Intelligence/Market Insight

Developed & Presented by

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Jonathan Calof a little background

- Professor, Telfer School of Management
- Extraordinary Professor, North-West University, South Africa
- Leading Research Fellow, Foresight, Higher School of Economics, Russia
- Adjunct Professor, University of New Brunswick
- Honorary professor, Yunnan Normal University, China
- Executive editor and columnist, Frontline Safety and Security
- Columnist Competitive Intelligence Magazine
- Co-editor Conference and Trade Show Intelligence
- SCIP Fellow, Frost and Sullivan Life Time Achievement Award for Competitive Intelligence
- SCIP distinguished member award

"one of the world leaders in competitive intelligence“ (Edmontonian).
"a highly sought after, as a consultant, by businesses and government agencies.” (CA Magazine)

Today is about external environment, innovation and competitiveness

SRI International®

What determines if a product/service is innovative? Competitive?

From the computer mouse to robotic surgery, cancer treatments, and more, SRI's 70+ years of innovation have created new industries, billions of dollars in market value, and lasting benefits to society.

The common belief

"Build a better mousetrap, and the world will beat a path to your door." *Ralph Waldo Emerson*

SRI International®

U.S. Patent Office issued almost 6,000 mousetrap patents. Only two have had real success! (SRI)

Intellectual Property = Value Creation

Worldwide, only 1-3% of patents lead to value

What role do each of these play in the “better mousetrap” results

- Customers (customer intelligence)
- Competitors (competitor intelligence)
- Government (regulatory intelligence)
- Suppliers (sourcing intelligence)
- Technology (technology intelligence)
- Other areas (your ideas)

SWOT: Success will be based on SW but also OT – Your environment

- Developing strategies and tactics that match the environment
- Understanding the players in the environment and how they will react to your changes
- Anticipating and adapting to changes in the environment early enough to give you an advantage (opportunities or threats)
- Having your strategy be at the right place at the right time - How many of you watch and/or play football?

What I see in my business/research

- Don't know what to focus on: What is it that I need to know, forecast, understand, predict….
- Don't know where and how to get the information……
- Don't believe it/recognize it/accept it
- No systematic program
- Lot's of excuses – we are too small, it's unethical….

The answer for many organizations has been market insight/intelligence

Q1 Definition	**Competitors vs broad environment**		**Knowledge vs info**	**All info gathered**	**Analyzed vs…**
Q2 CI most appropriate	Strat 10%	R&D 3%	Multiple (2 or 3 selected) 17%	MKT +RD + Strategy 20%	All 38% All - HR 13%
Q3 percent change pred	0-24 31%	25-49 34%	50-74 25%	75-89 8%	>90 1%
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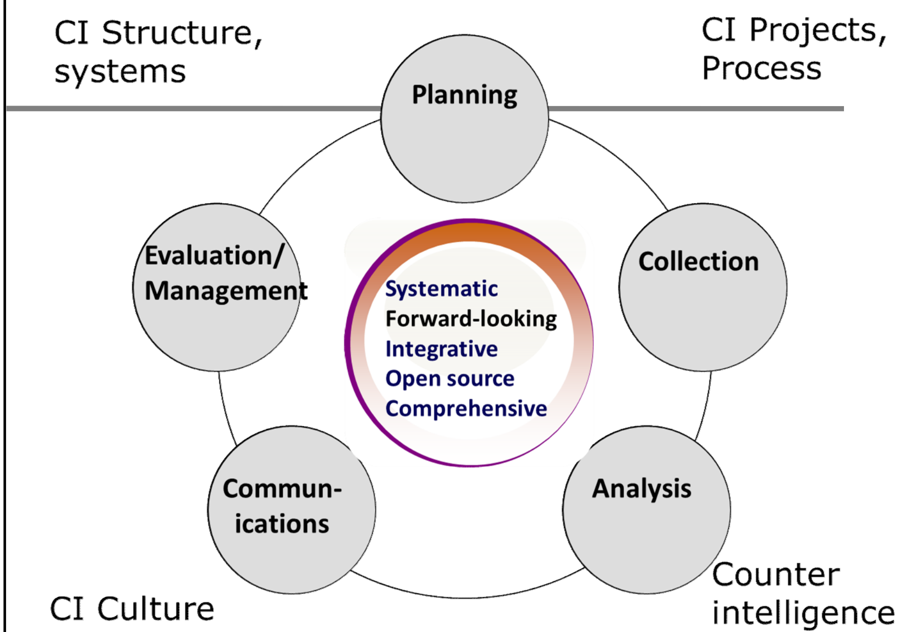
The objective for.

Todays session

After the session

An example of creating intelligence: Best Foods

- “and by external focus I am talking about consumers, customers and certainly customers”
- What is intelligence to Hathaway? What are the attributes of intelligence (how do I know that I have it)? How is it different from market research?
- What does Best Foods competitive intelligence program look like?
- What is the role of employees and their networks for competitive intelligence?
- How would Hathaway answer CIQ 1, 3, 4, 6, 9, 10



The intelligence process

Percent of intelligence time focused on each phase of the intelligence process	
Planning	12%
Collection	28%*
Analysis	25%
Communication	17%
CI project management	11%
CI project evaluation	7%

* Negatively correlated to innovation – collect too much is bad

What's this all about – From Global CI practices study

"CI is a necessary, ethical business discipline and/or skillset for decision making based on understanding the competitive environment in order to drive to competitive advantage in the marketplace."

'Any organizational employee who is gathering insights on the external environment (competitor, customers, suppliers, technology, etc.) in order to make decisions is practicing some form of CI. '

In referring to the above definition of competitive intelligence…frequently used terms are environmental scanning, market intelligence, business intelligence, and so forth.

Competitive intelligence definitions

Competitive Intelligence is the interpretation of signals from the environment for an organization's decision makers to understand and anticipate industry change. (From Competitive Intelligence NING, discussion group, competitiveintelligence.ning.com)

Competitive intelligence is the process of monitoring the competitive environment and analyzing the findings in the context of internal issues, for the purpose of decision support. Competitive Intelligence enables senior managers in companies of all sizes to make more-informed decisions about everything from marketing, R&D, and investing tactics to long-term business strategies. (Strategic and Competitive Intelligence Professionals web page, www.scip.org)

CI Broadening the definition – Nan Bulger SCIP CEO

The early days of CI was rooted in understanding competitors. "Now, today, it's really evolved into understanding not just competitors, but really putting the customer at the center of the intelligence you collect so you can determine how best to help your customers compete in the market and help your customers make money and looking at how there's a competitive effect from the competitors, how the political environment affects decisions that customers make, how the market dynamics affect the customer, and so forth. It's really evolved into a more sophisticated discipline, where it's not so much about collecting data anymore, but it's about conducting sophisticated analytics so that you can help your company make decisions about the market in order to help their customers" (Nan Bulger)

https://www.youtube.com/watch?v=5HN0QvHF9i0

Q2 Ethics: SCIP Code of Ethics for CI Professionals

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.

Fuld’s Ten Commandments of Legal and Ethical Intelligence Gathering

“Wherever money is exchanged so is information”
1. Thou shalt not lie when representing thyself.
2. Thou shalt observe thy company's legal guidelines as set forth by the legal department.
3. Thou shalt not tape-record a conversation.
4. Thou shalt not bribe.
5. Thou shalt not plant eavesdropping devices.
6.Thou shalt not deliberately mislead anyone in an interview.
7. Thou shalt neither obtain from nor give price information to thy competitor.
8 Thou shalt not swap misinformation.
9. Thou shalt not steal a trade secret (or steal employees away in hopes of learning a trade secret).
10. Thou shalt not knowingly press someone for information if it may jeopardize that person’s job or reputation

Why do you think that ethics such an important topic in CI?

What does intelligence give you – Global CI study

CI Formality	Extent of innovativeness/ How well org. copes with environmental changes		
	Below average	Average	Above average
Formal – central	8%	44%	48%
Formal – mixed	9%	49%	42%
Informal - none	21%	59%	21%

It's about innovation, making better decisions

What CI provides
How its evaluated

Method	Total
Customer satisfaction	53%
Decisions made/supported	45%
CI productivity/output	35%
Strategies enhanced	32%
New or increased revenue	25%
New products or services developed	24%
New products or services	20%
No effectiveness measure	19%
Cost savings or avoidance	19%
Financial goals met	16%
Profit increases	15%
Time savings	14%

What kinds of organizations use CI? What's it used for?

Who is CI for? Industries with multiple SCIP members

Aerospace and defence
Automotive and transportation
Business services
Chemicals, materials, food
Consumer goods
Education and training
Energy
Financial services
Government

Healthcare
Information & Communications technologies
Insurance
Legal/law professional
Manufacturing & industrial products
Pharmaceutical
professional Services
Travel & Tourism
Other

Firms of all sizes – from 2017 global CI study

Firm size	Percent having centralized intelligence activities	Percent having non centralized intelligence activities	Percent indicating no formal intelligence activities
<10	55%	10%	35%
10-99	39%	22%	39%
100-999	51%	35%	14%
>1000	38%	55%	7%

Where is it being applied –Breadth of intelligence (ideas for you)

Decisions supported by CI – Global CI study

Decisions Supported by CI	All
Corporate or business strategy	2.3
Market entry	2.2
PR/Communicate	1.5
M&A,JV, Due dilig.	1.8
Product development	2.1
Regulatory/legal	1.5
R&D	1.9
Sales or Business development	2.3

Scale: 0 = never to 3 = frequently

CI products/Deliverables	All
Company profiles	2.3
Customer profiles	1.7
Supplier profiles	1.1
Executive profiles	1.5
Competitive benchmarking	2.2
Early warning alerts	1.9
Economic analysis	1.7
Political analysis	1.3
Market/industry report/analysis	2.4
Technology assessments	1.8

CI focus

CI Focus – by target	Percent of CI time ranked
Competitors	1
Customers	2
Government	3
Suppliers	4
Partners	4
Universities	5
Professional associations	6
Other research institutions	6

Forward orientation	Percent of projects time
Less than one year	50%
1 - 5 years	37%
6 -10 years	9%
Greater than 10 years	4%

Innovation correlated with longer oriented temporal orientations and broader target focus

Your answers to the CIQ – What are the right answers

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CIQ Answers

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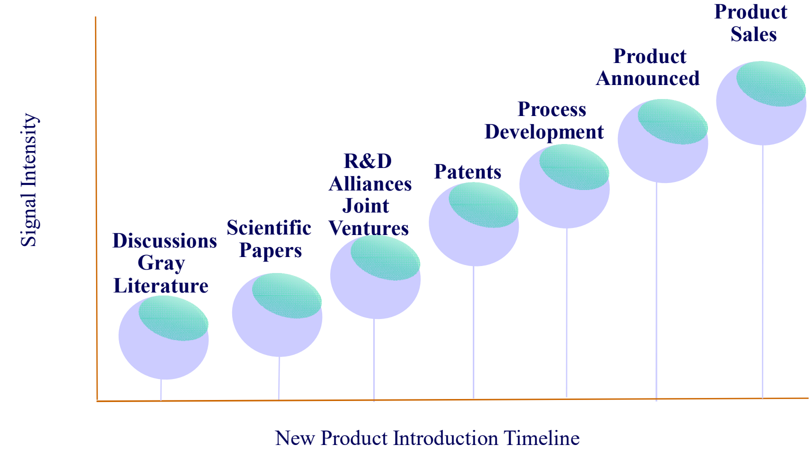
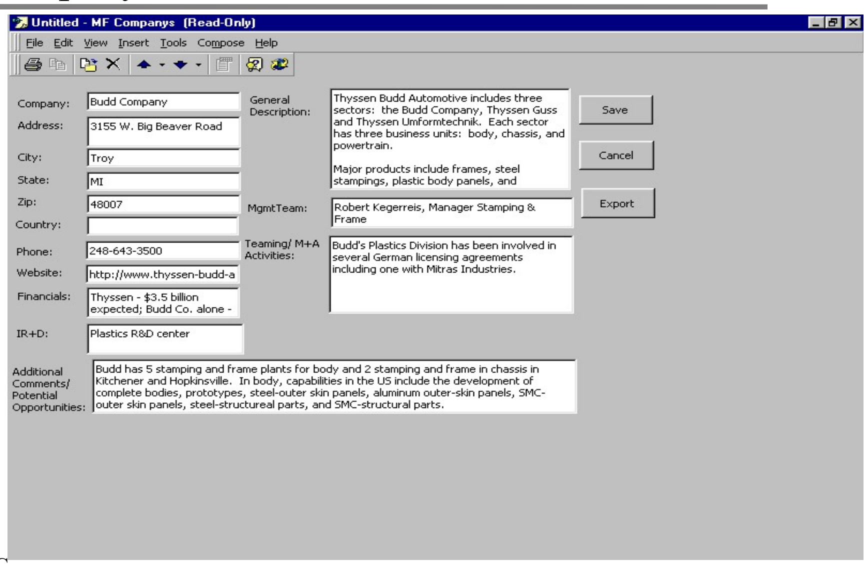
This is intelligence



Adapted from Benner, 1996, Competitive Intelligence Review

So is this – A Company Profile - Budd Company Brad Ashton


Untitled - MF Companys (Read-Only)

File Edit View Insert Tools Compose Help

Company: Budd Company

Address: 3155 W. Big Beaver Road

City: Troy

State: MI

Zip: 48007

Country:

Phone: 248-643-3500

Website: http://www.thyssen-budd-a

Financials: Thyssen - $3.5 billion expected; Budd Co. alone -

IR+D: Plastics R&D center

General Description: Thyssen Budd Automotive includes three sectors: the Budd Company, Thyssen Guss and Thyssen Umformtechnik. Each sector has three business units: body, chassis, and powertrain.

Major products include frames, steel stampings, plastic body panels, and

MgmtTeam: Robert Kegerreis, Manager Stamping & Frame

Teaming/ M+A Activities: Budd's Plastics Division has been involved in several German licensing agreements including one with Mitras Industries.

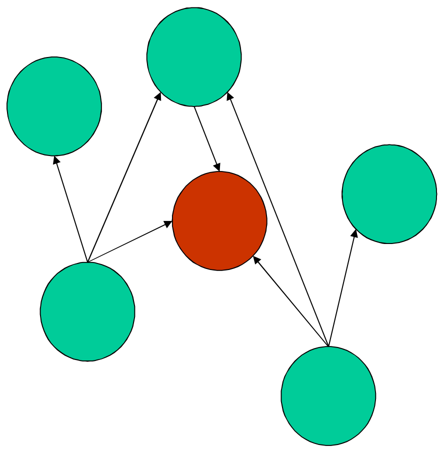
Additional Comments/ Potential Opportunities: Budd has 5 stamping and frame plants for body and 2 stamping and frame in chassis in Kitchener and Hopkinsville. In body, capabilities in the US include the development of complete bodies, prototypes, steel-outer skin panels, aluminum outer-skin panels, SMC-outer skin panels, steel-structureal parts, and SMC-structural parts.

Save

Cancel

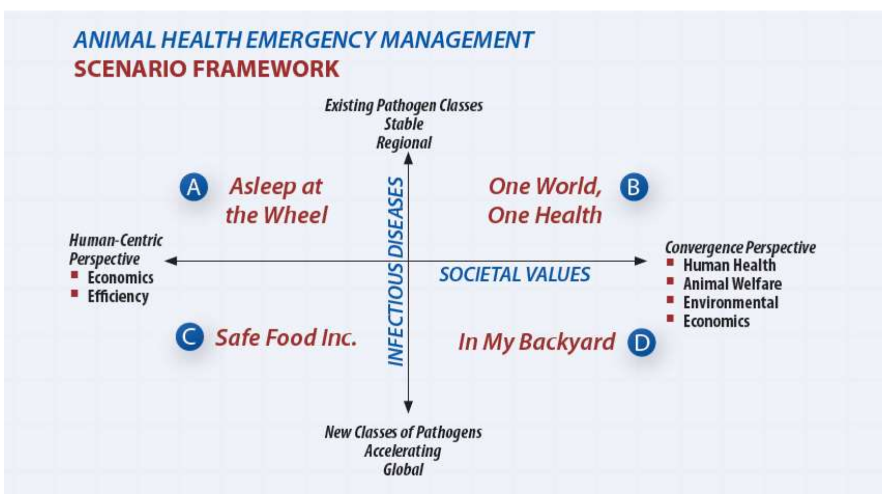
Export

This to: Social Media Analytics Program, Sentiment Analysis



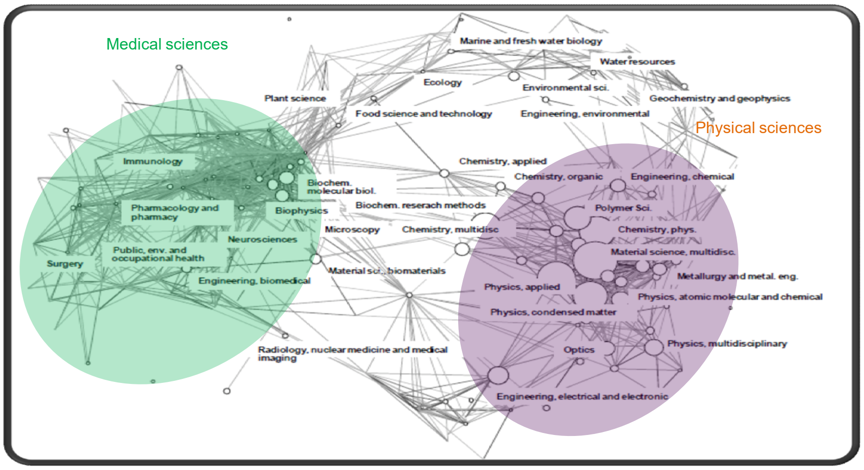
CI/IC

Drivers and scenarios



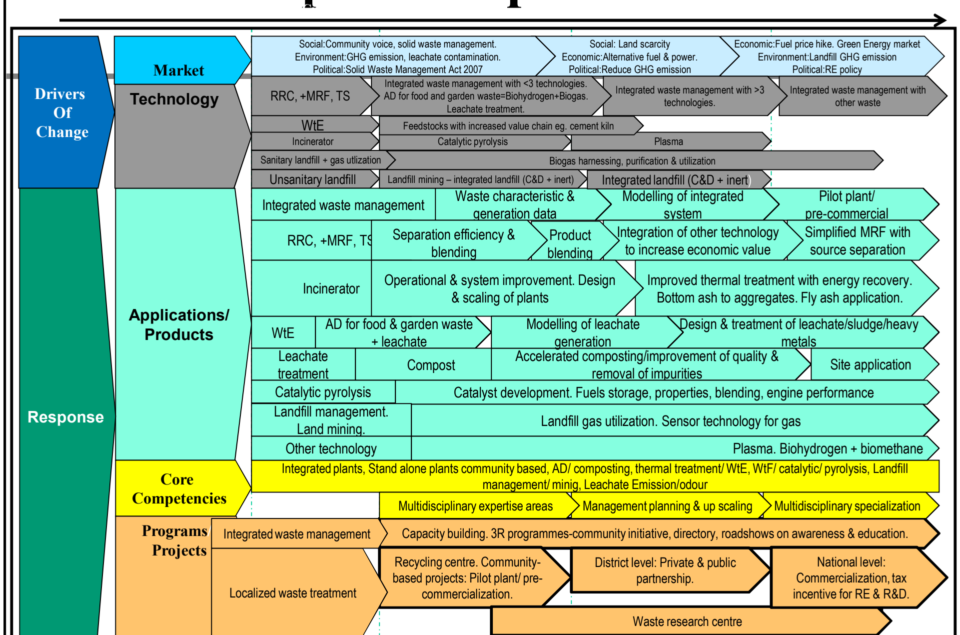
CI

And This: The Structure Of Nanotechnology



Source: Rafols and Porter (2008).

Roadmap Municipal Solid Waste



SWOT MATRIX ASSESSMENT FORM:

Product line:____________________________

Strategy: ____________________________

	STRENGTHS (S) 1. ____________ 2. ____________	**WEAKNESSES (W)** 1. ____________ 2. ____________
OPPORTUNITIES (O) 1. ____________ 2. ____________	*SO implications*	*WO Implications*
THREATS (T) 1. ____________ 2. ____________	*ST Implications*	*WT Implications*

Recommendations: ________________________________

____

CI focus – SCIP articles and webinars (free to SCIP members)

Analyzing a news event
Analyzing alliance networks
Anticipating breakthrough technologies
Anticipating competition
Bidding
Big data
Brand security
Building stronger brands
Business mapping
Buying models
CI in grey markets
Building sales force effectiveness
Commercial satellite imagery

Competitor intelligence
Cooperative intelligence
Corporate social media advocacy campaigns
Corporate strategy
Counterintelligence
Cross border competitive intelligence
Customer focused competitor analysis
Customer intelligence
Customer journey
Customer relationship management
Data analytics for CI
Decoding distress signals
Defensive competitive intelligence

CI focus – SCIP articles and webinars (free to SCIP members)

- Designing an effective reward system
- Detecting deception
- Detecting new technologies
- Disruption
- Due diligence
- Due diligence - customers
- Due diligence - international
- Early warning
- Economic crisis positioning
- Educating consumers
- Financial intelligence
- Forecasting an acquisition
- Forecasting the future for profit
- Global experts database
- Global risks
- Global trade intelligence
- Government intelligence
- Government/Legislation impact on competitive map
- Human resources intelligence
- Increasing sales
- Industry risk management
- Innovation
- International market assessment
- Invisible competitor
- Market analysis
- Market mapping

CI focus – SCIP articles and webinars (free to SCIP members)

- Market share
- Marketing
- Marketing strategy
- Mergers and acquisitions
- Mind mapping
- Mystery shopping
- Newly competitive market
- Opportunity assessment
- Patents
- Positioning for growth in emerging markets
- Predicting competitor strategies
- Pricing
- Product development strategy
- Quantifying a competitors costs
- R&D productivity
- R&D/Technical intelligence
- Risk management
- Security
- Service industries
- Set prices
- Sizing up talent
- Small business
- Social media for CI
- Strategic early warning
- Strategic intelligence
- Strategic planning
- Strategy development process
- Success analysis
- Successful product launches
- Surprise avoidance

CI focus – SCIP articles and webinars (free to SCIP members)

Tactical intelligence

Technology intelligence

Technology risk

Thought leaders – Who are they, and how do you find them?

Tracking adjacent markets

Voice of the competitor

War gaming

Why do we do it?– 3 Basic Objectives (Brad Ashton)

- ***Provide awareness & early warning***: Deliver regular updates & "heads up" alerts for upcoming external events or trends
  - Threats
  - Opportunities
- ***Aid operating decisions and actions***: Ensure users have needed day-to-day competitive information in clear, focused and timely way
  - New product development
  - Technology partnerships
  - Commercial use planning
  - Acquisition due diligence
  - R&D approaches
  - Investment portfolio management
- ***Support strategy development & planning***: Provide planners with current situation assessments and forecasts
  - Competitive initiatives
  - New market or customer strategies

Finding information: Let's find it and validate it

TABLE E. INTELLIGENCE INFORMATION SOURCE FORM						
Info #	**Information Need (from C and D)**	**Inside Primary**	**Inside Secondary**	**Outside Primary**	**Outside Secondary**	**Event Opportunity**
1						

- Sources for each information needs (two non related corroborative)
- Method for collecting the information
- Who will collect the information

How do we collect?

- Ask for it
  - Interviewing
  - Surveying
- Observe it
  - Structured
  - Unstructured
- Read it
  - Personal
  - Automated

Information sources used

Scale: 0 = Not important at all to 4 = extremely important

Information Source	Average	Percent important+
Publications	3.2	77%
Internet websites (free)	3.4	85%
Commercial databases (fee)	3.0	72%
Social media (blogs, twitter, linkedin..)	2.3	44%
Internal databases	2.8	62%
Company employees	2.9	68%
Customers	2.9	66%
Suppliers	2.2	44%
Industry experts	2.8	68%
Government employees	1.5	22%
Association employees	1.6	27%
Trade shows/conferences	2.5	64%

How do you know you have good information? - Secondary

http://guides.library.cornell.edu/criticallyanalyzing

http://www.anapsid.org/internet/assessnet.html

http://olinuris.library.cornell.edu/content/skill-guides

Evaluating Primary Sources: By Brad Ashton

- **Effectiveness** - Content relevance, focus, uniqueness
- **Timeliness** - Can we get answers in time?
- **Historical reliability** - Does source have a good track record?
- **Ease of access** - Can we reach the source easily?
- **Cost** - Acquisition and process cost
- **Compromises risk** - What do we have to give up?

Think analysis when you are collecting

- Remember you need to analyze/assess what you collect so you need to prepare it for analysis
- Particularly important with big data – how do you deal with millions of pieces of data? Volume, Variety, Velocity,

Veracity http://www.internetlivestats.com

Interviewing and networking exercise

The next few pages contain four sets of tips on interviewing and networking : Interviewing (Curtiz Cook and then J.P. Ratazak)

Networking (Darcy Rezac and then CIO magazine)

You will be assigned in groups one of these lists. Look over the tips, identify the two you like the most, the two you dislike the most and add two more to the list. Be prepared to explain your rationale for your recommendations.

Curtis Cook's Interviewing Tips

1. Maintain a friendly and casual tone.
2. Volunteer something of value in exchange for the information you would like.
3. The best interviews are often conducted by skilled interviewers who have little knowledge or experience of the industry in which they are conducting the interviews.
4. Do not ask "yes" or "no" questions.
5. If your interviewee answers a question without providing much of the information you need, try asking the same question in a different way.
6. Do not ask leading questions.
7. Make mention of rumors or other information you have gleaned elsewhere.
8. Pause.
9. Maintain small talk. Sometimes the best information comes from informal discussion after the questions have been asked.
10. Ask for leads to more information sources.

JP Ratajzak's Interviewing Tips

1. You already have great connections. You probably know someone who works at [Competitor A], know a vendor who sells to them, etc. These make for some excellent conversation starters.
2. Direct questions can be a conversation killer. Questions are memorable and can draw direct attention to the information you're obviously interested in obtaining. They give people time to ponder whether they should be telling you something.
3. Information that is already known has less value than information that is not known. Never act surprised at what you hear. Someone will be more comfortable with providing you information they believe is already known, or at least figured.
4. Avoid words like competitive research, market research, proprietary, confidential, legal.

JP Ratajzak's Interviewing Tips

5. Pay attention to the non-verbal messages. People have a microsecond-long reaction to situations before they can mask their feelings. Showing the tongue, even just the tip, usually is an unconscious sign of disagreement. When someone is about to say something they don't want to say or are uncomfortable saying, they tend to cover their mouths.
6. Flattery works wonders. Whether you're commenting on their product or their company polo shirt, people respond well to flattery. Another silent way to do this is to mirror their body language.
7. Use pauses and repeated words to get more detail. If someone says "well, we're expanding our markets in Asia." Simply say "Asia." Then wait. Or say nothing at all and let them fill the silence.

JP Ratajzak's Interviewing Tips

8. Be prepared. Look over your information needs list before you walk to their booth or know you'll be engaging them in conversation.
9. Just because you remember your information needs doesn't mean you should go straight over to them and ask them. If 5 people from [insert Competitor A] came up to you and commented on a very specific issue, that would raise your suspicion level. Elicit responsibly.
10. Do your collection ethically. There's no need to misrepresent yourself. People are at this trade show to talk about their company.

Networking Tips: From Work The Pond by Darcy Rezac

1. Become a super connector – Look at how you can connect people, "what can I do for you".
2. Treat everyone like royalty
3. Hand your card out at the beginning of the conversation (and to everyone at your table)
4. Smile
5. Make eye contact
6. Be proactive- extend your hand first
7. Network in pairs (two from the office) and when sitting at a table put at least two people between you and your teammate.
8. Arrive early – be amongst the first and stand near the front of the room.
9. Start by asking a question
10. Have a short 21 second blurb ready when asked who you are and what do you do

Question for new tips: How do you gracefully exit a conversation? How do you join in a conversation? How do you deal with a monopoliser? How do you start a conversation?

Networking tips for shy people: From CIO magazine

1. Start small – Start out by seeking out friends, familiar faces, alumni etc.
2. Stop apologizing –the person you approach is not doing you a favor, you are helping them.
3. Tap into your primal instincts – Humans are hard-wired as tribal animals.
4. Be yourself – You don’t have to be a schmoozer, be authentic

Source: CIO Magazine,
http://www.cio.com/article/164300/How_to_Network_12_Tips_for_Shy_People?page=4&taxonomyId=3127

Networking tips for shy people: From CIO magazine

5. Ask for an introduction.
6. Be generous – Sincere interest and flattery is a form of generosity, as is providing information of interest.
7. Be prepared – Think of ice breaker questions, anticipate problems and questions.

Source: CIO Magazine,
http://www.cio.com/article/164300/How_to_Network_12_Tips_for_Shy_People?page=4&taxonomyId=3127