

# How to Incorporate A Formal Reporting Structure Into Your CI

by *David Lithwick*

## Introduction

Without incorporating a disciplined approach to competitive intelligence (CI) gathering, you risk misinforming colleagues on new business opportunities and overlooking competitor threats. Invariably, whoever reads the report will form their impression according to how effectively you communicate your findings.

Despite the long hours logged to collect the data, or the depth of your analysis, if your reports lack clarity, measurability or visual appeal, the reader will become quickly disinterested.

## Objectives

The objectives of this article are to:

1. Examine the downside for companies who do not formalize their CI reports.
2. Walk the reader through two popular report templates.
3. Provide a list of tips to follow.

## What if CI is Reported Poorly

The following scenarios illustrate the consequences of not incorporating a disciplined approach to CI:

- a) getting delisted by a major retailer because your sales manager waited too long to query his account rep on a comment passed to the manager by a dissatis-

fied buyer;

b) being forced to put a promotion on hold because a competitor got wind of your plans, quickly ‘fired up’ their own program and purchased TV viewing time before you even finished planning your media buy;

c) having to accelerate your product launch and incur unnecessary expenses as a result of not monitoring foreign competitors early enough to pre-empt their entry into Canada.

Survey

In a recent survey of 20 corporations to identify factors that could explain why they lost an important account or were late in offsetting a competitor intrusion:

**Table 1: Competitive Intelligence Activity Scan**  
Competitor: British Union Bank | Month: November '96

Product	Brand Name	Features	Key Strength	Key Weakness	Marketing Goal	Likelihood of Achieving Goal	Primary Target	Planned Initiatives	Threat Level*	Counter Attach Recommendations
ATM's	"24 Hour Bank Machine"	<ul style="list-style-type: none"> <li>• make deposits</li> <li>• pay bills</li> <li>• withdraw cash</li> </ul>	Save customers from long branch line-ups	Frequent break-downs with many of their machines in Europe	Increase ATM usage to \$0.20 out of each \$1 transaction	*contingent on how frequently machines will break down	<ul style="list-style-type: none"> <li>• consumers</li> <li>• 18-55</li> <li>• minimum \$1,000 in account</li> </ul>	Smart Card launch in Jan. pending test market results	6	Have 20 of our staff sign onto British Union's ATMs to uncover specific glitches to capitalize on
PC Banking	"Online"	<ul style="list-style-type: none"> <li>• balance updates</li> <li>• bill payments</li> <li>• funds transfer</li> </ul>	Easy to use	"firewall" to insure confidentiality is not complete	Convert customers from the major banks to British Union	Not at all likely without "firewall"	<ul style="list-style-type: none"> <li>• small business</li> <li>• competitor PC Banking customers</li> </ul>	Integration of PC Banking with Phone Banking by Feb.	1	Expedite launch of our PC Banking program to pre-empt British Union
Telephone Banking	"Tele-Service"	<ul style="list-style-type: none"> <li>• Informs callers of branch locations, services, hours</li> </ul>	24 hours/ day, 7 days per week access	Customers are put on hold for up to 7 minutes	Free up branch staff time	Very likely as technology is in place	<ul style="list-style-type: none"> <li>• consumers</li> <li>• professionals</li> <li>• small business</li> </ul>	Consolidation of telephone-banking #'s into one number	7	Installing auto transfer systems to ensure that none of our customers are put on hold for more than 30 secs

**Table 2: Sales Intelligence Report**  
**Prospect: Swiss Desserts | Region: SW Ontario | Month: March '96**

Market Position	Estimated Budget for Dessert Novelties	Current Supplier	Swiss Desserts' Level of Satisfaction with NYIC	What we need to do to win the Business	Key Concerns	Next Steps	Due Date
<ul style="list-style-type: none"> <li>• key driver in the market</li> <li>• 20% sales growth versus 1995 YTD</li> <li>• \$5 mil. Sales/year</li> </ul>	<ul style="list-style-type: none"> <li>• \$1,750,000</li> <li>• up 10% versus 1995</li> <li>• likely to allocate another \$250,000 on PME spending if convinced there is a significant benefit to dessert novelties</li> </ul>	<ul style="list-style-type: none"> <li>• North York Ice Cream (NYIC)</li> <li>• Servicing Swiss Desserts since 1974</li> <li>• Family run</li> <li>• Father recently retired</li> </ul>	<ul style="list-style-type: none"> <li>• Low</li> <li>• Frequent shipping errors</li> <li>• Prices are 5% higher than industry norm</li> <li>• NYIC does not have a category management program in place</li> </ul>	<ul style="list-style-type: none"> <li>• Undercut NYIC's prices</li> <li>• Commit to a category management program</li> </ul>	<ul style="list-style-type: none"> <li>• Will take up to 180 days to receive payment</li> <li>• We would need to give our distributors ¼% rebate to offset the carrying costs</li> </ul>	<ol style="list-style-type: none"> <li>1. Determine whether any conflict of interest would arise as we also sell to Dunk'n Donuts</li> <li>2. Finalize prices</li> <li>3. Make presentation</li> </ol>	<p>April 4</p> <p>April 16</p> <p>April 20</p>

- 13 did not adhere to a formal CI reporting system. Information delivery was left to the sales reps;
- 11 admitted to monitoring competitors only when they had time. Relying only on last minute article searches was frequently mentioned;
- 12 were not satisfied with the quality of their CI reports. Too much 'nice to know' information, gaps in data and lack of consolidation were key reasons.

### Implications

If these respondents had instituted a formal CI reporting system, there would be greater likelihood of uncovering information faster and thus being proactive versus reactive.

The required steps to fill in a formal CI report necessitate a more rigorous investigation than a piecemeal approach. In other words, formal CI report writing forces one to be more accurate, thorough

and quantitative in order to deliver measurable results

Templates Table 1 is designed to capture on paper the specific activities a competitor is undertaking.

Table 2 ensures that account reps and agents will devote more time to assessing the viability of 'doing business' with a new client and the steps necessary to insure that they will get the business.

### Tips

1. Choose a name that captures the character of your report. "Eye on the Market", "Market Track", "CI Scope" are suggestions.
2. Table your findings versus written prose format.
3. Replicate the report format your company uses for marketing plans.
4. Focus on filling in the hard-to-find information to ensure your reports communicate "thoroughness" and "attention to detail".

5. Run the draft report by 2 or 3 colleagues to verify findings and provide their own viewpoints.

6. Encourage readers to provide feedback on how they use the information you provide. (Do they find the report beneficial? How? What suggestions do they have to improve the content?)

### Conclusion

Reporting competitive intelligence requires an eye for detail, a commitment to consolidate fragmented data and endurance to deliver an array of findings from non-traditional sources.

Combining structure with quantitative analysis that is carefully thought through will insure that your readers can make timely decisions to pre-empt competitive threats and capitalize on sales opportunities. ●