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## Do you suffer from *competitive myopia*?

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Leaders, in fact entire companies, may suffer from what I term 'competitive myopia'. In such cases, there is a general lack of understanding and foresight when it comes to competitors. Most business leaders can quickly name their closest competitors, yet they are hard-pressed to produce much current, in-depth information about them. Competitive catalogs, price lists, news releases, public financial records, etc. are not readily available to decision-makers or the sales team. Additionally, competitive information may be scattered within multiple departments, with no central point of coordination or analysis.

Where firms have good information on direct competitors, there still may be gaps. Organizations tend to overlook indirect competition from substitutes, offshore sources, and newer technology. Competition that is even more potent comes from buyer apathy, buyer cynicism, or changing customer needs.

It is common for a company to focus on one or two of its most obvious competitors, matching prices or products, but overlook attacks by foreign suppliers. VCR makers competed fiercely between themselves, but the major competition turned out to be the more modern DVD technology! General Motors and Ford fought each other for years, yet both yielded significant market share to *foreign* vehicle manufacturers like Honda, Toyota, and Nissan.

A narrow view of competition is usually a mistake. Instead, think about the direct and the indirect competitors you face. A major indirect competitor is often the potential buyer deciding to do nothing. Management consultants often face apathy, confusion, and indecision more than they face other consultants! Blue Cross and Aetna compete for health insurance business, but higher costs have a significant population group opting to remain uninsured. Firms that used to specialize in auto and casualty insurance now sell life and health plans, and vice versa.

The Internet spawned numerous small, direct-to-client insurance carriers and mortgage lenders who eliminate agents and offer cut-rate deals. Banks are now in the securities business, and securities firms offer some banking services! Investment specialists now must compete with CPAs who have acquired securities and insurance licenses to augment their traditional accounting services.

If you focus all of your attention on a few direct competitors, you may overlook important sources of future competition. If your competitive intelligence system is out-of-date, scattered, or too narrowly focused, it is time to recognize the situation and take corrective action. Such a system must collect, analyze, and feed back a wide range of competitive information to leaders *and* field people. The system does not have to be complicated. In this age of instant communication, the lack of current competitive intelligence is a business sin!

A first step is for the organization's leadership to recognize that competitive market information and competitor intelligence is a vital and continuous need if the organization is to operate effectively over the long haul. Second, charge a company officer with the task of creating or remodeling, and operating the system for accumulating, analyzing, and disseminating accurate, up-to-date intelligence.

*Dick Morgan helps leaders accelerate profitable growth by enhancing a team's ability to create and deploy right actions, right now! He founded Morgan Marketing Solutions, Inc., Dallas, Texas, in 1989 after 26 years in corporate management. He developed a very simple concept for operating the competitive intelligence function. It worked well at a \$100 million manufacturing firm facing stiff competition. Contact him at (972) 931-7993 or email [rpmorgan@morganmarketingsolutions.com](mailto:rpmorgan@morganmarketingsolutions.com). Learn more at [www.morganmarketingsolutions.com](http://www.morganmarketingsolutions.com).*