

THE SOLUTION



**WANT TO IMPROVE REVENUE GROWTH?
STOP ALLOWING “HOPE” TO BE YOUR STRATEGY.**



“Hope” is Not a Strategy

By Lisa Hicks & Edward Payne

We were recently speaking to a senior sales leader who oversees a major vertical of his global technology employer and manages more than forty direct reports.

During the conversation, we were struck by the similarities we heard between what he shared and what we frequently hear from other executives across all industries, disciplines and executive roles. The conversation began with him sharing that he had no gaps in the market intelligence he needed to do his job.

When an executive shares this with us, it is a clue to dig deeper. Leadership style, and the resulting culture, often can create a perception that highly compensated executives are looked down upon if they admit they need to know more before they can do their jobs effectively. The greatest risk to this type of culture is that it can result in blind spots that have the

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to build his market intelligence, it became clear he knew he did not have the insights he needed to do his job. We asked if he knew why his sales team loses sales. He was at a loss. “No, not really,” Joe shared. “Some were due to price, but beyond that, I really can only guess.”

Keep in mind, these were not small sales. These were large, complex, multi-million-dollar technology deals that involved difficult competition and required a winning strategy to close. Joe said he didn’t believe his company conducted any type of external win/loss analysis. “And if they did,” he added, “I’ve never seen the results.” He shared his company does not look well on the use of outside consultants.

In general, we see middle-to-senior level executives across a range of industries and job functions uncomfortable admitting that they themselves or any members of their organization have significant gaps in their market knowledge. Instead, they work with whatever limited resources and insights they already have available to them, such as syndicated market reports, or other market research.

As another example, a team of product executives we spoke with at another company was frustrated because after months of work developing their technology product, followed by a major market launch, sales were lackluster. Upon conducting an externally run analysis, they realized, as a team, they were grossly

potential to significantly hinder growth.

With this particular profit center’s senior most executive, let’s call him Joe, when we began to dig deeper into how his company has gone about helping



underinformed. Everyone was relying on a senior marketing executive who had conducted a market research study that they were operating under. So, what went wrong?

In this case, the team relied on the wrong market research methodology - a survey, designed by product development teams, executed by the CMO, with results that did not deliver the actionable intelligence required. When we interviewed the senior leadership team, we learned each one had significant gaps in their understanding of the market, yet the insights they needed never made it into the study. They were part of a team providing input. Additionally, when you ask them what happened, they shared their organization would not look well on them revealing that they do not already innately know what they need to know.

In such cases, executives operate and proceed under an assumption that what they are being provided as “market insight” by their employer is more than

adequate for their needs. These executives may share that they also rely heavily on an informal network of contacts they can reach out to for insights when needed, and “It is very effective for them.”

Where we see a critical misstep is in not candidly and individually assessing the needs of executives, and, importantly, using the right tools and the right people to conduct those assessments, *before* conducting any research or moving forward with any strategy building. It is important to realize not everyone needs the same market intelligence, in the same way, at the same time. To fully arm executives with the tools and information that will be truly meaningful, market intelligence gaps must first be assessed, followed by the development of an organizational scope for research. It can be prioritized in any number of ways but must clearly align to the overall corporate strategy. This is what is termed an “Executive Analysis.”

When a Competitor Disrupts the Market

Here is a good example of how an Executive Analysis quickly helped a large financial services firm faced with declining revenues and profitability. The resulting work uncovered: 1) how the market leader was achieving unprecedented record growth and profitability; 2) a clear view into the market leader’s strategy; and 3) how the market leader is and will continue to impact the market.

The Executive Analysis is what we consider an important first step in building a foundation of market intelligence for an organization. When executive teams do not actually know what they need and why they need it, how can they be aware of or possibly fill gaps in market intelligence? Like constructing any superior building, the quality of the foundation is critical to its achievement.

In this example, Valeo began by studying available public information about the competitor. We conducted interviews with ten senior executives of our client, including leaders in roles like: strategy, marketing, products, technology, sales, operations, human resources, and others.



The deliverable of this effort was a draft research scope for the company, covering all of the topics and questions executives have, organized by topic. Then, the appropriate research methodologies were recommended to address these questions. Once agreed upon in totality by the executive team, the research could begin. As a result of the market intelligence, our client's senior executives were able to build their own plans quickly and confidently for market disruption.

What is the Best Method to Uncover Gaps in an Executive Team's Market Intelligence?

While we have seen organizations conduct an Executive Analysis using in-house staff, it is important to understand that using internal staff creates certain limitations on what can be achieved. Executives are often uncomfortable sharing in a group or with other employees what they don't know.

Our view is that to be as successful as possible, the input received must be candid, no matter what it might be. The proverbial

heads of senior executives must be lifted from the sand and be open to admitting that "Hope is not a strategy." During our interviews with executives, where they feel less inhibited in sharing candid thoughts, insights and opinions are shared with us that otherwise would not be shared with their own team. And these perspectives are critically important to a research analyst and the ultimate recommendations coming out of a study.

The plan should be to provide executives with an external research expert who will interview them covering topics that, once analyzed, will create a clear and precise research scope capable of providing immediately actionable recommendations for the organization. This discussion requires expertise, credibility, a knowledge of the client's challenges and objectives, its key competitors, and a clear comprehension of how external research analysts gather competitive intelligence.

The process begins with an understanding of the goals of the organization. Every step from this point will align with those goals. A discussion guide is developed and shared with the executives to be interviewed. During individual, one-hour meetings with the analyst, each executive is given an open forum to talk about everything and anything pertaining to the goals of the meeting. They are assured of anonymity and that their input will be folded into a broader Insights Gap Report, which is the ultimate deliverable of this process. While there is a discussion guide to help channel the conversation, each successive interview yields insights that help the analysts with each subsequent executive interview. This results in a triangulation process that can be very helpful in achieving the objectives.

Upon completion of all interviews, a comprehensive research scope is developed, combined with recommendations based on the interviews. This relatively simple and short step will help the organization move in the same direction, and with tremendous skill and strategy based on having the market intelligence it needs to get the job done.



But Financial Success Requires a Plan

Without a plan that involves accountability, what is the point of conducting research? Without a plan, research is too often distributed among the stakeholders and then peers and supervisors assume, “They’ll know what to do with it and have what they need.” In actuality, our experience is this is often not the case.

Completed research studies should be followed up with internal strategy workshops led by the analyst to help ensure everyone sees the plan emerging as the right course, is clear on individual roles, responsibilities, and expected results. A success plan can include follow-up research to ensure the market is reacting to their work in the way they had planned. Adjustments can be made as needed.

One of the most positive outcomes of this process is that each executive participated and truly believes, if achieved, the plan

would close any gaps in market intelligence they have hindering their abilities. Collaboration in these types of efforts, while requiring some investment of time, are very important to achieve desired outcomes. For senior executives, this process helps to define clear objectives for each team that are realistic and quantifiable. It helps define a process by which progress is assessed based on the market’s true and unvarnished understanding of a company’s value and provides the critical insights needed by the executive team to create true market disruption.

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About Valeo Strategy Group

“Valeo” comes from the Latin “to Win.” At Valeo, our mission is to help our clients outmaneuver and outperform their competitors. For over a decade, many of the Global 2000 have turned to Valeo for critical insights that drive breakthrough strategies and increased market share.

Top-level executives utilize our resources to gather difficult-to-obtain insights about their competitors, potential customers, channel partners and global markets needed to fortify their decision-making. We help to guide successful revenue growth.

Lisa Hicks, Managing Partner & Chief Strategy Officer, Valeo Strategy Group

Ms. Hicks has 25+ years of experience working with the Global 2000 providing revenue growth expertise. Her experience includes working with leading global brands in Healthcare, Insurance, Banking, Manufacturing, Consumer Packaged Goods, Information Technology, and others. Ms. Hicks is a published author and active lecturer. She is a past board member of The Strategic & Competitive Intelligence Professionals (SCIP.org) association, the Society of Insurance Research (SIRnet.org), and the Communications Board of The Insurance Information Institute (III). Ms. Hicks holds a Bachelor of Arts degree in Finance from the University of South Florida.



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Mr. Payne is a Competitive and Market Intelligence expert with more than 20 years of experience. His global background and deep industry experience bring a depth of research and analysis to Valeo's engagements. He is skilled in human intelligence collection, research design, and analysis. Mr. Payne specializes in primary sourcing, exhibit/event collection, strategic positioning, and sales strategy. Mr. Payne is a published author and sought after industry thought leader. He holds a Bachelor of Arts degree from Denison University.

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