more in specific ways that leads to concrete actions throughout your organization.**
- **Evaluate strategies.** You and your team have set the strategic direction for the company. Regularly, you convene meetings to talk about the progress. Are the strategies working? Are the competitors doing what we expected? Has something about our significant assumptions materially changed? How is each part of the organization functioning to beat the

competition? There are multiple important metrics. One of those is how your competition reacts (or does not react) to what you are doing. **Competitive Intelligence supports scenarios planning, strategy forecasting and competitor strategy reports by maintaining industry models and competitor profiles.**

Your job is difficult but challenging. It helps when you get good and useful inputs. One critical source is a competitive intelligence function that provides information tailored to support your strategies, decisions and role.

## A Competitive Intelligence Note to Strategic Marketing



Everyone else is working on the current products and the near-term tasks. Meanwhile, you are responsible for what comes next. Your focus is the next wave of products and the technologies that they require. You are monitoring key standards bodies, investments made by competitors and shifting loyalties of the key customers. There is pressure to make sure that the company is preparing correctly for this future. Your job depends on making the right calls and convincing busy people that you are right.

The bulk of the organization focuses on tactics. There is urgency in their actions. Near-term competition and priorities consume most of management's attention. The last thing that most want is to be distracted with thinking about the future, especially when it might negatively affect what they are doing today. Your job, however, is to convince these busy people to change because of what is coming. They need to be convinced to balance what is pressing today with what is necessary to prepare for the future.

Few have the right combination of skill, motivation and sheer persistence to do this

job well. Here is what you must accomplish and **how Competitive Intelligence helps with those challenges.**

- **Understand the market direction.** It not only what is currently happening that matters, it is what is going to happen. Competitors are entering and leaving the market. The forces that affect pricing power are changing. Trends of all sorts affect how well your strategies work. If commodization is looming, that means one thing. If disruption is likely, that means another. **Competitive Intelligence monitors market dynamics and specifically tracks how known and merging competitors affect those dynamics.**
- **Characterize the competitor strategies.** No important competitor is passive. Dedicated people are working to shape the future in their favor rather than yours. They are implementing strategies to beat you and thwart your own efforts. You need to know what they are doing and what it means to your strategies. **Competitive Intelligence allows you to “know” these competitors intimately by understanding their culture, processes and people.**
- **Define the product lines.** The long term vision of where your company needs to go concerns your senior management. Decisions about resource allocations, R&D investments, M&A and so on are derived from the products that must be developed for future competitiveness. **Competitive Intelligence builds projected product roadmaps for competitors and allows you to compare, segment by**

***segment, their likely future products to yours.***

- **Create the strategies.** Analysis only prepares you for the critical decisions about how to position your company in concrete terms for long-term success. At some point, you have to propose the right strategy. You must understand future scenarios, forecast competitor actions and align people in the organization. ***Competitive Intelligence explains future scenarios based on industry patterns, competitor strategies and market trends giving a context for future strategies.***
- **Justify investments.** Once you create and propose a strategy, the work of convincing others begins. The internal measure of success is how well you secure money to implement the strategies. There will be debate and disagreement. Your assumptions and judgment will be questions. Many will test your credibility to determine if they should support your strategy. ***Competitive Intelligence helps you accumulate hard and soft information, define a coherent strategy story and explain risks convincingly.***

Competitive intelligence can help you do a better job at strategic marketing. It helps you create better strategies and get them accepted more effectively. More than that, it links the future to the present and helps all of the people that are thinking tactically to make (some) changes to support the future.

## A Competitive Intelligence Note to a General Manager



You are a busy person and taking time to read this is a significant investment for you.

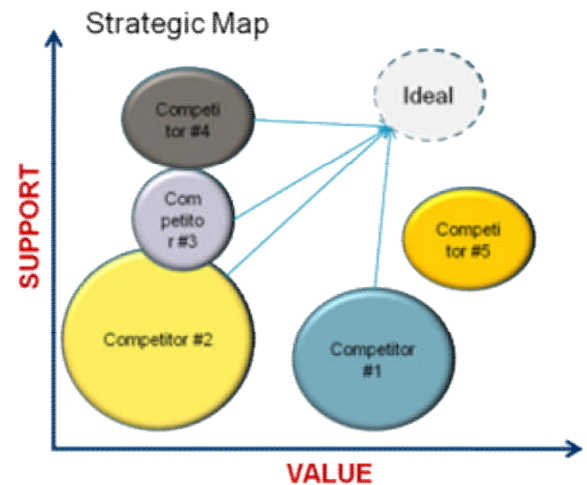
You know what it is like to create and run a business successfully in a market environment that is highly

competitive and requires that everyone on your teams understands and contributes to the mission that you have defined. Executing the current business is difficult enough without the ever present and pressing complications of competition. Yet, competition is real and what others do makes a difference to your success or failure. Competitive intelligence can help you navigate through the complexities of the competitive environment better.

Alignment leading to tangible results in market share, revenue and profits is what you are after. Your goal is strategies that mobilize the organization and point the right way forward. You have five common imperatives and there are **several ways that competitive intelligence can help** you with them.

- **Protect the current business.** Operational issues are important because today's business funds tomorrow's investments. Current products must be sold. Current customers must be serviced. How are you doing compared to your

major competitors? Would benchmarking show more that you have more advantages or disadvantages?



**Compare selling and business development strategies with competitors, benchmark your operations and analyze customer decision-making criteria.**

- **Mobilize the organization.** No important competitor is passive. Dedicated people at those companies are working to shape the future in their favor rather than yours. Their strategies are being implemented and you need to know what they are and what they mean to your strategies. One person cannot possibly do this alone. However, a well trained and focused team can do it and win. What would it mean to you to have your organization highly tuned to the competitive environment? **Provide periodic competitive news and alerts, implement information sharing tools and train teams to identify important competitive intelligence issues.**



- **Track the competitors.** The long term vision of where your company needs to go concerns your senior management. Decisions about resource allocations, R&D investments, M&A and so on are based on the products that must be developed for future competitiveness. Scenario planning, war games and vigorous strategy discussions arm your teams. When you see the landscape accurately, your confidence increases. What if you knew your competitors' likely next moves with high confidence? **Implement an on-going gap analysis process, execute tradeshow intelligence activities and institutionalize periodic competition focused briefings throughout the organization.**
- **Prepare for the Future.** Analysis prepares you for the critical decisions about how to position your company in concrete terms for long-term success. You are well aware that you have to make bets. Whatever you need next year must already be started this year. There are decisions to make about investments in processes, relationships, product development and technologies. What will give you the greatest chance for success? **Initiate forward-looking strategy analyses, expand competitor analysis to include culture/process/resource tracking and formalize trends/standards influencing.**
- **Deliver Results – now and in the future.** Once you reach a conclusion then the work of convincing and aligning others begins in earnest. You have to argue for funding, decision

latitude and resources. In the meantime, your key leaders must understand, adopt and share the strategies you have defined even while continuing to deliver results. How do you get to the proper blend of managing current operations and changing to meet future challenges?

**Marry the competitive intelligence information to the strategy planning cycle, provide escalation processes for off-cycle surprises and implement ROI measures to track strategy (and competitive intelligence) performance.**

Competitive intelligence can help you be a better general manager. It complements much of what you already do. It helps you where you lack information today. More than that, it can help you make better decisions with more confidence than before.

## [A Competitive Intelligence Note to a Product Manager](#)

You know what it is like to define and shepherd a product through the long process of development and then



face the ultimate marketplace judgment about your efforts. There are so many times that you would pay handsomely for credible information that helped you decide on the right strategy, select the right market, position correctly versus your competitors and, of course, reach your revenue and profit goals. Good competitive intelligence addresses all of those questions.

Your job is to champion one or more products for your company. Each product needs to be successful in a marketplace crowded with existing competitors. New threats emerge over time that you have to anticipate and proactively manage. Development teams count on your guidance to build the product with the right features. Your general manager relies on you to help deliver the needed revenues and profits. All along the way, you have to understand the environment, explain your recommendations and justify the company's investments for your product. This is not a job for the timid.

### **Competitive Intelligence Helps With the Challenges**

- **Understand the market need.** Every product attempts to fulfill a need in the market. Sometimes features represent this. Other times, price, distribution or something else determines the segmentation. Often, a complex combination of market characteristics makes success possible.  
**Competitive Intelligence paints a market landscape showing major forces and trends that affect your company's strategies.**
- **Characterize the competition.** There are products that do much of what your product hopes to do. There are companies that are established, customers that have made choices and strategies that are being executed that affect your potential success.  
**Competitive Intelligence illuminates the formulae used by others (including their weaknesses) allowing you to refine your market understanding.**
- **Define the product.** Feature lists are important. More than that, you need to define what is important and compelling about the product. Then, there is a process to document and present this to internal teams for their comment.  
**Competitive Intelligence compares products and explains the critical differences to justify product directions.**
- **Develop the product.** Nothing ever goes exactly as planned. Your task during development is to guide the teams responsible and answer a myriad of questions. Decisions and tradeoffs are constantly required of you.



***Competitive Intelligence supports decisions making during product development by constantly supplying updated market and product information to you.***

- **Promote the product.** Even before the product development is complete, you have to talk with prospective customers, ecosystem partners, distributors and press to promote the product. Your messaging is critical to proper positioning and a positive reception. ***Competitive Intelligence answers the question of why your product makes more sense than the competitors' products for your prospective customers.***

It is hard to be a good product manager. Why not take every advantage of competitive intelligence information. See an expert and get started.

## A Competitive Intelligence Note to Engineering

Let the CEO hatch the grand schemes. Let the General Manager make the management presentations and get the credit. Let



Marketing create their wonderful stories about the future. Let the Product Manager be the face that most associate with the product. Your job, simply put, is to make their dreams possible. You, and your teams, organize the people, harness the technologies, execute the processes and deliver the products that fuel all of those dreams.

Most of the time, you have to focus on the concrete. There is not time to think fancifully or speculatively about the future. Taking your eye off the ball means that something could slip and that would result in many unhappy people. You take pride in avoiding such disappointments. You are reliable, conscientious and inclined to precision.

Still, you are not oblivious to what is happening in the world and among your competitors. Their engineering organizations are trying to beat yours. Some of the things that they do are outstanding. Their technology bets are sometimes different from yours. Product teardowns have given you insight into their product architecture and there are things to admire. You wonder if you doing everything that needs to be done to win. What should you be learning

and changing to stay in front? How would you know?

It is a balancing act. Keep the processes humming while surveying the competitive landscape occasionally to understand where and how to improve. It would be great to have help with this. Perhaps **Competitive Intelligence could help**. Here are some possibilities.

- **Understand the technology strategies.** You have your own assessment of the critical technologies for your product space. It makes sense to you but you recognize that other smart people are making different choices for good reasons. Sometimes the reasons are due to a different development cultures or product priorities. On the other hand, sometimes competitors are investing to create or integrate capabilities that will help them pass you in the market. **Competitive Intelligence maps the key technology choices and capabilities of competitors including their innovations.**
- **Map the architectural decisions.** When you examine competitor products, you look past the obvious to understand the underlying architectural choices. The subsystem designs, interface mechanisms and industry standards employed signal something about your competitors' intentions and capabilities. The architectural decisions also tell you much about their future flexibility. **Competitive Intelligence organizes information about competitors' product architectures and how those architectures affect future products and capabilities.**

- **Benchmark the processes.** Part of your responsibilities is tracking your internal success metrics. Assessing where and how to improve is a priority. There are measurements for quality, on time delivery, R&D efficiency and so on. Over time, improving these measures gives your company significant advantages. The advantages are multiplied when your performance clearly exceeds competitors' performance.

**Competitive Intelligence builds multi-dimensional comparisons of operational processes and their effectiveness.**
- **Track the people.** Nothing works well without high trained and motivated people. Much of your time is assembling and aligning the right set of people to implement the company's strategies. Meanwhile, your competitors are after some of the same people. Of course, their plans for future products are often evident because of who they are attempting to hire. Certain skill sets are becoming more important while others are declining in importance.

**Competitive Intelligence tracks competitors' hiring plans and helps interpret the meaning of people related actions.**
- **Judge the capabilities.** Your team has a record of accomplishment of what they can produce over time. Many times Marketing or management will ask you about future possibilities because of competitive pressures. They fundamentally want to know how your team's capabilities compare to those of key competitors. Having that comparison, enables you and the company to properly make

judgments about future options.

**Competitive Intelligence creates models of overall performance over time at each competitor.**

Most the time, attention to what is happening inside the company and, particularly, your engineering organization consumes your energy and attention. Nevertheless, you did not advance to a leadership position by ignoring the competitive threats. With just a little information, you know that your team can match or exceed what any of the competitors are doing. The right set of competitive intelligence activities can supply that information to you. It is time to get started.

## A Competitive Intelligence Note to a Skeptic



Enough already!  
Your work life is busy enough without someone telling you that you need to do still more things. Demands from your bosses,

subordinates and customers inundate you. There is barely time to check your email, never mind respond to the flood of requests, meetings and other required activities. And then there is the business environment where survival alone seems to be a high goal. "Please" you want to say. No more. Not now. Not for me.

On the other hand, the vulnerabilities in business have never been clearer to you. Many good people that you know are out of work and suffering. You have dodged the bullet so far but you know that your company needs to do better. If the company does not win, your job may be the next to go. You remember a time, not so long ago, when ambition and possibilities motivated you more than fear. You enjoyed that time. It was a time of hard competition but winning, not just surviving, dominated your thinking.

It is time to think about winning again. It is time to take the measure of the competitors left standing and to attack. It is time to put together strategies that comprehend the market realities, accentuate your company's strengths and exploit your competitors' weaknesses.

How will you do all of that?

You need information. You need to know what has changed. You need to know how you can react and respond to the new market situations better than your competitors.

There are many sources of good information – your contacts, trade journals, news reports and websites. Everyone has access to such things. However, you will not find what you need to complete your strategic analysis, clarify the new vision or inspire and align your team there.

Those things come from a competitive view customized for your concerns and culture. The customized view builds models that you understand because you helped to build them. Your team understands the models because they challenged them in multiple debates and discussions. Finally, you own the outcomes because you processed the information and feel confident about the meanings.

It is possible that you have everything that you need to complete the process. Check yourself – do you have these things?

- An updated summary of the market trends (e.g., technology, demographic, product)
- A complete summary of key competitors and their strategies (e.g. M&A, financial, product development)
- A current list of key unanswered competitor questions
- A product line map showing competitive segments and competitor products
- A gaps analysis process intended to identify, track and close key competitive gaps

- A process to meaningfully involve you teams in competitive intelligence activities
- A regular way to measure strategy effectiveness based on known and likely competitor moves

This list can include many more items. All of them address a key aspect of understanding the competitive environment so that better winning strategies can be developed and deployed.

Maybe it is time for you to engage with competitive intelligence in a more professional manner. Perhaps the environment has improved just enough to consider that "winning" is the best goal again for you and your company.

If so, then look for a competitive intelligence professional that can help you get the information, create the models, process the information and formulate effective winning strategies.

Competitive intelligence can help you now.

