

On the Need for Effective Business Analysis

By Dr. Craig Fleisher
and Babette Bensoussan

In today's information age, corporate decisionmakers must make sense of their competitive environments, organizations and strategies to be successful. Winning strategies are based on originality and uniqueness — being different from competitors in ways that customers value.

Leveraging unique competencies through clear strategies requires disciplined and systematic strategic planning. Management decisions in the strategy development process should match the organization's activities and competencies to the demands of its environment and resources. However, finding the fit between a firm and its environment requires sound analytical efforts and an understanding of its competitive environment — sadly, a step in the process that is often overlooked.

Good analysis of your competition, environment, organization and strategy provides: early warning of developing opportunities and emerging threats in your environment; an objective assessment of your competitive position; the ability to adapt more quickly and easily to environmental changes; the means for basing plans on relevant and timely insights; and reducing ambiguity and decision complexity.

Globalization has increased the absolute level of market competition, bringing in new competitors who compete very differently than previous ones. Simultaneously, the global economy is increasingly becoming a knowledge one. Information is available in increasing quantity, but this increase has been infused with noise, redundancy and ambiguity.

Today's global economy is characterized by increasing instability, where competitors can easily replicate most facets of a new product or service offering, and more organizations are involved in alliances, collaborations and outsourcing agreements which spreads information. Numerous companies succeed by being 'quick seconds' or 'fast followers' into the marketplace.

Both problems and opportunities are created by an environment of increased complexity and speed. Today a company's time in a market leading position has shrunk substantially. The cycle time of new product and service introductions is also shorter, so companies must continually move faster to stay ahead of their competitors.

Creating good competitive insight requires effective analysis based on sound proven methodologies. Analysis answers the questions 'what,' 'so what,' and 'now what' to support better positioning in your competitive marketplace. Analysis helps you better understand your industry, context and competitors to make better decisions.

Analytical techniques must effectively assess a company's internal and external environments to allow them to compete not only in the present, but also in the future. Insight about customers, competitors, potential partners, suppliers and other influential stakeholders is a company's first line of offense and defense. Maintaining this capability requires decisionmakers to exploit every opportunity to receive analysis that is persuasive, relevant, timely, perceptive and actionable.

Good analysis provides the insight to preserve an organization's competitiveness and highlight early warning signs of market changes. We expect our book to provide you with guidance and assistance in delivering improved insights to support your organization's competitive endeavors and in achieving market sense-making objectives.

(The above article was excerpted from the authors' book, Analysis Without Paralysis: 10 Tools to Make Better Strategy Decisions. FT Press, 2008, 228 pages.)

About

Dr. Craig S. Fleisher is Chair of Business and Public Affairs, and professor of management at the College of Coastal Georgia. He has been a SCIP president and is a SCIP Meritorious Award recipient and Fellow. Craig has co-authored a dozen books, including Controversies in Competitive Intelligence and Frontiers in Managing Competitive Intelligence. Together he and Babette have written Strategic and Competitive Analysis, Business and Competitive Analysis, and the Financial Times Guide to Analysis for Managers.

Babette Bensoussan is the Managing Director of The MindShifts Group based in Sydney, Australia. She is a SCIP Fellow as well as the recipient of the SCIP Meritorious Award. She has taught competitive intelligence in business and MBA programs and is an invited speaker and guest lecturer both domestically and internationally.