



Monkey Traps:

Separating the Quick from the Dead

(How different perspectives on business challenges separate winners from losers)

Monkey Traps: Perceptions Determine Success and Failure

In some parts of world, monkeys are caught using a monkey trap. This trap consists of a heavy pot with an opening large enough for a monkey to insert an open hand to grab at the bait, but too small to withdraw a closed fist holding food. Food is put in the pot, the monkey grabs the food and, refusing to let go of the food when the hunters approach, is caught, killed and eaten.

The monkey could have changed the outcome by changing his perspective of the problem. One solution would be to release the food and escape: short-term loss for long-term gain (his life is more valuable than a handful of food). Another solution would be to overturn the pot and having the food drop out the hole: a change in perspective leading to a profitable solution.

In my experience, I have witnessed many situations where company executives are trapped by their corporate myths, their unquestioning belief that their products and services are unique and better than those of their competitors, and their unchallenged view of their place in the competitive environment. Refusing to adapt to changing circumstances often leads to tears and ruin.

On the other hand, I have also witnessed situations where company executives - confronted by competitive intelligence providing insights that ran counter to corporate myths and viewpoints - had the intellectual and intestinal fortitude to change their perspectives and make decisions that either kept their companies from getting blindsided or allowed changes that met competitive challenges and business opportunities.

Security Software

In the early 2000s, a company that specialized in graphic software was looking at the possibility of entering the security software arena. After conducting a competitive intelligence study of the security software market in North America and the rest of the world, the report I provided showed that the barriers to entry were too great to risk the company's resources and reputation.

Although disappointed, the company's executives made the smart decision to focus on their core business. This may have saved the company from an expensive and futile entry into a market where they were ill-equipped to compete. (As a side note, the research uncovered an up and coming security software company: Kaspersky.)

Arctic Development

This competitive intelligence study looked at the opportunities and challenges affecting economic development of the Canadian North, as seen by the people living in the region. The findings of this study tore down some of the myths that southern Canadians have with regard to this vast area. Examples of some of the findings include:

1. **Arctic Bridge:** Based on the assumption that climate change will lead to longer shipping seasons in the Arctic, the Arctic Bridge project would link the ports of Churchill, Manitoba and Murmansk, Russia. The study revealed a number of issues that render this project unfeasible. For example, while Murmansk is the beneficiary of a warm ocean current that allows the port to remain ice-free even in during the Arctic winter, Churchill's port is enclosed by ice for about six months every year. Also, the rail link to Churchill is subject to frequent derailments because the permafrost softens under the weight of freight trains during periods of peak traffic in the summer.
2. **Economic Development:** Many southern Canadians see the Canadian North as a pristine wilderness with little economic development where the locals live in harmony with nature. However, with a large cohort of young people about to enter the labour market, the indigenous people of northern Canada are interested in economic development and job creation, including natural resource extraction such as mining and fishing. The main concerns for indigenous people are having control in how their region is developed and ensuring that the benefits of economic development are shared by everyone in their communities.

The study overturned many long-held perceptions and brought into focus many of the harsh realities of economic development in the Canadian Arctic, as well as revealing unexpected business opportunities.

Office Equipment

A competitive intelligence study for an office equipment manufacturer revealed an imminent threat to their market share that needed to be addressed quickly.

A major competitor had been purchased by an investment bank. An analysis of the bank's recent activities revealed the bank's tactic of buying companies, having those companies implement aggressive sales campaigns to increase market share – e.g. selling their products at low prices – and then re-selling those companies for substantially more than they were originally purchased.

Based on this history, the client was advised to prepare for a price war with this competitor. A sales and marketing campaign was implemented to minimize losses as well as attract new clients.

As a result of this preparation, the client was able to easily withstand the competitor's attempts at increasing market share. Those competitors, who did not prepare, were blindsided and lost a significant amount of market share.

Conclusion: Nobody wants to be a trapped monkey.

The competitive environment is chaotic and subject to unexpected changes in technologies, demographics, legislation and numerous other factors. Competitive Intelligence is a resource for guidance and informed decision-making.

Nobody wants to be a trapped monkey.

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