

Strategy Implementation Insights

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October 2005

FOCUS

McCreight & Company, Inc. is a strategy implementation consulting firm partnering with clients worldwide. The practice is focused on ensuring clients' competitive superiority during, and following, large-scale change, including mergers and acquisitions, leadership transitions, new business launches, and global growth.

INSIGHTS

We publish *Strategy Implementation Insights* periodically to encourage dialogue on strategy implementation effectiveness.

We welcome your suggestions, thoughts, and agreement or disagreement. Please visit www.implementstrategy.com for more details and other chapters of *Strategy Implementation Insights*.



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COMPETITIVE INTELLIGENCE

Too often we see our clients blindsided by unexpected competitive threats. Because these threats are “news” . . . it is taking too long, costing too much, and causing unnecessary internal trauma to react and to mitigate the threat.

Winning against competitors can involve a number of strategies, including:

- being larger,
- being faster and more agile,
- being specialized, or
- becoming their partner . . . or owner.

However, in order to adopt and refine these strategies, a company must first develop an in-depth profile and understanding of both their customers and their competitors.

Update Your Definition of Competitor

To ensure that clients are never surprised by their competitors, we urge that they develop a definition of “competitor” that is carefully thought through and updated at least semiannually. There are several dimensions in recognizing and defining competitors.

- Recognize that today's competition may be very different tomorrow. Competitors may outflank you in your target markets, acquire you, or you may acquire them.
- Recognize that customers and alliance partners can become tough competitors.
- Recognize that the most dangerous competition could be changing customer priorities, displacing technology, currency exchange rates, political unrest, the weather, or new government regulations.

Organization Design Concepts and Considerations

The graphic on page 3 highlights competitive intelligence (CI) design concepts and considerations. There are four key elements to this design:

- *corporate officers and senior leaders* . . . with a thirst for CI insight and the capacity to act decisively,
- *analysts* . . . talented and “maze bright,” with the passion and competence to leverage CI as a corporate asset, a broad understanding of the company's goals and strategies, and a professional relationship with each of the senior leaders they support,
- *information* . . . from a wide variety of sources, including those highlighted in the page 3 graphic, and
- *process and tools* . . . to enable secure and time-effective communications and collaboration – anytime and anywhere.

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Competitive Intelligence

Customers are an often overlooked resource. Our clients have been alerted to competitive change by customers who have said, “Our vendor X says they will be able to do Y next month. Can you match or beat that service?”

We look forward to sharing our lessons learned in more detail.

We welcome your suggestions, thoughts, agreement, or disagreement. Please contact our *Insights* editor, Sharon Carrigan, at 203.801.5000 or sec@implementstrategy.com

Understand Your Customers First

Companies that focus their competitive intelligence programs only on the organizations they identify as competitors are missing half of the opportunity for developing winning competitive strategies.

An enterprise must first focus on the customers who contribute most to its success.

Understanding the customer’s industry, competition, and global business strategies:

- **establishes your relationship and reputation** with customers as a business partner, building loyalty against competitors;
- **enables insight into your customers’** emerging business and operating philosophy, regulatory challenges, competitors, and supply chain challenges, positioning your planning for delivery of goods and services; and
- **provides alliance partners** as a source for insight in planning research and development initiatives and in alpha and beta testing new products and services.

Establish a Profile for Each of Your Existing and Evolving Competitors

Ensure you have a competitive profile for each of your existing and evolving competitors in each market segment. The profile for each competitor should define their global:

- alliance partners and joint ventures,
- business development initiatives,
- customers,
- go-to-market focus,
- information,
- intellectual property,
- organization structure,
- plans, policies, prices, processes, products,
- product development initiatives,
- strategy and strategic initiatives,
- talent . . . management and critical individual contributors,
- target markets,
- technology, and
- value-proposition.

The profile should be time-phased, describing the competitor today and in 6, 12, and 18 months.

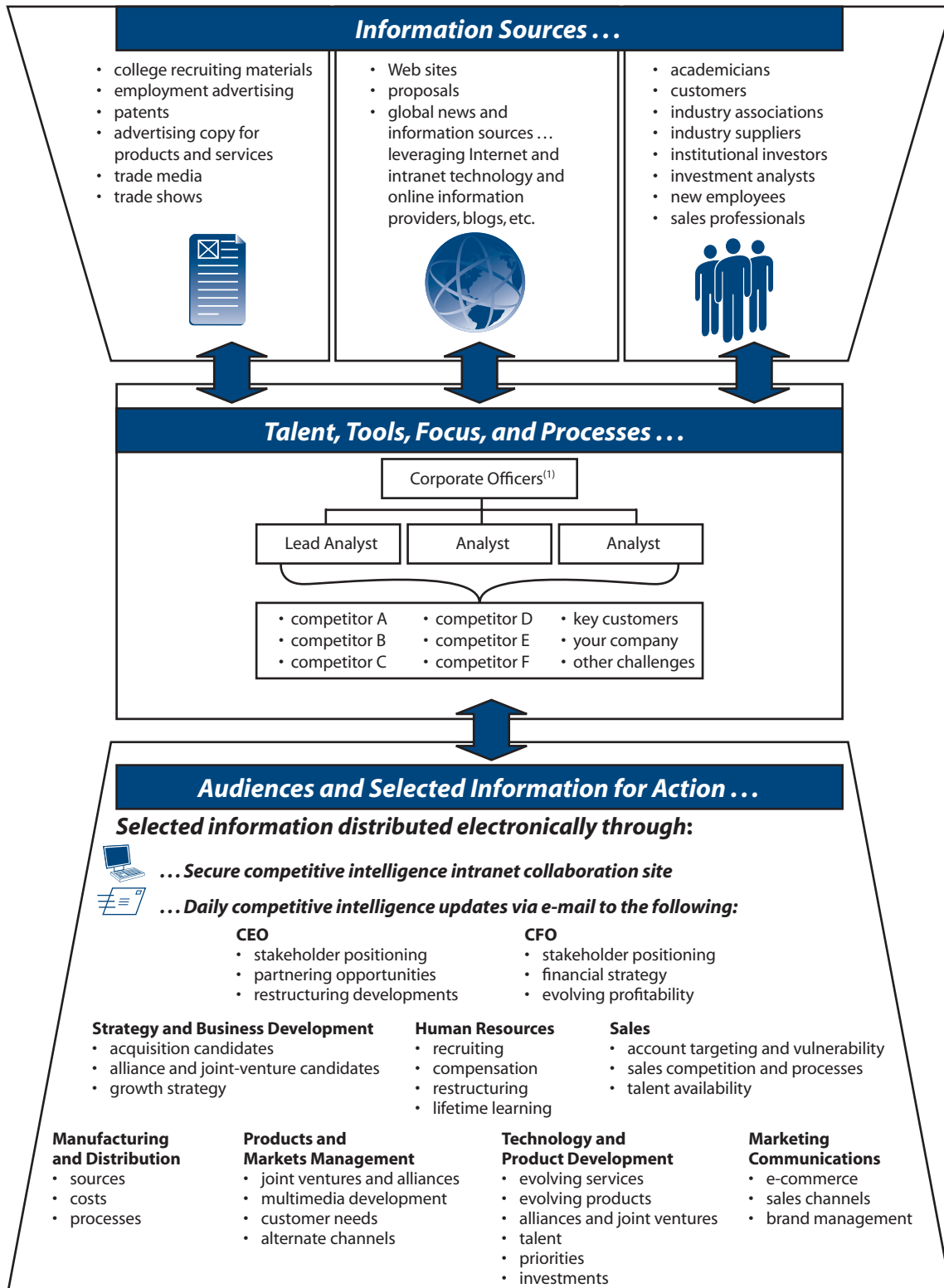
Understand Your Internal Audiences – Their Needs and Responses

As illustrated at the bottom of the graphic on page 3, there are many audiences within an organization that can benefit from competitive intelligence. Each audience is likely to have a unique need for information and varying approaches and actions to address the potential challenges.

Summary

Today’s global, fast-changing business challenges demand an unprecedented level of focus and creativity. A competitive intelligence program is not a “magic bullet” but a valuable navigation aid enabling companies to be more effective and more proactive.

Competitive Intelligence . . . Design Concepts and Considerations



⁽¹⁾ Responsible corporate officers could include: COO, CEO, office of the president, business unit presidents, or senior vice presidents of strategy or products and markets management.

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OUR CLIENTS HAVE INCLUDED

- American Express
- AT&T
- Bank of America
- Bell Laboratories
- Boeing
- Capgemini
- Cell Genesys
- Ciena
- Citigroup
- Corning
- Covisint
- Credit Suisse First Boston
- Department of Defense
- Deutsche Bank
- EFJ
- Fulcrum Analytics
- Genzyme
- Getronics
- Greenwood Publishing
- Herder & Herder
- IBM
- Johnson & Johnson
- JPMorgan Chase
- Kauffman Foundation
- KeySpan
- Kodak
- Lenovo
- LexisNexis
- Lockheed Martin
- Lucent
- Millennium Pharmaceuticals
- National Geospatial-Intelligence Agency (NGA)
- National Institutes of Health (NIH)
- National Security Agency (NSA)
- Northrop Grumman
- Pfizer
- Reed Elsevier
- SAIC
- Seisint
- Stanley
- The New York Times
- TheStreet.com
- United Technologies
- Universal Studios
- Varian Semiconductor Equipment
- Verizon
- Wharton
- Xerox
- Yankelovich

Our Firms

McCreight & Company, Inc. partners with clients worldwide, helping ensure their competitive superiority, designing and guiding the implementation of sound and sustainable strategy. Our unique consulting and operating experience evolved while partnering with many of the world's most respected leaders and most dynamic organizations. Our capabilities are further enhanced by our sister firms – Board Effectiveness Partners and the CIO Group.

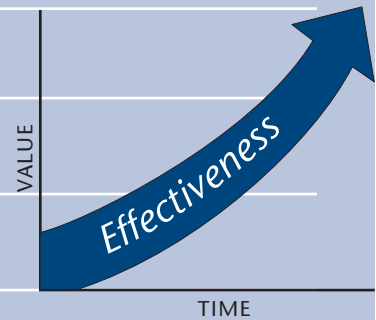
How We Add Value

Analyze and refine strategy

Define implementation initiatives with timelines and milestones

Define implementation roles, accountability, and resources

Monitor implementation progress and identify and help mitigate roadblocks



Our Goal

Our goal is to ensure strategy is sound, sustainable, scalable, and successfully implemented on-time, on-target, and on-budget. We partner with clients in designing and implementing strategic change, including: global growth, launching new enterprises, leadership transitions, business restructurings, mergers, acquisitions, joint ventures, and alliance partnerships.

Industry Competencies

- Aerospace
- Foundations
- Life Sciences
- Automotive
- Information & Media
- Professional Services
- Defense
- Intelligence
- Technology

Our Chairman

JOHN MCCREIGHT has devoted over 35 years to consulting and partnering with CEOs, senior management, boards, and investors, defining and implementing large-scale strategic change. Mr. McCreight leads every engagement and is professionally involved on site.

Alliance Partners

Each strategy implementation engagement is unique in terms of our client's needs, our response, and the consulting competencies and professionals involved. McCreight & Company nurtures relationships with over 100 Alliance Partners worldwide. They strengthen our capacity to ensure our client's success. Alliance Partners exemplify preeminence in their fields and complement our core competencies.

Research & Operations Center

Our Research & Operations Center (ROC) professionals are linked globally to our clients, Alliance Partners, industry experts, and the academic community. We focus daily on monitoring facts, opinions, successes, disappointments, lessons learned, and emerging best practices in many areas, including board and director effectiveness, information and technology, and the issues and challenges that impact strategy implementation.