



# CI Corner

David Lithwick &  
Enrico Codogno

In this issue, we put ourselves in the position of a global CI manager and learn how to incorporate outside information to corroborate what is being heard from coworkers.

*Dear CIC:* My company not only competes on the international stage in selling its products throughout the world, but it also competes to obtain imported raw materials from overseas. With this in mind, can you share some examples of how to obtain information from foreign sources in order to better prepare my company for unexpected changes in the world economy and changes in competitor strategies.

*Business Development Manager*

*Dear Business Development Manager:* In a world of increasing globalization, it is imperative to develop and maintain a network of international sources of information, providing information not only on competitors based in foreign countries but also on unexpected competitors and changes in the market that could potentially blindside your company.

Among the potential challenges faced by global companies are mergers and acquisitions, changes in competitor

strategies via changes in CEOs, and strategic partnerships.

We provide three examples from past projects to help illustrate how these situations can be dealt with using competitive intelligence. The first example appears in this month's column; the other two will appear in the March issue of *vue*.

#### COMPETITOR RE-INVIGORATED BY NEW INVESTOR

The CEO of one company heard from his peers that a European-based competitor had just been sold, and there were rumours that the competitor was developing a new marketing strategy to increase market share. Based on interviews with the client's European personnel (sales, account managers, customer service, human resources and c-level executives), industry experts, and foreign-language news reports, we were able to ascertain that a British merchant bank had bought controlling stock in the competitor. In fact, this merchant bank had gone on a buying spree throughout Europe, acquiring companies in a wide range of industries. In all of these cases, the purchased companies invested in the hiring of an inordinate number of sales reps and made sharp cuts in the sales price of products – part of a strategy of

undercutting the competition to increase market share. This would increase the stock value of the companies, whereupon the merchant bank would sell its shares at a profit.

There was sufficient evidence that the client's competitor was going through the same process. As a result, our client was able to take effective counter-measures to blunt and then defeat the competitor's tactic of low pricing, thereby defending its market share and enhancing its standing in the market place.

#### CLOSING COMMENTS

Developing a network of internal sources of information is essential for any CI manager in that it provides an easily accessed source of vital competitive information. It is also important for a CI manager to be able to access other sources of information to corroborate and enhance information already at hand. Such sources can provide the checks and balances to eliminate any agenda that your usual sources may have, but they can also provide greater context on the competitive environment.

Next month, we'll look at an example of mergers and acquisitions as well as an example of strategic partnerships.

A monthly column devoted to answering questions relating to competitive intelligence

*CI Corner is written by David Lithwick and Enrico Codogno. David is a senior partner at Market Alert and can be reached at (416) 932-9820 or david@marketalert.ca. Enrico is with the Customer Foresight Group, Limited; he can be reached at (416) 651-0143 or enrico@customerforesight.com.*