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a monthly
column devoted
to answering
questions relating
to Competitive
Intelligence

Dear CIC: I manage a CI unit within a medium-sized manufacturing company. Despite a number of important successes, there are still those within senior management who question the value of CI. They see it as an unnecessary cost centre, because there is no quantifiable measurement of the CI unit's value. What do I do to prove our unit's value?

CI Manager

Dear CI Manager: The issue of proving a CI unit's value has been a stumbling block for a long time. In other words, a response to your question can fill volumes and has been the subject of many articles, books and seminars. We will try to put in a few words three actionable suggestions.

1. INTERNAL AGENCY APPROACH

Since many CI activities can be outsourced, the CI unit is, in effect, an internal agency. And as CI manager you should obtain agreement with your internal clients on how to measure the value of the CI unit's deliverables. Hence your internal clients, from the outset, need to sign off on how success is measured in order to avoid arguments later on.

2. BEHAVE AS A PROFIT CENTRE

Take the initiative and have your unit behave like a profit centre, as opposed to a discretionary cost centre.

Since all profit centres have quarterly and annual objectives, the CI unit should have objectives as well. As CI Manager, you should set objectives with internal clients on a per-project basis. Have your internal clients fill out a pro-

ject form indicating the reason(s) for a CI project, the set objectives of the project, how the project will help the company, who or what division will benefit from the results of the project, and set measurements of success for the project.

Also, the objectives of the CI unit should be aligned with the medium- and long-term objectives of the organization. The established corporate culture should be respected, or else the CI unit will run the risk of being considered a rogue group working against the interests of the organization.

In short, a CI unit should demonstrate value for each program or project.

3. UNDERSTAND VALUE FROM CLIENT'S POINT OF VIEW

As CI manager, you are skilled in CI and understand the value of the outputs you are producing. But don't make the assumption that you and your clients will view the value of CI outputs in the same way.

Follow-up on all reports for feedback on the CI outputs. It is possible that the client may not have expressed their needs properly and thus the results were not what they wanted. Therefore, it is important to ask your clients whether the CI unit is delivering the value that was intended. Is the value being measured correctly? Is communication of CI needs and CI results achieving the objectives set out at the outset?

Conducting regular customer satisfaction surveys will create a feedback loop to help the CI unit close performance gaps as perceived by internal clients. Remember that your internal clients are your partners in achieving a shared vision for success.

CONCLUSION

As CI Manager, it is your responsibility to continuously sell and justify the existence for the CI unit. Until the value of the unit has been proven over many projects, there will always be questions regarding the value of CI.

In short, as CI Manager you should:

- use an internal agency approach to set the objectives and measurements for success with internal clients;
- promote the CI unit as a profit centre (or at the very least, as a business unit that helps other units achieve profitability). For this, standards should be established to measure success or failure; and,
- understand success from your client's point of view. The establishment of a feedback loop will allow you to gauge satisfaction of your clients and make adjustments accordingly. Collaboration with internal clients is vital for the success of the CI unit.

TIP – A COLLABORATIVE APPROACH WITH YOUR INTERNAL CLIENTS IS KEY IN STRENGTHENING THE CI UNIT'S CREDIBILITY AND VALUE.

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