

Look outside your firm: A tool to sense what's coming

The authors outline the need for the Landscape Monitor, a framework to help managers see farther and earlier what's coming, so they can be innovation leaders.

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Changes in the external environment are famous for upsetting the status quo, giving rise to innovative new business models – or wrecking old ones that had previously seemed unassailable.

Yet, despite the importance of looking **outside** the organization for potential threats or opportunities looming on the horizon, organizations seem designed to make people spend more of their time looking **inside**. Indeed, the primary achievement of business intelligence software, including enterprise resource planning (ERP) and customer relationship management (CRM), seems to be in giving managers fancier tools for measuring and generating datasets on every imaginable aspect of their organization's performance.

Meanwhile, the outside world – where the real opportunities and threats lie – is tracked much like it always has been: through networking events, personal contacts, news on the Internet. A manager from the '90s would notice little difference. Today's organizations end up resembling cars with bigger dashboards but smaller windows.

Organizations need better ways of viewing their competitive, social and political landscapes. They need larger windows and more powerful headlights to see farther down the road. They need to leverage the advances in performance measurement to sense the environment, anticipate risks and react quickly to threats and opportunities, as it is this sensing function

that always precedes innovation.

In short, organizations need the Landscape Monitor, a management system designed to sense the landscape of an organization for quickly identifying emerging opportunities. The insights provided can help organizations not only to build a better picture of their business environment, but to become agents of change within it.

This article begins by exploring how changes in the landscape create winners and losers. Then, we give an overview of how performance measurement systems such as the Balanced Scorecard have evolved to become effective mechanisms for strategy implementation. Finally, we outline how the Landscape Monitor builds “landscape maps” that are constantly updated through the power of crowds and analyzed through the opinions of all people involved. The outcome of this effort is a heat map that highlights those parts in the landscape with more activity, indicating the potential for innovation opportunities.

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