



## **February 2006 Issue**

This month's issue offers a varied marketing mix: Since many of you are in the Bay Area, you'll be interested in Frank Priscaro's stadium-naming analysis; Gal Borenstein focuses in on another great government opportunity—healthcare records management; in The Download, Strategic Forecasting offers an intriguing geopolitical look at India; and more.

### **Editor's Cut**

It's hard for me to believe, but a year ago I was introducing myself to you in the February 2005 issue...

### **The Business of Naming a Ballpark**

In the beginning, from the beginning, it was Candlestick Park...

### **Fed Focus: Unhealthy Medical Records Make for Fit Revenues**

Year 2006 could prove to be the year of reinvention when it comes to healthcare management...

### **Analysis Cited as the Top Data Headache**

Where do U.S. marketers stand in terms of data sophistication?

### **The Integrated Event Model: Moving from Concept to Workable Reality**

Although companies have experienced a decline in event activities during the last three years...

### **When a Big Player Moves, You Must Too**

Attention shoppers! Google is entering the payments business...

### **The Download**

Indian Prime Minister Manmohan Singh is hoping to get a strategic U.S.-Indian...

## Editor's Cut



It's hard for me to believe, but a year ago I was introducing myself to you in the February 2005 issue of *Marketing Magnified*. Last year was a busy and exciting time both for me and the CMO Council, and as we start to roll out new and innovative offerings for our membership in 2006, I can only say it promises to be even more exciting.

Let's start with our line-up of CMO Council headline sponsors for 2006. AT&T, CMP Media and Symantec have signed on to help drive our many programs that help define, align and elevate the role of marketing on a global scale. All three are top names in their respective industries, and importantly for the Council—which continues to expand in Europe and is setting up shop this year in Asia Pacific—each has a significant global footprint. Given that our 2006 CMO Council Summits will be held in London and Tokyo, in addition to North America this year, that's important to us. Top IT consulting firm BearingPoint is supporting our Asia Pacific expansion, including our inaugural Summit in Japan.

Besides the new online Marketing Solutions Center that I mentioned in the January issue, the Council is getting ready to launch the Mastering MPM Certification and Leadership program for our members. We all know marketing performance measurement is a crucial component for success, and this program aims to assess your current MPM knowledge and help you further that knowledge through courses to be offered later this year. Check our Web site for more details in the coming weeks.

And we're continuing to conduct comprehensive research that will help you do your jobs better. Our "Define & Align the CMO" project may even help you KEEP your job. A recent study found that 2005 saw more changes at the CEO level at Fortune 1000 companies than any year in this decade. Exactly 129 new CEOs were announced last year. And how does this affect you? The high churn of CEOs impacts all areas of business, including the marketing department. It's hard enough to develop a trusting relationship with the C-suite, and much harder if there's a revolving door to the CEO's office. The study also proves that boards are demanding more yield and accountability. Define & Align addresses what CMOs and other top marketers need to do to succeed in what has become a very tough environment. You can audit your own marketing chops by taking the survey at: <http://www.surveymonkey.com/s.asp?u=358881777621>.

And speaking of tools needed to succeed, *BtoB Magazine*, a longtime partner of ours, is hosting a NetMarketing Breakfast in San Francisco on Thursday, March 9. The event will cover such topics as using the Web to generate leads and build your brand; how to get top results from e-mail, search, podcasts and other online vehicles; and measurement and analysis of online efforts—with panelists from Visa, Intel, Oracle and Sybase. Just go to <http://www.btobonline.com/page.cms?pagelid=141> to register.

Finally, here's some highlights of the speech John Stratton, CMO at Verizon Wireless, made to marketing, media and content producers at AdAge's Madison & Vine Conference earlier this month. Stratton urged agencies to wake up to new media, or be prepared to lose out on billions of dollars to agencies that "get it." Addressing marketing executives, Stratton said that CMOs' tenures are likely to get even shorter as CEOs recognize "how much money they are blowing on antiquated media plans. So even if your CEO really loves you—if he goes down, you're going with him." Well said, John.

*Scott Van Camp, Editorial Director of the CMO Council and Editor of Marketing Magnified, can be reached at [scottvc@globalfluency.com](mailto:scottvc@globalfluency.com).*

## The Business of Naming a Ballpark

By Frank Priscaro



Photo: Frank Priscaro

In the beginning, from the beginning, it was Candlestick Park. It was named after the spot it was built on, Candlestick Point, a cold, windy promontory overlooking San Francisco Bay. It was a great name for a ballpark, filled with the idiosyncratic charm San Francisco is famous for, and even though it was a lousy *place* for a ballpark, the name stuck because, well, that's where it was.

So it never went over all that well when somebody in the front office decided it would be a great idea to put the name of the park up for sale to the highest bidder, which at that time was the 3COM company (for a lousy \$4 million bucks over three years, mind you, not even enough to buy a decent left fielder). In fact, lots of people were outraged, that the name of a landmark like the 'Stick should be sold at all, let alone to a company few people had ever heard of or even knew what they did.

It wasn't as though the stadium needed a sponsor. There were lots of other things stadium management could have done to raise money. Set up a galoshes concession, for instance, for the walk through the sea of mud the upper parking lots turned into during football season. Or add another 50 cents to the price of a hot dog. (At six bucks already, who was going to notice?) So it's not as though there was a great compelling reason to do this.

It's equally puzzling trying to figure out what 3COM got out of the deal. Besides the massive stroking of their corporate egos, did they really think they were going to sell more of whatever it is they make by having their name plastered on signs on the highway and the entrance to the park? Can you imagine a young family driving their kids and their friends to the ballpark and the mom saying, "You know, I've just got to check out this 3COM company. They must be awfully smart and foresighted to change the name on a ballpark everybody already knew and loved. What a daring bunch of fellows they must be!"

Now, you could certainly understand 3COM's motivation if they had put up the money to build the park in the first place. But they didn't. Or if they were going to use the ballpark as a showcase for their technology, say, and put little electronic menus at every seat, or even little TV screens so you could watch the instant replays they're too embarrassed to show on the stadium's giant Trinitron. Or maybe if they had funded a whole bunch of improvements like recliners out in the bleachers instead of those freezing (in the spring and fall) and burning (in the summer) aluminum benches. But no.

The problem with this arrangement is that corporations, even publicly traded ones, are essentially private entities. Their workings are not transparent, even when they report the financial results that reflect, more or less, those workings. And although many companies perform good works in the course of doing business, that's not their stock in trade. At best, they're efforts to build goodwill, and to try to behave like responsible corporate citizens; at worst, these public works are just PR stunts. Very few of these companies are altruistic at heart; it's not what they're about. And while some of them may try to give the impression that, "Hey, we're just one big happy family here at the XYZ Corporation!" they're really nothing of the sort. You can't get fired from a family. Or laid off. Or downsized. Families don't restate their earnings, costing shareholders sometimes billions. Nor are they usually the subject of class action suits.

Corporations simply aren't good enough to be honored by having public spaces named after them. (The one notable exception here is Rockefeller Center. The Christmas tree that goes up there every year is a tradition started by the men and women hired to build the Center – during the

depression, when there were no jobs anywhere – in grateful recognition of the Rockefellers' generosity.) The best you can hope for is that the eponymous field isn't disgraced by some scandal or other. Enron Field comes to mind. Because that just has to give you the creeps. You don't want to come home from watching the game and feel like the first thing you need to do is take a shower.

In 3COM's case, their brand wasn't that bad. Nor was it that good. The company was just kind of anonymous, despite having their name in stadium lights. And though it serves them right, they got a bum deal. The name of the stadium wasn't really ever for sale. And the proof of that is that the name change didn't stick (no pun intended). No less a straight shooter than Jon Miller, the sometime voice of the San Francisco Giants, was heard to remark, on the radio, mind you, during a game, of all things, that it was still Candlestick Park to him. And so it was to us all.

Not too long ago, without enough fanfare for anyone to notice, the name of the 'Stick was changed again. Now it's called Monster Park, after Monster.com, a popular employment Web site. How appropriate, considering the number of people in Silicon Valley still looking for work. Certainly, with the aging boomer population, someone's going to want to cash in on that, too. Can Depends Field (shudder) be far behind? Or, how about Preparation H Park? After all, you're doing all that sitting.

They're also at it again, up in San Francisco, at the Giants' stadium. This is one of the most beautiful ballparks in either league, even though the amount of advertising inside the smacks of greed rather than sponsorship. (Whose job was it to remove all those Webvan stickers from the 43,000 cupholders?) And in a tribute to the highest values of the game, the name has always been for sale. First, it was called PacBell Park because that company coughed up \$50 million over 24 years, right from the get-go. Fair enough. It wasn't called anything before, so at least this didn't amount to corporate graffiti. Then a couple years ago, SBC bought PacBell, and with it, the right, apparently, to rename the stadium. So then it became SBC Park. Now, SBC has decided to become AT&T, and swapping one set of initials for another, is going to rename the field yet again. I applaud their courage, but I question their judgment. Fans in San Francisco aren't going to be endeared to AT&T just because it's the newest set of initials on their lovely ballpark. Quite the contrary. Nor are they going to buy more of AT&T's services just because they hear the name on the radio or TV during a ballgame. They're already being bombarded with hundreds of millions of dollars of advertising and don't need to see or hear it one more time. No, if AT&T really wants to get some mileage out of the stadium thing, they need to do something daring, something smart, something GOOD with it.

So how about this idea: Outside the ballpark is a statue of Willie Mays. Mr. Mays was one of the best, if not the best, all-around ball players ever to grace our national pastime. The field his statue stands in front of should be named after him. Call it "Mays Field," and let people know it's "sponsored by AT&T" or something. That way, AT&T can really put its money to good use. It'll be doing something good for the community by giving the ballpark a name that'll never change, and it'll be recognized for something most corporations never even get close to: Actually being worthy of the public support they pay for.

*Frank Priscaro is a writer living in Menlo Park, CA. You can reach him at [priscaro@mac.com](mailto:priscaro@mac.com)*

## Fed Focus: Unhealthy Medical Records Make for Fit Revenues

By Gal S. Borenstein



Year 2006 could prove to be the year of reinvention when it comes to healthcare management. Smart IT companies with a penchant for integrating business process engineering, business intelligence, data mining and records management applications have a strategic window of opportunity that is well-funded and directed: Healthcare Informatics. As baby boomers age and require coverage and benefits management, both federal and state governments are now being forced to enter into a 12-step program to rehabilitate the unhealthy state of their constituents' health records. Who is eligible? How should they pay? How do you prevent abuse? How do you ensure customer satisfaction? Just between Medicare and Medicaid programs, the volume of information that needs to be recognized on paper, then transferred to intelligent storage, and then become actionable decision data is overwhelming. A recent report in *Washington Technology* magazine estimates that by year 2010, states will be spending over \$12.5 billion annually.

Here are two IT applications that will allow state and federal governments to connect the dots:

- **Converting Medical Benefit Records from Paper to Electronic Format with Value-Added Ruled-Based Intelligence.** It might be surprising to hear (or not), but it holds true that most state and federal agencies are still in the "paper age." E-government initiatives are mandating a change that will eliminate paper and automate all transactions and records management upkeep. The problem is that the standards for what is considered "actionable data" are at best undefined. On one hand, scanning documents and storing them electronically as PDF files allows for search-type applications to be implemented. On the other hand, with an increasingly downsized support staff that is less skilled, the burden on creating "quality of information" will proportionately increase. For example, eliminating the pile of paper-written applications for state Medicaid program may mean less data entry. But who is reviewing this data on the application and how is it being managed once in the system? Savvy IT providers will know how to connect Business Intelligence to Records Management to Decision Support "hot buttons" that make that data intelligent, usable and most importantly rule-based to allow the government to deal with the overwhelming needs.
- **Enabling Web-Centric Portals as Major Communications/CRM Vehicles While Complying with Privacy Laws and Mitigating Identity Fraud.** All state and federal agencies are mandated to not only automate their records but provide public access to information, which in turn will increase customer satisfaction. CRM factors that we in the commercial world take for granted, such as Customer Satisfaction Index, Response Time and Key Performance Indicators will become significantly important in the name of better healthcare records management. But alas, they will also present the opportunity to inspire fear that HIPAA privacy laws will not be adhered to, as Web portals provide an unruly opportunity for additional risk for hacking and most commonly plain fraud: just imagine, right now, you have to apply in person and show your identification to be eligible for benefits. At some point in the near future, someone with your identity information could potentially seek to defraud the government of benefits via a computer in another country all together, using a mailbox address in the state of New York. While agencies are thinking about it, since there is no one standard and uniformed IT system, your company is positioned well to create such a secure standard of delivery that could replicate revenues, if proven successful, across similar state lines.

**Bottom line:** Healthcare informatics will no longer remain the sole domain of the “old systems integrators” predominately because IT applications will have to be open-architecture based and Web-friendly, which offers an invaluable opportunity for vendors to develop strategic solutions for government agencies.

*Gal S. Borenstein is CEO & chief strategist of The Borenstein Group, a national full-service integrated marketing, public relations and advertising agency serving the needs of technology organizations in Business-to-Business and Business-to-Government market environments. Borenstein's substantial technology client experience includes IGOV, Resource Consultants Inc., Nextel, Airbus North America, Spherix, Marconi Federal, Northrop Grumman Information Technology, as well as the who's who of government departments and agencies such as U.S. Department of Defense, Commerce, State, and Labor. For more information, visit [www.BorensteinGroup.com](http://www.BorensteinGroup.com).*

## **Analysis Cited as the Top Data Headache**

By Ray Schultz

*Reprinted from Chief Marketer e-newsletter*

### **Where do U.S. marketers stand in terms of data sophistication?**

They lead their global counterparts in technical knowledge, but are frustrated in some other areas, according to a new survey by Alterian.

Asked to reveal their biggest direct marketing headache, 57 percent of the U.S. marketers cited customer insight and analysis, compared with slightly lesser percentages overseas.

But only 41 percent of the U.S. execs were worried about data hygiene, vs. 53 percent in the United Kingdom and European Union and 45 percent around the globe.

### **Why the U.S. advantage?**

"Firms like Acxiom and Experian have invested heavily in the data hygiene process, and we're seeing the fruits of that investment," says David Eldridge, CEO of Alterian. "In the U.K., we're not at that level of investment, although some of that U.S. technology is now coming to the U.K."

That's supported by the fact that 58 percent of all U.K. and EU vendors also see data hygiene as a headache. In the U.S., the number is 37 percent.

Another problem for U.S. marketers was data and list purchasing. It was cited by 41 percent, vs. 32 percent for the U.K. and EU firms and 37 percent for the global outfits.

### **How that can be when the U.S. has such a robust list and data industry?**

"The headache is brought on by data volume," Eldridge explains. "The North American market has physically larger lists with more consumers and businesses to select from. And to compound the problem, there are more lists in general and companies who maintain, rent, broker or resell them."

### **Why is this a problem?**

"The variety of choice makes the selection process more complicated," Eldridge continues. "In response, list and data sales organizations are now upgrading their technology so that while data volume grows, so does marketing insight." Meanwhile, U.S. marketers seemed to lead the pack in technical knowledge, with 47 percent saying they are "extremely technically aware." Only 14 percent stated that their awareness and interest "does not stretch beyond Microsoft office."

In contrast, only 28 percent of the U.K. and EU responders claimed they were extremely technically aware. The number was 39 percent for the global firms.

And U.S. marketers are more likely to use the technology at their disposal. Only 39 percent said that they did not use a variety of tools to their best advantage, compared with 54 percent in the U.K. and EU and 45 percent worldwide.

### **Who's in charge of marketing technology in companies?**

The marketing departments themselves for 52 percent of the EU responders. That number drops to 45 percent globally and 41 percent in the U.S. American firms are slightly more likely to outsource it or to assign it to other internal departments.

Meanwhile, more than half the people polled by Alterian worldwide said technology is most valuable when it enables them to analyze, visualize and segment customer data. Roughly a quarter cited chores like campaign management and data generation.

The survey also found that 62 percent of all respondents expect to increase their marketing expenditures, excluding printing and postage, during the next 12 months. Another 28 percent said they will remain static. Only 5 percent predicted a decrease.

For this survey, Alterian polled 687 individuals, including 292 marketers and 395 service providers. Included were 392 U.S. participants who were surveyed in person at DMA05 last October.

Alterian provides a variety of analytic and performance measurement tools, working through over 60 vendors worldwide.

*Ray Schultz is editorial director of Direct Magazine and a contributor to Chief Marketer. He can be reached at [rschultz@primediabusiness.com](mailto:rschultz@primediabusiness.com)*

## The Integrated Event Model: Moving from Concept to Workable Reality

By Brad Jersey

Although companies have experienced a decline in event activities during the last three years, event marketing is making a comeback. The challenge for marketing groups tasked with delivering events is having commensurate resources, knowledge and infrastructure to meet this increasing demand. Faced with shrinking internal resources, lack of scalability, and dispersed event marketing spending, marketers are rethinking event-marketing practices. More companies are looking beyond traditional “outsourcing” of meeting planning and are choosing instead to partner with integrated event providers that enable them to focus on domain expertise, recognize cost efficiencies, and gain expert, scalable resources.

### An Industry Perspective

There are several indicators that the event industry is emerging from a significant slump. Everything from venues, tradeshow traffic, and proprietary events are seeing year-over-year increases with the gradual economic turnaround. According to Meetings Professional International (MPI), both suppliers and planners anticipated a significant increase in event budgets in 2005.

Figure 1: Estimated budgets for event planning service



### Emerging Post 9/11

According to Starwood Hotels and Resorts Vice-President of Worldwide Sales, Carol Lynch, her company is expecting double digit increases in business next year. However, they are seeing the turnaround in different areas than five years ago. “Post 9/11 we’re seeing people want to travel less—stay closer to home.”

In order to better accommodate and attract attendees, “Companies are increasing their portfolio of regional activities and shortening the duration of their events,” Lynch adds. With very little new hotel development during the last few years, companies are seeing increased competition, even in Tier Two cities, for good venue space on preferred dates. In other words, even securing the right dates, rates, and space has become a more daunting task necessitating greater expertise at event logistics management.

### Companies Have a Healthy Appetite for Events

This resurgence in event activity is due to a rekindled interest of companies in a strong brand presence, driving product interest and revenue, and in strengthening relationships with their customers.

Even executive management is jumping on the events bandwagon. In a recent CMO Council study CMO's ranked Event Marketing as the second best provider of ROI and over 67 percent of study participants ranked events as a "Vital and Valuable Marketing Function". Yet despite increased budgets and expectations of events, resources have not kept pace.

With a rebounding economy and upper management support, marketing professionals should be ecstatic; however there are internal dynamics that can complicate your ability to execute effectively.

### **Limited Bandwidth + High Expectations = Challenges**

#### **Increased Expectations Don't Mean Increased Resources**

Many organizations report that while the number of activities has increased, headcount and infrastructure have not kept pace. As groups struggle to execute, strategy and logistic optimization are forsaken to just try to "get the program out the door."

#### **The Accidental Event Planner**

Event execution is no longer the exclusive domain of the traditional corporate events team. Often product, field, channel/partner marketing, and even administrative assistants are being asked to assume event responsibilities. While executing logistics can be straightforward, having relevant expertise is critical to sustainable and effective event programs.

#### **Got IS Support?**

While information systems (IS) resources are redirected to virus protection, Sarbanes-Oxley compliance, and enterprise management, marketing teams may be left to play the role of technical advisor. And already overburdened and understaffed IS teams simply aren't able to tackle event-specific needs like attendee registration, event ROI, centralized calendars, and CRM integration. What's the impact? Different groups spend thousands of dollars and man hours on home-grown systems that neither meet their needs nor enable them to focus on their core competency—marketing.

#### **Moving Beyond the Tactics**

As companies shift from a group of disconnected tactics to developing a portfolio of marketing programs, the role the event or marketing manager is evolving. Previously managers were expected to play the role of tactician, merely completing programs on time and on budget. But increasingly, managers are expected to play a broader marketing role in the organization and to understand how their programs relate and fit within the overall marketing mix. While beneficial from a growth development perspective, this opportunity can become an additional chore on already overburdened event staff.

#### **Event Management and Spend Are Often Dispersed**

In many companies events are not solely managed by a centralized group, so different departments do not have a holistic view of what the entire company is doing. Not only are activities cannibalizing each other, the company isn't harnessing their buying power with suppliers. From the customer perspective, there is no owner for ensuring the quality and consistency of the attendee experience. These challenges aren't just office squabbles but create some real inefficiencies on budget spend and resource deployment. The greater question becomes—how do you address these challenges without a major organizational restructuring or expansion?

## A Better Way

Having to do more (and do it better) with fewer resources lends itself to a leveraged model. To better optimize organizations' resources and marketing spend, increasing numbers of companies are moving towards an integrated event management model with consolidated and centralized activities.

## Going Beyond Dates, Rates, and Space

Figure 2 illustrates how the right partner can offer more than just “meeting planning.”

**Figure 2: An integrated event model service offering** (*click to enlarge*)



## Engage With a Knowledgeable Partner

Beyond simply outsourcing tasks, the integrated event management model involves engaging with a partner who brings depth and breadth of experience. The model is flexible and enables a company to deploy changes to their practices in phases. For example, a company may want to prioritize the migration of event logistics in Q1, and two quarters later consider transitioning sponsorship management of the conferences.

Given this customized approach, different organizational structures can benefit from the integrated event model. Whether a singular group or multiple groups manage your company's events, you still benefit from the support and integration of your logistics, internal/external groups, processes, and systems to best support your event strategy and program development.

With their domain expertise and diverse client experience, an experienced partner offers more than offloading tactics. From providing insights on how other companies have dealt with similar challenges to streamlining labor-intensive processes, a strong integrated event partner can offer a fresh perspective on the business.

## Benefits of the New Approach

Depending on the organizational situation and business needs, your organization could see a wide range of benefits. By partnering with vendors that can provide event insight and expertise, your marketing team will be able to:

- Focus on your domain expertise and core competencies—industry, channel, market, or customer segments.
- Centralize purchasing power while still allowing dispersed budget owners and execution.
- Ensure events provide a consistent brand experience for customers and prospects.
- Eliminate duplicative communications and activities. Better integration of activities yields a better customer experience.
- Infuse your organization with domain and industry expertise.
- Leverage infrastructure and technology across the organization, to focus resources and stop reinventing the wheel.
- Scale resources to match changing budgets and seasonal influences without layoffs or ramping up contractors.
- Spend less time and resources managing multiple vendors, concentrating effort instead on preferred vendors.
- Gather more meaningful ROI metrics such as response rates, attendance, and attrition to more effectively measure your portfolio of activities.

### **Best Practices: Insights from Cisco**

Four years ago, Cisco was faced with the challenge of a corporate restructuring. The restructuring meant that the Corporate Events team had to support a 400 percent increase in event volume with no additional headcount. Kathy Sulgit, Director, Corporate Events, recognized that while she had a seasoned events team, they would not be able to do it alone.

Sulgit opted to partner with an integrated events management company to manage the events. Initially, her team and the event sponsor groups did not embrace the new approach. “Taking 20-30 percent of what an event manager was doing and outsourcing it, combined with asking internal teams to work with ‘outsiders’ proved more challenging than I expected,” noted Sulgit.

But this wasn’t a simple outsourcing of tactics. After engaging with her event management partner, Sulgit saw an opportunity to tailor resources based on changing business needs *and* improve the internal client service. Over time the relationship evolved into a dedicated event partner team that became integral in the planning, development, and execution of programs.

Sulgit also included the partner team in her team meetings to share business goals and changes in the organization, not just the program tactics. “You can’t keep the partner at arm’s length if you want them to succeed” observes Sulgit.

To build support internally, she focused on open communication, engaging the entire team in solving problems, and funding some of the start-up costs for the model. Sulgit estimates it took about one year to build buy-in, fueled with small wins from the partner relationship. As the relationship has matured, Sulgit sees her sponsor organizations increasingly value the expertise and knowledge of the partner team.

And this scalable model continues to evolve in a positive direction. “We’ve been able to increase the scope of the events while keeping headcount flat for the last two years.” Sulgit sees other benefits to the Cisco program in cost savings, improved productivity, and enhanced internal client

service. In almost a decade, the partnership has delivered over 9,000 events across corporate, field, and channel.

### **Recommendations:**

**Understand what problem you are trying to solve.** Many organizations aren't clear about what they're trying to accomplish when engaging with an external partner. You don't have to know the solution, just what you're hoping to accomplish—cost savings, staff productivity, volume, etc. Lacking a clear objective can lead to unnecessary costs and frustrating months for both parties.

**Communicate early and often.** Communication is vital for all the participants with a new model. Don't just rely on emails and conference calls; increase the number of face-to-face meetings to solidify the working relationship of the team.

**Be consistent and flexible.** Old behavior can be tough to change and organizations often wrestle with consistently applying the model. "We had to be strong when people wanted to go back the old way," says Cisco's Sulgit. Embrace trial and error and don't be afraid to adjust as necessary.

**Play your position.** Teams are much more effective with clarified roles and responsibilities.

**It's all about trust.** Whether you're outsourcing what some think is their job or delegating critical responsibilities to outsiders, at the end of the day the success of the model is entirely contingent upon trust. Foster an environment where issues can be brought to the table in a productive manner rather than left to fester unresolved.

*Brad Jersey is CMO of Opus Solutions, an integrated event management leader, which provides event and marketing logistics support to companies such as Cisco Systems, Adobe Systems, Liebert, Mercury Software, and New Century Mortgage. For more information, contact Opus at 888-887-8908, or [info@opus-solutions.com](mailto:info@opus-solutions.com).*

## When a Big Player Moves, You Must Too

By Clark Crowdus

Attention shoppers! Google is entering the payments business.

The search behemoth recently acknowledged publicly that it is testing and will soon launch an Internet-payment service called GBuy. A major competitor, PayPal, a subsidiary of eBay and the largest Internet-payment company with 24 percent of U.S. online payments, found out a while back and immediately perceived GBuy as a competitive threat.

When confronted with the news last May that Google was in the process of building its own Internet-payment service, *The Wall Street Journal* relates that PayPal President Jeff Jordan redoubled competitive intelligence efforts to find out much more about Google's plans. Jordan's reaction was correct and he benefited from previous competitive intelligence that allowed his company to find out about the Google product early and hopefully in time to be able to counter the threat.

Google is one of a handful of companies that have achieved the "Grand Trifecta" of business: power, money, and technology. Microsoft and Wal-Mart are also in this tier of companies along with a few others. And when these companies, which apparently operate in one market, move decisively into *another business category*, everything shifts and everyone else must react. For example:

- Wal-Mart has been trying to obtain a banking license for some time and whether or not it gets the right to offer banking to consumers, all financial services companies should be preparing for that possibility.
- Carmakers General Motors and Ford are teaming with energy companies to offer ethanol at a number of gas stations in the Midwest. The energy companies that didn't get on this bandwagon need a strategy.
- Microsoft, which started essentially as a software company, has moved into home electronics and entertainment with its X-Box, presenting a huge threat to consumer electronics companies that make VCRs, DVD players, even televisions.

Regardless of your market space, you have to ask yourself: what would happen if Google, or Wal-Mart, or Microsoft, or GM entered your business? Or, for that matter, what if a far smaller, but more nimble competitor began to encroach on your territory? How would you react? How would you fortify your company or product against that day? Following are a few tips to consider as you anticipate the next initiative of the market-movers:

**Keep competitive intelligence attuned** - Jeff Jordan already had good intelligence because he was able to find out about Google's new product more than six months ahead of its launch date. This is the key to CI, namely, finding out about the activities of market-movers long before they launch.

**Understand the intent of the market-mover** - Then create a strategic answer to the intrusion or marketplace opening. If you have time, you may consider a new strategic alliance. If the threat is overwhelming, you might develop an exit strategy or other financial survival tactic. The range of possibilities is without limit, but the main thing is, whatever you do, it must make sense in the context of your company's business model, competitive category, culture, financial condition, and prospects for the future.

**Strengthen your value propositions** - Make sure your value propositions still work in the context of a competitive change. Sharpen whatever points you need to differentiate yourself, or ride the tailwinds of the market-mover. Launch a campaign to communicate or re-communicate your differentiators to key audiences.

**Sharpen your operational edge** - If a price-cutter is moving in on your territory, make sure everything is optimized from your value chain to your IT systems. Continuously review your cost structure and work to quickly reduce your cost of goods sold to keep margins intact.

**Marketing should lead the charge** - In competitive intelligence or in the crafting of your value propositions and communications, the marketing team should be leading the way and supporting management in terms of competitive knowledge and in designing the strategic answer to the market-mover.

Google, Wal-Mart, eBay, Microsoft, Apple, Exxon Mobil and other household names have one major disadvantage: they are at the top of their food chains, which makes them both targets and bellwethers for everyone else. That's a powerful motivator for them to maintain their positions and apply tremendous financial resources and brainpower to the task.

Every move they make changes the environment in which every enterprise operates. But, if you keep a weather eye on the big dogs, you're not as likely to be bitten—or eaten.

*Clark Crowds is Principal at High-Definition Consulting Group. He can be reached at [clark@high-def.biz](mailto:clark@high-def.biz).*

## **The Download India Hopes for Nuclear -- and Geopolitical -- Power**

### **Summary**

Indian Prime Minister Manmohan Singh is hoping to get a strategic U.S.-Indian civilian nuclear deal off the ground when U.S. President George W. Bush travels to the subcontinent March 1. Prior to the Bush visit, French President Jacques Chirac will be in New Delhi, where he will throw his support behind India's inclusion in the nuclear elite and its access to civilian nuclear technologies. As more and more opportunities open up for India, the Singh administration will acquire more breathing room in pursuing its broad realignment strategy with Washington.

### **Analysis**

France wants to end a ban on nuclear-technology exports to India to allow French manufacturers to sell supplies to India, French President Jacques Chirac told India Today ahead of his Feb. 19 trip to New Delhi. Chirac's visit comes ahead of U.S. President George W. Bush's first official visit to India, slated for March 1.

India has been busy laying the groundwork for Bush to sign a civilian nuclear deal that would allow the South Asian giant to acquire access to civilian nuclear technology, including fuel and reactors. With its population of a billion-plus, India is expected to see its demand for oil to grow 5 percent this fiscal year, with no signs of dropping in the near future. Energy-hungry India desperately wants the nuclear deal to go through but is struggling to fully accede to Washington's core demand to separate its military and civilian nuclear facilities and impose International Atomic Energy Agency safeguards to allay the Nuclear Suppliers Group's (NSG) proliferation concerns.

India is willing to separate its civilian and military facilities, but does not agree to the extent of international inspections to which the United States insists on subjecting the country's facilities, especially its military sites, for obvious national security reasons. Since India is not a signatory to the Nuclear Nonproliferation Treaty or the Comprehensive Nuclear Test Ban Treaty, it is held accountable only to the restrictions to which it agrees, giving it more room to negotiate on the standing deal with the United States. This bump in the road, however, has placed a cloud of ambiguity over Bush's upcoming visit.

Washington is also still keen on using the civilian nuclear deal as a lever to distance India from Tehran's sphere of influence. The United States learned the hard way that applying blatant pressure to comply with U.S. demands does not work nicely in a country like India, where the government stirred up a storm over U.S. Ambassador to India David C. Mulford's remarks that India had better agree to report Iran to the U.N. Security Council (UNSC), or it could kiss its civilian nuclear deal goodbye.

In keeping with India's foreign policy of nonalignment, the Singh administration has made it clear that despite its public siding with Washington to pressure Tehran, New Delhi will not sacrifice relations with its Iranian ally in the face of U.S. pressure. Singh told the Indian parliament Feb. 17 that India is interested in developing closer ties with Iran in spite of New Delhi's support for referring Iran to the UNSC, and emphasized that only diplomacy is capable of resolving the Iranian nuclear crisis. Publicly supporting Washington while quietly assuring Tehran is India's method of setting the right political atmosphere for Bush's visit. As Washington is losing momentum on the Iranian front because of Russia and China's vested interest in preventing the United States from using military means to handle the situation, New Delhi is sensing that more time will be needed to work the kinks out of the civilian nuclear deal.

Chirac's statements in support of India's civilian nuclear program provide New Delhi with a new impetus to accelerate the U.S. deal. Once the ban is lifted, India will be allowed to strike deals with potential nuclear fuel suppliers in the NSG. France is looking to tap into the Indian market to

allow companies such as Paris-based Areva SA to supply nuclear plants. While in the United States, no order for a new nuclear reactor has been placed since the 1970s, nuclear power never went out of style in France. Consequently, French third-generation nuclear power reactors tend to be safer and cheaper, and they produce more electricity but not as much extractable plutonium for use in a weapons program. For pure civilian and economic purposes, it makes perfect sense for India to buy into French nuclear technology.

The United States also is eager to secure its own contracts with India to supply nuclear plants, but India will likely favor maintaining a variety of suppliers once it officially joins the nuclear elite. As the Iran episode has demonstrated, India is not interested in being pushed around by the United States; it much prefers performing its traditional balancing act among the big power players.

That said, the Singh administration is fully cognizant of the benefits India will acquire from strengthening its relationship with the United States while the Bush administration is eager to do so. Besides the economic and military boons of this Indo-U.S. partnership, India will be able to contain regional rivals Pakistan and China with U.S. backing and acquire greater political clout in the international arena. While the Indian lobby in Washington is aggressively working to make the civilian nuclear deal budge in the U.S. Congress, the Singh administration will seek to ensure that India maintains enough wiggle room as it enhances its strategic position regarding Washington.

*Stratfor specializes in providing situational awareness, focused insight and actionable intelligence in the areas of geopolitics, security and public policy. To learn more about Stratfor and its services, go to [www.stratfor.com](http://www.stratfor.com).*