Adapt and Evolve! Competitive Lessons from the Dynamic Mobile Telecoms Industry

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The UK high street has seen a number of well established bricks and mortar retailers leave, the four pictured here in the 1st quarter of 2013 alone. All fell victim to a change in the rules of the game, a departure from bricks and mortar retailing to multi-channel fulfilment. Blockbuster, a retailer of home entertainment, with rented video and PC game entertainment, has fallen foul to the networked experiences of local cable (Virgin Media), deep pocketed satellite providers (BSkyB) and over the top Internet distribution models such as Netflix or Amazon's LOVEFiLM.

The other retailers – specialist camera retailer Jessops, CD-based music and home entertainment retailer HMV, and specialist electronic retailer Comet – have fallen foul to the power of the Internet, and, in particular, Amazon that has usurped each and everyone one of them. The UK Competitive Intelligence Forum was therefore grateful to have SCIP Dublin's keynote speaker, Gordon Murray-Smith, share his lessons from his 12 years at Nokia. (see Sidebar 1).

SIDEBAR 1: OVERVIEW OF GORDON MURRAY-SMITH

Gordon Murray-Smith has had extensive experience in market, competitive, and strategic intelligence, gained through positions within the mobile telecommunications and internet services sectors. He recently joined hibu plc (formerly Yell Group) as Head of Global Market & Competitive Intelligence and Strategic Insight.

Gordon previously led Nokia's Global Competitive & Strategic Intelligence function and held several Director-level intelligence roles within Nokia's global business units. He supported the successful transformation of mobile devices from basic phones to smartphones as well as the internet services ecosystem. Through these roles he gained broad experience of global markets, with a specific focus on identifying and driving growth opportunities, particularly in emerging markets.

Earlier in his career Gordon led Nokia's global market forecasting activities. He has an Economics & Marketing degree and also spent several years working in retail banking, in both information technology and marketing positions. He can be reached at gordon.murraysmith@gmail.com

Figure 1: Evolution of Nokia in Handsets
Source: Gordon Murray-Smith

ALL GOOD PRESENTATIONS HAVE A DISCLAIMER!

Now if you thought this article was going to form the foundation of a Harvard Business Review Case Study on how the mighty fall (see Sidebar 2) and focusing on the growth and fall from grace of a one-time leader manufacturer of mobile handsets, you are clearly mistaken. Figure 1 outlines the enormity of external change that Gordon saw through the different stages of a market's evolution which had Nokia competing in the handset, smartphone, and subsequently the ecosystem market.

In the ultimate irony, Gordon's new employer made available to him an Apple iPhone as his work device. How long before even that phenomenon – business provided, business paid mobile handsets – changed the rules of the business mobile market?

In fact during his keynote address, Gordon was keen to state that the comments he shared were his own and relative to his experiences as he saw them. While everyone's intelligence program is different given the state of the company as well as the culture, Gordon's presentation reminded those in the audience to focus on the acidic question: If you had your time again, what would you do differently?

Lesson #1: Never stand still, change is inevitable

Nokia went through much change regarding the look and feel of its market environment, and the same was true of its competitive intelligence practice (see Table 1). Change is not just driven by the external environment but also by a change in leadership, be that among the program's stakeholder group, senior management, or an even broader personnel change. The personnel change will drive different behaviors from those previously inherited, irrespective of whether they had been supportive of the competitive intelligence efforts before or not.

Closer inspection of the intelligence deliverables and challenges outlined in Table 1 illustrates that change:

- Reports refreshed on a periodic basis through to predictive deliverables
- Insights from within the industry to those of adjacent and substitution market spaces
- From reporting centric to dialogue based
- From tactical through to strategic focus.

Lesson #2: Focus, focus, focus

One of the lessons Gordon took away from his Nokia days is to always focus. He recounted the time when Nokia, which previously had a large network of teams around the world focused on periodically updating the range of reports that the team generated, soon changed its activities as the team was reduced in number. It now had

to focus on the right issues at the right time. This was not achieved by waiting for the business to come to the team to define their needs, but the team proactively reaching out to the business and defining their needs 'with them'.

Providing a wider context and pedagogy to Gordon's personal anecdotes, Ben Gilad's recent book, *Business Blindspots – The Sequel*, spells out an approach that defines the extent to which a management team understands the existing rules of the business game in which they play (Gilad 2012). Does the company viscerally know its markets? Can it predict reactions to its initiatives and does it suffer from a learning disorder?

Ben takes it another step forward to when the CEO or the Director of a Business Unit decides that the business needs to be rid of its blindspots. This step is of utmost importance and to accomplish that they appoint what

Ben calls a 'China Breaker'. This person is then given a free hand to roam the business exploring and exposing significant myths, taboos, and unchallenged assumptions. Ben then recommends that the 'China Breaker' starts to address the focus areas mentioned earlier.

Lesson #3: Move from a single view of the future to multiple scenarios

In looking at Nokia's focus during the growth and leadership phase of its development, it appears that the company focused mainly on a forecast-based description of the future of their industry. However, the market evolved to be less about form factor and services and more about platforms and ecosystems.

Adopting this analytical technique should be leveraged to educate the management business teams

TABLE 1: RELATED BUSINESS TO INTELLIGENCE CHALLENGES

	Growth & Leadership 1998 - 2001	Smartphone & Multimedia Focus 2002 – 2007	Services & Ecosystem Focus 2008 - 2010	Strategic Options 2010 - 2012
Business Challenges	• Growth and leadership focus. • International expansion. • Operational focus. • Technology evolution. • Product road-mapping.	• Product and category innovation. • Increase product value. • Evolution of smartphone category. • Evolve value added services experiences.	• Establish and grow services business to sustain value growth. • Respond to rapidly changing environment. • M&A and partnerships. • Create seamless customer experience. • Emerging markets focus.	• 'The Burning Platform'. • Increasing threat from new entrants results in declining market share. • Continued market & ecosystem disruption. • Need to accelerate change and shift to challenger mindset.
Intelligence Challenges	• Global market forecasting by country. • Competitor share tracking. • Operational benchmarks. • Technology trend analysis. • Tactical focus to ensure product competitiveness.	• Build insight related to adjacent industries e.g. digital imaging. • Development of predictive road mapping (platform, form-factors, features and services.)	• Build new intelligence team, shifting focus. • Support strategy creation. • Ensure senior leadership have external focus. • Active partnering support. • Develop more holistic intelligence and insight.	• Proactive delivery of recommendations aligned to key strategic decision points. • Predictive/scenario ecosystem analysis. • Ensure stakeholders focus on external landscape. • Downsizing.

Source: Gordon Murray-Smith

SIDEBAR 2: SIGNS TO WATCH FOR "HOW THE MIGHTY FALL"

Stage 1: Hubris Born of Success

- Arrogance
- 'What' replaces 'Why', replacement of understanding & insight
- Decline in learning orientation
- Discounting the role of luck

Stage 2: Undisciplined Pursuit of More

- Unsustainable quest for growth, confuse big with great
- Undisciplined, discontinuous leaps
- Declining proportion of the right people in the key seats
- Easy cash erodes cost discipline
- Personal interests placed above organizational interests

Stage 3: Denial of Risk and Peril

- Amplify the positive, discount the negative
- Externalizing blame
- Obsessive reorganizations
- Imperious detachment

Stage 4: Grasping for Salvation

- A series of silver bullets – dramatic, big moves
- Radical change and revolution with fanfare
- Initial upswing followed by disappointments
- Chronic restructuring and erosion of financial strength

Stage 5: Capitulation to Irrelevance or Death

- OR Recovery & Renewal

Source How the Mighty Fall, Jim Collins, June 2009

around the world about alternative futures. Collecting the information that supports the evolution of alternative market shapes and their implications for the business in hand should allow the team to maintain that dialogue with the management team. Thus, the approach becomes "We are approaching this market state which means this set of implications for our business and so we would recommend, X, Y and Z."

Lesson #4: Place decision-maker in the middle, not at the edge

One of the approaches that stood out for the audience was the use of facilitated sessions to define the intelligence focus as well as ensuring that action is owned from the outcome. These sessions could focus at a strategic level (namely alternative futures [Nagle], the implications for the business and what actions should then be taken) or at a tactical level (what should the marketing messaging be for a new product launch based on how the competition is likely to react). A close integration with the core business will see the actions increasingly owned given that the workgroup is made up of those defining the solution collaboratively.

It also changes the dynamic away from "brief, research, analysis, story, recommendations, present back over a two week period," to one of "lock ourselves away within a defined period of time, with the right planning and approach, come out with solutions." Such sessions can result in greater business impact, while also ensuring that the competitive intelligence team gains a deeper knowledge of the current, key business issues and also offers the potential for more efficient operation.

Lesson #5: Action is imperative

Gordon's definition of a good meeting is when the competitive intelligence team comes out with no actions. If the intelligence team has prepared well, the key business stakeholders should be taking action. While this might not occur every time, Gordon's advice is to be persistent and proactive.

Of course, it is also important that the CI team doesn't simply make recommendations and walk away. It is vital for them to continue providing support to the business as they tackle key issues. Looking at what Jim Collins defines as the characteristics of why and how companies fail, the difference appears to be between those who take action and those who don't (Collins 2009).

Who knows what the outcome would have been if the UK's high street names of Blockbuster, Jessops, HMV, and Comet had acted upon the insight that they had collected about their evolving markets; if they had their blindspots challenged, and had a culture that was open to understanding that there could be other alternative markets. Perhaps they would still be present today, playing a role in markets they used to be part of earlier in the year.

SO WHAT FOR THE AUDIENCE?

Attendees ultimately left the event with fresh tips to apply to their work, namely:

- The need to adapt the intelligence framework to the growth and maturity stage of the business and adaptation is needed.

- Action is all important.

- An understanding of when to scale down or increase competitive intelligence efforts is vital to a company's survival.

- Focus on facilitating forums to increase action-ability of outcomes.

- Collaborative inter-team approach to tackle MI/CI issues.

NETWORKING EVENT SERIES

The SCIP recognized UK International Affiliate, the UK Competitive Intelligence Forum (UK CIF), hosts a series of networking events. These events bring together practitioners from all corners of the discipline: service providers, consultants, academics, and practitioners.

The series aims to increase the understanding and awareness of desired themes and take the discipline to different business practices through co-hosting opportunities with other professional organizations and membership bodies as well as with SCIP's UK-based members. It is about creating an environment to discover, enhance, exchange, and problem solve. Previous networking events' discussion themes and presentations can be downloaded from UKCIF's website after registering at the site by setting up a username and password.

The UK Competitive Intelligence Forum is grateful to all speakers, passionate players like Gordon Murray-Smith, without whom there would be neither a networking event nor the creation of a rich exchange of ideas and learnings. The opportunity to speak at these networking events is open to anyone, United Kingdom-based or just passing through, subject to meeting the growing list of event topics. Engagement with attendees is centered around five themes: innovative integration of CI within the business, professional growth in CI, analysis in action, managing information overload and communicating with impact. We encourage others to come forward to introduce the group to new perspectives, experiences and learning.

Finally, what links Gordon with both prospective and previous speakers, irrespective of their background or role within the competitive intelligence profession, is a passion for the discipline. Along with all the volunteer speakers to date and those that have yet to take advantage of the opportunity, they are all unique examples of professional continuing to fix the discipline more firmly on the map! What is the next step? Register your interest and details with info@ukcif.co.uk to explore speaking opportunities and/or to be proactively kept abreast of forthcoming events in the UK.

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