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a monthly  
column devoted  
to answering  
questions relating  
to Competitive  
Intelligence

**Question:** I have been given the responsibility of setting up a CI unit in my company. Like most of the senior managers in my company, I feel that CI could play a key role in the company's prosperity, but I'm not sure what the characteristics of a successful application of CI within an organization looks like. What are they? **New CI Manager**

**Dear CI Manager:** A recent study by Best Practices, LLC indicates that the most successful companies have developed their CI capabilities to such an extent that they are actually mitigating and managing competitor activity and changes in the competitive environment, instead of simply reacting to it. In other words, they now have the capacity to anticipate changes and remain at the forefront of their respective industries.

What are the specific characteristics of the CI units in such organizations? According to the study, the major characteristics are the following:

### Group Structure

The most effective CI groups have a centralized structure, with decentralized function-specific groups. In other words, the CI unit is divided into different groups, specializing in a specific area of research (e.g. product types, markets, government legislation, etc.). Each of these units reports to a central CI hub where all the gathered intelligence is brought together to form a unified body of knowledge of the competitive environment.

Of course, unless you work in a large organization, it is likely that your CI unit is not divided into areas of specialty. However, what should be understood is that first, the CI Unit is an independent function responsible only to senior management and second, the CI unit should have a network of information sources

within the organization that can provide information on different aspects of the competitive environment.

### Buy-In

Successful CI groups have company-wide recognition and support. The way to achieve buy-in is to get the support of senior management and to network within the company, establishing contact with employees in different departments with the objective of persuading them to participate in the competitive intelligence process.

### Responsibility

CI groups must be given the authority and responsibility to develop and implement competitive strategies in co-operation with brand or product managers. This means that CI plays an integral part in the development of product and service bundles in response and/or anticipation of changes in the market environment. Any product development is the direct result of the information gathering and analysis provided by the CI group.

Naturally, with this authority comes also the responsibility for ensuring that the intelligence provided is valid and does not harm the company's brand.

### Focus

As can be ascertained from the above, the successful CI group does not focus on just the competitors, but on the whole competitive environment. This includes legislation, changes in client demands, new technologies, changes in demographics, etc.

The more intelligence and the more comprehensive the analysis, the spectrum of competitive environment, the greater the value of the CI group becomes for senior management.

### Communication

The effectiveness of the best CI groups is predicated on their ability to engage and communicate with product and/or brand teams on a daily basis.

Modern communications tools help (email, blackberries, tele- and video-conferencing) play an important role, but so do more banal means of communications, like newsletters and simply walking down the hall to talk to a fellow employee.

Even if you do not have all of the sophisticated tools at your company, you still need to network with other employees. Some of the most important competitive information comes from internal sources.

### Conclusion

No matter how large or small the CI group, it must be an independent function and answerable to senior management. Communication and networking are essential to achieve buy-in among other groups in your organization. The focus should be on the entire competitive environment, not just competitors; and the CI group must be responsible for the development and implementation of competitive strategies.

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