

Competition

Competition comes to us naturally. All boys want to be the fastest on the playground and highest on the swings. The girls in our class wanted to be the most friendly or most popular. It is part of our nature to strive to be “the best” and to measure ourselves against others.

It wasn't something we really needed to be taught. But it did need to be honed and channeled. Much of our educational life is geared to sharpening us to live in a world where we first competed for school grades, then slots at colleges and universities and scholarship funds, and then in the job market.

In kindergarten we honed the social skills that would make us successful in getting our education off to a good start. We prepared for the tasks ahead of us. We were evaluated on our successes and failures individually. Even then we were striving to paint the best picture, we were striving to stand out in the eyes of our parents and in front of our siblings.

In our neighborhood we competed for friends and their playtime. There were plenty of other activities we could be doing and many of them were competitive. When we were with our friends we played “Cowboys and Indians” to see which side would win. We would play “Cops and Robbers” to see if the bad guys could outsmart the good guys. We would play Capture the Flag and Over the Line to see who was best.

Gary Oien and I were always racing against each other. Sometimes he would win and sometimes I would win. We were pretty evenly matched physically. One time his mother bought him some high topped “Red Ball” sneakers. They were really neat and I was sure there was no way that I would be able to keep up with him. I was really going

to have to give it all my effort to beat him and those “Red Ball” sneakers. But I was determined and I did beat him and when I did, I really rubbed it in.

He said his shoes were still stiff from being new and to watch out. He took off his shoes to show me his blisters. While I kept beating him, I knew I had to keep pushing myself if I was going to continue to beat him and he knew that as well. I did continue to beat him, but not for long. Once he had gotten his shoes broken in, we were competitive once again.

I was a better runner for having pushed myself. When he ran against me, I became stronger—and so did he.

And when my shoes were well worn and needed replacing, I had something to consider.

As Hewlett-Packard and Eastman Kodak converged on the same competitive marketplace they both announced their intention to be “King of the Hill” in digital photography—okay, not in so many words, but you get the picture.

Both are very capable technology companies with a rich history of innovation and brand excellence. Both have poured billions of dollars into the science and research needed in this market. Both companies came to the “hill” with high expectations of themselves and a keen understanding of the potential. Both companies came to the “hill” with their own bias. I am sure the Hewlett-Packard team was thinking, “If they only knew what they don’t know about printing technologies” and the Kodak team was thinking, “If they only knew what they don’t know about color science.”

And this goes on in every country, marketplace, and technology in the world.

There is a great deal to learn from your competitors. The quickened pace of B2B has compelled us to act. We have recognized the peril of being left in the dust. We see how industries and companies have changed. We are aware of companies that have risen to stardom in the Internet age. We have seen others fall by the wayside to be broken up or picked apart.

B2B has increased the visibility of what companies are doing. Now, companies proudly display on their web sites their activities and direction. Now they trumpet their capabilities. No longer is what they are doing behind closed doors. The web browser

has opened a new view into our competition. New relationships are proclaimed in product press releases. A series of browser search capabilities can bring you a goldmine of competitive information. New tools for understanding the competition are readily at hand.

It is enlightening to take a look at a problem from another viewpoint.

Looking at our competitors gives us a slightly different view of the world and our business problems. But only slightly different. Look at something about ten feet away with only your right eye and notice the details in the background and their relation to other objects. Now look only through your left eye and notice how the details in the background and their relation to other objects have shifted. It is similar to the way we see things differently when we view the world from our competitors perspective. Many things are similar and familiar. But many things have changed.

They compete in the same channels and with the same customers. But they may attack problems in a different way, if for no other reason than that they have “you” with whom to contend.

Competitors come at the markets in very predictable ways. They establish thought patterns and ways of operating that are consistent over time. It is only with great turmoil and consternation that they move away from the “mold.” This is an advantage as we look at the competitive landscape. It is usually only with either 1) the massive and dramatic change of leadership at the top (normally from outside) or 2) when the business is at great peril, there are few other options, and survival is at stake. But there is nothing like a wounded animal to demonstrate unpredictable behaviors.

They may choose to head off in different directions to see if you can keep up. One of my competitors has gotten closely linked with a software company that makes supply chain tools. Up until this time they have chosen to allow us to lead and either stub our toes or reap the lion’s share of the rewards from leading. They were content to come in later, mirror our processes, and take a small portion with reduced risk. But maybe not any longer.

Now they are looking to change the dynamics in the market by getting closer to a few, key retail customers and linking together with them seamlessly. They are

attempting to steal away a few of “the best” with their B2B initiatives. But can they sustain this change? Can they turn this into a new model for their business?

I need to be able to respond to that and am using B2B tools to do so. I am also choosing to go about the problem in a different way. The linking with my customers will be different, less intrusive, less demanding, and, hopefully, a less expensive way to create a similar competitive advantage. Benchmarking and studying my competitor helps me understand how he is competing with me. It helps to know the questions I need to be asking my customers and myself.

Frequently customers will raise the stakes concerning what is taking place with your competitors. They do that for two reasons: the carrot and the stick. When it is the “carrot,” they are signaling where your competitor is “off the mark” and you have an opportunity. Of course, they are telling you this for their own reasons—they want you to respond in a certain way so your competitor will be forced to follow suit. When it is the “stick,” they are signaling where your competitor is “on the mark” and you had better play catch-up and play it now.

Have a great deal of respect for your competitors. Just like when I was running against Gary, we need to respect our competition. They are bright people. They have the same hopes and desires for their families that we do. They have bills to pay and mouths to feed. They hone their skills based on their assessment of our strengths and weaknesses. They target our soft underbelly. They target the “chinks” in our armor. Those are the narrow openings, cracks and fissures in our business process. For example, there are places where the sales teams and the finance teams come together. Where differences in internal operational teams’ responsibilities cause them to have different objectives. These different business objectives cause us to give mixed messages to our customers.

I was on the receiving end of one of those mixed messages. A vendor had offered a service to us for a fraction of the price we were paying. Furthermore, they offered this service at this price across our whole business. And it was an industry-wide deal that we were negotiating. That was wonderful for us. What they hadn’t counted on was the amount of existing business this offer would be impacting. They were thinking about a narrow swatch of the business—one channel. They didn’t understand that we

couldn't break out this one channel by itself effectively. We handled the US business all in one fashion. When they started understanding, they realized the vendor they were displacing at a fraction of the cost was largely themselves!

That's when their finance people got involved and their internal wrangling took place. This went on for months. It is where their "chink" showed up. What they had placed before us in "black and white" was a large hit on their revenue; it wasn't just my company, it was also 3M, Agfa, and Dupont.

They were in a position where they had served to themselves a large competitive problem. They could probably have backed away from the deal and been the laughing stock of their industry and created for themselves a new competitive problem. After all, we easily could have "shopped" the same deal to their competitors.

Or they could move forward with the deal, save face, and take away the competitive threat. In the end, they recognized the opportunity was in moving forward with what they had offered. Better to have a larger piece of a smaller pie than no pie at all.

Competition is not something to be feared. The worst situations in which my company has put itself is when management attempted to instill fear in the employees based on the abilities of the competition.

There have not been many of these situations, but in every instance it had the reverse of the desired effect. It was intended to make us work harder and smarter. Instead, it generated a great deal of rumor, innuendo, and distraction. The discussion around the water cooler didn't help the situation. It fueled itself to an unrealistic pitch. We were more afraid of their shadow than ever before. We started to mirror the other company's behaviors and designs. We concentrated more on their strengths than our strengths. We failed to concentrate on their weaknesses.

No longer could we differentiate ourselves.

Business is a race. B2B is an enabler to "better, faster, cheaper" ways of doing business. The web can be both a tool for accessing our competition and for beating them in the marketplace. We need to be watchful and aware of what the competition is doing. We need to do this out of respect instead of fear. We need to assess how we can

best compete and take clearest advantage. Our competition can show us part of the way if we are watchful and astute.

"You can discover what your enemy fears most by observing the means he uses to frighten you." -Eric Hoffer



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