Starting a Organizational Competitive Intelligence Function

Basic Steps to Implement or Improve a Valuable Resource for Strategy Decision-Makers

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The Case for Action

- Value Needed
- Basic Assumptions
- Warning Signs
- Maturity Model
- Essential Elements
- Organizational Diagnostics
- Improvement Steps
Competitive Intelligence is Tailored to Types of Strategy Decision-Making
Competitive Intelligence Contributions to Key Roles

**CEO**
- Monitor the competitive environment
- Establish strategic priorities
- Make strategy decisions
- Motivate the organization
- Evaluate strategies

**General Manager(s)**
- Protect the current business
- Mobilize the organization
- Track the competitors
- Prepare for the Future
- Deliver Results – now and in the future

**Strategic Marketing**
- Understand the market direction
- Characterize competitor strategies
- Define the product lines
- Create the strategies
- Justify investments

**Product Manager**
- Understand the market need
- Characterize competitors
- Define the product
- Develop the product
- Promote the product

**Engineering**
- Understand technology strategies
- Map architectural decisions
- Benchmark processes
- Track people
- Judge capabilities

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“In all that we do,
deliver valuable answers and insights
in a timely manner
to strategy leaders
to help them make better decisions
about the competitive environment.”

Focused value that makes a difference to
strategy decisions and outcomes
Effective flows integrate, reconcile and interpret information to serve senior management.
Common Competitive Intelligence Warning Signs

- Buried in the organization or executed inconsistently
- Concentrates exclusively on tactical questions or product issues
- Focuses on undifferentiated information with little interpretation
- Function has little credibility with or access to strategic decision-makers
- Value is unmeasured and often questioned
- Competitors regularly do something unexpected
- Limited sense of intelligence possibilities

Organization is not effectively mobilized to gather and use competitive intelligence
Competitive Intelligence Maturity Indications

Each stage illustrates activities and competencies

- Data (collect)
- Information (process)
- Intelligence (communicate)
- Options (decide)
- Value (measure)

ROI Focus
Strategic Impacts

"CI AT THE TABLE"
Integrated in Decisions

Infrastructure
Standard Mechanisms

Simple Sharing
Early Models

Ad Hoc
Secondary

MATURING FOCUS

Value (measure)

Options (decide)

Intelligence (communicate)

Information (process)

Data (collect)

Each stage illustrates activities and competencies
Competitive Intelligence Maturity Indications

Greater maturity leads to greater value

- **Value (measure)**
- **Options (decide)**
- **Intelligence (communicate)**
- **Information (process)**
- **Data (collect)**

MATURING FOCUS

DELIVER VALUE

ESTABLISH FOUNDATIONDS

FORMALIZE PROCESS

GET ASSIGNMENT

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Essential Elements for Competitive Intelligence

1. Find The Pain
2. Get The Job
3. Tease The Vision
4. Frame The Foundation
5. Setting Some Standards
6. Introduce The Brand
7. Accumulate The Tools
8. Back To The Vision
9. Secure The Budget
10. Build The Presence
11. Expand The Brand
12. Go For The Value
13. Recruit A Staff
14. Go On The Offense
15. Evangelize The Mission

Predictable development steps for an organizational CI function

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Essential Elements for Competitive Intelligence

- Identify a small number (1-3) critical business issues
- Find the person that values and will act on credible information
- Make sure that an answer is possible
Essential Elements for Competitive Intelligence

- Properly identify the function my name
- Prioritize internal relationship building
- Emphasize improvements rather than miracles
Essential Elements for Competitive Intelligence

- Use decision-maker terminology and success measures
- Demonstrate collaborative skills and results
- Show evidence of interpretation (not just information)
Essential Elements for Competitive Intelligence

- Establish CI vision blueprint (an outline)
- Set execution principles (e.g. ethics, prime directive, audience)
- Broaden relationship focus (e.g. analysts, peers, functional groups)
Essential Elements for Competitive Intelligence

- Decide on information, presentation and representation integrity approach
- Set work value success criteria
- Establish work quality minimums
Essential Elements for Competitive Intelligence

- Create and publicize a CI “logo” to signify acceptable work products
- Stratify customers and develop targeted work products for each
- Begin formalizing quid pro quo relationships throughout organization
Essential Elements for Competitive Intelligence

- Create tools categories and list acceptable existing solutions
- Obtain and use low cost tools before large scale automation
- Identify external resources (e.g., suppliers, analysts, partners)
Essential Elements for Competitive Intelligence

- Get formal approval for CI vision from senior management sponsor
- Sketch implications of adopting vision
- Propose practical steps to realize vision over next 12-24 months
Essential Elements for Competitive Intelligence

- Formally request a budget from the senior management sponsor
- Make sure that the total is moderate to low
- Use the money for infrastructure support that aids in information dissemination or collection
Essential Elements for Competitive Intelligence

- Formalize CI presence through company website
- Create personalization strategy for classes of CI customers
- Proactively push information for anticipated strategy issues
Essential Elements for Competitive Intelligence

- Solicit and incorporate functional organization CI issues
- Publish multiple regular CI publications
- Create internal and external CI alliances
Essential Elements for Competitive Intelligence

- Create CI project process and demonstrate execution efficiencies
- Ask multiple senior manager for key intelligence topics
- Facilitate CI project prioritization among strategy decision-makers

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Essential Elements for Competitive Intelligence

- Identify and train part time CI analysts in the organization
- Create templates, tools and examples to support “staff”
- Define integration process to discuss and combine information

- Go On The Offense
- Recruit A Staff
- Go For The Value
- Expand The Brand
- Evangelize The Mission
- Find The Pain
- Get The Job
- Tease The Vision
- Frame The Foundation
- Setting Some Standards
- Introduce The Brand
- Build The Presence
- Secure The Budget
- Back To The Vision
- Accumulate The Tools
Essential Elements for Competitive Intelligence

- Proactively formulate strategic priorities for CI
- Present regular briefings on broad CI topics to senior management
- Expand defensive and offensive CI activities to combat threats
Essential Elements for Competitive Intelligence

- Become the face of competitive intelligence internally and externally
- Present, teach and encourage others about CI topics
- Sponsor and perpetuate CI skills and value in organization

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### Abbreviated Diagnostics Survey

<table>
<thead>
<tr>
<th>Problem Area</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>1. PROBLEM RECOGNITION</strong></td>
<td>Senior management specifically requests competitive information to make strategy decisions.</td>
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<tr>
<td><strong>2. SPONSORSHIP</strong></td>
<td>A specific senior manager sponsors the competitive intelligence function and process.</td>
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<td><strong>3. FUTURE ORIENTATION</strong></td>
<td>Strategic planning assumes that methodical CI is required for long range plans.</td>
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<td><strong>4. INTERNAL LEVERAGE</strong></td>
<td>Processes are established and effectively executed to use employees for competitive intelligence questions.</td>
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<td><strong>5. INTELLIGENCE GATHERING</strong></td>
<td>A rich set models, techniques, relationships, etc., are used to find useful CI information.</td>
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<td><strong>6. INTERPRETATION</strong></td>
<td>Discussion, analysis, debate occur to derive meaningful answers/recommendations from data.</td>
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<td><strong>7. RETURN ON INVESTMENT</strong></td>
<td>CI value is measured qualitatively and quantitatively based on the returns received versus invested money and effort.</td>
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<td><strong>8. ACTION BIAS</strong></td>
<td>There are expectations and evidence that CI affects concrete decisions and motivates specific actions.</td>
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<td><strong>9. STRATEGY IMPACT</strong></td>
<td>Competitive intelligence is integral to strategy planning at all levels of the organization.</td>
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<td><strong>10. REPEATABLE PROCESS</strong></td>
<td>CI projects are executed consistently using project management guidelines to deliver superior results.</td>
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Competitive Intelligence
Diagnostics Steps

EVALUATION PLAN METRICS

Select Scope
Measure Results
Identify Respondents
Rank Gaps
Prioritize Improvements
Implement Changes

COMPANY, DIVISION, OTHER

SLOWEST MANAGERS STRATEGISTS

ELECTRONIC/INTERVIEWS

ACTION PLANS CHAMPIONS

Administer Survey
Review Answers

TOP ISSUES IDENTIFICATION

FACILITATED DISCUSSION

Tabulations Initial Clustering
Competitive Intelligence Improvement Steps

BUILD CI FRAMEWORK

CLARIFY MODEL

DEVELOP DIAGNOSTICS

SURVEY LEADERS

PRIORITIZE IMPROVEMENTS

IMPLEMENT ACTIONS
Comprehensive, Effective Competitive Intelligence

Fundamentals

- Starts with an expectation of value
- Designed to serve strategy decision-makers
- Methodical development supports recurring benefits
- Improvement possible from any stage
- Higher maturity means higher value
## Contact Information

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