# Monsters

**Mark Chussil**

**Founder and CEO**

**Advanced Competitive Strategies, Inc.**

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Advanced Competitive Strategies
Whatifyourstrategy.com

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Nothing gets a new year off to a better start than a frightening tale. No, not nightmares about candy parades and fruit-cake buffets. Not even presidential primaries. Rather, tales of monsters among us.

Monsters are all around us. We often know them well. We call them "competitors."

We believe that our competitors are gratuitously aggressive, unprincipled thugs dedicated to our destruction, and generally evil. We, on the other hand, are gracious model citizens dedicated to peace and prosperity, and generally benevolent. *We* (the good guys) are fundamentally different from *them* (the monsters).

Of course we don't *say* those things, and we think we don't think those things. Some of our beliefs suggest, though, that we do indeed think our competitors are monsters.

Monster-tales may have roots in reason. One way for them to grow sales is to woo customers who previously bought from us. But the issue is not competition. The issue is vilification.

Many strategists say competitors "take" or "steal" their market share, and believe their own success requires (or is equivalent to) competitors' defeat. Some business models or compensation systems, based on scale, market share, or customer switching, build in mortal combat. Every market has exactly 100% market share, so a share-win for you requires a share-loss for them. (Yes, it's possible to grow the market. And the bigger market will also contain exactly 100% share.)

## Fame yes, blame no

People take too much credit for successes and assign too much blame for failures to others. (Bazerman 2005.) Psychologists call it the *fundamental attribution error*, where

people attribute others' behavior to intentions while explaining their own behavior as being influenced or compelled by situations. It's called fundamental because it's so widespread. It's called an error, not just bias, because the attributions are often patently incorrect. (Plous 1993.)

Your observant author saw the FAE in action during an executive-education program at the Wharton School in which he lectured. An executive made a monster statement. The professor asked for a show of hands: how many people had experienced a competitor taking action designed to damage their company? Every hand shot up. The professor then asked how many people had worked for a company that had taken action designed to damage a competing company. Every hand shot down.

## Crying "monster"

Raising the alarm about monsters can hurt:

- A belief that your competitors are monsters can lead your company to build its strategy decisions on a faulty foundation.
- The monster belief focuses attention on beating the enemy rather than, say, on de-lighting the customer.
- Assuming your competitors are out to get you can foster angry, knee-jerk reactions to their actions.
- Assuming you're playing a win/lose game can make you dismiss win/win options (which would likely trigger less resistance).

## Santa Claus

You may not believe in monsters. Your twisted author suspects, though, that you believe in Santa Claus. Many companies apparently do.

The Santa Claus trap is like the monster trap in reverse. It's a belief — like monsters, it is implicit and unconscious — that your competitors want you to win.

Strategists implicitly hope Santa Claus is coming to town when they write plans and forecasts that ignore competitors. For instance, Santa is in spreadsheets that show market share growing while avoiding the delicate question of which competitor(s) will give it up. After all, it is impolite to ask the price of a gift.

## New Year's strategy resolutions

Resolution 1: Remember that *people* make decisions at your competitors' companies. They want to succeed, they want to be heroes, they want to protect their livelihoods. Their people are pretty much just like your people, and pretty much just like you. You are not a monster (no matter what they think), and neither are they. They are not Santa Claus (no matter what you think), and neither are you.

Resolution 2: Gather competitive intelligence. Not just the features their new products will sport; look also at their forecasts, commitments, and pressures. The more you know about your competitors and the more you gather intelligence that could *disprove* the monster and Santa Claus theories, the less likely you are to erroneously attribute motives to them. Also, the more likely you are to predict correctly how they will behave.

Resolution 3: Get inside your competitors' heads. Commission shadow teams; they're the closest your company can legally and ethically come to asking a competitor what it will do. The more they know about competitors, the less likely you are to fall into the monster and Santa Claus traps.

Resolution 4: Play business war games or other role-playing exercises. When you are placed in a competitor's shoes, you don't suddenly think of yourself as a monstrous scoundrel or portly philanthropist. Rather, you start to see things — including your own company's behavior — from their much-like-yours perspective. You understand them and their decisions better; you make better decisions.

Resolution 5: Look for *disconfirming* evidence. ("We need a few trusted naysayers in our lives." Tavris and Aronson, 2007.) Will you learn more from pursuing "we must be right" or "we might be wrong"? What would it take to change your strategy (or your mind)?

Resolution 6: Make a list, check it twice. Put on the list the reasons why your company misses targets. Then, cross out every entry that suggests the problem is imprecise or insufficient data. (See also "Precision In, Garbage Out," an ACS Essay.) Repeat as needed.

Your sensible author is not suggesting that you think of your competitors as your best buddies. (On the other hand, it pays to remember that they too have a vested interest in the health of your market.) Rather, the point is not to reflexively think of your competitors as committed to your demise or devoted to your prosperity.

On the other hand, your friends at ACS *are* devoted to your prosperity. All the best to you!

### *References*

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## About the author

Mark Chussil is founder and CEO of Advanced Competitive Strategies, Inc., a pioneer in the field of business war gaming, and a veteran of 100 business war games for *Fortune* 500 companies around the world (**www.whatifyourstrategy.com**). He knows competitive strategy, having spent 30 years developing simulation technologies, designing and implementing business war games, advising senior managers, conducting research, and lecturing. Mark is also a founder of Crisis Simulations International, LLC (**www.crisissimulations.com**). He designed ACS's award-winning ValueWar® business simulator and CSI's patent-pending DXMA™ crisis simulator. Mark has published extensively, and he has lectured and consulted on six continents. He earned his B.A. from Yale and his M.B.A. from Harvard.

info@whatifyourstrategy.com 503.243.2586 (USA)

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