Cipher

The Complete Guide to Competitive Intelligence

TABLE OF CONTENTS

Competitive Intelligence: What Is It?

To understand competitive intelligence, let's consider an example of intelligence on board a ship. The captain of a ship in the ocean cannot worry about only what occurs on board. In order to stay on course and avoid rough waters, uncharted territory, or unforeseen dangers, the crew and the captain need to also keep a close eye on the surrounding environment and changing conditions. Are there any threatening ships in the distance? Is the ship on the charted course? What lies ahead? In order to navigate effectively attention needs to be focused within the ship and without.

Competitive intelligence (CI) is the outward attention that companies need to dedicate to their markets to ensure they are headed in the right direction and they are not blindsided by unknown activity. Competitive intelligence, as it applies to your company, focuses on three main aspects:

1. **Your Market**
2. **Your Customers**
3. **Your Competitors**

When your company gets a deeper understanding of each of these factors, you will know how to maximize success in each arena to sharpen your competitive edge and excel.

1

WHAT INDUSTRIES RELY ON CI AND WHY?

Which Industries Rely on CI and Why?

CI as it stands today is often industry driven. Certain industries have adopted it as a necessary practice and regularly focus attention on it to better inform their business strategy. For instance, pharmaceutical, software, and aerospace and defense companies use CI as a key function to develop and deliver unique products to market ahead of their competition. In fast-paced markets with long development cycles such as these, not looking at outward developments is a risk these companies are not willing to take.

Companies use CI to look outward to monitor market trends, predict competitor developments and plan a dynamic strategy that maximizes opportunities and mitigates damage from threats. However, CI also works to protect intellectual property. Counter-CI tactics can be used to protect your intellectual property and doing so is crucial when planning to launch a new product or announce a market-changing merger. The time and money it takes to fund, develop and market a new product could be wasted if a competitor intercepts information about your plans and launches a similar product before your own goes live.

Intellectual property has a range of importance and is managed differently across industries, so it is important to consider the value CI and Counter-CI might play into protecting the intellectual property at your organization as it relates to the rest of your market and industry. Just remember, if you are watching your competitors, your competitors may also be watching you.

2

CI FOR MARKETERS

CI for Marketers

In a recent trend, marketers have increased their reliance on CI and have turned to it as a way to help spark innovation and stay fresh in a constantly evolving industry. Marketers have the unique challenge of communicating value propositions and information about the business in a new and interesting way that sets an organization apart from their competitors.

Marketers often feel the pulse of the consumers, but when a product is preparing to launch, it is especially important to have a pulse on your competitors as well. Ensuring your angle of approach is unique to competitors', but is still accessible and beneficial to consumers, is key.

Marketers have turned to CI out of necessity, taking on more of the responsibility of competitive research due to the downtrend in companies staffing independent CI departments. Modern CI is collaborative and this responsibility is easily lumped in with a marketer's normal tasks. As a core business function that relies heavily on collaboration with other departments, the marketing department is uniquely suited to take on CI.

In order to make the most of the research a team tasked with CI collects and to manage the workload, there needs to be an easy way to share insights and collaborate across departments. Sharing information effectively ensures there are no competitor knowledge gaps and research won't be siloed to only the marketing department.

Getting a lay of the land on how competitors are positioning certain product benefits will help to inspire different takes on the same idea. Likewise, CI can help analyze the different types of channels competitors are using to market their product. CI will show which are effective and which channels are open for optimization. Marketers can use this information to fuel creativity and emerge ahead of the competition when they collaborate across departments.

3

GETTING STARTED WITH CI

Getting Started with CI

A number of resources exist to educate those interested on the way CI has changed over the years and to assist you in your attempts to begin implementing CI into your standard business plan. The following are resources for learning more about the specifics of competitive intelligence:

- **The Academy of Competitive Intelligence**
- **Institute for Competitive Intelligence**
- **Strategic and Competitive Intelligence Professionals**
- **Cipher Resource Center**

Creating a CI Plan

Once you've decided CI will be important to your company's success moving forward, you need to map out how you plan to accomplish attaining CI. Map out your CI plan in layers. First, you need to identify what it is you want to know from your research. Second, identify the time, cost and overall scope of the research question. Creating a CI plan is crucial to get the most actionable insights from your research and prevent wasted time focusing your attention in too many different directions. It is important to stay focused, and with or without the assistance of a CI consultant, you need to strategically invest your team's time, money and effort into the research.

We've broken our suggested workflow into the **5 Stages of Competitive Intelligence Maturity**, a separate resource, but here are some highlighted points from that resource and some questions to consider when starting out with CI.

1. **Information Planning:**

- Who are your intelligence consumers and how do they consume information?
- What is your strategic objective and how does this support your business goals?
- Where does the competitive information live and how do you access it?

2. **Information Collection:**

- Pool your available resources.
- Make sure you utilize primary resources when necessary.
- Corroborate secondary resources.

3. **Information Organization:**

- Use past experience to filter information.
- Make sure communication isn't siloed.
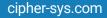
4. **Information Analysis:**

- Consider the knowledge management tier.
- Establish information context.
- Refer back to your research question.

5. **Information Production and Dissemination:**

- Determine target audience.
- Brush up on presentation skills.
- Use effective and engaging visualizations.

4

CI TOOLS AND TACTICS

CI Tools and Tactics

Use the resources at your disposal to make your CI efforts as streamlined and beneficial to your company as possible. Making the most of your strategic efforts, as well as researching consulting and software options, will make CI a regular part of your business plan to reduce the risk of market surprises and keep your ship sailing toward success.

Strategy

Ensuring your strategy can stand the test of time and remain flexibility to change is a matter of defining a strategy that is dynamic and can adapt easily to address developing threats. Dynamic strategic planning incorporates a higher level, end-goal vision. Instead of thinking in strategic increments, make sure you can loop each activity back to the end goal. This will ensure that if unforeseen difficulties or hurdles arise, your team will be able to plan ahead, instead of getting caught up in the issue of the moment.

Make sure you and your team regularly check in and ask: How does this trace back to our long term goals and how will we maneuver around possible issues to stay focused on our end goal? Work to keep each other on track, or gain an outside perspective to help advise on strategy.

Consultants

Consultants offer industry expertise and can help to guide your competitive queries to be more productive. When high-stakes decisions are on the line, make sure your business plan is backed by more than emotion and personal experience. An outside, expert perspective will offer clarity that internal team members might have lost. A certain level of objectivity and the ability to back decisions with data can be the difference between a successful product launch and taking a large financial hit due to bad timing, marketing or strategy.

Software

Software that can help you filter competitive information, as well as organize and produce CI findings, reduces a certain amount of internal effort, money and time spent on CI efforts. Often, dedicating a team to the task of CI will take those people away from their normal tasks, which can decrease productivity and ultimately produce lesser quality internal work and lesser actionable CI insights. CI software will minimize this impact and can be used as a centralized source of competitor information for your organization to reference. This results in less time spent on CI and a reduced chance of unnecessarily duplicating effort across your organization.

CI as a Lookout

Ensure your ship is headed in the right direction and is well-equipped to handle and avoid whatever obstacles might arise. Strategic planning, consultant advice and software capabilities can improve the way your company uses CI to its benefit. Likewise, implementing CI into your strategy will protect your company's intellectual property, your prospective product plans and your ability to maintain a strong and prosperous standing in your market.

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