Marketing Notes
Published for the Clients and Friends of Fox & Co.

Characteristics of Killer Competitor Companies

Certain companies consistently lead, if not dominate, their industries. They are feared by their competitors. Our study of 15 such companies revealed a number of common ways they operate.

1. Marketing, in all its forms, is the driving culture of the company.

2. Getting and keeping #1 or #2 market share is their most worthy marketing mission.

3. They compete for market share ruthlessly.

4. Making acquisitions is a growth strategy, to increase and defend market share.

5. They know precisely what businesses they are in, and use that for positioning their products and company. And they stay in those businesses.

6. They are always making things better no matter how good they are. They do not leave well enough alone.

7. Procedures, processes, methods, no matter how sacrosanct or successful, are con-stantly under objective review. Every piece of the business is subject to rethinking, re-evaluation and re-rationalization.

8. They constantly innovate.

9. They worship at the altar of product quality. Quality is defined by the customer; as the customer perceives the quality, so it is. There is no compromise on quality. Quality is a marketing, not manufacturing, issue.

10. They must be cost competitive on a global basis, including the cost of capital.

11. Management is expected to deal with the world the way it really is. Reality vision is mandatory. Candor, honesty, questioning, homework, debate, and hardheaded clarity are the rule.

12. Change is understood to be a constant. They know that external environments are influenced by all kinds of factors including competition. Change and the necessity to adapt are considered windows of opportunity. They do not fret; they think and act.

13. Great athletic coaches and teams have a common characteristic with quality companies: they recruit the best athletes; train them carefully; and put the best players on the field. They get good people in all levels and job functions.

14. There is no illusion about the competitive environment. They recognize that competition is out to eat their lunch. They keep good competitive intelligence, particularly in areas of cost and innovation. Because they are innovators, the basic competitive strategy is to pre-empt competition putting them on the defensive. Because they want #1 market share they plan marketing strategy with care and execute marketing relentlessly.

15. People really do make a difference. However, census is considered a cancer. Good people, but not a lot of people, is the guideline. This means not a lot of layers, especially between the CEO and the customer. Bureaucracy is the enemy.

If a person is not directly or indirectly responsible for getting and keeping customers their job is redundant. Support services, not relevant to the core business, such as cafeteria service and mailroom management, are farmed out to companies. It is better to buy services than to staff for them.

16. They understand it is better to own a market than a mill. Manufacturing takes direction from the marketplace .

17. The cutting of bureaucracy and layers and irrelevant functions is part of their simplicity culture. Reduce parts, meetings, analysis, memos, paperwork, steps, time, etc. to make things simpler. To compete, the organization has to be quick, direct, and nimble.

18. They value strategy and execution, not endless planning and analysis. Their three most important words in strategy are “execution”, “execution”, “execution”.

19. Markets are looked at globally and with a macro-view. They consider global changes and scenarios. They play what-if war games: what might a competitor do! They put themselves in the shoes of competitors, customers, shareholders, and look at their company through those eyes.

20. Everyone knows the company strategy, abides by the culture, helps to adapt and to implement change no matter how wrenching, and knows their place in the company.