



# HCI

HONESTO COMPETITIVE INTELLIGENCE

## **Intelligence need identification GUIDE**

**The guide is designed to assist you in identifying the intelligence<sup>1</sup> need that could directly benefit your business<sup>2</sup>.**

**The guide can help you pass beyond the “good to know” information and reach to intelligence. Intelligence must be properly harnessed in order to effectively compete in a market.**



## Positioning on the market

**Situation:** The sales team is competing side by side with others in the market: there are no undeniable victories in your field.

Because of the intense competition it is essential for the sales team to address customers and potential customers armed with a competitor intelligence generated arsenal. Sales team members need to understand what competitors offer, how they position this offer and how their identified weaknesses can be exploited.

### Intelligence you will need:

- Product description
  - features
  - benefits
  - advantages
- Sales messages/parts this message focuses on:
  - technology
  - customer services
  - quality
  - price
  - promptness
  - scale/coverage
  - specialization/expertise
- Company image
  - professionalism
  - creativity
  - flexibility/versatility
- Pricing
  - structure (hourly rates, fixed fees, expenses)
  - incentives/volume discounts
  - strategies: "buy" the business, lure and change, others

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## Rumors regarding new products

**Situation:** Your best sources heard that a competitor is developing a new product. In order to protect market share, you must be proactive. You must quickly have intelligence and act based on it.

### Intelligence you will need:

- The rumor veracity
- The moment the new product will be available
- Test markets
- Product design
  - new features
  - unique benefits
- Packaging
- Prices
  - historical proof
  - probable tactics
- Target audience
- Marketing and advertising plans
- Distribution channels

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## Talented staff desertions

**Situation:** Many of the company's best people went to work for competitors. You made an enormous investment in training those people, just to see that your investments serve the interests of your rivals. You have to know why talents go to the other side and what you can do in order to prevent further desertions.

### Intelligence you will need:

- Geographic position
- The type of practiced management
- Wages and incentives
  - wage
  - commissions
  - bonuses
  - stock options
- Promotion opportunities
- Benefits
  - holidays
  - life insurance
  - retirement
  - profit-sharing
- Awards and recognition
- Support services
  - secretarial/administrative
  - marketing, written proposals, graphics
  - computers/technical
- Training
  - rate
  - quality
- Responsibility (reports, documentation, meetings)
  - reports/documentation
  - meetings
  - contingents

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## Organizational culture – gains and losses

**Situation:** Your company regularly passes through campaigns that aim to achieve various objectives. The process is, most of the times, expensive and not always successful.

It is useful to know why you win or lose, to institutionalize this knowledge and develop future tactics and strategies accordingly.

### Intelligence you will need:

Why do customers choose the competition instead of you? Why do they choose you instead of the competition?

Would it be due to:

- More personalized services?
- A better range of products and services?
- A price policy (ex: grouping, individual discounts, volume based discounts)?
- Existing relationship with another institution?
- Company reputation?
- Better interpersonal match with the representatives?
- A more impressive marketing/sales process?
- The delivery of products and services?





## “Paradigm shift” strategy

**Situation:** Some of the main rivals take worrying unconventional measures – non-traditional alliance, developing a more innovative approach, rapid growth or moving against the trends. You should know where his moves lead and what will be the impact on your company.

### Intelligence you will need:

- Partnerships, alliances, joints
  - with whom?
  - with what reason?
  - terms?
- Acquisitions and merges
  - who?
  - why?
- Products and services – how they compare to yours?
- Proposal regarding the offered value
  - which is it?
  - is it more attractive than yours?
- Objectives
  - short term
  - long term
- Financial resources
- Management profile
  - culture
  - values
  - previous decisions

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## New rivals

Situation: A new player has entered the market and seems to attract the attention of customers. It can be an enterprise start-up, a joint venture between firms in other industries or a larger firm’s newly created division. Regardless of this new competitor’s form, it is imperative to know how its market presence will affect you.

### Intelligence you will need:

- Products and services – comparisons with yours
  - new characteristics
  - similar offers
  - weaknesses
  - offered value promises
  - are theirs more attractive than yours?
- Short and long term goals
  - reasons for entering the market
  - integration plans
- Maintaining power/financial resources
- Technological capabilities
- Sales and marketing plans
  - positioning
  - target audience
  - strengths and weaknesses
- Management
  - profile
  - depth
  - control level
  - culture/values

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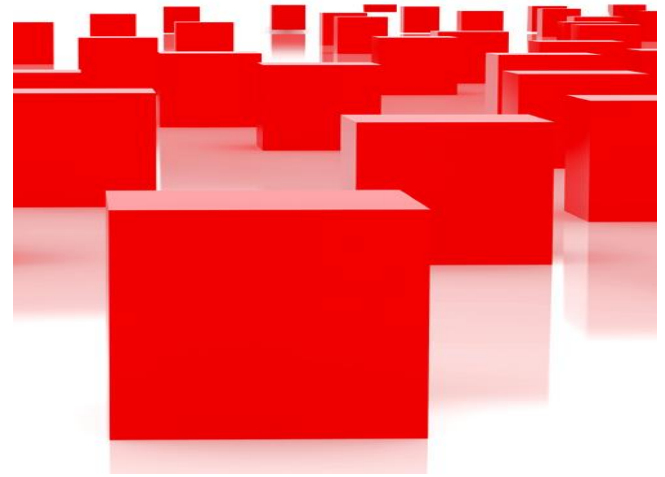
## Deregulation

**Situation:** Your industry is facing an imminent deregulation. Historical, you had an almost exclusively service in a regulated business environment. Now, the environment is changing.

In response to the customers and potential customers' pressure, regulators are beginning to restructure and open the market. Products and services previously seen as having added value are now seen more and more as mere commodities. You should know who your competitors will be and how well your company is positioned in order to operate in this more competitive area.

### Intelligence you will need:

- Probable/emerging competitors
  - strategic intent
  - competitive advantages
  - target audience
  - structure
  - offers
  - price policy
- Acquisitions and divestitures
  - acquisition suitable candidates and other potential bidders
  - market value, offers
  - other merge and acquisition activities implications
- Customers intelligence
  - customers needs and desires
  - buyer profile and influence factors
  - customers expansion, initiatives' vertical integration
  - partnership opportunities
  - industry trends, emerging products, services, technologies
- Growth opportunities
  - basic skills
  - customer segments
  - research and development initiatives
  - strategic alliances



## Essential competencies

**Situation:** In order to plan effectively, you must consider the future context regarding competition in your industry. This means examining existing competitors, developing scenarios in relation to competitors and assigning probability factors to those scenarios.

This also means knowing competitors' basic competencies that may allow them to pursue new paths for further growth.

### Intelligence you will need:

In what area your competitors have competencies in:

- Rapid placing of new products/services on the market?
- Capital generation for new business?
- R&D operation?
- Expertise in a particular process or technology?
- Efficient orders processing?
- Sophisticated inventory management?
- Remote sales force mobilization and training?
- Low level workers motivation and training?
- Flexible production?
- Others...

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## Information technology use

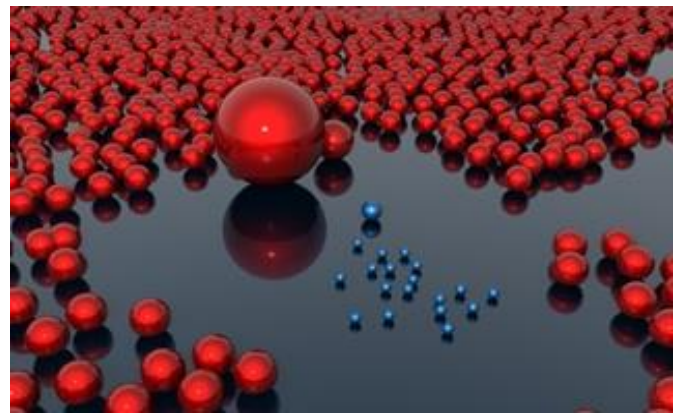
**Situation:** Information technology becomes an important part of your business, and the company is likely to lag behind or to make unnecessary modernization expenses. It is well known that one of the competitors has directed investments towards information technology, already holding a competitive advantage – it can be in the form of winning or keeping clients, increasing the efficiency of manufacturing processes or delivering more sophisticated services.

In order to validate your own IT investments and to ensure that you won't fall behind in this critical area, you must assess your company's IT consumption compared to this key market player.

### Intelligence you will need:

- Utilized platform
  - hardware
  - software
  - advantages and disadvantages
- Service and support
  - personal
  - budget
- Training
  - employees
  - customers
- IT derived competitive advantages
  - better services for customers?
  - faster services for customers?
  - reduced costs?
  - more consistent product offers?
  - more efficient and flexible production?
  - better quality control?
  - time cycle reduction?

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## Innovation

**Situation:** A company in your business area is constantly able to develop new and innovative products and services. You must analyze this competitor in order to understand (1) towards what he is focusing his energy and (2) how is he managing the development process, without going too far.

### Intelligence you will need:

- R&D staff
  - size
  - age, experience, education
- R&D culture
  - innovation reward
  - staff autonomy
  - the importance in relation with marketing, production or other parts of the business
- Patents and Trademarks
  - number/frequency
  - trends and patterns
  - concentration areas
- Financial resources
  - R&D budget
  - R&D/sales costs
- University connections
  - grants
  - program types
- Intellectual property protection means

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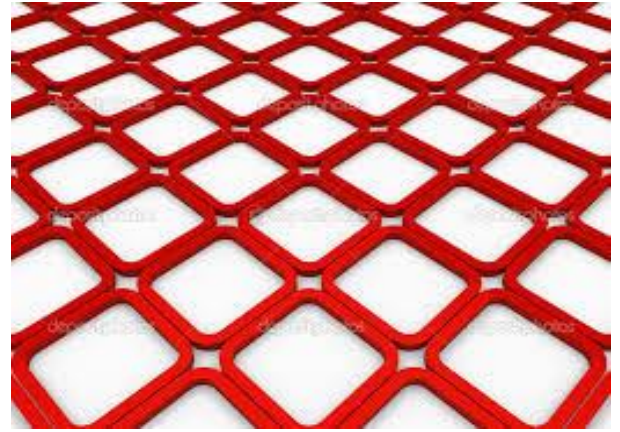
## Benchmarking – Productivity

**Situation:** Productivity is the main concern of any business, whether it is a goods or a services producer. Your company acknowledges the productivity maximization importance but it has to look outside their walls for landmarks. Competitor's activity analysis is the ideal starting point.

### Intelligence you will need:

- Staff productivity
  - staffing levels
  - sales/production
  - income/employees
- Facility productivity
  - square meters
  - sales per square meters
- Information technology use
  - used instruments
  - returns earned
- Productivity encouraging policies
  - incentives
  - bonuses
  - individual rewards versus team rewards
- Management style
  - top-down versus bottom to top
  - entrepreneurship versus bureaucracy
- Decision making protocol
  - lower levels autonomy
  - decentralized autonomy
  - approval layers
  - documentation level
  - number of meetings

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## Customer service

**Situation:** An analysis on lost customers shows that many of them think they can get better services from one of your competitors. Perpetuating the situation could mean losing the business. You must know exactly how your services are positioned in front of competitors in order to make necessary improvements and to highlight the potential advantages.

### Intelligence you will need:

- Service organization structure
  - dedicated representatives
  - a centralized/decentralized approach
- Phone support
  - availability hours
  - personnel
  - available support level
- Training
  - of the customer service personnel
  - of the customer's employees
- Policies and procedures
  - quality guarantee
  - delivery policy

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<sup>1</sup> **Competitive Intelligence means identifying the top-management information requirements, collecting, planning, data and information analysis, intelligence production and dissemination, within the law and the professional ethics, as well as own information protection, in order to increase the competitiveness of a company or of other type of organizations.**

<sup>2</sup> **This GUIDE is an example for types of competitive challenges the contemporary economy is facing. This GUIDE is not exhaustive. Your company may face a problem that is not addressed here.**

