How to make your competitive intelligence ventures work

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Introduction

Since the early 1990s, interest in and the practices of competitive intelligence (CI) have grown significantly. The reasons for engaging in CI are obvious but research has shown that the majority of South African companies still do not have formal dedicated CI capabilities (Viviers, Saayman and Muller, 2002). There could be any number of reasons for this but perhaps the main ones are the following:

- The discipline is still not well understood and properly taught
- It requires resources
- Potential high cost without direct return on investment
- People give up too soon

CI in context

> CI is both a product and a process. The product is actionable information – can be used to take specific actions (e.g. prepare a winning sales proposal). The process is the systematic means of acquiring, analysing, and evaluating it. Many companies use CI to take market share from known competitors. A more productive use is to use it to help formulate long term, competitive strategies (Graef 1993).

CI is becoming a less obscure and secretive activity in South African companies. Conferences on CI are held, practitioners have get-togethers and interest in CI training and skills development is growing continuously.

In previous issues of this column, the concepts and constructs of CI were discussed and also what provides the focus and direction for competitor intelligence, namely the 'key intelligence needs of key intelligence focus areas' – those strategic critical questions that if answered will allow the company to profit from opportunities and avoid threats.

In the next few articles, the focus will shift to elements that will ensure improvement in your CI activities. Studies by various CI analysts, practitioners and professionals that have been conducted over the past few years largely propose the same ingredients for running a successful CI operation in companies and institutions. These ingredients are now mentioned and discussed.

Salch described a few have-to's in an article titled 'Eight secrets for successful competitive intelligence' (Salch 2004). These areas are fairly generic and will be expanded upon by providing South African lessons – learnt through practical experience with various companies in various industries.

Eight secrets for successful competitive intelligence

In brief Salch's 'eight secrets' are:

1. Staff your CI function with qualified personnel.
2. Gain access to knowledgeable, responsive and credible resources to deliver timely and valuable services.
3. Use various activities to garner support for your CI programme.
4. Develop IT approaches that address user needs, are flexible and easy-to-use, and allow fast communication across a diverse set of organizational members.
5. Prioritize CI requests (key intelligence needs) to avoid getting trapped into answering everyone's questions.
6. Frame your CI insight and recommendations into a context that is meaningful to your customers.
7. Engage in frequent, quality interactions to increase your CI unit's ability to sense and respond to customers' needs.
8. Monitor internal and external factors that can reverse progress.

Other success factors in brief

Other elements can also ensure that you foster an effective CI capability. They are presented according to the various constructs for CI used in the Viviers-led research into the CI practices of South African exporters (Viviers, Saayman and Muller 2004; Viviers, Saayman, Calof and Muller 2002) and will be discussed in detail in subsequent articles. The success factors of CI have been compiled based on the author's practical knowledge of and experience in CI activities in South Africa and globally.

CI planning and focus

- Understand what CI is and why you are implementing a CI capability.
- Implement innovative management to develop a programme that fits the organization's intelligence needs, that is, top management uses CI and its support ensures adequate funding and participation throughout the organization.
- Remain focused on critical issues but be flexible to allow for 'surprises'.
- Do not only focus on competitors and do not focus on the short term as this will prevent companies from seeing greater threats and opportunities.
- Make sure you deliver what you undertake.
- Design an ethical code to outline the rules regarding CI activities. CI is the legal collection and analysis of information, not espionage (Calof 1998).
- Decide what to do in-house and what to outsource.
- Design a CI structure and strategy.
- Decide on a budget.
- Ensure that intelligence leads to *action* (strategic decisions based on intelligence) by ensuring a flow of intelligence that enables senior executives at the corporate, operations, sales and marketing levels to formulate strategy, gain market share and understand competitors' moves (Fiora 2002).

CI collection

- Create and nurture an ability to acquire the right information – accurate, timely, exclusive.
- Ensure the availability of and access to a range of sources (primary secondary, conventional and unconventional sources).
- Use tested information.
- Use credible sources.
- Build and maintain a source database.
- Build a CI knowledge base to know what is available in-house – know what you know.
- Know who in the company knows what you need to know.

CI analysis

- Use various basic and advanced techniques.
- Ensure availability of the right information (not all information).
- Get the right people to analyse the information.
- Make sure to add value to information – present intelligence and not rehashed information.
  Intelligence dissemination (communication)
- Design tailor-made intelligence products, that is, decide on a means to effectively package intelligence, for example, newsbriefs, alerts, assessments and profiles.
- Let employees know what information you need.
- Demonstrate value company-wide.

CI awareness and culture

- Create a corporate culture that values such information.
- Recognize that CI is not an *ad hoc* activity but rather an *ongoing process*. The picture that developed of this competitor's activity was acquired over time. It is a mistake to think that one can be fully aware of competitive threats by doing the occasional in-depth analysis.
- Get a company wide CI excitement. The reason many companies have problems establishing effective CI programmes is not a lack of internal knowledge, but the fact that they have not yet figured out how to harness that knowledge to analyse the competition.
- Incentivize CI to foster support, use and participation.
- Sensitize employees regarding the need to safeguard sensitive information.
- Build internal CI cooperation.

CI process and structure

- Build a collective knowledge base in the company and let employees know what to collect and share what they collect.
- Ensure that the right sub-structure for CI exists, for example, KM tools, an intelligence database and a central pooling point for CI.
- The best-run CI units fully utilize their people resources.
- Get a CI champion.
- Design an appropriate CI structure and place it where decision makers have ready access to it (Fiora 2002).
- Use the right people – experienced professionals (Fiora 2002).
- Ensure that CI remains a systematic continuous process.

[CI skills development](#)[1]

- Equip CI and other employees with the right skills and tools.
- Teach them to acquire and communicate information.
- Teach CI management principles.
- Teach analysis skills.
- Teach CI strategies.

CI is a strategic management tool. Use it as such. It is not a nice-to-have. According to Margaret Gross (2000) the ultimate objective of good CI work is the formulation of sound, fact-based, rational decisions for action. All companies, small or large, need to have some form of CI steered by a dedicated CI unit. Actionable decisions result when the intuition and background knowledge of team members couples with the computational efficiency of information technology.

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About the author
Marié-Luce Muller is a consulting competitive intelligence analyst with IBIS Business and Information Services (Pty) Ltd, a leading Pretoria-based CI consultancy. She has a distinguished career in competitive intelligence. Her primary experience lies in assisting companies in honing their CI capabilities. She also performs tracking and scanning activities on behalf of companies. Marié-Luce has published many articles on competitive intelligence (*CEO Magazine, Finance Week, Business Week, Beeld, Die Burger*, and the *South African Journal of Business Management*), including an article on South Africa as an emerging CI

player, which was published in an international publication of the Society of Competitive Intelligence Professionals (SCIP). She has also published a series of booklets on competitive intelligence (Nuts and Bolts business series, published by Knowledge Resources) and is a member of a research team participating in an international study of competitive intelligence practices among exporting companies. Previously, she was involved in research into the status of competitive intelligence practices in South Africa. A member of SCIP, she holds a postgraduate degree from the University of Stellenbosch.

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