Ahead of the Game: Competitive Intelligence Strategies for Sustained Advantage

Soo Darcy
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SOO DARCY
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TO THE seasoned professional, competitive intelligence (CI) has long been an established discipline that delivers bottom line results. Several degree programmes teach CI analysis techniques and the value of understanding the competitive landscape is well known to business graduates. Nevertheless, despite the growing acceptance of CI as an ethical and valuable activity, it seems to be an entrenched feature in only the largest organisations and is, all too often, the first budget to be cut when economies have to be made. Yet gaining and maintaining a competitive advantage is essential if we are to spot new opportunities or avoid being blindsided by an unexpected entrant to our competitive set. This is all the more important when times are hard and businesses are forced to innovate or branch out into new markets in order to survive.

In this report we look at the process of CI from start to finish: what benefits will it bring and how can it be incorporated into the business structure; how do we actually carry out CI and who is the best person for the job; what are the implications of technology and social media to CI; and how do we ensure that our activities are legal and ethical? The report is aimed at new entrants to the discipline and those who would like to expand their existing activities, and will be useful for both the management group responsible for implementing CI and the professional or team responsible for conducting and maintaining the CI function itself.

Chapter 1 is a broad introduction to CI, providing a working definition of ‘competitive intelligence’ and a consideration of what this definition means to the CI professional and his or her business. Next is a discussion of the key benefits of CI including the identification of new opportunities and potential threats to the business, customer relationships, business development, pitching and tenders, marketing, and R&D. We then move on to a consideration of some key concepts that will recur throughout the book: what is the difference between information and intelligence, and how can intelligence be used to maximum effect? Finally for this chapter, we dispel some common misconceptions about CI and some potential barriers to adoption. These include arguing against the persistent perception that CI is unethical or illegal, as well as touching on points of resistance such as a lack of resource to carry out CI activities and a belief that the business already knows everything it needs to know about its competitors.

The competitive landscape incorporates both broad influences that are beyond the control of the company – the macro environment – and factors that are closer to home and have a two-way interaction with the business, such as its customers, competitors, and suppliers. Chapter 2 considers these issues, beginning with the PESTEL model for analysis of the macro environment: what are the political, economic, social, technological,
environmental, and legal forces that surround and act upon the organisation? We also include ethical factors within this breakdown of the external competitive environment (the STEEPLE model). Moving on to the micro environment, we look at Porter’s classic ‘five forces’ model: the potential for new competition in the market; the threat of substitute products and/or services; the buying power of customers; the bargaining power of suppliers; and the strength of rivalry that exists within these forces. Finally, we look at the business environment in terms of your immediate competitor set. It should be remembered that your organisation’s competitors may be gathering intelligence on the strength of your recruitment pool, your new product, or the likelihood of your best team members to defect, so this section offers an opportunity to reflect on how the business projects its own image into the competitive landscape.

After considering the competitive landscape, we turn in Chapter 3 to the nature and process of CI itself. First we look at the CI cycle from planning through to review, bearing in mind that CI can include both ongoing activity and discrete projects for a particular purpose, such as a marketing campaign. The planning stage looks at key intelligence topics and questions (KITs and KIQs respectively); the section on gathering intelligence highlights some of the richest resources available to the CI professional; the analysis stage includes details on turning your data into actionable intelligence on which to base strategic decisions; and the dissemination section discusses ways to distribute and present intelligence internally to ensure it is used and exploited by the right people, to maximum effect.

This chapter also covers the ‘review’ stage which, in fact, occurs more than once in the cycle. We look at the need to review data collected during the gathering stage, to ensure that appropriate information is being gathered and in volumes that can be reasonably handled and analysed. As well as this interim review stage, the chapter also discusses the need to review the CI cycle itself after dissemination, to ensure that KIQs have been met and the CI has delivered on its objectives before the cycle begins again.

In Chapter 4 we look at the importance of building a business case for CI to ensure that the organisation has bought into the concept at every level – from the board or most senior managers to those at the front line of customer engagement. CI has the power to create bottom line gains but its effects, if conducted and used properly, should be felt at numerous points throughout the business and thus much of the benefit is intangible or unquantifiable. When budgets are cut, many CI professionals and researchers comment that their skills are the first to be dismissed yet the truth is that in difficult economic conditions, ensuring the business maintains a competitive edge is more important than ever. In this chapter we look at ways to build the business case for CI and encourage organisation-wide buy-in to the value of intelligence.

Chapter 5 gives practical tips for integrating the CI function into your organisation. Beginning with a discussion of the ideal structure, in which there is a dedicated CI professional or team sitting beside the organisation’s decision makers, we move on to consider how some of these ideals can be incorporated into a more flexible model. In particular, Chapter 5 outlines the need to audit your organisation’s existing knowledge, information distribution systems, and employee skills in order to identify where an intelligence function could reasonably be incorporated. In addition, this chapter describes the attributes and skills
an organisation should look for in its CI professional or team.

The role of technology in CI is in a constant state of flux, making it difficult to choose the right technology for your needs. Moreover, once you have committed to putting in place a CI function, a review of existing KM and CRM systems will be important. CI requires not only solutions for the gathering and analysis of information but also systems to ensure the resulting intelligence is stored in a manner that makes further analysis, retrieval, and distribution an efficient process that encourages intelligence sharing. There are numerous dedicated CI software packages on the market and Chapter 6 is not intended to provide reviews of the merits of these packages. However, it does consider the difficulties associated with managing huge volumes of data and outlines some of the options available, including proprietary CI software, existing KM and CRM systems, and Software as a Service (SaaS) solutions.

In Chapter 7 we look at the important and growing role played by social media in CI. This chapter takes both an inside-out and outside-in approach; in other words, what can your organisation learn about its competitors from analysis of their social media activity, and what can your competitors learn about you from your own online presence? The latter section covers topics such as organised social media releases and ad hoc activity that might be performed by individual staff members or teams, highlighting the potential for inadvertent information leaks if this data is analysed as a whole. We therefore also address the importance of putting in place social media policies to regulate the information flow from your organisation.

Chapter 8 is dedicated to the legal and ethical implications of CI. The book takes as its starting point an assumption that the CI professional does not intend to carry out illegal or unethical activities in the line of duty, and it is hoped that accusations of ‘economic espionage’ against the CI community are now outdated. However, it is still essential to understand the legal and ethical landscape within which CI activity will be carried out so that the intelligence professional can not only be sure that their activities are acceptable but also that the ethical values of the profession are upheld and promoted. There is, of course, a flip side to this argument: the point of CI is to create and maintain a competitive edge for the organisation, so having a clear understanding of where the line lies between ethical and unethical activity means that the CI professional can use every technique available provided it does not overstep that line. Being over-cautious about what is permitted could mean that the organisation loses competitive advantage if its rivals are gainfully employing more sophisticated CI techniques that are, in fact, perfectly legal and ethical. Although this chapter is not intended to provide an exhaustive account of the legal and ethical rules that might be applicable in every circumstance, it can be used as a basis to build your own understanding of the rules within which your CI activity should be conducted.

Part II consists of case studies from professionals and experts in the CI field and covers a range of industries. We hear how Greggs, the UK’s leading bakery retailer, keeps up with the challenges of a changing High Street environment whilst ensuring that its customers are delighted with their experience. GVA, a leading UK property management company, tells us how CI is used to support a service-led culture that reinforces the brand. Next we take a look at the benefits that market
Executive summary

research – both bespoke projects and off-the-shelf or syndicated programmes – can bring to CI activity in a case study from Acritas, a specialist professional services research consultancy with clients spanning the globe. Wates Group, one of the UK’s largest building and construction companies, describes how the competitive landscape is monitored and highlights the value that a centralised CI function can bring to a busy organisation with multiple information streams. Atos, a global IT services company and worldwide IT partner of the 2012 Olympic and Paralympic Games, talks us through the challenges faced by businesses when dealing with ‘Big Data’ – the huge volumes of information that need to be gathered and analysed by CI professionals on a daily basis.
About the author

SOO DARCY has more than 12 years’ experience as a market researcher and writer, and has worked for clients ranging from one-man start-ups to blue chip corporates. Her expertise includes new market assessment, product concept testing, customer and employee satisfaction, and competitor analysis. Soo is Managing Director of Papyrus Research, a market research consultancy she established in 2010 and now runs with her husband, Kieran. In 2008, Soo authored Competitive Intelligence for Law Firms (Ark). She holds a first degree in English literature and a Masters in Modern and Contemporary Studies, along with a Graduate Diploma in Law; in her spare time Soo is now studying for a PhD in contemporary literature. She lives in north east England with her husband and three children.

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RESEARCH IS critical to competitiveness; there are plenty of examples of businesses that have successfully benefited from using research to increase revenues, reduce costs, or inform investment decisions. With new technology, the emergence of ‘Big Data’, and the increasing proliferation and use of social media, opportunities for business intelligence is expanding and accelerating at a rapid rate.

Competitive intelligence shares many of the practices and methodologies associated with market research; the two disciplines both contribute to solving business challenges.

However, persuading businesses and decision makers to make the necessary investment in research and competitive intelligence can only be achieved if the disciplines are beyond challenge. Practitioners need to know what they can and cannot do, the impact of their activities, and they need to take responsibility for the quality of insight and intelligence that they deliver.

This publication is a timely and welcome addition to understanding competitive intelligence, the practicalities of conducting it, examples of where it has been successfully applied by businesses, but also – crucially – the legal and ethical parameters on which it must be conducted to be a successful part of any business strategy.

This publication is an essential start point for any research practitioner who wishes to expand out into competitive intelligence, but also to any business which is considering introducing a competitive intelligence programme.

Debrah Harding, Chief Operating Officer, the Market Research Society and co-author of Quality in Market Research: from Theory to Practice.
PART ONE

Making Competitive Intelligence Work for Your Organisation
Chapter 1: Introduction to competitive intelligence

What is competitive intelligence?
Competitive intelligence (CI) is the power to make the right decisions at the right time. It is awareness, foresight, and an informed understanding of how the competitive environment around us affects our business. It is both a process and an outcome. It is a process because, to gain and maintain true competitive advantage, it must be conducted as an ongoing activity within the organisation. It is an outcome because, when intelligence feeds into strategic or tactical decision-making in a specific area, the process has produced a tangible, actionable outcome: insight that creates a foundation for sound decisions. CI arms us with the power to create and maintain a dynamic competitive edge for organisations of any size, in any sector.

So, how do we go about harnessing the power of intelligence? CI can be defined in a variety of ways, and there are several key factors that theorists refer to as being crucial to the notion of intelligence rather than simply information. Practically speaking, CI is the collection of data, bearing in mind pre-agreed objectives, and the subsequent analysis of that data to generate insight and knowledge about the competitive environment, which is then communicated to the decision makers who need it. This insight – the outcome of the process that is known as intelligence – must be available so that decisions can be made as early as possible, rather than after the event. In his book Competitive Intelligence: How to Gather, Analyze, and Use Information to Move Your Business to the Top, Larry Kahaner describes CI as ‘[a] systematic program for gathering and analyzing information about your competitors’ activities and general business trends to further your own company’s goals.’ Fuld & Co describes CI as ‘the process of ethically gathering and refining information enough so that it can be used to make a strategic business decision.’ The organisation Strategic and Competitive Intelligence Professionals (SCIP) defines CI as ‘a necessary, ethical business discipline for decision making based on understanding the competitive environment.’

What can we learn about CI from these descriptions, bearing in mind that these are only a small selection of the available definitions? CI should be:

- Ethical;
- Necessary;
- A business discipline;
- Systematic;
- Gathering, refining, and analysing information;
- About your competitors’ activities;
- About general business trends;
- About the competitive environment;
- Used to further your company’s goals; and
- Used to make strategic business decisions.

Kahaner points out that CI should be a ‘systematic program’: it must be planned...
Chapter 1: Introduction to competitive intelligence

and approached in a consistent, informed manner and managed in such a way that it delivers to the objectives within the defined timeframe. The aims of the process must be identified at its inception, and regularly reviewed throughout the program in response to intelligence that is gathered along the way. Kahaner’s reference to furthering goals is another important element. Many organisations derive great value from discrete CI projects that deliver to the objectives of a single tactical goal, such as an overhaul of marketing efforts or product development. That is all well and good, and this type of intelligence most certainly has its place. But to narrow your research to only those goals is to be blinkered to the wider competitive forces that act on a business all of the time, and it is through an awareness of this wider environment that CI can deliver value as a dedicated function that feeds into the company’s strategy at the highest level.

CI must be ethical – and within this we can, of course, include legal. Our second definition above also gives us clues as to the process of CI: gathering and refining information so that it can be used by the organisation to further its goals. SCIP’s definition gives us perhaps the most important feature of CI with its use of the words ‘necessary’ and ‘business discipline’; quite rightly, this focuses on the conviction that understanding our competitive environment and acting on what we know is crucial to business success. Furthermore, it identifies CI as a business discipline in its own right, one that deserves attention and dedicated resources in the form of time, skills, and ongoing development.

CI incorporates (or can be classified as a sub-set of) a variety of disciplines and functions, each of which can play an important role in the firm’s decision-making processes. Opinion varies as to what should rightfully fall under the banner of CI, but the most important thing is that your intelligence function works for your specific needs. Therefore, competitor intelligence, business intelligence, customer relationship management, and knowledge management can all contribute to the CI process and can be integrated to create a holistic approach to intelligence-gathering. At the very least, the intelligence generated by each of these disciplines and the operational structure they utilise should be borne in mind when planning and integrating the CI function in your organisation.

An introduction to some key concepts

Competitive intelligence should be active

In the absence of a dedicated CI function, many organisations are only spurred into action when a specific opportunity or, more likely, threat becomes apparent. Although this approach has a place in the overall CI activity, it may well be that the intelligence comes too late to allow the firm to take an offensive or defensive stance towards the opportunity or threat identified. The purpose of CI is to keep the organisation ahead of the curve: if the business strives to be active in its own markets, then reactive CI will contribute little of value. Intelligence allows you to act before an opportunity arises or a threat materialises, so a consistent and forward-looking CI function is essential to maintain such a competitive edge.

Intelligence is not the same as information

In today’s world we are overloaded with information on a daily basis. Some of it lands on our desk or in our inbox uninvited; some we actively seek out;
some, indeed, we commission or pay a subscription for. It might appear to be relevant to our business, or it might appear to be superfluous. The reality is that we make unconscious or snap decisions about what we will and won’t pay attention to depending on whether or not it catches our eye or has a title that takes our fancy – or even whether we have the time to read it. The job of the CI practitioner is to deduce what information is relevant, and to follow leads to new sources. The irrelevant information must be discarded – often a difficult decision to make, but essential if you are not to be left with an overwhelming and unwieldy supply of data – and insight drawn from what is left. Information is passive, while intelligence is an analysed, interpreted collection of insights that can be used to inform decisions.

Planning is key
In order to feed into strategic or tactical decision making, CI outputs must be clearly aligned with a set of aims and objectives that are agreed before the programme commences. Key intelligence topics (KITs) and questions (KIQs) help the CI researcher to take an informed, targeted approach to the process of gathering data and retaining only what is useful. Furthermore, analysis can be conducted with the key objectives in mind so that the final dissemination of the intelligence matches the needs and expectations of decision makers.

Without this planning, data gathering is in danger of spreading out into an unmanageable task that generates huge volumes of information but very little in the way of actionable intelligence. If the CI function is not seen to deliver, it is in danger of being undermined or, worse still, cut altogether. It is therefore in the best interests of all who are internally championing or actually carrying out the programme that clear KITs and KIQs are put in place at the beginning, in order to act as a standard against which the value of the programme can be measured.

Consider intelligence objectives within the wider context
CI is not only competitor intelligence, nor is it only business intelligence. It looks beyond the immediate set of competitors and, indeed, beyond the industry context to consider how broader factors such as the economic, political, social, and technological environment influence the business, the competitor set, the industry as a whole, suppliers, buyers, and any other group that could erode or enhance the competitive edge of the business. CI is about identifying opportunities and being prepared to seize those opportunities to harness their full potential before others do; it is also about avoiding threats from market fluctuations or new competitors that could have been, had we been paying attention, spotted before they hit.

There is also some benefit to an inward focus within the more usual outward-facing work that makes up CI. Being aware of our own business processes, values, and culture helps us to identify weaknesses that could hinder our response to intelligence. Indeed, significant gaps in knowledge management capabilities or a cultural reluctance to share knowledge could prevent effective integration of the CI function altogether. Perhaps more importantly, once the CI function has demonstrated to senior management the intelligence that can be gathered quite legitimately from competitors, it will be prudent to consider how your own activities might make it easy for competitors to gain a competitive edge over you.

Jesper Martell, Comintellic
Past and future
The main focus of CI should, of course, be the anticipation of circumstances that could affect your business; therefore, it should always be forward-looking in its approach. However, the CI practitioner can use historical information to spot trends that may not be obvious in the ‘here and now’ data, or to develop an understanding of competitors’ past movements so that informed assumptions can be made about their likely future activities.

Intelligence must be actionable – and actioned
The output of CI – the insight and opinions formed by the CI practitioner based on the data gathered – must not be seen as the end of the project. If it is to have any worth and value to the organisation, it must be communicated effectively and acted upon. Moreover, action is likely to be highly time-sensitive so communication of intelligence needs to be fast, to the right audience, and in a manner that they can easily digest and act upon decisively. Wordy reports and sketchy conclusions are useless when decisions need to be made quickly based on concise, salient findings.

In terms of CI itself, the results should feed back into the process when the cycle of information-gathering begins again. Learnings from each cycle – whether they are related to the scope of the project, sources of data, areas for improvement, or information that can feed into long-term objectives – should be incorporated into the ongoing CI activity.

Common concerns and misconceptions

Competitive intelligence activity is illegal
This was a relatively common misconception in the past, but as the general profile of CI has risen in recent years it has become better understood as an important and valuable discipline in its own right that complies with relevant law just as any other business function should. The simple fact is that CI, if conducted properly, will never utilise any illegal technique; genuine, skilled CI professionals are creative in their approach to data sourcing and analysis, meaning that trends and patterns can be spotted without resorting to illegal activities.

Competitive intelligence activity is unethical
Even when every care is taken to observe all legal requirements for CI in your region, it may appear that ethical boundaries are less easy to define because they are, to some extent, subjective. A small number of high profile cases of alleged improper practices do still crop up, but it should be remembered that businesses all over the world carry out CI activity in a perfectly ethical manner and gain not only the huge benefits of intelligence but also the assurance of a clean corporate reputation. Clear boundaries should be set up when CI activity commences, based on legislation and industry standards at the very minimum and incorporating a solid set of ethical guidelines such as the code of conduct of SCIP. Chapter 8 details some of the key legal and ethical issues to consider when establishing or developing your CI function, as well as the SCIP code.

We already know what we need to know
This is a very short-sighted view that neglects to consider the fact that the competitive environment in which any business operates is in a constant state of flux. As we shall see in Chapter 2, CI takes into account not only the organisation’s immediate competitor set but also the broader competitive landscape.
environment. Even if your organisation has been fortunate enough never to have been caught short by an unexpected new entrant to the market or rival product launch, how many opportunities are passing you by that could have been spotted and harnessed to increase bottom line gains? You might never know the extent of what you are missing if you do not have eyes and ears open to these opportunities. However, you may well notice the gradual erosion of your market share or profit margins as your competitors figure out how to use your lack of awareness to their own competitive advantage.

**Competitive intelligence is too expensive**

There is no simple way around this one: establishing and developing a CI function in your organisation will involve a considerable investment in people, skills, time, and technology resources. The point is that CI should be viewed as a necessity rather than a luxury – can you afford not to invest?

**We don’t have the resources to carry out CI**

This concern is linked to the worry that CI is too expensive, but has wider ramifications for resourcing within the organisation as a whole. The temptation when resources are stretched is to tag CI activity on to existing roles and responsibilities without making allowance for the time and resource commitment involved, but this will frustrate the CI activity in several ways:

- It indicates a lack of commitment from senior decision makers – the very people who need to support the activity if it is to be effective;
- CI is likely to be ad hoc at best if day-to-day responsibilities take priority;
- Where a CI role has been assigned but not fully committed to, the organisation may believe that it has its ‘ear to the ground’ when, in fact, little active CI is going on – resulting in missed opportunities or threats;
- Poor results from CI activity will be blamed on either the individual responsible or an inherent failure of CI as a discipline to deliver value; and
- Where such failures occur, organisations may be wary of committing to CI again in the future. Arguably, poor or sporadic CI is no better than no CI at all, but it is unfortunate if the business is deterred from future efforts because of a poor experience that was, due to lack of commitment, doomed to failure from the outset.

CI will deliver the best returns if the appropriate effort is put into its planning, integration, and execution in terms of bringing it into the business. Likewise, each stage of the CI programme or cycle will deliver the best returns if appropriate effort is put into its planning and execution. In short, once the decision has been made to bring in a CI function it must be championed internally and given sufficient commitment to allow it to fulfil expectations, otherwise all of the objections listed above will become self-fulfilling prophesies.

**Exploring the benefits of competitive intelligence**

The following sections introduce just some of the ways in which CI can bring value to your organisation. This list is certainly not exhaustive, but is intended merely to summarise some of the key areas in which you can expect to see results if CI is targeted towards the right end goals. Many of these issues are returned to and dealt with in detail throughout the report and in the case studies that follow.
Identifying opportunities
One of the most ‘proactive’ CI applications – the identification of opportunities – can demonstrate value and is therefore a prominent role for the CI team. The identification of an opportunity in the market may come from a variety of sources; one of the most important features of an effective CI function is the involvement of employees at every stage. Often, chance conversations at client meetings, conferences, and informal social gatherings can alert a member of the business to a possible opportunity, and it is essential to have facilities in place for clear communication to the CI team or individual.

Spotting risks
Risks posed to the organisation include a new competitor entering the market, the launch of a rival product, large numbers of customers migrating to another provider, changes to regulation that affect your product or service…the list of potential threats is almost endless. While many businesses simply react to damaging events once they have happened, CI can provide you with early warnings that allow the organisation to prepare for – and thus mitigate – the impact of threats or, where possible, take steps to avoid their impact altogether.

Monitoring the competitor landscape
The classic ‘competitor intelligence’ approach helps you to anticipate the activities of your competitors by monitoring changes in the competitor environment, thus protecting yourself from potential threats. The activities and strategies of competitors should be considered in light of broader market and industry factors, including the economic and political climate, technological issues, and legal considerations. This approach may make up the majority of a traditional CI program but it should not be its only aim.

Learning from others
Looking at the successes and failures of your competitors – known as ‘benchmarking’ when conducted formally – can be of great benefit not only to understand the competitive environment but also to apply those learnings internally. Ideally, you should be looking for best practice examples from organisations beyond your direct competitors, identifying tactics that could give you the edge. What is it about the most successful companies that differentiates them from yours? What are they doing operationally to achieve their success – and what could you incorporate into your own operations to emulate that success?

Customers and suppliers
CI allows you to build up a profile of the customers and suppliers that interact with your competitive set: who buys from whom; who controls the supply chain; how are customer tastes changing – and how might these changes affect your business and that of your competitors? The monitoring of the customer and supplier environments has two key benefits. First, it allows you to understand how changes to the supply chain or the target market would affect your competitors’ operations and margins – are their costs likely to go up, presenting an opportunity to seize market share? Are customers tiring of a flagship product? Second, understanding this environment gives you an informed basis on which to make decisions and judgements about your own organisation’s activity – how would it be affected by changes to customer or supplier behaviour? Armed with both external and internal insight, your business will be better prepared to move when an opportunity or risk is perceived.
Sales and marketing
As with many of the benefits covered here, CI has the potential to generate insight that will help the business in two ways. First, an understanding of competitor sales and marketing techniques will help you to understand their strategies, sales channels, and how they interact with their customers. This will feed into your competitor profiling activity and assess the successes and failures of competitors’ sales and marketing techniques. Second, understanding the needs and behaviours of your customers allows you to adapt your own sales and marketing efforts to enhance returns. This type of targeted knowledge generation is often well served by market research; such activity should support, and be supported by, CI.

Tactical goals
The intelligence generated by CI activity can feed into a whole range of tactical goals, such as marketing activity as described above. These goals generally require a shorter-term CI project for a specific purpose, but can also benefit from the insight produced during the longer-term CI activity that should be going on alongside discrete projects. Intelligence can be used to inform IP licensing, R&D, due diligence for M&A or partnership decisions, and a host of other areas.

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BEFORE WE consider how to go about integrating a CI function in our organisation or carrying out that CI, it is necessary to step back and take a broad look at the competitive landscape in which the organisation sits. It is only by appreciating that our organisation does not operate in a bubble – that is, with a fixed set of competitors and a crowd of willing repeat customers who would not consider going anywhere else – that we can truly appreciate the range of activity that CI planning and analysis must encompass. We will return to these categories in Chapter 3 when we look at the CI cycle itself, but for now a brief introduction to the key concepts will be useful for readers who do not have a background in CI or business analysis. It is worth noting that entire business degrees (and beyond) are devoted to these topics; this section is not intended to be exhaustive but is intended to give the reader food for thought, highlighting the main areas to be considered when carrying out CI activity.

While the following sections provide neat classification systems from which to perform an analysis of the competitive landscape, it should be remembered that they are rarely mutually exclusive and should be considered holistically when performing CI. Chapter 3 outlines the methods and techniques that can be employed to get the most out of these classification systems; for now, remember that most of these factors – technology, regulation, socio-economic, and so on – can have implications at both the macro and micro environment levels, as well as within the internal business model, and should be considered at each stage of the process.

**The macro environment**

The macro environment comprises all the factors affecting your organisation over which you have little or no control: the external factors that shift and change around us all the time. If you think about your organisation as a boat on the sea, the macro environment is the wind that blows you off course, the waves that buffet you, and the rain that soaks you to the skin. You cannot control any of these factors, but you can make attempts to navigate a clear course, hold tight, and put on a rain jacket.

Being external and uncontrollable does not mean that we cannot anticipate and respond to changes in the macro environment; indeed, it is essential that we consider these broader factors if we are to successfully hone our CI activity to engage with the more controllable factors. Although this is true of every company, some specific examples help to clarify the importance of macro forces:

- A manufacturing company must bring its raw materials through politically unstable regions. When civil unrest escalates, that company’s logistics operation must either halt altogether or find another way around, most likely with a significant knock-on effect for time scales and associated costs;
An engineering company operates in multiple regions; a series of operational failures and breaches by other companies around the world mean that industry regulation is rapidly tightened. This company’s legal bill is about to go through the roof as it navigates a complex array of new regulations that affect its operations; and

A natural disaster devastates a region that contains, as well as many unfortunate people who have lost their homes, many businesses. Each of those businesses represents a link in the supply chain of other organisations; quite apart from the devastating effect of the disaster on those businesses operating in its immediate area, it will have a knock-on effect for every business that is supplied by, or is a supplier to, those companies.

A useful way to break down the major components of the macro environment is represented by the acronyms PESTEL and STEEPLE; we will cover PESTEL/STEEPLE analysis in more detail in Chapter 3, but for now it is useful to consider each component in turn in order to understand the broad landscape in which your organisation operates.

PESTEL and STEEPLE
PESTEL or PESTLE is a stalwart of management theory, but its evolution is ongoing. It is based on the acronym PEST, which represents the following factors:

- Political;
- Economic;
- Social (Socio-cultural); and
- Technological.

PEST analysis becomes PESTEL with the addition of the following:

- Environmental; and
- Legal.

The addition of Ethical factors results in the acronym STEEPLE; its use has become increasingly common in recent years. The key point to realise here is that the very acronym used by analysts to understand the broad competitive environment is in a state of flux; this indicates that the range of macro forces operating on your organisation can change, as well as the forces themselves. Were environmental, legal, and ethical factors of absolutely no importance to businesses twenty or thirty years ago? Of course not. But globalisation, increasing regulation and legislation, and cross-jurisdictional technology and communications mean that they are now a concern for almost every business, not just those operating on an international scale or in particular industries. As a result, it is important to keep your eyes and ears open to new forces that could affect not only your own business but that of your competitors.

Political
Political factors include the very nature and stability of the government, and the degree to which it influences other factors on the list such as economic and social policy. Both domestic and international politics should be considered; for example, the cost of complying with international regulation may need to be balanced with the potential gains to be made when entering into a new market. Domestic government policies and initiatives affect businesses in many ways; key examples include tax policy, rules relating to employment and labour (including pensions and statutory entitlements), trade restrictions and tariffs, environmental policy, education, and national infrastructure. Aside from broader political factors, there are also
likely to be specific industry policies that could affect either your business or that of your competitors. This could be subsidies, funding, or other types of support for particular industries or regions.

Economic
As with the political landscape, the overall nature and stability of the economy are key areas to monitor. Against this backdrop, businesses will be affected to varying degrees by factors such as inflation, economic growth or recession, interest rates, consumers’ disposable income, employment policies such as minimum wage, and tax policies. The impact of the economic downturn has been felt all over the world in recent years, so this part of a PESTEL or STEEPLE analysis should be on every organisation’s agenda. That is not to say that every business is negatively affected by poor economic conditions – indeed, some business models and niche sectors thrive when times are hard for everyone else. Nevertheless, high interest rates and/or more cautious lending mean that many businesses are unable to access capital for growth, which has a knock-on effect for both employment and other businesses in the supply chain. Likewise, exchange rates and instability in foreign economies impact on international trade and growth.

Social
The social influences on the competitive landscape are heavily tied in with political and economic forces, including the age of the workforce, availability and take-up of education and training, liabilities around pension schemes, attitudes towards family life, maternity/paternity allowances, and flexible working. In addition, social trends will affect various industries in very specific ways, feeding in to the micro environment (which is covered in the next section). Clearly, industries such as clothing and children’s toys deal with changing tastes, fashions, and fads on a constant basis. However, changing social attitudes affect consumer demand in less obvious ways, in both the short and long term. Consider, for example, housing and construction: this industry is heavily affected by social housing policy, consumer spending (such as trends towards investing in second properties, buying, renting, or extending the existing home), and mortgage lending, demonstrating the interaction between the STEEPLE categories that managers and CI professionals must watch out for.

Technological
This is another example of a factor that spans both the macro and micro environments, as well as the internal business environment through the adoption of operational technologies and management systems. New technologies can create entirely new industries that may complement existing businesses or render their products obsolete. Naturally, the technology environment is of primary importance to those operating in technology-driven sectors – telecommunication, software and services, medical technology, automotive, aerospace, and engineering, to name but a few – but the impact of technology is far deeper than simply the products and services on offer.

Online shopping, logistics and warehouse management software, smartphone barcode scanners, and customer loyalty cards have changed forever the way we buy and sell goods and services, from multinational corporations to the home-based aspiring entrepreneur. Businesses harnessing technology that allows them to understand buying trends, adjust prices...
based on competitor analysis, and improve logistics to ensure they have the right products at the right time will be able to create nimble business models that react to rapidly changing customer demands. Likewise, the service-based business that can automate repetitive tasks and coordinate business development efforts into a central repository of clients and referrers, for example, will have the resources to add value to their service – for both existing and new clients – when budgets are tightened.

Environmental
Environmental factors, as with many of the others on this list, can affect businesses in many ways depending upon their activity. The food industry, for example, is directly affected by weather patterns that impact on farming and crop yields; unseasonal bouts of heavy rain (such as those in the UK during the summer of 2012) mean that crops are lost before harvest, and food prices are pushed up as a result. The fishing industry is another example of one in which environmental policy directly affects businesses – from the teams on the trawlers to the price of the end product in store – through the application of fishing quotas.

Environmental legislation affects most businesses in one way or another in areas such as waste disposal and energy consumption. In addition, social attitudes towards the environment can impact upon consumer perceptions of a business and the products or services it provides. One of the most extreme examples in recent years is the impact of the 2010 Deepwater Horizon oil spill on BP’s reputation¹, but consumer attitudes towards the environment can create both risks and opportunities in less dramatic ways. Long before the EU directive 1999/74/EC ‘Welfare of Laying Hens’ came into force on 1 January 2012, some food producers and distributors switched to using free range eggs in their products, seizing an opportunity to promote animal welfare values before the entire industry was forced to switch. By being alert to an issue that combines political, environmental, and social factors these companies were able to act before the change became compulsory, planning the cost impact in advance, and tying animal welfare in with their brand values ahead of their competitors.

Legal
Legal factors should already be of primary importance to the way every business operates and it is the responsibility of management, alongside the appropriate legal advisors, to ensure that the organisation complies with relevant law in areas such as tax, employment, discrimination, consumer, competition/antitrust, and health and safety. From the point of view of CI, you need to be alert to potential changes in the laws that apply to your business (or new legislation and regulation that might impact on your activities) and ensure that you are adequately prepared.

Such changes could apply internally, affecting employment, salaries, benefits, and pensions, or could impact on the organisation’s external activities in relation to the product or service it supplies. The complexity of regulation and legislation in foreign markets will be a significant consideration for businesses that are looking to move into a new territory; the cost of compliance may erode potential profit margins, depending upon the nature of the industry and the size of the market. Equally, the relaxing of rules may present an opportunity in a new market that was previously off-limits due to complex regulation.
**Ethical**

Although an examination of the macro environment often stops at PESTEL/PESTLE, it is worth addressing the additional area of ethics here (the STEEPLE model) – if only because it has such resonance with CI professionals in their own line of work. As will be clear from the above summaries of legal, environmental, economic, and social factors in the competitive environment, ethical considerations span a wide range of other issues and will most likely fall within those categories in one form or another. The keeping of free range hens, for example, is clearly an ethical issue within the broad context of environment-related legislation; consumer demand for fair trade goods is a response to the ethical implications of a socio-political issue.

In addition, it is worth remembering that many organisations incorporate a formal commitment to work ethically into their mission statement. A clear understanding of what those values are – and what they mean to the employee, to company strategy, and to the customer – involves not only an understanding of the current ethical environment but also appreciating that ethical values can change.

**The micro environment**

Whereas the macro environment looks at the market as a whole, subject to the influences of both domestic and global factors that are largely beyond the control of the organisation, the micro environment looks at the factors affecting the organisation that stem from its own sector and the competitive forces at play within it. Here we start to consider the organisation’s competitors: who are they, what are they doing, and how is that competitor set likely to change? Who supplies those businesses and what does the supply chain look like? Who buys from your competitors and what trends affect the customer base? How might this customer and supplier landscape change, and how quickly? What other products or services could enter the market that would reduce or displace the need for your own products or services?

Though it was originally put forward in 1979, Michael Porter’s Five Forces model is still widely considered to offer one of the best frameworks in which to understand the competitive environment within one’s own industry. As with the STEEPLE model, Chapter 3 outlines some of the techniques that can be used to analyse competitor organisations in the light of Porter’s model. For now, we look at the model itself and how it describes the organisation’s immediate competitive environment.

**Porter’s Five Forces model**

Porter identifies five forces that shape the competitive interactions between businesses within a given industry. The relationship between these forces is illustrated in Figure 1. The five forces comprise:

- Competitive rivalry among the current businesses in the sector;
- The threat of new entrants;
- The threat of substitute products or services;
- The bargaining power of suppliers; and
- The bargaining power of buyers.

Competitive rivalry describes the strength of competitive interaction between existing players in the field. Such rivalry is healthy, and businesses should have a good knowledge of their direct, established competitors. Rivalry tends to be intense when the key players in the industry are of a similar size, pursuing similar strategies, and with little product or service differentiation.
Rivalry tends to be lower when there is greater differentiation in these areas between the key players. Rather like scuffles breaking out between children playing in a school yard, in an industry characterised by many small or medium businesses, rivalry tends to be small in scale and localised either geographically or in relation to one product or service output. Where there are two or three dominant brands in the industry, each with a large market share, we are likely to see on-going rivalry on an intense scale. One need only think about Pepsi and Coca-Cola or McDonald’s and Burger King to see this rivalry in action.

In addition to this existing rivalry, Porter argues that the competitor set is affected by external forces. In order to look ahead to potential changes in the landscape, as well as understanding the likely drivers for decision making in the existing competitor set, these additional forces must be monitored and analysed. It is essential to remember that all of these forces are affected and influenced by the macro environment, too; examples of the relationship between the macro and micro environment are included below.

**Threat of new entrants**

If customer demand remains stable but new providers enter the market, profit share will be reduced for those already in the market. Virtually every competitor set is at risk from the threat of new entrants, but some are more at risk than others. The ease with which a business can enter an industry depends upon the strength of the barriers to entry, which include factors such as:

- The intensity of brand loyalty towards existing providers;
- The existence or availability of the required skills and resources;
- IP protection; and
- Existing players in the market holding long-term contracts with the key clients or suppliers.

![Porter’s Five Forces model](image-url)
In short, will it cost a lot in time, money, people, skills, IP, and/or equipment resources to make an impact on this market, and what are the likely returns?

If the barriers to entry are low and there is potential to make decent returns, then the industry is likely to see far more attempts to enter the market than if these barriers are high. In fact, the landscape can change depending on how high up the chain you are in your industry; simply monitoring either your direct competitor set or just the key players might not give you the whole picture. Case Study 4 describes the situation in the construction industry: while the barriers to entry are extremely high for companies hoping to deliver the big contracts – the industry is heavily based on relationships and having a proven track record – it is relatively easy to enter the market at a smaller scale, so there is a bigger threat of competition among small and medium sized construction companies. At the top end, then, the threat of new competition may be more likely to come from medium sized companies that have slowly built up a loyal customer base and are now punching above their weight in order to step up a level in the hierarchy, rather than from an entirely unknown new entrant.

It should also be remembered that market share lower down the hierarchy can be taken by those currently operating at the top end. Consider, for example, large knowledge based firms such as architects, lawyers, designers, and so on. Where overheads are costly, the customer pays a higher price but is rewarded with the comfort of ‘buying quality’ – in other words, these big businesses should be employing the most talented individuals in their field. Smaller companies in the same sector represent a different value proposition: they may be slightly less experienced, or they may simply have lower overheads because they do not need a large, city-centre office, so the client pays far less for the service. Yet when an economic downturn occurs and costs are squeezed at every level, we often see highly experienced consultants leaving large organisations in order to set up a small, nimble consultancy of their own. They trade on their name and their reputation, offering the quality associated with their former employer but without the sizeable overheads. This has become particularly common in recent years as the balance between work and lifestyle has come under increasing scrutiny, and many professionals simply want the flexibility of working for themselves. A big name entering a lower tier of the industry hierarchy could pose a considerable competitive threat to those already operating at that level.

Competitors can also enter the market through backward or forward integration. Backward integration occurs when former customers or clients decide to enter the market; forward integration occurs when suppliers expand their offering by moving into the territory of their own customers. Possessing knowledge of the industry as either a former buyer or a former supplier breaks down some of the entry barriers and may mean that the new entrant already has an established network of potential buyers.

Threat of substitutes
Can the product or service on offer be replaced by another with little negative impact on the buyer? In many cases, the answer to that question appears to be ‘No’; perhaps it could be provided by another company, but the product or service itself cannot be replaced. This can be seen in a wide range of areas such as legal services, medical providers, mobile phones, insurance, furniture... after all, we can buy a
chair from any shop but the basic concept of a chair has never changed – there is simply no substitute.

Yet to make such an assumption is to be blinkered to both changing customer tastes and to wider forces such as the impact of technology and regulation. The UK legal services sector, for example, has faced deregulation – so-called ‘Tesco law’ – meaning that certain non-contentious services can be provided by non-lawyers. The outcome may be the same, in that the customer gets a will or conveyancing, but the provision of the service might come from an alternative business structure (ABS). The fundamental delivery channel for the end product has changed.

Even the humble chair is not immune. Consumer tastes change over time, meaning that mix and match separates are substituted by coordinated three piece suits – and vice versa. Kitchen chairs are substituted for bar stools at the breakfast counter as eating habits and the general layout of our homes change. Technological advancements, of course, have a marked impact on the availability of substitutes; look no further than the replacement of video with DVD or CDs with MP3 players. Another example of an area in which macro factors influence the micro environment is food and drink – social trends towards the consumption of alcopops instead of wine (and the subsequent reversal of that trend), for example, and campaigns to replace high red meat consumption with alternatives such as chicken, fish, and cereals.

**Bargaining power of suppliers**
Suppliers can influence both the availability of goods or services and the price, and their power depends on factors including:

**Number of suppliers by resource**
If suppliers are providing raw materials that are difficult, time-consuming, or expensive to source then there may be few suppliers in existence. Likewise, if you are outsourcing a service such as PR, legal, or any other knowledge-based service you may feel that you are willing to pay only for the very best – or what you consider to be the best for your requirements. In cases such as this, the buyer is largely at the mercy of the supplier because there is little scope to source the same product or service elsewhere.

**Number of suppliers by agreement**
Is there only one supplier (or a small number of suppliers) contracted by long-term agreement to your organisation? The fewer the suppliers, the greater the power they hold; long-term agreements make it difficult and costly to switch unless the delivery contract has been breached.

**Integration of the product or service**
If a supplier has taken many months or years to learn about your organisation’s requirements it could be very difficult to transfer this learning to another supplier, especially if a switch would need to be seamless (in other words, fast) in order to maintain your own operations. Consider the suppliers of intricate technical parts for a telecoms business, or locally weaved tartan fabric for a clothing manufacturer. Alternatively, think about the business consultant who has built up an intimate understanding of your company and bases his or her advice on years of accumulated knowledge. If these suppliers pulled out, how long would it take you to find another to fill the specific gap created by their absence? Would the loss of supply fundamentally affect your finished product to the extent that you
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would have to change the way it is marketed? The greater the integration into your business, the greater the supplier power.

Of course, the issues highlighted above are often the very reason we want a particular supplier and value their service: we want the best, we want what they have to offer, and we want them to get to know our business so that they can deliver to our precise requirements. When these relationships work well, they can be of huge benefit. Nevertheless, even if you or your competitors appear to have great relationships with your suppliers it is always worth thinking about these relationships in the light of macro factors. The supplier may have no choice but to change the dynamics of the relationship if their own competitive environment changes. If, for example, one of your key competitors sources materials from a country that is hit by environmental or political events that make supply difficult, your competitor is subject to fluctuations in price and/or consistency of supply. If you source the same materials elsewhere, your supply (and thus your costs) will not be affected, creating a competitive advantage.

Of course, your own supplier might take note of the prevailing market conditions and decide to increase their prices in order to take advantage of the situation; this is where having those long-standing relationships can be of significant benefit as it reduces such supplier bargaining power. It also demonstrates the advantages of monitoring every aspect of your external environment, since understanding the forces that affect the supply chain allows you to be better prepared for potential bargaining tools and also spot where these bargaining points might affect your competitors.

Bargaining power of buyers

Increased buyer bargaining power results in increased pressure on margins. Power can be increased by factors such as:

- The industry supplies high cost services;
- The industry is made up of several small or medium providers;
- Switching providers or brands involves little cost to the buyer;
- Brand loyalty is low or transient;
- The product or service is not heavily relationship-based or structurally entrenched in the buyer’s business/lifestyle;
- Buyers possess, or can access, plenty of information about the product or service and its alternatives;
- The service or product can be easily substituted; and/or
- Customers are sensitive to price and, in particular, price fluctuations.

It is possible that, even with considerable power at their disposal, buyers might be apathetic about exercising it. So, for example, high brand loyalty owing to a perception of quality, taste, or brands with a historical ‘national pride’ element could be enough to retain market share even when the product can easily be substituted and is more expensive than the alternatives.

The exercise of buyer power can be influenced by macro factors. Consider the provision of legal services: clients often have a long standing relationship with their law firm – corporate clients, in particular, are likely to place considerable value on the ability of the law firm to understand the intricacies of their business and it would be difficult to transfer to another firm because the service is entrenched throughout the client’s organisation. Yet the economic downturn has meant that legal budgets are squeezed; if clients cannot or do not want to
shift to another law firm they might at least demand more value for the same price from their current firm.

To provide another example of macro forces affecting buyer power, we can see that technology has had a significant impact on the banking customer. As the industry moved towards telephone and online banking, it shed the old image of the friendly high street bank manager in favour of fast, accessible banking available anywhere, at any time. Good technology has replaced personal relationships in the bid to retain customer loyalty. Yet this technology also means that it is extremely easy for the customer to switch bank accounts; indeed, competitors actively advertise that they will take care of the entire switching process on your behalf. Combine this with the vast amount of information now available to the consumer through websites such as moneysavingexpert.com – again, technology has provided a fast and accessible forum for the distribution of information to consumers via the internet – and you have the perfect conditions for increased bargaining power among buyers.

**The business environment – competitors**

Gathering data about competitors is, for many people, the entire focus of their intelligence activity. However, as we have seen, competitive intelligence is about far more than competitor intelligence – just as your own business is affected by the macro and micro environment factors we have discussed, each of your competitors and potential competitors feels the same pressures and might take advantage of the same opportunities.

Including this section at the end of the chapter is not intended to indicate that competitor analysis is not important; in fact, it may very well be the most crucial part of CI for your business. Its precise nature will depend on the objectives of your programme, but understanding key competitors is always going to be a key part of any good CI activity. The point here is that your competitors must be monitored whilst bearing in mind the impact of other factors on their business. Are they going through a period of expansion or contraction? How are economic or political fluctuations affecting your competitors? Are they feeling the squeeze from suppliers or suffering from a fall in customer confidence? Chapter 3 discusses the ways in which you can perform competitor profiling and analysis; remember that, because the entire competitive environment should be borne in mind throughout the process, such profiling and analysis will need to be regularly monitored and updated.

**References**

1. Mervin, John. ‘Counting the cost of the BP disaster one year on’, BBC News online, 20 April 2011.
Chapter 3: Competitive intelligence – a practical guide from planning to review

The competitive intelligence cycle
The purpose of CI is to generate actionable intelligence that allows the organisation to take pre-emptive action and make informed decisions. The gathering of information should therefore be an on-going cycle, with dual outcomes of intelligence-based action and a renewed set of objectives for the next cycle (this is part of the review that comes at the end of the process). Each cycle should take account of the broad competitive environment as outlined in Chapter 2, providing insight for strategic decision making and early threat/opportunity identification. However, cycles may also have highly specific objectives such as informing marketing campaigns, M&A activity, or research and development of new products and services. There will therefore be a series of key topics for any given cycle that can be channelled into key questions to be answered within that cycle; see below for more on how to identify your organisation’s topics and questions.

The five stages in the CI cycle, illustrated in Figure 1, are:

1. Planning – what do we need to know, and why?
2. Gathering and synthesising information;
   – Review in line with planning;
3. Analysis – turning information into intelligence;
4. Disseminating and acting upon the intelligence;
5. Review the whole process from 1–4.

Planning
What are we looking for?
The market forces operating on and around your business at all times must be taken into account when planning your approach to CI. Chapter 2 outlined some of the key issues to consider, including the macro and micro environments, competitor sets, and business analysis. We will return to these issues later in this chapter, but it is essential at the planning stage to understand and anticipate the range of intelligence that can be created during the cycle, in order that it can be aligned with the organisation’s intelligence objectives.

Whilst it is essential for the team to agree upon clear, realistic objectives, decision makers should refrain from making assumptions about the likely findings. Stripping back assumptions at this level allows CI to bring an objective viewpoint,
and this is only possible if decision makers refrain from answering their own questions at this stage. An experienced CI practitioner can provide advice and guidance on this matter; even if the CI function is not going to be performed by a dedicated individual, or it will be outsourced, it may be worth enlisting the help of a professional at this stage in order to map out your plan at the earliest opportunity. Lack of direction at the beginning can create major problems at the outcome and, indeed, may cause the project to stall altogether at the analysis phase.

If we were to distil the overall objectives of the planning phase into just two fundamental questions, they could be asked as follows:

- What will the organisation get out of knowing this piece of intelligence? and
- What will the organisation risk if we do not know this piece of intelligence?

In answering the first question we keep in mind the likely actions of the organisation based on the intelligence: how will strategic decisions be based on or affected by this insight? What do we (think we) already know, and where are the gaps? If we gather data on X and Y, will it inform our understanding of Z or will it simply be superfluous information in the context of what we need to know from this cycle of CI? Answering the second question is an integral part of building the business case for CI; it tells us how important CI is if we are to protect the competitive interests of the organisation. In addition, by combining the second question with the first we can start to prioritise matters in the planning process. Not every topic can be pursued simultaneously, so the desirability factor combined with the risk factor for any objective will indicate its relative priority level.

Key intelligence topics

The key intelligence topics (KITs) identification process was described by Jan Herring in 1999, and has become a standard tool for CI professionals. KITs are the issues and topics that define the broad intelligence needs of the senior decision makers and how that intelligence is going to be used. They should be used to drive the intelligence process, giving form to the information gathering stage and ensuring that the analysis of that information produces actionable results that will address the identified needs. Identifying KITs requires interaction between the CI team and the strategic decision makers, usually in the form of detailed interviews, in order to understand the precise intelligence needs of the latter and communicate the likely deliverables from the former. It therefore requires some patience and commitment from all stakeholders in the activity, but without this level of detailed exploration the CI programme is unlikely to deliver actionable outcomes.

Herring identified three categories into which KITs can be classified:

- Strategic decisions and actions;
- Early warning topics; and
- Descriptions of the key players in the specific marketplace.

The nature of the KIT will influence the type of intelligence activity required to support it and the likely workload that can be taken on by the CI team or individual. For example, descriptions of key players in the market can be compiled and maintained on a regular basis, while early warnings require on-going data monitoring and analysis in order to spot patterns that will alert you to imminent changes in the competitive landscape. Strategic decisions are more likely to require
discrete KITs (or sets of KITs) with specific, time-sensitive requirements.

As we have seen in Chapter 2, the on-going need to monitor for early warning signs and understand competitors feeds into the cyclic nature of CI, and in turn these needs feed into each other. Likewise, KITs intended to address strategic decisions do not operate exclusively of early warning and competitor monitoring KITs. The importance to the CI programme of taking the time to identify a clear and realistic set of KITs, review them on an on-going basis, and communicate how they are to be satisfied cannot be understated.

**Key intelligence questions**

Once KITs have been identified, key intelligence questions (KIQs) can be formulated to shape the information gathering and analysis stages; the resulting intelligence should answer these KIQs but will be more broadly based on the topics identified at the beginning of the planning process. For example, the broad KIT may be to investigate the marketing strategy of a competitor, whilst the related KIQs will be more targeted questions such as ‘what is their marketing budget?’ and ‘what channels are they intending to use for their campaign?’ Answering these key questions will create a focused approach whilst still addressing the broader topic.

**Gathering information**

**Thinking creatively**

Chapter 5 details the importance of conducting an audit of your existing resources before diving into data collection. It is likely that large amounts of data already exist in the business so to save time and avoid duplication of effort – and not least to harness the valuable insight that colleagues can add to this information through their own experience – these sources should be assessed as part of the data gathering stage. Once you are ready to commence data collection, the most difficult aspect can be simply getting started. There is such a wealth of information available – some of which will be useful and some of which will lead you down blind alleys – that it can be hard to know where to find what you need. Christopher Murphy puts forward a very interesting ‘golden rule of research’ in his book *Competitive Intelligence*, which can be communicated in the following question: ‘Why might anyone collect information on this topic?’ This is a useful question to bear in mind when gathering data in order to lay the foundations for realistic and, hopefully, fruitful research. The point Murphy makes is that you need to think creatively about where to source information: if it could be of use to anyone, for any purpose, then the chances are they will already have done some of the leg work by compiling it. Part of the CI researcher’s approach is to root out those sources by thinking laterally about where they might be.

When gathering information from any source, the researcher must always remember to act responsibly, ethically, and legally. Chapter 8 outlines some of the legal and ethical implications of CI as a discipline; at this stage in the cycle, it is worth reiterating that IP, licensing, and copyright law must also be respected.

At every stage of the data-gathering process, sources should be targeted and judged with the following points in mind:

- Do I understand the scope of the research based on the agreed objectives?
- What key topic or question is this data addressing?
- Is it relevant and up to date?
Is the source reliable, legal, and ethical? Is it telling me something I didn’t already know? Do bear in mind, though, that this is perfectly acceptable if you are looking to validate another source. Can I get useful facts out of the information or is it background ‘fluff’? Does the data have instant relevance or is it of broader interest and should therefore be filed for later retrieval?

The author wishes to point out that there are several commercially available software solutions that aid the researcher in the gathering, management, and analysis of data. Undoubtedly, if it is properly planned and resourced to ensure it fits with your requirements, software dedicated to the management of large volumes of data can be extremely helpful and allow the researcher to spend time on other aspects of CI. However, aside from the fact that any comments made here may become out of date quickly owing to the relatively fast-moving nature of this growing industry, this chapter does not look in detail at these solutions because, even if they are used, the researcher still needs to have a sound and solid understanding of the key issues in order to manage the process from inception to delivery.

### Types of data source

Data can be classified in various ways, but one of the easiest categorisations for our purposes is to highlight the differences between primary and secondary data. Both are needed for a rounded CI approach; Table 1 sums up the key differences between the two types of data in terms of CI.

Always be aware that there are points of cross-over between primary and secondary data. For example, Table 1 states that a video of an interview could be an example of primary data if it represents words spoken ‘straight from the horse’s mouth’. Yet the researcher should consider that the interview itself has been prepared for a purpose other than their own CI activity – it will no doubt have an agenda of its own and could be biased depending on the nature of the interview. It may also have been edited, therefore no longer representing a straightforward depiction of the speaker’s views. Alternatively, a statement from a CEO or government representative might be heavily scripted so, again, needs to be treated with some caution. This is not to say that these sources are unhelpful, but to highlight the dangers of assuming that primary research will be entirely ‘raw’.

<table>
<thead>
<tr>
<th><strong>Primary data</strong></th>
<th><strong>Secondary data</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Information is in its ‘raw’ state: it has not been interpreted or re-presented by others</td>
<td>Data has in some way been altered – though this may not be obvious – from its raw state</td>
</tr>
<tr>
<td>Collected or commissioned by the researcher (e.g. an interview) or taken directly from the original source (e.g. a YouTube clip of an interview)</td>
<td>Produced by others and made available to the researcher, such as journal articles, market reports, etc.</td>
</tr>
<tr>
<td>Collection can be tailored to the needs of your CI (e.g. through questionnaire design)</td>
<td>Not produced with your CI objectives in mind</td>
</tr>
<tr>
<td>Should be up to date if collected by the researcher directly (e.g. through interviews)</td>
<td>Potentially out of date if freely circulating in the public domain</td>
</tr>
<tr>
<td>Potential to access data that no-one else has</td>
<td>Potential to recognise trends and patterns that no-one else has</td>
</tr>
</tbody>
</table>

Table 1: Primary and secondary data
Primary data has many benefits. It is gathered, and therefore tailored, to your precise needs. It is timely; often, once information has been released into the public domain, it comes too late to be used as intelligence, but primary data should be current. It is insightful and should, if gathered properly, reflect the true opinions of the source.

Secondary information has been gathered for a purpose other than your current project, and therefore lacks most of the main qualities of primary research. However, the advantages of secondary research must not be overlooked, as it can often complement, verify, and greatly enhance the information gathered from primary sources. Consider, for example, a magazine article that quotes and analyses a speech made by one of your primary research targets. Although any bias to the article must be taken into account, the insight of the analyst may shed light on issues that had not been obvious when considering the wording of the speech alone. Secondary research can provide you with an ‘all-round’ view, triggering analysis paths that may not otherwise have been followed.

Data sources for different purposes

**Macro environment data**

Information about the macro environment can be found from sources such as government websites and data releases, newspapers, journals, conferences, trade associations, and primary research interviews. Whether or not it is a direct part of the researcher’s brief, keeping abreast of macro data that could be relevant to your business is essential as changes to this environment can impact on every level of the competitive environment below it. When a good source is found, it may therefore be useful to subscribe to that source on a regular basis or sign up for e-mail alerts.

It is somewhat moot to list here a selection of possible sources for this information. It will depend on your geographic location, your company’s footprint and that of your competitors (including the supply chain), and the types of regulation and other STEEPLE factors that are likely to affect you. Whilst it is a good idea to remain up to date and alert on a broad range of business topics, the researcher could quickly drown in data if he or she is not selective. There is no point in having a detailed understanding of upcoming EU regulations if your company, its entire competitor set, customers, and supply chain are exclusively US based. Of course, if a European (or any other) company is starting to make inroads into the US market then you need to be aware of it, but this type of information is arguably more likely to be found from industry-specific data at the micro environment level.

**Micro environment data**

Targeted information about the competitive environment is available from all manner of sources. The approach you take will depend entirely upon a combination of your KIT(s), the industry or sector you are researching, the amount of time you have available, and the financial and technology resources at your disposal. The following list of sources is not intended to be a complete reference but provides a starting point for further lines of enquiry.

**People** — Employees, consultants, competitors, experts: people hold a great deal of information that you can tap into. Before approaching potential interviewees, you need to bear in mind the ethical guidelines discussed in Chapter 8. Most importantly, you must be honest about your identity and not mislead people into...
revealing protected information. Do some background research on the people you wish to approach, and prepare questions in advance to ensure you get the most insight possible from your interview.

**Trade associations and conferences**
These offer a wealth of useful and timely information for the researcher. Conferences are an opportunity for businesses to show off their newest products and services as well as ideas in the pipeline. You will be able to learn about upcoming developments in the industry as a whole, as well as information on specific competitors’ activities. Remember when attending conferences, as with interviewing people, ethical rules require you to be honest about your identity.

**Newspapers and trade articles**
Industry-specific magazines, journals, and newspaper articles can help you to keep up to date with the general market developments documented in the media. Recruitment adverts in trade press can reveal pay and resource structures, as well as any intended changes within a business. They may also reveal recruitment initiatives by your competitors to hire intelligence specialists.

**Electronic alerts, RSS feeds, and updates**
You can sign up to free or subscription alerts and updates for industry-specific developments.

**Social media with a business focus**
Chapter 7 has more on using social media to source competitor data, but it can also be useful to keep up with industry developments. Industry experts, competitors, and consultants often tweet or post links to interesting news stories and debates that you may otherwise miss. Be selective about who you follow to avoid information overload.

**Market research**
This can be used to source intelligence for a variety of purposes, and combines with your own CI efforts to create a rounded approach to understanding the competitive environment. See the section below on market research for a more detailed discussion.

**Competitor data**
Many of the sources listed above in relation to the micro environment are also highly relevant to researching competitor data. As with most aspects of CI, you need to strike a balance between taking an orderly, structured approach (which instinctively leads one towards segmenting data into separate databases) and following an intuitive ‘one source leads to another’ approach that requires you to cross-reference databases and look at the various categories of information in a holistic way. Remember that the categories outlined in this chapter are just one way that you could structure your research; they are intended to help ensure that you consider all relevant aspects of the competitive environment rather than to confine your data to restrictive information silos.

You can source extremely useful information from your own employees if they have recently moved from a competitor company. Structured interviews with recent recruits, designed with clear questions formulated with your KITs in mind, can generate insight that is not available from any other source. Likewise, CI practitioners should be in regular and open contact with any members of the team who have front-line contact with competitors and customers. Your business development department, for example, is likely to be exposed on a day-to-day basis to hidden gems of insight about who is buying from whom, what your clients think about your competitors, and movements in key staff.
The most valuable thing you can do here is to encourage buy-in throughout the organisation, as described in Chapter 4. The creation of a culture in which knowledge sharing is the norm, combined with an effective system for recording, storing, and retrieving that knowledge, will help to ensure that such ‘hidden’ information finds its way to the CI team to complement their formal research efforts.

When looking for corporate information such as financial filings and new director appointments, the following sites and databases may be useful as a starting point for online research. Note that some databases require registration and/or charge a subscription fee or charge to download searched data:

- US Securities and Exchange Commission (www.sec.gov) – Registration statements, periodic reports, and other forms are filed electronically through the Electronic Data Gathering, Analysis and Retrieval System (EDGAR). They can be accessed free of charge.
- Companies House (www.companieshouse.gov.uk) – All public or private limited companies in the UK must be listed with Companies House. The WebCheck and Companies House Direct services allow you to select companies to monitor, and you will receive alerts when these companies register changes to their records, file returns, appoint directors, and so on. You can then purchase this information if required.
- Several sites provide access to annual reports, such as AnnualReports.com and Company Annual Reports Online (www.carol.co.uk).
- European Business Register (www.ebr.org) – This register is a network of 26 member countries in Europe, each of which provides access to its national business register. Note that data for the UK and Ireland is provided through the Global Business Register and Companies House.
- Global Business Register (www.gbrdirect.eu) – A portal providing access to company information across Europe.
- Forbes lists – The collection of ‘Companies’ lists includes America’s largest private companies and Global 2000 leading companies.
- Dun & Bradstreet (www.dnb.com/ www.dnb.co.uk) – Providing business information on companies around the world. The website also contains articles, blogs, and other analysis resources covering a wide range of industries.
- Hoovers (www.hoovers.com) – This is a Dun & Bradstreet company, providing information on both public and private companies internationally.

When looking online for competitor information, an obvious place to look is with their websites. Remember that the purpose of websites is to represent the company in the best possible light to current and future clients or customers, investors, suppliers, and so on, and you should not base your research on the self-produced profile you find there. However, you may well find useful links, mission statements revealing a little about the company’s future strategies, investor data, and information about your competitors’ products and services. If it is relevant to your own project, you can also assess the approach your competitors are taking in relation to marketing and external communications, including blogs and social media, by assessing the format and style of the website itself, rather than only the content.
Verify information
Information sources vary in terms of their reliability. Usually, government sources and those you have paid for will be reliable but in most cases you need to verify your information by comparing at least two sources and looking for discrepancies. Recognise that information in the public domain could be inaccurate or out of date. When major decisions are to be made based on the intelligence generated from the data, it is essential to verify that it is genuine, accurate, and the source can be defended in the case of a questionable outcome. Remember that, if they are aware you are gathering information on their business, rival organisations may well try to mislead you with the release of inaccurate or incomplete data.

The internet is an incredibly valuable research tool: many sources can be accessed online, and a large amount of background research is available through CI consultants and organisations such as SCIP, AWARE, and Fuld & Company. However, it must always be remembered that the information available online is not always subject to strict scrutiny or controls, and therefore the researcher must exercise caution when relying on electronic resources. Even where one source appears to confirm another, remember that one of the two sources may in fact have based their information on the other – giving you a false confirmation. Watch out for this in every source, but it is particularly prevalent on the internet because of the quick and often unverified reproduction of information.

Market research
Market research is here considered separately from other data sources as it can be used to gather data on all or any of the categories listed above. In reality, good market research should not only be part of the data gathering phase; it can, on its own, generate actionable intelligence based on sound planning that feeds directly into the organisation’s strategic decision making.

There are significant overlaps between market research and CI. The former discipline requires buy-in, commitment, and planning to ensure that it delivers to the company’s needs and objectives. The process gathers primary (and sometimes secondary) data which is analysed to produce intelligence that answers the pre-agreed research questions. Like CI, market research has its own ethical guidelines laid down and promoted by organisations including the World Association for Social, Opinion, and Market Research (ESOMAR, at www.esomar.org), the European Research Federation (EFAMRO, at www.efamro.eu) and the Market Research Society (www.mrs.org.uk). Organisations looking to commission market research as part of their intelligence efforts should ensure that their chosen agency upholds the relevant ethical standards in their region.

The benefits of external research are many. Experienced researchers can bring a fresh perspective to your KITs and may challenge you to consider areas that you had not previously thought of. They should be experienced in designing survey questions and methodologies that generate robust data, and will also be experienced in approaching respondents for interview.

In addition to commissioning bespoke, discrete research projects, remember that market research agencies can also be an excellent source of market data that is available in ‘off the shelf’ reports or syndicated research programmes. Although good research of any kind is not cheap, resources of this nature are often unavailable from anywhere else – the cost
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It is usually a good idea to seek out a research agency that specialises in the type of research you require, whether this be in terms of methodology (e.g. large scale quantitative consumer studies or in-depth, exploratory interviews with experts) or your industry. In Case Study 3, Lisa Hart Shepherd of legal market specialist Acritas talks about the benefits that a well-designed and executed research programme can bring to your on-going intelligence activity.

**Synthesis and review**

It is easy, when setting about the data gathering process, to think that an impressively large collection of articles, spreadsheets, and interview transcripts is a desirable end goal. Certainly, there is some comfort to be had for the researcher in being surrounded by information sources giving the impression that the answer is just at your fingertips. In reality, though, all we have done is to move one data source from its original location to our desktop, or to print out a document; having them stored neatly together in one place means we are only on the very first step towards amassing our data, not the end point.

Synthesis is an important part of the gathering phase, and involves the reduction of large quantities of data into manageable summaries. Though it may sound straightforward, this stage requires as much intelligent management as the analysis phase in order to avoid the loss of vital data or the retention of unnecessary data that clouds the bigger picture.

Data should be assessed for its validity, timeliness (i.e. is it up to date?), and relevance to the research objectives. Information that is not relevant to the KIT at hand should be assessed for its relevance to other KITs and on-going topics – such as competitor profiling and macro environment scanning – and stored appropriately.

It is at this stage that gaps will most likely be identified in the data that has been collected so far. This is part of the all-important review process that occurs between data collection and analysis. Whilst looking at the data you have collected in the light of your KITs and KIQs, consider what else needs to be gathered in order to fully address those objectives. This process may need to be performed several times but is vital to honing down large volumes of information into useable and useful data ready for analysis.

Finally, it is important to know when to stop and move on to the next stage. This may be due to lack of time or the pressures of the other intelligence topics, or it may be because you have uncovered information that makes further analysis unnecessary. It could also be because you are chasing a source or trying to answer a question that is getting you nowhere; the CI researcher with the courage to stand up for his or her research also needs the courage to stop when a line of enquiry is yielding nothing of value.

**Analysis**

It is crucial to realise that analysis is not the same as synthesis. We will discuss in the next section the importance of ensuring that intelligence is presented in a manner that fits its intended audience; undoubtedly, this includes the skill of reducing large volumes of disparate information into a digestible format. However, it is not enough simply to condense the information: intelligence is created by the CI practitioner through analysis and interpretation of the data. Furthermore, the CI practitioner or team must work alongside decision makers to
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convey the implications of the intelligence to the organisation, in order that strategic decisions can be based on a sound understanding of the market forces affecting them.

Chapter 2 covered the main areas that must be considered when assessing the competitive environment of the business, so we return to those areas here to provide a framework for meaningful analysis.

Market analysis – Macro environment
The major factors in the macro environment should be addressed, and the STEEPLE analysis categories are extremely useful to act as research prompts and organisational aids at this stage. Do remember, of course, that some issues will straddle two or more categories – provided they are included somewhere this is not a problem, as long as your analysis approach is flexible when it comes to prioritising key issues from each category:

- Social (Socio-cultural);
- Technological;
- Economic;
- Environmental;
- Political;
- Legal; and
- Ethical.

Once the major issues have been listed, analysis can begin to prioritise them in terms of the relative risk or opportunity they pose to the business. It becomes obvious here that the CI professional must have a keen understanding of the business and its strategic priorities, as well as the ability to understand the wider forces at play.

Industry analysis – Micro environment
Remember that a single use of Porter’s Five Forces model is not sufficient to cover all activities of a diversified business; it should not be used to analyse the industry sector as a whole. Rather, each line of business pursued by the organisation – if there is more than one – needs to be analysed independently in order to gain a clear picture of the environment surrounding each one. When analysing industry data, the CI professional should be looking for trends and patterns that will alert the business to changes in any of these areas:

- Competitive rivalry;
- Threat of new competition;
- Buyer power;
- Supplier power; and
- Threat of substitutes.

This is the area in which significant opportunities and threats emanating from the market can be identified – as such, this type of data should be analysed in conjunction with macro environment data. How could new regulation affect the threat of new competitors? How could difficulties exporting to one region affect the dynamics of supplier and buyer power?

Trends and anomalies
You should always be on the lookout for anomalies that might reveal flaws in your sources. However, you must also consider that apparent anomalies could, in fact, signal the beginning of a new trend. A sudden spike in growth in one market, for example, could indicate that your data source was incorrect or it could mean that something in that market is changing – indicating a potential opportunity for the business.

Where anomalies are spotted, look for associated data that could either
discredit the source or support the notion that there is something else going on. If you cannot easily discount the data as incorrect, you need to closely watch for any indications that the anomaly is becoming a trend; this is a key part of CI’s ‘early warning’ function.

**Competitor analysis**

*Company profiling*

Profiles of your competitors can be used in their own right, and can be compared and contrasted with each other and with your own company profile. If profiling several companies or intending to continue profiling as an on-going strand of intelligence, it is useful to create a profiling template including:

- **Basic company information** – Addresses of offices and head office, contact numbers, and website address;
- **Company background** – Structure, ownership, date of establishment, key stakeholders, management information and structure, geographical coverage and size of operation, employees, salaries, and key skills;
- **Strategic information** – Specialist areas, culture, mission statement, short- and long-term strategies, recent strategic history, and whether or not the company is currently expanding or experiencing change;
- **Financial information** – Costs, profitability, and capital;
- **Technology** – Is the company technologically driven? What technologies are employed for each function within the firm? Are technologies employed for KM or CRM?
- **Market information** – In which markets does the company operate, and what is the size of the market share? Who are the key clients and competitors in each market? What are the strategies for market entry and advertising?

- **Products, services, and innovation** – What are the key products and services of the company? Are products innovative market leaders, or reactive to competition? What new products or services are under development?

- **Personality profiling** – This can be part of the company profile or can be employed as an exercise in its own right. Personality profiling involves an assessment of the key decision makers within the company, to help you to understand how they interact and how they might behave. This is a particularly useful tool when there is a change in the company structure at a senior level, either internally or due to the arrival of new employees.

**SWOT analysis**

The SWOT matrix (strengths, weaknesses, opportunities, and threats, illustrated in Table 2) is used to analyse both your competitors and your own organisation. Within each quadrant of the matrix, data should be organised to list the relevant factors then, in accordance with your organisation’s KITs, arranged to prioritise the most important or timely factors. Crucially for the production of actionable recommendations, the quadrants need to be cross-referenced to reveal the relative ability of the organisation to respond to opportunities or protect itself from threats. In other words, are the company’s strengths sufficient to allow it to maximise on the available opportunities? Do its weaknesses leave it vulnerable to the identified threats? Where can action be taken to re-align any imbalances in order to improve this situation?
Chapter 3: Competitive intelligence – a practical guide from planning to review

Strengths

- Internal capabilities;
- Staffing resources and skills;
- Market share;
- Market coverage – regional, national, or international;
- Strength of offering;
- Strength of brand;
- Client/customer base;
- Experience/history;
- Location;
- Attitudes, culture, and loyalty of employees;
- Structure and stability;
- Assets and finances;
- Unique selling points;
- Marketing;
- Process and operations;
- IT and communication;
- Quality and value.

Weaknesses

Consider the converse of the strengths listed opposite, as well as:

- Poor reputation;
- Lack of service continuity;
- Timescales and deadlines;
- Management weaknesses;
- Internal instability;
- Bold plans compared to weak resources.

Opportunities

- General sector trends;
- Technological innovation;
- New markets;
- New unique selling points;
- Reduced costs;
- Product development;
- Partnerships and joint ventures;
- New contracts;
- Niche markets.

Threats

- Competitors;
- Customer demand;
- Legislative or political issues;
- Loss of key contracts;
- Loss of staff;
- Economy.

Table 2: SWOT analysis

Planning ahead – business analysis

The following techniques are arguably part of both the analysis and dissemination stages of CI. They provide tools for using data to improve performance and forecast potential scenarios, allowing the organisation to prepare for (almost) any eventuality.

Benchmarking

Benchmarking is a technique to compare your organisation’s performance in a particular area against the performance of other organisations. The businesses you benchmark against should be best-in-class performers in the areas you decide to benchmark, and they can be your direct competitors, indirect competitors, or even companies that are outside your industry. There are several key points to bear in mind when benchmarking:

- You need to identify key impact areas to benchmark before you begin. The purpose of benchmarking is to highlight areas in which you can learn from the best in order to improve your own
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performance, so there is little point in benchmarking areas in which you lack the desire, ability, or resources to make changes.

- Identify measurement variables that are in some way quantifiable. You need to be able to assess the performance of your chosen best-in-class companies as well as your own, and this will be done by analysing the data you have gathered in the early phases of CI. Trying to benchmark ‘intangible’ performance variables will be extremely difficult.

- Compare your own performance in each benchmarked area with that of the best performers. Identify gaps and pinpoint areas where improvements could be made.

- Tailor these improvements to your own organisation’s strategies, culture, structure, and resources. It is unlikely that a straight copy of the best practices identified will work in your organisation; rather, you need to consider ways in which learning can be adapted and applied to suit your own ways of working.

Scenario planning
This technique combines likely future events – those that have a historical pattern and are likely to remain the same in the near term – with possible but unpredictable future events to generate a selection of scenarios that could potentially occur in the future. It is important to realise that the purpose of this activity is not to try to predict the future, but to encourage the management team to think creatively about what could happen and how well the firm would fare considering its existing strategies.

Scenario planning aligns well with the objectives of a CI programme in that it encourages the decision makers to prepare for the possibility of change based on opportunities and threats that might realistically – but unpredictably – present themselves to the business.

War games
War games are intended to improve corporate planning ability, and help decision makers to consider external influences in business strategy. There are many consultants who specialise in helping companies to develop strategy through war games, and each will have a different approach.

Typically, a war game involves members of the decision-making team working as individuals or in groups, each representing a key player in the industry. These will usually be competitors but, depending upon the purpose of the game, can also be key clients or even regulatory bodies. The groups will be fully briefed about the organisation they represent, and will come up with likely movements and strategies for the medium-term future. When the teams meet, they will share their ideas and hear each other’s strategies which will, in turn, affect their own game plan. The war game is usually conducted in rounds, with each round informing the strategies developed in the next.

Dissemination and action
The dissemination stage of the cycle is absolutely crucial to the success of CI: if dissemination, understanding, and action do not occur, then CI has failed – regardless of the quality of the intelligence it generated. CI practitioners are often under great pressure at this stage because of the very nature of CI as an early warning mechanism. Intelligence must be communicated before it is out of date – in other words, before it is too late to maintain an advantage by acting on it – to
the people who need it most. In addition to this fundamental aspect of dissemination, the process of communicating findings to the decision makers who had input to the planning phase will feed into the review stage of the cycle.

What can CI professionals do to ensure their message is communicated well? Fundamentally, they must have the confidence to put forward concise, salient messages that can be used to inform decision making. Confidence comes from a combination of good planning, experience, understanding of the issues and objectives, sound research from verifiable sources, timeliness, and keeping in mind the KITs throughout the CI cycle. These requirements can be achieved by assigning CI duties to individuals with the necessary skills and ensuring that they are adequately supported by stakeholders throughout the organisation.

Information must be presented in a manner that is usable by the decision-makers, and in time for it to be used to take advantage of identified opportunities and risks. Typically, the CI professional will present only the recommendations without much, if any, supporting data – the presentation stage is not the time for long, complex slideshows of background data. The format of the presentation should be designed to fit:

- The audience – Will this be one person, a large team, or several departments?
- The speed with which the findings are required;
- The communication culture of the business – are written documents likely to be ignored by busy people? Can individuals in other locations be included through video or online conferencing?
- The mode of interaction between the CI team and decision makers – for example, a short presentation followed by a workshop will allow time for discussion and strategic planning; and
- The nature and format of the data being presented.

One criticism levelled at the traditional CI cycle is that those who need to use the results are removed from the process throughout the entire data gathering and analysis phase. This can result in a sense of detachment from the process and, potentially, a lack of confidence in the recommendations. It is therefore conducive to good presentation of findings if the CI team remains in contact with the various strategic and tactical teams throughout the cycle (assuming this is desirable on both sides, and will not be too intrusive to normal working practices), at least to ensure that deadlines are being met and KITs are being addressed appropriately.

**Review**

The ultimate goal of setting up a CI function is to establish a long-term cycle for gathering, analysing, and using intelligence. Whilst discrete projects are useful in their own right, the very essence of CI promotes the concept that every business should be actively and perpetually assessing, understanding, and pre-empting changes to the environment in which it operates.

When the project is complete, the team should review the entire process and highlight particular difficulties or successes and assess whether the aims of the project were satisfied. The intelligence gathered will inform strategy, and therefore the goalposts are likely to move with each turn of the CI cycle. Armed with knowledge – and direction from the decision-making team – the CI practitioner can continue to generate intelligence on an on-going basis.
References


JOHN E. Prescott’s informative essay ‘The evolution of competitive intelligence’ charts the development of CI over the decades since early activity in the 1960s and 1970s. Specifically, Prescott pinpoints Michael Porter’s 1980 book Competitive Strategy as a key moment in the development of CI, sparking a move from simple data gathering to a more sophisticated analysis of industry and competitor information. Prescott notes that, in those early days, leading-edge firms had an advantage in their ability to build a business case for CI owing to the groundwork that was laid down during initial data collection activity. They had already proven that there was some value to seeking out information about competitors; therefore stepping it up to an analytical level should clearly carry additional benefits.

Things have moved on considerably since Porter’s book first appeared and, indeed, since Prescott’s essay was published. CI is now a recognised discipline and many businesses dedicate enormous resource to it. However, the principle of having a ‘proven track record’ remains of fundamental importance, especially in organisations with limited resources or those in which CI activity has never before been ‘officially’ recognised. The key in such circumstances is to demonstrate that many activities currently being carried out by employees come under the umbrella of CI but are not currently being exploited to realise their full potential, and to show that the value of these activities can be increased considerably by the establishment of a more structured, integrated approach.

To this end, understanding how other organisations carry out CI is extremely useful. The case studies in the second part of this book are intended to provide some motivation for readers to harness these benefits in their own organisation. Nevertheless, each industry and business structure is different and the value realised by one organisation will be different from those gained by another. Therefore the business case requires a detailed consideration of the factors likely to affect your unique situation; the following section looks at ways to analyse the business’s current circumstances and likely resource requirements in order to help build the business case for CI.

Assessing the value of competitive intelligence
It is not possible to give a precise value to CI activity in this book; the value will depend on many factors that are specific to each organisation. What we can do is to identify areas in which the typical business can benefit, allowing the reader to apply these points to the business in order to measure the likely returns. It should no longer be necessary to promote the concept of CI as valuable; countless business commentators in the past have concluded that businesses taking an active interest in their competitive environment see real gains and avoid risks. Nevertheless, in order to take an
informed approach to the development and integration of a CI function – or to expand an existing one – the decision makers need to be aware of the areas in which gains can be seen in order to balance these against the likely costs.

Gains can be tangible or intangible; most will hover somewhere between the two, making precise quantification of the ROI difficult. Table 1 lists the likely areas in which any organisation can expect to see returns on a well conducted CI function.

**Resources**

**Skills and training**

Undertaking an efficient, targeted CI programme and delivering insightful results requires a special skill set; Chapter 5 has more on the skills and traits to look for in a CI professional. In addition to hiring or internally-resourcing your team, it is recommended that these individuals access regular training and support both internally and at professional events, such as those organised by Strategic and Competitive Intelligence Professionals (SCIP). There are several prominent CI conferences dedicated to those working within particular industries, such as the Pharma CI Conference and Exhibition (www.pharmaciconference.com) and Ark Group’s Competitive Intelligence in the Modern Law Firm (2012).

The advantages of investing in training and networking of this type are numerous, but key benefits in terms of ROI are:

- More skilled CI employees means less wasted time and more targeted activity, thus increasing the efficiency of the cycle and allowing more time for thoughtful analysis;
- Industry-targeted events allow CI professionals to network, gather insight, and learn more about both the macro and micro environment including new technologies, regulation and legislation, emerging markets, and, of course, competitors. As above, this improves the efficiency of the operation and the potential value that can be realised; and

- Intelligence feeds directly into strategic planning, helping the organisation to achieve its strategic goals.
- Identification of new markets and an understanding of the organisation’s opportunities and risks.
- Providing intelligence that allows the business to guard against loss of market share to competitors.
- Early warning of external market forces that could disrupt supply, demand, or other market conditions.
- Reliable intelligence to support tactical decisions such as pricing, promotion, and sales channels.
- Safeguarding against counter-intelligence efforts of your competitors through better knowledge of the techniques used.
- Reduction of duplication of efforts if several teams are conducting similar research for their own purposes.
- Intelligence can be used to enhance value-generating activities such as proposals, client relationship programmes, M&A, and R&D.

Table 1: Benefits of CI
Individuals who are fully engaged in performing high quality, commercial, and ethical CI will be in a better position to aid decision makers in the planning and action stages, and will be good ambassadors for CI throughout the organisation.

Technology and infrastructure
Chapter 6 focuses on the technology considerations associated with CI. For the purposes of resource planning, the following points should be noted:

- Effective CI needs good communication systems. Information will not only be gathered from outside the organization, but will also be dispersed within it, so CI professionals need resources that will allow them to communicate internally;
- Whatever system or combination of solutions you choose, efficient CI requires effective search, storage, analysis, and retrieval functionality; and
- The efficiency (and thus overall value) of CI can be dramatically improved by putting in place the right resources to support it.

But remember:

- The efficiency (and thus overall value) of CI can be dramatically reduced by introducing the wrong resources. Heavy investments in technology to support CI are not advisable until you are in a position to fully evaluate the ROI and ascertain how it will add value to your CI activity;
- Technology must be matched to the skills of your people and the training that will be available – highly sophisticated systems are a waste of resources if employees do not have the skills to use them properly;
- CI, and the associated technology, can be in-house or outsourced. Your approach to this will depend on cost, internal resources, and the organisation’s attitude towards outsourcing;
- Your solution will also depend on the functional and geographic structure of the organisation – does it incorporate multiple sites in diverse locations, for example?
- Systems integration is a key issue here – does your organisation already have (for example) KM and CRM systems? How will these align with any additional CI software you bring in? Can the existing systems be employed for CI activity?

There is a vast array of potential solutions and technology combinations that can be used for CI; a book such as this one can only act as a guide to the issues you might consider, due to the rapid changes in the technological landscape and the unique requirements of each business. If you are in any doubt or if you do not have the in-house IT skills to determine the best path for your organisation, it is advisable to seek external advice.

Balancing time and resource
This section will help practitioners to estimate the likely resources required to maintain an appropriate level of CI activity within their organisation. One of the key areas in which a well-intentioned CI function can fail to deliver on its value promise is when too much emphasis is placed on the gathering of information and too little on the analysis that turns the information into intelligence. This results in an ‘inverted triangle’ approach in which far too much time is spent gathering huge volumes of data, using up valuable resources for what appears to be a lot of work, but producing little in the way of valuable output.
Figure 1 compares this approach with a more balanced model in which similar time is devoted to the gathering and synthesis of information and the analysis of that information. It should be noted that, although the other stages of the cycle are allocated shorter time scales, this does not in any way reduce their importance. The precise nature of each stage in the CI cycle was covered in Chapter 3, but in the context of time and resources it is worth pointing out the following about the three shorter stages:

**Planning**
Planning should be focused and finite; it will involve the organisation’s senior strategic decision makers as well as the CI team and any other leaders that are involved in the specific objectives of the work, such as marketing or business development. Therefore, although short in terms of time, this stage of the CI cycle is fairly intensive in terms of company resource. It is, however, essential that this stage is carried out with the due care and attention required to shape the subsequent CI programme.

**Review**
Reviewing the information that has been gathered and synthesised (‘separating the wheat from the chaff’ in order to keep valuable information) is a relatively short stage but one that will be repeated until the desired quantity and quality of information has been gathered.

**Dissemination, action, and review**
The process of turning the analysed data into actionable, insightful intelligence and then sharing that intelligence with the people who need it should be focused and targeted, just like the planning stage. The intelligence...
needs to reach the right people quickly so, again, this stage has been given a shorter time scale than the gathering and analysis phases but it will require the attention of those involved in the initial planning phase.

**Encouraging buy-in**

This section explains why (and how) CI activity must permeate the entire organisation if it is to be useful. As we will see in Chapter 5, situating the CI function at a corporate planning level means that planning and dissemination of intelligence can feed into strategic decision making. If the CI function is situated elsewhere in the company, it is likely to feed only into tactical execution of this strategy. Of course, both strategic and tactical intelligence can be the goal of a rounded CI cycle or project; focusing on only one outcome limits the value that can be leveraged from CI activity. This is the underlying issue for the encouragement of buy-in at every level of the organisation: using intelligence at every stage of the organisation’s planning processes, both strategic and tactical, means that it has the potential to deliver the highest returns on investment.

**Buy-in at the senior level**

Chapter 3 covered the involvement of senior decision makers in planning the objectives of the CI programme and how the subsequent intelligence should be distributed. In an ideal scenario, the directive to implement a CI function will have come from the top down and it will not be necessary to encourage buy-in at this level. However, some employees with CI experience will no doubt find themselves extolling the virtues of CI in an organisation that has not yet discovered its value or is facing budget cuts.

To summarise the benefits and value of CI to the senior-level decision makers, we can say that CI:

- Allows you to uncover the drivers behind the actions of your competitors and thus creates a basis for predicting future behaviours;
- Allows the organisation to focus on proactive strategies to offset competitive threats, rather than investing time, money, and other resources in reactive crisis management;
- Creates a robust, informed mechanism for the identification of opportunities that can feed into new revenue streams or increased revenue from existing sources, and new products or services;
- Has value in periods of economic contraction as well as growth, identifying areas where opportunities can be maximised and market share protected;
- Supports and informs a range of strategic and operational decisions such as new market entry, M&A, and R&D; and
- Is something that your competitors are doing, therefore a lack of commitment to CI puts the organisation on the back foot within the competitive landscape.

There is a somewhat cyclic argument to support CI buy-in at the senior level: in order to gain the advantages described above it is essential to have this buy-in to support the programme; equally, if the CI programme goes well and meets its objectives, it should deliver powerful insight that will benefit decision makers at the strategic level. Lacking this support instantly moves CI down a level by reducing both the potential for high quality, well-resourced work and the strategic value it can deliver back to the organisation – eroding the business case to support investment in CI.

**Generating enthusiasm among users organisation-wide**

We have already seen in Chapter 3 the value of exploiting knowledge and networks
that are likely already to exist in all areas of your organisation. Obvious examples are the sales and business development departments, but valuable information is probably held in every department – though it may not be identified as such at the moment. In Case Study 4, Radhika Kapur describes how very useful information was being gathered and used on an ad hoc basis by many departments at Wates Group; even though the data was of great value to the teams using it, it was not being analysed from a CI perspective or shared throughout the organisation. This process is now being formalised into a more structured, centralised CI function. The unstructured gathering of data is typical of many organisations, and it takes time and skill to transform the day-to-day activities of multiple teams into intelligence that is capable of informing strategic decision making.

What must not be forgotten, as the Wates study confirms, is that the data being gathered by individual teams has its own value for those teams. A formal, centralised CI function must not take away that data, and the insight it provides, from the rest of the business and channel it solely towards the senior management level. To do so would create resistance from people who undoubtedly hold a large amount of useful information, making the job of the CI team more difficult and far less productive. More importantly, it will stifle the flow of information elsewhere in the organisation, removing valuable knowledge resources from people who need them. Perhaps most damaging, the result is likely to be that individual teams will continue to gather their own information but not share it with CI, meaning that this gathering activity is being duplicated by CI – ‘reinventing the wheel’.

What we are left with, then, is resentment among colleagues, a lack of engagement with the CI team (who should, in fact, be able to provide additional useful insight), a reduction in the efficiency of the CI cycle, and thus a reduction in the bottom line ROI.

Everyone in the organisation should therefore be aware of, and engaged in, the pursuit of knowledge sharing in the context of CI. In order to encourage buy-in, the following points may be useful:

- Emphasise the time-saving element of having a central CI function, freeing up departments to pursue other value-creating activities (whether based on the insights generated from CI or in other areas);
- Clearly commit to the establishment and maintenance of a knowledge sharing culture in which the information provided by individual teams will be built on and made available for their use;
- Establish an accessible but secure storage and retrieval system so that data is available to those who need it;
- Demonstrate the process of review and analysis that creates intelligence out of information, and communicate the intended benefits of the CI function to the organisation as a whole; and
- Show, if relevant, that much of the work being done by individual departments is being duplicated, and thus resource management could be improved across departments if it was coordinated centrally.

The combined outcome of the above points is to demonstrate two things to those involved in information gathering at the organisation:

- That CI can provide tangible day-to-day benefits to their own roles by improving the efficiency of their work flow and
adding collective, analytical insight to the data they already possess; and

By feeding into the CI process they will help to ensure it delivers value to the overall corporate strategy.

Remember that the strategies employed to communicate and implement the CI function need to be tailored to the structure and culture of your own organisation. The tips above are intended to indicate the types of issues you might consider, and how you might go about using them to demonstrate the value of CI throughout the organisation, but they should be interpreted in the light of your own business environment and culture.

Communicate your success
Successful CI is about maintaining momentum for ongoing activity. The team should take every opportunity to demonstrate the success of past programmes through proactive engagement with departments throughout the organisation. This should include, as a minimum, those who could benefit from CI and those who could supply information at the data gathering stage. A dedicated programme for feedback at the senior level is also necessary to demonstrate the ROI of key CI cycles and ongoing programmes (such as competitor profiling). The importance of an integrated approach to CI – one that involves both short-term and long-term KIs – should be emphasised in order to maintain enthusiasm.

References
LEADING ON from Chapter 4, in which we looked at ways to encourage everyone in the organisation to contribute to the intelligence environment, this chapter examines the ways in which organisations can utilise existing resources and identify additional resources in order to develop a CI function within the organisation. Remember that different organisations will need to adopt slightly different approaches. This chapter should help you to look at the size, structure, culture, and business needs of your own organisation and shape an approach to the integration of CI that suits your unique requirements.

Auditing your existing resources
Understanding the existing internal environment is crucial for two reasons. First, discovering where information currently resides in the organisation will help the CI team to ‘hit the ground running’. They will be able to utilise information sources that have already been identified, understand where there are knowledge gaps, and, ideally, reduce the investment required by avoiding any duplication of software, purchase of data sources, and so on. This could be thought of as a partial knowledge audit of the kind that would typically be done when instigating a knowledge management solution. Second, it is advisable for the CI practitioner or team to make themselves visible to the rest of the organisation to ensure that every employee understands the aims of the role. This could be considered a cultural or operational audit; in essence, communicating in advance how CI will work, and where it can benefit the rest of the company, should help to smooth the way when integrating it into the organisation.

For most businesses, the resources that may already exist can be categorised in five broad ways:

1. On-going activities and existing data – For example, various departments may already gather and store information on competitors for their own use;
2. People skills – Are any individuals highly suited to taking on the CI role?
3. Infrastructure and technical – Do you already have a KM system, CRM system, intranet, etc? What about access to databases and online resources?
4. Culture and processes – This may be linked to one or more of the above points. Do you already have a culture that supports knowledge sharing? Do teams regularly present snippets of their work to others in the company? Is there a central repository for storing and sharing information?
5. Financial – Do funds exist that could help CI?

Of course, it is not to be assumed that every existing resource can or should be appropriated for the CI function. A case in point is people skills: even if a perfect candidate is identified, it may be neither practical nor desirable to transfer that person...
to the CI team. Nevertheless, by taking steps to identify the organisation’s ‘hidden gems’ you will be able to make an informed decision as to where resources can best be deployed.

On-going activities and existing data
It is highly likely that every organisation, from the smallest to the largest and in every sector, will already be carrying out some activities that could be classified under the umbrella of CI. Simply having an awareness of your key competitors, their products or services, the prices they charge, and who their customers are is a start. It wouldn’t be considered full CI for many reasons, not least because it is an incomplete view and you may not be actually turning that information into intelligence, but such information would certainly form a part of the overall CI cycle.

Before commencing the CI function, it is worth sitting down with a representative from each of the main departments to discover what they currently do in terms of gathering and compiling information. The sales team may already have an in-depth knowledge of competitors – their primary products and services, core competencies, pitch and proposal activity, and key members of their teams. The finance department might compile financial data on competitors or monitor the economic landscape. If you have recently hired employees from any of your competitors, they could hold a wealth of information on the company they have left behind. If your organisation has commissioned market research in the recent past, get hold of the results and add these to your list of sources.

Remember also that knowledge may be dispersed throughout the organisation where long-standing employees have absorbed information about the business environment they experience every day. For example, your IT team might spend time on technology forums on which they interact with specialists in rival organisations. Don’t just ask colleagues about the obvious ways in which they could help you – in the last example, this would probably be to help with systems integration if you decide on a software solution for the CI team. Think about other ways in which colleagues are exposed to information sources in their day-to-day work, and take steps to understand how information flows within the organisation.

People skills
As mentioned above, the identification of a perfect candidate for the CI role is not necessarily the purpose of this audit, but it may well be a happy outcome for some organisations. The final section in this chapter outlines the key skills to look for in a CI practitioner. Certainly, in many organisations the pursuit of CI activity is part of one person’s role among other related responsibilities such as marketing or research. If the business cannot support a full-time CI individual or team, then considering who might take on the role among the existing staff is a reasonable compromise. A word of caution here: if it suits your business and there is no viable alternative, CI as a partial role is fine but it needs to be a dedicated role. As discussed throughout this report, CI will deliver extremely poor returns if one unfortunate employee is expected to do ‘a bit of online research on a Friday afternoon’ but deliver all of the benefits of a full CI function.

Infrastructure and technical
This is perhaps one of the most important areas to explore before the CI function is integrated, since it is the area where it
would be easiest to make costly mistakes or duplication of existing resources. A fancy software package does not a CI department make: you must go through the process of identifying how and where data is already stored in the organisation, whether any of these systems could be of use to you and how new solutions would fit alongside them. Aside from consulting those who look after your existing systems, your interviews with other team members will give you the opportunity to speak to them about how they currently use these systems. Chapter 6 has more on understanding your technology requirements for CI.

Culture and processes
Of the four areas to audit, this one will probably equip you with the best preparation when it comes to integrating CI into the business. The aim here is to understand how knowledge and information currently flows around the business. How can CI tap into that flow, and how can it be harnessed to help the CI team to communicate with the rest of the organisation?

At this stage you will be looking for signs of information flows that may include activities such as:

- Individual departments taking the time to demonstrate what they do for their colleagues. Some businesses encourage such mini-presentations to encourage understanding and better collaboration between dispersed teams.
- If the business occupies several sites or is spread across multiple regions, are there solutions in place to allow colleagues to catch up and communicate face to face (or via online meetings)?
- Is there a message board or intranet on which ideas can be exchanged, or questions posted and answered?

Some of these answers will come out of your earlier explorations into the knowledge already possessed by the organisation. Ultimately, it will help you to integrate the CI function more easily, and hopefully with more enthusiasm from colleagues, if you can work to understand how people like to communicate and why, and what are the best ways to champion CI within that environment.

Financial
A resource that should not be overlooked is the funding that may already have been allocated for certain resources such as market research, journal or trade magazine subscriptions, membership fees, conference attendance, and so on. It may be that some of this allocation is being under-utilised and can be directed towards CI. At the very least, assessing the information that is already coming into the business will prevent wasteful duplication of subscriptions and so on.

What else do we need?
Once you have completed the audit of your existing resources you can start to fill in the gaps. Essentially, you will need a person (or persons, or part of one person’s role depending on your requirements) to take forward the CI function as a day-to-day role. You will need the backing and commitment of senior management – whether or not CI is, at this stage, intended to inform decision making on a strategic level. Beyond that you will need suitable IT systems to support the function, although these can be introduced once CI activity has commenced and its real technology needs have been identified. Regardless of what resources you already possess in-house, one area that you will most likely need to source from scratch is training and support for the CI professional or team. Access to learning and networking
events for CI practitioners, particularly those related to your own industry, will be invaluable so be sure to include this in your list of requirements. Most importantly, you will need to create time and space for the CI activity to flourish.

Who is responsible for the competitive intelligence function?
It should not matter whether CI is intended to address strategic or tactical objectives; the key issue is that the CI team has direct access to, and input from, the decision makers they are intended to support. These decision makers are as responsible for the success or failure of CI as the team carrying out the work, since it is in collaboration with these individuals that KITs will be agreed and recommendations will be actioned. Furthermore, it is the responsibility of the CI team to ensure that their requirements and successes are communicated throughout the organisation, but this will require support from individuals outside the team who can champion their efforts.

The reader will have noticed by now that this report uses the terms ‘CI team’ and ‘CI professional’ somewhat interchangeably. This is to acknowledge the fact that businesses of different sizes, structures, and with different budgets will need to decide how big the CI function needs to be and, correspondingly, what their budget can support. The number of individuals you employ to carry out CI, whether full time or for part of their working week, should be driven by the size and complexity of the competitive environment to be monitored, the objectives of the CI to be undertaken (e.g. how many discrete projects and ongoing monitoring projects are required, and how many hours would this take?), and the potential returns proportionate to the investment and the size of the business.

Whatever route you take in terms of positioning the CI function, the most important step is to consider the structure and culture of the organisation and the resources that can realistically be devoted to CI. It is only with an honest assessment of these factors that you can move forward with a CI function that delivers good returns on that investment.

In-house or outsourced?
It is at this point that you may start to think about whether or not the organisation can support an entirely internal CI function; external consultancy support may be required. Of course, this will incur a cost but this should not be thought of as different to the financing of internal resources – both require planning and commitment to the goal of increasing the organisation’s competitive advantage.

Consider whether you need to outsource all or just some of the function; it may be, for example, that discrete projects are outsourced as and when the additional resource is required, or you assign long-term activities such as competitor profiling to an external consultant. Do remember to factor in the same amount of time and support for a consultant as you would an employee: they are not mind-readers and, in fact, will be slightly on the back foot compared to your internal staff because they are likely to have less knowledge about the inner workings of your organisation. Nevertheless, such knowledge can be learned over time and the benefit of a good consultant is that they should be experienced in the more technical aspects of CI, with tricks and tips of their own for resourceful data collection and analysis.

One final note here: as with all outsourcing, you must ensure that contracts are water-tight and that the company’s...
internal policies (particularly those related to professional conduct and ethics) are communicated and enforced. A reputable CI consultant should, of course, demonstrate a high level of ethical compliance – but you will be skating on thin ice if you find yourself trying to defend a damaged reputation if an unscrupulous individual is able to truthfully claim that they were given free rein to use whatever techniques they deemed necessary to gather intelligence. On the flip side of that (hopefully rare) example, clearly communicated policies and procedures are good protection for both the business and the consultant you work with, as they establish clear boundaries and should help to form the basis of a productive and trusting relationship.

**Where should the competitive intelligence function sit within the organisation’s structure?**

If it is to be effective for strategic planning, the CI function must have the scope to operate at the level of senior management, being both privy to, and feeding into, decision making at this level. Placing CI too far down the chain (recognising, of course, that business structures vary) risks two key failures:

- The gathering, analysing, and interpreting activities will be poorly judged owing to a lack of understanding and guidance at a senior level as to the strategic (and perhaps even tactical) knowledge requirements of the organisation; and
- The dissemination of knowledge and insight – the essential element of CI that turns knowledge into actionable intelligence – is ineffective and fails to feed directly into top-level decision making.

Both scenarios risk not only ineffective sourcing or leverage of intelligence, resulting in a lack of competitive advantage for the organisation, but also the likelihood that CI will be seen as an expensive activity yielding poor returns. Perhaps more alarmingly, a further possibility is that an organisation directing significant resources into CI activity may think that it is well positioned to create or maintain a competitive edge; however, if intelligence is not being fed directly back to the most senior level decision makers then its impact will be diluted, leaving the organisation vulnerable due to its trust in an intelligence stream that is, in fact, missing its mark.

Nevertheless, it is beneficial to have at least some distance from the core decision makers if they are likely to have ingrained views on the competitive landscape that could cloud the unbiased and creative pursuit of intelligence. To this end, a CI practitioner or team that sits within the corporate planning environment and works alongside the key decision makers is ideal.

Just as important as having access to strategic decision makers is being close to the departments that will use intelligence for tactical decision making. These teams will most likely utilise the results of discrete projects for purposes such as marketing, PR, sales, client management, and R&D. It is for this reason that CI is often assigned to a person in one of these departments, and this may work very well for your business. However, do bear in mind that to pigeonhole CI within a larger department risks it becoming focused purely on the needs of that department, so care must be taken to reinforce the wider needs of the function – especially if you expect to realise the value of CI for strategic purposes.
Desirable skills for the competitive intelligence practitioner

The CI role is not one that should be assigned lightly. In many organisations, a well-meaning attempt to bring on board a CI function has been scuppered from the beginning by a lack of commitment to the skills, training, and experience required to do the job. As mentioned above, simply assigning the task of looking at competitors’ websites alongside an already busy employee’s usual work is not CI, and is likely to give CI a bad name within the organisation.

The CI practitioner may possess a range of skills and experience that are transferable to the role, and there is no single designated route into the profession although there are several universities offering CI studies which would equip the researcher with many of the required skills. Crucially, the individual needs sound research, analytical, and managerial abilities as well as ‘softer’ social and personal skills, so a combination of experience and training is ideal. They need to be able to think at the level of the senior decision-makers and understand their view of the business landscape. Table 1 lists some of the necessary skills and qualities that a CI professional will need to possess, or learn, in order to be effective. Remember that if there is to be a CI team, one individual need not necessarily possess all of these skills at once. For example, you may have one person who specialises in data collection and one who synthesises and analyses that data. Regardless, a solid understanding of context – the ‘experience’ skills – will be essential for everyone on the team.

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<th>‘Hard’ skills</th>
<th>‘Soft’ skills</th>
<th>Experience</th>
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<td>Research methodologies</td>
<td>Creative</td>
<td>A sound understanding of the industry</td>
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<td>Analytical skills</td>
<td>Inquisitive</td>
<td>A sound understanding of the organisation</td>
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<td>Interview techniques</td>
<td>Intuitive</td>
<td>Knowledge of corporate structures and the internal decision-making process</td>
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<td>Strategic thinking</td>
<td>Tenacious and persistent</td>
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<td>Communication and presentation skills</td>
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<td>Confidence and conviction – willing to make, and stand by, predictions and recommendations</td>
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<td>Possessing and displaying integrity and honesty</td>
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Table 1: Desirable skills and qualities for the CI professional

Jesper Martell, Comintelli
Chapter 6: The role of technology

Introduction
Having looked at the available resources for gathering and analysing information during the CI cycle, it should come as no surprise that technology is playing an increasingly important role in CI activities. Technical solutions can be found for every stage of the CI cycle, and have enjoyed an explosion in popularity as the volume of available information increases at a seemingly exponential rate. In particular, web search solutions have taken away much of the burden on the CI practitioner for trawling through online resources. Analysis packages help users to manage the vast quantities of data that are generated during CI activity. Many software solutions designed specifically for CI will search, organise, and analyse data before presenting it to the required users in your desired format. In Case Study 5 we learn from Atos about the challenges facing organisations dealing with big data, and consider some of the solutions available.

There are several issues to bear in mind when considering what solution will suit your organisation’s requirements. These can be split into operational issues and those related to the CI programme itself:

Operational issues
- CI is just one of many business functions that utilise technology – careful thought needs to be given to the integration of any software or hardware into the organisation;
- No matter what route you take, implementing technical solutions can be expensive. Take time to identify your needs and allow the CI function to settle before investing; and
- Technical solutions – regardless of how ‘user-friendly’ they appear – need people who understand how to get the best out of their potential. You will need to factor training and/or hiring costs into the overall budget.

Competitive intelligence issues
- Technology is not a replacement for the CI systems and processes in your organisation. Rather, it should be used to enhance your efforts – especially for tasks where the vast number of online sources (and, subsequently, the data from those sources) would make it highly inefficient to trawl and organise it by hand;
- The professional judgement and expertise of the CI practitioner are essential ingredients to a successful programme. Technology must not be relied upon to the exclusion of these intuitive factors; and
- It is possible that the use of some software would contravene ethical guidelines for CI. There is more on this issue in Chapter 8.

It should also be borne in mind throughout this chapter that information freely available online is only one source available to the CI...
Chapter 6: The role of technology

practitioner and that, once such information becomes publicly available, it can be argued that it no longer provides the ‘before the event’ insight that CI strives for. Where software can help is to speed up the search process, allowing you to access this data and spot trends quickly. Remember that such data needs to be used in conjunction with other sources of information – including all forms of primary research such as face-to-face interviews, conferences and so on – so software that scans, collates and/or analyses online sources is only one part of the CI professional’s toolkit.

Technology and software that can aid CI activity typically performs one or more of the following functions:

- Information-gathering and analysis tools that search and collate data from websites, RSS feeds, blogs, databases, alerts, and so on. A quick web search reveals plenty of software and applications designed for specific tracking activities;
- Analysis packages that allow the user to process and analyse large volumes of data, particularly relational data; and
- Storage and dissemination solutions that allow organisations to securely and accurately track and share data, as well as identifying knowledge gaps and blockages.

In reality, there is considerable overlap between these functions but they provide a useful framework when considering the needs of your organisation and the types of solutions that might be suitable. As mentioned earlier, dedicated CI packages provide many if not all of the above functions with varying degrees of breadth and depth.

Choosing a solution for your organisation

Depending upon the needs of your organisation, the resources and skills at your disposal, and the existing data management systems, if any, there are several ways you can approach the sourcing and integration of a solution for CI.

One of the key things to decide is whether you want to use a full service CI package or would prefer to use flexible applications and tools that will complement your existing suite of data management and analysis tools. The answer to this question will, of course, depend upon what solutions you already have at your disposal and how suitable they are to be used for CI. Commercial software packages are usually able to integrate with existing systems such as CRM, ERP, KM, and BI. Whether and how you go about doing this is not a question that can be answered here; this will require very careful consideration and planning in collaboration with your IT team and those responsible for the other systems.

Proprietary full service CI packages can be server based, installed in-house, or externally hosted. Software as a Service (SaaS) models have proliferated in recent years; a hosted solution of this type may be cheaper and more flexible but may not give the richness and depth of functionality that traditional software provided. An interesting article entitled ‘The Evolution of Competitive Intelligence Software’ notes that the all-inclusive nature of server-based software is both its strength and its weakness, in that it is ‘often cumbersome to install and costly to maintain’ and carries ‘a steep learning curve’.¹ In contrast, the SaaS model allows for the more selective use of targeted tools and apps which are ably supported by platforms such as SharePoint. Nevertheless, many organisations favour in-house, server-
based software if they have the space and resources to support it. Although there may be significant costs associated with installation and maintenance compared to the SaaS model, you will not be paying for and relying on external support that might not work to your deadlines. As with all of the issues discussed already, think very carefully about what you can realistically support in-house and what would be better hosted and/or supported externally.

If you have considerable resources at your disposal and complex requirements in terms of data management or integration with existing systems, then building a CI solution in-house (or commissioning one) is another possibility. It grants you complete freedom to build and integrate a solution that precisely meets your needs. However, this can be an extremely costly approach and, though a bespoke solution may be attractive, remember that commercially available software should be developed by companies with considerable experience in this area. In-house efforts can stall if not properly supported and resourced, and usually take far longer than anticipated to get off the ground and through to completion.

Reference
Chapter 7: Social media

Leveraging value from social media
Aside from the potential commercial benefits of social media engagement, exploring it as a source of competitive intelligence is revealing a rich seam of data far beyond what could be obtained in the early days of static web pages. All of the sources outlined earlier are extremely valuable, but social media analysis offers the kind of up-to-the-minute, often unfiltered information that was simply unavailable a few years ago. Following the social media outputs of your competitors allows you not only to keep track of their marketing activities – blogs, YouTube clips, and so on – but also to see with relative ease who their customers are and what is being said about the company.

Potential sources of intelligence include:

- Facebook – The user creates a personal or business profile including relationship status, work, and education. A network of friends and family members is created by ‘friending’ other users who, in turn, have their own circle of family and friends. Alternatively, businesses can generate ‘likes’ from those interested in their product or service;
- LinkedIn – Often considered to be the Facebook of the working world, LinkedIn allows users to create a profile that functions as a CV. Users can – among other activities – post updates, link to news stories, indicate if they are interested in job offers, and create a corporate network by linking with clients, colleagues, and contacts made during ‘in-person’ networking activity. Like Facebook, LinkedIn also features company pages;
- Twitter – Tweets of 140 characters or fewer are posted by the user, often linking to current news stories or other tweets and conversations; and
- Blogs, forums, YouTube content, etc.

As well as sites that provide a platform for the deliberate sharing of information about the user and his or her networks, intelligence can be generated from a combination of this information and location-based data. For example, foursquare (foursquare.com) allows users to ‘check in’ at their current location using their mobile phone, in order to meet with friends and identify places of interest in their surrounding area. The same functionality is available on many social networking sites, meaning that the location of an employee who checks in regularly can be compared with tweets and status updates to reveal a more comprehensive picture about that individual’s activities. If they are involved in sales or business development, for example, you could begin to gather data about the target customers of your rivals.

LinkedIn
LinkedIn is a particularly good place to start, as it offers a huge range of information with relatively little time or expertise required. A quick search reveals gems such as the past employment history of individuals – have
several people migrated from one company to another in recent years, for example? – and the roles that these employees play in their current organisation. Product development and R&D, marketing, and business development professionals will all provide their own job description that is likely to include recommendations from past and present clients as well as the type of work that was performed for them. Among other things, it may be possible to ascertain whether or not your competitors have their own sophisticated CI function and who else is involved in their network.

An interesting and useful aspect of sites like LinkedIn is that they function on the concept of interconnected networks. As a result, it is to the great benefit of CI professionals that they are likely to be researching others in their own industry, new or lateral entrants to the market notwithstanding. It is highly likely that, due to the helpful networking activity of employees in all of your rival organisations, you can identify key relationships (whether employee-to-employee or business-to-client) simply by following the thread of first-, second- and third-degree contacts. This hierarchy of contacts shows you precisely how you are connected to any individual, if at all, and what other mutual connections you have in a ‘six degrees of separation’ style. Indeed, much has been written about the fact that LinkedIn (and other social media sites) reduces those six degrees considerably – this is particularly true if you are researching within your own industry. Employees meet at conferences and social events, they join a new company but retain all of the contacts from their old employer, and they link with suppliers and clients. All of this activity means that a search of one competitor company will allow you to create a detailed profile of its employees, their roles, their connections, lateral hires and promotions, suppliers, and clients.

Other useful features of LinkedIn include the ability to search for jobs in order to find out who is hiring, and for what. The site’s Answers tool allows you to ask questions or browse answers given by others. By searching for specific keywords and sectors you will be able to see who has answered questions on particular topics – for example, those related to a technology that your own company may be researching. The answers provided might help you to unearth intelligence about the kinds of development work going on in rival organisations, should any of their experts join in the discussion.

Twitter
Twitter is a micro-blogging site that allows users to comment on current events or report what they are doing at a particular moment. Users can also link to articles that are of personal or professional interest. Regular users will be aware that, like Facebook, many tweets (or status updates) are of little or no use in terms of gathering competitive intelligence; by simply following your competitors there is a significant danger of information overload due to the huge numbers of tweets generated every day.

However, by searching for the name of your competitor company and viewing ‘Tweets’ you can see all posts that refer to your competitor company; likewise a particular product. This tool allows you to compile information about the company’s customer base, reactions to current marketing campaigns and new products or services, feedback on press releases, and so on.

It will also give you a good idea of how aggressively the company is pursuing customer engagement through social media. Professional services firms, for example,
might use Twitter as a thought leadership-style forum, in which they can demonstrate their current knowledge of the field and answer related questions. Hotels, bars, and shops might tweet about special offers, loyalty schemes, and new products in stock. FMCG businesses often incorporate Twitter campaigns into their overall marketing strategies for new products, generating interest quickly and encouraging dialogue.

Facebook
Just as Twitter is used to promote new products and services, Facebook is often used to create a buzz around such developments through company sites and fan pages. Without the need to ‘like’ a page, you can view virtually everything that is being said about the company, from user reviews and positive feedback to trends in negative perceptions about the company and its activities. For example, information in the latter category may provide insight into public feeling towards an organisation due to ethical concerns about its activity or perhaps the antics of an outspoken employee.

Such insight not only provides intelligence about the competitor in question but may also feed into your broader understanding of the macro environment. Consider the radical shifts in cultural attitudes towards animal testing, fair trade, and pollution (among many others) that we have seen in recent decades. Of course, it may well be that the underlying ethical concerns about such activities have long since existed, but an active social movement to campaign for change will have a huge impact on businesses that are linked in any way to activity that is highlighted as being unacceptable. Whether on a large or small scale, rumblings on social media about how an organisation conducts its business can be enlightening in terms of both the company’s reputation and potential changes to the competitive landscape.

From the inside out: Information leaks
Just as social media is useful to your organisation as a resource for CI activity, so it can be a source of leaks from your own organisation that will inform your competitors’ intelligence gathering. As companies increasingly embrace corporate social media activity, the rules of engagement become more complex. It is essential to balance trust among employees with the necessary guidance and policies in order to guard against information leaks.

Unfortunately, the proliferation of networking sites means that a meta-analysis of employee activity could reveal a host of intelligence that, if sources were taken independently, may appear entirely innocuous to the casual observer. As we saw in the previous section, the ability to share updates with networks outside of the user’s own means that the potential audience for any given piece of information is virtually unlimited. There is a danger of damage to the organisation in relation to its reputation, IP, and other confidential information, as well as more general information about the movement of employees to and from competitor organisations. Just as you use social networking sites to monitor your competitors, remember that they are likely to be doing the same to you, so you must take steps to mitigate the associated risks.

Reputation
In most cases, the user can limit viewings of their profile, personal pictures, and so on by those outside of their own network. However, status updates and tweets can be shared by those in the user’s network and become
visible to those in the sharer’s network – and so on. The exponential nature of social media networks means that a seemingly innocuous update, if misjudged, can snowball into a public relations nightmare. Be aware that corporate communication is no longer only the remit of the marketing or PR people – everyone has the ability to share content that could be damaging to the company’s reputation.

Intellectual property
Vital information about new products and services could be leaked through any or a combination of the various social media sites, either maliciously or unintentionally. Aside from simple status updates or tweets, professional forums and ‘answers’ pages are areas in which employees who are not usually outward facing might share information, tips, and knowledge online.

Employee opinions
What else can your competitors find out about you through the analysis of social media activity? Remember that your corporate social media image, if you have one, can be undermined by the personal activity of individual employees. The relatively ‘private’ nature of Facebook, for example, may well lead employees to let off steam among friends about their work – it is, after all, not intended to be broadcast beyond their immediate circle of friends. But the interlinked nature of social media networks – sharing on Facebook, re-tweeting on Twitter – means that a throwaway post from a disgruntled or dissatisfied employee could easily reach the eyes and ears of your competitors. You can learn an awful lot about the health of an organisation from the relative satisfaction of its employees.

Social media policies
In view of the potential for damaging social media activity by unregulated employees, it is essential to control the flow of information from the organisation by putting in place clear policies about who can update social media sites, when, and with what content. These policies should be supported by reference to disciplinary policies, and must clearly state the kinds of activity that would constitute gross misconduct.

However, as with many of the topics covered in this book, there needs to be some caution where such policies are concerned if the benefits of social media and other online platforms are not to be suppressed; if used properly, such forms of communication can be extremely beneficial both for the organisation and for the professional development of employees who share ideas and opinions with their peers.

Policies should be developed in line with the company’s other corporate rules, but at the very minimum should include guidelines in the following areas:

- What can be communicated externally by employees and what cannot. Generally speaking, employees should not be writing about anything that has not already been officially released into the public domain by the organisation;
- Make clear that employees should not write as though they are representing the views of the organisation unless this is a specific aspect of their role – such as PR – and must not use logos or other company branding as though representing the company;
- If employees are permitted to write about the organisation (such as in a personal blog), this should be transparent both in terms of their own online identity and in
keeping their manager informed as to the nature of the activity;

- Basic issues such as privacy, respect for fellow employees, and respect for the reputation of the company itself must be observed; and

- The scope of possible sanctions against an employee in breach of the policy must be made clear.

As with all policies, it must be regularly communicated, enforced, and reviewed.

References

1. A neat summary of some of this research can be found in Rob Peterson’s article ‘5 studies prove social media is less than 6 degrees of separation’ on www.barnraisersllc.com, 17 April 2012.
Chapter 8: Ethical and legal issues

Introduction

It is difficult to pick up a book or article about CI without coming across references to the perception that CI is an unethical practice, or a form of industrial or corporate espionage. Happily, such references are now largely in the past tense as CI increasingly gains status as a recognised, valued discipline with its own skilled professionals who work within strict ethical guidelines. Indeed, the global membership organisation Strategic and Competitive Intelligence Professionals (SCIP, formerly the Society of Competitive Intelligence Professionals) has since 1986 been promoting the benefits of ethical, effective, and professional CI and providing advice to members as to how this can be achieved. In his book Competitive Intelligence, Christopher Murphy notes it is often claimed that the majority of intelligence can be found through legitimate research and the rest through analysis, and that “there are clearly many instances where the intelligence sought could have been obtained using purely legitimate means if enough talent and imagination had been employed.”

Nevertheless, it must be acknowledged that any activity involving the gathering of information about other organisations has the potential to cross the line between what is ethical and what is not, particularly if the individual gathering that information has not considered what it means to conduct ethical CI activity. Murphy goes on to point out that the commercial lure of unethical methods, allowing data to be found more quickly or cheaply, may be attractive to some individuals or organisations even when an ethical approach would have unearthed the same data. As such, it is essential to understand where the line lies and outline some key boundaries to guide CI activity; what should the CI professional do to ensure that information is gathered in a fair and ethical way? Furthermore, it should be remembered that overly constrictive CI policies will limit activity that may well be perfectly acceptable through a misplaced fear about the legality of certain activities. CI that is restricted in this way will, by extension, give your competitors the edge if they have not limited their activities in such a manner. As a result, it is important to get a clear understanding of the legal landscape affecting your CI activity and then work out a balanced response. Provided an ethical approach is maintained, there should be no reason for the CI professional to work in fear of crossing the legal line.

First, of course, it must be remembered that ethical is not the same as legal. An ethical approach is a voluntary approach whereas legal boundaries are not up for negotiation. In this chapter we will therefore cover issues of legal compliance first, followed by the additional guidelines that should be followed in order to conduct ethical CI activity. The author wishes to stress that, although ethical guidelines are not legally enforceable, it is essential that those involved in CI work within these
boundaries. There are several reasons for such professional rigour, including but not limited to the following:

- Unethical activity brings the profession into disrepute. A considerable amount of effort has gone into raising the profile and standard of CI in recent years, by SCIP and other organisations such as the Fuld Gilad Herring Academy, and underhanded tactics damage the reputation of the profession;
- The reputation of your employer could suffer serious harm if unethical activity is discovered – online media outlets and bloggers are quick to report on such activity, meaning that negative brand associations are rapidly spread; and
- Your own reputation as a CI practitioner will be damaged. Because the profession as a whole is doing so much to raise its profile through conferences, publications and ‘best practice’ education, it is a relatively tight-knit community and word travels fast.

There is a further caveat to add here: whilst the following section aims to give an account of the legal issues affecting CI, it is not intended to be exhaustive. The reader is responsible for ensuring that all activity complies with the relevant laws and regulations which are, of course, subject to change from time to time and will differ across geographical locations.

**Legal compliance**

Before embarking on any CI activity, the location and scope of the research must be identified. Remember that legally compliant activities in one jurisdiction might contravene more stringent laws in another jurisdiction. This section does not attempt to provide an exhaustive list of international laws related to CI; instead, there follows an outline of a selection of criminal and civil laws in order to highlight the issues that should be considered when conducting CI. If in doubt, a lawyer should always be consulted or the source abandoned.

It will be clear that most of the wrongful activities outlined below relate to a lack of honesty about who you are, what you are doing, and how you are going about it. If information cannot be readily accessed, a rule of thumb is that attempting to gain it through deception is likely to constitute a criminal act. As such, although legal compliance is covered first in this chapter as providing the very minimum ‘base line’ of rules to regulate CI activity, keeping in mind the ethical rules will mean that CI activity is always informed and regulated by a further set of guidelines that will prompt the professional to check all applicable laws, whether domestic or international.

**Economic Espionage Act of 1996**

The FBI website’s page on economic espionage\(^3\) states, ‘The Cold War is not over, it has merely moved into a new arena: the global marketplace. The FBI estimates that every year billions of US dollars are lost to foreign and domestic competitors who deliberately target economic intelligence in flourishing US industries and technologies[.]’ This article goes on to highlight the threat to US organisations from foreign competitors through the targeting or acquisition of trade secrets.

There are two key issues here: first, businesses must of course protect themselves from the potential illegal intelligence activities of competitors. The implications of this in relation to economic espionage and trade secrets are covered below, while the steps that can be taken to protect your organisation are covered at the end of
this chapter. Second, those carrying out legitimate CI activity must be aware of the impact of the Economic Espionage Act of 1996 (EEA) on their own activity; the Act was intended to protect the growing value to the US economy of intellectual property and other proprietary economic information.

Under Section 1831(a) ‘economic espionage’ is committed if a person, ‘intending or knowing that the offense will benefit any foreign government, foreign instrumentality, or foreign agent, knowingly
  – steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains a trade secret;
  – without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys a trade secret;
  – receives, buys, or possesses a trade secret, knowing the same to have been stolen or appropriated, obtained, or converted without authorization;
  – attempts to commit any offense described in any of paragraphs (1) through (3); or
  – conspires with one or more other persons to commit any offense described in any of paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy.’

Breach of this section of the Act constitutes a federal offence that is punishable by either a steep fine or imprisonment for the individual; the maximum fine that can be imposed on an organisation is $10m.

Under Section 1832, theft of a trade secret is described in similar terms to economic espionage. Importantly, a trade secret is defined as:

‘All forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if:

(A) the owner thereof has taken reasonable measures to keep such information secret; and

(B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by the public.’

It can be seen that trade secrets are defined very broadly, leaving plenty of scope for interpretation in law. Clearly, the Act is intended to cover all conceivable forms of information. However, it should be noted that information is only classifiable under the EEA as a trade secret if its owner has ‘taken reasonable measures’ to keep it secret, and it derives value from remaining so. In order to seek protection of such information under the EEA an organisation must therefore take steps to protect that information in the first place; if it is readily accessible, or there exist no policies to limit its availability to the public, then it is unlikely that such information can be protected under the Act. See the section on counter intelligence at the end of this chapter for more information on this topic.

When the EEA came into force there was much discussion about its impact on CI as a profession. Richard Horowitz has written extensively on this issue, culminating in the 2011 article ‘Competitive intelligence, law
and ethics: The Economic Espionage Act revisited again (and hopefully for the last time). The full title of Horowitz’s article is very revealing: he wrote a policy analysis on the EEA and CI in 1999, along with several conference papers and other articles on the subject, followed by the 2003 piece ‘CI, law and ethics: The EEA revisited.’ Horowitz’s argument is that, provided organisations are carrying out their CI activity in an ethical way – specifically, within the Code of Ethics of SCIP – the EEA should have absolutely no impact on that activity. It simply criminalises activities that the professional CI practitioner should not be doing in the first place.

Indeed, Horowitz’s main concern is that the EEA will be used by businesses to threaten or stifle the legitimate CI activity of their competitors. The point of competition is that it comprises healthy rivalry for market share; if no attempts are made to compete, then the first to the market in any given sector will simply remain there. Horowitz’s arguments are certainly convincing, although he himself acknowledges that he has come up against dissenting views from lawyers speaking on the topic. The debate is too vast to be fully explored here, but what can certainly be said is that the CI professional should bear in mind there is a balance between performing legal, ethical CI and allowing oneself to be stifled by a misunderstanding of the application of the law. To this end, individuals should refer to their organisation’s own internal policies and consider the wealth of advice provided by SCIP on the matter.

Hacking and wiretapping
The phone hacking scandal in the UK in 2012, along with the subsequent Leveson Inquiry that considered the ethical conduct of the UK media, has brought into stark relief the potential fallout from carrying out illegal hacking and wiretapping activity. The personal and professional reputations of many individuals are in tatters; the News of the World tabloid closed down; and the lives of many individuals have been marred by the scandal, including the family of a murdered schoolgirl – Milly Dowler – and celebrities who have sought or settled damages claims. This point is made to highlight the severity with which hacking or other monitoring or intercepting of messages will be penalised. Legislation under which this activity can fall includes the Computer Misuse Act 1990 (UK), Regulation of Investigatory Powers Act 2000 (UK), the Electronic Communications Privacy Act of 1986 (US), and various national or federal privacy laws.

Fraud
The Serious Fraud Office describes fraud as ‘abuse of position, or false representation, or prejudicing someone’s rights for personal gain’ (www.sfo.gov.uk). The position is similar in the US, with US Code Chapter 47 providing a definition. Broadly speaking, fraud occurs when there is knowing or wilful deception of another for personal or financial gain, whether by action or by concealment, and it is a criminal offence.

Bribery
The UK’s Bribery Act 2010 came into force on 1 July 2011. Under Section 1 of the Act, a person (‘P’) is guilty of an offence if either Case 1 or 2 applies:

‘(2) Case 1 is where
– P offers, promises or gives a financial or other advantage to another person, and
– P intends the advantage
– To induce a person to perform improperly a relevant function or activity, or
– To reward a person for the improper performance of such a function or activity.
(3) Case 2 is where –
- P offers, promises or gives a financial or other advantage to another person, and
- P knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.  

Under Section 6, entitled Bribery of foreign public officials:

‘(1) A person ("P") who bribes a foreign public official ("F") is guilty of an offence if P's intention is to influence F in F's capacity as a foreign public official.
(2) P must also intend to obtain or retain – business, or – an advantage in the conduct of business.’

Further to these points, Sections 7, 8, and 9 cover the failure of commercial organisations to prevent bribery. Under Section 7, a ‘relevant commercial organisation ("C") is guilty of an offence under this section if a person ("A") associated with C bribes another person intending –
- to obtain or retain business for C, or
- to obtain or retain an advantage in the conduct of business for C.’

Of significant practical importance to businesses is the provision in Section 7(2) that ‘it is a defence for C to prove that C had in place adequate procedures designed to prevent persons associated with C from undertaking such conduct.’ Clearly, then, organisations must put in place adequate policies and procedures if they are to have a full defence against charges of bribery; moreover, such policies should act as guidelines for individuals to prevent such activity occurring in the first place. The UK Ministry of Justice has produced a document entitled ‘The Bribery Act 2010: Guidance’ which outlines six principles on which companies can base flexible provisions depending upon their individual circumstances. Broadly, these six principles comprise:

1. Procedures drawn up by an organisation should be ‘proportionate to the bribery risks it faces and to the nature, scale and complexity of the commercial organisation’s activities.’ Procedures should also be suitably clear and accessible, as well as being effectively implemented and enforced;
2. Top-level management must show a commitment to the prevention of bribery, fostering a culture in which ‘bribery is never acceptable’;
3. The organisation should periodically perform and document a thorough risk assessment of the ‘nature and extent of its exposure to potential external and internal risks of bribery’;
4. Due diligence procedures should be applied to any person or persons performing services for the organisation or on its behalf;
5. The organisation must ensure that the bribery prevention policies and procedures are communicated, understood, and implemented throughout the organisation, with training where appropriate; and
6. Policies should be monitored, reviewed, and improved as appropriate.

The guidance also contains a useful appendix of case studies offering advice for application of the principles in small, medium, and large organisations.

In the US, bribery of public officials is prohibited under 18 USC § 201 – Bribery of Public Officials and Witnesses. In addition, various state laws prohibit commercial bribery; by way of example, the California Penal Code § 641.3 states that:
‘Any employee who solicits, accepts, or agrees to accept money or any thing of value from a person other than his or her employer, other than in trust for the employer, corruptly and without the knowledge or consent of the employer, in return for using or agreeing to use his or her position for the benefit of that other person, and any person who offers or gives an employee money or any thing of value under those circumstances, is guilty of commercial bribery.’

The legal position on bribery varies throughout the world, and the above information is intended to be indicative of relevant laws rather than exhaustive. It is essential that CI practitioners understand and uphold all laws applicable to the jurisdictions in which they are operating.

**Ethical compliance**

Perhaps the most important issue to discuss in relation to ethical compliance is that ‘ethical’ in the business setting is not the same as personal morality. If we consider the range of activities that are illegal at one end, and the huge array of activities that are ethically acceptable at the other end, clearly there is scope for a ‘grey area’ of questionable activity that must be judged on its ethical compliance. Although the individual might subjectively determine that there is no moral barrier to carrying out such activities, one has to question whether or not their performance will match the ethical values promoted by the business as a whole – its corporate or business ethics. In this context, an activity that may or may not be justifiable on a personal level must be judged against the reputational damage that could be done to the business if the activity is exposed.

To exemplify, one activity that can be said to fall into the grey area is known as ‘dumpster diving’ – the act of going through the refuse of an individual or organisation in order to find information. Indeed, this activity may attract criminal sanctions for trespass or theft in some jurisdictions but, on the whole, it is not illegal and so occupies a marginal place in terms of ethics. It can be justified on the one hand (in US law, at least) by the approach in *Katz v United States*, 389 U. S. 347 which stated, ‘[w]hat a person knowingly exposes to the public, even in his own home or office, is not a subject of Fourth Amendment protection.’ However Justice Brennan, dissenting in the case of *California v Greenwood*, commented that ‘Scrutiny of another’s trash is contrary to commonly accepted notions of civilized behavior.’ The fact that there are several cases in which individuals have sought to gain clarity on whether or not their own refuse can be dissected by others surely indicates that such activity is on the wrong side of the ethical line. The fact that the dissenting judge in the latter case is speaking about ‘commonly accepted notions of civilized behavior’ also suggests that few organisations would want their CI professionals to be caught with their feet in the air and their head in a bin.

Unfortunately, the driving factor behind the undertaking of grey area ethical behaviour may well be the CI activities of your competitors: if they themselves are using underhanded tactics then it could be more difficult to maintain a competitive edge over them. However, the CI professional must always remember that a competitive edge is worth little if the reputation of the business is in tatters because of unethical behaviour. Those dedicated to the ethical performance of CI will seek out creative ways to gather and analyse information in order to extract the insight they need, rather than resorting to practices at the edge of what would be deemed ethically acceptable.
Nevertheless, the definition of what is ethical varies between organisations and between cultures or regions, and it may appear difficult to establish a set of rules that can be applied and followed consistently. Yet there are certain primary values that can be applied universally, and these values are embodied in the SCIP Code of Ethics (see Table 1). It is the intention of SCIP that this code be globally recognised as ‘the accepted professional standard’, and much is being done to promote the benefits of integrating a single, consistent set of ethical guidelines across the CI community that can be incorporated flexibly into the organisation’s own ethical values. Before we look in detail at some of the code’s key points, it should be noted that point two requires that CI professionals ‘comply with all applicable laws, domestic and international’. This is, of course, essential and the range of ‘applicable laws’ must be determined by the CI professional or team in every case.

Upholding the reputation of the profession

As we have already discussed, CI historically has had a reputation for being unethical and unsavoury as a corporate practice. We have also seen that, when conducted properly, it offers huge commercial advantages to the organisation. It should therefore be the goal of every professional who wishes to make a career out of CI to protect its reputation as a profession in order to guarantee a long and productive future for CI.

Operating in an open and honest fashion

Several rules in the code relate to operating openly and honestly, such as revealing one’s identity and avoiding conflicts of interest. Following these rules should guide the professional towards a way of working that protects the interests of CI as a profession and the organisation’s reputation. The rule relating to providing ‘honest and realistic recommendations and conclusions’ is related to the quality of the CI activity undertaken, and requires a full and honest assessment of the intelligence produced along with its implications for the business. This guideline also supports the rule that the CI professional must avoid conflicts of interest; if there is any pre-existing loyalty towards, for example, a rival organisation that would prevent the intelligence from being presented

- To continually strive to increase the recognition and respect of the profession.
- To comply with all applicable laws, domestic and international.
- To accurately disclose all relevant information, including one’s identity and organization, prior to all interviews.
- To avoid conflicts of interest in fulfilling one’s duties.
- To provide honest and realistic recommendations and conclusions in the execution of one’s duties.
- To promote this code of ethics within one’s company, with third-party contractors and within the entire profession.
- To faithfully adhere to and abide by one’s company policies, objectives, and guidelines.


Table 1: SCIP Code of Ethics for CI Professionals
to the current business in a full and open way, then steps must be taken to rectify this situation since effective CI cannot be carried out in such circumstances.

Upholding the values of the organisation

CI professionals or teams should promote the value of ethical CI throughout their own organisation and to third party contractors. This has the benefit of encouraging enthusiasm and buy-in for the activity, as covered in Chapter 4. It also helps the business to protect itself if external consultants are employed to carry out some or all of the CI activity on its behalf; all relevant policies must be clearly communicated and agreed before work commences.

There are several formal ethical approaches that can help when applying the SCIP Code of Conduct; in one such example, Darren Charters outlined an ethical framework specific to CI that helps the individual and organisation to apply the SCIP Code in a practical way to everyday situations. It comprises four key questions or scenarios, as follows:

- **Virtue ethics – Community.** Consider the viewpoint of the ‘reasonable man’: how would your own ethical code stand up to scrutiny from the community?
- **Utilitarian ethics (Harm).** Overall harm caused by the action is weighed up against the overall benefit. If benefit outweighs harm, then the action is ethical.
- **Kantian ethics (Individual as end).** People must not be treated as a means to an end, but the end in itself. Humanity and human rationality must be respected.
- **Virtue ethics – Personal.** How do your actions compare to your own internal ethical code? What are your own morals and values and how do they apply?

To this end, and to satisfy many of the rules and regulations we have seen so far, every organisation undertaking CI should draw up comprehensive internal policies that clearly link the activity to existing company policies and procedures as well as directing the CI activity itself where specific guidelines are required.

**Drawing up guidelines**

The policy or guidelines should clearly state, aside from following all legal and ethical guidelines for intelligence gathering, that CI activity must comply with any other ethical policies already in existence at the organisation. One of the most important values that an organisation can uphold is that the CI professional or team will never be put under pressure such that there is a temptation to use unethical methods for gathering data.

Policies should consider not only the activities of individuals but also technology factors. For instance, one study notes that software for internet surveillance and identity management could contravene ethical rules for CI. The same study points out that one of the dangers facing businesses is that activity constituting CI might be carried out by employees who are not part of the CI function and therefore do not consider themselves to be covered by ethical guidelines – they may not even realise that such guidelines exist. As a result, policies relating to CI should be communicated to all employees that could be working in related fields and the range of activities covered should be made clear.

Remember that CI guidelines must be monitored and updated in order to
ensure that they provide adequate internal protection and support the organisation’s other policies. Updates need to be communicated to employees and this should be followed up with the promotion of ethical activity and the review of CI projects to ensure compliance.

Protecting your organisation against counter-intelligence activity

One of the best ways to plan your counter-intelligence efforts is to understand the ways in which competitors might attempt to access information in your organisation. Hopefully, the previous chapters of this book – as well as the current chapter’s discussion of potential illegal or unethical activity – will have created a good basis for such an understanding.

Before looking at the ways in which competitors might access competitive intelligence about your organisation, the sentiment expressed by Christopher Murphy in *Competitive Intelligence* should be remembered: ‘In discussing corporate intelligence countersteps a sense of proportion must be kept. I am not advocating a stultifying excessive focus on defensive measures, paranoid anxiety or communicating as infrequently and minimally as possible.’

Murphy makes a good point – if we become so concerned with counter-intelligence precautions that our basic business communication is stifled, then the competitive position of the organisation will be damaged by its own restrictions regardless of what its competitors are doing. Nevertheless, the potential threat from counter-intelligence should not be underestimated; the organisation should take sensible precautionary steps that protect its interests but also allow the continuation of normal business activity within sensible boundaries.

There are a variety of ways in which competitors can actively seek to gain intelligence from your organisation. The following sections outline some of these methods and the ways in which you can take steps to protect your organisation.

Personal encounters and elicitation

Employees may be flattered or verbally led into inadvertently revealing confidential information. This could occur in situations where there is face-to-face contact, such as trade shows, conferences, and social events, or could be over the telephone or through social media. All employees who might have contact with competitors’ agents or employees (whether or not they realise that they are speaking to a competitor) should be aware of conversational techniques that could lead them to reveal information, such as their conversation partner apparently revealing secrets of their own or pretending to know more than they do about a particular fact in order to encourage the employee to correct or elaborate on that fact. There should be clear guidelines as to what can and cannot be discussed outside the organisation.

‘Phantom’ employment opportunities

Employment opportunities pose risks from both sides: an employee of a competitor might pose as a job seeker in order to gather information about your organisation from the inside out. Alternatively, the competitor could elicit information from your employees about their roles by posing as a prospective employer.

Technology threats

There are myriad ways in which individuals can illegally or unethically access information by circumventing cyber security measures, and weaknesses can exist both in the technology itself and in the judgement...
of its users. This is simply too vast and specialised a topic to cover in detail here; it must be considered as a project in its own right and is important for more than just the prevention of counter intelligence efforts. Specific threats include hacking, malware, phishing, and pharming, the latter two being methods for extracting information via fraudulent links or e-mail content that are disguised as legitimate sources. The organisation’s IT and information security policies can be amended or linked to CI policies in order to extend awareness and protection for this purpose.

Threats from the inside
Employees leaving the business will take with them considerable quantities of working knowledge related to their role. To a large extent, you cannot prevent an employer from seeking out such knowledge from their new employee – this may well be a technique that you use in your own organisation. However, confidential information and IP must be protected from such transfer through a combination of measures including training, contracts and policies, IT safeguards, and a culture of awareness and reporting. The FBI’s counter-intelligence guide suggests the following six points to protect IP:

- ‘Educate and regularly train employees on security or other protocols.
- Ensure that proprietary information is adequately, if not robustly, protected.
- Use appropriate screening processes to select new employees.
- Provide non-threatening, convenient ways for employees to report suspicions.
- Routinely monitor computer networks for suspicious activity.
- Ensure security (to include computer network security) personnel have the tools they need.’

Other ways in which IP and trade secrets can be leaked include the over-sharing of information via social media or other online channels (which may or may not be deliberate), and areas of security or procedural weakness such as employees working from home or travelling without the appropriate safeguards.

Precautionary protection
Bear in mind the various cases and legislation that have been referred to throughout this report, and use them to guide your activities. For example, ‘dumpster diving’ cases demonstrate the importance of shredding all confidential documents; even if your competitor couldn’t be prosecuted for rifling through the company bins, you can take simple steps to ensure there is nothing of value to be found in the first place.

Likewise, consider the precautionary measures that need to be taken if you are to have recourse under the EEA 1996 in the US. Trade secrets are only classified as such for the purposes of the Act if ‘reasonable measures’ have been taken to keep them secret; therefore all such confidential information should be shrouded by the organisation’s security measures and policies (which must be appropriate and proportionate) in order to allow for ‘after the event’ recourse if this information is accessed for improper use.

Summary
Stay alert and vigilant, and always work from the basic assumption that any information could be valuable in the right hands. Remember that your competitors could be using both legitimate and illegal or unethical techniques, and you should be prepared to protect against both.
Critique internal operations to pinpoint areas of potential weakness.
Identify and protect trade secrets.
Physical barriers – protect electronic data.
Look out for signs that your competitors possess information they shouldn’t – for example, regularly winning on tenders by small margins.
Monitor the CI activities of your rivals.
Initiate an early warning system – a dedicated in-house team may not be realistic, but this function could be incorporated into roles that have significant external contact.
Ensure all employees are clearly briefed about what they can and cannot divulge to competitors, and provide ongoing training.
Draw up clear guidelines about more general information flows, including what can be discussed with friends, spouses, etc.
Limit access to, and the spread of, IP.
Ensure all confidential information is protected and destroyed after use.
Foster a culture in which employees feel confident to report suspicious activities or events, and know what to look out for.
Accept that there is a real threat from your competitors, and remain vigilant.

References
5. Ibid.
8. ‘Charlotte Church settles over phone hacking’, bbc.co.uk/news, 23 February 2012.
9. Wording of UK legislation quoted throughout this section can be found at www.legislation.gov.uk.
11. See, for example, the case of California v. Greenwood 486 U.S. 35 (1988) for the US position.
PART TWO

Case Studies
Case study 1: Greggs – Competitive intelligence in bakery retail

Greggs is the UK’s biggest bakery retailer, with ten regional bakeries supplying its 1,640 shops. It was established in the 1930s by John Gregg in North East England, and maintains its head office in Newcastle upon Tyne. Graeme Nash, (Head of Customer and Marketing) and Lynne Tufts (Customer and Market Insight Manager) talk about the changing UK high street and the challenges of ensuring that customers are always delighted with the Greggs experience.

Identifying customer needs through the intelligence programme

As a retail business we have to be absolutely up to speed on what our customers want, their shopping habits, and our monthly, weekly, and daily analysis of sales. All sorts of challenges come with that scale of intelligence.

At Greggs, we’re talking to customers and non-users of Greggs all the time. We talk to them through various means; we’re in our shops two or three times a month talking to customers face to face. We have a series of online surveys that identify areas of interest. We also buy a lot of desk research from the likes of market leading research providers such as Mintel and Evolution. There are a number of reports in existence that help to steer our understanding of how consumers are feeling about food and what their attitudes are towards food. We conducted a large ‘perceptions and attitudes’ study last year, talking to a huge cross-section of customers and non-customers to understand how they were behaving around food. There are some key areas that we want to drill into further; we’ve done a lot of additional work this year to really get under the skin of consumers on the high street – where they’re shopping, why they’re shopping, what they’re purchasing, and why. From that we’ve identified primary issues, some of which are related to product development and some are to do with the retail environment.

So, the intelligence we gain from understanding our customers spans a whole raft of issues. Some of them are genuine operational issues that we know we just have to fix. For example, we know that our shops tend to have quite big queues which can put some customers off. There’s not much more that further research could add to that issue; the challenge is now fixing this. Nevertheless, in many instances having the research to support operational process decisions adds some gravitas – that external view corroborates the view that was held internally. It not only validates what we already thought but also provides some kind of quantifiable value to our plans – how important is the issue to the customer? If something like queuing is of significant importance to the customer – and as a result is an issue for us – we have evidence to show that we need to prioritise that in our thinking.

We’re very proactive in terms of listening to our customers directly, and this is complemented with an understanding of our
competitors. We have a meeting with the senior team at the start of every week where we review the past week’s performance and learning. What can we do differently or better as a business going forward? What are our competitors doing? What have they done in the last week? This can be very basic but useful intelligence, such as pricing changes, promotion changes, new products they have launched, or whispers about potential developments. Of course we also look at what our customers are actually telling us, so that intelligence can come from customer contact. It’s great that we get a lot of compliments, which tells us that we’re doing it right. However, there are occasions when we haven’t got something quite right; it might not be hundreds of comments but we really need to be aware of trends suggesting that something could be improved.

Social media engagement
We are rather proud of the fact that we’ve got 580,000 likes on Facebook – for a business that doesn’t retail anything online, that’s pretty significant and shows quite a loyal fan base. Customers are very honest on Facebook. The customer contact team uses social media extensively and we have conversations with customers, answer queries, and provide feedback. We’re also using it to engage with our customers in order to make it a fun environment for them to visit and have conversations with us. There are a series of polls online so we do gather some data from social media, but there’s a limit to how much insight you can gain from that because it’s such an open environment.

You also have to be careful and consider that people probably say things on Facebook that they wouldn’t necessarily say face to face. A small comment can gain momentum and snowball into a bigger trend, so part of our job is to look at positive and negative comments as well as the comments that are less easy to categorise. It may be that a comment that has snowballed is simply a ‘loud shout’, or it could in fact be a really good idea for a new product or suggestion for an improvement.

Social media is a great way to monitor any changes that we implement in the shops. On the whole we either look for no comment or positive comment, but it’s a great way of picking up early signs to see if any changes you have implemented have been successful or if there are any concerns.

Monitors the competitive environment in the changing high street
Macro data is collated weekly and monthly. We monitor high street footfall on a weekly and monthly basis; we also monitor areas such as consumer confidence, GDP, unemployment rates, and like-for-like sales performance of other industry competitors to give us a really good benchmark for what’s going on in the wider market. That insight is communicated into our Trading Board and Operating Board on a monthly basis.

What other intelligence is useful to the boards? Ingredient price inflation is one area that has been in the press a lot recently, and price increases in key ingredients are obviously a concern for us as a value operator. We have to be sensitive to what our competitors are offering, where they are moving prices, and the sentiment that is in the media.

In terms of competitors, we monitor regional as well as national competitors. We have a pricing analysis, which we conduct weekly and monthly; within that we do pick up the one or two principal local competitors. As a result we have the granularity of data to act locally if we have
to. It's worth remembering that in most instances these are our shops – they’re not franchises. We control the supply chain so we can react to feedback and develop products quickly. We get a lot of feedback from shop managers and area managers that filters back through the business. There is a formal process to feed back such information on a weekly basis, so if a regional competitor opens we will hear about it quickly. The teams in each region very much see each outlet as their own shop; that’s probably because they are small shops and small teams and it’s very much down to the shop manager to control what they do. It works well in that we hear about local changes and promotions regularly.

The high street has changed considerably in recent years, but the customer is still broadly the same. There might be a different need state to the one you would predominantly associate with ‘on the go’ food; it comes down to mood – what do you want to eat today? There are different eating occasions, so we’re competing for both the eating occasion and how the customer feels at that time. Greggs now has five coffee shops called Greggs Moment. They offer customers a different experience to our food-on-the-go outlets, where customers can sit, relax, and enjoy a coffee shop experience with Greggs’ fantastic food at Greggs value pricing. We’re putting a lot more seating into other shops, too, as well as Wi-Fi in every shop.

These developments are a result of customer demand and the changing shopping and eating environment. When people have more time, they want to sit down to eat. When you look at the demographics of our customer base there’s a significant youth element, with very high smartphone penetration. So when we have fast Wi-Fi in the shops it’s not necessarily about increasing people’s dwell time, it might be about downloading something quickly and every time they visit our shop it will happen automatically. We need to consider the needs of the entire range of customers who come into Greggs – doing the right thing for those customers and making sure they have a reason to come to Greggs rather than going elsewhere.

In Greggs’ past we were a regional baker and we sold a lot of bread and cakes. In the early 1980s, as customer habits began to change, pre-wrapped sandwiches were identified as a growth area and this category was developed. People traditionally bought their bread from bakers, but they predominantly buy their bread from supermarkets now. The more we’ve moved into food on the go, the more we’re competing against global fast food chains – such as McDonald’s, Subway, and KFC – as well as supermarkets in terms of their move into convenience.

We need to balance offering genuine fresh bakery food on the go with a market demand for ‘fast convenient food’ and avoid losing our heritage and bakery credentials. We have to recognise that within our estate there are city centres where the customer demand is about food on the go – speed of service and availability are high on the agenda as people may not have a lot of time for lunch breaks. In contrast, we have locations where there is still potential to sell a lot of food on the go but also to complement that with cakes (and bread) to be taken home.

**Innovation at Greggs**

In 2012, Greggs launched a new traditional bakery format on Gosforth High Street, near Newcastle: ‘Greggs the Bakery.’ This format is about reflecting a more traditional style of bakery experience, and giving our customers
a wider range of bakery products such as artisan breads and specialist confectionery products. There are approximately 75 additional products compared to a standard Greggs. We believe the shop window is really important for the traditional bakery format; if you look at most of our shops they have a ‘straight across’ counter, which is very fast moving in terms of serving the customer. That used to be the case in Gosforth, but now we’ve put the counter around the shop so that the customer has access to the window and can see fantastic products there. That set-up really makes the product the hero, and we need to ensure that the product lives up to its promise of quality at a good price. We know through feedback that customers love the shop. You can stand on the street outside and hear people exclaim, ‘Is that Greggs?’ People are really excited and we are reaching a broader audience as a result.

In addition, we have launched our Greggs Moment coffee shop format which has also been well received by customers. We’re competing against coffee shops and customers expect a different mood in that scenario, but they still want the strong food and value credentials that are associated with Greggs. When we conducted the initial research as to how customers felt about coffee shops in general, there was a sense that they were looking for an ‘escape’ experience, but actually their food choice was very weak. This is where we identified an opportunity for Greggs and, judging by feedback from customers in that shop setting, Greggs Moment appears to have exceeded expectation in just about every sense. For example, while people expect our food to be good, they perhaps don’t know that our coffee is great, too. Some customers have referred to the Moment shops as ‘Greggs for grown-ups’. They may have felt that they grew out of Greggs in their mid-twenties but now they have a reason to come back to it – the different experience offered by Greggs Moment attracts customers at different life stages.

Another benefit of our strong brand association with food is that, when you look at coffee shops in general, they seem to have far more female customers, but with Moment we’ve managed to get a broad split. Greggs as a brand usually sees a fairly even split between the genders and we are seeing that replicated in the coffee shop environment. We did have to carefully consider the branding and whether or not it would be too much of a departure from the usual Greggs offering; for example, to open a Greggs shop and not to have our iconic Greggs sausage roll felt quite uncomfortable for us. But we felt that the coffee shop experience required a new bespoke range of food more suited to the eat-in experience and that way we would offer customers something different for a different occasion and therefore not compete with our own food-on-the-go shops.

**Product development**

One area in which we do a lot of work is product testing. We start by identifying a specific customer need through our research and communication streams, then we develop several concepts, screening those concepts down to the top two or three. Once they have been worked on, they go into consumer hall testing and then into trial. At Balliol Park in Newcastle we have a highly specialised food technical centre led by Paul Birchall, Head of Group Technical, who has a team of expert chefs and food technologists working in development kitchens. Within that environment we do a lot of sensory testing; this stage might only involve around 25 people, but it allows us
to determine directions that we should or shouldn’t pursue further. Sensory testing acts as a filtering stage before we go out to external customer testing. In addition to testing new concepts, the scientific team analyses our competitors’ products to see where their strengths and weaknesses lie.

When one of our product concepts has passed these initial stages we test further by talking to between 100 and 200 ‘real’ customers about our products, which really helps us understand whether we are making the right decisions. It’s a very effective early warning system. This type of testing can help us in other areas, too. For example, we mentioned earlier that ingredient prices fluctuate so it may be that one ingredient can be substituted for another. Of course, we need to ensure that the product is not affected in terms of overall quality, taste, and texture, so testing allows us to keep products at the required price point without compromising on the customer experience.

Other techniques we use for product testing are focus groups and street intercepts. Overall we take up to forty products a year out to consumer testing, but hundreds will go through the concept screening stage. We also continually test our established products to make sure they are still delivering what our customers expect. Often you will have a memory of what something tastes like, and the reality is different – it’s an emotional association in that respect. Occasionally we get comments such as, ‘What have you done to this product?’ or ‘It doesn’t taste as good as it used to’, but the recipe might not have changed at all. We will consider whether something in the production process has changed, but of course palettes change, too. We have seen this with salt in recent years; the Government has set targets through the Food Standards Agency to reduce the salt content in bread, for example, so some people are very aware of the taste. Our approach is to work towards these targets, while at the same time balancing the taste requirements of our customers who are extremely sensitive to changes to our products.

Product development and testing for seasonal items is carried out well in advance of the season, often around a year in advance. Halloween planning starts just after Christmas, at which point we will review what has worked well in the previous season and compare it to the products our competitors put forward. Our competition for these seasonal items is growing in particular in the supermarkets (as well as other bakers), because the supermarkets stock other items such as fancy dress and party goods that customers can purchase at the same time – Halloween being a prime example.

Mince pies are a big seller for us at Christmas, as you’d expect. We’re very proud this year that our mince pies have been recommended by Good Housekeeping, and that taps into a different demographic for us. Like all of our other products, we undertake a phenomenal amount of testing for our mince pies, fillings, and pastry. Many of the brands sold in supermarkets are baked and sealed weeks in advance, but at Greggs we bake all our mince pies in our shop ovens each day. We believe this creates incredible quality and the consumer feedback supports that belief.

Tracking success
As well as product concept testing and keeping track of competitor activity, it is important that we measure the success of specific campaigns and understand market trends. Throughout the year we run ‘brand trackers’ that help us understand if value or quality perceptions are changing. If we’re spending money on a campaign we’ll track...
it before and afterwards to understand the impact. If it’s a new concept within the campaign, we’ll always do depth and focus groups beforehand to screen various creative groups; this is to ensure that it’s conveying the right message and hitting the right target audience. We do a lot of online recall research post-campaign to see which channels of communication were the most effective. We now test point-of-sale messaging before it’s commissioned and produced to make sure that window messaging is effective, communicating the message we want to communicate, and hitting the right audience. We do that by taking point of sale into shops and talking to people in that setting – it’s a huge advantage that we’ve got 1,640 shops at our fingertips so we can talk to any customer at any point of the screening.

Finally, we utilise the huge resource that is our employees by conducting staff groups for various campaigns. It’s fantastic if we can say that there are 20,000 people who are 100 per cent behind what we’re doing, and understand how campaigns resonate with the people who serve customers every day. All of these activities combined allow us to understand the needs of our customers, track our competitors, and ensure that we are upholding the brand values that are so important to Greggs.
Case study 2: GVA – Using competitive intelligence to create a service-led culture that reinforces the brand

Vikki Bingham is the Client Development Director for property advisers GVA. She has over 25 years’ experience in sales, marketing, and business development; prior to joining GVA, Vikki developed and implemented sales and marketing campaigns for a family-run business. Over the past few years she has been responsible for developing and implementing a client programme across GVA. The programme focuses on reinforcing the GVA brand through a service-led culture that puts clients first. Vikki works closely with the in-house HR team to develop the link between staff engagement and client service. Here Vikki talks about how competitive intelligence feeds into the programme.

I HAVE worked with GVA for 15 years, and during that time I have undertaken a number of roles in the marketing and business development team. These roles include marketing communications, regional business development, bid management, and client profiling.

GVA recently refreshed its brand logo, but it was recognised that this was only part of the story in terms of brand positioning; the biggest impact would be through staff behaviour and service delivery, leading to an enhancement of the client’s perception of the firm. The realisation dawned that this was a change management task and one that could not be achieved quickly. We also understood that it would not be achieved by one team working independently.

Behaviour change in a large business can be a difficult, and it needs to be done through a series of approaches:

1. Identify the issues/good areas;
2. Understand what needs to change;
3. Communicate;
4. Recognise and publicise best practice and good behaviour; and
5. Never stop!

Figure 1 (p. 82) illustrates the relationship between the factors that feed into a successful client programme at GVA – one that is based on a service-led culture that puts the needs of the client first. Of course, one desirable outcome of the programme is strong financial results, but it is clear that enhancing the client experience has benefits throughout the organisation and, of course, for the clients themselves. Loyal clients lead to a sense of pride for employees in the brand and the service we provide, meaning that staff members are more engaged and thus provide a better client experience. This feeds back into the cycle to create a continuous loop of client loyalty and employee engagement. On top of this self-perpetuating service improvement, achieving strong financial results allows us to invest in employee support and training to further improve the overall client experience at GVA.

How to get people to understand the business benefits of data and competitive intelligence is a challenge that many organisations face. In developing the
programme for GVA, the use of competitive data was a key aspect to making it work, but another challenge was how to present and use the information in such a way that people could see and understand the message. Before we could do this we needed to look at what information we held internally and what needed to be sourced elsewhere – and, most importantly, what it would tell us.

Internally, we know who our clients are, the geographic markets we act in, and what products/services we are selling. What we did not know at that time was the market perception of the firm or, indeed, what individual clients thought of us. This was the external information we required, so we went through the process of identifying a number of different sources for this information. We also carried out a number of mystery shopping exercises.

By combining the information gathered from these sources we were able to draw a picture of GVA and develop a strategic phased approach on how to use it to implement the client programme.

**Phase 1: Pilot scheme**
This was a small group workshop which focused on the market drivers for changing our approach. We combined the data and information from the various surveys to identify some key trends and issues that helped to demonstrate the importance of the programme.

**Phase 2: Communication**
At this point we needed to communicate to the wider business what the gathered intelligence was saying, highlighting the issues and what could be done to change them. We built case studies around the individuals who had attended the workshops to demonstrate different ways in which change could work – the viral effect.

This information had to touch as many people as possible to start to engender different thinking – even if only with a small group initially. This was achieved through a series of channels: staff newsletter, intranet, and a series of roadshows in each regional office.

**Phase 3: Client competencies and appraisal process**
This phase incorporated results from intelligence as part of the performance measurement criteria. We also provided training to line managers in how to use the competencies to measure progress without making it too threatening or target specific.
Phase 4: Director workshops
A series of workshops were held across GVA. These interactive workshops were aimed to ensure that all directors had a clear understanding of the key messages for client development, including the expectations of service delivery, future plans, and their responsibility to their teams.

Phase 5: Client intelligence
This stage of the process involved combining internal and external information collected from various sources to aid and inform specific client teams, and ensuring that they were readily available. Use of this data started with small groups but was communicated so as to gain momentum.

Phase 6: Client development skills
We then developed a series of courses that incorporated the intelligence gathered from internal and external providers. These courses were designed to cultivate core skills in service delivery and client development using a proactive commercial approach.

As I said earlier, this is a change management programme and what can’t be under-estimated is the length of time and amount of resources this can take. But we are beginning to see results.

The programme is continual and the updating of competitive intelligence is also continual as it is becoming much more ingrained in our day-to-day working practices. After one year we were able to demonstrate success with the initial group of clients. Performance was benchmarked against the previous year: this showed a 6.5 per cent increase in fees and an increase in the average number of service lines used from four to 6.5.

One of the best measurements of success is the number of people volunteering to become involved. We have included associates in the decision-making process and changed our client management structures so that they can play a bigger part in developing not only the business but also their own personal skills. The programme has been reinforced by the Board and management teams and plays a strategic role in developing our business plan.

Most importantly, our clients are feeling the benefit of dealing with teams that are co-ordinated, working together, and delivering results.
Case study 3: Acritas – Insight to sharpen your competitive edge

Lisa Hart Shepherd established specialist research company, Acritas, in 2002. Since then, Lisa and her team have conducted a wide range of research programs for the world’s largest law firms. In 2006, she developed Sharplegal, now the most comprehensive annual study of the global legal market. Containing in-depth analysis of the main factors shaping the future of legal services, Sharplegal insight helps law firms to undertake strategic planning with greater accuracy. It has helped many of the Global 100 to achieve service excellence, brand strength, and global growth.

Knowledge is power – and never more so in business than now. The economic landscape is vastly different from how it looked five years ago. Internationalisation is here to stay. In the legal sphere, the balance of work is shifting from ‘traditional’ to emerging markets and the future looks brightest in territories which, from an operational point of view, are new to many of the world’s leading firms.

Against this backdrop, organisations urgently need to find out exactly where they stand in relation to their global competitors. They will be best placed to gain/maintain a strong competitive position if they access pertinent information on the entire environment in which they are operating.

As already observed, the sources of information that businesses can access are now vast and the research possibilities open to them almost limitless. The secret to intelligence gathering in these times of information overload is to take a strategic approach.

Organisations which embed research into their long-term planning and evaluation are in a prime position to identify risks and opportunities to their businesses before they become obvious to the market more generally.

Given the pace of change affecting firms and their clients, organisations which choose to only undertake reactive research, conducted sporadically around one-off events, find themselves at a disadvantage. Those who fully integrate research into the decision-making process will be far better placed to hear about emerging trends when they are just that – emerging. As a consequence, their reaction times will be quicker and they will be ideally positioned to steal a march on the competition.

The winners in the race to harness ‘powerful knowledge’ are those who invest time in identifying a set of well-defined objectives focused on delivering insight that will feed directly into the organisation’s strategic planning cycle. The intelligence gathering process will draw on a range of sources and be continuous, well-resourced, and long term.

It is worth looking in greater depth at the value that a combined approach to intelligence gathering can bring to organisations wishing to leverage competitive advantage through research, before outlining some best practice methods and case studies.

Jesper Martell, Comintelli
Achieving synergy

When budgets are under pressure and external spending is being scrutinised more closely than ever, some organisations struggle to see why employing research specialists to ‘tell them what they already know about their business’ should be a priority. Therein lies the problem. In the words of Albert Einstein, ‘A man should look for what is and not for what he thinks should be’. It is very easy to become blinkered about the market in which you operate and the ways in which you conduct your business if you only take a quick glance outside that business from time to time.

Although an improvement on conducting no research at all, observing changes in the market as they are publicly reported is no longer an effective way of keeping ahead of the competition. The base level of information that guarantees a position in the running has increased significantly in recent years.

The proliferation of communication channels and the ease of access to information that they allow mean that rival organisations are likely to be using competitive intelligence methods to predict market changes and to plan for their projected outcomes in their growth strategies. Firms need to up their research game or they will soon find they are losing significant ground. Ignore competitive intelligence at your peril!

However, with budgets tightening and resources limited, the key is to devise a well-planned research programme that draws on a combination of sources and that is robust enough to provide valuable insight to the firm while remaining affordable.

Many new and valuable free information channels have opened up in the recent past. These information sources offer exciting opportunities to hear about new developments from opinion leaders on an ongoing basis. They include:

- Blogs;
- LinkedIn groups;
- Online journals;
- Web news updates;
- Webinars;
- RSS feeds; and
- Twitter feeds.

When considered alongside ‘traditional sources’ of secondary data such as newspapers, magazines, industry journals, and organisations’ literature, the accumulated intelligence they provide is considerable. However, they still lack the incisive, focused view that well planned primary research provides.

Commissioning your own research study allows you the flexibility to choose your own questions, interviewing sample, timing, scale, and depth. It enables early interrogation of results so that you can get an idea of how the land lies before the full programme comes to an end. You have full control to probe into answers further, to add and to change questions, and the possibilities for benchmarking are many if the research is conducted consistently over time.

However, custom research can, by its nature, be quite costly. Syndicated studies, which allow for the incorporation of specific client questions, offer a very valuable alternative option. Acritas’ Sharplegal study, for example, allows law firms to access the answers to hundreds of questions about the legal market provided by more than 11,000 leading general counsel in the world’s largest organisations. Research of this scale would be prohibitively expensive and practically impossible for law firms to conduct individually.
Whatever your objectives and budget, it is important to remember that multiple research methods result in synergy. It pays to consider using the broadest range of research options you can afford in order to gain an accurate view of your subject.

The following guidelines are tried and tested methods for ensuring that the research you commission will be of practical use and provide optimum value for money.

Commissioning research – best practice

Set clear objectives
The best research programmes are based on a set of well defined, pre-agreed objectives that feed into the organisation’s strategic plans.

Senior endorsement
As observed earlier, research works most effectively if it is fully embraced by senior management and has become part of the organisation’s culture. When the leadership team fully supports the use of research, they are much more likely to commit sufficient resources to ensure the whole process runs smoothly and efficiently.

A reputable research partner
Although secondary research can, given sufficient time and resources, be conducted by in-house teams, primary research is a highly skilled job and should not be attempted by the inexperienced.

Ideally, the research partner will be appointed at an early stage. Their expertise will be invaluable in honing the research objectives agreed internally so that the overall programme can be designed to produce results in the most appropriate form to meet those objectives.

Assign responsibility
Research projects that produce the most valuable results are those which have been invested with time and resources. The best run projects have an experienced individual assigned to oversee the whole programme, working to tightly defined objectives agreed by senior management. A clear and realistic timescale that takes account of preparation and liaison time should be in place and, ideally, the success of the project will be built into its manager’s performance objectives.

Clarity about how and by whom the research will be used
The way in which the research will be used is critical to deciding the way in which its outputs should be created and presented. If the data is for use by a specific team of individuals with good technical research understanding, less detailed explanations may be needed at the results delivery stage. If the data is to be widely disseminated across the organisation, the results may need a significant level of additional interpretation to ensure they are usable by all. These are considerations that should be addressed at the outset as they may affect the way in which the research is conducted.

Realistic timescale
It is possible for most forms of research to be conducted as a ‘quick hit’; however, this approach can detrimentally affect research results. To be of real value, no matter the scale of the research, time needs to be set aside to cover some basic stages:

- Setting objectives;
- Establishing a database to hold results and ensure they are accessible to relevant groups;
- Selecting and briefing a research partner;
- Agreeing research criteria;
Conducting the research;
Receiving feedback on the results;
Incorporating the research findings into strategic plans;
Reporting to leadership and briefing all relevant colleagues on the findings; and
Creating learning points for the next round of research.

Set a budget
Conducting research requires a commitment of time and money. If budget is restricted, organisations need to be realistic about what they can achieve and employ more economical methods, such as web surveys combined with secondary research. Conducted consistently, over time, this combined approach can provide very valuable insight.

Where budget is more plentiful, so are the options. The challenge here is to find the optimum mix of research methods to achieve your aims – your research partner will be well placed to advise on this. An extremely comprehensive and detailed analysis of an organisation’s environment and stakeholders is possible when the results of carefully executed quantitative and qualitative research are combined with high quality secondary data.

Make research part of your organisational culture
There are few areas of organisational planning which would not benefit from a degree of research input. Indeed, where decision makers have incorporated research into the organisational DNA, so to speak, and use insight from the earliest stages of planning through execution to assessment of outcomes, the results can be outstanding.

Making the case for research
Some of the most compelling arguments for undertaking research revolve around risk reduction. As the market changes at an ever faster pace, becoming increasingly global, and thereby bringing many more unknown factors into play, the stakes are ever higher.

Forward-thinking firms are seeking innovative ways of taking advantage of the many opportunities the new competitive landscape presents, while at the same time mitigating against costly mistakes.

In the legal sphere, for example, the relatively new discipline of legal market research is proving to be of great value. For example, legal market research was the source of predictions that the future for law firms lay in providing services internationally. Allied to this, legal market research revealed that the emerging concept of the ‘law firm brand’ would gain equity in a globalising marketplace as clients began to seek guarantees of consistent service across multiple jurisdictions.

The law firms who were quick to seek out market information and were sufficiently open-minded to take heed of its predictions have, in most cases, gained considerable ground.

Many firms who were early adopters of legal market research established offices or alliances in international growth markets long before their competitors and have gained a strong ‘first mover advantage’ in so doing. They invested in developing coherent brand strategies and many have benefited from achieving ‘star brand’ status as a result i.e. their brand strength is higher than their size alone should dictate.

Another critical area in which law firms have benefited from embracing research is in gaining client feedback. A few years ago, client satisfaction research was almost unheard of in the legal sphere. The client–law firm relationship was distant at best and clients’ needs were unlikely to have much bearing on the service their law firms provided.
The advent of the law firm as a business, and the revelation for firms that they need to adhere to marketing principles to remain competitive, has put the client firmly in the driving seat. Some of the more forward-thinking practices have accepted and acted on this change in client/service provider dynamics and are among the minority 22 per cent* of firms who ask their clients to voice their opinions about the service they receive (*according to Acritas’ Sharplegal research).

On balance, law firms are finding that despite budget cuts and pressure to reduce costs, the value that legal market research brings far outweighs its cost.

Case study
Acritas has been conducting legal market research on behalf of international law firms for ten years. During this time, the company has experienced an ever-increasing appetite among its clients for a widening range of research services. Common reasons cited by clients for seeking legal market insight include its contribution to risk reduction, the foundation it provides for avoiding costly mistakes, and the reassurance it gives to leaders when making business-critical decisions. High quality research data brings a much greater degree of accuracy, certainty, and confidence to the decision-making process.

Notable growth areas include research into the following:

- Brand and market position – perceptions of the firm, its competitors, and new market entrants;
- Referrals and the factors that influence clients to choose one firm over another;
- Market opportunity assessment – areas where demand is growing but under-served;
- Market entry strategies;
- Most effective channels of communication;
- Cross-selling opportunities; and
- Merger/alliance partner assessments.

Acritas has a diverse range of clients and the research the company conducts for them reflects this diversity.

Here we explore an example of best practice at an international law firm that uses a range of complementary research to create and maintain a strong position in a highly competitive marketplace.

Firm background
This top 50 law firm had the very clear goal of achieving a global footprint within an ambitious timescale and aimed to do this through a combination of merger activity and organic growth.

In order to meet its aims, the firm’s leadership knew that they would have to gain a clear, unbiased, and up-to-date picture of the international markets offering the greatest growth potential. They wanted to do this by getting in-depth insight into clients’ needs in emerging markets and by understanding if the firm’s services were compatible with demand in each jurisdiction.

For this reason, the firm chose to work with Acritas, the company behind Sharplegal – the most comprehensive study of the global legal market available.

Sharplegal data was critical in determining the most attractive and compatible markets for the firm’s expansion. The study also highlighted the most suitable firms for a successful merger bid and lateral hires. Further data was used by the law firm’s leadership to gauge the likely success of different sector strategies in various markets as well as to provide a benchmark for service delivery across all regions.

Sharplegal data has informed the firm’s growth strategy for the past three years,
during which time it has experienced rapid growth and the acquisition of star brand status.

Convinced of the value of legal market insight, the firm has committed to a further two years of Sharplegal research at the full global market intelligence level, i.e. leadership will be able to base its future strategic decision-making on the views and needs of potential clients – 3000+ leading general counsel in the world’s largest global companies. It will also be able to benchmark its progress and make more accurate predictions about the future direction it should take.

The firm has also expanded the range of research it undertakes with Acritas to evaluate its client relationships and service delivery on large transactions. The programme covers most of the firm’s offices, is sector-focused, and draws on both qualitative and quantitative research methodologies.

The Acritas team undertakes a combination of face-to-face reviews, telephone depth interviews, and telephone interviews across the globe in several languages, managing and quality checking all translations.

The responses are used to gather client insight about the firm’s service levels and its performance against agreed indicators, many of which are then benchmarked against industry norms contained within the Sharplegal study.

In-depth relationship reviews provide a greater level of insight into ongoing client rapport, with annual reviews used to understand the long-term progression of the relationships. Feedback is both at individual client level and firm-wide to help maximise the research’s value in shaping strategy.

Individual summary reports for attributable respondents, including verbatim responses, provide direct insight to the client team, while analysis of the aggregated responses provides an overview of the firm’s performance and highlights areas for improvement against its KPIs.

The programme is ongoing and enables the firm to adapt to clients’ changing needs, to evaluate perceptions of the firm, to review service delivery and to identify opportunities to enhance and widen the services it offers to clients. After a qualitative pilot phase, the program now runs qualitative and quantitative methodologies in tandem to ensure maximum flexibility and accuracy to meet the firm’s changing needs.

The complete overview provided by Acritas’ insight provides this ambitious law firm with assurance that its investments will deliver a return. It also allows the firm to measure its success through its market profile, client service performance, and market share as perceived by clients – both existing and potential.

The firm’s leadership team regularly invites Acritas to take part in strategy sessions to update on the latest global legal market findings. Data updates are communicated across all offices on an almost weekly basis. This gives employees across the globe a clear view of the firm’s competitive position in all markets and allows timely, tactical adjustments to the firm’s approach and offering, where necessary, in order to maintain a competitive edge.

Although this case study outlines best practice and advocates a sophisticated level of complementary research methods, the principles it highlights can be applied on a smaller scale too. The keys to success lie in an open-minded approach to research – including a willingness to accept that you are not ‘admitting ignorance’ by seeking competitive intelligence. Embedding a
culture of information gathering and sharing across an organisation will result in a team that is more willing to adapt to change and seize opportunities as they arise – pre-requisites for success in times when power lies in knowledge.
Case study 4: Wates Group – Managing competitive intelligence in the construction industry

Wates Group is one of the largest building and construction companies in the UK. Here Radhika Kapur, Corporate Strategy Manager for Wates, talks about the benefits and challenges of gathering and using intelligence in the construction industry.

Competitive intelligence is part of my role at Wates, and we are working towards coordinating a more centralised structure for what was previously a dispersed activity. Quite typically in a long-established organisation, we have individual business units and then we have a corporate centre; before CI became a formal part of my role, each business unit would do their own ad hoc research that would probably fall under the umbrella of competitive intelligence. Although this research was of great use to the business units that collected it, it wasn’t being shared and used much beyond each individual unit and therefore its true value wasn’t being realised throughout the company. We now gather intelligence in a centralised way and through several channels, including market research – we do primary research with our customers – a macro-economic study, and a competitive intelligence piece.

A couple of years ago we conducted a significant exercise in which we identified thirty of our direct and close competitors. Construction is a very fragmented industry in which your potential competitors can range from market leaders such as Balfour Beatty to very small ‘man with a van’ operations, which brings its own challenges associated with compiling data on these organisations. In addition, we found that each individual business unit had identified its own set of competitors and then there was a secondary layer of regional competitors on top. In addition, Wates as a group has a slightly different competitor set than the business units have individually. Once we had identified the full set of competitors we compiled a profile for each one; this was a desk research-based activity.

Transforming the CI process from a dispersed to a centralised function

The transition from Wates conducting CI on a dispersed, ad hoc basis to it becoming a more centralised function has happened gradually, and we still have a long way to go. The changes evolved from a series of conversations between team members. For example, we have a small business unit that has just one main competitor; this competitor is the market leader and we’re somewhere around third or fourth in line. The business unit did a huge piece of work profiling the competitor company, including taking on an external consultant to compile the profile. They discovered through various setbacks that it was extremely difficult to access useful intelligence on this competitor, and they needed to share resources with the rest of the Wates team. On the other hand, we had people who had to reinvent the wheel year-on-year, in terms of gathering the same data in different ways. Individuals...
were struggling with trying to carry out CI alongside their day-to-day roles, but it is counterproductive to outsource CI to analysts or interns with no research background or knowledge of the construction industry.

Seeing the variety of problems facing our colleagues in the business units, we pitched the idea of compiling standard competitor profiles and everyone was quite receptive. The next task was to identify what would be a ‘must have’ in the profile versus what would be ‘nice to have’. In the same way, we had to narrow down that list of companies to profile because it included ten direct competitors and a number of non-direct competitors, as well as a few new ones to watch. So, the challenging issues were limiting the scope of the profile enough to make it standardised but also to give it enough value for the person who was reading it, and making sure we were getting the competitor list absolutely spot on. The feedback we got from this exercise was that it did relieve a lot of time and effort from the business units but, because the exercise was purely desk based, it probably wasn’t telling the teams much more than they already knew. Nevertheless, it was a good first step in standardisation and put in place the beginnings of a knowledge management approach for Wates.

In order to supplement this information, then, we conducted internal interviews with employees who had come from competitor companies. That project went very well because it was carried out by an experienced interviewer, and it gave us a lot of insight into the strategic side of our competitors’ organisations. It would have made sense to make it part of a debrief process when someone new joins the company, but the problem with that approach is that it is not done in a systematic manner. Instead, we designed a questionnaire and took people through it in one series of interviews. Of course, we set certain parameters: the individual had to have joined us in the last two years; and they had to have been employed at a level in the competitor organisation at which they would have understood the strategy of the company. That could, if desired, be expanded out into lower bands that were more operational, allowing us to get operational insight.

Although this exercise was extremely useful and insightful, it is of course a limited approach because only individuals that have been hired after leaving competitor companies can be interviewed. It is a very valuable but low volume methodology for gathering intelligence.

Working with the finance team revealed the importance of looking for intelligence streams that already exist in the organisation; often these streams simply need to be redirected and analysed with the CI end in mind, and great value can be derived from data that is already being collected for another purpose. Prior to CI becoming a more centralised function, the finance team collected competitor financials as and when they came in; these were generally analysed and used for the purposes of the finance department only. They were, as a result, primarily contained within the finance group and were not usually disseminated in a structured way to the business units, since at that time there was no structured system for doing so. We realised that there was a wealth of information already sitting within the business, and all we had to do was access it. However, though the research was extremely useful for finance, because it was done on an ‘as needed’ basis, the research in relation to CI was somewhat hit and miss: there were avenues that would have been pursued by a CI researcher that simply had not been relevant for the finance department.
when using the data for its own purposes. Likewise, there was no rigorous analysis carried out on the data in terms of what it meant in relation to company strategy but, once we started to look at it in a structured way, it revealed great insight about our competitor companies. At that stage a member of the finance team put together a series of reports for our CFO, and several groups came together to talk about how the numbers could be interpreted to inform actions.

**Using our intelligence**

Looking at financial data from an intelligence perspective can tell us a great deal about the operational health and strategy of other organisations. For example, we found that one of our biggest competitors had a billion pound turnover yet it was making just three million pounds profit; this indicated to us that the business was losing money on its projects but customers were loyal because it was doing work below cost. As long as it was not delivering too badly, customers didn’t mind that it may topple over. In fact, the company is not toppling over; it has been operating in this way for the past three years. They’ve just put their head down in a tough economic climate. This can be a useful area for reflection in your own organisation – at times, when we may be wondering whether an area of the business is struggling because of management issues or problems in the team, simply seeing what a competitor is going through can assure you that your own struggles are actually a symptom of a difficult market that is having repercussions throughout your entire competitor set.

Aside from looking at financials, the profiles we put together include a range of information such as:

| In which sector(s) is the organisation currently operating? |
| Have they entered into any new sectors? |
| What regions do they cover? |
| Have they made any new appointments? |
| Has there been any M&A activity? |
| Do they have an international footprint, or are they moving towards one? |
| What is their strategy saying? |

The final point – data on strategy – we would pick out from press releases and industry news, as well as from the annual reports and accounts. Often the CEO’s foreword will point to the company strategy quite clearly. A desk research-based profile, then, would contain all of that information in a standard structure. It’s not extremely value-added work because this is publicly available information, but it does save five people from gathering the information individually in an ad hoc manner. This way, we know what information we’re going to get and each year it’s not a big exercise – more of a refresh.

The construction industry has its own quirks and challenges when it comes to CI. It’s not a sector in which you would expect a large organisation to be surprised by a new entrant to the market, because it’s an industry that is based on reputation, relationships, and track record. The typical size of our projects is in the £20–30 million range, so it’s tough for a new entrant to break into the market. At the other end of the scale, the industry is very fragmented and there’s a long tail of smaller operators. It isn’t particularly capital intensive when you’re a contractor, meaning that it would be relatively easy to enter the market if you subcontract the work. It would be very easy for a ‘man with a van’ operation to get into a refurbishment business because he can take on smaller
jobs or can subcontract the work. The barriers to entry aren’t very high on projects of a smaller size, but as project size and cost increases there is greater emphasis around project management experience and relationships so barriers to entry increase.

However, in recent years we have seen some changes in the industry as the decline of public funding has meant that contractors are expected to take on more risk through innovative financing. In some ways this has strengthened the barriers to entry considerably, where companies with strong balance sheets and good relationships with partners and customers feel able to take on this risk. Yet on the other side of the coin, new entrants that understand the need to take on this risk may find it easier to enter the market – provided they are in a financial position to do so – and take a share of the market based on the offer of attractive financing solutions.

**Storing, disseminating, and using intelligence**

Sharing intelligence effectively is one of the biggest challenges of competitive intelligence, especially in an industry such as construction, which is just beginning to adopt technology. We have a variety of systems but perhaps we don’t always use them to their full potential. Ideally, it would be extremely useful to bring together the different sources of CI and set up a workshop with each of the business units. In this way we could demonstrate the range of intelligence we hold and work together to identify what it means to them in terms of strategy. Unfortunately, when budgets are squeezed, CI is one of the first activities to suffer so it is not always possible to share information to the extent that its full potential is exploited.

In terms of knowledge management, we do capture data about competitors when, for example, we lose out on a bid. That information is online and anyone can access it; it’s centralised so that shift onto a dedicated knowledge management system hasn’t been done. All of those profiles sit on the company’s X drive. However, the drawback is that people have to ask me for help if they can’t find a particular piece of information, which makes data retrieval somewhat ad hoc.

Thinking about strategic management, our CFO puts together the competitive financial piece for the board each year. We work with him to develop the story for that piece of work, and our approach could be described as two tier. On one level, gathering the financial data and insight is work that the CFO has always done; it has always been an important part of his role because it helps to convey our relative performance in the market. In addition, I seek opinions and insight from our business leads because they know an awful lot about what is going on in the industry, but extracting that information and getting a consensus is a strategic management challenge.

We also have a Communications Director who has done something quite interesting. He accesses a PR database and recently put together a CI piece based on that data, including what our competitors were saying about themselves in press releases. That was very interesting because news articles give you a different flavour, and looking at what people say about themselves can be illuminating. I don’t think construction companies are the most savvy in marketing themselves because it’s such a relationship-driven industry; there are a few who are much better than others in terms of having really savvy websites. As I
mentioned earlier, occasionally the process of turning the spotlight on competitors can alert you to areas for improvement in your own organisation. For example, one piece of feedback we got through primary research is that customers don’t understand the full range of our offering. They understand what goes on in the business unit they deal with on a day-to-day basis, but there could be other services we offer that would be highly relevant to the customer as well as the ones they currently use. It was great insight for us to hear and we’ve revamped our website to try to accommodate for it. Our new Comms Director has done a great job in getting the stories of what we do out to our clients and prospective clients. This is, after all, about being proactive in lifting our profile. We did a lot of work that wasn’t, in the past, getting communicated to the public and those we work with, and if competitors are better than you at communicating their successes then you are losing competitive advantage.

The future
The construction industry has relatively long lead times: two years is pretty average from business development to being midway through a project or near completion. There are industry databases that collect information about what projects have come out, who bid, and who won. I don’t think we leverage that information to a great extent at the moment – a few members of the team will keep an eye on it but it’s not pulled out in a very structured way. That is perhaps something we can look at for the future. What we have used it for this year is to complete a deep sector piece on the education sector, splitting it into segments and looking at how each of the six or seven competitors operate in that landscape. Of course, this doesn’t give you the full picture – it’s only the projects that came out, as opposed to projects that have been completed – but it’s very representative of the trends occurring in that sector at a given time.

One of the key benefits, but also one of the major challenges, of CI in the construction industry is that the people who are entrenched in the industry know the market inside out. They have such great networks and relationships with people, and as a result they know what our competitors are doing. Yes, some of this information may be hearsay but it can still provide us with a great starting point for intelligence – what we don’t know is the extent to which the information is reliable. Is it just one person’s biased opinion or is it valuable, hard-to-access intelligence? I think there needs to be more structure around bringing this information together collectively and having more of a competitive knowledge management system. That’s one of the key things I’d like to do in the future. It’s a big step forward to be doing things in a structured, standardised way and trying to cross-functionally integrate knowledge in a way that doesn’t happen at the moment. We always keep in mind that the key purpose of CI is to identify and exploit that USP – that competitive advantage – that differentiates us from the rest of the field. It is a big undertaking, but our efforts are delivering such value that there is clearly a future for competitive intelligence at Wates.
Case study 5: Atos – The challenges of dealing with Big Data

Atos is an international information technology services company, headquartered in France, with offices in 48 countries around the world. It is the Worldwide IT Partner for the International Olympic Games through to 2016 and had, at the time of writing, just completed delivery of the technology for the London 2012 Olympic and Paralympic Games. With increasing technical innovation in the areas of social media, data capture, and data processing, Atos’ clients are increasingly looking to ‘Big Data’ solutions to provide new insight into their operations, customers, and markets.

Christian Benson (Head of Information Management) and Matthew Roberts (Portfolio Owner for Content Management), talk about the challenges associated with managing huge volumes of data and explain some of the available solutions.

IT HAS been said that ‘information is the lifeblood of business’, and that is never truer than today in our hypercompetitive world. Businesses have the combined pressures of tough economic conditions creating reduced consumer spending and low cost entrants from BRIC industries, creating downward pressures on revenues and margins. Within this context, gaining additional insight into your business, your customers, and your competitors or markets is key to maintaining your position within the marketplace.

Data is the key ingredient within this information mix and traditionally businesses have focused on making the best use of the structured data that they capture internally. However, recently new data sources such as the UK Government’s OpenData initiative (data.gov.uk) and social media platforms have provided a large number of data elements that could be used to augment internal data.

The challenge becomes not one of using small data sources effectively but, in an increasingly data rich world, how you determine which data to look at, how you extract and combine it, cleanse and enhance it, and finally distribute and present it. The choice of what you include and how you work with it is the difference between suffering from data deluge and gaining competitive insight.

During this discussion we will focus on the background to the concept of Big Data, how the trend is defined, and how Big Data approaches and technology can be embedded into your strategy in order to support the key business activities of business intelligence (BI) and competitive intelligence. We’ll also cover how Atos are helping our clients who are starting down this road and how we see the future developing.

What is Big Data?
Analysing data for competitive advantage is nothing new for business; from the mid-1980s to the early 1990s, businesses were using system information from purchase records and customer data, along with other key internal systems data to populate their BI and reporting platforms to gain
understanding of the success of their own decisions and their competitors’ strategic moves.

What has changed in recent years is the increasing amount of data available, the new types of data available, and the tools available to analyse it. This combined set of circumstances is often referred to as ‘Big Data’.

Analysts have coined the term ‘the three Vs’ to help understand the different dimensions to Big Data: volume, velocity, and variety.

- **Volume** is the dimension of Big Data referring to increasing data storage requirements. Increasing numbers of devices, increasing digitisation of processes, and larger content types such as video are all leading to expanding data volumes. These data volume needs are increasing rapidly: IDC (www.idc.com) expects data volumes to increase 40 times between 2010 and 2020.

- **Velocity** refers to the requirement for the timeliness of the processing of data. Organisations are increasingly asking for real-time or near real-time insight from their data; if existing approaches for combining, cleansing, warehousing, or searching cannot be handled by traditional databases, then the velocity requirements are those of a Big Data solution.

- **Variety** of data describes the mix of traditional relational data stores (‘structured data’) and unstructured data stores. Examples of relational data formats are customer transactions, finance records, and CRM data. Unstructured data formats are simply those outside of this format and may cover documents, e-mails, texts, voice, video, and images.

### How can Big Data help with competitive intelligence?

This combination of volume, velocity, and variety reflects the type of patterns we’d recognise in competitive intelligence: bringing together large data volumes for greater insight, responding quickly to competitor moves in near-real time, and, in particular, mixing less standard data formats to increase understanding of customers, competitors, and markets.

If competitive intelligence is broadly defined as any activity in the defining, gathering, and distributing of information about products, customers, and competitors to facilitate better business decisions, then many business scenarios are supported by Big Data. Examples relating to competitive intelligence include:

- Increased understanding of your product/service responses and your competitors’ product/service responses through automated social media monitoring, website and blog monitoring, sentiment analysis, and social analytics (social analytics) leading to product and service innovation and identification of market gaps;

- Improved insight into your customers and their relationship with the business – particularly your digital channels – through techniques such as Clickstream Analysis and Web Log Analysis;

- People- and interests-matching, allowing marketing to identify and target customer segments more accurately. Existing implementations of this manifest themselves directly as skills or expert identification or ‘People like you like…’ and also underpin recommendations;

- Improved recommendations – understanding customer and customer groups purchasing habits to identify
current and future cross-sell and up-sell opportunities. This can also be used to drive customer self-service, e.g. for support queries, leading to lower service costs and increased customer satisfaction; and

- Network analysis and communications mining to determine trends, pathways, influencers, and evangelists – allowing marketing teams to understand key focal points in the social network in order to target messages more effectively.

The back story to Big Data

It is worth briefly describing the background to Big Data, as its rise to relevance should be understood in the context of the phenomenon that drove it. Computer literacy and social media literacy merged with mobile device availability and cloud computing to create a perfect storm that fed Big Data and made it relevant.

Generation Y have grown up with access to mobile devices and have coupled that with the rise of social networks – MySpace, Facebook, Twitter, YouTube – to change the way in which they interact with their friends: using social networks to comment on everything from products and services to television and the minutiae of pop culture.

Generation Y have also led on openness to data sharing in exchange for more personalised and contextual service delivery; for example, noting and sharing preferences, interactions, and location openly on these platforms and search engines, and either explicitly or implicitly making that available to the platform owners to improve future use.

This new attitude towards information sharing is supported by the technology trends – increased mobile device usage and cheaper storage. We are all now familiar with mobiles and smart phone technology; its uptake is so rapid that two-thirds of the world’s population are expected to have mobile broadband by 2020. Concurrently, storage is becoming cheaper and access to cloud-based storage and processing is becoming easier. Previously, when storage was expensive, users had sought to identify the data regarded as valuable and discard the rest.

This social media data store, sometimes nicknamed the TwitterSphere, is seen by Atos’ clients as one of the key new channels for product and service design and innovation. Mining this stream has become a key target in recent years.

Now Big Data can assist in the depth and automation of this service. Greater openness to data sharing is coupled with computer power and affordable storage – leading to opportunities to combine a greater variety of data sources and mine trends over longer periods, giving new information and improved predictions.

The challenges of handling Big Data

The opening up of new opportunities means that every business is facing a new set of data challenges. We would regard that as true even for businesses that we would previously have categorised as mature in terms of their data management.

The challenges that businesses are struggling with are: where to first apply Big Data within their organisation and how to justify the funding, how might it impact the skills and culture within the organisation and how it might impact the existing technology within the organisation. We will examine these one by one.

Regarding where to first apply Big Data: We often see businesses – incorrectly, in our opinion – being driven by innovation within the technology team, i.e. starting at a technology or data level. Instead we suggest
a focus on the business scenario and seeing Big Data as an enabler to an improved future business; we have helped our clients to work to define the business use case and on the back of that to build a business case to demonstrate the value to be obtained from Big Data.

Whilst that sounds obvious and simple, it can be a big challenge. The early school of thought regarding Big Data, and one that licence vendors were unwilling to contradict, was that if you took the appropriate hardware and software, you could throw enough data at it from a variety of sources and then start to see insight and value coming out.

Atos works to define the scenario that the client believes holds the greatest value and the smaller iterative steps towards a long-term goal. For example, one of our clients has a vision for a ‘single customer view’ that links the customer’s feedback on products and services shared on social media, with purchasing records in store and on the web, and with CRM records and other interactions with the service team. This would all be linked to the timing of consumption of the service, which may be much later than the time of purchase.

That idealised view is very hard to achieve in practice for a number of reasons – not least linking all the different user identities in the social sphere, the online web store, the physical shop, and with the service desk. So we have been working to define incremental steps towards goals such as this by defining small linkages, defining new useful information to capture from the customer, looking at useful data generalisations that may act as a proxy for data that was not captured, looking at how loyalty information might be enhanced, and examining how changes in purchasing behaviour – such as using mobile wallets – might enhance the data. All of these are fed into a programme towards the goal, crossing multiple transition states that can all be justified in increments and either funded or rejected on their merits.

The second challenge relates to the skills and culture of the organisation. It may also be clear from the description above that there exists an additional cultural barrier to overcome within the client organisation – the nature of the solution frequently requires organisational departments to overcome traditional barriers and ingrained thinking regarding a single function owning information about the customer and instead think as a single company with many different teams able to work together. Our consulting teams help to drive this by defining performance goals for the teams that join up the various functions.

Another challenge businesses will face is in the availability and skills of the people who will work with these solutions. Typically businesses will need some quite deep technical skills in order to effectively implement some of the lower cost of entry Open Source solutions on the market today. Currently these technical skills are in short supply.

In addition, you will need employees who are skilled in interpreting and analysing the data – typically referred to as data scientists. Data scientists – with a mix of statistical, business, and technical skills – are also in short supply. Given the shortages in these key skills areas, businesses need to look at whether to grow these skills in-house, outsource to an external organisation, or use a combination of the two. And, if they intend to build in-house, they need to consider how this team is organised and funded in order to best support the organisation as a whole.

Finally, regarding the challenge of technology fit with the existing organisation:
we discuss the various technology options below, but it is worth noting that in their current versions, Atos sees the two new Big Data supporting technology areas, NoSQL and Advanced Analytics, as complementary rather than a replacement for traditional relational data stores.

How Atos helps its clients

The Atos approach comprises four segments of services: advisory, strategy & transformation, platform, and insight services. The aim of our advisory services is to help organisations to understand what Big Data can do for them and how they can build a business case. Our business and technical consultants bring experience of defining the art of the possible including articulating the use cases we have built in house, how others in the sector have used the tools available, and how we can build on that knowledge to make it work for the client’s specific business.

The next step would be to look at the opportunity assessment. This is where we help our clients to build a business case, taking that scenario and fleshing it out to answer questions such as:

- What sort of data do we need to support this?
- Who are the stakeholders who own the data around the organisation?
- Which parts of the organisation need to invest to make this work?
- Who needs support in order to make it work?
- What level of effort is involved in doing this?
- Do you have the skills in the organisation or do you need to bring in Atos in order to do that digging around?
- What sort of benefit do we hope to see at the end of this? If we can improve our marketing response by two per cent, what does that mean in monetary terms? Is this a £2m or a £20m payback?
- Is this an increased revenue opportunity or is this an opportunity to reduce the cost of ownership? Can we take hardware out of the equation and save money; can we replace a piece of licensed software with an open source piece of software?

Building on the answers to these questions, we might want to look at specific details such as which special offers should be put in front of which people. How can you segment your customers more precisely, so that interaction is targeted to the individual? How can you understand your customers and their purchasing patterns? What does that mean for the organisation; would the customer buy the product or service anyway, or only if it was on offer?

One of the key things to consider during this process is the data sources: what are those sources, how do they work together, and how well understood is their relationship? The next stage would be to assess how ready the organisation is to take this on internally – is it something that can be managed by the business or is it something you need help with? We would therefore be looking at a number of dimensions to that problem, including:

- Do you have the skills internally?
- Do you have the infrastructure?
- Do you have the software services?
- Do you have the technical services?
- Do you own all these bits of data, or do you need to purchase it externally?
- Is there a way you can go to a data aggregate to pool these?
Understanding who in the organisation would be providing the input to a Big Data solution, and whether it’s something that can be done internally or needs to be handled externally, is essential in order to assess whether that affects the business case. This is a readiness assessment: how ready are you for Big Data?

**What technical solutions are available?**

We previously stated that any technical implementations should be driven from a business angle, but it is worth looking at the technology landscape for its innovation and diversity. There are a plethora of NoSQL (‘Not only SQL’) tools that will deal with relational and non-relational data differently to the traditional RDBMS database; some of these tools are proprietary licenced products, but many of the companies have adopted innovative commercial models.

The technical solutions to this extreme processing requirement have been predominantly driven by the large web-based services companies: Yahoo!, Google, and Facebook. The research and product development teams at these companies either undertook early work in this area and subsequently published their findings or continue to support the open source products.

A significant proportion of the tools have only come to the market in the past four to five years, but despite this relative immaturity some of the most commonly used products now support some of the largest web-based platforms in the world – for example, Facebook chose the Hadoop (hadoop.apache.org) ecosystem to implement its latest generation of database and by June 2012 this had grown to be a 100PB store. Yahoo! is another large user of Hadoop, on which they implement their search algorithm.

Hadoop and similar tools provide a distributed data platform and implement parallel processing of the data across the store. The solution allows very large amounts of data to be stored on relatively cheap hardware and for complex data queries to be run and aggregated far faster than if the data were theoretically to be held in a single database.

In the last 12 to 18 months, these tools have become more mainstream, with large traditional vendors adding or amalgamating similar tools into their own product ranges. Examples include Oracle’s Big Data Appliance, SAP HANA, Microsoft Hadoop, and EMC purchasing Greenplum. With this we expect wider adoption of the technology.

**The future**

The key message is that the trend around data increase is going to continue, that the opportunities for business will increase, and that those businesses that take the first steps will gain an advantage over the competition.

Our consensus is that we absolutely believe all the hype – and we use the term advisedly – around the increasing volumes of data. We see increasing relational data: for example we’re beginning to see the realisation of the concept of ‘the internet of things’ where everything is online: your fridge orders from your online supermarket on your behalf, your washing machine turns on in the middle of the night because that’s when energy is cheaper, your car knows it is due a service and contacts the dealer.

We are seeing increasing digitisation and increasing connectedness, where all of these things will be talking to each other and to providers: each digital interaction is an opportunity to better understand a customer in a corporate business powered by Big Data.
In terms of non-relational data, we see this as a large proportion of the increasing data volumes. Corporate businesses understanding consumerisation models such as YouTube, and adopting similar approaches, engage with customers. This brings its own new challenges – how do you know whether you’ve used the latest brand or the latest logo? Or who might be taking a copy and infringing your copyright? How can you analyse non-structured content simply and pull back the items that are out of date? How can you control your digital rights? Manual trawling of sites is a very slow, time-consuming process, but if you can automate it you can begin to move towards leveraging the power of new customer engagement channels without the danger of lost revenues and with better control of how you are portrayed in the market.

With the data explosion continuing, the challenge for businesses is to determine at what point they wish to take control of external and internal data sources to improve their understanding of customers’ views on their own and competitors’ products and services, and their own operations.

We anticipate that Big Data will become mainstream over the next five years, with the term losing significance as all teams and departments incorporate the types of analysis and technologies associated with Big Data into their own business intelligence, competitive intelligence, and management information reporting. The intervening time period will provide early adopters with the chance to better understand the opportunity, structure, and resource, and gain a competitive advantage on their competition.

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About Atos
Atos is an international information technology services company with annual 2011 pro forma revenue of EUR 8.5 billion and 74,000 employees in 48 countries. Serving a global client base, it delivers hi-tech transactional services, consulting and technology services, systems integration, and managed services. To support our delivery, Atos has global alliances and partnerships with some of the largest services and software vendors. With its deep technology expertise and industry knowledge, it works with clients across the following market sectors: Manufacturing, Retail, and Services; Public, Health, and Transports; Financial Services; Telecoms, Media, and Technology; and Energy and Utilities.

Atos is focused on business technology that powers progress and helps organisations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic and Paralympic Games and is quoted on the Paris Eurolist Market. Atos operates under the brands Atos, Atos Consulting & Technology Services, Atos Worldline, and Atos Worldgrid.
Further reading

THE FOLLOWING books and journals contain a wealth of information for those wishing to explore additional aspects of competitive intelligence and strategy.


