# Some ‘usual candidates’ for competitive advantage

The following are some of the ways that are quoted as giving competitive advantage across the industry as a whole.

1. Understanding the company

* More analysts
* Current team have greater analytic experience
* Build ‘better’ models
* Better access to companies
* Special way of looking at companies (eg strategic framework)
* Greater global expertise
* Greater use of propriety external research
* Better sell side contacts

1. Assessing the style fit

* Unique style
* Greater commonality in style used across teams
* Current individuals have used style successfully
* Style characteristics have been shown to outperform

1. Understanding market expectations

* Current team have above average experience
* Better sell side contacts
* Special way of using valuation data
* Smarter use of estimates data

1. Assessing balance of risks

* Current individuals have more ‘factor X’
* Clearer framework for making assessment
* Greater awareness of behavioural biases

1. Communicating, debating and actioning stock views

* More effective structures for communication
* Culture more open to constructive debate
* Clearer accountabilities
* Higher quality people
* More effective format of stock notes
* More optimally sized teams
* More rapid implementation of changes in view