

COMPETITIVE INTELLIGENCE WEBINAR



Is this the right tool ...

It depends.

On what?

Next Steps

Decide the Business Question



Select the Appropriate Tool



Practice It First



Use It for Something Important



Build the Case for Action



The Three Key Questions

“The fool wonders, the wise man asks.”

– Benjamin Disraeli

STRATEGIC ANALYSIS	WHAT? Determine objectively what is happening that affects your strategies
VISION	SO WHAT? Assign meaning and value to what is happening to direct your planning
INSPIRATION	NOW WHAT? Decide how the organization must respond to achieve its strategic goals

Competitive Intelligence Process Flow

NOW WHAT?

Action

Make &
Evaluate
Decisions

Need

Ask Important
Question(s)

Approach

Select
Technique or
Model

Meaning

Interpret the
Information

Information

Collect &
Organize Data

SO WHAT?

WHAT?

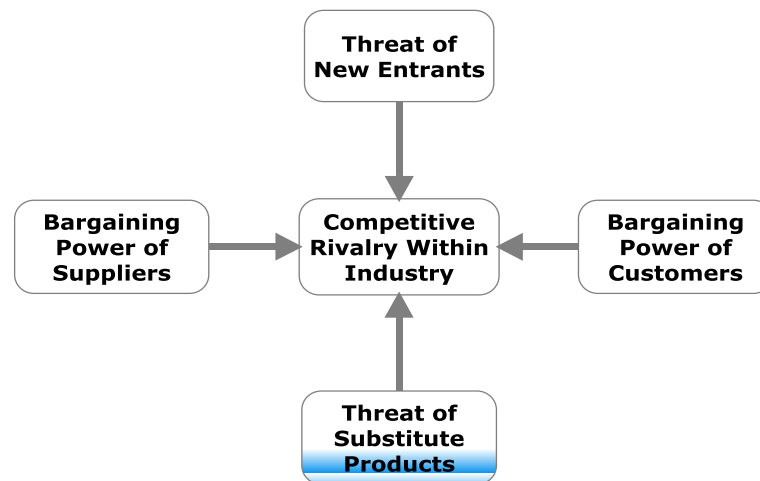
Question and Tool/Technique

Who has pricing power in our industry?

- What gives them that power?
- What limits our flexibility to set prices?
- What might be do to gain more power?

Approach

- Porter's Five Forces
- Nine Forces Model



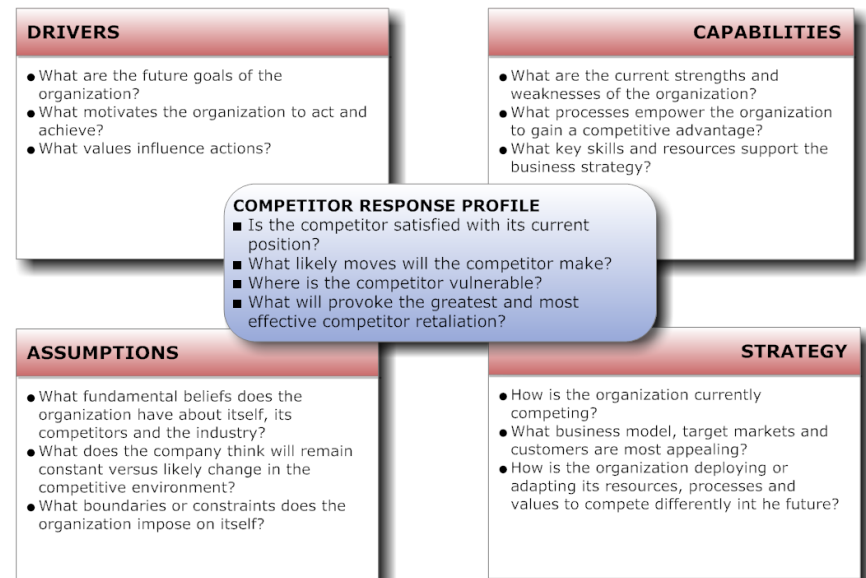
Question and Tool/Technique

What are the strategies of major competitors?

- What are their enablers? Constraints? Objectives?
- How does their strategy expose weaknesses?
- How might their strategy affect our strategy?

Approach

- Four Corner Model



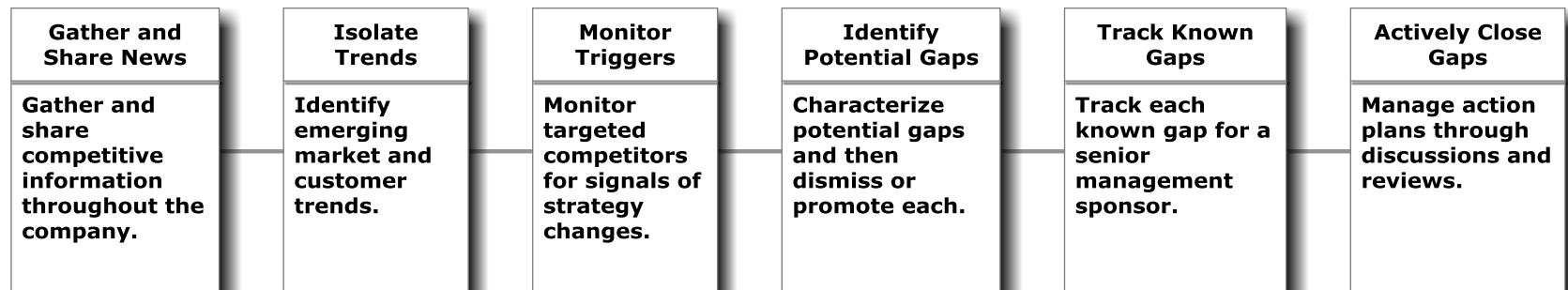
Question and Tool/Technique

What are our competitive gaps versus major competitors?

- How do identify, characterize and track them?
- How do we select the few that need immediate attention?

Approach

- Gaps Analysis Process



17 Key Business Questions

[descriptions](#)

Key Question	Business Strategy	Competitive Intelligence	Organizational Change
How do we build a competitive intelligence capability?		X	
How do we improve competitive intelligence over time?		X	X
How do we assess our current competitive understanding?	X	X	
How do we build a competitive intelligence function?		X	X
How do we understand the industry dynamics?	X	X	
How do we understand competitors' strategies?	X	X	
How do we evaluate the company's core capabilities?	X	X	X
How do we detect competitive threats as soon as possible?	X	X	
How do we develop and implement business strategy?	X		X
How do we move strategy from concept to implementation?	X		X
How do we define and manage an integrated strategy?	X		X
How do we manage our portfolio for growth?	X		X
How do we decide among possible new opportunities?	X	X	
How do we characterize our product portfolios effectively?	X		
How do we analyze the foundation for a new product?	X		
How do we go to market successfully with our product(s)?	X	X	X
How do we assess our company and the possibilities?	X	X	X

Example Today

Where and why are we at a significant disadvantage versus the competition?

ASSUMPTION:

Credible answers give better strategic options => more growth.

AGREE?



Gaps Definition

Anything about a product, service, technology, capability or business model that results in a significant competitive disadvantage with one or more competitors.

Where and why are we at a significant disadvantage versus the competition?

STRATEGIC ANALYSIS	<ul style="list-style-type: none">▪ Competitors are improving▪ Our reaction time are too slow▪ Strategy changes are difficult
WHAT?	
VISION	<ul style="list-style-type: none">▪ We are not growing enough▪ Our differentiation is inadequate or diminishing
SO WHAT?	
INSPIRATION	<ul style="list-style-type: none">▪ Clarify the threat and opportunity▪ Methodically build business cases▪ Create plan for “positive” gaps
NOW WHAT?	

Where and why are we at a significant disadvantage versus the competition?

Need

Where and why are we at a significant disadvantage versus the competition?

Approach

Use a 5 step Gaps Analysis Process to identify, track and close negative gaps

Information

Build process, leverage organization to review trends, triggers, gaps and actions

Meaning

Create better cases for change, prioritize responses and spot threats sooner

Action

Distribute responsibilities, centralize reviews and build cases-for-action

Gaps Analysis Process

1

**(Monitor)
BROAD
TRENDS**

2

**(Isolate)
COMPETITIVE
TRIGGERS**

3

**(Identify)
POTENTIAL
GAPS**

4

**(Validate)
KNOWN
GAPS**

5

**(Execute)
CLOSURE
ACTIONS**

AWARENESS

ANALYSIS

ACTIONS

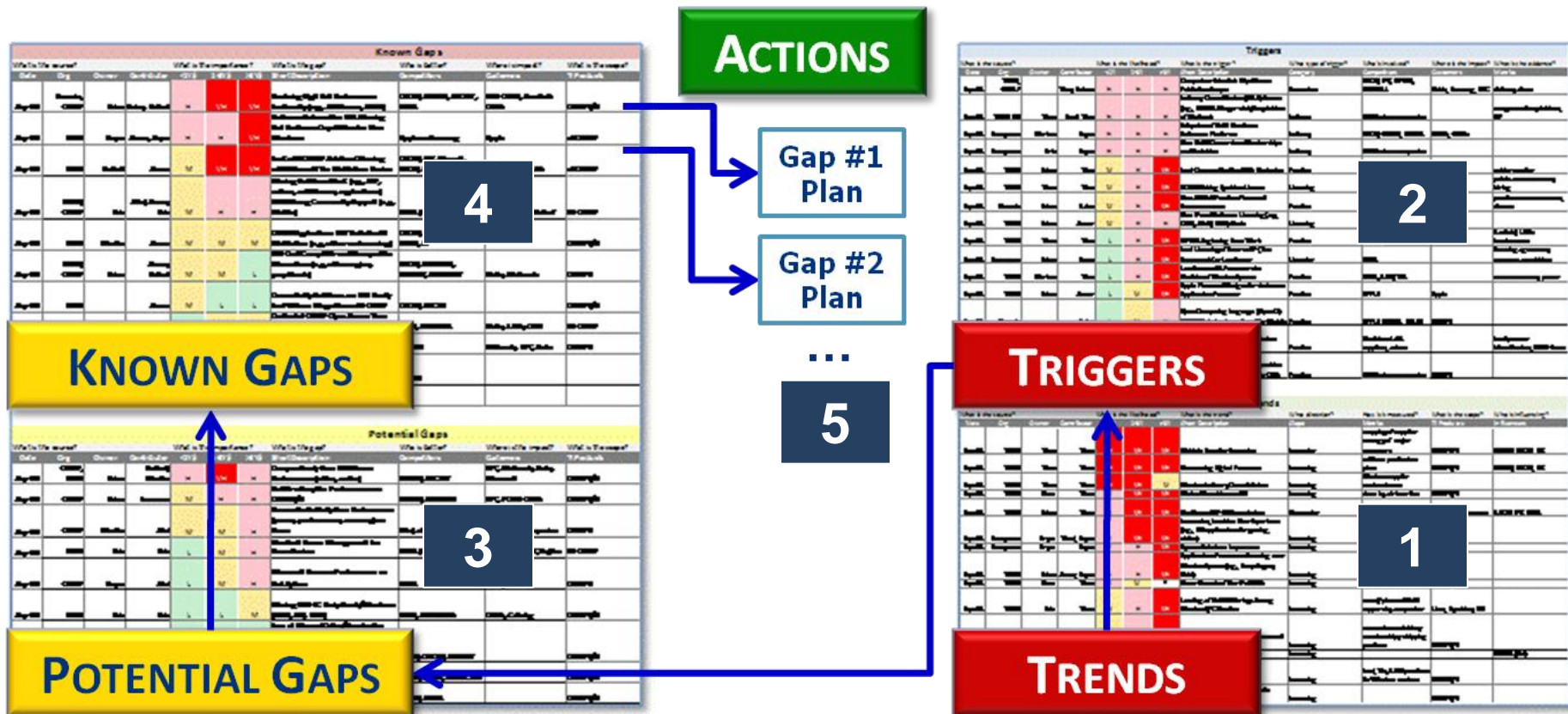
WHAT?

SO WHAT?

NOW WHAT?

**Known specific plans sponsored by senior management
to close a known competitive gap**

What You Will End Up With



Four Spreadsheets and Set of One Page Action Plans

Intuit Applies Gaps Analysis

TRIGGER, POSSIBLE GAP

Intuit Inc. is preparing as many as five new mobile products for small businesses, the latest evidence the software company's two-year-old research-and-development strategy is delivering results that it expects to drive profits.

TREND

Intuit's rush to the mobile space underscores the booming popularity of smartphones and the company's newfound ability to quickly define its priorities.

October 12, 2010

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THE WALL STREET JOURNAL.

Intuit Prepares Apps

Company Readies Upgrade to Software, Launches Programs

By JEANETTE BORZO

Intuit Inc. is preparing as many as five new mobile products for small businesses, the latest evidence the software company's two-year-old research-and-development strategy is delivering results that it expects to drive profits.

Later this year, Intuit expects to unveil an upgrade to its Intuit Online Payroll software that will enable customers to access payroll information from mobile phones. The company also is working on a sales-register program that will let shop employees take orders and payments from customers as they walk through the store.

Intuit is also preparing versions of existing software for small businesses that can run on tablet computers, like Apple Inc.'s iPad. Those programs, as well as new programs designed specifically for tablets, are expected to be on the market next year.

Intuit's rush to the mobile space underscores the booming popularity of smartphones and the company's newfound ability to quickly define its priorities. More smartphones are seen

shipping to businesses and consumers in 2012 than PCs desktops, notebooks and netbooks combined, according to Morgan Stanley estimates.

Mountain View, Calif.-based Intuit has stayed in front of the mobile trend, in part because it introduced a new research-and-development structure two years ago. Rather than top-down product development—which had been Intuit's previous method—the 27-year-old company introduced a bottom-up approach. Most importantly, Intuit's R&D groups are small, sometimes as few as just two people, allowing them to be nimble.

Chief Executive Brad Smith introduced the new structure shortly after his appointment in January 2008. At the time, "We weren't so good at getting new products out to the customer," Mr. Smith said in an interview.

That has changed. Under the new system, the number of new features in QuickBooks has doubled, while QuickBooks revenue grew 6% in fiscal 2010, reversing a 2% decline in fiscal 2009. Overall revenue jumped 11% over the same period, to \$3.5 billion.

Intuit's new product and

product-feature pipeline is five times larger than at any time over the past 10 years, according to Mr. Smith.

Of course, small teams create their own set of challenges. Managers have to keep track of a larger number of groups. And product development groups have to cope with fewer resources.

"They really have to focus on what is important," said Barry Saik, one of the managers of Intuit's TurboTax product, its biggest moneymaker.

Kiran Patel, who runs Intuit's small business unit, says the new mobile products are the result of "idea jams," brainstorming sessions in which engineers bounce ideas for new products and features off of each other, refining them as they go along. When ideas take on a more concrete form, they are passed onto customers for feedback.

Analysts say the system has transformed Intuit's corporate character.

"Intuit's whole mindset has changed," said Morgan Stanley analyst Adam Holt, who rates shares "overweight." "The company still has a lot of good news to come."

CLOSURE ACTION

Mountain View, Calif.-based Intuit has stayed in front of the mobile trend, in part because it introduced a new research-and-development structure two years ago. Rather than top-down prod-

KNOWN GAP

Chief Executive Brad Smith introduced the new structure shortly after his appointment in January 2008. At the time, "We weren't so good at getting new products out to the customer," Mr. Smith said in an interview.

RESULTS

That has changed. Under the new system, the number of new features in QuickBooks has doubled, while QuickBooks revenue grew 6% in fiscal 2010, reversing a 2% decline in fiscal 2009. Overall revenue jumped 11% over the same period, to \$3.5 billion.

1 Tracking Trends

KEY QUESTIONS

- 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?

EXAMPLES

- Demographics
- Mobile Finance Adoption
- Buying Patterns

THE CENTRAL CHALLENGE

- What trends represents significant opportunities (and when)?

THE SUCCESS MEASURE

- Strategic inflection points are understood with time to act

KEY QUESTIONS

- 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?

EXAMPLES

- Investments
- M&A Activity
- Hiring

THE CENTRAL CHALLENGE

- How do understand when something unusual is happening?

THE SUCCESS MEASURE

- Recognizing that a pattern of activity represents a strategic priority

KEY QUESTIONS

- What is the gap?
- What are the information sources?
- What is the business impact over time?
- Who is better?
- Where is the impact to us?
- What are we already doing?
- Who must characterize the gap?

EXAMPLES

- Fewer/missing features
- Innovative business model

THE CENTRAL CHALLENGE

- How do we proactively identify gaps that may be significant?

THE SUCCESS MEASURE

- Dedicated resources are assigned responsibility to characterize and report on the gap.

4 Tracking Known Gaps

(Validate)
KNOWN GAPS

KEY QUESTIONS

- What is the gap?
- What are the information sources?
- What is the business impact over time?
- Who is better?
- Where is the impact to us?
- What are we already doing?
- Who presently owns the gap?

EXAMPLES

- Fewer/missing features
- Less standard interfaces

THE CENTRAL CHALLENGE

- How do we get consensus to apply resources to closing this gap?

THE SUCCESS MEASURE

- Senior Manager assumes responsibility for closing the gap and creates project to do so.

KEY QUESTIONS

- 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 countermeasures by competitors?

EXAMPLES

- Add key product feature
- Introduce new support model

THE CENTRAL CHALLENGE

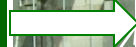
- How do we manage the cross functional effort to close the gap?

THE SUCCESS MEASURE

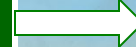
- The gap is closed in all tangible measures

Implementation Steps

**Create Basic
Structure**



**Select Trial
Business**



**Fill In Initial
Content**

**Decide Review
Process**



**Complete Two
Reviews**

**Write Case
for Action**

Where can you practice Gaps Analysis?



The Goal is Measurable Success



Strategic Alignment ...

Better View of Competition

Clearer Direction

Synchronized Actions

Winning Proposition

FOR GREATNESS

INSPIRATION ...



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