

MARKET AND COMPETITION



Key Takeaways

- › Successful companies are externally focused *and* internally focused
- › One of the greatest mistakes in strategy is not looking at competition
- › Profiling competitors with SWOT analysis allows you to implement a better strategy for your business
- › Define target contra-actions as a means of beating the competition

INTRODUCTION

One of the most common failings of modern corporate strategists is to underinvest in an understanding of competitors. By fully analyzing relevant competitors- current and future- opportunities to learn from competition and to exploit their weaknesses can emerge. Two areas to address include:

- › **Competitor SWOT:** Understanding competitor's operating success is never enough. Strategies must think through and attack the strategy of selected competitors in a focused and effective manner
- › **Standards of Operating Excellence:** One measure of relative performance which provides data on the potential for improve is a benchmark for the achievements of leading competitors. By identifying best practices achieved by competition, progress can be made toward achieving better results.

By using competitors to reset higher standards and by defining target contra-actions, you will be far more able to drive a successful implementation of your *STRATEGY*.

Guidance

One of the greatest mistakes people make is neglecting to think about competition- business cannot be entirely self-centered. Competitor strategy, profit pool, and competitor contra-strategy. Successful companies are externally focused and dissatisfied with the status quo.

When looking at competition, it is important to consider:

- › How you compare to today's competitors
- › How are your competitors evolving?
- › How will you compare in the future?
- › Where can you act effectively?
- › How can you build profits to overtake your competitor?
- › How can you protect your profits from competitors?

This will allow you to build the strongest business in relation to competitors. It is also important to identify future competitors as they emerge. It is important to understand the weaknesses, strategies, strengths, and understand where opportunities and threats may arise. As you develop strategy, you must identify competitors, their strengths and weaknesses, and develop a contra strategy against them. It is also important to understand who's the best in the industry. By understanding competition in detail, you can learn where your business can improve while having a better understanding of what customers want.

Understanding competition helps you understand your own business; and can reduce negatives, build positives, and build a more powerful offering. This can all allow for better financial rewards and create a long-term sustainable competitive advantage.