



David Lithwick  
and  
Enrico Codogno



a monthly column devoted to answering questions relating to Competitive Intelligence

The focus of this issue is on leakage and what can be done to correct this problem.

**Dear CIC:** I am interested in establishing counterintelligence measures in my company. In order to establish appropriate countermeasures, how can I assess the vulnerability of my company to intelligence gathering efforts by competitors? **CI Manager, Gas Utilities Company**

**Dear CI Manager:** Employees most vulnerable to competitive intelligence gathering are those who are in daily contact with your potential buyers. These include sales, tech support, and customer service. Also vulnerable are people in marketing, engineering, and product development. To determine your company's vulnerability, try mystery shopping against your own company.

For example, try to find out how sensitive information can be leaked not only from outward-looking departments (sales and customer service) but also from internal functions such as human resources and product development. This will allow you to develop appropriate guides and training for reducing and eliminating information leaks. Also, you will increase awareness within your organization of the methods typically used by your competitors to gather intelligence on your company.

Once the appropriate countermeasures have been put in place and the organization has been educated to prevent infor-

mation leaks, another wave of intelligence gathering should be conducted to appraise how well the training is being implemented. This audit should be conducted once a year.

Let's try an example. Assume you work for a Canadian utilities company. Twelve months from now, your company will be moving into the retail sector, selling natural gas furnaces through thirty company-owned stores. Recently, your president sent an email to employees announcing this new venture and requesting that this information remain confidential. Your boss, the director of market research, decided that a mystery shop would be a good way of seeing if employees are, in fact, keeping this information to themselves. Four departments (customer service, investor relations, sales, and reception) were shopped.

As detailed below, the shop yielded some surprising results. Of the 35 people mystery shopped, sixteen (or 46%) leaked something about the new venture. In particular, people in sales were loose lipped, eight out of twelve disclosing information that they were told not to.

Please remember, employees or departments identified as vulnerable to competitive intelligence gathering should not be made to feel like scapegoats. Counterintelligence training for these employees and departments should be carried out as a means to reinforce the importance of not leaking sensitive information.

As the CI Manager, it is your responsibility to promote the ways in which your company can benefit from counterintelligence. Not the least of these is the disruption of your competitors' ability to develop and market a copycat of one of the key products or services that your company has spent time and money to develop. Otherwise, they could easily introduce a similar product before yours has had an opportunity to make a significant impact on the market. This will cut into your company's market share and profits.

To conclude, a security audit will go a long way to protecting your company's position in the market.

Department	# People Spoken to	# Leaks	#Leaks/#People	%
Customer Service	9	3	3/9	33
Investor Relations	6	1	1/6	17
Reception	8	4	4/8	50
Sales	12	8	8/12	66
<b>Total</b>	<b>35</b>	<b>16</b>	<b>16/35</b>	<b>46</b>

Tip – A counterintelligence program should exist in tandem with a competitive intelligence program.

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 Codogno is with the Customer Foresight Group, Limited and can be reached at (416) 651-0143 or enrico@customerforesight.com. Email your questions, and they will make sure you get the answers you need.