

Post-Recession Competitive Intelligence

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Everything's different. That's the message from many sectors of the economy in the aftermath of the Great Recession. Just as we are all getting used to new norms governing expected investment returns, labor markets, and consumer purchasing behavior, companies must also revisit their needs and expectations for competitive intelligence. Given the upheaval that the economy has experienced, chances are the CI strategies, approaches, and tools that have served your company well in the past are no longer up to the task.

Several factors have, I believe, taken on entirely new meanings in the post-recession economy. All of them have an impact not only on the role for competitive intelligence, but also on the very way competitive intelligence should be organized, structured, and managed. These factors include:

- *Short vs. long-term thinking.* For the past 10 years, publicly-traded companies have increasingly been managing their organization quarter-by-quarter. While this still may be true, we are seeing more companies take a longer-term view of strategic planning in an effort to spot and counter the emergence of new and unfamiliar conditions, not unlike those that led to the economic crisis in the first place.
- *Integration with other corporate functions.* The recession has accelerated the trend in which competitive intelligence and market research functions are increasingly integrated. Why? Managers have learned that functional approaches to market understanding don't work any more. It's not enough to assess customer needs, competitor strategy, or supply chain conditions in isolation. Executives need a holistic view of the external environment, requiring that CI, market research, strategic planning, and other corporate research functions work together to provide it.
- *Competitive alignments.* The recession has shaken old pecking orders of competitor alignment and position. Your company's positioning relative to competitors has undoubtedly changed as companies have declined, repositioned, exited, or entered new industries following the economic upheaval of the past

two years. Yesterday's rules for how industries are ordered don't apply any more.

- *Risk tolerance.* The recession has illustrated the risks associated with strategic inaction. As a result, many companies now are now somewhat more risk tolerant than in the past, and require less certainty before making strategic moves. Companies seem more willing to make small strategic bets on more speculative information rather than wait for near-absolute information certainty before acting -- and realizing they moved too late.

What, then, should CI providers and users do to respond to these changing factors? First, managers need to reassess the role CI plays in their organizations. Organizations can use competitive intelligence to navigate through today's market uncertainties only if CI is closely aligned with how, when, and where decisions are made and strategies developed. Companies can no longer look to CI for "research." Instead, they must integrate CI into the most strategically important decisions the company must make, and allow CI to provide warning of emerging threats and opportunities that demand a strategic response.

Second, CI must be professionalized within the organization. Whether your company has a centralized CI team, or has distributed CI skills across multiple corporate functions, practitioners need training and professional development on the latest tools and techniques. They also require a clear career development path that recruits qualified CI professionals and helps them along to the next logical progression in their career development.

And finally, post-recession CI must demonstrate a clear impact on the organization. Results should be measured, and CI practitioners informed how their insights and analysis was -- or wasn't -- used to solve important business problems and move the organization forward.

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