

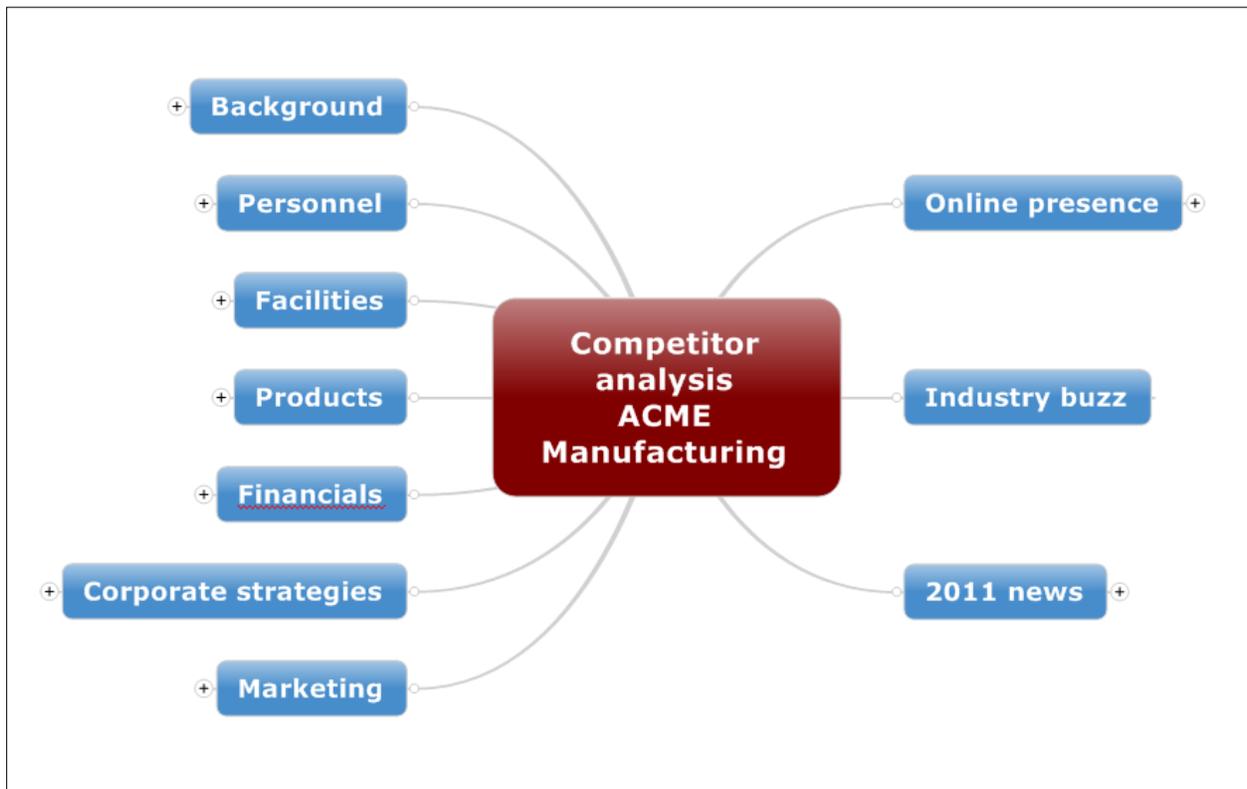


How to analyze your competition using mind maps

By Chuck Frey, The Mind Mapping Software Blog

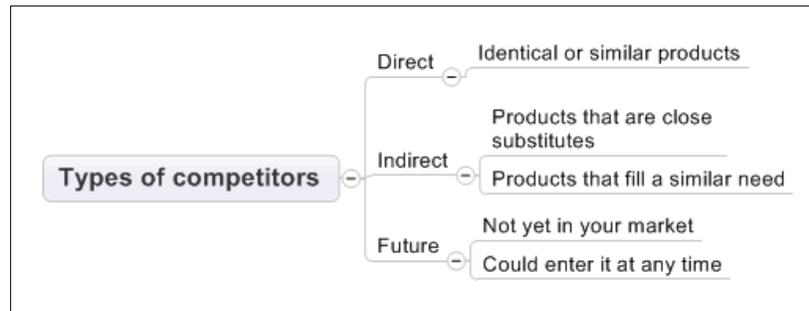
Competitor analysis is a great application for mind mapping software. It usually involves capturing and organizing a large quantity of background and current data, and presenting it in a form where you can utilize it to make decisions about your business, and how you will react to or pre-empt specific competitive actions.

In this report, I will explain how to create a competitor analysis map, and how you can adapt this general model to your needs. I'll also provide links at the end of this report where you can download this map and adapt it to your needs!



Step 1: Determine who your competitors are

You're probably saying to yourself, "Well, duh!" But stick with me here. If you only focus on the obvious direct competitors – the ones that you fight with for sales and the minds of customers – you,



you may be missing some important companies that could haunt you later. Indirect and future competitors could potentially blindside and cripple your company.

Indirect competitors have similar value propositions, or they offer non-competing products to the same customer segments. Think of Ferrari sports cars and expensive yachts. Both appeal to high net worth individuals who want to show off to others – usually to members of the opposite sex. How can an indirect competitor hurt you? Because they deeply understand the needs of your mutual customers, they could potentially enter your product space with a similar offering to what you now have, in an attempt to serve more of their needs.

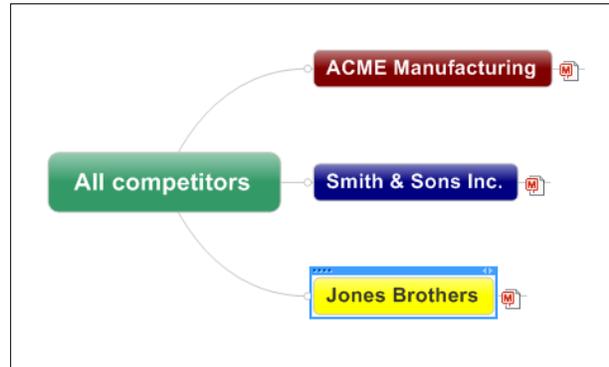
Indirect competitors can also be companies that are playing at the opposite end of the market – for example, your company may manufacture luxury cars, while an indirect competitor makes affordable, inexpensive vehicles. They could decide to move upscale, as Korean car manufacturers like Hyundai and Kia are now doing here in the States.

Future competitors are usually companies that are already doing business in adjacent industries, and who could potentially enter your market at any time. Think Amazon.com deciding to leverage its extensive and highly successful IT infrastructure to enter the web hosting and online “cloud” storage market, competing with existing companies like RackSpace.

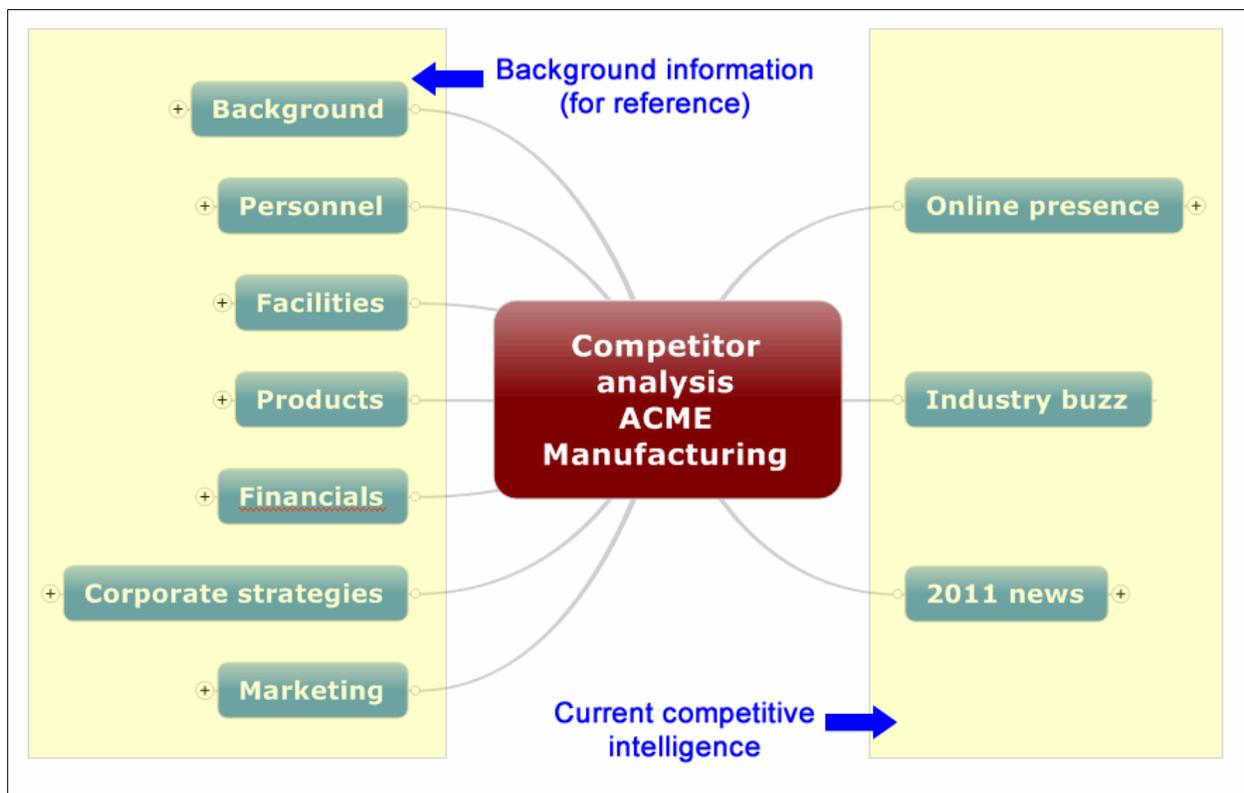
Future competitors may also be “pure-play” competitors – start-ups with a radically different business model that could delight your customers and lure them away. Think Amazon.com, entering the bookstore market and disrupting entrenched competitors like Barnes & Noble and Borders.

Step 2: Create a master map

Because you're going to be capturing such a large volume of information about each competitor, I highly recommend that you create a master map similar to the one at right that contains links to separate mind maps, one for each competitor. Otherwise, if you try to store everything in one ginormous mind map, it will quickly become too ponderous to work with.



Step 3: Capture and organize data about each competitor



I recommend that you divide the content of your competitor map into two major sections: The left side should be used to contain all of the reference information about that company – background that you can quickly access if you need to refer to it, but which you won't be using on a day-to-day basis. The right side of the map should contain current competitive intelligence

– information that is changing on a daily or weekly basis. Separating these two types of information will help you to quickly zero in on the most relevant and timely data about your competitor.

What should each section of your competitor map contain? Some suggestions follow below. You will need to customize your competitive analysis to your industry and marketplace, but the examples below represent typical types of corporate information that are contained in competitive analyses.

Background: This is a high-level view of the company’s structure and facilities. Most of this information can be found on the company’s website, in corporate databases like Hoovers and in annual reports.

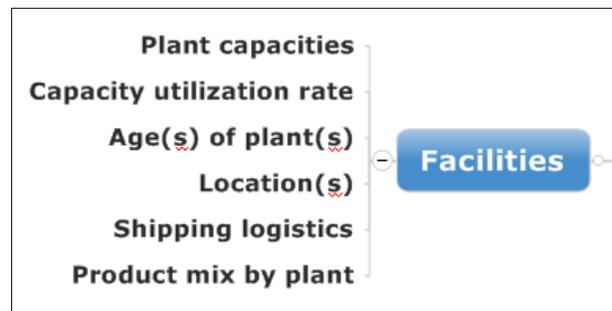


Personnel: This data gives you a sense of the size of the company and how it’s run. It’s also a valuable place to highlight any “superstars” – senior-level executives who have shown



exemplary performance and who you may want to recruit at some future date to help drive your firm’s growth.

Facilities: This branch of your competitor map is focused on the physical plant of the company. Obviously, the example we’re working with is an equipment manufacturer, who has multiple factories around the world. If your firm is in the services industries – for example, an advertising agency or CPA firm

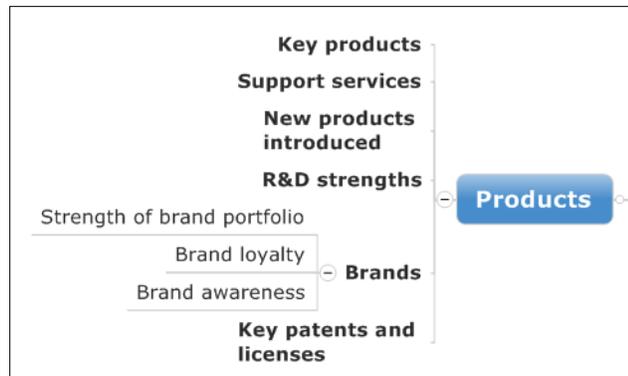


– then this branch will look much different. In such cases, you would want to list office locations or branches.

Products: This is one of the most critical sections of the competitor map, because it’s at the level of products and services that most of the competition will take place. Add as much detail to this section of the map as you can, so you have a complete and accurate picture of their offerings. And remember: This information needs to be updated at least several times a year, as

your competitor introduces new products. If you're able to get your hands on product sheets for specific models, you can attach the PDF files here, or add links to specific product pages on the competitor's website.

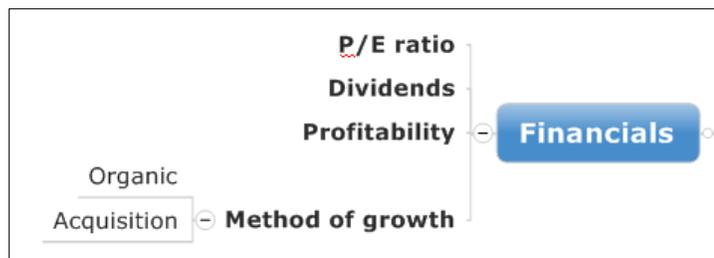
Be sure to look beyond the product to include any services that are offered before, during and after the sale. You may also want to list strengths and weaknesses relative to your company's products.



Again, this example is focused on manufacturing – if you're in a services industry, then use this section of the map to list out the major services your competitor offers to your mutual customer. If you work in an industry that is very research and technology intensive, then the R&D and patent/license topics merit extra attention – because those two areas are areas from which future products will emerge. The sooner you can discern what your competitors are doing in these “early stage” areas, the better you can anticipate their future moves.

If your company is focused on developing and marketing consumer products (such as Coca-Cola soft drinks, Nestle foods or Johnson & Johnson skin care products), then the brand section of this map deserves a significant amount of attention – because the brand represents a promise of value to the customer. Even in business-to-business markets, brand can be a strong part of the company's value. Think Caterpillar's pre-eminence in the construction equipment industry – that brand name represents something important to equipment buyers. It's important that you understand what your competitor's key brands are and why they appeal to your mutual customers.

Financials: This section of the competitor map gives you an idea of the relative strength of the company. How healthy is it financially? If it's a publicly held company, how well is its stock performing? And what does



this imply in terms of the availability of cash to finance expansion or acquisitions?

This is very important to know from a competitive standpoint. If a company has a strong share price and is sitting on a hoard of cash, then it will likely be in an acquisition mode.

In the equipment markets, Caterpillar announced in early 2011 that it is acquiring Bucyrus International, one of two global manufacturers of mining shovels. Imagine if you were preparing a map for Bucyrus' main competitor, P&H (owned by Joy Global) and could have used a map like this to anticipate that a large, well-funded company could sweep in to acquire your main competitor?

In competitive marketplaces, surprises can obviously be very costly. Having a clearer picture of your competitor's business makes it easier to anticipate their potential next moves, and how each one could affect your company.

Corporate strategies: This is another critically important area that you need to focus upon. Because if you understand a competitor's strategy, it's probably predictable to anticipate what they're going to do next. Most companies, once they reach a certain size, tend to keep moving in the same direction. They're not prone to sudden changes in strategy. The one exception to this rule is small, entrepreneurial firms, which are quite agile but tend to have limited resources.



What's especially valuable about mind mapping this data is that it's easier to see connections. Some of a competitor's strategy is obvious – it's openly stated in public records – in news releases, on their website or in remarks that key executives make to the industry. Other parts must be inferred, by looking at how they're structured and what they're doing, and what the implications are.

Marketing: This aspect of a competitive profile describes how the company is bringing its products and services to market, who they're selling to, via which channels and at what price points. If you have a clear picture of how your competitor is marketing their products,



you can do a better job of differentiating your offerings in the minds of your target customers.

The last thing you want to do is “me-too” marketing, promoting the same features and benefits, in the same way as your competitor. It’s easy for companies in an industry to fall into lock-step with each other – but it’s NOT the way to stand out and command attention in a crowded marketplace! Use this information to help you define and refine your company’s “Unique Selling Proposition” (or USP), which briefly describes what makes your firm and its products unique, and why prospective customers should buy from you.

Online presence: In today’s social web environment, companies no longer have a single point of presence online. They usually have multiple places where they’re active, including a Twitter feed, Facebook page and a YouTube channel.



In order to have a complete picture of

your competitor, you need to monitor these points of presence on a regular basis – at least once every 2 weeks, if not more often. You can use this section of your mind map to maintain links to each web page, so you can access them quickly. You may also want to highlight the results of your findings as subtopics under each media channel; you could utilize a background color to draw attention to the latest information you have uncovered, and topic notes to explain what its strategic implications are.

You may also want to include links to online forums, LinkedIn and Ning groups and other places where your competitors’ customers are congregating online. Listen to what they’re complaining about in these online communities – and how the competitor responds (or not) – because they may be indications of weaknesses you can exploit in your strategy development, marketing and sales efforts.

Industry buzz: I’ve included a topic for those bits of information that you may hear people talking about in casual conversations at industry events, discussions your salespeople have had with key customers and



other less reliable but potentially important sources. This type of “buzz” needs to be verified whenever possible, because it may not be completely accurate. Still, it can be an important part of the overall competitive picture, because sometimes it may contain hints at a future announcement that could be of strategic importance to your company.

2011 news: This topic can be used to provide links to news releases on the competitor's website. I recommend using topic notes to create 2-3 sentence summaries of each announcement, because most corporate news releases are full of a lot of dense but meaningless fluff that takes time to read and understand.



I also recommend dividing these announcements into separate sub-topics for corporate, product and key executive appointment news, because this will make it easier for you to find what you need later on. A separate sub-topic provides access to several years of archived announcements.

Other tips to make your competitor map more useful

Include links to all of the sources of information that you have utilized to gather your competitor data. That creates a “paper trail,” so if anyone asks where this information came from and if it's reliable and accurate, you can validate its sources and accuracy.

Use links to provide fast access to key ongoing info resources – for example, the Yahoo stock page for each company, or Google News searches on competitor names and key words. In that sense, your competitor map can easily become a dashboard of constantly updated data.

Use topic notes to interpret your findings. Your competitor has announced that they will be building a new factory in the next year. What does that imply in terms of its product lines? What will be built there? For what geographical area?

Consider integrating spreadsheet ranges into your mind map, if your mind mapping software enables that. This could be used to display key financial data or market share calculations, for example.

Most importantly, don't limit yourself to the top-level topics and sub-topics I've listed in this competitor mind map. You need to make this mind map your own, populating it with data and information that is specific to your company and the market in which it competes.

Download and use this mind map

If you'd like to download this competitor map to serve as a template or starting point for your own efforts, you can do so here:

- [MindManager 8/9](#)
- [XMind file format](#)

Questions?

Please contact Chuck Frey at chuck@innovationtools.com.

Please [visit the Mind Mapping Software Blog](#) for all of the latest news, trends and resources related to visual mapping.

You can also [follow Chuck Frey on Twitter](#) for even more insights and ideas.