

Competitive Gaps: Finding, Tracking and Closing Them

JTHawes Consulting, LLC

www.jthawes.com

tom@jthawes.com

<http://tomhawes.wordpress.com>



April 2009

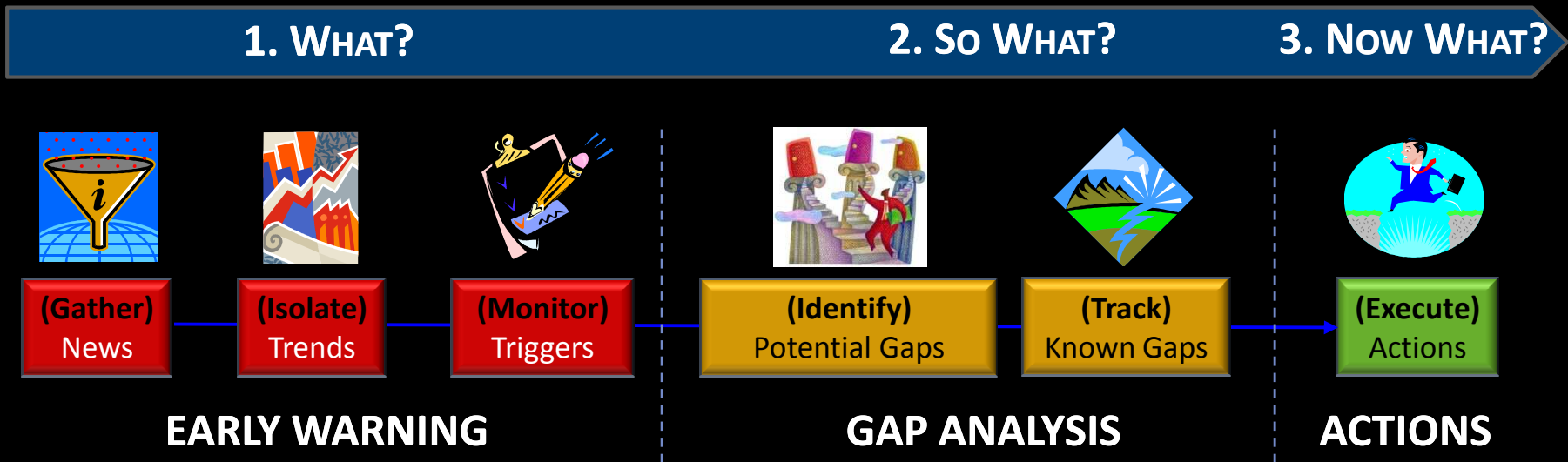
What is a competitive gap?

Anything about a product, service, technology, capability or position that puts a company at a significant disadvantage versus one or more competitors

Examples

- Another company is about to introduce a faster, better, cheaper, etc., product
- The competitor's technology capabilities are more efficiently supporting multiple product lines
- A firm is leveraging its intellectual property position to extract licensing revenue impacting pricing flexibility and margins

Three Analysis Questions



1. What is happening? (observations about the environment)
2. What does it mean? (the effect on our competitiveness)
3. What do we do? (our actions to close the gaps)

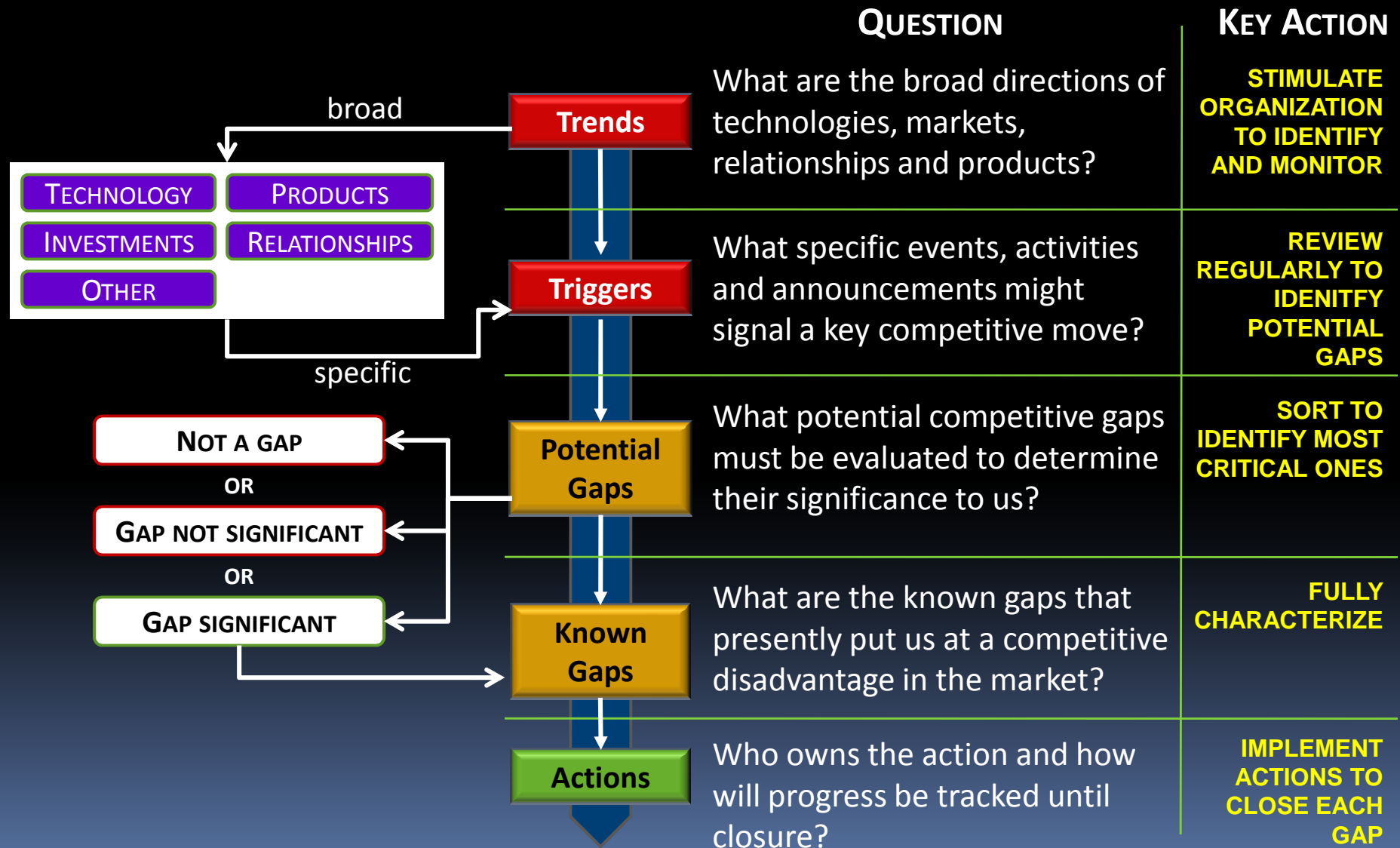
What is important to know about gaps?

1. What gaps are we sure that exist and are significant to us?
2. What actions do we have planned or underway to close the known competitive gaps?
3. What things might become gaps over time?
4. What specific events, activities, announcements, etc., would likely lead to a potential gap for us?
5. What broad trends are occurring that drive our competitors and us to alter or improve what we offer to the market?

Information Stages

- Actions
 - Specific plans in place to close a known competitive gap
- Gaps
 - Known (validated as significant to organization and worthy of specific actions)
 - Potential (possible gaps awaiting characterization)
- Triggers
 - Specific observable competitive events, actions, product introductions, etc., that would signal a possible gap
- Trends
 - Broad technology, market or demographic movements affecting all market players and presenting opportunities

Key Actions at Each Stage



What to Track for Each Category

Actions

- Who owns the action?
- What are the steps to complete the action?
- What are the success measures?
- What are the required investments?
- When and how will the status be reviewed?
- What are the possible countermoves by competitors?

What to Track for Each Category

- What is the gap?
 - What is the information source?
 - What is the importance?
- Potential Gaps**
- Who is better?
 - Where is the impact to us?
 - What is the scope of the impact?
- Known Gaps**

- What is the trigger?
 - What is the source?
 - What is the likelihood over time?
 - What type of trigger?
 - Who is involved?
 - Where is the impact?
 - What is the evidence to look for?
- Triggers**

- What is the trend?
 - What is the source?
 - What is the likelihood over time?
 - What direction is the change?
 - How is it measured?
 - What is the scope of the impact?
 - Who is influencing the trend?
- Trends**

Practical Implementation Steps

1. Create 4 spreadsheets (known gaps, potential gaps, triggers, trends)
2. Canvas the marketing, business development, technology and product development teams for content
3. Rationalize ratings, impact over time and significance with business management
4. Facilitate the assignment of actions to people and organizations
5. Institutionalize periodic reviews of all stages in strategy meetings with management

For more information:



Contact Tom Hawes at JTHawes Consulting, LLC.

Website: www.jthawes.com

Email: tom@jthawes.com

Blog: <http://tomhawes.wordpress.com>