

## Case Study: Nailen Witt Group

*Abstract: Bob Sampson, VP of Product Strategy for the Nailen Witt Group, was feeling stress. After working late every night for the last two weeks, he was in early this morning. The quiet time for reflection he had hoped for was illusive as he found himself buried in email, presentation preparation and meetings. As if navigating all of the administrative details was not enough, his most important product line was not doing very well. Moreover, people were noticing. Bob's boss had scheduled a meeting next week to hear the story of what Bob was going to do about it. Normally Bob welcomed such meetings because he prided himself in being prepared. This time, though, he did not know what he was going to say. His competitors really had him reeling. Maybe the new Competitive Intelligence team could help.*



Knock, knock.

Bob looked up to see Alice at his door. His first feeling was irritation. He still had 75 emails to get through before his next meeting! Then he remembered that he had asked to see Alice. Alice was heading up the new Competitive Intelligence team. Maybe she could help him. Maybe she had some clever competition slide he could use with his boss.

“Come in, Alice.”

“Good morning, Bob. How are things going?” Alice asked cheerfully.

Trying to manage a friendly smile but not succeeding, Bob said, “Well, not so well if you’re asking about work. I am swamped.”

Alice nodded, “Yes, I’ve heard that your team was under some pressure. But you have been successful for such a long time. I am sure that you will find solutions. How can I be of service?”

This was painful for Bob. He had been the “hard charger” for so long. Usually he was the one that solved problems and offered help to others. He looked at Alice for a long moment and then asked, “I heard that you formed some kind of competitive intelligence group. What exactly is that?”

Alice had begun to hear this question more and more as news of the new group got around the organization. People were equally curious and wary. She said, “Bob, you know what it is like when you are trying to decide what to do next with one of your product lines to beat competitors? My group works with you to understand what they are up to so that your strategic product decisions can be improved. Of course, the bottom line is that we want you and your team to be successful.”

Great, just great, thought Bob. More useless corporate overhead. Next thing you know, there will be some slogan like “beating the competition is everyone’s job” that he would have to post in each conference room. “Just how can you make decisions about my product line? You don’t have the years of experience that the most junior member of my team has?” challenged Bob.

Bob was staring at Alice. Those that worked with him often knew the look that he was giving. They called it “the test.” Most people did not emerge unscathed from the experience. Intense, occasionally withering comments were a part of what Bob did to measure the confidence and character of his listener. It was Alice’s turn now.

Surprisingly, this did not seem to bother Alice. “Bob, you’re right! We do not know your product line like your team does. We focus on the competitive environment and give you information that you can use to make better strategic decisions. Is this of any interest to you?”

Bob softened slightly. Alice had thrown him off momentarily. Most of the time he asked the questions! Recovering, he said, “I suppose it could be though I am skeptical. We already know

everything important about our competitors. I could practically write their product datasheets from memory. Plus, we regularly get customer feedback telling us how we compare to their products. I just don't see what you can add."

Alice was looking at him now. Strangely, he felt a sense of "the test." She seemed calm as she asked, "Bob, why is their market share increasing?"

Reasons flashed through his mind in an instant. His costs were too high, key staff was leaving, new competitors were courting his established customers, technology innovations were being fielded first elsewhere and so on. Everyone was moving faster and executing better than he was. Alice kept looking at him as he reviewed all of the reasons that he was planning to give to his boss next week. Then, for the first time, it hit him. He simply did not know. He had reasons of course but he knew that they would be perceived as excuses. What were the underlying factors that were helping them and hurting him? More importantly, how could he change the balance back to his favor? These important unanswered questions could no longer wait.

"Alice, do you think that you could help me understand better what our competitors are doing? I mean, why is that they are doing better now after we had led the market for so long?"

Alice said, "Yes, Bob, we can help. My sense is that we need to get started right away. Can we meet later this afternoon and plan what we are going to do?"

Bob glanced down at his calendar and the solid schedule of meetings. For the first time in a while, he felt like that he was regaining his nerve. Alice's simple question had completely reoriented his thinking and awakened his sense that there was a fight that could be won. The other meetings could wait.

This time the smile was genuine. "Can you come back at 4 PM today?" asked Bob.

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After a quick “meet at my office” text message to Janet and Sam, Alice started walking back to her office.

Along the way, she thought about the meeting she had just finished with Bob. It fit the pattern that Alice had observed with so many clients for competitive intelligence.

First, they were wary about her group before tentatively showing some cautious curiosity. Then, like Bob, they seemed determined to make it clear that they were already doing everything possible to understand and beat the competition. Eventually, every manager asserted that no competitive intelligence group could do better! Finally, confronted by unanswered questions and undesirable results that they knew so well, a few asked for help.

Alice empathized with them. She saw the pressure that they endured and the earnest efforts to succeed. She knew that feeling “stuck” or unsure about how to proceed was an uncomfortable and vulnerable feeling. Over time, Alice had learned to listen calmly to the emotion. The “CI attacks” and challenges were not about her or her team. In fact, she learned to reframe them into a personal request for help. She knew that asking for help takes courage.

Janet and Sam were waiting for Alice in her office.

Janet recently joined the CI team as the information specialist. She had already proven that she could locate obscure and difficult to find data quickly. Just “Janet it” had become the byword for doing the tough searches. She mastered the hard-to-find details.

Sam’s forte was different. If Janet saw the trees and had names for each of them, Sam was adept at seeing patterns in the forest. Alice counted on his intuition to make sense of seemingly random data. He often saw what others missed.

She closed the door and sat down to face them.

“Well, we have a new project with Bob’s team,” she began. “His business is in a bind and he needs our help to reconsider his product line strategies. Next week he is reporting to his boss on his plans for improvement. He specifically needs to explain the competitive issues.”

Alice continued, “I am meeting with Bob at 4 PM today and we need to get prepared. Where do we get started?”

Janet and Sam exchanged a glance. Sam spoke first. “Bob’s team needs help?” he asked with some incredulousness. “That is the last team in the entire company that I would expect to ask for our help.” (Bob’s reputation was well known.)

Alice laughed and replied, “No kidding. Nevertheless, I think that he is mystified about how to improve his business. A big part of the mystery is what our competitors are doing and how that affects his product line. I told him that we could help and apparently he is willing to give us a try.”

It was Janet’s turn now. “I’ve heard about his team. It is a smart group. Do you think that they will respect anything we contribute?”

Alice thought for a moment. That was a good question. An important part of her job was to coach Janet and Sam. They needed to know how to do competitive intelligence and navigate the corporate structure. “No, they won’t accept our input just because we are the competitive intelligence team. It is more likely that they will suspect our role at first. It will help, of course, if Bob is on board and that is why I want your thoughts about my meeting with him later today.”

Sam smiled and went first. “Let’s get the basics started. We need to ‘Janet it’ the financials, product details, trend summaries and analyst reports,” he said. Janet nodded. The two of them had developed a complementary way of working.

He continued, “I’ll start with a list of key competitors and some initial strategy summaries for each one. We need to know what they are doing and changing. Plus, I know that Bob’s team has some summaries for his product line strategy. I’ll get copies to prepare for some comparisons.”

Alice said, “That’s a good start. Why don’t you complete a survey of what we have and what we need as soon as possible? Shoot me an email by 3 PM today. Don’t forget to assemble the internal help list.”

The “internal help list” was an ad hoc list of people that could help with the analyses. Cultivating these people served two purposes. One, they could contribute information and interpretations. Second, when they were appropriately involved, they owned and promoted the conclusions far better than Alice’s team could do by itself. Alice had learned the hard way that ignoring them would slow her down or, worse, cause the same people to work against the conclusions of the CI team.

After Janet and Sam left, Alice took a deep breath.

This type of assignment was exciting but there were also risks. Would her team be able to produce valuable information fast enough? Would Bob become impatient with the process? Would she get the support she needed from other people? Would Bob’s team help with the assessment and accept the recommendations?

She knew that the key to getting started was the right set of questions. That is what she intended to talk with Bob about that afternoon. If the questions were focused and reasonable, then the answers could help Bob adjust his strategies.

At 3:45 PM, Alice began packing her notes for the meeting with Bob. Sam and Janet had come through as she expected. The information inventory was complete, the internal help list was done and a brainstormed list of key questions was prepared.

It was 4 PM and Alice was standing outside Bob’s office door.

At 4:15, there was still no sign of Bob.

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Alice heard Bob before she saw him. Talking rapidly on the phone and carrying a set of PowerPoint slides, Bob came bursting around the corner toward his office where Alice had been waiting patiently. With the barest nod of his head, he passed Alice and continued his phone conversation as he sat down at his desk. Something appeared to be up.

Alice was miffed. Bob was 15 minutes late to a meeting that he had asked for earlier in the day. Ostensibly, they were going to discuss his upcoming meeting with his boss where Bob had to explain how to recover from various competitive attacks. Now that he had shown up, he was distracted by what appeared to be an emergency.

Alice had to admit that he seemed different from earlier that day. The tentativeness was gone and the energy that most associated with Bob was evident. She could understand why he was successful with his product line for so long. He was decisive, passionate and hard working. She waited from him to finish his call.

Bob finally hung up the phone and looked at her. “Come in, Alice,” he said.

“Sounds like you had an emergency today, Bob,” ventured Alice.

“You might say that,” replied Bob. “Do you know about the conference coming up in a couple of weeks? Well, we had some plans to make a splash there by announcing a new product. Guess who just preempted up.”

“I suppose it would be one of our competitors,” Alice answered.

“Yes, and not just any competitor. It’s those guys over at Advanced Products. They seem to delight in sticking it to us. This isn’t the first time that they have pulled a stunt like this. Seems like they are determined to keep the press focus off of us,” Bob said with a hint of anger.

“May I ask you a question?” asked Alice. Without waiting for an answer she continued. “You say that this is not the first time that Advanced Products has done this. What would you have

done if you knew a month ago that this was coming? Would anything have changed in your plans?”

“That’s more than one question, Alice,” Bob said. “But, yes, we would have done something different. The only problem is that as far as I know it is impossible to tell the future. Sometimes you just have to learn to react quickly when something like this happens.”

“No doubt that responding quickly is important, Bob. You and your team are good at this,” said Alice.

Bob looked at Alice and sensed that she was making a point. “Alice, why does that observation not seem like a compliment to me?”

Alice replied, “Bob, Advanced Products has disrupted your plans for the conference and it is no accident of timing. Furthermore, with high confidence, you could have known three months ago.” She paused to let this sink in for Bob.

Alice continued, “They have done this three times in the past two years. Plus, as you know, Greg Johnson has taken over their product line and you know how aggressive he runs a business.”

Greg had come from another competitor to Advanced Products and was well known throughout the industry.

“There’s more. They have been ramping up their marketing communications in the past year. There also has been a noticeable increase in press contacts and a change in the tone of the content. Their executives have been regularly courting analysts more than ever. This is just the tip of the iceberg.”

“How do you know all of this?” asked Bob. “We know about Greg, of course, but no one on my team has said anything about your other points.”

“It is possible that you and your team have been focused mostly on products, Bob,” Alice said. “And emergencies.” Bob cringed at the gentle dig she delivered.

“My team looks at more things. In competitive intelligence, we try to see the whole of the competitive environment including the strategies of competitors. That’s why we might notice signals that you miss,” offered Alice.

“You’ve made a good point, Alice,” Bob conceded, “but I don’t see how you have certainty about predicting the future.”

“Certainty, no. High confidence, yes. The reason is that all of our competitors, including Advanced Products, are slaves to patterns, capabilities and people,” Alice said.

“You better explain that to me, Alice,” replied Bob.

“Okay. Every company has patterns of behavior driven by their culture and processes. Their patterns are necessary to enable a company to thrive in business. Without patterns, a company does not have a coherent, repeatable way to be successful. Does this make sense?” Alice asked.

“I think so. You are saying that patterns are a bit like habits but more powerful?” Bob said.

“Yes. If you know a competitor’s patterns then you can project their next actions better. Also, you can eliminate certain actions that are clearly incompatible with who they are. Capabilities, on the other hand, determine the range of things that they can do. For instance, specific product knowledge, market position, financial state and more are capabilities that similarly enable and limit a company. Finally, specific leaders give an organization a bias for certain types of decision making. Greg is a great example because we already know that he prefers an aggressive posture toward decisions.”

“Alright, I am catching the drift. Just for fun, play all of that out for this latest crisis. How could I have known three months ago what Greg and Advanced Product were up to?” Bob asked.

Alice began, “Let’s establish the context first. Advanced Products is behind us in the market but they are gaining fast. They are attacking us at the low end of the market that usually does not get the attention of our existing customers. Moreover, other competitors are following a similar strategy and our overall market share is in trouble.”

“Don’t remind me,” said Bob as he remembered that he was due to explain all of this to his boss next week. Alice waited for a moment and then continued.

“We know from Advanced Products earnings calls with analysts, their executive presentations and their recent influx of new managers that they are determined to grow the company. We also know that coming from a small share, they are concerned about the market awareness and respectability of their company. Those things are critical for our industry. As you said yourself, they have already established a pattern of disruptive announcements. Now, why would we have guessed that another disruptive announcement would have come before the upcoming conference?” ask Alice.

“You have my full attention,” said Bob.

“Simple, because just as Advanced Products has patterns, capabilities and people, so do we. And they know it,” she said. “If my memory is right, don’t you usually introduce the latest product line addition at this conference each year? And, don’t you count on the press momentum to propel your plans for the rest of the year?”

“I suppose you are right, Alice. That has always worked out well for us. We have been the ‘top dog’ in the market for so long we assume that we will get most of the attention,” Bob explained.

“Maybe our success has made us too predictable? Reactionary instead of proactive? Maybe the market share results are the accumulation of many such instances of not seeing early what our competitors are doing? Is that possible, Bob?” Alice asked as she looked steadily at him.

“This discussion isn’t why we were going to meet this afternoon, was it?” Bob asked.

“Actually, Bob, it was the perfect subject to illustrate how the competitive intelligence team can help you make better decisions and to eliminate unnecessary emergencies” Alice answered.

“Alice, once again, you have effectively made your point. May we try again to have the meeting that we planned? If I remember, you were going to help me settle on some key questions. Tomorrow at 8 AM?” Bob asked.

“8 AM it is,” Alice said, “Sharp, this time.” They grinned at each other.

**What were the key questions? How should Alice find the right data? How should Alice proceed with Bob?**

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