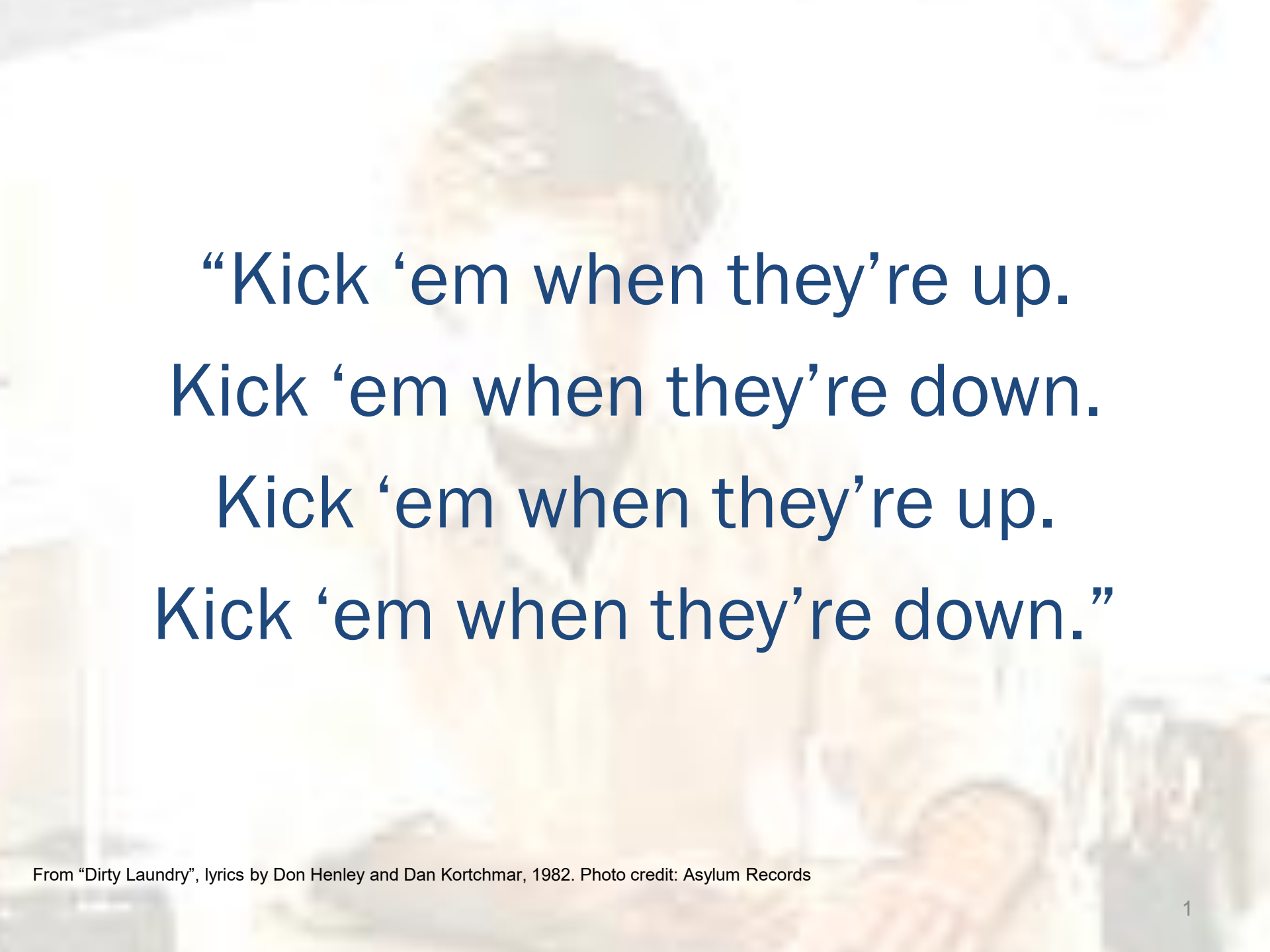




Psyche Out Your Competitors

Business Mindfulness, Part 3

Rowland Chen
April, 2020



“Kick ‘em when they’re up.
Kick ‘em when they’re down.
Kick ‘em when they’re up.
Kick ‘em when they’re down.”

Premise

1. Industries, including yours, are suffering as a result of the **current pandemic**
2. Your **competitors struggle** right now as much as your company does
3. Business Mindfulness enables firms to determine effective strategies and tactics to **thrive, not just survive**
4. A **Business Awareness Tool** can be part of your management set of instruments to determine strategies and tactics required to thrive
5. Business Awareness can be **assessed for each of your competitors**
6. Given your competitors' assessments, you can formulate **strategies and execute tactics to successfully battle them** in your chosen markets

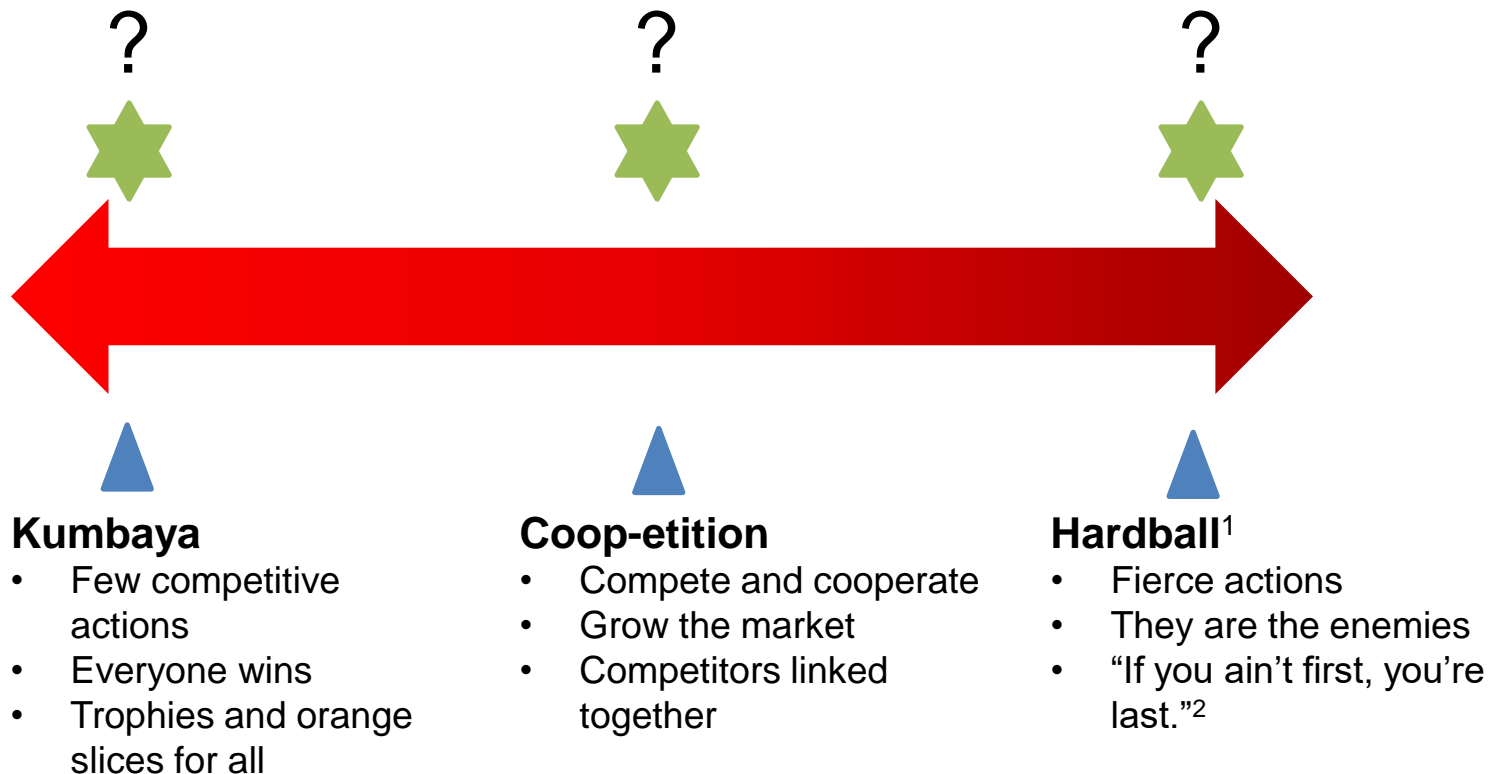
Business Mindfulness Competitive Strategy Process



Competitive Spectrum

Where Is Your Firm? Where Are Your Competitors?

Are They Playing Hardball and You're Not? What Are You Prepared to Do?



1. Suggested reading: "Hardball, Five Strategies for Trouncing the Competition", Stalk, G., Lachenauer, R., Harvard Business Review, 2004

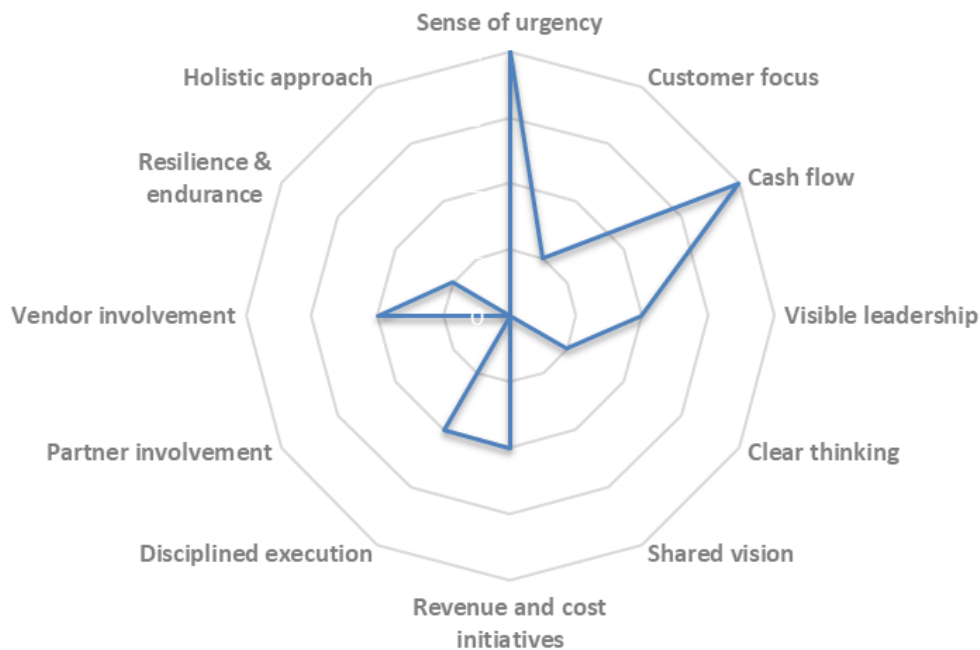
2. Reese Bobby, "Talladega Nights, the Ballad of Ricky Bobby", 2006

Recall, the Essential Factors to Thrive:

1. Sense of **urgency**
2. Unswerving focus on **customers**
3. Deliberate and swift **cash flow** management
4. **Visible** top executive leadership
5. **Clear thinking**, few strategic distortions
6. **Shared vision** for 2020 and 2021
7. Forceful **revenue and cost** initiatives
8. Disciplined initiatives **execution**
9. **Channel partner** involvement
10. **Vendor and supplier** involvement
11. Organizational **resilience** and endurance
12. **Holistic** approach

Assume Your Own Business Awareness Results Take on this Pattern

Business Self-Awareness



Thrive Index = 0.38

Be Aware

Where do you see shortfalls that reduce your Thrive Index

Strategy

What is your overall strategy?

Interventions

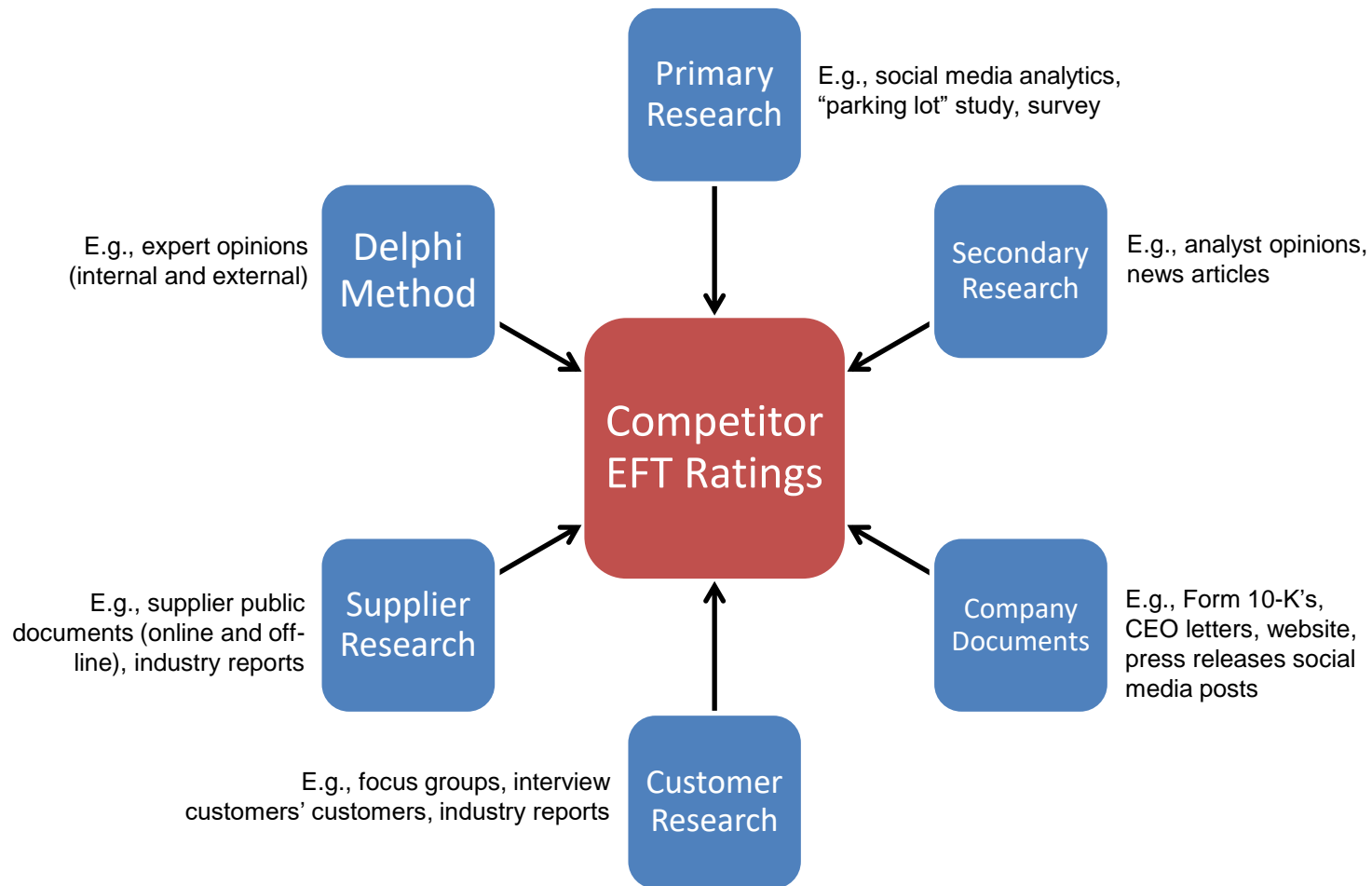
What actions do you take in order to increase your Thrive Index?

Towards the outside indicates strength in each Essential Factor to Thrive (EFT), thus towards the center indicates weakness.

Use Results to Determine Interventions

Essential Factor to Thrive	Remedial Interventions
Sense of urgency	Make sure the organization remains calm
Focus on customers	Help them thrive
Deliberate cash flow management	Follow through
Visible top executive leadership	Get leadership in front internally and externally
Clear thinking, few distortions	Practice business mindfulness
Shared vision for 2020 and 2021	Conduct leadership strategic off-site(s)
Forceful revenue and cost initiatives	Form rapid action teams each with a financial target
Disciplined initiatives execution	Get organized, consider a program management office
Channel partner involvement	Engage, listen for issues and opportunities
Vendor and supplier involvement	Further engage, integrate with cost initiatives
Organizational resilience & endurance	Diagnose root causes, education, identify role-models
Holistic approach	Integrate strategy, people, process, technology, ...

Multiple Sources of Data Enable You to Develop a Comprehensive View of Competitors

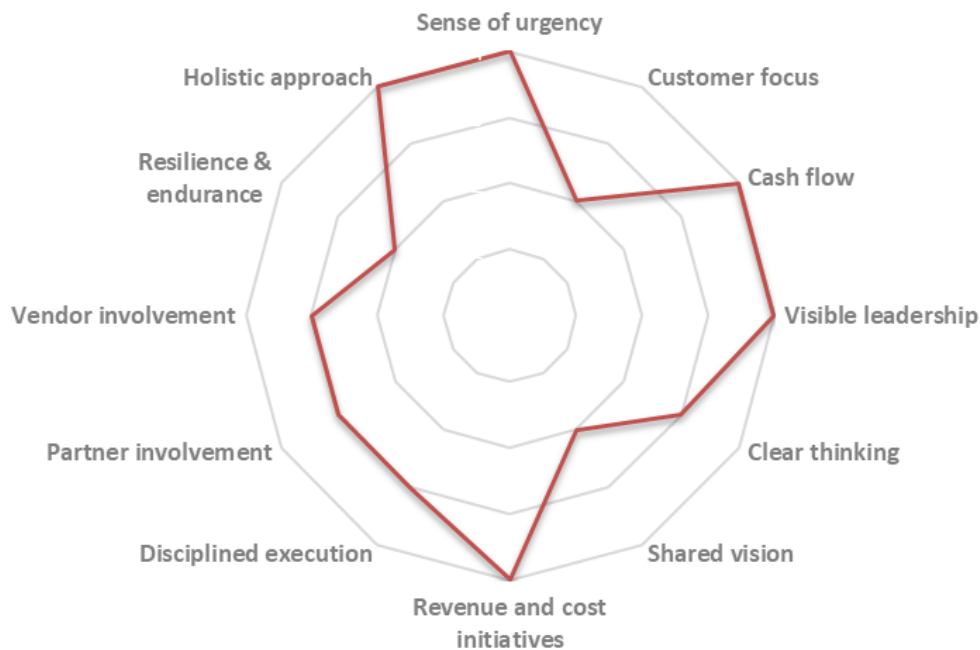


Note: Quite a few software tools exist to assist collecting competitive information. Additionally, low-cost researchers abound outside the U.S.

Competitor A: *Eye off the Prize*

Example Assessment

Competitor A



Thrive Index = 0.80

Strategy

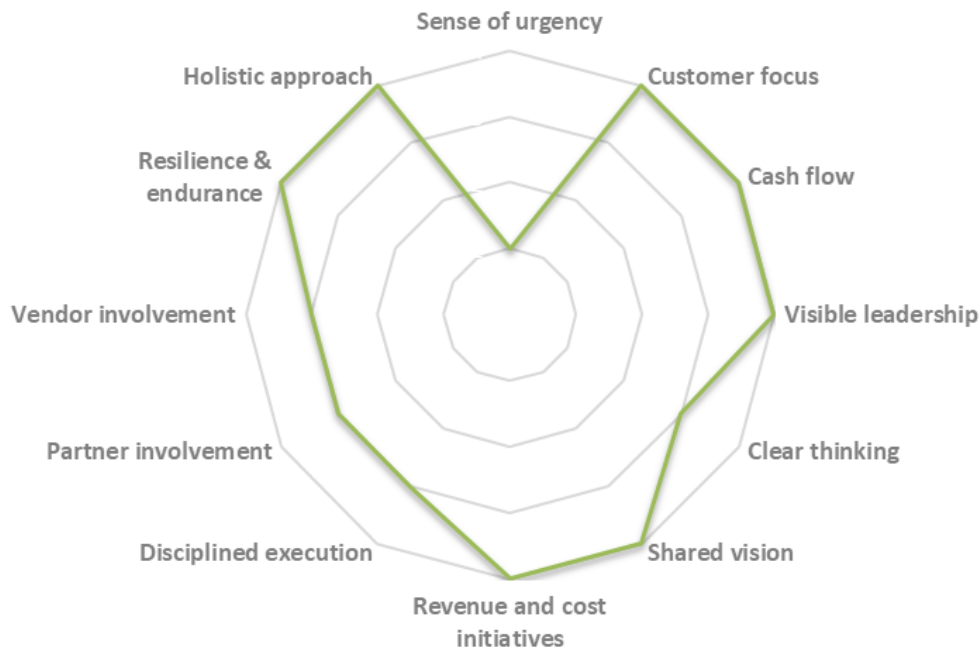
Exploit Competitor A's lack of Customer Focus

Tactics

- Launch focused sales campaign to poach largest customers and thus, drive down competitor's revenue
- Revamp your own customer experience and engagement process to deepen your customer relationships
- Communicate your effective vision to the customer and financial markets
- Others...

Competitor B: *Satisfied with the Status Quo* Exercise

Competitor B



Thrive Index = 0.85

Given

Competitor B looks strong across the board except for "Sense of Urgency".

How do you take advantage of the complacency?

Strategy

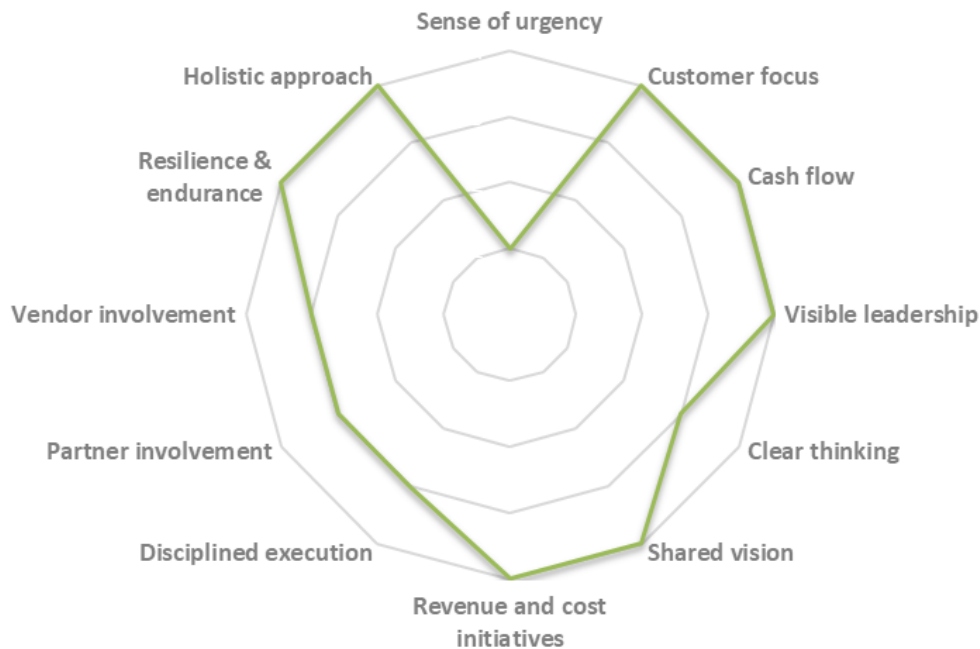
What's your big picture strategy?

Tactics

What are your competitive moves?

The Bold Move – Buy Competitor B

Competitor B



Thrive Index = 0.85

Strategy

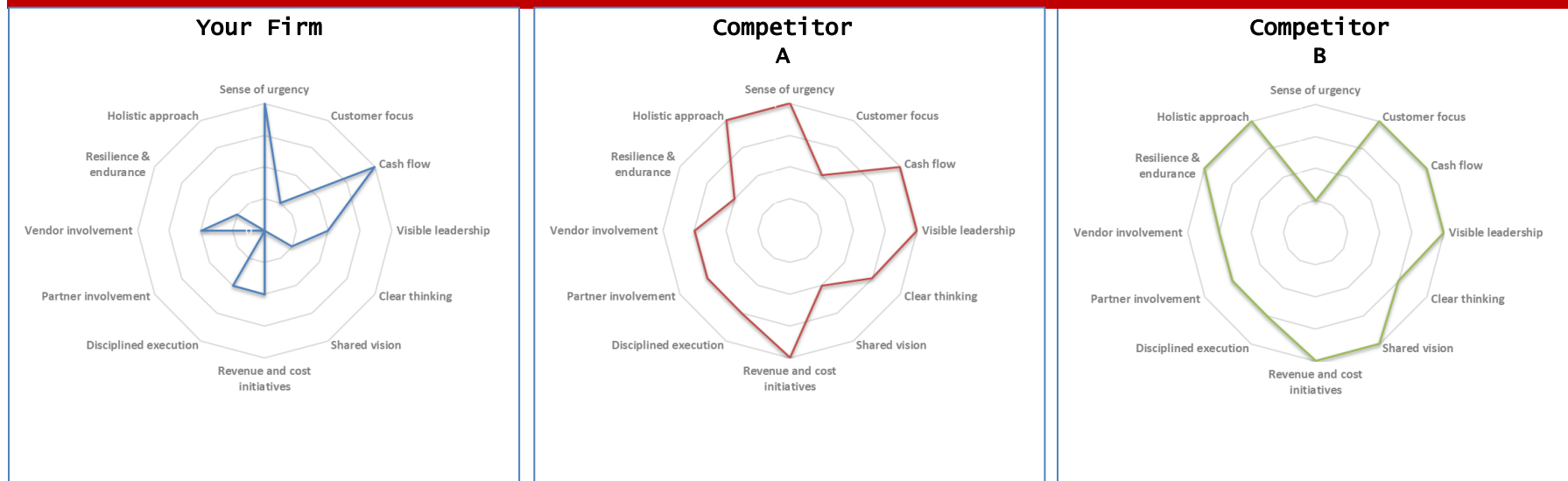
Since this competitor is doing well with a high Thrive Index consider buying Competitor B or merging with it.

Tactics

- Set up a “clean room” to secure confidential data
- Determine strategic fit
- Estimate valuation of combined firm
- Start early diligence
- Discuss options with investment banker and anti-trust attorney
- Other early activities ...

Competitive Threat Monitor

Date: Q2, 2020



EFT Results

Your Firm

Competitor A

Competitor B

Thrive Index

0.38

0.80

0.85

Observations

- Your firm is falling short on Customer Focus along with other significant gaps
- Competitor A is also falling short on Customer Focus and Shared Vision
- Competitor B poses the highest threat with a Thrive Index of 0.85. However, B appears to be complacent

Competitive Strategy

- *what are your strategies and executable tactics?*

So What?

- Business Mindfulness is **not just an internal exercise**
- Awareness of your **competitor's strengths and weaknesses** in the Essential Factors to Thrive furthers your own mindfulness
- You can **formulate competitive strategies and tactics** for each of your competitors based on their strengths and weaknesses in EFTs
- Business Awareness is **additive to your existing competitive weaponry**
- ***"Kick 'em when they're down"***

APPENDIX

Will You Thrive or Survive?

Thrive		Survive
Revenue growth	↔	Revenue preservation
High customer retention	↔	Low customer retention
Customers thrive and win	↔	Customers lose
Market leader	↔	Market follower
Cost optimization	↔	Cost reduction
Talent development	↔	Talent retention struggle
Culture of transformation	↔	Culture of incrementalism
Play offense and defense	↔	Play defense only



Bio: Rowland Chen

Based in Silicon Valley, Rowland Chen has been a scientist, engineer, educator, consultant, advisor, and mentor in a career that spans over 40 years. Commercial clients include both privately-held, private equity-owned, and publicly-traded firms ranging from Global 100 enterprises to small, early-stage companies.

Rowland launched his consulting career during the recession that began in 1987. He cut his teeth on helping firms ride the downturn. Following this recession, Rowland consulted with CEOs during a time of economic expansion. Since then, he has ridden several business cycles and enabled executives to realize several billions of dollars in financial benefits. Rowland has held partner-level roles at Gemini Consulting, Electronic Data Systems, C-Change, Viant, Hitachi Consulting, and his own consulting practice.

Rowland earned a Bachelor's degree in Bioengineering at Johns Hopkins University, a Master's degree in Biomedical Engineering at Rensselaer Polytechnic Institute, an MBA at M.I.T. Sloan School of Management, and a California Teacher's Credential at Notre Dame de Namur University. He holds a Visiting Scientist appointment with the Carnegie Mellon University School of Computer Science and works on artificial intelligence, computational creativity, and next generation knowledge engineering.

(3)³

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GENERAL DYNAMICS

A sample from a portfolio of 186 projects (as of April, 2020)

Questions?

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