

White Paper: 10 Steps for Successful Competitive Intelligence

There are many important things to consider for establishing and executing a successful competitive intelligence function. Some of these steps may be executed “outside” of a designated competitive intelligence staff. Nonetheless, my argument is that all of the steps are critical.

Here are the 10 steps that I think are important.



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

- 1. We Have A Problem:** It is critical that business management (i.e., those responsible for strategy, financial results, etc.) recognize that there is a problem to solve or a question to answer. It is also important that the problem or question be clearly stated.
- 2. I Need the Winning Move:** Answers alone are unimportant if there is not the possibility that they will lead to action. Of course, the answer may suggest that nothing can or should be done. However, the importance of competitive intelligence is that it leads to more successful competitive positions.
- 3. The Future is Unclear:** There has to be a sense that there are multiple possibilities for future actions. Much of what is done in competitive intelligence is to narrow the options for those actions. The clarity is possible by employing models, interpreting information and suggesting options in context of the market environment and the organization's strategy.

4. **Mobilize the Organization:** For complex businesses, it is unlikely that a competitive intelligence person knows everything that he or she needs to know. On the other hand, it is much more likely that the information exists somewhere in the organization. Or, it may be that someone in the organization knows where to get the information. Hence it is important to leverage co-workers to answer the critical questions posed by management.
5. **Get the Information:** There are many sources of information outside of the company. An effective competitive intelligence person must think like a librarian. Librarians are masters of understanding the sources and organization of information. Also, the competitive information person must behave like a journalist. Journalists are adept at asking questions of people (primary sources) and following the trail to find the complete story.
6. **Let's Talk About It:** The best answers delivered after the most exhaustive analysis can be useless if they are not properly discussed within an organization. The discussion is critical to examine both the source information and the options or possible answers. The goal of the competitive intelligence professional is to facilitate the internal conversations that lead to effective actions. This leads to ownership in the option that is eventually selected.
7. **What Are the Implications:** Options without the implications clearly listed are not very valuable. It is an important service of the competitive intelligence person to anticipate the possible impacts of each option and to clearly state them for the sponsoring manager.
8. **Give Me The Best Options:** There are two important ideas with this step. First, the sponsoring manager will likely have preferred method of communication. The competitive intelligence person should understand and match the preferred method. Second, since it is the manager's responsibility to decide, what should be presented are options rather than decisions.
9. **I Have Decided:** Although it may appear that this is a management step, it is critical for the competitive intelligence person to track the impact of their work and the resultant decisions. It is important to characterize the value of the function so that budgets, resource decisions and involvement for future projects can be properly evaluated.
10. **We Win - For Now:** Although a specific manager's interest may wane after a successful competitive intelligence project, a holistic view recognizes that there is a recurring need for competitive intelligence. In between projects, it is vital to improve the skills of the competitive intelligence professionals, to deliver value to the broader organization and to improve the infrastructure of the function.

See my presentation on Competitive Intelligence Lessons at <http://tinyurl.com/dymzoe>.

For more information on business strategy and competitive intelligence, visit my website at www.jthawes.com or my Strategically Thinking blog at <http://blog.jthawes.com>.

*Tom Hawes is the Principal and Owner of JTHawes Consulting, LLC. Before starting his own consultancy, Tom spent 28 years in high technology businesses focused on defining, communicating and implementing business strategy and competitive intelligence. His passion is to “**help smart people to think clearly**” about their strategy challenges. Strategic analysis leading to a winning vision and then the inspiration to achieve more than ever before.*

