

SHARP

HEAD 'EM OFF AT THE PASS: IDENTIFY THE CHANGES THAT THREATEN YOUR BUSINESS ACTIVITY

By Seena Sharp

Counter-intelligence or competitive intelligence.

When you're charged with monitoring your competitive environment, be it government or business:

- ◆ How do you keep up with the changes that are and will be affecting you?
- ◆ How do you monitor the forces outside your business that impact on you?
- ◆ Do you find that you're surprised more than you used to be?
- ◆ Do you wonder how a competitor or another agency knew something that you didn't?
- ◆ Are you the one who seems to notice changes before anyone else? But you have difficulty convincing anyone else?

The decreasing importance of Fortune 500 companies is due, in part, to their failure to recognize and act on changes that are of importance to their customers and prospects. Conversely, this ability to recognize and act on change is responsible for the exponential growth (in number and revenues) of small companies.

Similarly, government is less and less responsive to those they serve.

The biggest threat today is not competition. It's change.

Change is the customer telling us that they want something more, or they want something different, or they want something better.

So, how can business and government learn the skills to recognize change in the early stages?

Have you ever wondered why other businesses or agencies seem to know what new products or services to offer - that you never even considered? What do they know that you might not?

There are two primary areas to deal with:

- ◆ The changing nature of competition.
- ◆ The new tools that reveal change.

The Changing Nature of Competition.

In the past, we knew what was going on by monitoring our competitors. While this group still may account for the bulk of your competition, we must now recognize that we have to look beyond our competitors. Now we must study the entire competitive environment - in order to understand the changes that are affecting all aspects of our business.

The competitive environment includes:

- Customers
- Suppliers
- Distributors
- Technology
- Industries indirectly related
- Demographics
- Lifestyles and attitude changes
- Government regulation

Customers (whether they're consumer, industrial, institutional, or academic) only care about one thing today. Getting what they want, when they want it, and how they want it.



Think about how you make purchases - whether for professional or personal reasons. Do you always stop and think **about all the companies** who can provide what you want? Or do you just zero in on the one, two or three places who can deliver?

The entire competitive environment has changed, and is continuing to change. In order to service it, we must not only understand the changes, but we must also be continually on top of the changes which continue to rampage.

For example, you don't just get food in grocery stores or restaurants. Now, you can also choose from mass merchandisers, drive-through facilities, gas station mini-markets, street kiosks, at-home or at-office delivery services, department stores, convenience stores,..... And this is increasingly so - regardless of the product or service.

The New Tools That Reveal Change

Hard Information (facts, statistics, quantitative data) provides the traditional component of substantive information for understanding a business, for making a formidable presentation, and when making decisions.

Hard information provides the background, the perspective, the context for understanding what *has occurred*. Hard information may appear powerful, but it may also be misleading or incomplete.

Soft information includes commentary, opinion, anecdotes, opinion, rumor, conjecture. This type of information encompasses the clues, hints and signals about the changes taking place.

Change cannot be measured by numbers. It's too early in the process. In fact, change is the precursor to trends. Soft information is our early warning system.

Hard and soft information are merely different types of information.

**Hard information is retrospective.
Soft information is predictive.**



We run into trouble when we expect hard information to do the job of soft information. Each serves an important, but very different purpose.

Change Identifiers

There are several relatively easy ways to identify change.

1. Recognize that information about change is found everywhere - from such serious and formal sources as *Business Week*, and the *Journal of Marketing*, to the most informal sources, such as Doonesbury comic strip, Murphy Brown, and *Cosmopolitan*.

No medium should be dismissed because it's not a traditional or serious source of information.

2. Information about change is not labeled, it's not highlighted, and it's not clearly identified. Rather, it's communicated in very subtle ways through clues, hints and signals.

One of the easiest ways to pick up these clues is by noticing information (that you see, hear, or read) that you think is surprising, strange, or crazy. Frequently, this is information that is telling us something that we don't know, or haven't yet accepted as valid.

3. Notice how your product or service is being used that's different from your original intent. Rather than being annoyed, consider that this may develop a lucrative secondary market. Your customers have already done your product development!

TV decoders, as one example, are sold for closed-captioned programming, yet are purchased 40% of the time to learn English.

4. Companies outside your industry develop good ideas, born from noticing changes. When you hear about a successful promotion, product, or difference, consider whether and how the same idea can be adapted to your own business or service.

American Airlines created one of the most successful loyalty-building programs, with their Frequent Flyer promotion. Think of all the other types of businesses that are now also offering this



concept. They recognize that customers, today, want more value from their purchase.

5. Pay attention to those in your organization who seem to notice things before any one else does. Just because they can't corroborate it, doesn't mean it's not happening. Encourage everyone to share observations, complaints, weird ideas,.....

In today's nanosecond environment, where change occurs at hyperspeed, last year's data and news almost appears light years' distance from today's reality.

This shift from the past, where changes occurred only incrementally, poses a real challenge for today's planners and providers who must find new and better input.

The good news is that the tools and skills are available. All we have to do is learn them.

**Good things happen to those who wait.
Better things happen to those who anticipate.**

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Link Page

[Previous](#) [Beating the Competition: From Boardroom to War Room, by Steven M. Shaker, Global Associates, Ltd.](#)

[Next](#) [Refugees as an Offensive Weapon, Information as a Defensive Option, by Dr. Elm Whitney-Smith](#)

[Return to Electronic Index Page](#)