

Using Competitive Intelligence as a Source of Competitive Advantage Part I

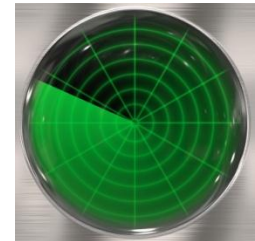


One day Alice came to a fork in the road and saw a Cheshire Cat in a tree. “Which road do I take?” she asked. His response was a question: “Where do you want to go?” “I don’t know,” Alice answered. “Then,” said the cat, “It doesn’t matter.”

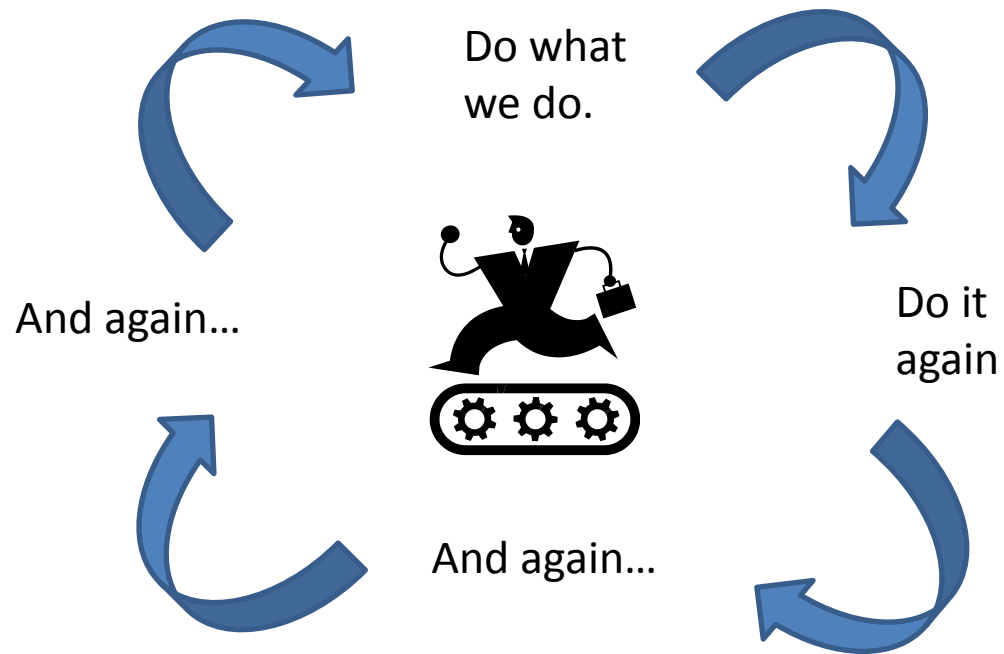
- Lewis Carroll



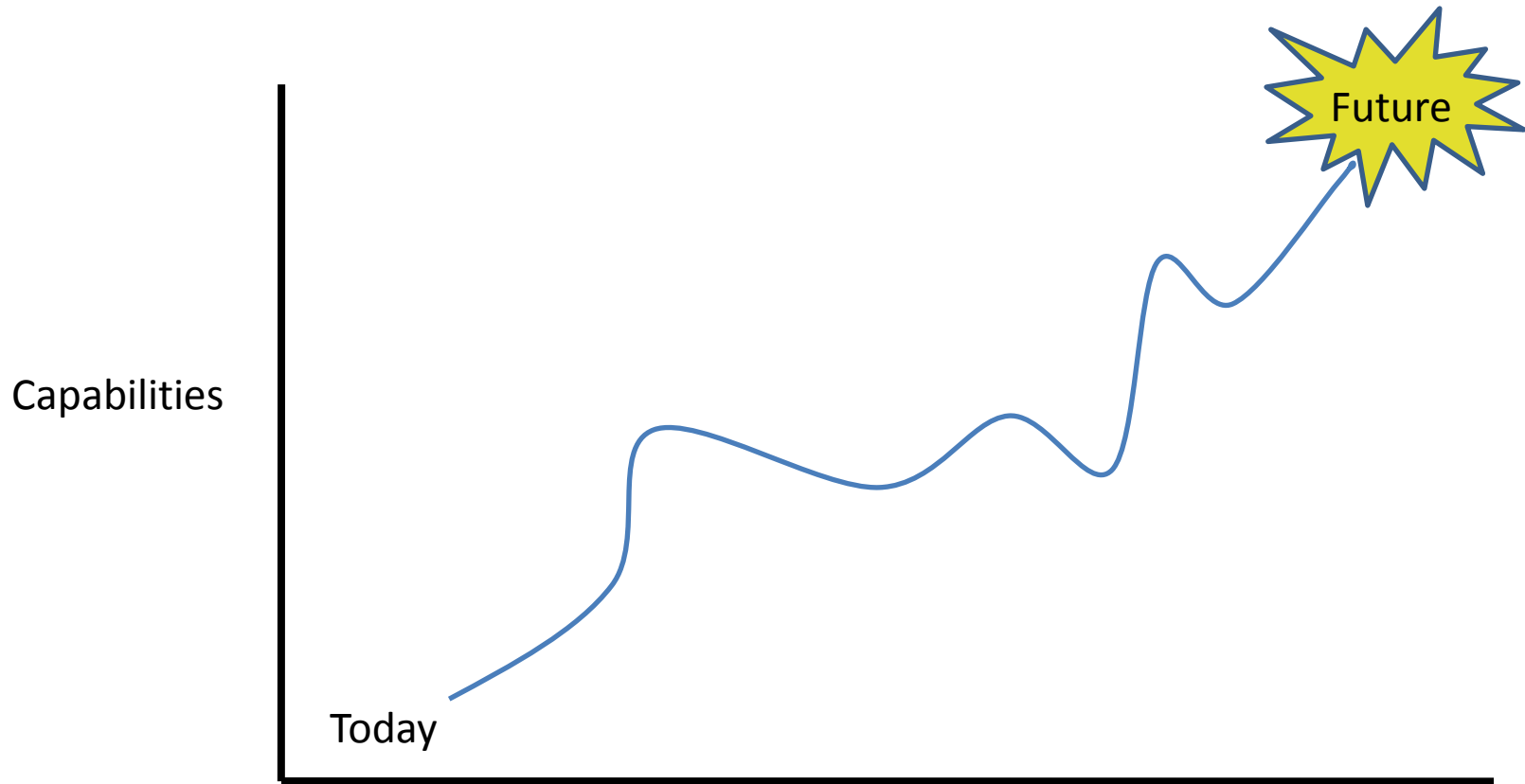
Does our company have a
competitive strategy?



The Treadmill



The Breakthrough Model

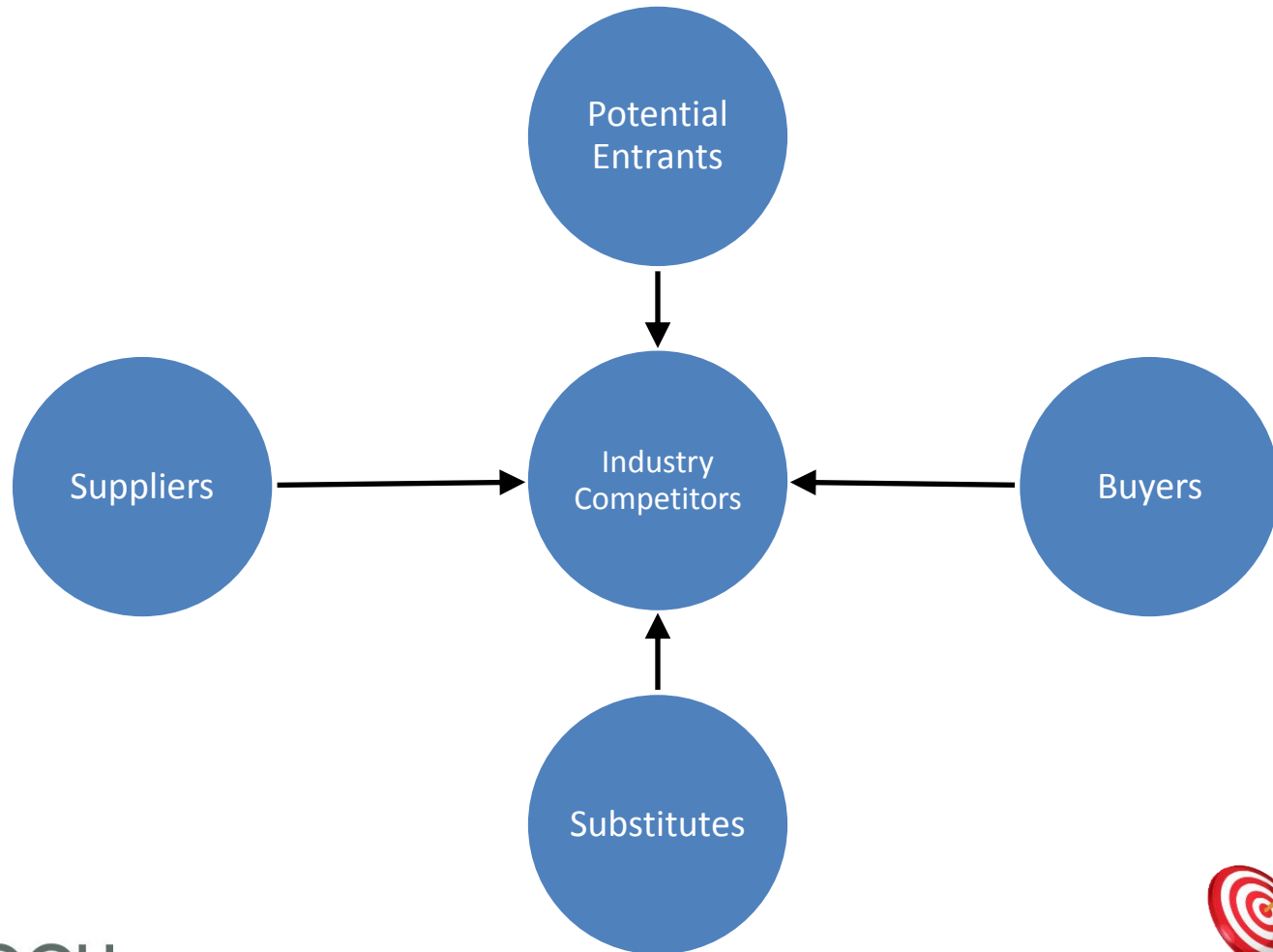


Competitive Strategy Formulation

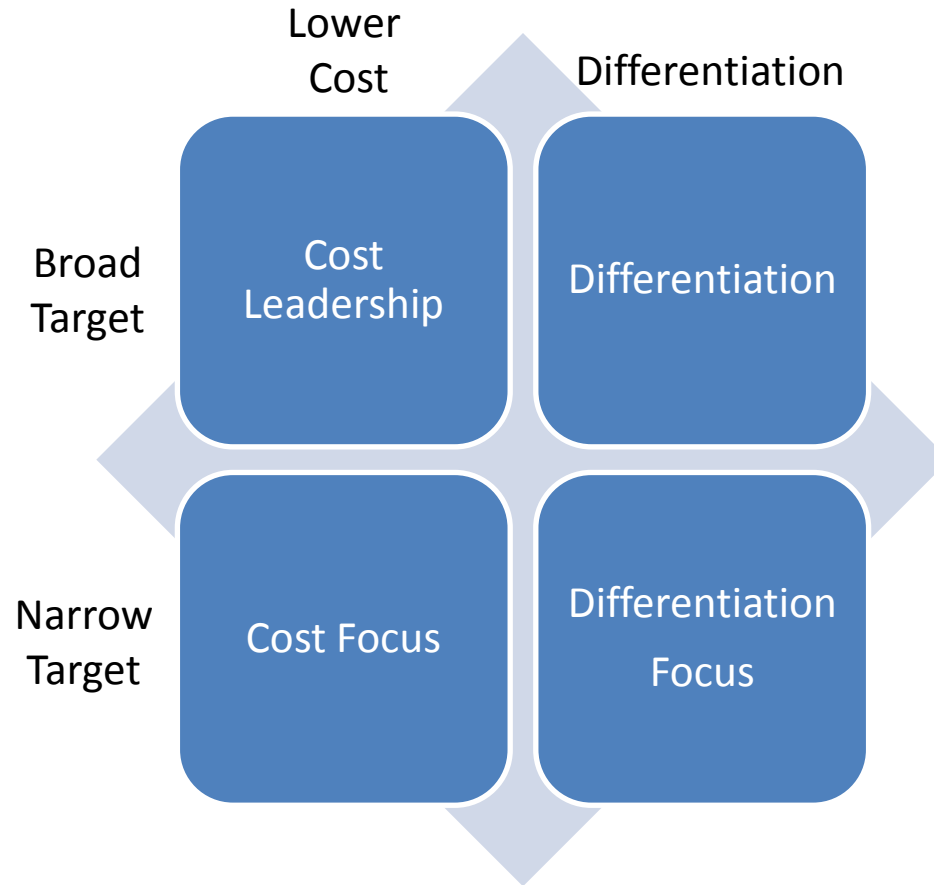
- A. What is the business doing now?
 - 1. What is the current strategy?
 - 2. What assumptions are implied in the strategy?
- B. What is happening in the environment?
 - 1. Industry analysis.
 - 2. Competitor analysis.
 - 3. Societal analysis.
 - 4. Strengths and weaknesses.
- C. What should the business be doing?
 - 1. Test assumptions and strategy.
 - 2. Strategic alternatives.
 - 3. Strategic choice.



Porter's Competitive Model



Competitive Advantage



So...

Now that we know what our strategy is, what do we need to know to implement it?



Competitive Intelligence

The insights and information necessary to implement an effective strategy.



Intelligence Focus Areas

- People
- Organization
- Market
- Technology
- Capital



Uncertainty is certain, but...

- Strategic planning and effective competitive intelligence efforts will go a long way towards tempering this uncertainty.
- Linking strategic planning and competitive intelligence together provides an excellent source of significant competitive advantage.
- The essence of powerful competitive advantage lies in the concept of asymmetry. Information asymmetry empowers one business party over another.



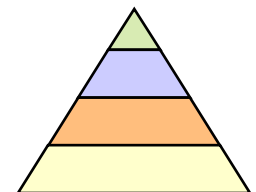
Strategic Planning and Competitive Intelligence are Supportive and Symbiotic

- Strategic Planning provides the framework to articulate strategic goals and objectives and to develop the plans necessary to achieve them.
- Competitive Intelligence provides the insight and perspective on the relevant aspects of the business environment, without which the plans will not be grounded in reality.



Competitive Intelligence Should Support All Levels of Planning and Execution

- Strategic – Holistic, predictive and future oriented. Focusing on industry dynamics, technology trends, broad competitor and consumer understanding.
- Operational – Business Unit specific competitors, product families and business conditions.
- Tactical – Insight into drivers of promotional strategy, pricing, packaging or other elements of the marketing mix.



Competitive Intelligence Insights Should Support a Range of Key Issues

- Strategic Planning exercises
- Mergers, acquisitions, alliances and partnerships
- Expansion or rationalization of product or service portfolio
- Investment or disinvestment in assets and R&D
- Legal procedures
- Intellectual property asset management and licensing
- Marketing plans
- Product or package launches



“Information that cannot be ignored.”

“Indeed, we found no evidence that good-to-great companies had more, or better, information than the comparison companies. None. ... The key, then, lies in not better information, but in turning information into information that **cannot be ignored.**”

- Jim Collins *Good to Great*



Analysis

- Analytical Framework
 - Define the issue or decision
- Collection
 - What are the facts?
- Interpretation
 - What do the facts suggest?
- Implications
 - What does it all mean for the issue or decision?

Brevity is the soul
of wit...
And the heart of
good analysis.



What Can CI Do For You?

- Assist in the formulation of your strategy.
- Identify and anticipate needs.
- Present plausible judgments and assessments.
- Support those judgments and assessments with evidence.
- Offer options and alternatives that will make a difference.

