The Two Sections of the Competitive Intelligence Report

There are two menu items that provide competitive intelligence: (1) a 1-page “Market Snapshot” for each geographic region showing the competitive efforts of all companies for a particular year, strategic group maps, and lists of your company’s (and any other company’s) competitive strengths and weaknesses and (2) a Company Analysis breakout showing the competitive efforts for any company of interest for all years to date and graphs of its footwear prices.

- **MARKET SNAPSHOT of Competitive Efforts of All Companies for a Geographic Region (available for any year).** The Market Snapshot reports show the competitive efforts of each company in each of the four geographic markets for a particular year — you can readily switch from region to region and year to year by using the menus on the left of the screen and choosing what region and year you want to view. Normally, you will want to see the data for the most recent year, but you can review the Market Snapshots showing competitive efforts for prior years at any time it is useful.

While you may be primarily interested in how your company’s competitive effort compares against the industry average, you have the capability to see how every company stacks up against the industry averages (the data in the far right column) by clicking on the Company Letter in top right corner of the screen to change the company being compared from A to B to C to D and so on. Using this feature you can readily review the lists of competitive strengths and weaknesses for any company of interest—particularly those companies you consider to be your closest competitors.

- **COMPANY ANALYSIS: Decision Trends for Any Rival Company of Interest.** The second competitive intelligence menu item provides any company’s complete competitive effort (prices, S/Q ratings, models, advertising, rebates, etc.) in any geographic market for all years to date, including trend-line graphs of its wholesale prices and S/Q ratings. You’ll find this screen/report very handy in anticipating or “guestimating” the moves your most important or closest competitors are likely to make in the upcoming year.

Becoming a shrewd “power-user” of the Market Snapshot and Company Analysis information can help you and your co-managers out-manage and out-compete rival companies (especially those companies whose co-managers gloss over this information).

Using the Company Analysis Feature

Just as in sports where it is customary for every team to scout its next opponent thoroughly and develop a game plan to defeat them, so also in The Business Strategy Game you need a scouting report on the strategies of rivals and what moves they may take to win sales and market share away from you—the company analysis screen provides you with a scouting report.

- Select the company you wish to study by using the menu on the left side of the screen and then clicking on the company and geographic region you are interested in. Print a copy of the screen/report if you so wish (for handy reference as you are making decisions).

- If there are several companies you want to scout, you may want to divide up the task by having different co-managers utilize different PCs to perform the task of analyzing the actions of several companies in one particular region or else the actions of one or two companies across all regions, with each co-manager responsible for drawing conclusions about what moves the rivals in question are likely to make.

**Step 1:** Use the data in the Internet and Wholesale segments to spot trends/patterns in the decisions of the rival in question and to identify the rival’s strategy.

- See if the rival’s decisions over time reveal a direction in which the company seems to be headed in this region.

- What do the graphs reveal about the company’s pricing strategy? Its S/Q strategy?

- Is there a clear strategy—such as a low-cost producer strategy or a high-end differentiation strategy (keyed to top-of-the-line S/Q ratings and wide product selection)? Does it appear to be concentrating/focusing on one or two of the three segments—Internet, wholesale or private label? Or, is the company’s strategy muddled and/or undergoing frequent revision as the company’s managers search, perhaps desperately, to discover a strategy worth sticking with?

- Is there any basis for anticipating what it might do next? What moves should be expected? You may also get additional clues about what a rival is likely to do next by reviewing its performance in the past year to see what special problems it has or what sort of pressure it faces in trying to improve its performance in the upcoming year.
For instance, if a company raised its prices in the prior year and suffered by losing unit sales and market share and having its EPS and ROE drop, then it is likely to reverse course and drop price in the upcoming year. Alternatively, a company that gained market share but suffered a decline in profitability and ROE may decide to forego some sales in return for higher profit margins and better overall performance. The point here is that a company’s performance in the prior year may hold clues for what moves it may make in the upcoming year.

Step 2: Repeat the analysis for the other three regions. Is the company pursuing essentially the same strategy in all four geographic regions or distinctly different strategies?

Step 3: Decide if this company has an overall strategy (which makes it easier to anticipate its next moves) or whether its managers are still experimenting and searching for one (which makes it harder to anticipate the company’s next moves).

Step 4: Decide what moves, if any, this company can be expected to make next and decide what, if anything, your company should do to outmaneuver the rival and defeat its strategy/decisions. For example, if there’s good reason to believe a key rival will be lowering price or increasing their S/Q rating or spending more on advertising or increasing their model offering, then you should take this into consideration in deciding how much to alter your company’s prices or S/Q rating or advertising or models/styles.

Step 5: As part of your scouting of close competitors, you can go back to the Market Snapshot section, pick a region, and click on the link in the top right corner of the screen where you can change the company being measured against the industry averages and bring up the page that shows the close competitor you have been analyzing here. Check out the sizes of the close competitor’s competitive advantages/disadvantages against the industry averages and view its competitive strengths and weaknesses on the bottom part of the screen/page. Go to other regions for this competitor, as well. Now you have a full picture of this company’s actions and situation. Did anything you see here change your opinion about what you concluded in Step 4?

By looking at the competitive efforts of key rivals for the past several years, you may spot trends in their decisions that are likely to carry over to upcoming periods. Herein lies the value of the company analysis menu item and the capabilities it gives you to look at the recent competitive efforts of any company in any geographic region.

The Business Strategy Game is an exercise that centers on a clash of strategies in a competitive marketplace. For your company’s strategy to win out, you and your co-managers will need to watch rivals’ actions closely, try to anticipate their next moves, and then craft a competitive strategy of your own aimed at “defeating” their strategies and boosting your company’s branded footwear sales, market share, and profitability.