

## competitive intelligence corner



David Lithwick and Enrico Codogno

a monthly column devoted to answering questions relating to CI

**Dear CIC:** I need to build up my field support, because we have two new competitors, both vying to take market share from us. My budget is very tight. Should I consider using some co-op students to help? *Threatened*

**Dear Threatened:** I would avoid hiring students, unless the work is very basic such as going to a trade show and collecting brochures, or the student fits the profile of your competitor's customer audience. Otherwise, consider using a supplier, such as your ad agency, who has a vested interest in the welfare of your business or hiring former employees of your company who are now retired.

**Dear CIC:** I just started working in CI as a supplier, and was recently asked to do work for a competitor of a client. Would this be considered a conflict of interest? *Conflicted*

**Dear Conflicted:** The quick answer to your question would be, "if you are unsure, then do not take the new company on as a client".

But I think the better approach would be when meeting a prospective client, to advise them that you do work for a competitor, as long as it's not in an area that you had already done work in. (For example, you did a study on behalf of Telus, investigating retail sales prices of FIDO phones. You then get a request from Microcell, who distributes FIDO to conduct a customer service audit of Telus phone centre support. From your perspective, this would not be a conflict of interest.) The bottom

line is, you can do work for a client's competitor, so long as you are researching unrelated areas of interest. Otherwise, you will need signed approval from both companies, which is unlikely.

**Dear CIC:** I understand that the focus of CI is to gather, assess and make decisions with information collected on competitors, but what about information that competitors collect on us? Why isn't eliminating leakage of internal sensitive information given more attention by the CI community? *Leakage Anxious*

**Dear Leakage Anxious:** You raise a very important point that quite frankly, is not given the attention it deserves. There are several reasons why:

1. CI is typically juggled with a number of other tasks. So, people are challenged as it is to find time to gather CI. Adding another task, such as identifying points of internal leakage, is simply more than what their busy schedules allow.
2. Those who inadvertently leak information, typically rationalize that the information about their company they are giving away, is within the public domain, so there is nothing wrong in doing so.
3. Whereas gathering CI on competitors is a tangible task (e.g. the hour or two you spend at a trade show speaking to several competitor sales reps, yields important information on the launch of a new competitor product), the return from reducing and eliminating sensitive

leakage from your company is much harder to measure.

4. Many people do not consider leakage to be CI and by doing so, give themselves an out. Some will rationalize that any effort in handling leakage should fall under Corporate Affairs, who deal with information dissemination.

5. Among the most egregious leaks of information come from senior management, like a CEO who brags about a new product or service that is supposed to take the competition by surprise.

**Tip - Email your employees a memo on the pitfalls of leaking information and steps to avoid it. Remind them to be circumspect in how and where they discuss company business. The lore of CI is replete with stories of competitors who have learned details of critical plans from over hearing conversations on elevators, in restaurants, on commuter trains, and even in washrooms. And have the memo signed by your president.**

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