

## Competitive Intelligence to gain & keep customers

*Tapping internal company resources for competitive intelligence required in strategic decisions*

Arthur Weiss

**AWARE**  
Competitive Intelligence  
for Business Success  
[www.marketing-intelligence.co.uk](http://www.marketing-intelligence.co.uk)



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## What is Competitive Intelligence?

**Competitive Intelligence is the analytical process that takes legally and ethically gathered information on the company's competitive environment transforming it into relevant, accurate and usable strategic knowledge.**



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## The value of CI

### PWC interviewed CEOs of 407 product & service companies identified as “the fastest growing US businesses”

- 82% rely on field sales for some of their competitor information
- Other sources:
  - published information - 76%;
  - trade associations - 75%;
  - former competitor employees - 51%;
  - industry analysts & competitor customers - 49%;
- 42% viewed competitor information as “very” or “critically” important to their companies
  - Such companies had, on average
    - 20% faster rate of revenue growth
    - Improved gross margins
    - Increased levels of R&D and new product development
    - Increased hiring and capital investment



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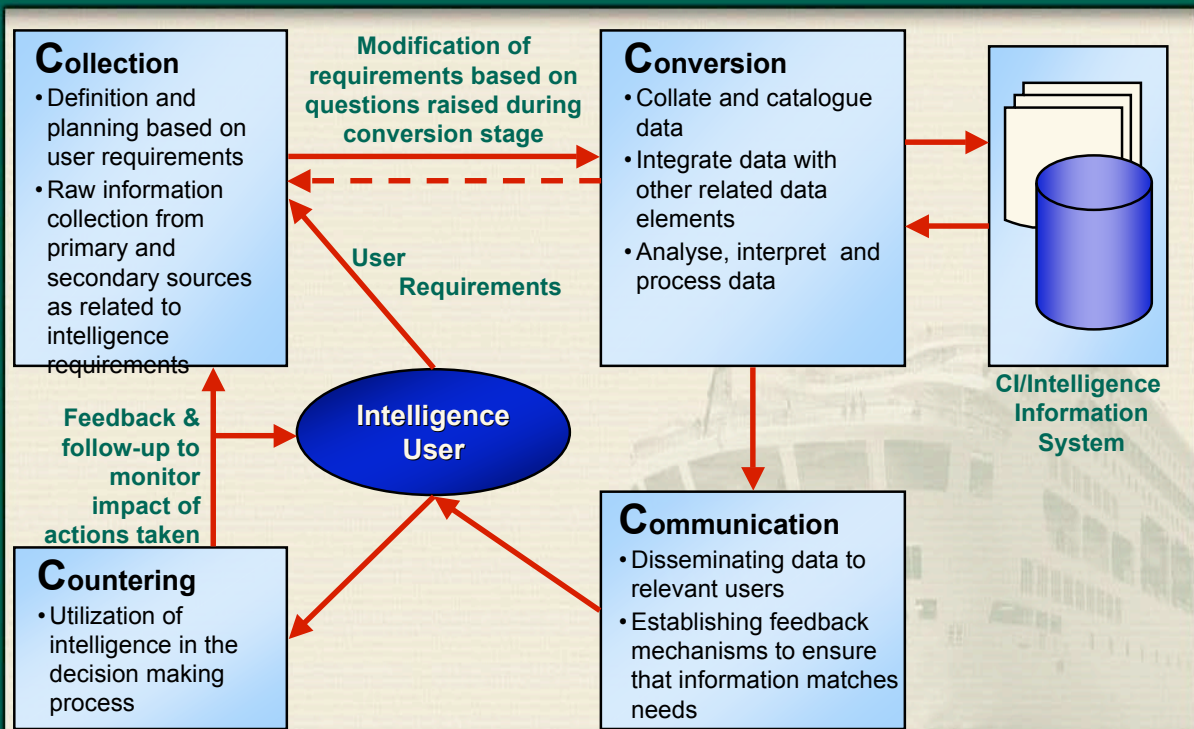
## Why CI?

- Define the organisation’s competitive advantages
- Identify, and correct weaknesses
- Leverage opportunities
- Protect against threats - including pre-empting likely competitor actions
- Prepare for the future



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## The 4C's™ CI Process Model



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## Reasons why companies fail to do CI

- Complacency
  - *We already know about our competitors*
- Insecurity
  - *Are we actually losing out*
- Fear
  - *There's nothing we can do*
- Mythology
  - *We lost out because the competitor was cheaper*



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## Business blind spots

- Unchallenged Assumptions
  - *“It worked last year”*
- Corporate Myths
  - *“We’ve always done it that way”*
  - *“That’s just the way it is”*
- Corporate Taboos
  - *“The CEO grew up in the industry. He knows it inside out”*



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## Internal information sources

- Sales & Marketing personnel
  - Customer stories, gossip, samples, promotions, etc.
- Operations & Production
  - Process & technology analysis, etc.
- R&D
  - Product assessments, new technology, meeting reports, research reports, patent assessments...
- New employees recruited from competitor
  - Competitor news, culture, hierarchy, tactics...

**The majority of  
strategic competitive intelligence  
comes from Internal Sources**

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## Setting up an Internal Process

- Let people know what is wanted (directed searching)
  - The KIT process
- Know who to involve, what to expect and what to give back
- Know who the experts are
- Communicate

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## Key intelligence topics

### **Defines a particular set of needs for a particular CI user**

- Involves interviewing CI users to identify what information they need for decision making

### **Three types:**

- Strategic decisions and actions
  - Focuses on specific investment, competitor strategy, etc.
- Early warning topics
  - Asks “What could happen?” or “What if?” type questions
- Key player descriptions
  - Looks at “who is who” and “what are they doing now, and why”

### **The KIT process allows for a targeted approach to CI**

- Collect information that is wanted and that will be used in decision making
- Time efficient and helps avoid information overload

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## Competitive intelligence categories

Strategic	Business development, NPD, partnership searches, etc.	Time sensitive strategic decision e.g. M&A
	Keep on track of what is happening e.g. prices, sales tactics	Time sensitive operational decision e.g. win a new sale
Tactical	Ongoing	Urgent

### Urgent requirements:

- **Best intelligence sources will be human sources usually starting with internal company sources**

### Ongoing requirements:

- **Intelligence sources will be a mixture of human and “published” information sources**



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## The importance of communication

- Why communicate and why participate
  - Gatekeepers, influences, hubs and sources
- Communicate what and to whom
- Communication methods
  - Intranets, Newsletters...
  - Face-to-face, telephone, e-mail...
- Making it two way!
  - Thank information suppliers
  - Give feedback



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## Making it happen

- To make the future happen, one has to be willing to do something new.
- One has to be willing to ask: “What do we really want to see happen that is quite different from today?”
- One has to be willing to say: “This is the right thing to happen as the future of the business”
- We will work on making it happen.

*Peter Drucker, Managing for Results*

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## To know is to win!

- If you know your enemy and yourself, you will win every battle
- If you know yourself but not your enemy, for every battle won, you will suffer a loss
- If you are ignorant of both your enemy and yourself, then you are a fool and certain to be defeated in every battle

*Sun Tzu, The Art of Battle (4th Century BC)*



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