

Competitive Intelligence to gain & keep customers

Tapping internal company resources for competitive intelligence required in strategic decisions

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Competitive Intelligence
for Business Success
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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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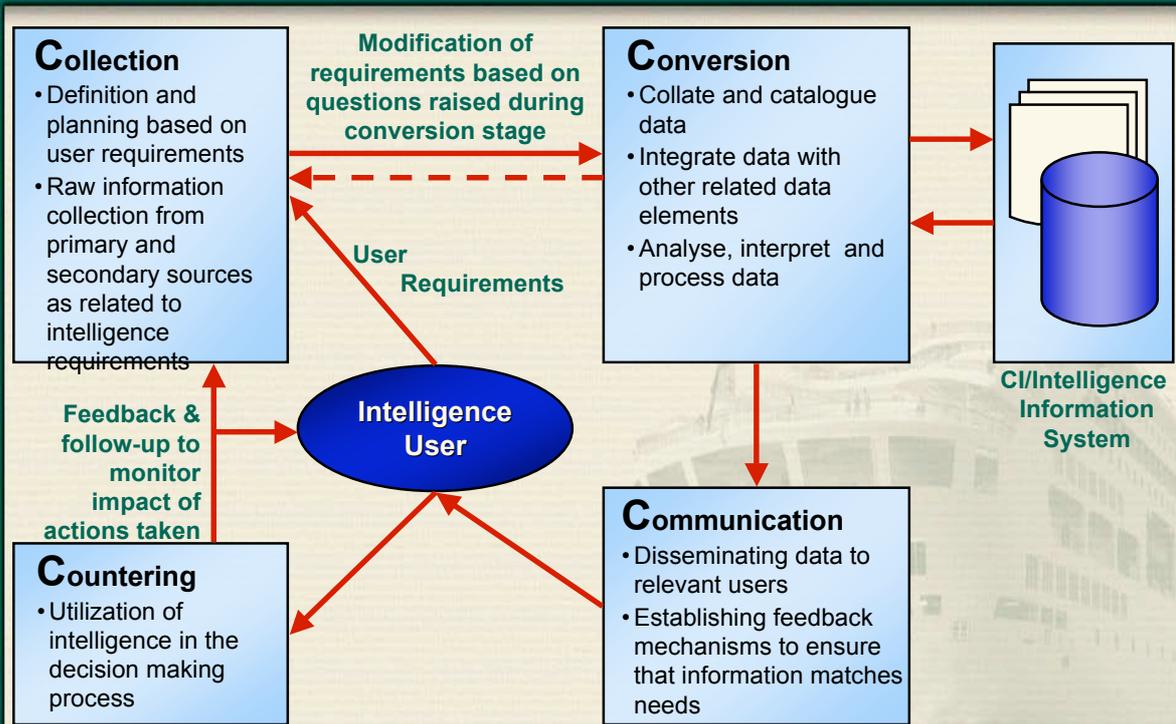
Why CI?

- 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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