

How to Carry Out a CI Environmental Scan

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Introduction

What do you do when your boss needs an environmental scan on a new competitor by the end of the day? This is a question frequently asked by our workshop participants. There is no easy answer. Our response is to try your best to make your boss understand that **CI's role is to quickly secure and interpret sufficient amount of information in order to make a critical decision.**

As the designated CI analyst/ detective/ researcher, it is imperative that you take the guesswork out of an assignment, before you begin an investigation. Consequently, the goal of this article is to provide several hands-on lessons and templates to use when you need to quickly turn around a CI scan.

Lessons

Here are 4 lessons we learned from the environmental scans we completed over the past 14 years:

1. Do reconnaissance on the very questions your boss wants answered, before you attempt to answer them.

This way you can determine (and eliminate) those question which:

- are duplicates of others being asked
- cannot be answered because they are not applicable (i.e. competitor does not carry the product that your boss assumes they do)
- will take up excessive amount of time to get answers to, while providing little, if any, value.

2. Develop a list of must know questions that captures the essence of the CI request.

Too frequently, CI managers get a laundry list of questions to answer. These need to be screened and consolidated into a manageable request, as exemplified in the following threshold questions:

- i. What commitments (e.g. in-house training, partnerships with suppliers, etc.) are being undertaken?

- ii. What critical changes are planned within the next 12 months amongst our key competitors?
- iii. What critical changes are planned within the next 12 months amongst our non-traditional competitors?
- iv. What internal inefficiencies will hinder their efforts?
- v. Where, amongst the menu of products, are competitors investing their greatest efforts?
- vi. Which target sectors are competitors investing their greatest efforts in?
- vii. What innovative approaches are helping leading edge competitors succeed?
- viii. What counter attacks will these competitors likely initiate to offset our efforts?

3. Draw up a plan of attack

This will help you to visualize the direction that you want the investigation to take. An example follows:

Plan of Attack	Secondary Data Scans	Internal Sources	Mystery Shops	Competitor Intercepts	Third Party Surveys
Help You To:	Quickly uncover CI through readily available data.	Surface CI that exists <u>within</u> your company.	Answer basic questions under the scenario of a customer	Target competitors to answer the more difficult questions.	Get an objective point of view.
Sources					
Internet	✓				
News releases	✓				
Articles	✓				
Trade reports	✓				
Emails		✓			
Customer service reps			✓		
Technical support reps			✓		
Sales reps		✓	✓		
Trade Show hosts			✓		
Corporate Affaires				✓	
Associations, editors					✓

4. Put together an easy to follow project schedule

Whether you customized your own or work with a software package, a project schedule, will help you to meet deadlines. The following is the format we favor, as it is easy to follow and fairly simple to update (see right):

CI Environmental Scan - Mini Case

Suppose you work for a computer company that is introducing a new product into the market. At the last minute, senior management decides to revamp the trade ad, scheduled to run the following week in Computer World. To provide your ad agency with as many valuable insights as possible in the creative brief, the VP Marketing asks you to turn around an environmental scan by tomorrow, end of day.

The basis of your CI investigation is the list of must know questions. Answers to these questions are formatted into a summary table, which in turn becomes the essence of the scan. Your findings will provide strategic insight versus achieving statistical significance, as ensuring 100% accuracy would be too time consuming to achieve and such thoroughness would carry a risk of tipping off competitors. To compensate for a small sample of information, you use creativity and lateral thought to provide the insight.

Set-Up	Week 1
<ul style="list-style-type: none"> Review in house reports, emails, findings from previous CI investigations, etc. Carry out pre-test to work through glitches. Finalise list of internal/external contacts, list of must know questions and grid format Interview 1 or 2 internal personnel who can provide insight and contact names to follow up on 	
Secondary Data Scan	2,3
<ul style="list-style-type: none"> Scan competitor websites, news releases, and brochures for new information. 	
Field Investigation	3,4,5
<ul style="list-style-type: none"> Carry out mystery shops Interview a sample of competitor marketing and operations personnel Survey a sample of third party sources (e.g. association, editor, industry expert, etc.) 	
Write Up/Presentation	6
<ul style="list-style-type: none"> Consolidate key findings into the final grid Present final report 	

Conclusion

In any research assignment, there is a balance between timeliness, quality, cost and the demands being made on people-power. To ensure your efforts to complete an environmental CI scan are successful, use the following these rules of thumb:

1. First do some reconnaissance on the information needs requested by your client/boss/colleague.
2. Agree on the must know questions to be answered.

3. Ferret out only that information that will help answer these questions.
4. For every hour of field investigation, 3 hours of analyzing and interpreting the data should be spent.

To successfully complete a CI environmental scan, one must recognize that CI's role is to quickly secure and interpret sufficient amount of information in order to make a critical decision. Otherwise, you will end up trying to bird dog every piece of information, getting frustrated and running late. ●

	IBEX	Compex	NAC	Omni	Overall
Model	Grid A40	Triad 2555	Probe 233	M34	-
Position	Market Leader	Me Too	Niche Player	Fringe Player	-
Analogy - Car That Comes To Mind	Lexus	Lincoln	Hummer	Hyundai	-
Annual Volume (Units)	140,000	86,000	8,000	14,000	248,000
Market Share	56%	35%	3%	6%	100%
Factors Driving Their Success	World wide distribution	Well established customer base	Leading edge technology	Aggressive pricing	Various
Key Gap To Capitalize On	Poor customer service	Errors in invoices	Frequent out of stocks	Operational problems	Various
Primary Target Market					
<ul style="list-style-type: none"> Marketing Professionals Scientists and Statisticians First Time Users 	x	x	x	x	Split
Leasing Price					
<ul style="list-style-type: none"> Advertised Amount/Month Annual Administration Penalty For Early Cancellation 	\$235 \$45 \$165	\$200 \$25 \$150	\$145 \$35 \$150	\$110 \$25 None	\$110-\$235 \$25-\$45 \$150
Incentives					
<ul style="list-style-type: none"> Factory Rebates Free Accessories Volume Discount 	\$75 Modem 2%	\$50 Printer stand 3%	\$75 Software 5%	\$35 Mouse pad None	\$35-\$75 Various Up to 5%
New Developments	25" monitor	Loyalty points	Larger key boards	Extended warranty	Various
Level of Threat (1 low, 10 high)	4	4	8	4	5