



# CI Corner

## David Lithwick & Enrico Codogno

### Developing a list of dependable and knowledgeable contacts within your company

*Dear CIC:* Why is it so important to first contact my colleagues at work to see what information they might have on our competitors as opposed to going elsewhere? How much of value do these people really know? *CI Manager*

*Dear CI Manager:* You will be truly surprised at how much information your colleagues already have and, more importantly, how eager they are to share it. Departments that come to mind, besides the obvious (Marketing and Marketing Research) are

- Accounting: skilled at interpreting your competitor's financial data
- Customer Service: hear information about competitors through daily contact with customers
- HR: helpful at reconstructing competitor org charts
- Legal: skilled at interpreting competitor patent data and possible trademark infringements
- Sales: speak regularly with customers; in contact with competitor reps.

Let's illustrate with some real-life examples from past studies that we have been involved in.

In one study, the goal was to find out why our client's competitor was over-

spending in marketing for a product in a declining category. We dug and dug and could not figure this out, until we decided to speak to an accountant in the client's finance department. He took a look at the competitor's annual report and quickly observed that for the past two years the competitor had been generating significant profit. Because of this, the competitor would have a hefty tax payment. The accountant concluded that overspending would reduce the tax liability. Five minutes of this fellow's time got us the answer we needed.

In another assignment, we discovered that a competitor of our telecom client was using the term *smart card* in advertising. When we mentioned this in our debrief meeting, the in-house counsel, who was at the meeting, noted that the term had already been registered by a major bank. Notified of this fact, he reasoned, the bank could use this information advantageously. Hopefully, the bank would perceive this as a trade infringement and get the competitor to desist from using the term in advertising. And that is what ended up happening.

In a third study, we were asked to gather CI on a South American airplane man-

ufacturer who had recently hired a lobby firm to help procure Chinese government contracts. To learn more about the Chinese demand for small jet planes, we spoke to four of our clients' departments. This is what they had to say.

*Purchasing Department.* We heard that more and more companies are using lobbyists to help break into the Chinese market, where the China Aviation Industry Corporation is the key central buying unit.

*Sales.* Embraer just completed a tour show of its new small jet plane, Embraer 170, in five Chinese cities last week.

*Market Research Department.* The Chinese government's policy of "going west" to draw more capital and personnel to western China will boost the demand for air services.

*Product Specialists.* China will need another 950 jet planes of thirty to 120 seats in the next twenty years. (Right now, they have about 600 small jet planes. This represents a market worth \$16 billion US.)

A monthly column devoted to answering questions relating to competitive intelligence

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