

DAVID GOLDSMITH
with **LORRIE GOLDSMITH**

Paid to **THINK**

A leader's toolkit for redefining your future.

TOOL: ET COMPETITIVE INTELLIGENCE PROCESS (From CHAPTER 9)



Achieve More | Make More | Live More

*The Goldsmith Organization is proud to support
individuals and organizations in emerging markets.*

PRAISE FOR
Paid to THINK

“*Paid to Think* is an invaluable source of step-by-step methodologies and best practice processes illustrated by plenty of stories to make you think or rethink how to better and faster achieve your goals. It certainly has been one of the most precious gifts given to me.”

—MELANIE ALBARIC, Marketing Manager, Rail Europe, Inc.

“If you’re tired of leading at 65 mph in a 200 mph world, *Paid to Think* will give you the Ferrari toolset and mindset to accelerate results and think differently. Its tools are both contrarian and powerfully simple. This is the one book you must read—right now!”

—DAVID NEWMAN, Author, *Do It! Marketing*

“Thanks to David and the tools in *Paid to Think*, we now prioritize our major projects, think them out more thoroughly in advance, and get most of them done on time and on budget, which has had a huge impact on our business.”

—JAMES F. VAUDREUIL, CEO, Huebsch Services

“Using the tools in *Paid to Think* has resulted in a complete overhaul of our strategic planning process and a dramatically improved approach to strategy and leadership development. David’s easy-to-use frameworks and models bring pragmatic solutions that drive progress. As a strategist, I anticipate that his book, *Paid to Think*, will be my go-to guide for years to come.”

—ELLA CHAN, Head of Group Strategy, City Super Group

“*Paid to Think* shows leaders how to think more and think better to meet their challenges. David Goldsmith brings structure and rigor to how leaders can think more effectively with easy-to-understand principles and practices.”

—MARK SANBORN, President, Sanborn and Associates, Inc.,
Bestselling Author, *The Fred Factor* and *You Don’t Need a Title to Be a Leader*

“*Paid to Think* shows leaders how to think and how to lead. This is the book that should be at the top of your reading list.”

—ERIC CHESTER, President, Reviving Work Ethic, Inc.

“*Paid to Think* enables you to find the root of your challenges, implement solutions, and quickly take your organization to the next level.”

—JENNIFER SCHRODER, VP Marketing,
Special Market Sales, Galison Publishing LLC

“David Goldsmith is unique in that he can see a 50,000-view of business and management and can also deliver the hand-to-hand tools to win.”

—JEFFREY GITOMER, Author, *The Little Red Book of Selling*

“*Paid to Think* provides straightforward tools to help you strategically position your organization forward.”

—JANINE MCBEE, CUDE, Southwest CUNA Management School

“I thought that *Paid to Think* was about work. It’s not. It’s about life, and it has changed my life in many ways. This book is a must-read for anyone who is daring enough to change!”

—SHEILA FRANCIS JEYATHURAI, Director of Business Development, Rouse

“David’s mind works in the most incredibly unique fashion I have ever seen. Read *Paid to Think* as if your entire strategic life depends on it, because it does!”

—ADAM BROITMAN

Chief Creative Strategist, Something Massive

“*Paid to Think* will help you make higher-quality decisions and better outcomes. Don’t miss this read!”

—DON HUTSON, #1 *New York Times* Bestselling Coauthor,
The One Minute Entrepreneur, CEO, U.S. Learning

“In an age when so much management flimflam masquerades as new knowledge, David Goldsmith’s *Paid to Think* provides a refreshingly detailed study in the proven mechanics of sound business thinking. Read and re-read this book!”

—JAMES H. GILMORE, Coauthor, *The Experience Economy:
Updated Edition and Authenticity: What Consumers Really Want*

“*Paid to Think* bridges the gaps left by management techniques one learns in business schools.”

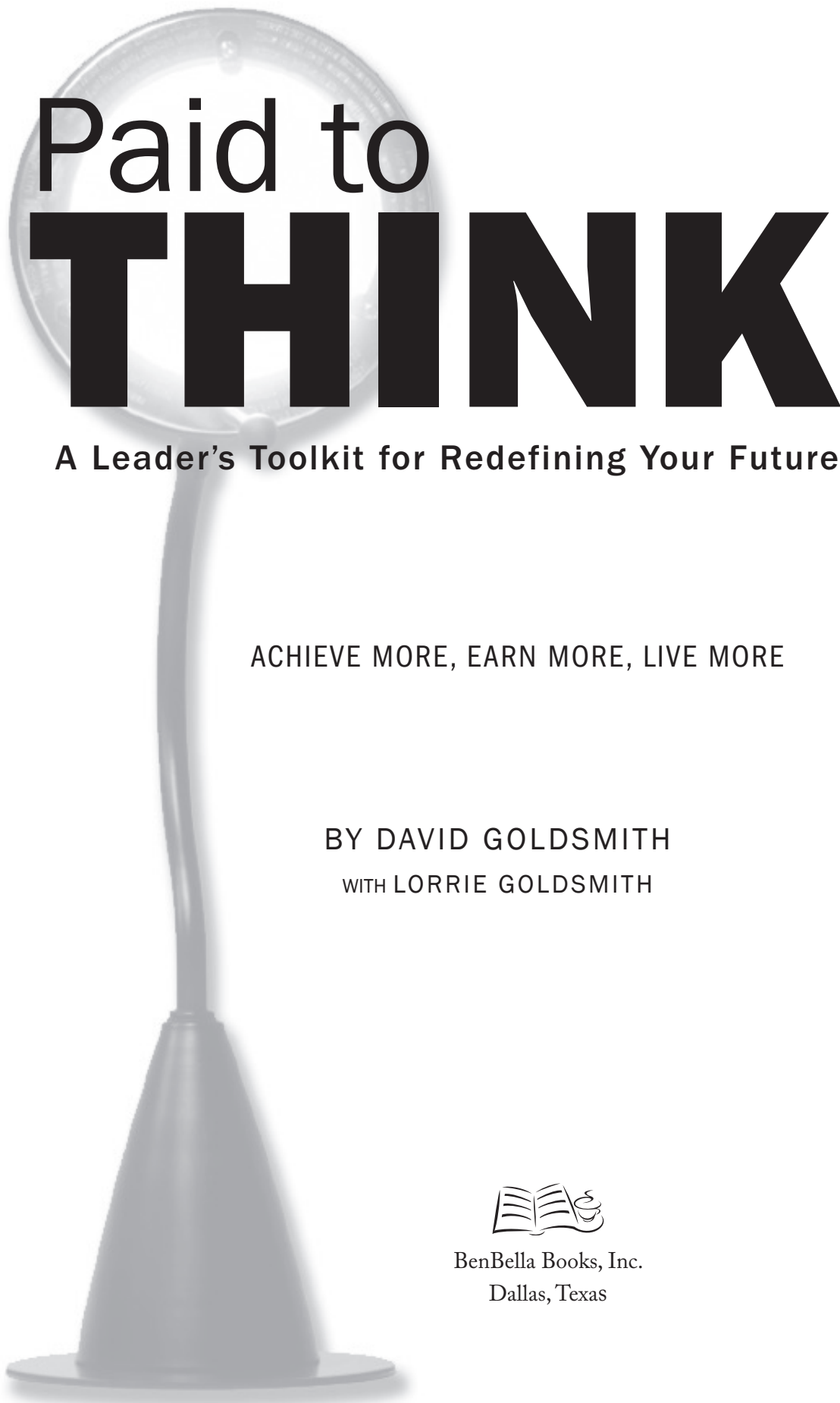
—ARUCHA PROMYANON, Former Channel Manager,
Fuji Xerox (Thailand) Co., Ltd.

“This book does more than provoke thought—it creates results!”

—JOE CALLOWAY, Author of *Becoming A Category of One*

“*Paid to Think* gives you all the tools you need to focus your organization, be innovative, and achieve targeted results. No guiding guru needed.”

—SANTIAGO JOHNSON, Branding Director, Leonisa S.A., Colombia



Paid to **THINK**

A Leader's Toolkit for Redefining Your Future

ACHIEVE MORE, EARN MORE, LIVE MORE

BY DAVID GOLDSMITH

WITH LORRIE GOLDSMITH



BenBella Books, Inc.
Dallas, Texas

This book is designed to provide accurate and authoritative information about business and leadership. Neither the author nor the publisher is engaged in rendering legal, accounting, or other professional services, by publishing this book. If any such assistance is required, the services of a qualified financial professional should be sought. The author and publisher will not be responsible for any liability, loss, or risk incurred as a result of the use and application of any information contained in this book.

Copyright © 2012 by David Goldsmith

All rights reserved. No part of this book may be used or reproduced in any manner whatsoever without written permission except in the case of brief quotations embodied in critical articles or reviews.



BenBella Books, Inc.
10300 N. Central Expressway, Suite 400
Dallas, TX 75231
www.benbellabooks.com

Printed in the United States of America
10 9 8 7 6 5 4 3 2 1

Library of Congress Cataloging-in-Publication Data is available for this title.
978-1-936661-70-1

Editing by Lorrie Goldsmith
Copyediting by Shannon Kelly
Proofreading by Cape Cod Compositors, Inc. and Rainbow Graphics
Indexing by Barbara Holloway, WordCo Indexing Services, Inc.
Cover design by Jelena Mirkovic
Text design and composition by Maria E. Mendez, Neuwirth & Associates, Inc.
Printed by Bang Printing

Distributed by Perseus Distribution
www.perseusdistribution.com

To place orders through Perseus Distribution:
Tel: 800-343-4499
Fax: 800-351-5073
E-mail: orderentry@perseusbooks.com

Significant discounts for bulk sales are available. Please contact David Goldsmith at books@paidtothink.com or 315-682-3157.

To my wife, Lorrie, my love of 26 years,
thank you for everything. There are no words to describe
what you mean to me.

∞ DAVID

To my sons, Adam and Jake,
I wish for you love, happiness, and experiences
that will enrich your lives as much as you have mine.

∞ DAD

simply as “Turn 4.” Throughout the race, you’ve kept a pretty good handle on other cars’ locations in relation to yours, but the last time you rounded this turn, your attention lingered on the rear-view mirror for just a couple of seconds too long, and you nearly lost your position by two slots. This time, you’re more focused. You remind yourself that you’ve spent months studying up on your fellow drivers and reviewing tapes of past races, and you can predict with some certainty how the driver of car #2 is going to enter this turn. Based on your combined knowledge of the past, present, and predictions of the future, you know exactly where you need to be entering the curve, how to bank the turn, and when to accelerate your way to the second position.

Seconds later, you careen past your competitor and slide into second place, hot on the bumper of the first-place car. Though the rear-view mirror and in-the-moment decisions have helped, you credit your mini success on the future-focused planning you did before entering today’s race.

Whether you’re racing a car or leading an organization, getting ahead of your competition using information from the past and present can only get you so far. You also have to continually focus on the future ahead as you plan your next best moves.

Even if you believe that you are already future focused, chances are you will compete more successfully by extending your view farther into the future (which you will learn in more detail in Chapter 14). For now, you can make the improvement by looking beyond the future of your organization’s products, services, and geographic factors to identify trends, patterns, cycles, threats, and opportunities presented by other industries and sectors, and from vendors, customers, and technologies that can render your offerings out of date, obsolete, or available through nontraditional channels both for external and internal offerings.

The ET Competitive Intelligence Process

By now, you can probably see how the ET tools that you have learned so far are designed to improve your decision-making capabilities. The ET Competitive Intelligence Process is a six-step mechanism that will make you a more effective strategist by providing you with reliable and current information about your competition. Remember, the competition may be the person sitting in the next room or a business unit around the world. It’s important to keep your perspective of competition dimensionalized in order to ensure that your thinking is broad enough to cover all types of competition.

This process contains effective CI activities derived from both the business and military worlds, making it a timeless ET tool that can be universally applied by people in any industry or sector, at any management level, across all cultures and

geographic areas, and for any aspect of work and life. Whether your needs are simple or complex, you can use the model for multiple purposes, such as to get the information you need to secure a grant for research, to develop an incentive program in your office, to make your next personal career advancement, to pass your school district's annual budget, to fund and patent a new invention, and so on.

Look at Figure 9.1 and notice how the process begins and ends with strategizing, an important component of effective CI that is typically missing from models and processes. I first became aware of this gap in CI processes while seated on a plane next to a military intelligence expert. We were two strangers who struck up a conversation that eventually turned to the topic of competitive intelligence. It was then that my fellow traveler spoke of his life's work with the United States Central Intelligence Agency. He was an expert in CI, so I pulled out what must have been the eighth version of the ET CI Process in progress, and he shared with me how the military recently learned that if they did not start off with strategizing about CI, it could easily miss its mark. My immediate aha moment forced me to consider the role of strategy within the context of the ET CI Process; what would you actually need in order to achieve your Desired Outcome?

With strategizing as an initial part of this process, you are forced to ask the hard questions up front about what you want CI to achieve for your organization, who is going to perform the various functions of CI, and what types of information you and your people are setting out to secure. In essence, the ET CI Process is a tool that enables you to plan your course of action much like playbooks and film help sports coaches prepare for their next games.

It's also important to understand that strategizing comes into play at two separate times for two separate purposes. In the beginning, your strategizing is focused on how you will use the CI process and for what purpose. In the end, the final step of strategizing is about plugging the competitive intelligence into your CST Model to empower you to make informed decisions for your organization.

Your new tool is composed of the following six steps of the ET CI Process:

1. **Strategize** about how to use the ET CI Process to reach your Desired Outcome. Determine who will perform each of the steps and how to ensure that you have reliable and useful decision-making “fuel.”
2. **Collect data** about your direct and indirect competitors and be sure to include factors that could impact your ability to compete—political, legal, technological, consumer-driven, etc.
3. **Assemble information** that causes current and impending challenges and opportunities to jump out at you.
4. **Create knowledge** from raw data, so that you are you in a greater position of control over your organization's destiny.

Enterprise Thinking COMPETITIVE INTELLIGENCE PROCESS

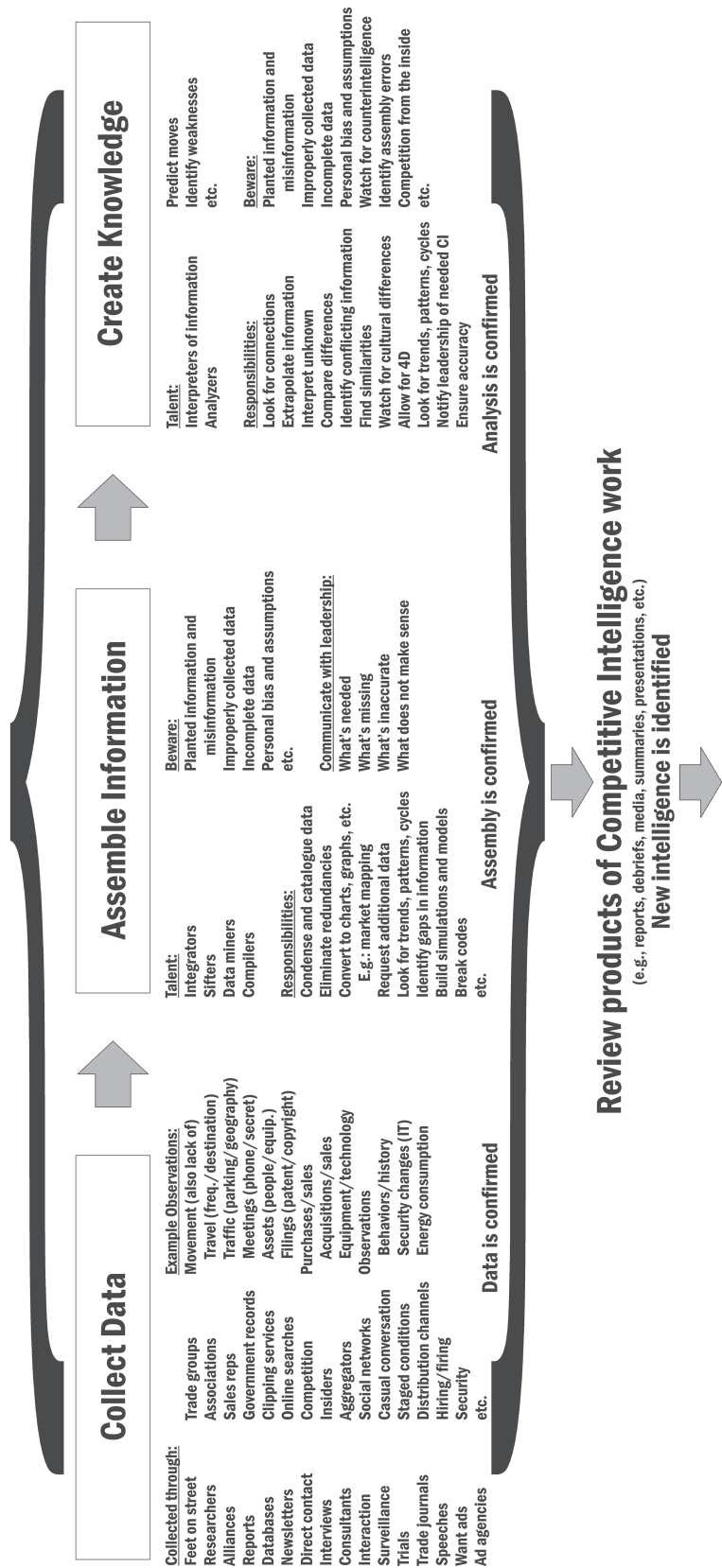
Strategizing: who will collect the CI, what you wish your CI collectors to collect, how the CI will be used, to whom will they report

Types of Collectors

Individuals, Group(s), Team(s), Internal, Outsourced, Spies, Double Agents, Re-Double Agents, Triple Agents, Using Unsuspecting Individuals, etc.

Categories of Collection

Human (e.g., language, behavior) Signals (e.g., Internet, electronic, linguistic) Imagery (e.g., photo, satellite) Tangible: (e.g., documentation, products)



Decisions are generated during Strategizing
(Cyclonic Strategic Thinking Model through Execution)

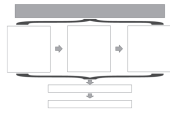
© 2010 David Goldsmith All Rights Reserved Download at www.pdfdrive.com

Figure 9.1—Enterprise Thinking Competitive Intelligence Process

5. **Review “products” of CI work** that you have identified to this point to confirm their accuracy. You want to connect the dots in hopes of creating more and better new knowledge.
6. **Strategize for the organization** by plugging the CI knowledge into your CST Model. Data alone means nothing, really. In order to make the ET CI Process work for you, you must integrate it into your decision making.

As you and your team follow the steps of the CI process—Strategize about using the Process, Collect Data, Assemble Information, Create Knowledge, Review, and Apply—you must be sure that the competitive intelligence supports your Desired Outcomes.

1: STRATEGIZE ABOUT USING THE PROCESS



The first part of the process, strategizing, requires those in leadership to begin to define certain parameters necessary to create targeted CI.

Before you even execute the other five steps of the process, you need to make some determinations about the use of the ET CI Process. You can't just tell people to collect information; you must first define the type of information and how you want to use it. Some, but certainly not all of the questions you might ask are:

- What is our reason—our strategic intent—for using competitive intelligence at all?
- What is our Desired Outcome of engaging in CI activities?
- What is the defined Strategy of the CI?
- Do the Desired Outcome and Strategy for CI align with our organizational (or group) CST Model's Desired Outcome and Strategy?
- What Macro Tactics are we considering: ie who will collect data, what data do we expect our collectors to collect, and how, when, and where will they collect it?
- What skills will our collectors, assemblers, analyzers need in order to gather, assemble, and interpret the right information correctly?
- Is our strategic intent going to make the best use of our resources?
- Are there technologies available that will enable us to automate any activities within the process?
- Are we accounting for challenges that may hinder collection and timing?
- Who should have access to competitive intelligence data at different stages of the process?
- How will we use the data to progress our organization toward our Desired Outcome/s?

- How will we guard data, and how will we determine the people who will have access to it?
- Do we have the right people on hand to help us convert raw data into usable knowledge?

Strategizing about how to use the process varies with different circumstances. Glancing at the step Collect Data, think about the guidelines and instruction you would give your collectors. If you're a private investigator, you might tell your team of collectors to shoot photos and videos, gain possession of contracts, or tail a mark. If you're producing a news program, you might instruct your reporters to secure documents, contact experts, and interview witnesses.

In addition, you must be specific in your requests for information. Be careful not to assume that everyone somehow understands what you want. Giving others a broad directive like "collect information about Company X" could fetch computer printouts, aerial photos, and organizational charts. You will surely be disappointed with the results, no matter how thorough, if you had originally wanted specs and prototypes of not-yet-launched products instead.

As you determine the content of CI, consider the following categories of information:

- **Human:** any information related to people such as behavior, language, eye movement, cultural traits, patterns, cycles, activities, repetitive actions, meetings, and travel.
- **Signals:** any message that identifies a trail, such as Internet histories, electrical signals like radar from submarines, or tracking phone calls, engine sounds, and linguistics.
- **Imagery:** any visual intelligence that gives you a quick snapshot of a condition such as maps, photos, drawings, videos, etc.
- **Tangibles:** any physical "data" such as documents, products, contracts, fabrics, samples, test tubes, chemicals, architectural plans, etc.

To use this process to improve the decisions you make, you need reliable information and knowledge, and that reliability hinges on the skill levels of your people and how well data is collected and handled. Taking this initial step will get your CI process off on a good foot and ensure that it is aligned with Strategy.

Strategize about Your "Collectors"

One of your first tasks is to decide who will collect data and how you want to organize collectors. Certainly, you can take an informal approach to getting your

collectors together, keeping it as simple as asking one individual to find out certain information for you, or you can assemble a team to coordinate the activities involved in gathering information. Regardless of whether you have a complex or simple endeavor, you will want to make some determinations about your collectors at this strategizing juncture of the process.

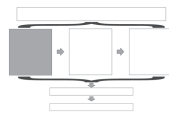
Your gatherers can come from inside your organization or outside, depending on your circumstances and needs at the time. For instance, you might want to ask a friend working at another organization what she knows about the companies who are submitting bids on a construction job. Or, you might find it better to have a group of internal staffers working as a team to coordinate research on a local city revitalization project. As you decide which alternative is best for you, you will want to consider the systems and structures you put in place to coordinate their efforts so that they can easily report back to you.

Sometimes, keeping track of CI requires teams of people and support groups. Their involvement can be crucial to collecting the information you need, so be sure that you select the right people and give them all the tools they need to perform their missions successfully. Also, you will not only want to select people who have the highest chance of collecting the right types of information for you, but who can be trusted to work in the best interests of your organization. You don't want to one day discover that someone who is supposed to be collecting information for you has turned "double agent" and is feeding your information to a competitor. And since circumstances change, you'll want to assess your collectors' performances periodically to ensure that these people are meeting your organization's needs. Otherwise, oversight in this area can create a domino or chain reaction to occur, preventing you from getting the CI you need.

In the world of international espionage, superpower countries launch cyber attacks on each other, and they fund individuals and universities to research even better ways to conduct types of cyber surveillance and attacks. Japan, the United States, and the Republic of Korea cyber-attacked 8.9 million computers in China in 2011, up from five million in 2010. A 2012 *Wall Street Journal* article reported that the "U.S.-China Economic and Security Review Commission found that the U.S. telecommunications supply chain is particularly vulnerable to cyber-tampering and an attack could result in a 'catastrophic failure' of U.S. critical infrastructure."¹⁰⁴ In times of peace and in situations of heightened military tension, these countries want to be positioned to immediately collect data from strategic CI surveillance mechanisms to plot their next moves.

Selecting the right collector of this information is extremely important. Leadership must play out the scenarios as well as they can so that when the collector goes to gather information, they get what they need.

2: COLLECT DATA



Now that you have determined who will collect the data—a single person, a team, an alliance, an outsourced organization—how they will collect it, and where it will be stored for your assemblers, you need to monitor the collection of information and be ready to adjust your methodologies so that the data remains relevant and accurate.

Here is why: Data collection can be a one-off activity, or it can occur on a continual basis. You must define your best collection method and then instruct others about how to collect what you need. Prior to 2008, a NYC boutique owner wanting to determine what to sell and how much to warehouse might have wanted to collect data as a one-off activity using traditional means—inventory figures, competitors’ offerings and price points, trade journal stats, fashion and clothing shows, etc. But if the store owner had read an article in the newspaper ten months later that gave him new information to consider, he might have switched his method of data collection.

Say that the article offered a continual data-collection technique that might have been better aligned to the owner’s needs. It reported that it monitored the increases and decreases in the number of turnstile turns at various subway locations throughout the city, and it cited a 14% decline at one station located near his boutique and other high-end shops in his area. Perhaps it would have been important for assemblers to know data like this.

Current data (or one-off data collection activities) can provide you with valuable information. However, it should be used only when appropriate, meaning you must realize that it may paint part of the picture for you when, in fact, you need information about what has transpired over time to get a complete understanding of a competitor. By identifying market changes, observing new legislations, scanning databases, talking with clients, attending trade shows, purchasing competitors’ products at intervals to review improvements, or chatting up different suppliers, you are able to give data to your assemblers (and knowledge creators) that indicate possible cycles, patterns, and trends. Data that shows a change or progression of activity over time will help you not only with strategizing, but also with forecasting future challenges and opportunities, too.

Collection of data can occur in unexpected places. Long ago, our regular package-delivery driver from a well-known U.S. delivery company informed us that one of his area managers had been tagging along with him on our route, writing down the names of our suppliers off the boxes that were being delivered to our business, and then passing these names on to his son who was opening a competing business in the same industry.

The collection process itself can sometimes be as easy as observing happenings that occur out in the open. Collectors with a little time on their hands can produce

valuable information just by watching online videos, trailing a competing CEO to the airport to find out the destination of his or her next business trip, or talking to a realtor friend about who is making recent real estate purchases in the area. The VP of a U.S. national company told me a story about how the organization was looking to develop some land, and they had been purchasing all the real estate quietly to keep the prices down until the CEO made the mistake of flying to a property on his private jet that had the company logo on the tail. Those looking for CI had their answer.

In general, a great deal of competitive intelligence is free and fairly easy to find, if you know where to look. Most often you can locate the data you need from databases, reports, newsletters, bulletin boards, direct contact, interviews, consultants, trade journals, trade groups, sales groups, government recordings, clipping services, suppliers, and other resources like these. Other times, just observing the happenings around you can provide collectors with appropriate and current data, such as monitoring the number of cars that are parked in a competitors' parking lot at various times of the day. Automated tools, like Google Alerts, that will e-mail up-to-date notifications to your inbox whenever your organization or its competitors are listed on the Web, require little time and free up collectors to engage in other collection activities.

Some organizations feel the need to take collection measures to a darker level and require their collectors to access bank accounts, pick through trash, install mechanisms that monitor activity on computers, hack into computer networks, tap phones, etc. Many of these types of collectors use technology—a virtual flip-of-the-switch technique—to gain instantaneous information. However, to gain valuable and useful data from organizations—with, perhaps, the exception of those involved in national security—you do not need to take such drastic steps, and some might find themselves in legal hot water if they do.

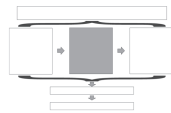
But before you rush to judgment, realize that most people have engaged in some sort of collection activity that another person or organization might find questionable, so the idea of ethics is certainly a subjective one. For example, have you ever retrieved a brochure from a competitor's trade show booth or called a competitor and asked for a price quote all while pretending to be a prospective customer? Some firms hire photographers to take aerial photos of a region to catch a glimpse of a competitor's operations below. And why do you suppose American football coaches feel compelled to cover their mouths with clipboards while speaking directives into their headsets during televised pro-football games?

Another method you can use to collect CI is to address people who are not internal to your competitors' organizations but who are affiliated with them just the same: for instance, by reaching out to consumers with surveys or through social networking. Companies like Communispace connect corporations to consumers for the purpose of providing feedback and data on CI. Communispace in particular

gathers groups of 300 to 500 people who are interested in discussing a topic of relevance to a company—a product, service, image, brand, etc.—and these consumers’ insights and commentary can be used by decision makers to plot their organization’s next steps. For instance, the consumer groups might shop a competitor, blog about a product, or take a photo of their pantries and send it to Communispace to share with its clients. Imagine the value of peering into multiple consumers’ pantries and seeing your product (or not) in relation to your competitors’ products.

The point: there are many different, creative, and effective ways that you can collect data on your competitors—talking with vendors, purchasing a competitor’s product, researching political campaign donations on the Web, attending trade shows, keeping tabs on new legislative acts, etc.—and it’s up to you to find and use those that most aptly fit your circumstances. Take a look at the ET CI Process again and read through the different collection approaches listed in the Collect Data step. With so many options, you’re bound to find one (or many) to meet your needs.

3: ASSEMBLE INFORMATION



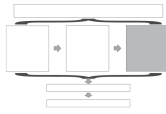
If you’re like most leaders, once your collectors have collected the data, you will be eager to use it. While information alone can be valuable, most often, leaders need the gathered information to be assembled into a form for practical use. Typically, the collected data is just a clump of “stuff” like conference brochures, product descriptions, sales price lists, or online research statistics that needs to be organized in some fashion. Depending upon the amount, variety, and complexity of the data you’ve gathered, an individual or a team can properly assemble the information for you. The same people who gathered the information may assemble it, or in larger organizations, special teams or departments may take over the task. Often, these assemblers are hired specifically for their skill in interpreting data. (Many assemblers are versed in the activity of data mining, the process of looking through data for cycles, patterns, and trends to create more usable information.)

Like a team of investigators who have assembled information from a police scene, the information needs to undergo some transformation so that its meaning can be derived from it. In this step, assemblers sift through data, eliminate redundant information, highlight trends, uncover gaps, condense and compile statistics, and create graphs, charts, and other models that can help others to understand the data. In an attempt to extrapolate and deduce a true and realistic understanding of competition, assemblers may have to ask collectors to gather additional information to fill gaps left from previous collection attempts: photos don’t reveal all working parts of an engine or static drowns out portions of an audio-taped conversation.

Assemblers should also be on the lookout for misinformation such as material that has been intentionally planted to mislead your collectors or bits and pieces of data that could be misinterpreted and subsequently lead to false conclusions. One of the ways to avoid being misled is by having skilled assemblers on board who aren't likely to jump to conclusions or to stop short of collecting complete information. Trained professionals are more likely to dig deeper, questioning motives of a competitor, trying to figure out the rationale behind a move, and accurately identifying abnormalities in normal patterns of behavior. The assembler who is skilled might say, "Hey guys, statistically there is an 84% chance the competitor would turn right and they turned left. Something's not right here. We need eyes on the street immediately," instead of taking a move at face value.

At the conclusion of this step, decision makers should end up with clear and accurate intelligence that they can use to make better decisions. Sometimes, the process is complex and occurs over a long period of time, but quite often, it is as simple and quick as collecting brochures, videos, and pictures from a trade show, spreading it all onto your desk, and putting some order to the information that will eventually heighten your awareness and knowledge of the competition.

4: CREATE KNOWLEDGE



Raw data does not usually provide the quality of information that you need for outpacing your competitors. You, your group(s), or other designated people who will become integrators, sifters, and data miners must interpret and analyze the findings and then create knowledge that will become useful to you as you strategize. Therefore, you and your group must connect the dots by looking at the findings from every angle and questioning every assumption, in order to determine how you and/or your organization can use the information as competitive intelligence.

Sometimes you will create knowledge but then realize that you must return to the collection and assembly steps to fill in missing pieces of information. Other times, you might need to take an action that forces your competitors to make a counter-move, which in turn exposes to you what they are planning to do next. Think of the strategizing behind your moves as similar to that of a chess player who wants to take an opponent by surprise.

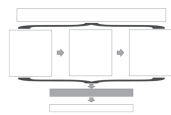
In certain instances, you might not uncover the information that you were expecting to find. That's often the case when you set the process in motion to confirm an assumption. If you find that you run into this situation, you should go back to the first step of the ET CI Process and re-strategize.

The knowledge you ultimately derive from the CI process relies heavily on how well you and your people have performed the first three steps. This is a somewhat

“sketchy” example, but it proves a point. If I were to send you to look into a house and tell me about the family living in it, would you say that you could give me as comprehensive a report by peering into only one window of their home as you could by looking in many windows, listening to their conversations at open windows, sifting through their trash, monitoring their comings and goings, and trailing them each time they leave the home?

Then, of course, if you spied on this family for only a day, would you have as much quality information at your disposal as you would if you were to monitor them for three months, speaking to people in their community, and getting a handle on their current behavioral patterns? You need to think about not only where this family is and what they’re doing today; but what they’ll be doing six months or two years from now. Do they have kids in college, is someone planning on relocating for a job opportunity? And so on. The shift has to be into the future as well as you develop your knowledge for strategizing purposes.

5: REVIEW “PRODUCTS” OF CI WORK



The people who perform the Review step should be skilled and objective. They should be able to tell you if your teams of collectors, assemblers, and knowledge creators have provided you with an end “product” of material and knowledge that will empower you to make improved strategic decisions for your organization.

Here are some pointers about the Review step that you should know:

1. You have to account for what your organization’s specific needs are. This is not a cookie-cutter activity, and if you approach it with an all-things-being-equal mentality, you’re setting back progress, because all things are never equal. In other words, you will have to do some Cyclonic Thinking about whether the findings and knowledge meet your original purposes, and how you can use them in your decision making.
2. Look for decoys that will mislead you and your people. Specifically, you want to be sure that your competition hasn’t sent out false information to intentionally derail you and force you to make bad decisions. For instance, a competitor might leak a press release about some fictitious product launch knowing that if it can convince you that it is entering a new territory, you will get panicky, make a reactive move, and show your hand first. Distracting you gives your competitor the time to one-up you. Mind you, most organizations are so concerned about their own operations they are not really paying as much attention to CI as you may

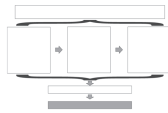
think. And even if they did get your information, they might not have the knowledge or resources to do anything with it. To prove my point, think about the last time you received information about another organization. What impact did it have on your next move? For the majority of groups and organizations, I'd bet not very much happened.

3. Try to find similarities and reoccurring data that indicates patterns or behaviors that might impact the interpretation of your findings.
4. Make sure the data is complete. One missing piece of the puzzle could mean losing by a nose. That's why looking Outside-In, Inside-Out, Above, and Below is so important. You can do all the steps seemingly right, miss one detail, and make decisions that leave your organization vulnerable. No matter how adept security strategists are, if they don't review all potential threat opportunities, they or their clients are in jeopardy.
5. Rewind your competitors' historical tape to uncover any information in their background, such as a training program, manager, or mentor, that could help you extrapolate their decision-making tendencies. Take a page from the sports world where coaches, general managers, and athletes can oftentimes predict the next move of a competitor based on the techniques that their trainers are known to teach and use. You can anticipate that a tennis player will return a lob near the fault line, that a quarterback will call a particular play under certain circumstances, or that a baseball player will swing at a curve ball if you are familiar with their trainers' special techniques. How can this be translated to your organization?
6. Acknowledge global and cultural differences. It is very easy to make incorrect assumptions by viewing your information through the perspective of your own culture. Be watchful, too, that the cultural norms of your knowledge creators doesn't cause them to come to false conclusions and then pass them on to you as valid knowledge, otherwise, your decision making will be tainted.
7. Don't assume tomorrow's decisions will follow yesterday's patterns. History is an indicator, but progress is such that you have to take into consideration technology and happenings that occur in the present and are projected to occur in the future, too. Technology, innovation, and emerging markets are accelerating traditional timelines and changing the ways in which we live and work. Would you have assumed in 1970 that you could "transport" an image instantaneously as we did with the first fax machines? And in the 1980s, when we were using faxes, could you have ever imagined the flexibility and freedom to send images and

digital data right through your computer via e-mail or text? (The next time someone says, “We tried that in the past and it didn’t work,” remind them of this.)

Update your knowledge with the times. Your competition is not standing still, and yesterday’s knowledge might not be accurate tomorrow. The person who’s vying for the job you want could be accumulating new skills to outpace you, the country that you are in a space-program competition with might be securing patents of which you’re unaware through subsidiaries or undisclosed arrangements, or the union might be making strides with legislation that will affect your bottom line next year. Everything in life is organic, even the thoughts and strategies of your competitors.

6: STRATEGIZE FOR THE ORGANIZATION



Finally, feed the data and the knowledge into your CST Model so that you’re working with valuable and current information as you strategize. By now, you know that everything in Enterprise Thinking—its activities, tools, and concepts—are connected, and CI is no different. Plug it into other ET activities, like Forecasting (which you will learn about in Chapter 14), new product development, leveraging technology by creating new tools for collecting, establishing different alliances, and so on.

In addition, make sure that CI is shared with others in your organization when it is appropriate and safe to do so. In terms of appropriate sharing of CI, very often leaders don’t think to distribute the knowledge to fellow decision makers, and their lapse can lead to missed opportunities to empower people throughout their organizations. Furthermore, (intentionally or unintentionally) withholding CI robs organizations of chances to break down silos—product developers possess certain knowledge that could help salespeople—and can run up costly expenses as different groups duplicate energies by conducting their own research. Keep in mind that you want all key players to have pertinent data so that they can make great decisions.

As far as safety and security are concerned, you want to be sure that certain sensitive material does not get into the hands of the wrong personnel. For example, if you know that a top-level decision maker has put feelers out for a new job, you might not want to share your most recent CI with her until you know more about her future plans. The potential for proprietary information to be transferred from one competitor to another is the reason why in 2005 Microsoft sued Google for hiring one of its corporate VPs, Kai-Fu Lee,¹⁰⁵ while he was still under contract with the former. Despite signing a nondisclosure agreement with Microsoft, Lee took on the position to spearhead Google’s new research and development team in China.

Microsoft's lawsuit was its attempt to protect such proprietary information. (In the next section, you will learn more about how your circumstances and competitors may force you to be protective of your information.)

The quality of the CI knowledge you now have is very much tied to the strategizing that you did in the first step by asking, *Who will collect?* or *Who will assemble?* and, *For what purpose are we seeking CI?* Throughout the rest of the process, if you continually checked in with the people who were performing the steps (to be sure that they were following the process as you had originally planned), you should have ended up gaining valuable decision-making material.

How Well Does Your Competition Know You?

This chapter has presented you with some of the ways that you can learn about your competition, extrapolate their next moves, and decide your next steps. However, CI is a two-way street, meaning that your competition is also looking at you, watching what you are doing, and seeking your secrets, technologies, and new products and services in progress. In response to this, you might be inclined to guard information.

But most organizations find it nearly impossible to protect their organization by playing defense. Your organization will always be vulnerable because someone—a disgruntled employee, nosy delivery person, unscrupulous supplier, etc.—will always have access to your information. That's why you have to play offense: to generate new Order Winners that keep your organization ahead of competitors.

In the 1980s, Rich Hoffman, a janitor working for a screen-printing manufacturer, frequently offered suggestions to the company's decision makers about improving the firm's products and services. His bosses ignored the suggestions, and the janitor became tired of observing from the sidelines. Armed with a great deal of knowledge about his employer, Hoffman left his position as a janitor and started his own company, M&R Equipment, to fill the unmet needs of his former employer's customer base and to put his past employer out of business.

His first press was a direct competitor to his employer's products, and Hoffman aptly named it the Challenger. Over the years, Hoffman's firm produced additional aggressively named presses like the Gauntlet, Conquest, Eliminator, Razor, and Renegade to continue his passionate rampage within the screen-printing equipment industry. M&R Equipment filled gaps left by competitors by introducing the first fully pneumatic presses, which were as good but less expensive than traditional hydraulic systems, allying with an aggressive leasing company to offer greater financing options to buyers, building his presses with more easily replaceable parts so that users could self-service their equipment, and innovating enhancements to presses that enabled his customers to improve productivity. Within the span of only

CHAPTER 9 COMPETITION

- 101 http://inventors.about.com/od/indrevolution/a/Francis_Lowell.htm
- 102 UGL Equis Corp – personal conversation with author.
- 103 <http://www.harmanakardon.com/en-us/aboutus/history/pages/history.aspx>
- 104 Gorman, Siobhan. “U.S. Report to Warn on Cyberattack Threat From China,” *The Wall Street Journal*, Mar. 8, 2012, <http://online.wsj.com/article/SB10001424052970203961204577267923890777392.html>.
- 105 Greene, Jay. “Microsoft Sues over Google’s Hire,” *Bloomberg Businessweek*, Jul. 20, 2005. <http://www.businessweek.com/stories/2005-07-20/microsoft-sues-over-googles-hire>

CHAPTER 10 LEADING

- 106 Bill Strickland: author’s personal experience and Manchester Craftsman’s Guild. <http://www.manchesterguild.org/>
- 107 Boudette, Neal E. “Fiat CEO Sets New Tone at Chrysler: Marchionne Shuns Executive Suite for Office Near Engineers; 2010 Jeep Model Highlights Challenges,” *The Wall Street Journal*, Jun. 19, 2009. <http://online.wsj.com/article/SB124537403628329989.html>
- 108 Jucca, Lisa, Deepa Seetharaman, and Soyoung Kim. “Special Report: Can an Italian Elvis Make Fiat-Chrysler Dance?” Reuters.com, Mar. 25, 2011. www.reuters.com/article/2011/03/25/us-fiat-chrysler-marchionne-idUSTRE72O15P20110325.
- 109 Ibid.
- 110 Agle, Bradley, et al. “Does CEO Charisma Matter? An Empirical Analysis of the Relationship Among Organizational Performance, Environmental Uncertainty, and Top Management Team Perceptions of CEO Charisma.” *Academy of Management Journal*, Feb./Mar. 2006. <http://images.usnews.com/usnews/biztech/features/CEOcharisma.pdf>.
- 111 Bryant, Adam. “68 Rules? No, Just 3 Are Enough: Interview with William D. Green.” *New York Times*, Nov. 21, 2009, www.nytimes.com/2009/11/22/business/22corner.html?pagewanted=all.
- 112 “Snapshot,” *USA Today*, Nov. 15, 2006. Based on data from a survey by the Cognos/Paladium Group.
- 113 Gerber, Michael. *E-Myth*, Harper Business (paperback) 1988. http://www.amazon.com/E-Myth-Michael-E-Gerber/dp/0887303625/ref=sr_1_2?ie=UTF8&s=books&qid=1258919945&sr=1-2
- 114 Wakabayashi, Daisuke. “Softbank to Groom Executives,” *The Wall Street Journal*, Jun. 27, 2010. <http://online.wsj.com/article/SB10001424052748704569204575328592696159832.html>
- 115 <http://www.fastcompany.com/welcome.html?destination=http://www.fastcompany.com/1008704/fast-facts-about-americas-bosses> October 1, 2008
- 116 “Ten Years From Now . . .” *Businessweek*, Aug. 20, 2007, www.businessweek.com/magazine/content/07_34/b4047401.htm.
- 117 Kaskey, Jack. “A DuPont Chief’s Days of Future Passed.” *Bloomberg Businessweek*. com, Jan. 13, 2011. http://mobile.businessweek.com/magazine/content/11_04/b4212017598520.htm.
- 118 George Butler 2000. “The Endurance: Shackleton’s Legendary Antarctic Expedition” <http://www.amazon.com/dp/B0000A7W16?tag=thelandoferic&camp=14573&creative=327641&linkCode=as1&creativeASIN=B0000A7W16&adid=094XRSGG0DT45GYANFY&> and <http://www.amnh.org/exhibitions/shackleton/>

ABOUT THE AUTHORS

DAVID GOLDSMITH, president of the Goldsmith Organization LLC, is an international consultant and advisor, speaker, telecast host, author, and business owner. He has served on the New York University faculty for twelve years and was awarded the SCPS Teacher Excellence Award. David holds an MBA from Syracuse University.

LORRIE GOLDSMITH is co-founder of the Goldsmith Organization LLC, a leadership development organization offering consulting, advising, speaking, and educational resources to decision makers globally.

DAVID AND LORRIE are based in New York State. *Paid to Think* is their first book.

MORE RESOURCES

YOUR JOURNEY AS AN ENTERPRISE THINKER has just begun. I'm inviting you to stay in touch and connect with other people who are paid to think through the many venues I've created to help you continue to grow and develop:

- **www.davidgoldsmith.com**—Improve your ability to perform even more and gain a deeper understanding of some of the ET concepts with the many resources on this core website, such as the Goldsmith Institute, where you can engage with video, audio, and other tools. Also available on the site are full courses and products to further your learning process. In addition, if you would like to bring your *Paid to Think* experiences to your organization, there is information about how to contact me for consulting, advising, and speaking.
- **www.paidtothink.com**—Visit this site to download graphics and charts from *Paid to Think* and to add the most up-to-date thinking tools to your ET toolkit. You can ask questions about *Paid to Think* and get answers, watch videos, and discuss with like-minded people how they are using Enterprise Thinking to make a difference in their lives.



**“For six months I fought with the publisher...
then finally I was able to purchase one chapter.”**

That’s a real quote from an executive named Elizabeth who wanted only multiple copies of a single chapter of a certain book to lead her staff members to desired outcomes, but she wasted valuable time and effort appealing to the book’s publisher for the tools she needed. Maybe you’ve had the same wishes as Elizabeth; perhaps you supervise, oversee, or manage a group of people, and you’ve wanted similar tools to maximize potential and drive performance but found that chapter singles were inaccessible or unaffordable. Well, put all that behind you, because I’ve made Paid to Think chapter singles easily and quickly available.

So while I’m sure you’re perfectly willing to purchase the entire book of *Paid to Think* for yourself or for a leadership team, I also understand that there may be times when it’s more efficient or cost effective to buy single chapters given certain circumstances.

In these types of situations, some of which are included here, single chapters can be a quick and easy solution, such as:

- ✓ When you work with a large team and you want them to understand a single topic without breaking your budget. Say that you’re working on developing new products within a department consisting of 47 staff members and seven leaders. In an instance like this, exposing all 54 participants to Chapter 4, Developing New Products and Services, would put everyone on the same page and ready them to proceed on the project at hand.
- ✓ When you’re about to undertake an endeavor and reading the entire book at that time is not feasible, you can address a particular topic area quickly. Let’s assume you about to enter into negotiations with a prospective ally, and you’d like both your team and the other party to build a successful union based on PTT’s proven Alliance Pillars. Distribute copies of Chapter 5, Establishing Alliances, and you’ll not only fend off the needless challenges that often plague alliances, but build the kinds of alliances that help your organization achieve desired outcomes now and in years to come.

And there may be other occasions:

- ✓ When you're searching for the type of gift to give that provides real value at any time.
- ✓ When you want to do a monthly program covering the topics of *Paid to Think* in your own order preference.

Unlike past experiences that you or your colleagues may have had in obtaining individual chapters, *Paid to Think* singles offer you the flexibility to order when you want, how you want, and how much you want, because it's the firstbook that's ever been released in print, as an e-book, and in the form of convenient single chapters! In addition, *Paid to Think*—the book and single chapters—is available in audio format, too. So visit your e-store or paidtothinkssingles.com, choose the format and method of delivery that best suit your busy lifestyle, and start to achieve more, earn more, and live more . . . even if it's one chapter at a time!

Kindle | iBooks | Sony Reader | Nook

For more information, links to purchase book, and additional resources, visit

[www.Paidto**THINK**.com](http://www.PaidtoTHINK.com)



Scan to visit Paidto**THINK**.com web site



Goldsmith Organization, LLC
Manlius, NY 13104
+1 (315) 682-3157
info@paidtothink.com