Global CI Practices Study – Preliminary Results and some interesting insights

by Jonathan Calof, PhD

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VOTRE LIEN AVEC CE QUI COMPTE — CONNECTS YOU TO WHAT MATTERS

My Background in Market Insight/ Competitive Intelligence

- **Professor (Teacher/Researcher)**
  - University of Ottawa: Introduction to CI – A SCIP accredited course
  - University of New Brunswick: Project intelligence/Intelligence for entrepreneurs
  - Higher School of Economics (Russia): Lectures on corporate foresight/intelligence
  - Juan Rey Carlos University (Spain): Course on primary information for intelligence and trade show intelligence

- **Trainer/Consultant**
  - Corporate training programs throughout the world
  - Trade show intelligence program
  - Helped set up intelligence departments/programs for government and corporations
  - Project intelligence (currently in East Coast Canada)
  - Even for South Africa

- **CI/Foresight/Analytic honors**
  - Frost and Sullivan life time achievement award
  - Fellow Society of Competitive Intelligence Professionals (SCIP)
  - Distinguished member of the year - SCIP
  - Leading research fellow: Higher School of Economics Russia
  - Distinguished Professor: NWU
  - Adjunct professor: University of New Brunswick
  - Honorary Professor: Yunnan Normal University

South Africa Research Program
CI/MI and Exporter information needs

Wilma Viviers

Japie Kroon

Outputs:
Articles on CI in South Africa, information needs of South African exporters
DTI Trade Show Intelligence Program
Various corporate, association, and government briefings

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Exploring Corporate Failure: Nortel

MANAGEMENT

Jonathan Calof

Laurent Mirabeau

Greg Richards

P.M. Vasudev

Hussein Mouftah

Peter MacKinnon

Peter Chapman

LAW

ENGINEERING

Outputs:
Articles on corporate failure, environmental scanning, the black cloud
Corporate seminar on preventing failure

Global Competitive Intelligence Study

How is CI practiced around the world

Dr. Jonathan Calof

Prof. Nisha Sewdass

Prof. Ruben Arcos

Outputs:
Articles on CI in Europe, study results
Currently working on CI in Africa

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Corporate Foresight and Open Innovation: Russian HSE Program

Dirk Meissner

Anastasia Razheva

Konstantin Vishnevsk

Outputs:
Article on overcoming open innovation challenges, contribution from foresight
Article on competitive intelligence for open innovation
Article on open intelligence
Chapter on Corporate foresight and road-mapping for innovation: A Russian Case Study

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Before Getting into the Survey and the results

- **Intelligence is about understanding the external environment**
- **It is the OT of Strengths Weaknesses Opportunities and Threats**
- **It even enters into assessment of S and W**
- **It's becoming even more important for both innovation and in particular open innovation**
- **In my work intelligence overlaps considerably with foresight and analytics**

Competitive Intelligence – Definitions

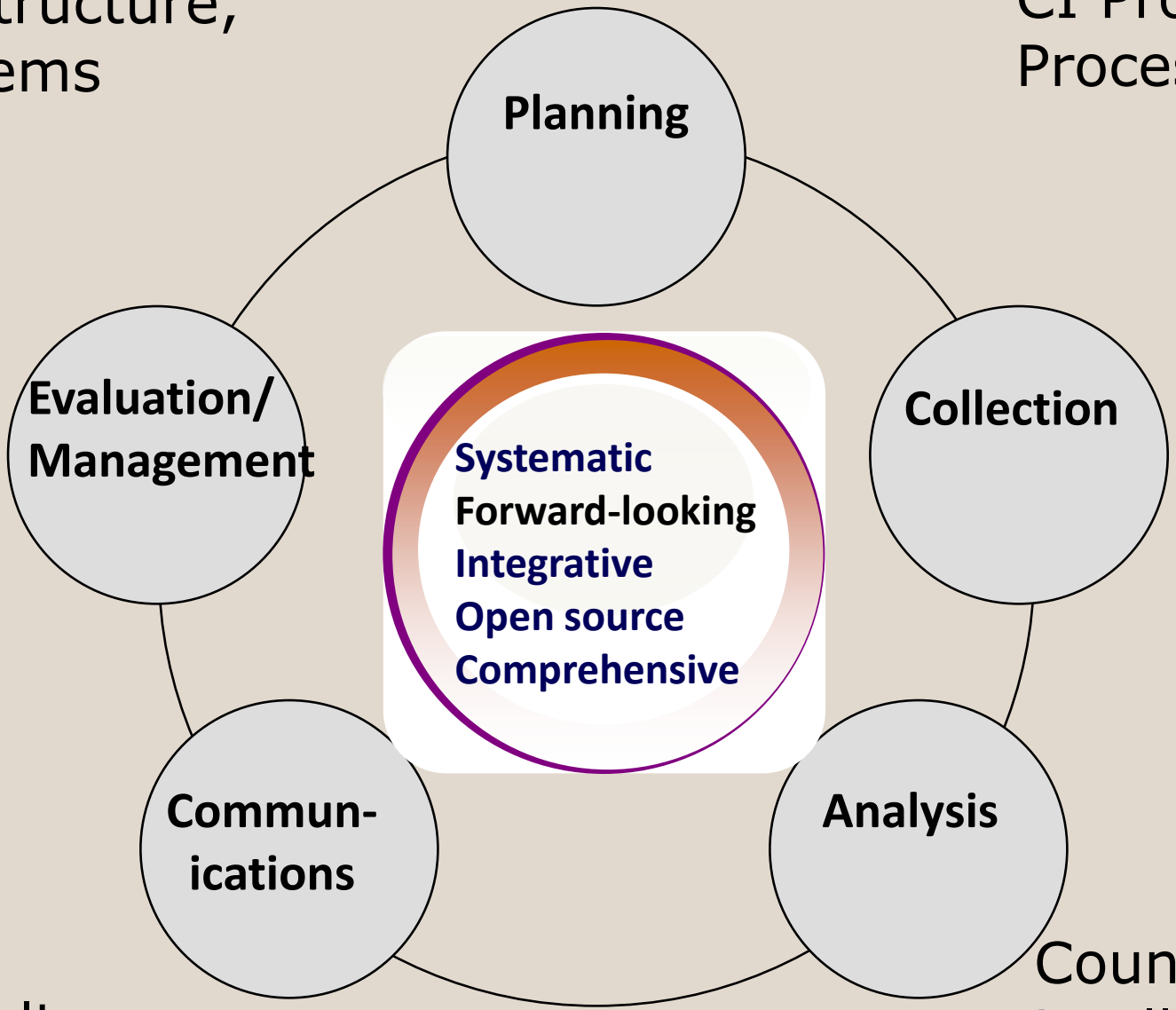
Competitive Intelligence is the interpretation of signals from the environment for an organization's decision makers to understand and anticipate industry change. (From Competitive Intelligence NING, discussion group, competitiveintelligence.ning.com)

Competitive intelligence is the process of monitoring the competitive environment and analyzing the findings in the context of internal issues, for the purpose of decision support. Competitive Intelligence enables senior managers in companies of all sizes to make more-informed decisions about everything from marketing, R&D, and investing tactics to long-term business strategies. (Strategic and Competitive Intelligence Professionals web page, www.scip.org)

Competitive intelligence – the components

CI Structure, systems

CI Projects, Process



CI Culture

Counter intelligence

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Survey development

- **Fehringer et al (2006) as base**
- **Literature review for updating the questionnaire**
- **Addition of new concepts eg social media**
- **Survey sent for expert review (5 CI academics and practitioners)**
- **Phase 1 test focused at SCIP Europe**
- **Final revision**

Defining competitive intelligence

From cover letter

“CI is a necessary, ethical business discipline and/or skillset for decision making based on understanding the competitive environment in order to drive to competitive advantage in the marketplace.”

‘Any organizational employee who is gathering insights on the external environment (competitor, customers, suppliers, technology, etc.) in order to make decisions is practicing some form of CI. ‘

In referring to the above definition of competitive intelligence…frequently used terms are environmental scanning, market intelligence, business intelligence, foresight and so forth.

The respondents – Industry, country, size

Industry	Total
Financial, services or insurance	9%
Pharma,biotech, healthcare	12%
CI, strategy consulting	12%
Telecommunications, internet	9%
Manufacturing, automotive	10%
High tech, computers	6%
Software	6%
Chemicals, petroleum	5%
Consumer goods, services	8%
Aerospace, defence	4%
Government	8%
Education	7%
Utilities	2%
Other	15%

Total	436
North America	152
Europe	177
Africa	76
Asia	14
South America	13
Australia	4

Employees	Total
<10	12%
10-49	9%
50-99	2%
100-249	3%
250-499	5%
500-999	8%
>1000	61%

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How well the organization copes with changes in the business environment Q9

	Total
1. Below average (we do not cope well)	13%
2. Average (we cope)	46%
3. Above average (we cope very well)	31%
4. We drive the change (we are leaders in innovation)	10%

Average by region:
Africa : 2.5
North America : 2.4
Europe: 2.3
Correlation with size Not significant

Part of the organization responsible for competitive intelligence Q11

	Phase 1	Phase 2	Total
Competitive intelligence	32%	46%	39%
Business intelligence	10%	27%	18%
Marketing intelligence	18%	24%	21%
Market intelligence	4%	12%	8%
Competitor insight	4%	13%	8%
Strategic planning	15%	33%	24%
Library/information services	11%	10%	11%
Marketing/Market research	3%	40%	22%
Public affairs	1%	18%	9%
Other	18%	17%	17%
Multiple departments*	6%	57%	35%

* Near the end of phase 1 the questionnaire was changed to allow for multiple responses. Average number of org units 3

Intelligence function organization: Q12

Centralized CI function	41%
De-centralized: each department or functional line of business does it's own CI	13%
Mixed: Some activities are done centrally others done independently	33%
Informal: No structured CI function	13%

	Centralized	De-cen tralized	Mixed	Informal
Innovativen ess	Above average	Average +	Average +	Average
Firm size:				
<10 10-99 100-999 >1000	55% 39% 51% 38%	5% 9% 11% 14%	5% 13% 24% 41%	35% 39% 14% 7%

CI policies- Q15 Does your organization have….

	Formal written down CI Strategy	Procedures	Ethical guidelines	Manager with CI respons.
% yes	44%	42%	53%	71%
Correlations with:				
Innovate	.15	.15	.11	.19
Size	NS	NS	NS	.14

2-4 Average number of employees for respondents whose organizations drive environmental change or are above average in coping with these changes

2- 4 Average number of employees for respondents whose organizations are average or below average in coping with changes in the environment

Employee involvement in CI – Q16

How many employees know CI exists		How many employees participate in CI activities	
None	1%	None	5%
Few	16%	Few	31%
Some	34%	Some	45%
Most	36%	Most	13%
All	13%	All	6%
Correlation with innovation	.22	Correlation with innovation	.27

*Organizations that drive environmental change or are above average in coping with it 3.2 X more likely to have all or most employees participating in CI activities than those that are average or below average.

Intelligence Cycle Time – Q20

CI time spent on…	
Planning	12%
Collection	28%
Analysis	25%
Communication	17%
CI project management	11%
CI project evaluation	7%

	Innovate
Planning	.12
Collection	-.13
Analysis	NS
Communication	NS
CI project management	.14
CI project evaluation	.15

Decisions supported by CI – Q19, Q28

	% saying some	% frequently
Corporate or business strategy	98%	47%
Market entry	95%	42%
M&A,JV, Due diligence	88%	30%
Product development	91%	39%
Regulatory/legal	83%	15%
R&D	92%	29%
Sales or Business development	97%	46%

	% saying some	% frequently
Company profiles	97%	51%
Customer profiles	85%	26%
Supplier profiles	70%	9%
Customer or supplier profile		
Executive profiles	87%	17%
Competitive benchmarking	95%	44%
Early warning alerts	87%	31%
Economic analysis	89%	24%
Political analysis	77%	13%
Economic/Political analysis		
Market/industry report/analysis	98%	55%
Technology assessments	88%	27%

Decision depth (# of decisions) correlated with innovation (.31)

Product depth (# of products) correlated with innovation (.28)

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Intelligence time focus by target – Q21

	All
Competitors	46%
Customers	24%
Government	8%
Suppliers	6%
Partners	6%
Universities	2%
Professional associations	4%
Other research institutions	4%

Temporal orientation of CI projects– Q22

		Correlation with innovation
Less than one year	50%	-.15
1 - 5 years	37%	NS
6 -10 years	9%	.11
Greater than 10 years	4%	.29

Information sources Q23 Depth (sum of all answers)

Information Source	Innovate	Size	CI resource	CI influence
Total primary	.13	NS	.19	NS
Total secondary	NS	.21	.12	NS
Total information	.13	NS	.20	NS

Information Source	Phase 1	Phase 2	All
Total primary	14	14	14
Total secondary	15	14	15
Total information	29	28	29

Information sources used – Q23

Scale: 0 = Not important at all to 4 = extremely important

Information Source	Total
Publications	3.2
Internet websites (free)	3.4
Commercial databases (fee)	3.0
Social media (blogs, twitter, linkedin..)	2.3
Internal databases	2.8
Company employees	2.9
Customers	2.9
Suppliers	2.2
Industry experts	2.8
Government employees	1.5
Association employees	1.6
Trade shows/conferences	2.5
Primary source correlation with innovation	+

Are Analytic Techniques Used – Q29

	All
Percent using analytic techniques	83%

	Africa	North America	Europe
Percent using analytic techniques	71%	84%	84%

Analytical Techniques Used – Q30

No scale: Participants were asked to select the techniques used

Analytical technique	
Competitor analysis	85%
SWOT analysis	82%
Benchmarking	70%
Competitive positioning	50%
Industry analysis/5 forces	49%
Customer segmentation	43%
Scenario	42%
Financial	39%
Patent	30%
Technology forecasting	22%
Indications and warning analysis	19%
Other	4%

Phase 1 Analytical Techniques

- Competitor Analysis (89%)
- SWOT (79%)
- Benchmarking (72%)
- Industry Analysis/ 5 forces (56%)
- Competitive Positioning (52%)
- Customer Segmentation (48%)
- Scenario (46%)
- Patent (40%)
- Financial Analysis and Valuation (36%)
- GAP (33%)
- Driving Forces (33%)
- BCG Growth/Share Portfolio Matrix (32%)
- Timeline / Event (31%)
- Win / Loss (31%)
- Financial Ratio and Statement (30%)
- Data Visualization (30%)
- Business Model (30%)
- War Gaming (30%)
- Customer Value (26%)
- Product Life Cycle (26%)
- Value Chain (26%)
- Stakeholder (25%)
- Management Profiling (24%)
- Macro-environmental (STEEP) (22%)
- Analytics (20%)
- Technology Forecasting (18%)
- Blind-spot (17%)
- Strategic Group (15%)
- Critical Success Factor Analysis (15%)
- Indications and warning analysis (15%)
- Functional capability and resource (14%)
- S-Curve (14%)

Phase 1 Analytical Techniques continued

- McKinsey 7s (13%)
- Product Line (13%)
- Competing Hypothesis (11%)
- Supply Chain Management (11%)
- Strategic Relationship (10%)
- Issue (9%)
- Historiographical (9%)
- Sustainable Growth Rate (8%)
- Growth Vector (6%)
- General Electric Business Screen Matrix (5%)
- Industry Fusion (5%)
- Shadowing (5%)
- Experience Curve (3%)
- Linchpin (3%)
- SERVO (3%)

Business analytics for CI– Q33

	All
Percent using business analytics	33%
Correlation with innovation	.29

	Africa	North America	Europe
Percent using business analytics	35%	28%	38%

Communicating Intelligence – Q31

Scale:0 Never to 3 Frequently

	% saying some	% frequently
Printed alerts or reports	80%	40%
Presentations/staff briefings	93%	54%
Central database	82%	42%
Teleconference	82%	23%
E-mails	97%	67%
Personal delivery	82%	25%
Newsletters	76%	40%
Company intranet	77%	37%

Evaluating intelligence

Method	
Assessing CI Effectiveness:	
No effectiveness measure	19%
Customer satisfaction	53%
Decisions made/supported	45%
CI productivity/output	35%
Strategies enhanced	32%
New products or services	20%
ROI	13%
The value of CI:	
New or increased revenue	25%
New products or services developed	24%
Cost savings or avoidance	19%
Financial goals met	16%
Profit increases	15%
Time savings	14%

Questions

- **For more information you can contact me at calof@telfer.uottawa.ca**

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