



CI Corner

David Lithwick & Enrico Codogno

The importance of tracking emerging competitors versus concentrating on traditional competitors

Dear CIC: In our CI efforts, my department has been concentrating exclusively on our traditional competitors. I am concerned that we are overlooking some competitive threats that will blind-side us in the future. Is this a legitimate concern, and, if so, how do I convince my colleagues and senior management that we should devote more time and effort towards emerging competitors on our business periphery? *CI Manager*

Dear CI Manager: In a competitive environment where technologies are developing at an ever increasing pace and where there is much economic uncertainty, CI has become both a driver and a prerequisite for a company's survival and success. While monitoring the activities of traditional rivals is both desirable and necessary, it is also important to develop an understanding of competitors that are on the periphery of one's particular industry. It is likely that they are small companies with technologies or distribution methods that are not fully developed but can, with enhancements, develop into strong challengers within two to five years. (Look at the

opportunity lost by Bell, Telus and Rogers when the first BlackBerry was introduced. The big telcos could have moved a lot faster to introduce their versions.)

Tracking potential competitors is referred to as developing "peripheral vision" (in order to avoid being blind-sided) or as the ability to pick up "weak signals." The objective is to change your company's view of the competitive horizon by taking in the possibility of disruptive technologies and competitors.

It is likely that people within your own company are already aware of such developing threats but have not been able or willing to bring together the information on them. As the CI manager, it is your responsibility to start up the dialogue, whether it is in one-on-one conversations with company personnel or in discussions with industry experts. You might be surprised at how much your colleagues already know. Once an initial body of knowledge has been developed, you can present your evidence on the current situation to senior man-

agement and extrapolate future trends to deduce who your new competitors are likely to be, how they will challenge your company, and what has to be done now to avoid a future crisis.

This is what makes CI so effective: it can take data and analyses from a variety of different sources (competition, demographics, economics, finance, legislation, industry, technology), create a picture of current conditions, and extrapolate to visualize the competitive environment two, five or ten years into future. CI is a way to get out of the confines of conventional thinking and develop unique solutions to problems that would otherwise be unsolvable.

Tip

"You can't be too rich or too well informed. Information is power, a world currency upon which fortunes are made and lost."

– Richard Saul Wurman,
"Information Architect"

A monthly column devoted to answering questions relating to competitive intelligence

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