

# **Competitive Gaps:** Finding, Tracking and Closing Them

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#### What is a competitive gap?

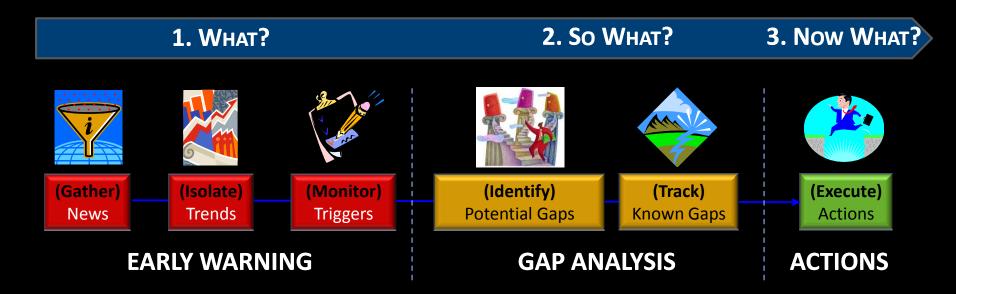


Anything about a product, service, technology, capability or position that puts a company at a significant disadvantage versus one or more competitors

#### Examples

- Another company is about to introduce a faster, better, cheaper, etc., product
- The competitor's technology capabilities are more efficiently supporting multiple product lines
- A firm is leveraging its intellectual property position to extract licensing revenue impacting pricing flexibility and margins

#### **Three Analysis Questions**



What is happening? (observations about the environment)
 What does it mean? (the effect on our competitiveness)
 What do we do? (our actions to close the gaps)

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#### What is important to know about gaps?

- 1. What gaps are we sure that exist and are significant to us?
- 2. What actions do we have planned or underway to close the known competitive gaps?
- 3. What things might become gaps over time?
- 4. What specific events, activities, announcements, etc., would likely lead to a potential gap for us?
- 5. What broad trends are occurring that drive our competitors and us to alter or improve what we offer to the market?

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#### **Information Stages**



- Actions
  - Specific plans in place to close a known competitive gap
- Gaps
  - Known (validated as significant to organization and worthy of specific actions)
  - Potential (possible gaps awaiting characterization)
- Triggers
  - Specific observable competitive events, actions, product introductions, etc., that would signal a possible gap
- Trends
  - Broad technology, market or demographic movements affecting all market players and presenting opportunities

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## Key Actions at Each Stage



		QUESTION	Key Action
broad TECHNOLOGY PRODUCTS	Trends	What are the broad directions of technologies, markets, relationships and products?	STIMULATE ORGANIZATION TO IDENTIFY AND MONITOR
INVESTMENTS RELATIONSHIPS OTHER specific	Triggers	What specific events, activities and announcements might signal a key competitive move?	REVIEW REGULARLY TO IDENITFY POTENTIAL GAPS
NOT A GAP OR GAP NOT SIGNIFICANT	Potential Gaps	What potential competitive gaps must be evaluated to determine their significance to us?	SORT TO IDENTIFY MOST CRITICAL ONES
OR GAP SIGNIFICANT	Known Gaps	What are the known gaps that presently put us at a competitive disadvantage in the market?	FULLY CHARACTERIZE
JTHawes Consulting, LLC	Actions www.jthawes.c	Who owns the action and how will progress be tracked until closure?	IMPLEMENT ACTIONS TO CLOSE EACH GAP Slide 6



## What to Track for Each Category

Who owns the action?



- What are the steps to complete the action?
- What are the success measures?
- What are the required investments?
- When and how will the status be reviewed?
- What are the possible countermoves by competitors?



## What to Track for Each Category

**Potential** 

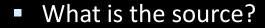
Gaps

Known

Gaps

Triggers

- What is the gap?
- What is the information source?
- What is the importance?
- What is the trigger?



- What is the likelihood over time?
- What type of trigger?
- Who is involved?
- Where is the impact?
- What is the evidence to look for?

What is the trend?

impact?

Who is better?



- What is the source?
- What is the likelihood over time?
- What direction is the change?

Where is the impact to us?

What is the scope of the

- How is it measured?
- What is the scope of the impact?
- Who is influencing the trend?

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#### Practical Implementation Steps

- 1. Create 4 spreadsheets (known gaps, potential gaps, triggers, trends)
- 2. Canvas the marketing, business development, technology and product development teams for content
- 3. Rationalize ratings, impact over time and significance with business management
- 4. Facilitate the assignment of actions to people and organizations
- 5. Institutionalize periodic reviews of all stages in strategy meetings with management



For more information:



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