

# COMPETITIVE INTELLIGENCE

**What is it?**

**Why you need it?**

**How to get better at it?**

# Tom Hawes - Background

## ■ Multiple Disciplines

Engineer, Product Development Manager, Process Leader, New Business Strategy, Strategic Marketing, Competitive Intelligence

## ■ Multiple Industries

Software, Defense, Manufacturing, Telecom, Education, Semiconductors

## ■ Strategy and CI Consultant

- [JTHawes Consulting, LLC](#)

## ■ Writer

- [Strategically Thinking Blog](#)
- Columnist for “[Competitive Intelligence Magazine](#)”
- Founder of [Competitive Intelligence Case Studies](#)
- Writer for “Intelligence Insights”



**TECHNOLOGY – STRATEGY – COMPETITIVE INTELLIGENCE**

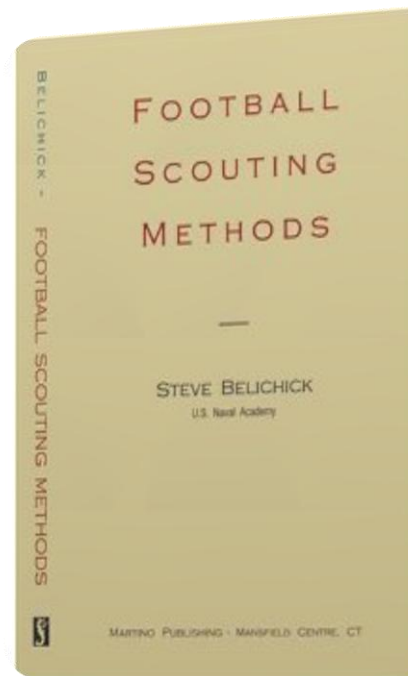
A photograph of ancient stone columns on a hillside, likely the Temple of Apollo at Delphi. The columns are made of stacked stone blocks and are set on a stone platform. The background shows a valley with mountains under a clear sky. A semi-transparent white box is overlaid on the image, containing the text.

# **WHAT IS COMPETITIVE INTELLIGENCE?**

# Competitive Intelligence Perspectives

"The objective of [football] scouting has been, and still is, to get **as much useful information about a future opponent as possible**. A more practical objective, however, seems to be to get as much usable information as can be utilized either (1) to help **formulate game plans**, or (2) better **prepare various individual players** to either combat the strength, or take advantage of the weakness of an individual or opposing team."

**Steve Belichick, *Football Scouting Methods*, 1962**

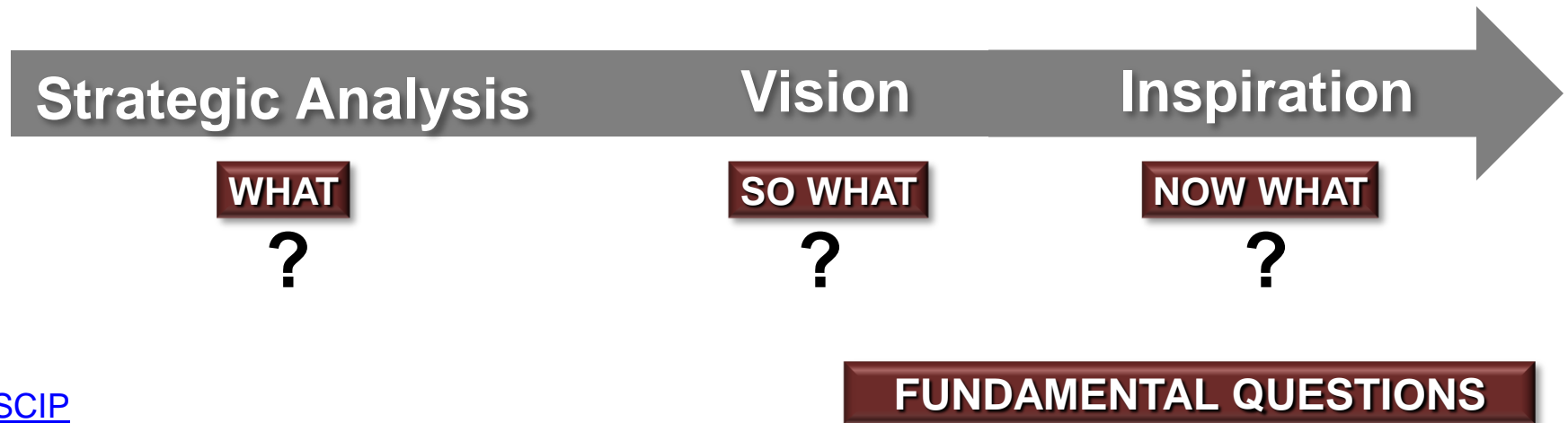


**STRATEGIC AND TACTICAL**

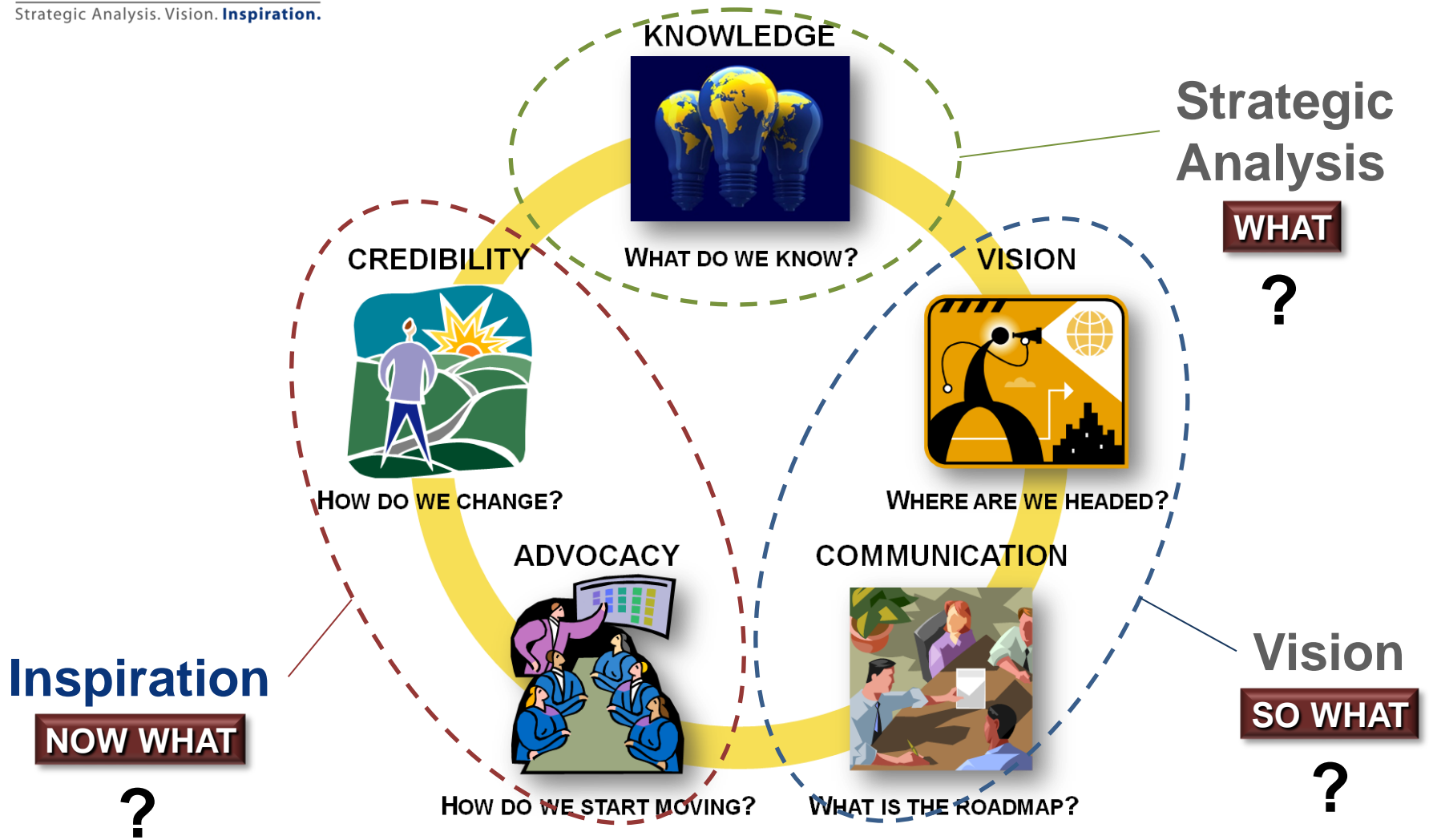
# Competitive Intelligence Definition



“CI is a necessary, ethical business discipline for decision making based on understanding the competitive environment.”



# Strategy Action Cycle



# Competitive Intelligence Example

Suppose that you cared about Apple's plans to create new consumer electronic devices ...



- Track VC Funding
- Monitor Patent Filings
- List Key Customers
- Review Social Media
- Examine Academic Links
- Extrapolate Competitor Strategies

**“Apple's Intrinsicity Acquisition:  
Winners and Losers”**  
by Ganesh T S on 4/28/2010



**CORRELATES ABUNDENT INFORMATION**

[Article](#)

# Competitive Intelligence Examples

## I. What were a competitor's product expansion plans?

- Analyzed development cycles
- Evaluated trademarks/patents
- Monitored hiring for specific skills

➤ **LED TO IMPROVED PRODUCT PLANNING**

## III. How were we doing in customer evaluations?

- Built a gaps analysis process
- Created scorecards
- Built comparisons sheets

➤ **LED TO MORE SALES**

## II. What opportunities affected our partners?

- Built ecosystems map
- Clarified business models
- Attended competitor conferences

➤ **LED TO FOCUSED PARTNERSHIPS AND ALLIANCES**

## IV. How could we improve our long term competitiveness?

- Assembled competitor strategy maps
- Completed detailed product comparisons

➤ **LED TO REFINED STRATEGY**



# Competitive Intelligence Prime Directive

*“Deliver valuable answers and insights  
in a timely manner to strategy leaders  
to help them make better decisions  
about the competitive environment”*

**VALUE TO DECISION-MAKERS**

A conceptual image featuring a central globe with a blue and white color scheme, showing continents. The globe is surrounded by several clear, faceted glass chess pieces, including a king, queen, and pawns, arranged on a light-colored surface. The background is a soft, out-of-focus blue.

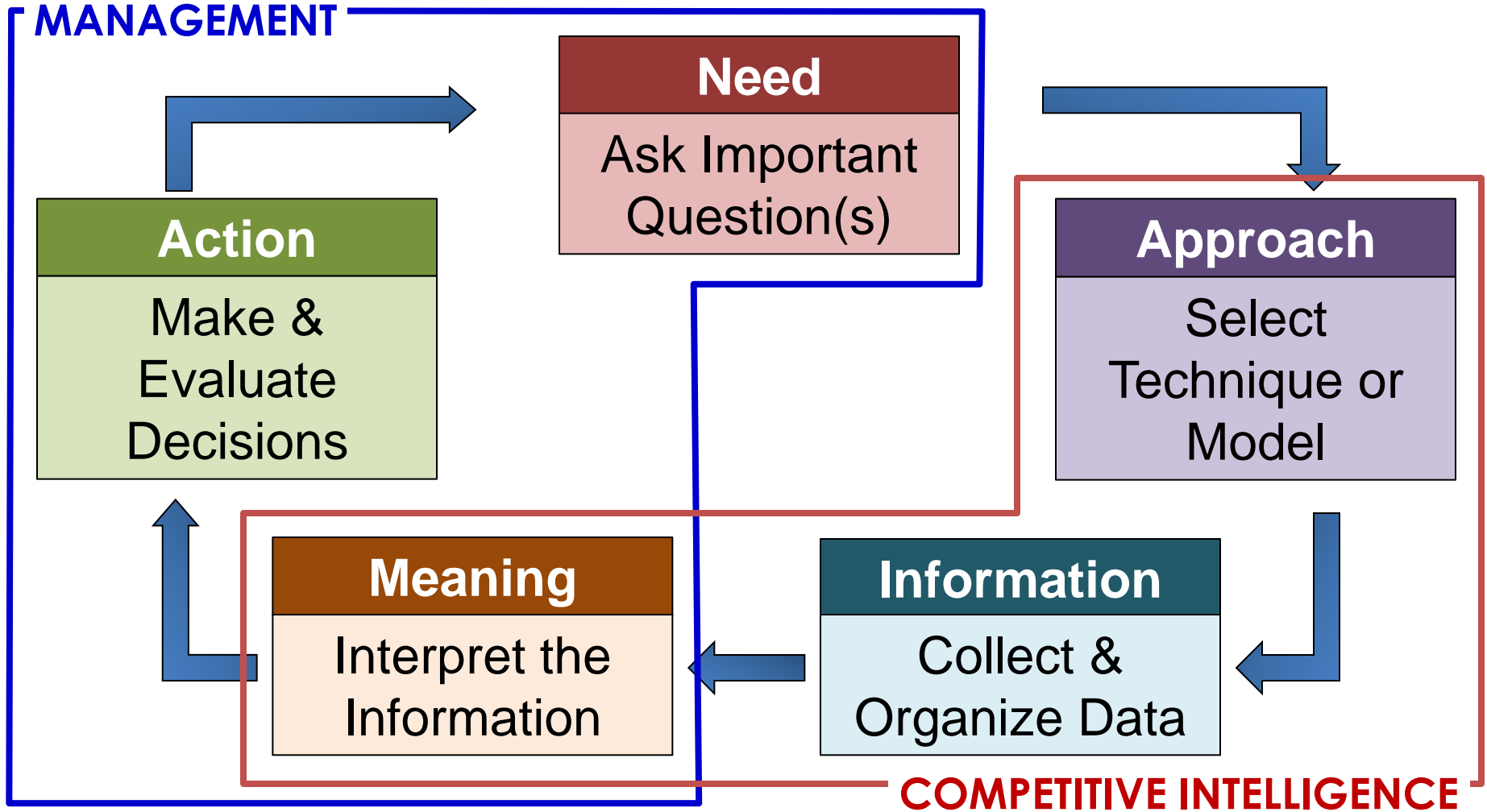
**WHY DO YOU NEED  
COMPETITIVE INTELLIGENCE?**

# Test: Do You Need Competitive Intelligence?

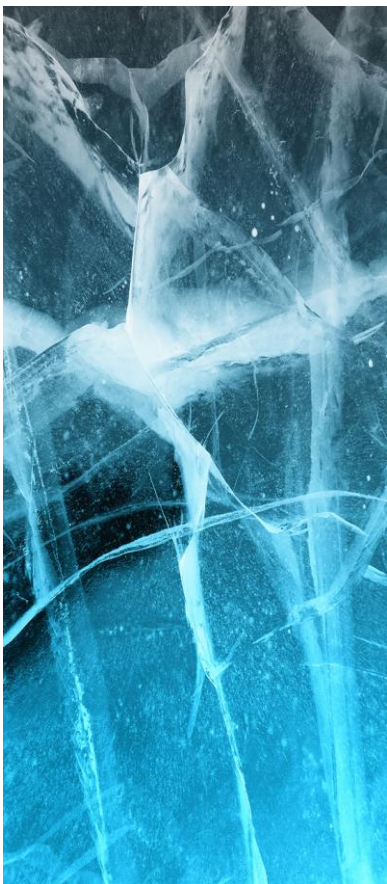
- You work in a competitive industry.
- You believe that superior insight helps your company perform better.
- You recognize that competitors have strategies that might affect your success.
- You want to lower your decision-making risks.
- You need greater confidence in and credibility for your own strategies.

**COMPETITIVE INTELLIGENCE MATTERS**

# Competitive Intelligence Process Flow



# Need: It Helps Answer Important Questions



What are specific competitors doing to gain business that we want?

What strategies offer the best competitive advantages?

What are our competitive gaps and how should we mobilize to close the gaps?

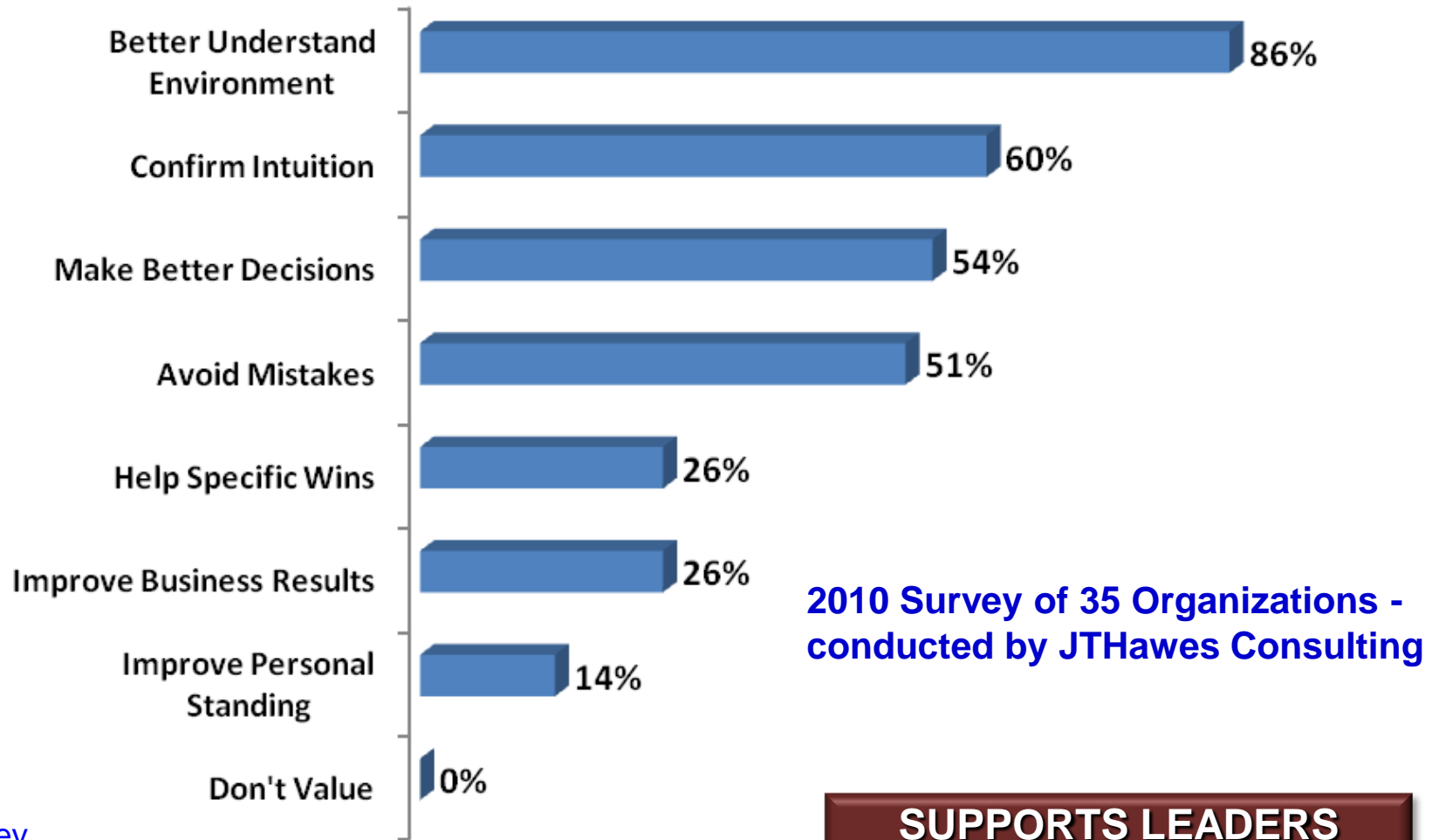
How do we best position our products and services in the market?

What early warning signs indicate important competitive changes?

[18 Key Strategy Questions](#)

**HELPS ADDRESS KEY QUESTIONS**

# Need: Help for Leaders



[Survey](#)

# Approach: Models for Understanding

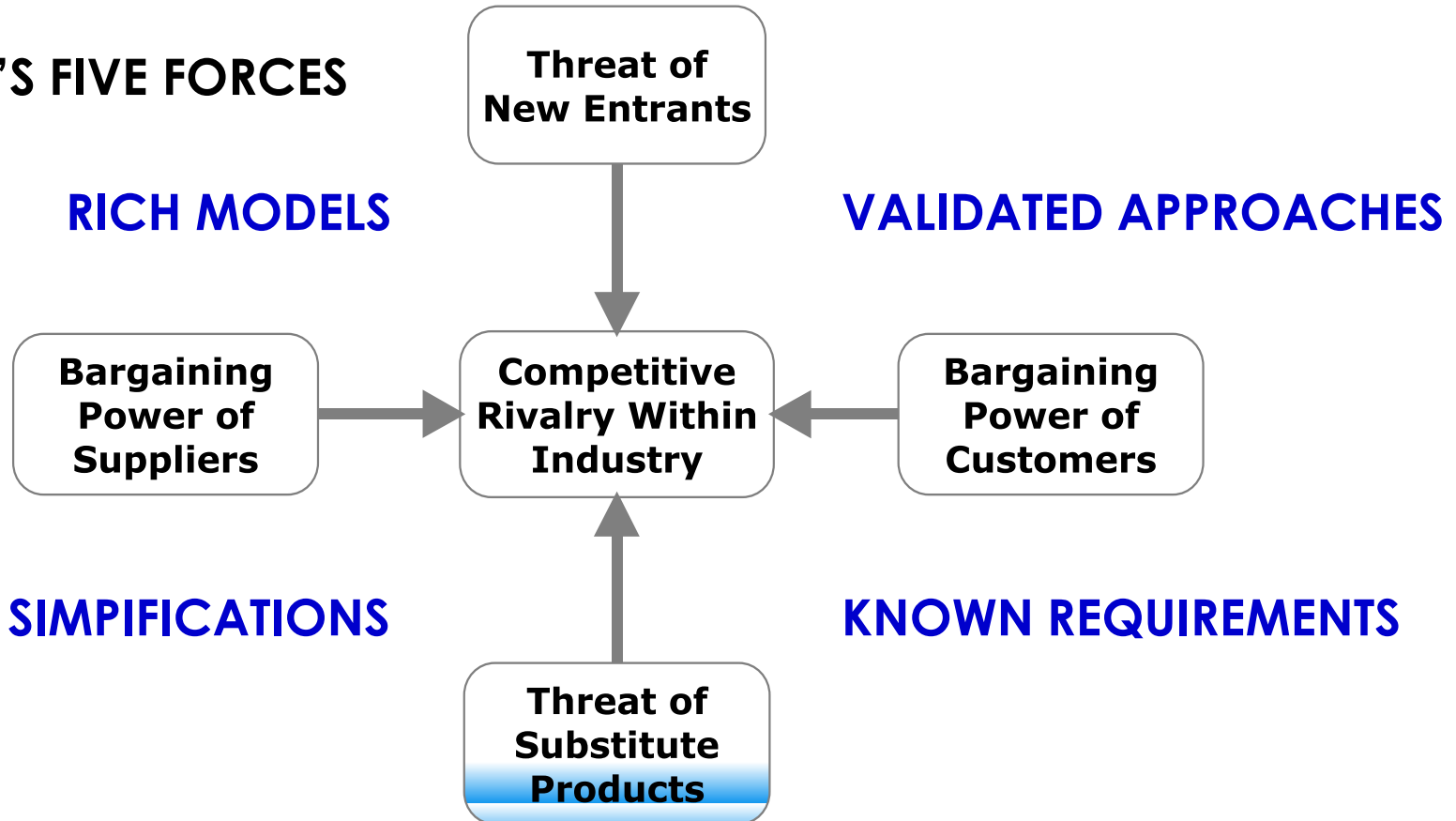
**PORTER'S FIVE FORCES**

**RICH MODELS**

**VALIDATED APPROACHES**

**USEFUL SIMPLIFICATIONS**

**KNOWN REQUIREMENTS**



**DEFINES MODELS FOR DISCUSSION AND DECISIONS**

# Approach: Analytical Techniques for Questions

- Intellectual Property Analysis
- Trademark Mapping
- Organizational Mapping
- Press Release Patterns
- Segment Competition Map
- Branding Summary
- Ecosystem Mapping
- Acquisition/Investment Strategy
- Job Postings Tracking
- Standards Participation/Priorities
- Tradeshow Monitoring
- Product Comparisons
- Architecture Comparisons
- Financial Statements
- Executive Profiling
- Industry Analysis
- Competitors Strategy Analysis
- Critical Success Factors Analysis
- Win/Loss Evaluations

**SUPPLIES ANALYTICAL METHODS**

[Business and Competitive Analysis Methods](#)

[Strategic and Competitive Analysis: Methods and Techniques for Analyzing Business Competition](#)



# Information: Looking Outside vs. Inside

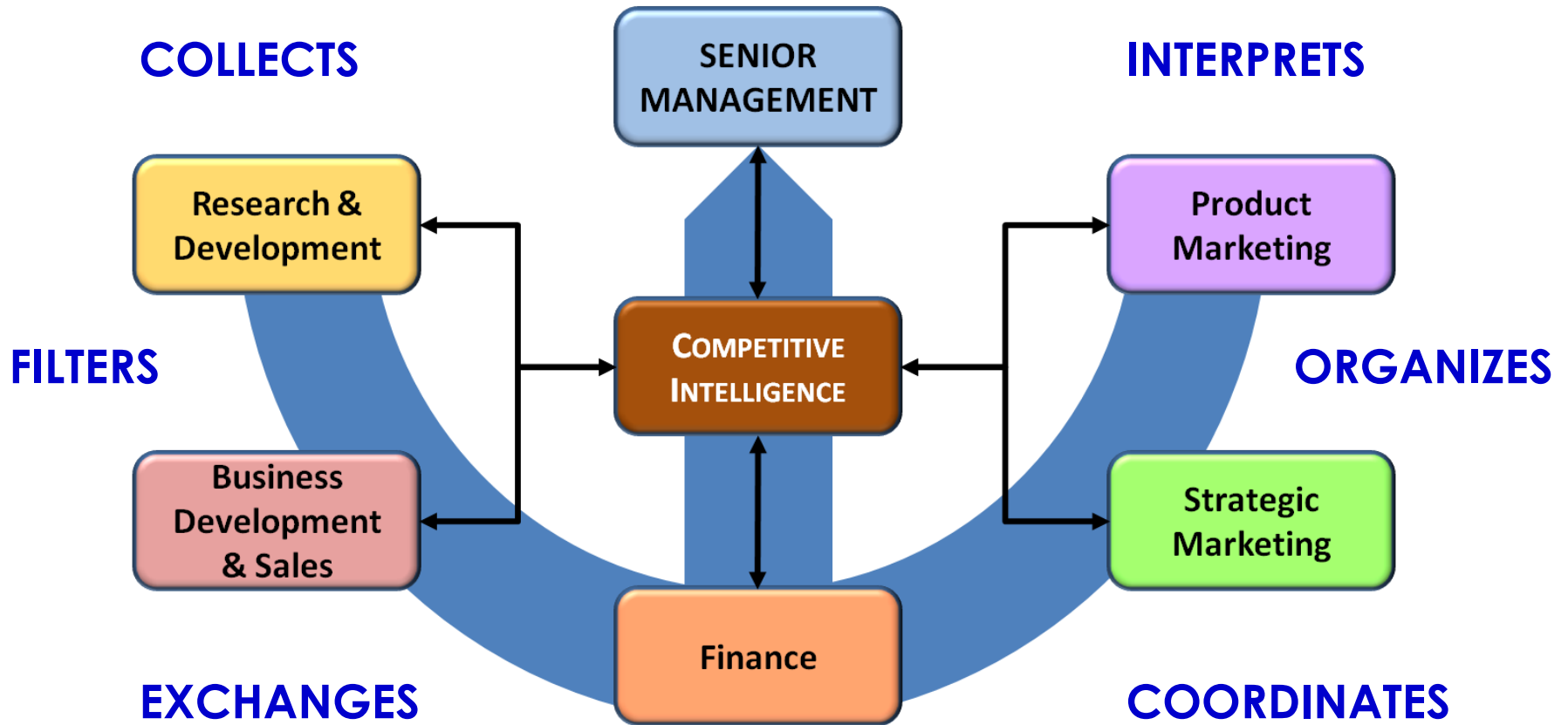
**"Ninety percent of the information used in organizations is internally focused and only 10% is about the outside environment."**

**This is exactly backwards."**

***Peter Drucker, The Economist, November 2001***

**BALANCES PERSPECTIVE**

# Information: Improves Use of Critical Knowledge

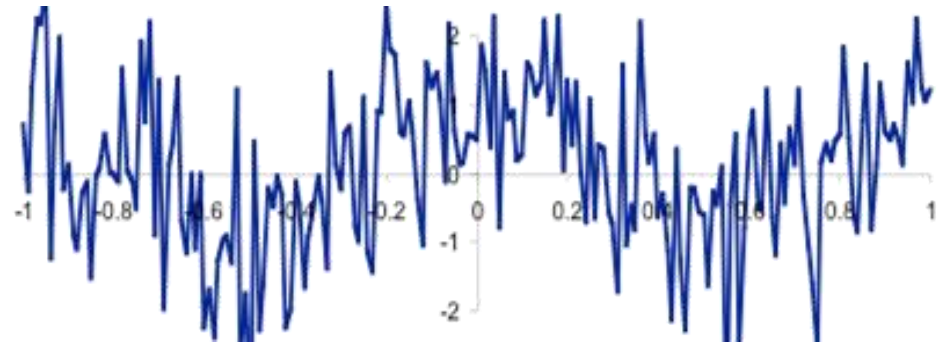


**GETS THE RIGHT INFORMATION TO THE RIGHT PEOPLE**

# Meaning: Separating the Signal from the Noise

## Seven Principles

1. Noise is Inevitable
2. Reacting to Noise Misleads
3. Patterns Over Time Matter
4. Noise Can Be Removed
5. Intentional Efforts Affect Success
6. Clear Signals are Valuable
7. Reacting to Signals is Essential



**INTERPRETATION IS KEY**

# Action: Mobilizes Organization to Succeed

## 5 STEP GAPS ANALYSIS PROCESS



Defined by Tom Hawes of JTHawes Consulting, LLC

- Clarifies priorities
- Encourages active monitoring
- Assigns responsibilities
- Leads to actions

[Presentation](#)

**FORMALIZES EARLY WARNING**

# Need for Competitive Intelligence Summary

## Challenge One

- Packaging and communicating competitive data insights to drive stakeholder decision making (26%)

**DECISION-MAKING**

## Challenge Two

- Entrenching competitive intelligence insights in the company's revenue-generating activities, e.g., Sales (21%)

**GROWTH**

## Challenge Three

- Tapping into the competitive information held by the company's employees (26%)

**LEVERAGE**

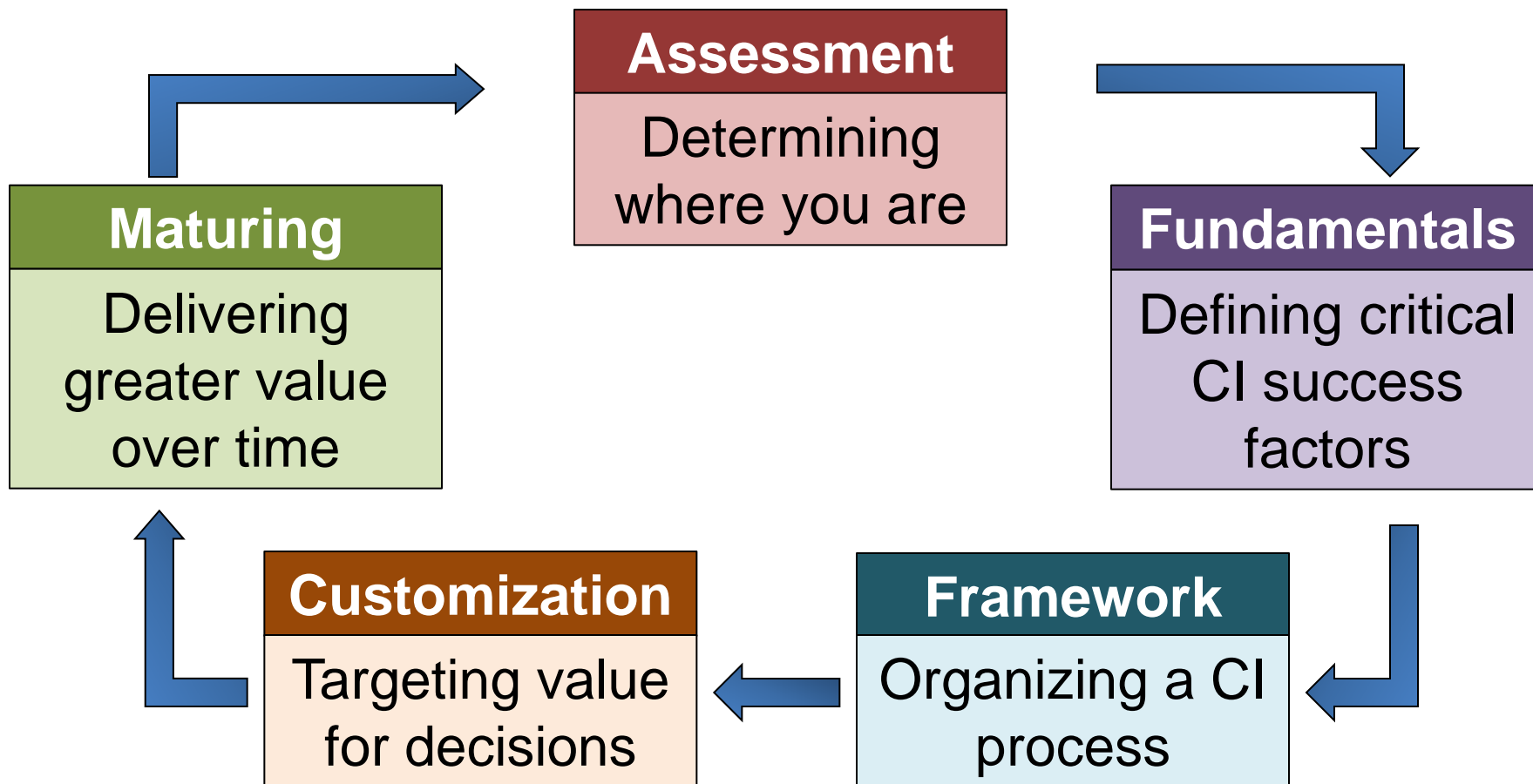
**Growth Team Membership™ Research**

Frost & Sullivan, 2009 Survey, 19 Companies



**HOW DO YOU GET BETTER AT  
COMPETITIVE INTELLIGENCE?**

# Improving Competitive Intelligence Steps



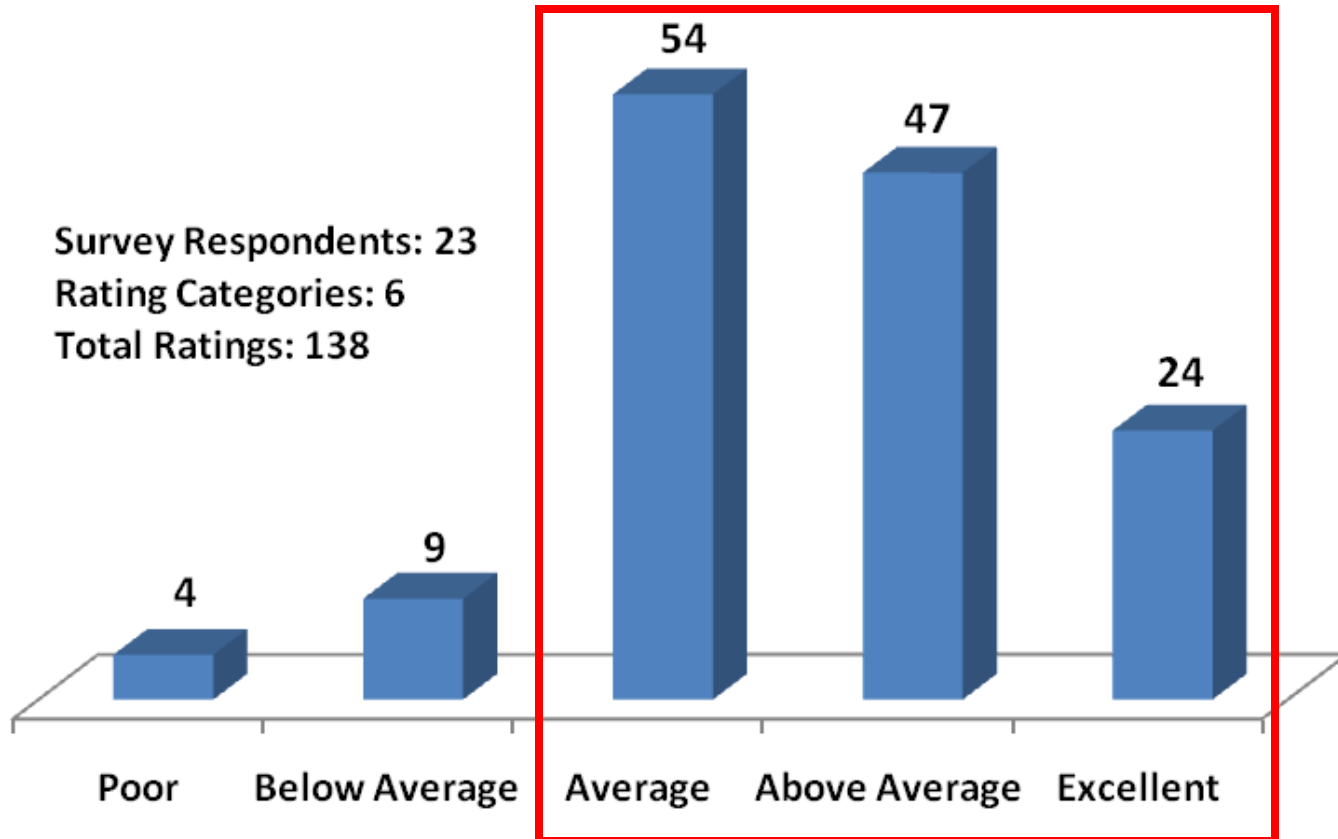
# Rate Your Competitive Intelligence

- Exceptional**
- Above Average**
- Average**
- Below Average**
- I Don't Know**

[abbreviated survey](#)   [detailed survey](#)



# Assessment: Competitive Intelligence Survey



[survey](#)

**BE CAREFUL ABOUT INTUITIVE ASSESSMENTS**

# Fundamentals: Five Essentials for Effective CI

## 1. Executive Driven

Senior management sponsors, directs and consumes competitive intelligence

## 2. Framework Based

An ongoing, long term attempt to compete more effectively

## 3. Decision Focused

Helps to decide critical strategic questions with measureable impacts to business



## 4. Balanced Perspective

Understanding of competitors, environment, trends, etc., balances operational view

## 5. Ethical

Conducted within legal and ethical bounds to minimize business risks

**UNDERSTAND CRITICAL SUCCESS FACTORS**

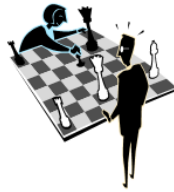
# Framework: 10 Elements of an Effective CI Foundation

**1** PROBLEM RECOGNITION



*We have a problem!*

**2** MANAGEMENT SPONSORSHIP



*I need the winning move*

**3** FUTURE ORIENTATION



*The future is unclear*

**4** INTERNAL LEVERAGE



*Mobilize the organization*

**5** INTELLIGENCE GATHERING



*Get the information*

**6** INTERPRETATION



*Let's talk about it*

**7** RETURN ON INVESTMENT



*What are the implications?*

**8** ACTION BIAS



*Give me the best options*

**9** STRATEGY IMPACT



*I have decided*

**10** REPEATABLE PROCESS



*We win – for now*

[presentation](#) [abbreviated survey](#)  
[detailed survey](#)

**BUILD A FRAMEWORK FOR SUCCESS**

# Customization: Careabouts for Management

## CEO

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

[white paper](#)

## 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

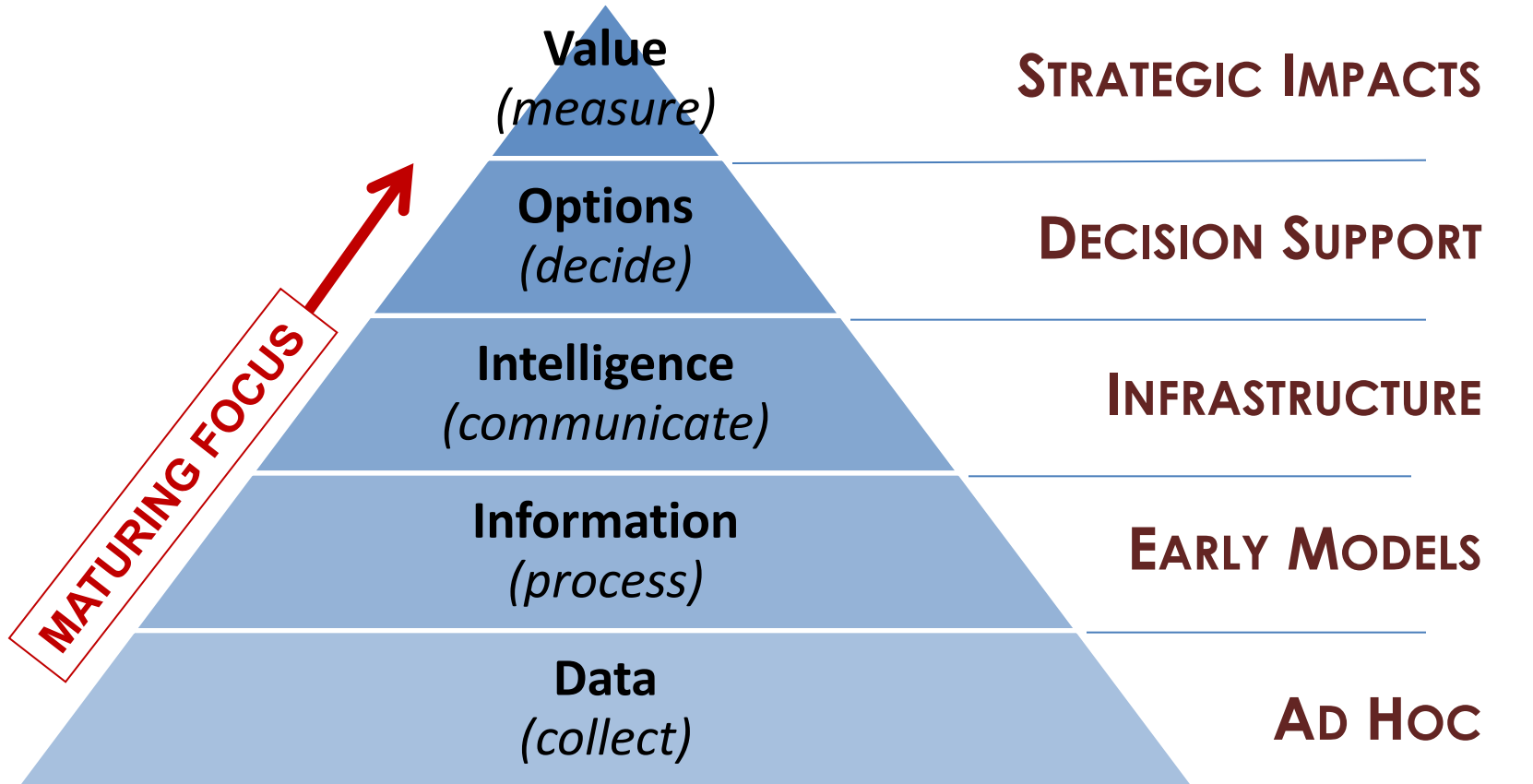
- Understand the market need
- Characterize competitors
- Define the product
- Develop the product
- Promote the product

## Engineering

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

**COMPETITIVE INTELLIGENCE IS CUSTOMIZED**

# Maturing: Activity and Impact Indications



**VALUE INCREASES WITH MATURITY**

# Competitive Intelligence Summary

- **What is it?**

STUDY OF ALL ASPECTS OF COMPETITIVE ENVIRONMENT  
TO IMPROVE STRATEGIC DECISION-MAKING

- **Why you need it?**

REDUCES RISK, INCREASES CONFIDENCE, IMPROVES  
PERFORMANCE, ACTIVATES ORGANIZATION

- **How to get better at it?**

ESTABLISH FUNDAMENTALS, DEFINE FRAMEWORK,  
EVALUATE OVER TIME, MEASURE VALUE

Type	Address
<b>Websites</b>	<a href="#">JTHawes Consulting</a> <a href="#">Competitive Intelligence Case Studies</a>
<b>Blogs</b>	<a href="#">Strategically Thinking Blog</a> <a href="#">CI Cases Blog</a>
<b>Phone Number</b>	+1.214.620.9366
<b>Twitter</b>	JTHawes
<b>LinkedIn</b>	<a href="#">LinkedIn</a>
<b>Mailing Address</b>	818 Sycamore Creek Allen, TX 75002
<b>Email</b>	<a href="#">Email</a>




FOR GREATNESS

INSPIRATION ...



MORE  
INFORMATION [jthawes.com](http://jthawes.com)