

Competitor invention: How to learn from the future

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Most people when they look at fortune 500 companies cannot help but wonder why and how these companies have become pacesetters or vanguards in their respective industries. The answer is simply that they learn by experiencing the future before they have come to it. As a result, they can do things differently, leading to improved performance. They have adopted a new methodology, the new normal, known as the competitor invention.

Using “invented competitors” opens up a view into the future that is likely to challenge the preconceptions and obsessions of one’s current worldview (Fahey, 2016). This approach can identify new business opportunities and surface limitations and vulnerabilities in an organization’s current strategies and operations. Research shows that for several leading organizations (Apple, Samsung, and Amazon), the invented competitor is proving to be a spur to bold and innovative thinking (Fahey, 2016). An invented competitor is a rival that could exist sometime in the future and has two related features that current rivals do not have: unique marketplace strategy and organizational configuration (two examples: a different network of relationships or value chain structure). Invented competitors help managers to reflect on the future in a novel and insightful way.

The following questions help business people understand this new normal called virtual competitor invention:

Why invent a competitor?



The competitor is invented to achieve the following objectives:

- To explore what strategies might be possible in the future.
- To challenge our firm's current strategies in light of the projected product solutions and customer value propositions (CVP).
- To challenge our firm to be more radical in thinking about potential future strategies (how they might be developed and executed).
- To anticipate new customer needs as well as the solutions required to satisfy them.
- To identify possible marketplace opportunities that could be overlooked.

When to invent the competitor?

- When several emerging and potential technology changes may enable new strategies to emerge.
- When the firm and its rivals are stuck in historic strategies (no marketing mix breakthroughs).
- When managers have become complacent due to organizational performance (even at the time the firm will be doing well, you still need to invent a competitor).
- When the strategic planning process has largely degenerated into a routine.
- When the firm appears to be committed largely to a set of historic strategies (if you are still doing what you used to do a year ago then beware you are stuck in historic successes).

What is invented?



When inventing the competitor, the focus is on:

- How the competitor might come to be
- The competitor's marketplace scope (where it will compete)
- What it tries to achieve (its goals)
- What its strategy might be (its competitive posture)
- How it will execute its strategy (strategy implementation)
- Why it might win or fall?
- The strategy implication for our firm.

Competitor invention team(s)

When successfully inventing a competitor, the CEO should create an environment for learning and espouse the culture of learning.

There should be mission-critical teams (MCTs) of executives charged with inventing the competitor headed by a smart mission-critical leader (SMCL). The teams must be both imaginative and creative about what would happen in the future and should be exceptionally familiar with the driving forces of change in and around the current competitive context. (For example, product functionalities customers might require soon that would not be satisfied with products and solutions of today; how technology might evolve over the next few years, etc.). They should be the Cassandras of the organization.

The team should come up with diverse scenarios of how things are likely to happen and then compare the invented competitor strategy against the firm's current strategies in terms of the following competitor and customer-based advantages:

- Product functionality
- Supporting services
- Image and reputation
- Perceived value merits
- Relationships
- Core operating processes
- Assets that are critical to competitors' strategies.

In conclusion, learning from the future helps organizations and their business leaders create scenarios around their business domain and be better prepared for paradigm shifts in the operating environment. In this current period where we have the novel coronavirus ways of doing business are no longer the same. Some players are coming up with disruptive ways of doing things. Thus as for organizations, it is better to be prepared rather than to be caught off guard and made irrelevant by competition.

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