

How your competitors' secrets are often hiding in plain sight



Competitive intelligence and war gaming are an often misunderstood and neglected tool of strategic planning. But, argues Rachel Way, they are a powerful weapon to plan either your corporate or marketing strategy.

This article is based on a presentation given by Rachel Way at Australia's largest marketing and media event, Mumbrella360, held in June 2019.

Rachel Way is talking through the worst moment of her career, when a poorly planned decision cost her employer \$10m. "It was a very painful process," she admits today.

Between 2003–2006, Rachel worked as the finance manager for Unilever's savoury food arm, based in Sydney. The business had identified low carb as a trend it wanted to get involved in, and a mountain of research confirmed both consumers and retailers loved it. So, her team decided to launch a successful global brand in Australia. "But after six months in the market, it was gone," she says. "It failed abysmally."

One key problem was that a third party manufactured the products, which, while reducing the initial outlay, resulted in longer lead times and bigger minimum-order quantities. One of the big rival cereal producers, meanwhile, who produced stock in-house, launched quicker and more aggressively on both price and promotion. It became apparent to Rachel soon after that the strategy was to strangle Unilever's initiative at birth.

"We barely thought about who else would be looking at this opportunity and their capability. From then on, I swore I would take a more proactive interest in the competitive landscape."

Now more than a decade later, sussing out rivals' next moves is what Rachel Way does for a living. Technically, she works as a management consultant for Quest Worldwide, but she's perhaps best-known as one of the country's top specialists in the often misunderstood world of competitive intelligence and war gaming. The former equates to gathering information – legally and ethically, she's at pains to add – while the latter involves working in teams to use that knowledge to predict what your opponents will do next, and how you should respond.

Where does all of this 'secret' information come from? Well, often, she explains, from some surprisingly public places. "Social media and the internet can be your best friends," she says. People love to talk about what they do, they love to share, and they love to boast. It's common for employees to openly brag on LinkedIn about a promotion they've received or a strategic plan they've been put in charge of."

Sometimes, too, the best information can come from within your own organisation. "For instance: maybe your suppliers have heard your rival has been late with its payments. Perhaps your media agency has spotted they haven't been turning up at regular trade shows. Or what if you know of someone there who has just been made redundant? Putting these together, it paints a picture of a company in trouble. And how you compete with a business in difficult financial circumstances is very different to how you compete with one in a strong position."

How your competitors' secrets are often hiding in plain sight

War gaming, then, is what Rachel defines as a “live-simulation workshop”. It’s a three-stage approach to turning all this data you’ve gathered into actionable strategies to nip threats in the bud early on, or plan an aggressive move yourself. In the first round, the group splits into three or four teams, who are given a scenario to work through, usually from the perspective of a competitor. They then go through activities that help with their strategic thinking, but, basically, it comes down to this: if you are the competition, how are you going to resolve this problem? This will be based on some of the competitive intelligence gathered earlier that really looks into the competitor’s DNA – their mindset and culture, their leadership, their aspirations, their assets and capabilities.

Next, these groups will share their opinion with the broader group. Ideally, there will be differences of opinion at this point, as different teams, personalities and roles come to different conclusions. “It’s essential to get participants to critique their own strategies,” says Rachel, “and even their current structures.”

In stage two, the teams will again go away and distil those learnings, but this time from their company’s perspective. Now we know what our competitors are planning, how should we respond? Finally, in the third round, the teams work through prioritised action plans – based on what we know, what do we need to do differently, starting tomorrow? Rachel cites a successful example when she collaborated with a beverage client who, after the war game, decided to reactivate a long-rested brand with significant equity to combat an aggressive competitor. It was the sort of radical decision that only comes about when decision-makers are forced to look hard at their accepted, existing tactics.

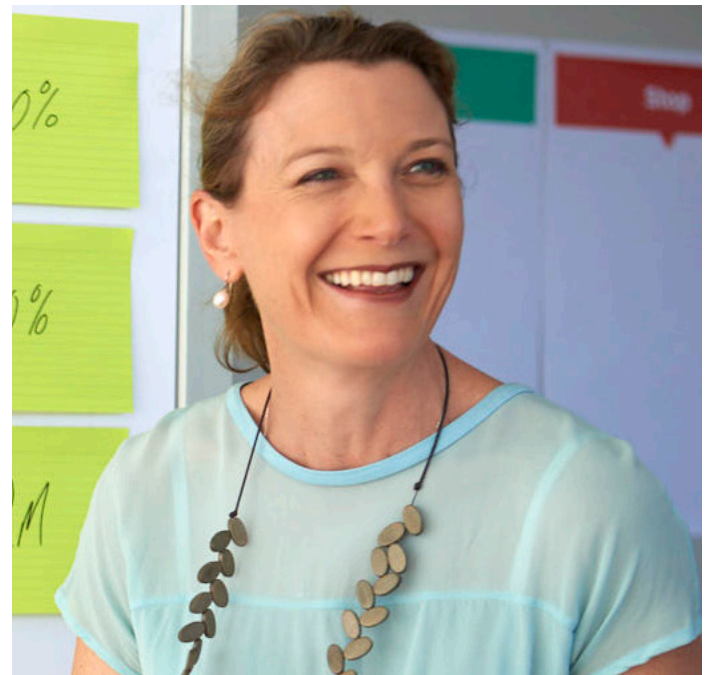
When should you take part in them? Well, war games can be used in a variety of circumstances, but they work particularly well when your brand is on the offensive, looking to disrupt the market, make an acquisition or break into new geographies; when you’re on the defensive, trying to react to a sudden move by a rival; or when market changes, such as when new regulations, or new entrants have the potential to shake up the tried-and-tested ways of doing things. “I call this one the cat among the pigeons,” she explains, “because everyone is all set up, and then they are forced to react to something unexpected before it calms down again.”

Rachel has some tips to keep in mind before gathering your troops together. “Prepare your team properly by doing the right level of research,” she says. “Talk to your consumers and those who are loyal to your rivals. Aim for about 25 people per team and make sure you take the activity out of the office, so you have everyone’s full attention.” Finally, think about your participants.

It’s essential to get buy-in and alignment behind the decisions made on the day – so that the war game leads to a concrete conclusion rather than being just a talking shop.

For Rachel, preparing and planning is a mantra that exists outside of her day job, too. Whisper it, but she’s perhaps even better known outside her career as a successful chorister who performs regularly at the Sydney Opera House. She’ll spend a good 40 hours, she thinks, practising for every performance. It helps her anticipate sudden changes by the conductor, or go in with the confidence to know she won’t let her teammates down.

“It helps me with my nerves, and it helps me learn the music,” she concludes. “But I wouldn’t dream of going on stage without practising.” And this, in essence is what War Gaming is all about – practising on your terms before the ‘show’, and not on their terms once the curtain is up.



Rachel Way is a Management Consultant at Quest Worldwide, Australia. She regularly helps clients realise their strategic ambitions through facilitated workshops, including War Games. If this is something you’d like to know more please get in touch rachelw@quest-worldwide.com or 0438 073 944