

# Watching the detectives

Eleanor Windsor looks at how a firm can gain insight through competitive intelligence.

This article originally appeared in *PM* magazine. For further details go to [www.pmforum.co.uk](http://www.pmforum.co.uk)

Imagine this – you are the Business Development Director of a professional service firm and your Managing Partner asks you to review the BD strategy for your firm’s key clients. They are convinced that the firm is missing out on opportunities and conversion rates aren’t as good as they could be. More troubling is that the firm may be losing touch or at risk of losing business.

## What’s the first thing you do?

You could do lots of things in response to the request, but I am going to focus on one – the analysis of competitive intelligence. Specifically, to understand what other firms are doing, what their future plans might be, how they are differentiating themselves and, most importantly of all, what you need to do to respond to and pre-empt this. Of course, this requires a clear idea of who your competitors are, which is changing by the minute in today’s shifting market.

## Scoping your competitive intelligence project

Before you begin your project it’s important to determine exactly what you need to know and the full scope of the work you’ll be undertaking. In this example the following questions are a good starting point:

- **Who are your top competitors in relation to your key clients?** Within your firm you are likely to have several key competitors, firm names which regularly come up in any pitches or tenders – your ‘firmwide competitor



*Spotting trends before others and responding accordingly could be the difference between keeping and losing some of your most valuable clients.*

list’. But don’t forget, each practice area may also have its own competitors and, in our example, a specific client may have a panel of firms that they engage, so it’s important not to assume you should immediately reach for your ‘firmwide’ list.

- **What work are your competitors winning with your key clients?** This will tell you a great deal – are your competitors being chosen for work you would normally expect to win, are there new work projects being allocated to your competitors that you’ve not been told about, have your competitors branched out into other practice areas where you don’t compete?
- **Have there been any account management or relationship changes? Can you draw any correlations to your win/loss rate?** Here it is important to consider relationship changes on both sides. You’ll need to understand the impact of any changes within your firm, perhaps partners you

have lost, or any reallocation of work amongst your fee earners. You also need to look carefully at any changes which have taken place in the client’s business – key people who have left or new people who have joined, perhaps bringing with them preferred advisers they are now turning to in their new role.

- **Have your competitors invested in areas that have bolstered their success and impacted your performance?** This is likely to link to the points above – for example are your competitors investing in lateral hires, mergers, new locations or new partnership arrangements with third parties? Do these new investments mean that your competitors are now winning work where previously you would have been the preferred adviser?
- **Have your competitors changed their marketing, sales, service or practice approaches?** The answers to this question will reveal if your competitor firms are positioning themselves more effectively and promoting their expertise in a more successful manner. Are your competitors particularly adept at PR or have you seen a strengthening in their directory rankings? As we all know, drawing a direct correlation between BD activities and win rates can be difficult, but as part of your analysis, this could provide some very important information and ultimately could help justify some BD investment going forwards.

Of course you may think of other ques-



tions, but it is important to manage the scope. Focus on the areas which will provide you with the most insight and value – and balance this against what you realistically have time to gather.

### Choosing the right methodology

Methods to collect competitive intelligence vary widely and depend on variables such as resources, time, budget, experience and contacts. You'll need to consider:

- **Who is best placed to complete this work?** Make sure you don't pass this to someone too junior or inexperienced. Competitive intelligence needs to be completed by someone who is able to uncover the right information through skilled research, engage with the right people and provide context for the analysis. Another option is to look for an external provider that specialises in competitive intelligence research - and writing this.
- **How much time do you want to spend on the research?** Will this take place alongside other research, like a review of financials, key contacts, client strategy, market trends, etc. or will it take place separately? Do you anticipate your other research affecting the scope of your competitive intelligence project? If the answer is yes, you may need to build in key updates and stage reviews along the way.
- **What budget do you have for the project?** This should realistically include both the cost of your internal staff (who could otherwise be doing other work) as well as the cost of any reports, information sources, benchmarking, travel and other expenses.

Once you've agreed on these points, you'll need to decide how you'll actually gather the information. Potential approaches might include:

- Partner interviews
- A desk-based website and social media review
- A press analysis
- A benchmarking analysis
- Client interviews
- Attendance at conferences and events.

### Presenting your results

Undertaking all of this research will result in what could be a very large amount of information, which will then need to be sifted, sorted, categorised and prepared for analysis. You are aiming to spot the little gems of information which hint at a trend, or indicate a new direction being taken by a competitor. You then need to present this in a format which is informative, comprehensive and succinct. Most importantly, you need to draw out the most valuable conclusions to inform decisions regarding how your firm will adjust, amend and develop the optimal strategy for each key client.

A variety of presentation methods can be used to achieve this, including:

- Plotting key data in diagram form to show categories, movements and trends
- Using recognised competitive intelligence tools to map your findings – such as Porter's '5 Forces Model'
- Providing and summarising findings in key categories
- Presenting results as scenarios to play through potential outcomes.

The combination of presentation tools

you use will depend on your audience and the fit with your other research and analysis undertaken as part of the project. Your aim is not information overload, but a good understanding of your competitors, including what you believe to be their unique differentiators and their approach to the market.

### It's all in the analysis...

The picture you paint of the competitive landscape will, if done properly, enable you to draw some key conclusions and, agree on practical next steps. This type of competitive analysis can be used to inform decisions such as:

- Practice development plans – to agree which service areas to grow, contract or add.
- Lateral hires – to understand where key client relationships could be extended through undertaking one or more strategic hires.
- Acquisitions – to identify where organic growth and lateral hires will be insufficient, potentially pointing to the need for more extensive mergers and acquisitions.
- Professional development – to help identify any gaps in knowledge, skills or understanding.
- Other investments – to identify other investments which may be required, such as IT.
- Marketing initiatives – to agree whether additional marketing might be useful. This could range from increased promotion, to targeted events and research. And with the added insights you've gained, to ensure your marketing tactics convey your competitive positioning and communicate your strengths.

### It's not just a one-off exercise!

Staying on top of competitor activity has become an on-going requirement for most professional service firms. The challenge is finding the time to do the tracking and monitoring, and getting the best and most relevant results. But the benefits of this activity should not be underestimated - spotting trends before others and responding accordingly could be the difference between keeping and losing some of your most valuable clients!



Eleanor Windsor is Vice President of Client Engagement at LAC Group. Contact: ewindsor@lac-group.com or on 07889 566838.