CI corner

David Lithwick and Enrico Codogno

a monthly column devoted to answering questions relating to competitive intelligence

The focus of this issue is tips to set up a CI program.

Dear CIC: I have been doing CI on an ad hoc basis, mostly reacting to requests from our brand group. I would like to begin formalizing a program. Can you share any learning? *Market Research Manager*

Dear Market Research Manager: We certainly can. Two years ago, we did our own research on how successful Canadian companies have been in maintaining CI programs. Of the fifty companies interviewed, only eight (or less than 20%) still had programs running. There were a number of reasons given as to why forty-two companies had discontinued their CI programs. The ones most frequently cited were the following.

• There was a company mindset that CI is unethical and should not be undertaken.

• Confusion existed as to what CI is. For example, the terms “competitive intelligence,” “market intelligence” and “business intelligence” were used interchangeably by some members of the CI team, while differentiated by others. Also, these CI units did not make a concerted effort to educate colleagues and stakeholders about CI and its applications.

• Companies underestimated the effort and skills needed to set up a program. CI tasks, for example, would be assigned to the marketing research department, which was already juggling other tasks and did not have the time to effectively manage a study.

• Companies set up their CI program without first approaching Market Research, Strategic Planning, and Operations to see what competitor research these departments already had. For example, instead of first reviewing customer satisfaction studies and focus group reports, where there would likely be information on the competition, they went ahead and did their own competitor research to see what attracted customers to competitor products and services. Needless to say, there was duplication of tasks.

• In the first twelve months of setting up the CI program, little if any effort was made to narrow CI initiatives to priority tasks. Instead, they had an open door policy to take on any CI task given to them.

• Readers were disappointed with the quality of the CI. The CI was frequently inaccurate or did not provide anything new. Other complaints were that the reports lacked insight and were not easy to follow. These situations created doubt, making stakeholders reluctant to make decisions with the CI they received.

• The companies lacked templates and tools to gather, analyze and write up findings. CI was often delayed because these companies often started from scratch.

• The CI program became too expensive. Companies, for example, would outsource most if not all of their CI requests and mystery shops to suppliers versus getting internal staff to complete some of these tasks.

So what are the key lessons from this research?

1. Educate colleagues on what CI is, what it is used for, and what the difference is between CI and espionage.
2. Focus your CI efforts on the areas of greatest need. This could, for example, be where your greatest exposure to competitor threats are or where you lack specific information about the competitor to make key decisions.
3. Put together a code of ethics to follow.
4. Stick to the term “competitive intelligence.” After the program has gained some success and people understand what CI is, you can always, if needed, create other intelligence services (e.g., counter intelligence) under the umbrella of “market intelligence.”
5. Conduct a CI needs assessment with your stakeholders.
6. Designate a person to manage the CI program. If the budget allows, make this a full-time responsibility.
7. As a first step towards integrating what is already out there with your program, spend the first month or two seeing what CI you are “already sitting on,” how accurate it is, who is collecting this CI, and what decisions have been made. Make it a point of speaking to colleagues in Sales, Marketing, Strategic Planning, Tech Support, and Customer Service. And see what CI your marketing partners (such as your ad agency, PR firm, market consultants) are able to provide you with.
8. Put together a CI plan (including goals, strategies, budget, timetable). The CI unit should be viewed as a profit centre, not a discretionary service.
9. Develop templates and a few sample reports for findings that are consistent and well written.
10. Set up procedures for weeding out misinformation, a prime factor for inaccuracy in CI – for example, by mandating that findings have to be triangulated by at least three different sources or by having reports scrutinized by a second person before they are sent out.

Tip — Add 50% to the estimated time and resources needed to set up your CI program.

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