



COMPETITIVE INTELLIGENCE: Lessons From the Front Line About What Works (*and what doesn't*)©



Tom Hawes, Principal
JTHawes Consulting, LLC

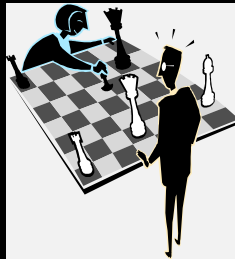
www.jthawes.com, tom@jthawes.com



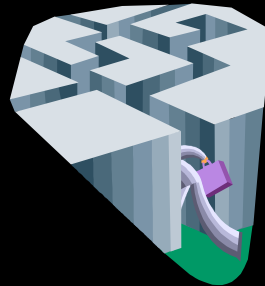
Anatomy of a Successful Competitive Intelligence Program



We have a
problem!



I need the
winning move



The future is
unclear



Mobilize the
organization



Get the
information we
need



Let's talk
about it



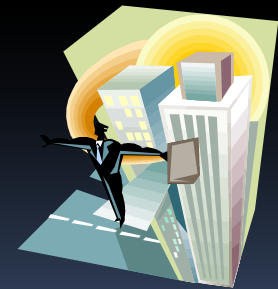
What are the
implications?



Give me the
best options



I have decided



We win –
for now

From a senior manager perspective ...

What They Need, What We Do



Key Needs

- I have a question and the answer really matters
 - Senior management must have questions that they want answered
- Give me options , I'll decide
 - More than one option
- Make it simple. (But consider everything.)
 - Short, credible and direct is best
- You're in the Army Now
 - Mobilize the organization
- Thank you. May I have another?
 - The competitive intelligence (CI) function must prove itself over and over again

Key Actions

- Answer the question(s)
 - Directly, convincingly and with assumptions
- Establish framework to manage information
 - Web site? Forums? Newsletters?
- Nurture relationships with management
 - Informal discussions? Custom information?
- Present information consistently and effectively
 - Standard formats? Feedback loops? Mimic preferred styles? Layered information?
- Provide value to larger organization
 - Newsletters? Information access? Competition oriented services?

All competitive intelligence functions must provide value ...



CI Vision Example

We will have a Competitive Intelligence system that makes a direct, positive and measureable difference in our business and product strategies

1. **Senior Management Customer:** Customized, real time information conduit that is tailored to specific and general questions from senior management
2. **Broad Contributions:** Contributions from management, marketing and senior technical personnel
3. **Easy Access:** Easily accessed, searchable and reusable information for presentations and analyses
4. **Proactive:** Active simulations to understand more about competitors' strategies
5. **Tested Conclusions:** Regular reviews with other organizations to challenge and share the data
6. **Impactful:** Demonstrated, regular impact on strategic decision making

The vision drives funding, expectations and measurements ...



One Customer Matters Most

Senior Management

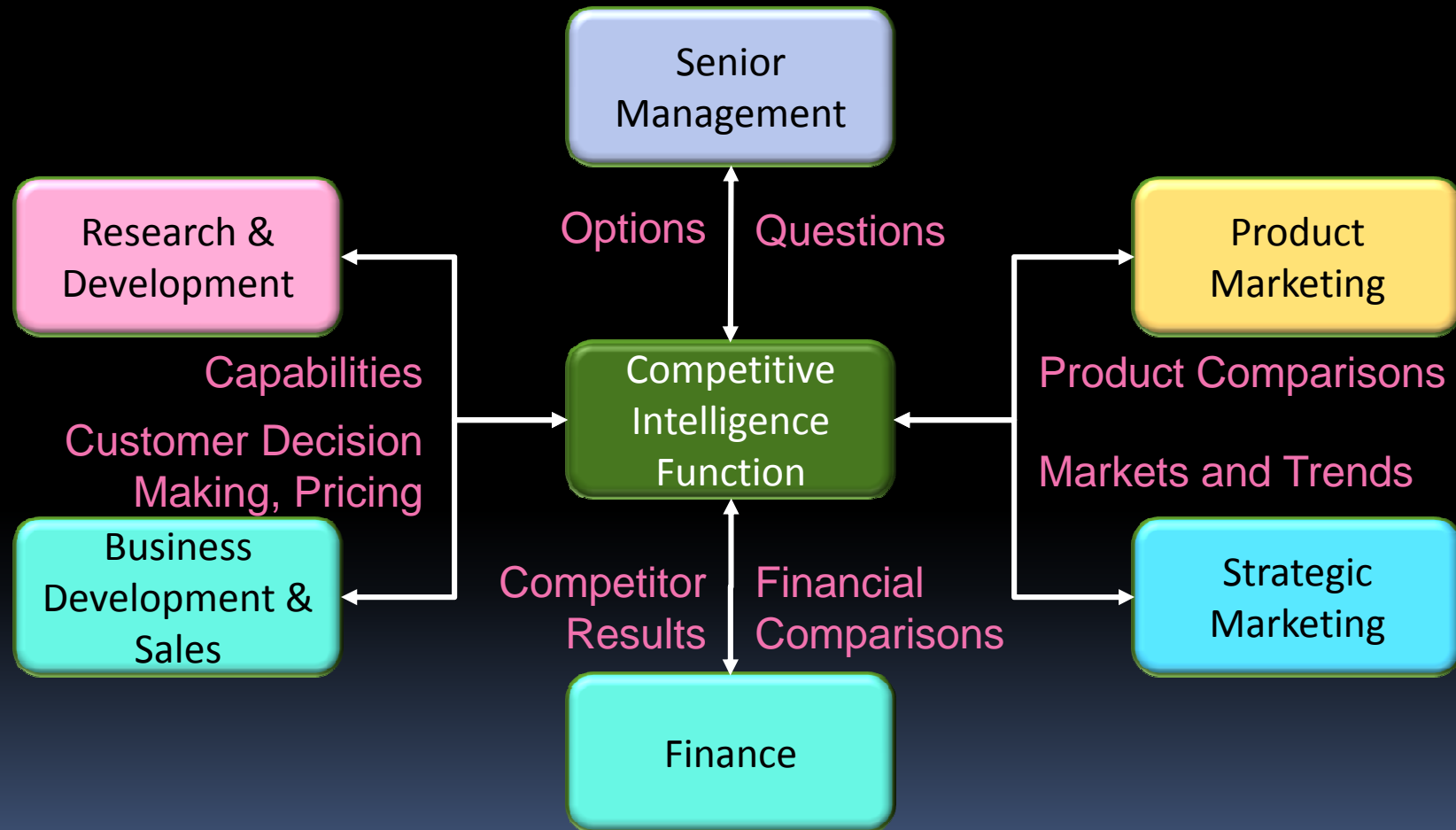
- Owns the vision
- Ensures access to strategic discussions for the CI analyst
- Defines the key questions to be answered
- Identifies strategic competitors
- Makes decisions on CI options

CI Customer Service

- Matches what is needed by senior management
- Presents in their preferred form(s) and forums
- Anticipates their needs
- Available quickly after critical event
- Explains options and reasoning for each
- Respects their constraints



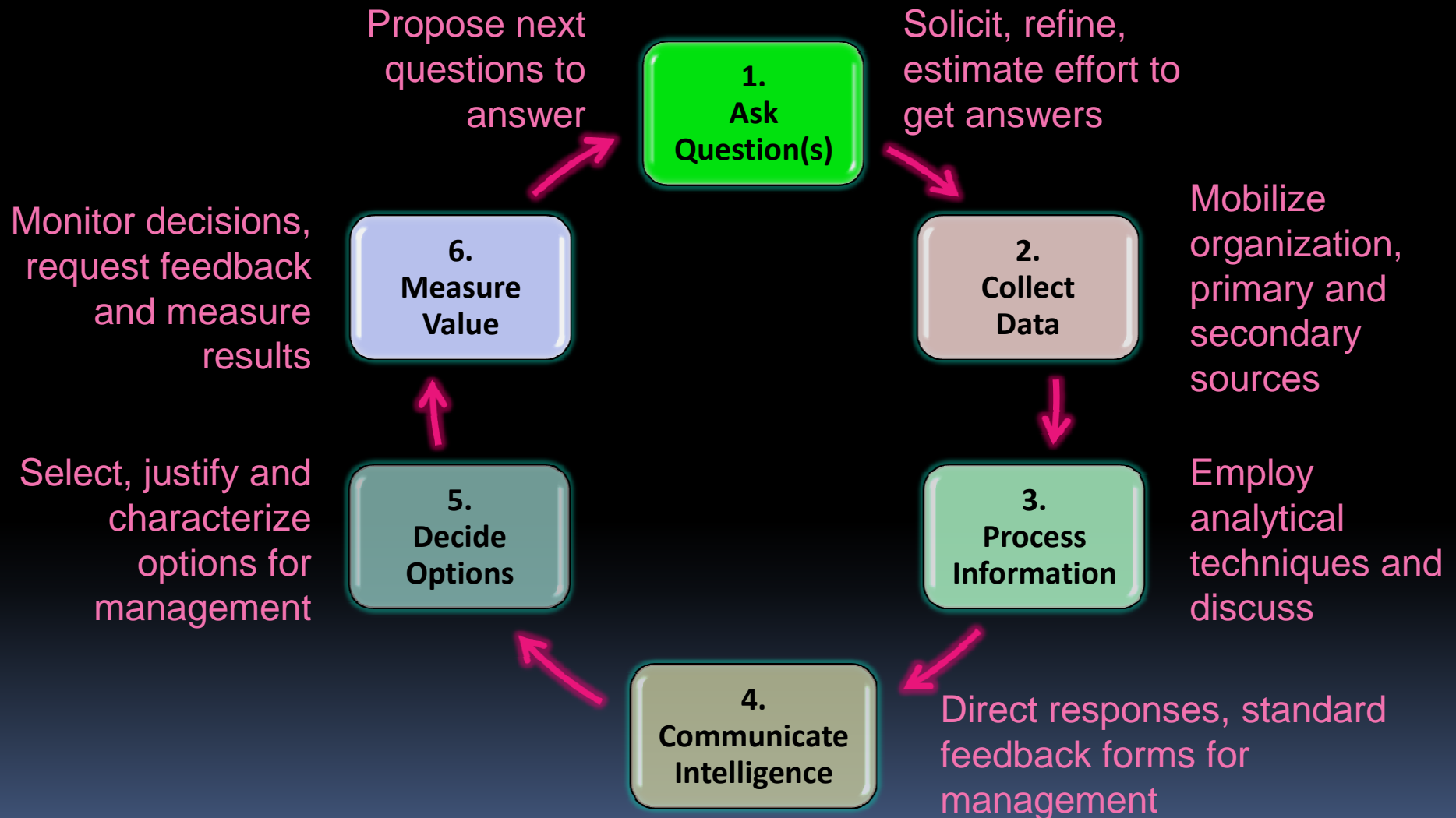
It Takes a Village (or why analysts need others)



Information and value flow in both directions ...



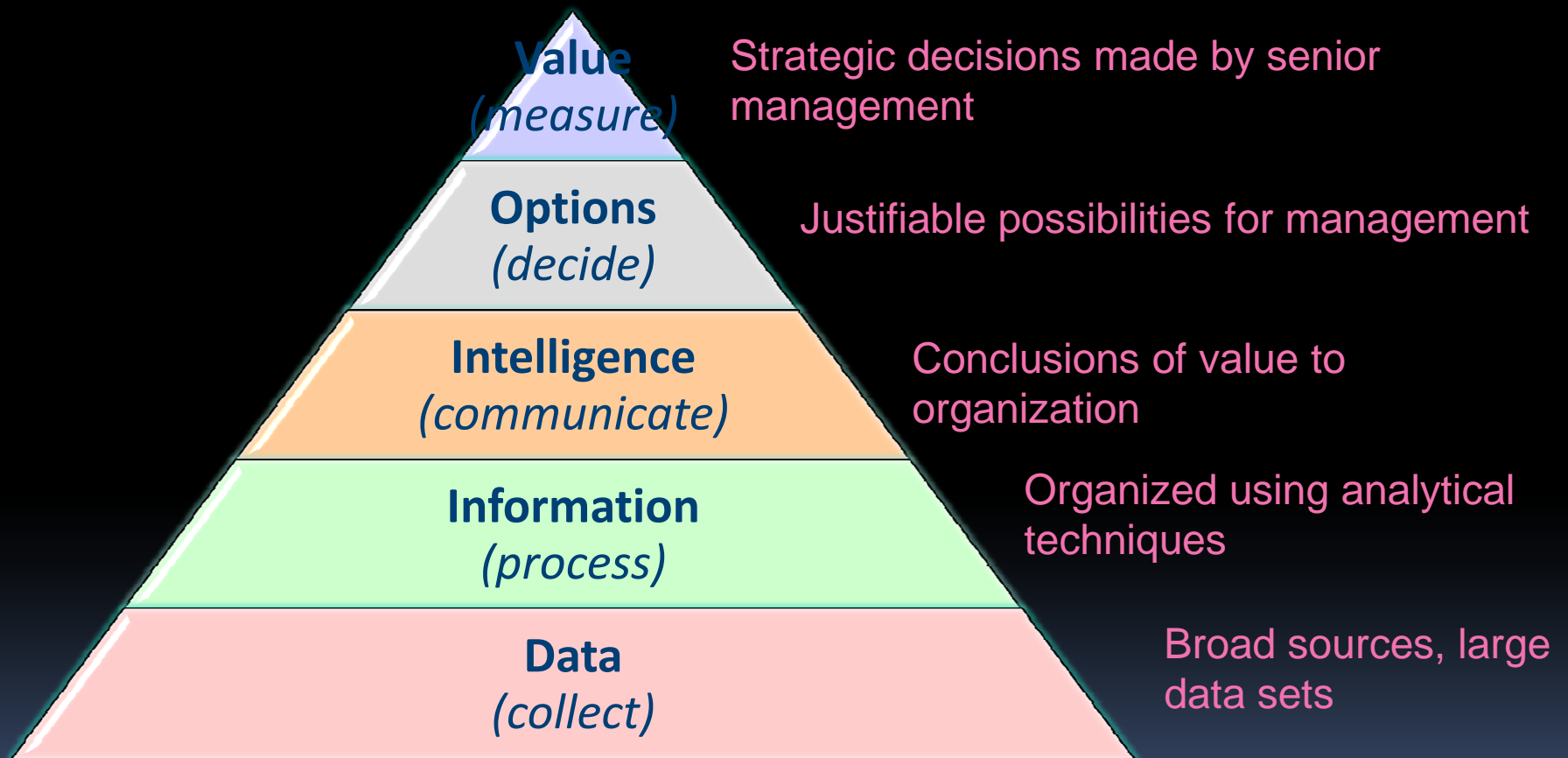
Competitive Intelligence Process



Strategic questions, well answered leading to tangible value ...



Intelligence Pyramid



CI serves a few people that set the vision and make strategic decisions...

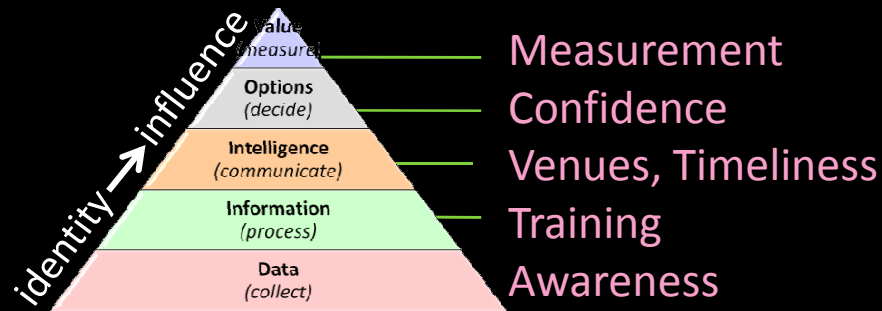
Tom Hawes

February 2009

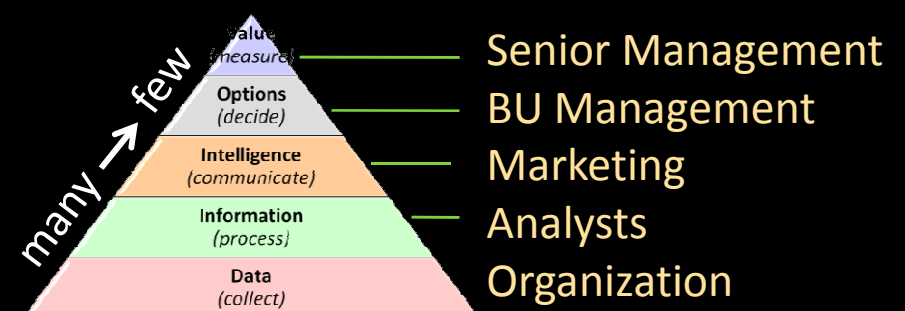
Evolution of CI Execution



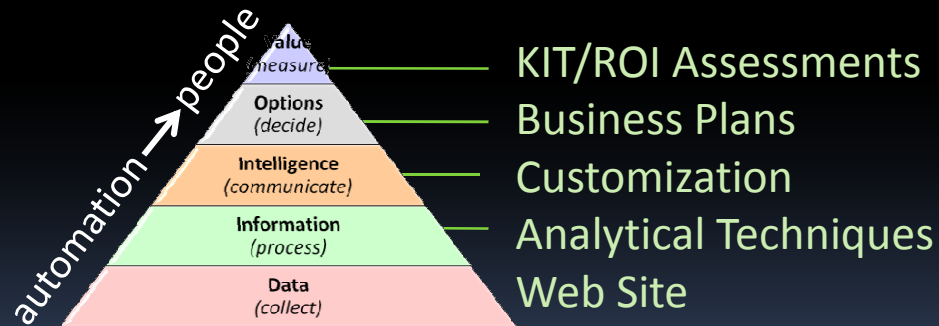
Critical Issues



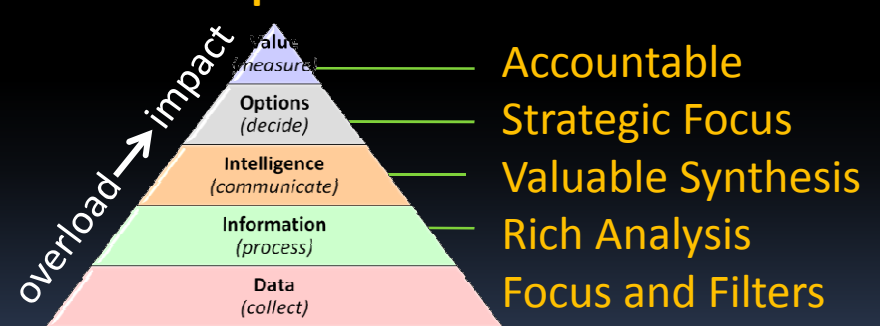
Participation



Tools



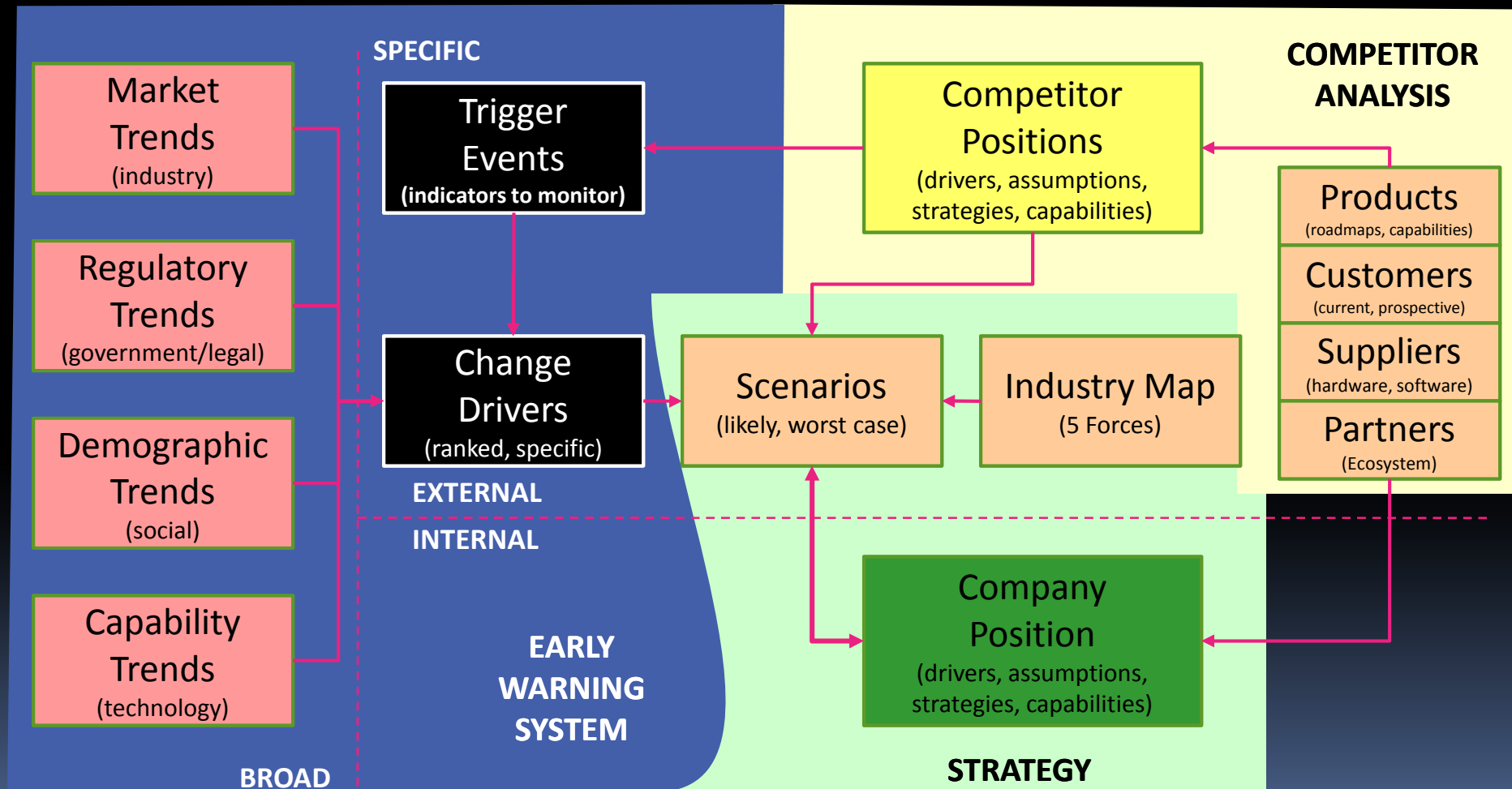
Impact



The goal is to move to the top of the pyramid ...



Information Categories



Critical information exists in multiple categories ...



Analytical Tools Examples

- Porter's Five Forces
- Porter's Four Corners
- Strategic Maps
- Competitor Value Comparisons
- Competitor Dashboards
- Financial Comparisons
- Product Comparisons
- Company Capability Comparisons
- SWOT
- Job Listings Analysis
- Branding/Trademark Maps
- Executive Profiling
- Acquisition Assessments
- Standards Bodies Involvement
- Tradeshow Intelligence
- Press Release Analysis
- Ecosystem Analysis

Competitive

- Industry Analysis/5 Forces
- Competitive Positioning
- Business Model Analysis
- SERVO Analysis
- Supply Chain Analysis

Enterprise

- Benchmarking
- McKinsey 7s Analysis
- Shadowing
- Product Line Analysis
- Win/Loss Analysis

Financial

- Interpretation of Statistical Analysis
- Competitor Cash Flow
- Analysis of Competing Hypothesis
- Linchpin Analysis

Evolutionary

- Event and Timeline Analysis
- Technology Forecasting
- War Gaming
- Indications and Warning Analysis
- Historiographical Analysis

Environmental

- Strategic Relationship Analysis
- Corporate Reputation Analysis
- Critical Success Factors Analysis
- Country Risk Analysis
- Driving Forces Analysis

Fleisher/Bensoussan

Avoid analysis "ruts" by using rich set of possible techniques ...



I Shot the Sheriff But I Did Not Shoot the Deputy (or simple ways to kill CI)

- Bury it in the organization
(no access to management)
- Concentrate on tactical questions
(limits possible impact)
- Highly filter information in both directions
(inhibits calibration of effectiveness)
- Focus on undifferentiated information
(becomes a commodity)
- Staff with people that have little credibility in the organization
(conclusions are dismissed)
- Avoid measuring its value
(becomes first cost saving option)



Keeping an effective CI function alive is no accident...



Selected References

Books

- Business and Competitive Analysis: Effective Application of New and Classic Methods (Fleisher/Bensoussan)
- Strategic and Competitive Analysis: Methods and Techniques for Analyzing Business Competition (Fleisher/Bensoussan)
- Early Warning: Using Competitive Intelligence to Anticipate Market Shifts, Control Risk, and Create Powerful Strategies (Ben Gilad)
- The Secret Language of Competitive Intelligence (Leonard Fuld)

Papers

- Tradeshow Intelligence (Jonathan Calof)

Training

- Academy of Competitive Intelligence
- Society of Competitive Intelligence Professionals



Tom Hawes

www.jthawes.com

tom@jthawes.com

February 2009