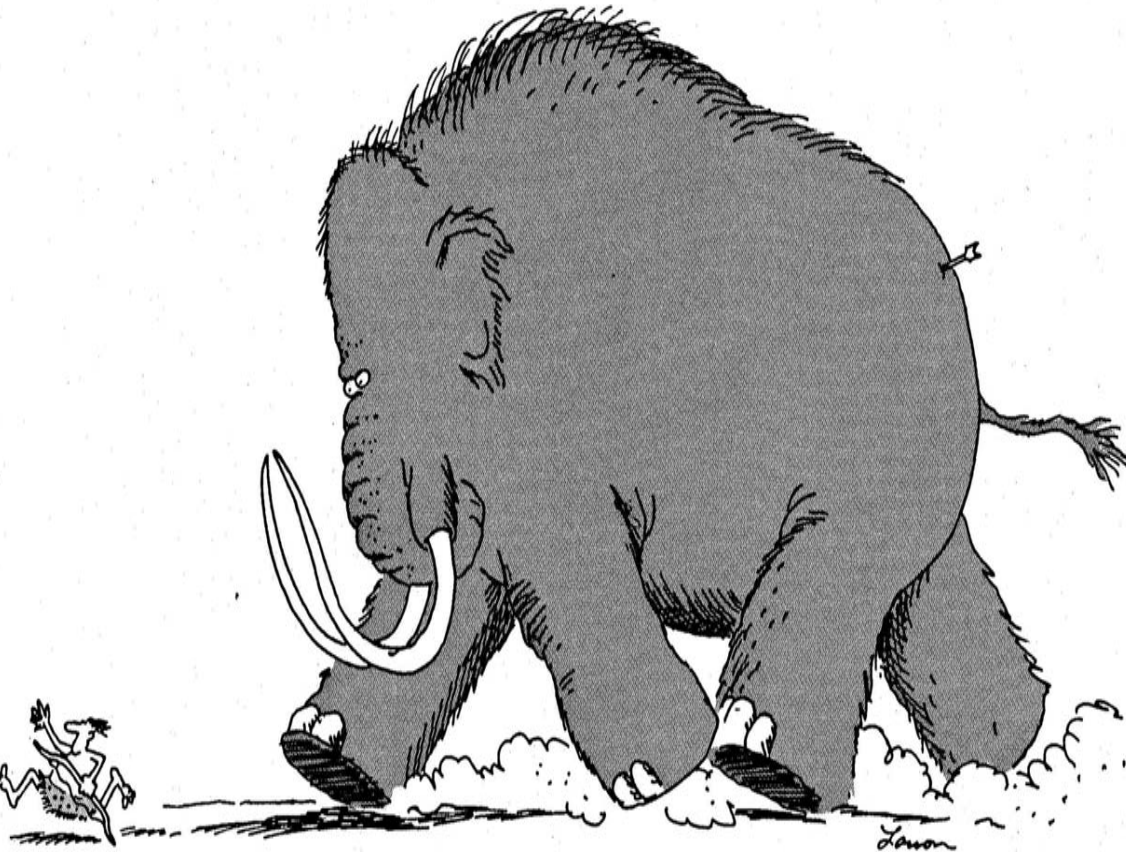


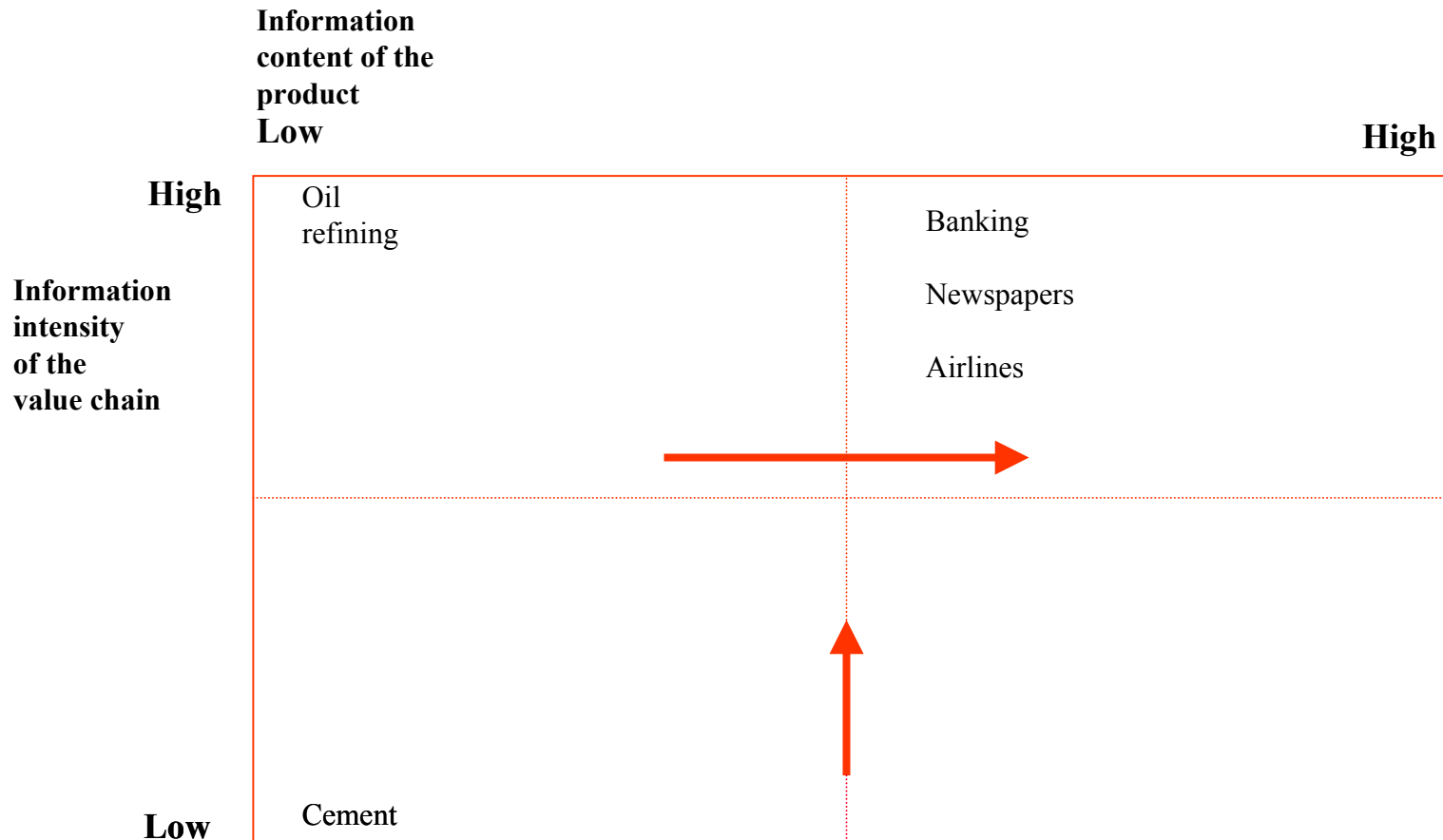
Business – No longer a Gentleman's Game



- All rules are subject to change
- Prize money may change at short notice
- Route & finish line will likely change after the race starts
- New entrants may join the race at any time
- Racers may form alliances
- All strategies, that are not against the law, are allowed

Liam Fahey
1999

Information Intensity Matrix



Porter, M. 1998

WHAT IS COMPETITIVE INTELLIGENCE?



Raison d'être for competitive intelligence

Intelligence is required to avoid surprises

**MISSING
OPPORTUNITIES**

**NOT SEEING
THE GREATER
PICTURE**

**OVERLOOKING
THREATS**

**CREATE
COMPETITIVE
ADVANTAGE**

**IMPROVE
REACTION
TIME**

**IMPROVE
STRATEGIC
AND TACTICAL
PLANNING**

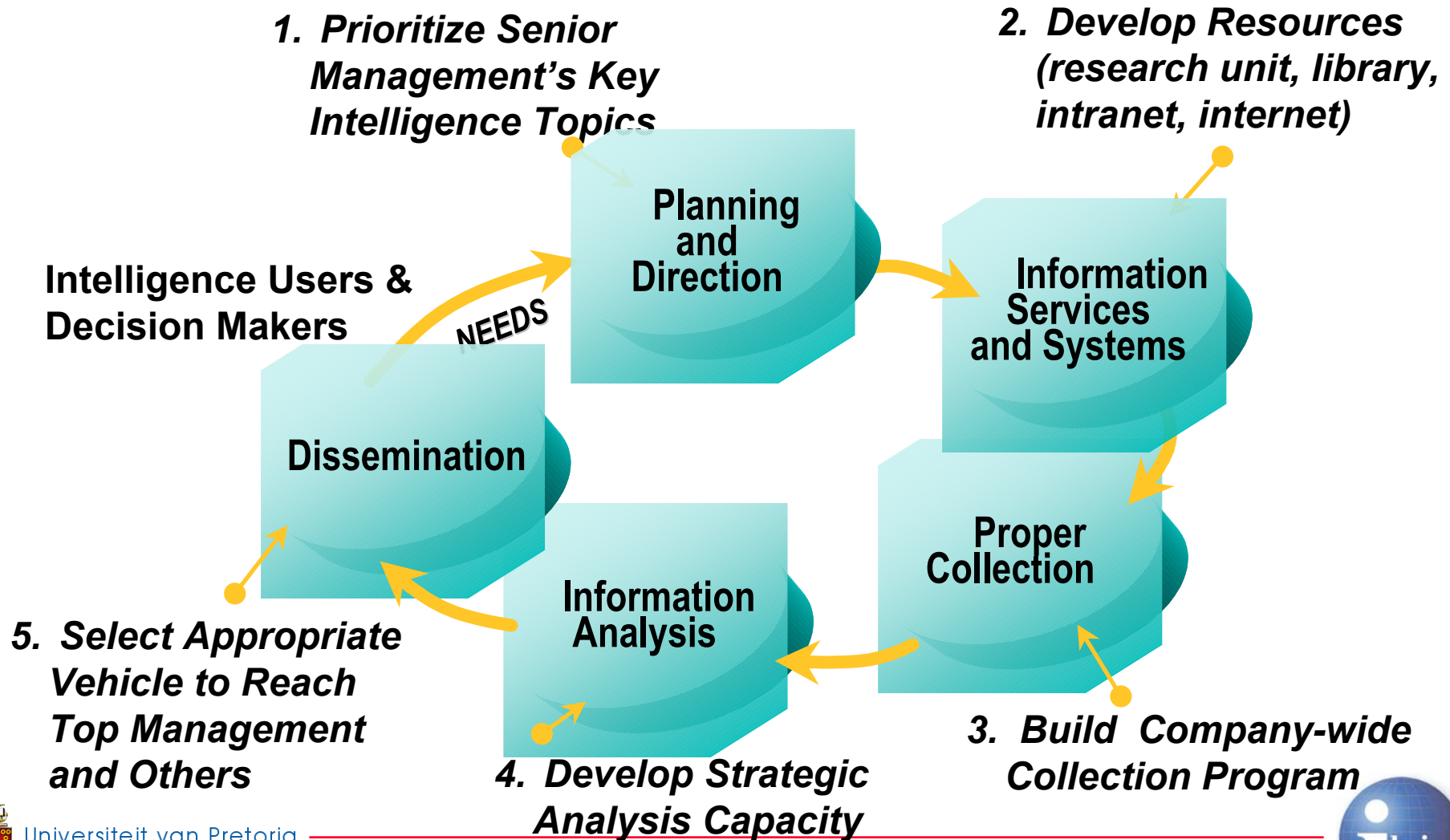
Constantly scanning the greater picture in search of opportunities and threats

What is competitive intelligence?

“Competitive Intelligence is the total knowledge a company possesses about the environment in which it competes. It is synthesized from the vast amount of bits and pieces of external information bombarding the firm every day. It paints a whole picture of the present and future competitive arena for management decisions.”

Gilad, B. 1999. Rutgers University

Competitive intelligence cycle



Competitive intelligence: people driven...

“In intelligence, it is more important to have the **right people** in the organisation **analysing** information, than it is to have a system organising information.”

David Drew, Vice President, 3M

Focus of competitive intelligence

- Build a portfolio of advantages against your competitor's 'sustainable advantage,
- Create a competitive surprise against incumbants,
- Change the rules of industry in order to unseat the leader,
- Leverage the use of resources through partners and
- Defend against competitors attempting to achieve surprise, the creation of new advantages, the changing of rules of engagement and the luring of partners

Gilad, B. 1996

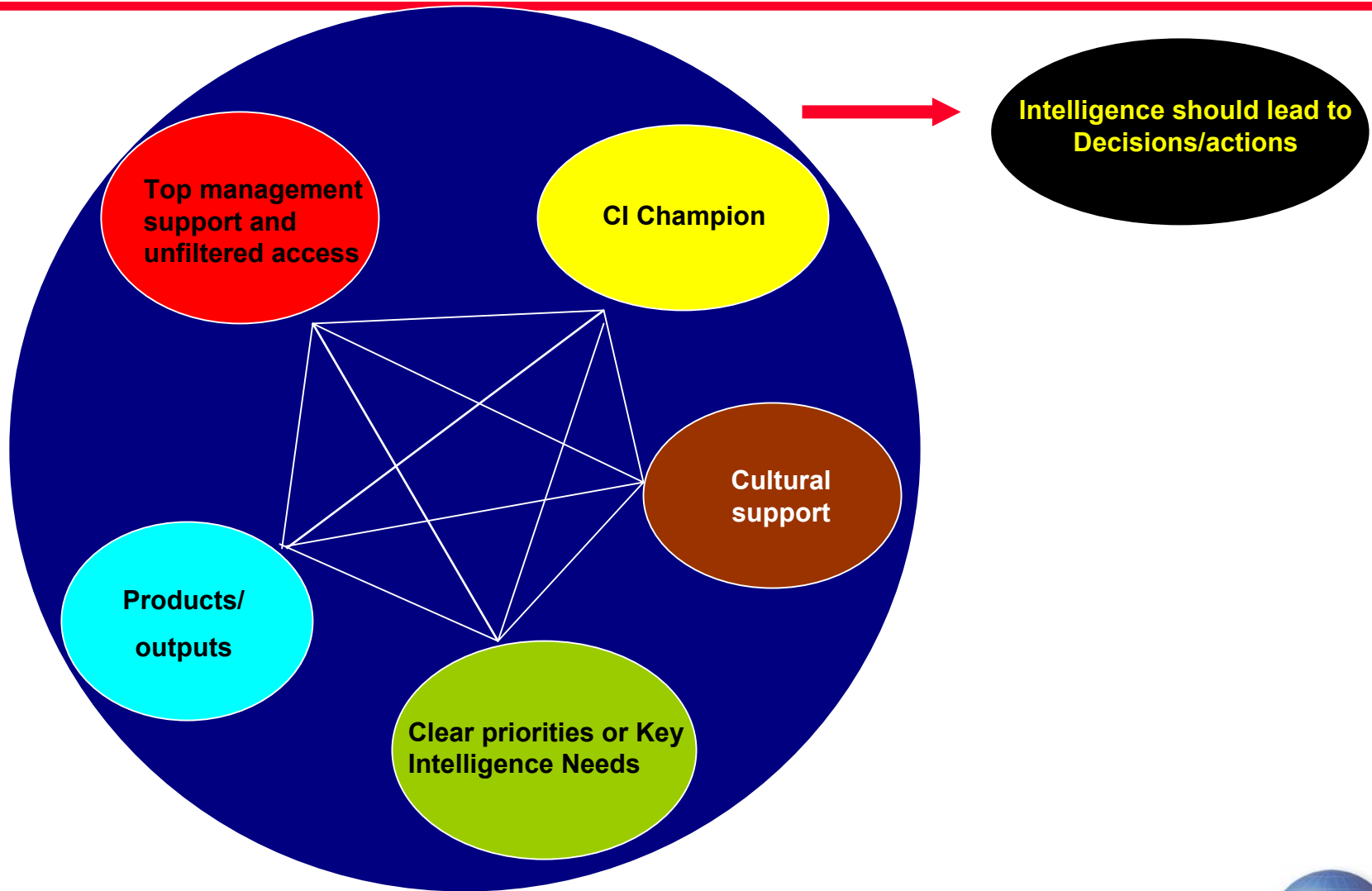
Example: Microsoft

“Too many senior managers seem to take the absence of timely information as a given. People have lived for so long without information at their fingertips that they don’t realize what they’re missing.”

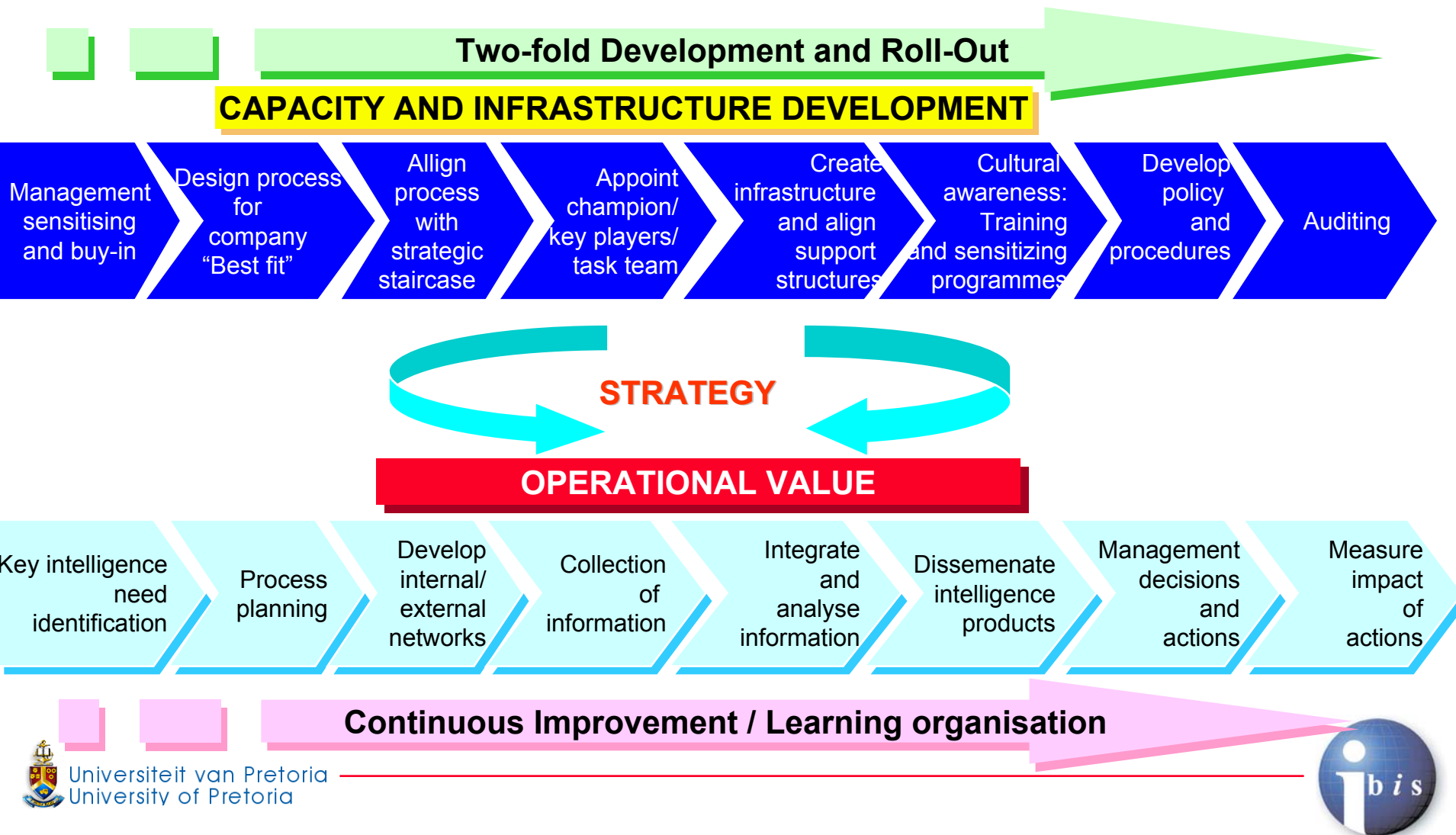
“I have a simple but strong belief. The most meaningful way to differentiate your company from your competition, the best way to put distance between yourself and the crowd, is to do an outstanding job with information. *How you gather, manage, and use information will determine whether you win or lose.* There are more competitors. There is more information available about them and about the market, which is now global.”

Bill Gates: Business @ the speed of thought

Critical success factors for the wave model



Wave model



Intelligence process requirements

- Flexible design which will allow for internal and external changes
- Learning organisation with top management constantly involved
- Designed according to the unique requirements of the company
- Formalised process that forms part of the strategic management process of the company - should be positioned accordingly
- Good working relationship between the CI Champion and the MD or CEO
- Competitive intelligence function should be positioned strategically to be compatible with the management style of the company
- Competitive Intelligence should remain objective and independent and report on the total competitive environment
- Intelligence must be delivered to managers with the authority and responsibility to make decisions and act upon the intelligence received
- Start the process formally with a good plan
- *Appoint and train the right people - CI relies on people (not computers) for*

success



Typical tasks and role of competitive intelligence

Tasks

- Competitive *benchmarking*
- Implementation of a *early warning system*
- Specific *tactical information* discovery, including answers to questions about specific *clients or companies*
- *Intelligence management* and dissemination - assist with a database with information
- Advise on *blind spots*
- Personnel *training, sensitising and empowerment*
- Assist with the implementation of *strategic business decisions*
- Transforming of *data* to *information* to *actionable intelligence*

Role

- Be a *watchdog* for the organisation, on the lookout for significant change that may impact on the future
- Determine, through active involvement as advisers, the *intelligence requirements* of the organisation for the decision-making process
- Be a *gatekeeper* for information flow inside the organisation
- Ensure that competitive Intelligence is *not unethical or illegal actions*
- Ensure *company-wide* responsibility and empowerment

Ibis. 1998



The information professional

- Primarily responsible for harnessing the organisation's information resources and information capabilities to enable it to learn and adapt to its changing environment (Lindsey-King, 1998).
- Provide the information edge for the knowledge-based organisation by responding with a sense of urgency to critical information needs (Marshall, Fisher, Moulton and Picolla (1996).
- Identification of information needs, information acquisition, its organisation and storage, the development of information products and services, and the distribution and use of information (Lindsey-King, 1998).

Gilad, B. 1996

Skills of the information professional

- Information handling skills
- Training and facilitating skills
- Evaluation skills
- Concern for the customer (Elken, 1998)

- Professional skills
- Personal skills (Marshall et al., 1996)

- Technical expertise ? (Davenport, 1997)

Gilad, B. 1996

Roles & responsibilities of the competitive intelligence professional

- Local requirements
- International requirements

Competitive intelligence professional versus information professional

- CI – IP = ? / IP – CI = ?
- Similarities / discrepancies
- Skills, competencies, capabilities
- Contribution
- Team

Organisations who have succeeded to implement an effective formal and structured competitive intelligence process focusing on critical issues, will have a competitive advantage over their rivals. Organisations can simply no longer afford not to have an effective competitive intelligence capability.

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