

**WAR GAMING IN THE REAL WORLD:  
MOVING FROM THEORY  
TO APPLICATION**

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War gaming is a highly effective decision-support technique that enables you to develop and pressure-test strategic alternatives and plans, especially in times of change or disruption. It is something that every CI professional should have a good awareness of. Gaming promises to instil a totally different mind-set within your business, allowing you to see the world from your competitor's perspective: what drives them, what their beliefs and capabilities are, what their future strategies are and ultimately, and how they are likely to react to your intentions. When done well, gaming can have a long-lasting positive impact on a business. This session complimented previous UK networking event addresses on the subject [see Further Reading] but the great and the good who assembled were grateful to Julian Price for sharing a rich tapestry of how gaming has been applied in the real world and for facilitating an open forum discussion.

#### Key audience take aways included:

- Basic understanding of war gaming
- Differences between war games and scenario planning
- Scenarios under which a war game is found
- Four Corners' Framework
- Best conditions for war gaming and understanding the level of detail required
- New potential tools to learn more about and introduce into the business
- Adapt core approaches to culture, topics, and people



market players with the goal of answering three questions, namely if X happens, what will others do? Secondly, what are our best options, and thirdly, what should we do? Figure 1 outlines when a war game is relevant relative to other business simulations.

There was plenty of discussion around the term 'player'. Discussion from the experience in the room concluded that depending on the industry, 'player' could mean competitors, customers, suppliers, or even regulators. If their inclusion impacted the actionability of the game's outcome and they became more distracting than firming up options or actions, it was recommended that players be limited to competitors.

#### IT HELPS TO ENSURE EVERYONE IS ON THE SAME PAGE

Given the audience's make up, it was important to ensure that everyone was on the same page with respect to what a war game is and what business questions and benefits it looks to address. Julian defined a war game as a role play simulation to understand one or more

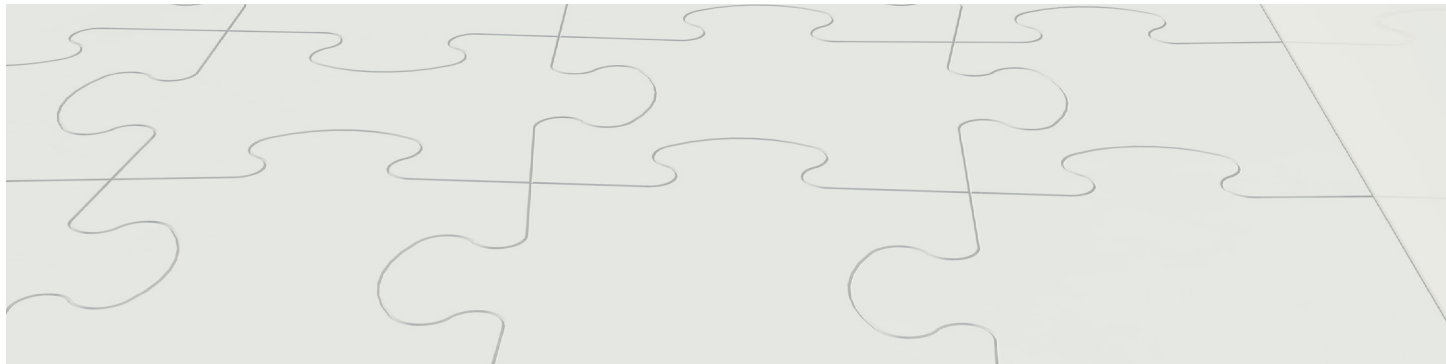


**Figure 1:** War Gaming and Other Business Simulations  
 Source: Julian Price

**EXAMPLES OF REAL GAMES**

Discussion also took place between the computer-based simulations and people-based simulations, the business war game referred to here in this column and as well as the focus of the networking event being people-based. Why? Julian’s argument was that people take decisions, not computers. There will be different points of view from the proponents of computer-based simulations.

With Julian’s 12 years of experience in the strategy consulting field, and with the opportunity to set up different industries’ games, he was perfectly capable from his experience to comment on examples of when a game has been relevant and when a game has not been relevant. His anonymous examples are captured in Table 1: Scenarios Where a Game is Applicable.



**Table 1:** Scenarios Where a Game is Applicable

WAR GAME?	SITUATION	BUSINESS QUESTIONS
YES	We are launching a new product into a new territory where the incumbent competitor has 90% share	<ul style="list-style-type: none"> <li>• How will the incumbent react?</li> <li>• What should we do to gain a foothold?</li> </ul>
	Our core product is being relaunched in 1.5 years. It accounts for 60% of our revenue	<ul style="list-style-type: none"> <li>• How are competitors likely to react?</li> <li>• How should we fine tune our launch plans?</li> </ul>
	We have a 70% market share. Our nearest competitor has been bought by a global giant	<ul style="list-style-type: none"> <li>• What will they do with the competitor?</li> <li>• How can we maintain share?</li> </ul>
	We are seeing increasing legislative pressures. When the regulations change in 2017...	<ul style="list-style-type: none"> <li>• What are competitors likely to do to maintain innovation?</li> <li>• What are our options and what should we do?</li> </ul>
NO	We want to understand how our market works	<ul style="list-style-type: none"> <li>• Who are the key players?</li> <li>• What might they do in the future?</li> </ul>
	We are planning a price increase	<ul style="list-style-type: none"> <li>• How will competitor 1 react?</li> </ul>

Source: Julian Price

The reason these two examples are not fit for a war game is due to their objectives being too vague – they do not conform to an actionable outcome and a price increase is likely to have a binary outcome – they follow or they hold their position. The key business questions offered in

the 1st ‘no’ example is that the question is better fulfilled through win-loss analysis and the second ‘no’ example by timeline analysis, if price increases have taken place before or if they do not have a alternative competing hypothesis analysis.



**GAME STRUCTURE HAS THREE PHASES - INPUT, ACTIVITY AND OUTPUT**

The old adage prevails here as much as anywhere – rubbish in, rubbish out! Julian advised us that a war game has three parts: – the input, also known as the pre- game stage, the activity, the game itself; and the output, the last post- game application, the output. Julian outlined some of the core ingredients associated with each phase to ensure that the desired outcome is reached, namely actionable outcomes for the business.

*Table 1: Notable Ingredients at the Three Stages of a War Game*

STAGE	INPUT	ACTIVITY	OUTPUT
Game	Pre-game	Game, Itself	Post-game Application
Notable Ingredients	<ul style="list-style-type: none"> <li>• Define game structure and agenda</li> <li>• Match the structure and agenda to objectives</li> <li>• Pre-game materials like the briefing book</li> <li>• Stakeholder buy-in</li> </ul>	<ul style="list-style-type: none"> <li>• Roles and responsibilities</li> <li>• How to manage disruptive/ dominant people</li> <li>• Analytical frameworks                             <ul style="list-style-type: none"> <li>- Four Corners</li> <li>- Five Forces</li> <li>- PESTEL</li> <li>- SWOT/TOWS</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Remember the objective of the game</li> <li>• Output must be action focused</li> <li>• Final report needs to contain the Exec Summary capturing the Big Plays &amp; the strategic options the business should consider/implement in the future</li> <li>• Explore presenting to a smaller group 1st and adjust before the CEO/ major sponsor sees it</li> <li>• Define next actions</li> </ul>

Source: Julian Price



## WRAP UP

Julian concluded that gaming is an excellent method to stress test and define strategies with multiple hard and soft benefits. However, a stakeholder's buy-in is critical, one who has a mandate to make decisions. It will determine if the game is worth doing in the first place or not. Plan the event carefully, otherwise it will conform to the adage, rubbish in, rubbish out. He also advised that it is important to think from the result backwards. Lastly Julian reminded the audience that the output should not be ignored despite it having a possible short shelf life. The war game itself could also trigger value adding projects, namely early warning programs. However that is a topic for another event and another column!



## NETWORKING EVENT SERIES

The SCIP UK Chapter hosts a series of networking events throughout the year. These events bring together practitioners from all corners of the discipline: service providers, consultants, academics and practitioners to address topics as identified from the events' feedback forms.

The series aims to increase the understanding and awareness of desired themes among SCIP members and non-members as well as take the discipline to different business practices through co-hosting opportunities with other professional organizations and membership bodies. It is about creating an environment to discover, enhance, exchange and problem solve. To understand the previous networking events' discussion themes, go to the SCIP UK chapter page for a complete running order as well as the link for the SCIP Competitive Intelligence Magazine article, helping to form SCIP's Body of Knowledge.

The SCIP UK Chapter is grateful to all speakers typified by Julian's passion, without whom there would be neither a networking event nor the creation of a rich exchange of ideas and learnings. The opportunity to speak at these networking events is open to anyone, United Kingdom-based or just passing through, subject to meeting the growing list of event topics. Engagement with attendees is around five themes, centered on case studies: innovative integration of CI within the business, professional growth in CI, analysis in action, mastering information overload and communicating with impact.

We encourage others to come forward to introduce the group to new perspectives, experiences and learning. What links all the prospective speakers and panelists, irrespective of their background or role within the competitive intelligence profession, is a passion for the discipline. Along with all the volunteer speakers to date and those that have yet to take advantage of the opportunity, they are all unique examples of characters continuing to fix the discipline more firmly on the map! What is the next step? Register your interest and details with Michelle Winter [mwinter@scip.org](mailto:mwinter@scip.org) to explore speaking opportunities and/or to be proactively kept abreast of forthcoming events in the UK.

### *About the author:*

*Andrew Beurschgens is the Head of Market Intelligence at the UK mobile network operator, EE, the JV between Orange and T-Mobile. In cooperation with other volunteers from both the practitioner and supply side of the competitive intelligence discipline, Andrew is acting Volunteer of the UK Chapter. He is a Catalyst Award winner, individually recognised for his volunteer services to the profession and its members and has served on the SCIP Board and now volunteers for the SCIP Global Advisory Board.*

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**Further Reading:**

*'Business and Competitive Analysis: Effective Application of New and Classic Methods'* Craig Fleisher and Babette Bensoussan, 2007

*'Business War Games: How Large, Small, and New companies Can Vastly Improve Their Strategies and Outmanoeuvre the Competition'* Ben Gilad, 2008

*'Competitor Role Play: Applying the Theory in Practice for Effect'* <http://bit.ly/1KWF5mH> SCIP Competitive Intelligence Magazine following UK networking event

*'The Battle for China's Smart Grid Public Wargame'* <http://bit.ly/1y2dGh2> SCIP Competitive Intelligence Magazine following UK networking event

*'Using Business Wargames to Generate Actionable Intelligence'* <http://bit.ly/13Fv4L9> SCIP Competitive Intelligence Magazine following UK networking event