



CI Corner

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This issue looks at some of the reasons and excuses that companies use not to develop a competitive intelligence capability or not to improve upon what they have in place – good ideas to them. In all likelihood, you will come across some of these.

We do have a competitive intelligence capability in place (means It doesn't seem to be of much benefit to us).

This kind of thinking arises when CI is conducted by a number of people within the company. The result is that data and its interpretation are not effectively summarized, coordinated and shared among the key decision-makers.

Another problem lies with the person (or persons) conducting competitive intelligence. In some cases, CI, or what passes for CI, is conducted by a low-level employee for whom competitive intelligence is a secondary responsibility. Consequently, CI is not given the time and budget needed for it to be effective or to influence the decisions of senior management.

A final, and major problem is what passes for CI. For some companies, collecting the ads, brochures or websites of competitors is the extent of their competitive intelligence work. Many others

focus exclusively on the prices charged by their competitors and do not go beyond. As a result, such companies don't understand how their competitors think, which segment of the market they're targeting, what their profit margin is, or whether they are successful or not.

CI is too expensive (means We know all about the competition).

All too often, companies that are confident they know all about their competition and the overall competitive environment are the ones that are blindsided by unexpected events. "We didn't see it coming" is the plaintive cry from the senior management of companies that are run out of business or are forced to severely downsize because they did not see developments (e.g., new technologies or non-traditional competitors) in the competitive environment.

A well-financed group of CI professionals plays a key role in the success of a company in a highly competitive environment. Such groups not only take into consideration how the competition is reacting to changes in technologies, demographics and legislation, but they can also determine their own level of success and evaluate the challenges they pose to their competitors. They analyse

the impact of non-traditional competitors and new business models that are challenging their industry, and they take measures to counteract or exploit such changes.

It is from such activities that the value of CI is derived.

We are looking for 100 per cent certainty (means CI cannot guarantee this).

It is true that CI research does not always provide 100 per cent of the data demanded by senior management. But it does add important pieces to the competitive environment puzzle. Analysis of information, knowledge of the industry, and open-mindedness about developing technologies and new business models are what CI professionals use to bring together different pieces of information, synthesize them, and then create a more complete picture of the competitive environment – in both present and future scenarios.

This month's thought

A business that is confident it does not need CI is like a sleepwalker: Both are subject to accidents, rude awakenings, and serious consequences.

A monthly column devoted to answering questions relating to competitive intelligence

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