Research Paper

Competitive Analysis - Tips for one of the toughest jobs in the industry

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Abstract
A disclaimer before anyone aspiring to enter this tough job reads it, or, an industry veteran analyzes it and finds it different. This is based on my personal journey. It covers the good and the bad and lessons learned. It also covers some things which I did differently. I used my technical background to be better at my competitive profile job. I carried forward my principles and strengths into the competitive job to make me unique and dependable. Lastly, I never lost the taste of innovation through out, and because of that, I kept my ability to spot differentiating aspects which is one of the important aspects of competitive analysis. I have arranged all this in various topics to make it useful for anyone aspiring to follow the same career path.

Keywords: *Competitive job challenge, Authorship, Problem analysis, Use of AI in competitive*

I. Introduction

Competitive analysis, often referred to as competitive intelligence, is referred to as one of the toughest jobs in the industry. The job challenge primarily stems on dealing with a lot of unknowns. The entire job definition to me, is continuously identifying unknowns and then trying to bridge the gap between unknown and known. This must be done while complying with regulations and ethics standards of the organizations you may do this job for. While primary focus is to "Win more," the expert can never lose the site of customer's betterment. There needs to be constant questioning of the experts understanding and comparing it to the rest of the world and then adjusting own knowledge or attempt to change the understanding of the rest of the world by citing facts. Of course, if the organization has multiple experts, the load gets shared but does not disappear or change.

Competitor Identification

This seems straight forward on the surface. Typically, analyst reports, evaluation and rating websites and your sales or field team combined should solve this at a base level. Of course, then the percentage engagement and other segmentation tells you which ones to focus on. But it is not always that simple. Sometimes, your competition is hidden in that, unless you dig deeper, you may leave out a significant portion of this indirect competition [1]. Here is an example from my own career. I used to work on one of the technologies, storage, and related areas. At a high level, we knew what other alternative solutions existed and we developed a muscle for competing with them. But, for a long time, we did not focus on free and embedded options which were being adopted to solve the problem our solution was solving. To make the matters worse, this was not only reducing our revenue, but also putting customers at risk. Once we learned about the same, we added those risk elements to the objection handling parts of our collateral. This taught me something. While competitive analysis is about comparing solutions, you must be fully aware of the problem the solutions are trying to solve.
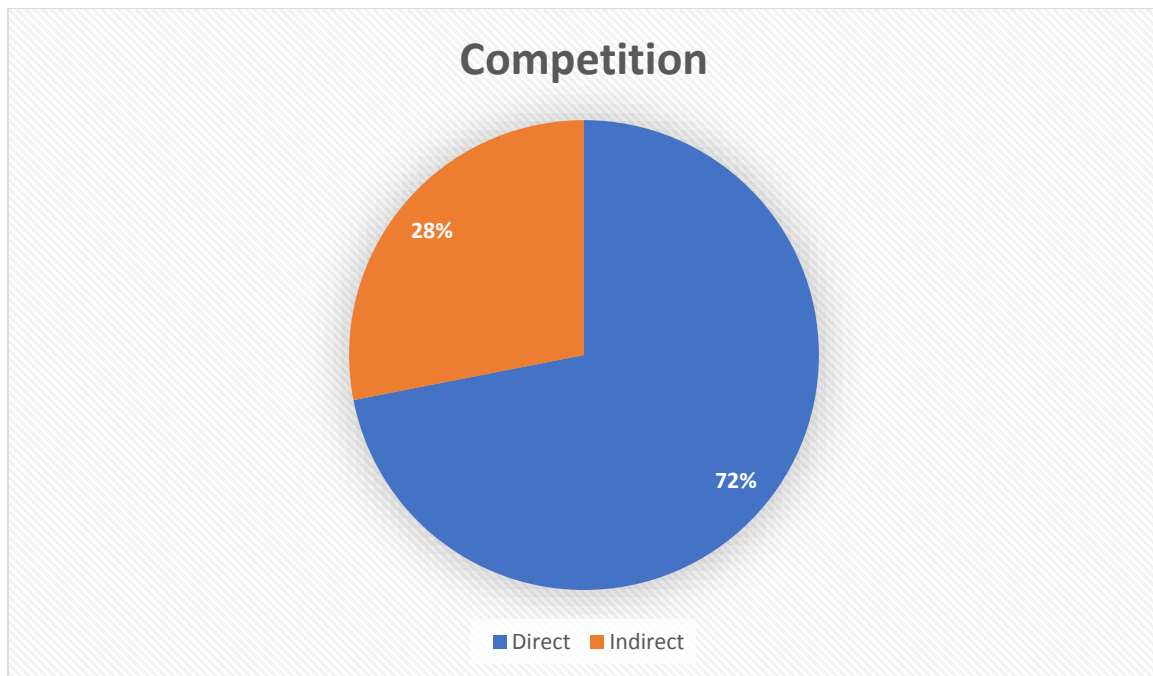
Direct vs. Indirect competition

Defining the problem

Often, we see that vendors focus on their strengths and build a story only around those. In other words, some of them try to define the problem, based on the solution they have. Without going into whether this helps or harms customers, and how much effective it is in increasing sales, there are a few things to consider here.

1.   Risk of blind spot

With the approach of basing the differentiators on the solution itself, there are risks that a different competitor, or altogether a different vendor would enter the market covering unspoken areas of the problem and create a slow-down event. This uncovered area will likely either reset the progress of an active deal, or a sale or, significantly slow down. There is also risk of losing customer trust. Customers may expect the sellers to talk about those uncovered areas and when they do not, customers may judge the seller to be less informed.

2.   Movement from nice-to-have to must-have

The areas of the problem purposefully left out might become must-have for customers when evaluating a solution. In this case, the solution focused vendors now find themselves at the start line instead of middle or close to the finish line.

3.   Analyst ratings

Often, one or the other analyst covers every industry. When they see a specific vendor not talking about an area of a problem, they would most definitely highlight it in their ratings and reports. In other words, the solution-based vendor would be rated incomplete and non-visionary by the analyst. If the vendor is problem-focused, analyst would still rate them incomplete on the non-covered areas, but would not rate them non-visionary. They would rate the problem-focused vendor more market aware and rate them higher than solution-focused vendors.

So, defining the problem in the entirety, is indeed beneficial. Now, how does one go about doing it. This is where I leaned on my technical mind. It is important to note that technical mind and technical knowledge are two different things. The way I leaned on technical mind was to try and define the problem in smaller pieces or attributes. This is done with a similar approach a comprehensive market intelligence person would follow. One source is to look at all the vendors in your space and identify all the problems, or, sub-parts of the problems they are solving. Here, it is paramount to "not focus" on your solution alone, but at the same time, not increasing the scope to solving "the world hunger". In my job context, I came up with a scope definition for myself as "I am going to look at all vendors who do similar job to ours for solving cyber resilience and recovery. I am going to consider the vendors in critical path of cyber resilience and recovery only." Once this was established, I mapped out as many as attributes I thought of and then arranged those in sub-areas of the problem which would at least be meaningful and understood by both, the customers, and sellers. Once this base is established, the effort of competitive analysis becomes organized and less prone to major reset or change. The repetition only requires incremental adjustments.

Intel treatment

i.   Gathering

There are many sources of intel gathering. Competitor collaterals, analyst, review sites and primary intelligence obtained by field teams and their contacts. There a few learnings from my personal experience. Everything out there may not be trustworthy. With pay-for-play rampant, every intel obtained in this manner needs verification step. Second, absence of something does not prove a gap. However, the better you understand the building blocks of any capability, the confident you could be about positive or negative confirmation. This is where my technical background helps me. As an example, say one commonly used technology has a few features. Another commonly used technology has lesser features. If you know that a competitor is using the technology with some missing features, any capability built using the same is bound to have gaps related to the underlying technology. The last one is a hard learned lesson. Do not go trusting primary intelligence blindly either. There are many situations because of which the primary intel may still be incomplete, inaccurate, or unreliable. The human source may be disconnected from reality, may be a "I must know everything" syndrome personality, or, may have stale information. If anything, competitive analysts know that everything changes all the time.

ii.   Verification and Mapping

Even primary intel, which is not available directly on any digital source, has indicators in the digital world. For example, if a primary intel says, X capability is missing for a competitor. You could cross verify that by looking at customer reviews. One or more customer would say something good, or bad, about a capability if it existed. This is just one example. There are other ways to double check the primary intel. Second, you must map this intel into who this intel may help within your team. I have always kept a practice of sending unprocessed, or processed intel to more than just the field teams.

iii.   Processing

Often, intelligence received is unprocessed. Unprocessed intelligence is just a piece of information you gather. 90% of the time, unprocessed intelligence, or, as-is-information, is not useful the way it is. Depending on what type it is, you need to process it to become useful for the audience you are sending it. As an example, if unprocessed intelligence is to be sent to product managers, you must alert them what long term risks exist and what are the implications of the same. If you can, you might suggest one or two mitigation options, but that is not your responsibility necessarily. Also, product managers have more recent and broader information often kept confidential. So, they might have better mitigation options any way.

iv.   Distribution

Distribution is key and is mostly dependent on timing. Critical intel, where the value is short-lived, must be sent immediately. As an example, if you have sensed a close of product line by a competitor, field must be alerted about it immediately. Field would then surround the accounts where they can proactively help competitor customers to migrate to their solution. Second, you must also be cognizant about the mindset and operational behavior of the audience. For example, any intelligence which is valuable over-the-time, could wait if the period is close to a business cycle, such as the end of the quarter. Here, I want to again point out some things from my experience. Keep your source information hidden as much as possible, from almost everyone. Only if someone challenges you to prove accuracy, only then share the source. Else, only share the resultant intel and action to be taken. I have seen reference information shared, disappearing within 48 hours from sharing. People talk. That is something very hard to control and monitor. Hence, keep the reference information secure within your competitive circle.

Doing and thinking things differently

i.   Vendor selection for outsourced work when required

In an organization, competitive teams many not be large. In fact, a trend seems where marketing seems to be overloaded with this responsibility to keep the costs down. There are consequences to that. However, I will not be covering those here. Due to smaller teams, there are certain one-time projects which may need to be assigned to a third-party. As with any other space, there are many vendors. If you and the potential vendors are new to each other, how do you select the right one. The traditional methods are to look at example work shared and talking to reference customers when possible. But, when it comes to competitive analysis, almost everyone chooses not to share much. Yes, they may give a high-level outcome-based reference stories, but that does not necessarily mean the current project you have for them would go the same way.

So, here is a method I used somewhat on the lines of how machine learning model selection works. If there are say hundred small items in a project, I already did ten of those things myself without revealing to the potential vendors that I have done that. Then, I asked them to do those ten things as a Proof-of-Concept. Then I analyzed and compared the results of those ten items from various vendors. The one with high accuracy and greater detail was the one I chose, when there was no initial confidence.

ii.   Striving for accuracy followed by acceptance and usefulness

Everyone wants accurate information in general. However, sellers want it even more. The effects of inaccurate claims for your solution, or, competitor solution can snowball into negative impact. Because sellers lose trust with customers, and customers talk to other customers, the loss of confidence can spread quickly. When trust is lost, it becomes very hard to regain it. That is why I always strived and continue to value accuracy. It is hard to be accurate and stick to the facts a hundred percent of the time. But relentless pursuit of the same helped me build the trust with sellers. Then, I listened to the sellers for making those claims and facts useful in their selling motion. An advice to the technical minded competitive analysis persons is to remember that, what you think as context of a claim may not be understood by the audience.

iii.   Gen AI dilemma

In recent days, the Gen AI has improved a lot. This has created a dilemma everywhere. If you do not use it, you are definitely missing out. But if you do use it, you must be aware of the risks. Personally, I have not restricted the probing to just the competitive analysis area. It is like having a new car without a categorization like SUV, Sedan, Mini Van, ATV or similar. So, I have started probing Gen AI for more than competitive analysis to identify the strengths and weakness of it. While there is a lot of talk around Gen AI eventually replacing humans, I have come to realize this with my probing. This must be universal though and not just limited to competitive analysis job. Even after discounting the hallucination, the cut-off days of knowledge and other similar issues with Gen AI [2], let us assume Gen AI knows everything. The effectiveness however remains on what questions to you ask and how. Thinking of a specific topic, a query is one thing. But to ask the right question and to phrase it properly and give context, is a whole different skill and without it, Gen AI is not just limited but dangerous. This goes back to the accuracy portion. Hence, I have been and will be for a foreseeable future, extremely cautious for using Gen AI for competitive analysis. Instead of relying on it give end result, I have stuck to using it for knowing more about the set of problems, and surrounding technology around the solution areas I work with. I am not saying that is the right answer. I am saying it is the extent to which I am willing to trust Gen AI at this point.

iv.   Empathy with competition

Having empathy with the competitors seems counter intuitive for competitive analysis as the goal is to "help sellers win against the competition." However, to know is to win half of the battle. This is why knowing the background of the competitors, behavior traits as an entity and their aspirations are important beyond just the point in time strengths and weaknesses. To illustrate, if you consider the competitor only at current time, you are looking at this.
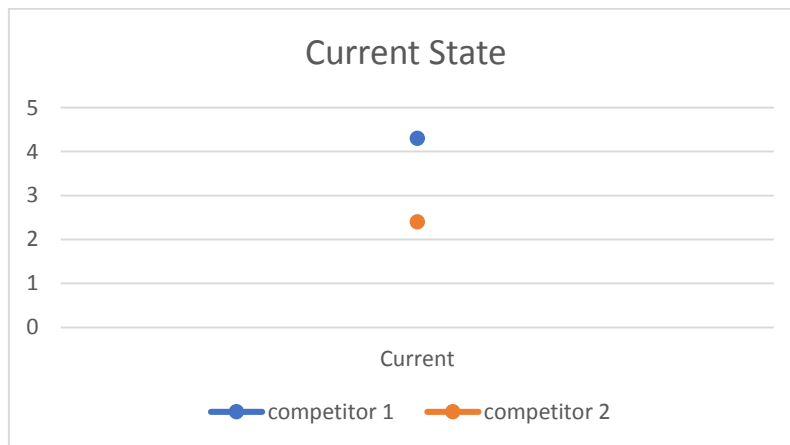
But, when you consider history, you can map out future moves to help you with war gaming exercise.
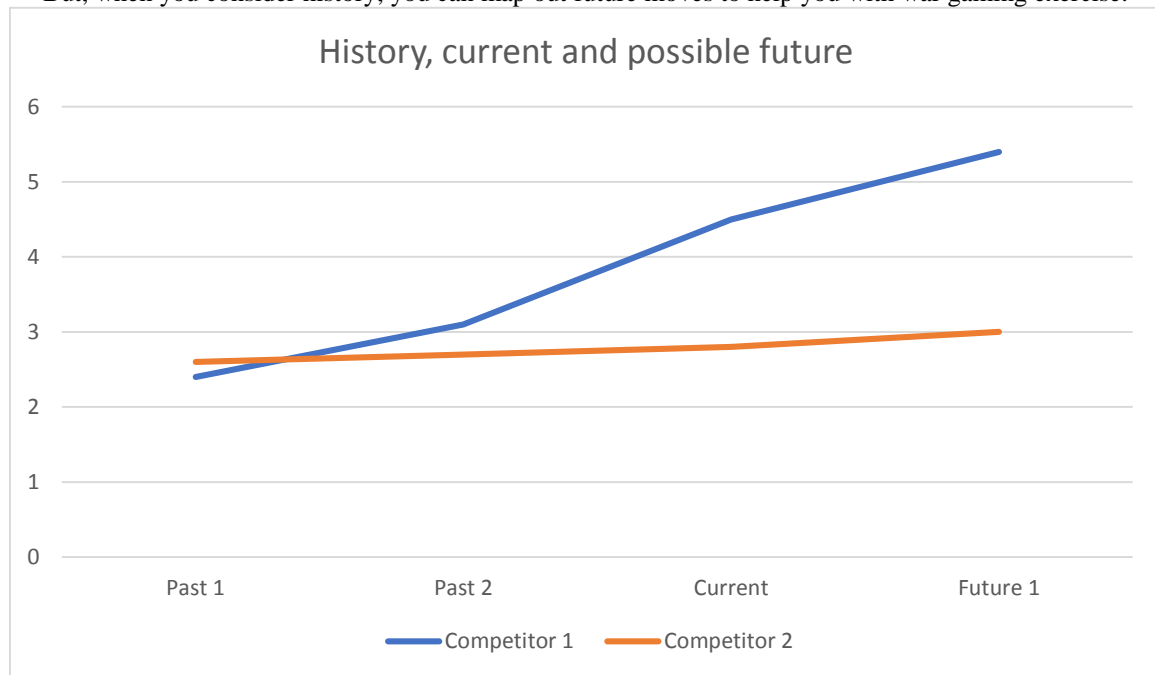
Moreover, when you consider yourself as being your competitor, you stretch the boundaries of analyzing opportunities and threats, instead of swizzling the static strengths and weaknesses during a SWOT analysis. Once you have done that, as part of war gaming scenarios, you can focus on how to reduce competitor opportunities and multiply their threats by controlling and adjusting your moves.

v.   Building and preserving innovation muscle

Somewhere during middle parts of my career, I found myself wanting to not just innovate, but do it in a prominent and recognizable manner and to get my innovation capabilities validated. The best way for me do it was, think of innovative techniques in data management area which is my area of expertise and file patents. I did it alone and in collaboration with the right set of colleagues who shared the skills and expertise. I even appeared once in front of the patent examiners to illustrate the difference between my patent claims and the claims put forth by patent examiners as already covered by prior patents. This has given me a skill to spot differentiation anywhere. It could be within our solution, or, competitor solution. This helps in turn in building strengths and weakness areas for our solution and the competitor solution. So, I keep authoring patents even though not all may get filed or accepted.

II.   Conclusion

Many before me and I have shown that one can make a successful into competitive analysis career with a solid technical background. I have successfully built and improved skills to define the problem and then carry out analysis. Customer empathy is table stakes but competitor empathy gives an added advantage. I have used my technical background in ways never done before for vendor selection, SWOT analysis and authoring differentiation against competition. I remain cautiously optimistic about the use of Gen AI in competitive analysis work and have a few tips as I shared on how and where to use Gen AI with minimal risk. Finally, I think striving to innovate instead of just reading about innovations gives an edge in identifying differentiation, especially where the markets are crowded and almost all competitors say the same thing in different words.

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