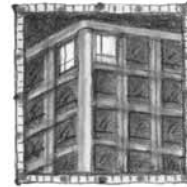


## REASSESSING THE COMPETITIVE INTELLIGENCE ROLE

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You've done your needs assessment, are about to kick off your competitive intelligence (CI) function, Then senior management announces a budget freeze which puts your plans on hold. Sound familiar? Many of us have found it difficult to move our intelligence function forward during the tough economic times our global economy has experienced at the turn of the 21<sup>st</sup> century.

Fortunately, budget purse strings have started to loosen over the last few years as the economy continues on its gradual road to recovery. This is good news to many of us who have been waiting for the right moment to recharge our intelligence function. My advice to you is to plan carefully and methodically as you either kick-off with new plans or ramp back up your competitive intelligence function. Before you begin, consider the following key steps.

### STEP 1: REASSESS CI'S ROLE

First, reassess the role competitive intelligence should play in your organization. For instance, one year ago the demand may have been for more strategic intelligence but today the most pressing needs facing your organization might be more tactical. An intelligence group must have a clear mandate concerning the boundaries of its focus area and the internal customers it supports. Competitive intelligence groups that haven't defined their role and purpose become a "jack of all trades" and can become a dumping ground for research requests that don't have a natural home elsewhere.

A key step in determining what your role should be is by evaluating your Key Intelligence Topics (KITs) through an internal needs assessment. KITs are high-level business concerns concerning external trends and influences upon which management *must take action*. Identifying KITs through dialogue with your internal customers is part of the needs assessment that should be completed prior to launching your competitive intelligence function.

If you have done a needs assessment in the past, revisit your KITs to make sure they are still relevant and reflect

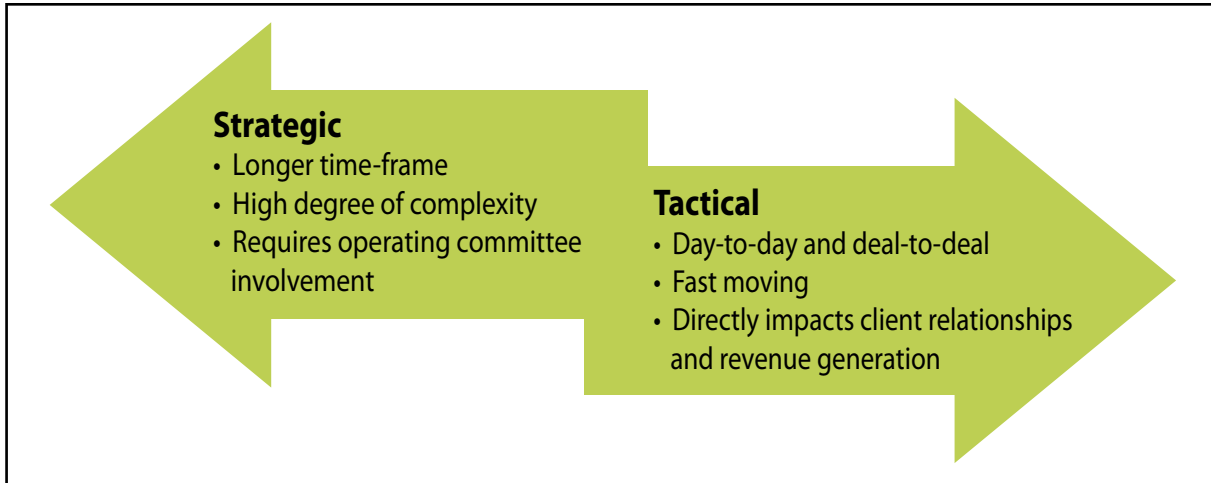
the key priorities for your internal users. Using KITs to define your scope helps you draw a clear line between project work that is decision-relevant and project work that is not.

**Key Intelligence Topic (KIT) = KITs provide direction to the competitive intelligence effort and are the lens through which the competitive intelligence team views the competitive environment.**

At least once a year solicit competitive intelligence user input in defining KITs and updating them. If your KIT definitions are more than six months old, it is worth the time to meet with executives to review which KITs are still a priority, which ones are no longer essential, and which new ones have emerged. This critical step will help you ensure that your internal customer needs are tied to specific deliverables with clear applications to decision-making.

The nature of the KITs will indicate whether your internal users needs are more tactical or strategic. It is difficult for strategic and tactical needs to be addressed by a single approach to competitive intelligence. Typically, the two sets of needs are separated organizationally and methodologically, and require different skill sets. Examine your KITs carefully to determine what type has the greatest need in your organization.

Both strategic and tactical competitive intelligence programs can deliver value to your organization. In fact, a tactical team can make a more direct contribution to business performance and results, as it is often easier to track tactical CI's contribution to revenue generation, expense reduction, or other quantifiable measures. Still, many intelligence practitioners feel that moving to a more strategic position will give their competitive intelligence function more prestige, executive presence and, ultimately, greater value.



**Figure 1. Graphic Comparison of Strategic vs. Tactical Needs**

The most important consideration is to determine whether your team is better equipped to meet the needs of a tactical or strategic CI program. Strategic intelligence usually requires a higher level of analysis and the ability to stand “toe-to-toe” with senior management to present and defend findings and debate different decision options. Newer CI teams may lack the experience, seniority or confidence to take on this role, at least initially.

Many CI professionals who are starting out may see a strategic role as a risky endeavor and possibly damaging to one’s career, especially when senior executives challenge or disagree with your judgments. The ability to work with senior intelligence consumers in this fashion, however, is a necessity for any strategically positioned intelligence program (see Ken Sawka, “Be Careful What Your Wish for” Outward Insights Newsletter, September 2010).

**STEP 2: CAREFULLY SELECT YOUR INITIAL CI PROJECT**

Now that you have an understanding of the current KITs, you need to select which KIT to move forward with first. Most intelligence groups that are ramping up again have limited resources, so it is not feasible to tackle all of your organization’s KITs at the same time. To help you narrow down your KITs, run each of them through the following filters:

- Is it within scope of your CI mandate to support either tactical or strategic needs?
- Is it external to your company?
- Does it have the potential to lead to actionable intelligence?
- Is it manageable and not too large in scope?
- Does it have a clear owner or executive champion?
- Is it not covered by other functions such as sales, regulatory, legal, etc.?

It is likely that many of the identified needs do not meet these filters. Prioritize the remaining KITs in terms of urgency or approaching deadlines. Meeting deadlines is critical and if a KIT has an unrealistic deadline, do not undertake it. Wait and take on the right project that you can positively impact by providing intelligence in a timely fashion. Delivering information after the fact, or that is more historical in nature, will not enable ‘actionable’ intelligence.

**TABLE 1: EXAMPLES OF TACTICAL AND STRATEGIC NEEDS**

<b>Tactical Needs</b> <i>(shorter-term)</i>	<b>Strategic Needs</b> <i>(longer-term)</i>
Competitor pricing strategies	Competitor long-term product launch strategy
Sales team compensation structure	Demographic trends influence on customer needs
Competitor products new features	Regulatory developments that impact market opportunities

**Tip: In order for competitive intelligence to be focused and relevant, it must be linked to important upcoming decisions or actions.**

Everything else being equal, you may need to choose between a topic with bigger impact and exposure (and, of course, risk to your team), or a smaller less impactful topic that can generate a quick win. Smaller quick wins that carry less risk are acceptable as long as they have visibility and a clear owner so that its contribution, while small, is observed by others in the company.

For teams looking to integrate competitive intelligence into higher-level and important decisions, the best option might be to take on the bigger KIT with more strategic impact. While that carries more risk if your team does not deliver, it has the potential to demonstrate competitive intelligence's strategic value to senior management from the onset, paving the way for the CI team to continue to provide value to the organization.

## CONCLUSION

Many of us in competitive intelligence have suffered the frustration of trying to get an intelligence function off the ground only to run into delays and budget concerns. When ramping back up, make sure to revisit your CI function's focus and reprioritize your internal customer needs. Taking the time to plan carefully and methodically as you either kick-off a function or ramp one back-up will serve you well in the long-term.

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