

competitive intelligence corner

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a monthly column devoted to answering questions relating to CI

Dear CIC: I am in the process of hiring a CI firm to conduct research on a long-term basis. There is one firm that I'm interested in, but apparently they subcontract to other research firms. Is this something I should be concerned about? *Outsourcer*

Dear Outsourcer: Whether you hire one firm or a firm that sub-contracts, make sure that you are dealing with a reputable and reliable supplier. Ask for references. And if the company you are interested in hires subcontracts, demand information on the subcontractors. If you're not comfortable with any of the subcontractors, then look for another supplier. Diligence on the part of the client is very important. In a recent case, Procter & Gamble hired several CI firms to conduct research on its biggest rival, Unilever. It turned out that some of them used unethical and illegal means to obtain information, resorting to industrial espionage. The CEO of Procter & Gamble headed off a major lawsuit by returning the gathered information to the CEO of Unilever and apologizing in public for what happened. Had P&G been more diligent in checking out their CI supplier before hiring them to do CI on Unilever, there is a possibility this would have been avoided.

Dear CIC: Why should I hire a CI professional, either as an employee or supplier, when I can get so much information on the Internet? *Surfer*

Dear Surfer: While there is much

information available on the Internet, including your competitors' web sites, the quality of information is not always reliable or current. Also, most companies have become Internet-savvy and will not disclose key product information on their web sites. Oftentimes, if you want more information on a particular product, you are asked to fill out a form or to ask a specific question. Also, some web pages can only be accessed by clients (who would use a user id and password). To get the information that is truly valid and up-to-date, it is necessary to get human intelligence (humint). That means either contacting the competitor or else someone who has an intimate knowledge of a specific industry. There's no way to get around that. If you rely solely on the Internet, you are relying on information that is already outdated or on very limited new information.

Dear CIC: I came across information on a technology that can have a major impact on my company's industry. The company that developed the technology is not seen as a competitor, but their technology can either make them a competitor or else it can be used by one of our competitors to gain market share. How shall I present this information to the senior executives without losing credibility? *CI Analyst*

Dear CI Analyst: As a CI Analyst you must investigate the new technology to find out its feasibility in your industry. What will be the cost of implementing

the technology? Will it make your industry more efficient and how? What other benefits can be derived from the new technology? Can it be integrated with current technology or completely replace it? Which company or companies in your industry are likely to implement it? How likely is it that the company who developed it will jump into your industry? What is the background of this company and its CEO?

In your report you should state your position on this issue and suggest what actions your company should take in response. Your position should be backed by detailed information on the technology, how it can impact your industry, the company that developed it, etc. The rest is in the hands of the senior executives. All you can do is to give them an alert on industry developments and suggest ways to stay ahead. If you do that, you would have done your job as CI professional.

Tip – Always ask for 3 or 4 references. And then make it a point to check out at least 2 of these references.

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