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Challenges of Conducting CI in South America

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Survey

Where are you located?

- A North America
- B South America
- C Europe
- D Other

Challenges of Conducting CI in South America | Agenda

1. Cipher
2. New Markets – South America
3. Examples
4. Challenges
5. Final Thoughts
6. Q&A

Cipher Systems LLC | Fact Sheet

- Established in 1996, HQ in the Washington, DC area
- Full Service Provider in Competitive Intelligence
- Main Divisions
 - Strategic Consulting & Research
 - CI Technology & Platform
- Project & Professional Network
 - *Europe, China, India, Middle East and Americas*
- Worldwide Experience
 - *Over 125 projects in 23 countries in the last 24 months*
- Solid presence in Corporate & Government sectors



Cipher Brasil established in 2009

Competitive Intelligence | New Markets



Survey

Do you currently have a CI initiative in South America?

- A Yes, and it is performing well
- B Yes, but there is room for improvement
- C Not yet
- D Not Applicable - I'm just researching

Local Intelligence

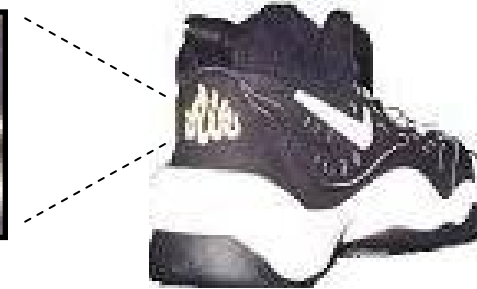
Is it really necessary to have Local Intelligence?

Let's take a look at 3 examples:

- Nike: Cultural Issue
- Mitsubishi & Mazda: Language Issue
- Subway: Business Landscape Issue



“Flaming Air” sneakers





Mazda Laputa



~~Mitsubishi Pajero~~



Mitsubishi MONTERO



Expanding to Brazil

1995: First Attempt - Failed

- 50 restaurants planned for first stage
- 32 actually opened
- Only 3 restaurants were left by 2001

2003: New Attempt - Success

- Two years of research and planning
- 268 restaurants operating today
- Goal is to have 350 restaurants by 2010

Challenges

What are the main challenges in establishing a Competitive Intelligence effort in South America?

- Competitive Intelligence Concept
- Language & Distance from HQ
- Culture & Business Landscape
- Cost & Timing

Survey

What is the approach of your organization?

- A We are interested in developing a local CI team
- B We usually do all CI directly from HQ
- C We are evaluating local CI partners
- D Not Applicable - I'm just researching

Challenges

Competitive Intelligence Concept

- Still not widespread, benefits are not clear
- Education and information are essential
- Hands-on approach
- Share internal success stories
- Resistance: “We are already successful without CI”
- Expertise of local partners must be carefully evaluated

Challenges

Language & Distance from HQ

- It is necessary to have resources that can speak both languages fluently for a successful implementation
- Direct line of communication with local teams
- Establish a process to engage the local teams and keep them in line with corporate strategy
- Periodic meetings at HQ will provide a sense of importance to the function
- Integrate the local intelligence production with global, in order to generate value to the whole organization

Challenges

Culture & Business Landscape

- Approach to business may be different in each location
- Personal relationships are usually very important
- Regulatory issues are more dynamic
- CI model used in HQ needs to be adjusted locally
- Local upper management needs to be engaged very early, in order to make the CI culture spread from within
- Choose a partner with the right mix of skills:
Competitive Intelligence, Culture and Language

Challenges

Cost & Timing

- Consider that the first step towards a CI initiative is intensive Education
- External support will be important to show the value of intelligence while the local team starts to move
- Secondary research is more challenging, since availability of sources is not as abundant as in the USA or Europe
- If quick answers are needed at HQ, a local partner is the best solution if the local team is not ready to deliver
- The cost of having an unsuccessful CI initiative is far more relevant than the cost to set it up or maintain it

Final Thoughts

- Intelligence work done locally is far more productive
- Goals and processes must be aligned with HQ
- Constant communication with local teams/partners
- Local stakeholders must be CI evangelists
- Education and Training are essential
- Evaluate partners well to prevent problems
- Don't take anything for granted: ensure the local team is ready and have reliable partners to act quickly

OBRIGADO!
THANK YOU!

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