The Competitive Similarity Landscape

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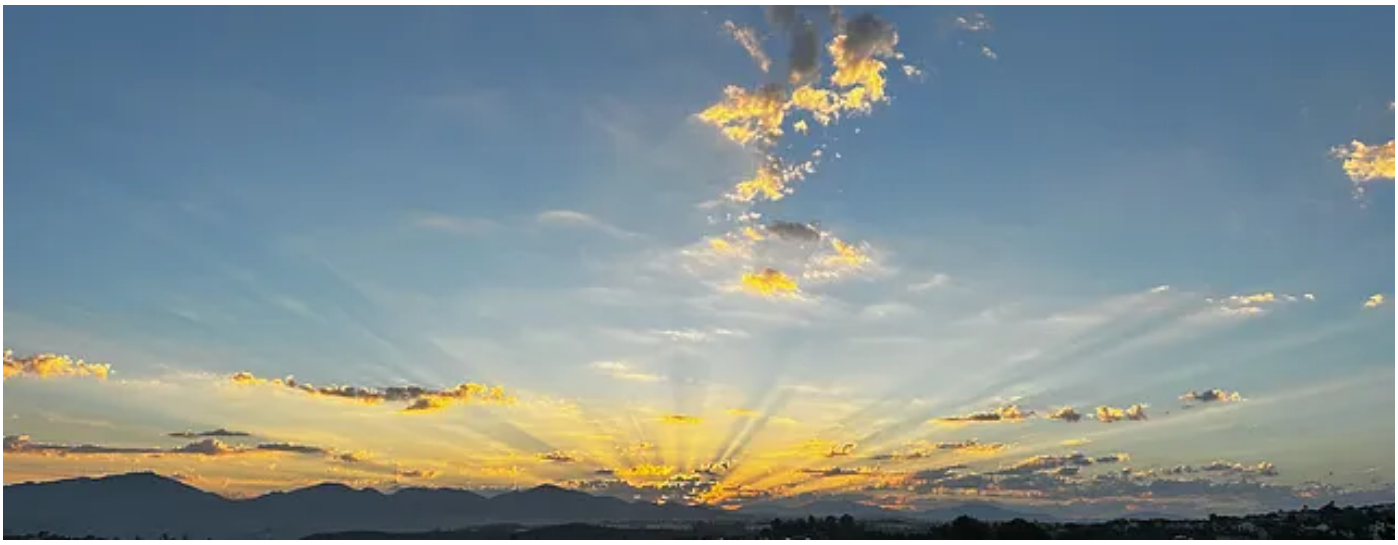

Sunrise in San Diego, CA, USA

"We don't have any competitors," said a founder to a venture capitalist technical evaluator during an interview. This quote embodies an experience from my former colleague and friend Vincent Franceschini. Hearing this from Vincent resulted in a robust discussion on startups missing basic Discovery work including Competitive analysis. As to mature companies, when Discovery work is executed it may be nothing more than a prop in Marty Cagan's Product Management Theater. Continuous transparent Discovery is essential for strong products and services!

To help Products teams do their best work, I'd like to relate more on one key feature in our Machine Intelligence Inferencing Engine, Caffeine. In the previous article "You have to sweat the details!" I wrote the following description for one of Caffeine's features.

> *For every Company, within the Repository, understand which other Company is most similar and which of its documents are most/least interesting. This can be helpful, based upon content you've captured, to*

> *become the basis for competitive analysis.*

We built this feature to bring structure and an evidence based approach to competitive analysis, and since our last update we've added external reporting breathing life to Caffeine's work, see screenshot below.

First page from Mediumroast for GitHub Microsoft Word external report for the company monday.com.

Following a cue from the title I'll zoom in on one feature, the Similarity Landscape.

Dissimilar points of view lead to better outcomes

Rizwan Muhammad and I toiled over the first outputs from Caffeine and were puzzled. We wanted some way to visualize how competitively close or far companies are to one another. Motivated by the Boston Consulting Group we settled on a 2x2 — thank you Brian Householder for drilling BCG's 2x2 into us. However we needed to debate, to define each quadrant, and to

understand if there was sufficient utility to build. Before I frame the debate it is best to provide a bigger image of the Similarity Landscape.

Similarity Landscape, showing the relationship between monday.com and three other companies.

Our plot thickened when Riwan and I realized a ranking of document similarity scores, comparing one company to its competitive field, could be transformed into x-y coordinates and rendered as a 2x2. We believed this plot distills a competitive landscape revealing hidden competitors, companies of interest, and confirms who you don't compete with. Yet we were left wondering how to define each quadrant, and that's where we debated.

Debating on behalf of the user

Rizwan and I quickly agreed on three of the four quadrants, as you can see in

the image below, leaving only one left to name and define. Rizwan was steadfast in his point of view that the top-left quadrant had no meaning, and I did not want to dismiss the quadrant. We debated for quite some time, and ultimately walked away from the debate in strong disagreement.

Results from our first debate round, defining 3 of the 4 quadrants, are related below.

- Fully competitive — (x = 100, y = 100) means a company is a perfect competitor, actually it means you've likely compared a company to itself that's monday.com in the Similarity Landscape.
- Uncompetitive — (x=0, y=0) the company is an anti-competitior, maybe this is a customer or a company in another industry. A good example is putting a home improvement company into the mix with technology companies.
- Partially competitive — (x=100, y=0) in some way the company is competitive, but not completely like Hubspot, Inc. in the Landscape chart. That makes this company interesting to look at since they are adjacent and unlikely competitive.

Leaving only the top-left quadrant which represented the center of our debate and disagreement.

- My argument — This is mathematically possible (x=0, y=100) and should be named.
- Rizwan's argument: No, it is devoid of meaning, unlikely to show up, and therefore no name required.

The Similarity Landscape almost named.

After sleeping on it Rizwan and I met again and ultimately I agreed with him, there was no name for or utility in the top-left quadrant. So, we determined we'd categorized it as unused and continue to observe outcomes. That happened about a year ago and to this day we have yet to find any company showing up in the top-left quadrant in our testing. I suppose for the user to win sometimes you have to lose a debate.

Why talk about a debate?

Building great product is more than just getting to a good spot with an evidence based roadmap. Getting there requires human-to-human respect and debate and in some cases losing an argument such that the user wins. We believe setting your teams up to work through critical arguments or

debates with grace is a signal of health, and we want to help you in that journey. It is why services are and will be tied to our software.

Inspiration for a power packed combination of software and services comes from Rational Software. Their Rational Unified Process (RUP) and software like Rational Rose (a UML tool) is a great illustration of this principal. While the "Three Amigos" (Grady Booch, Ivar Jacobson, James Rumbaugh) invented the UML, their company complemented the tooling with training, consulting services and coaching. Thus they revealed the principals behind RUP, showed how tools like Rose reinforced it, and then coached/guided teams on their use with real projects. Starting with competitive analysis, using newly released capabilities, we intend to follow a similar path. Our aim is to help you answer questions on your competitors, make sure the analysis is easily and fully sourced, and has a clear path toward action. Leonardo Del Riego, our Products leader, is presently shaping up our Competitive analysis service tied to Caffeine's results.

Future work

John Goodman deserves congratulations for completing his Master of Science in Data Science and Analytics from the Georgia Institute of Technology. His final project/thesis was focused on advanced automated competitive analysis using Machine Learning and Artificial Intelligence. We'll be borrowing his thinking and efforts to extend our work on Competitive analysis and make the Voice of the Customer more action oriented.