

SCIP UK Networking Event Series

7 Steps to Effective Competitive Intelligence with the Association of MBAs

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- 'The power of competitive intelligence (CI)'
- 'Useful CI helps to maximise the bottom line of a firm'
- 'The process of CI'
- 'Difference between CI, Business Intelligence and Knowledge Management'

This was some of the feedback from the attendees at the joint Midlands regional meeting of the Association of MBA in collaboration with Aston University's MBA Alumni, their current knowledge management course and the SCIP Networking Event Series at Aston's newly opened business school building. With content provided by AIM Strategic Management's Kevan Williams, it allowed the value of competitive intelligence to reach another business audience as well as provide the SCIP Networking Event Series to continue to reach out to another part of the UK, namely the Midlands.

Side Bar: The Association of MBAs (<http://www.mbaworld.com>)

The Association of MBAs was established in 1967 and is the advocate for the MBA. Its accreditation service is internationally recognised as the global standard for all Masters of Business Administration (MBA), Doctorates in Business Administration (DBA) and Masters in Business and Management (MBM) programmes. It accredits MBA, DBA and MBM programmes at 153 business schools in 69 countries. It also offers the only professional membership organisation for MBA graduates and students. Its membership network currently includes 9,000 members living in 88 countries.

The Association of MBAs has a network of regional committees representing the interests of members across regions of the UK. The regional committees organise a programme of MBA events including seminars, workshops and networking receptions. Continuing in this vein, the Midlands branch of the MBA Association with the Society of Competitive Intelligence Professionals' UK Networking Event Series co-hosted SCIP's 13th networking event and delivered another successful diary item for the Alumni of MBAs from Aston University's Business School, its current school of MBA students as well as the current class of knowledge management students.

Step #1 – much interchange between ‘competitor’ and ‘competitive’

The relatively new audience, just under half of it claiming a minimal understanding of C.I. were reminded that competitive intelligence in its activity, rather than name is the worlds second oldest profession. *‘Moses sent 12 men to understand the lie of the land of Canaan to see what the land is, and whether the people who dwell in it are strong or weak, whether there are few or many, and whether the cities they dwell in are camps or strongholds.’* There was much interchanging of ‘competitor intelligence’, that focused on competitors, and ‘competitive intelligence’, that focused on a broader set of dynamics, including competitors, suppliers, substitute products, new entrants as well as more importantly the force creating the most upheaval currently, the economic recession.

Even focusing on the right competitors is key. ‘Think of Parker Pens’, Kevan stated to the auditorium, ‘what business is it in?’ It’s CEO stated that Parker Pens is in the gift market rather than pens, and so its focus should not be concerning other manufacturers of pens and writing instruments, but the gift market. This focus entertains a broader set of non-traditional competitors to Parker Pens.

Step #2 – importance of CI

There has always been much debate concerning the return on investment of setting up a competitive intelligence programme within companies. Tangible benefits referenced by Kevan ranged from evaluating the company’s performance to identifying and exploiting the competition’s weaknesses and from managing risk to supporting decision making. Intangible benefits referenced included a need to foster a culture of change and a recognition that the business must continually improve.

Kevan reinforced the need to identify the difference from ‘nice to have’ and ‘need to know’, either by polling your internal customers or debriefing those with mandates to make decisions around the business to understand what ‘keeps them up at night’. Much of the US-based literature in this area focuses on ‘Key Intelligence Topics’, a framework established by Motorola’s Jan Herring to define the focus and actionability of collection, analysis and moving the issue in hand from ‘so what’ to ‘what’s next’, gaining inference from what has been collected.

Such a thread reminded me of Ben Gilad’s recent book, entitled ‘Business War Games: How Large, Small and New Companies Can Vastly Improve Their Strategies

and Outmanoeuvre the Competition’, in which he referenced one of the optimum times to undertake competitive intelligence is when new management comes into a company. A ‘war game’, a form of facilitated role play, would allow that new management team to quickly understand the extent to which the existing strategies and tactical plans would be fit for purpose without the normal personal scrutiny of 1:1 meetings with new direct reports to understand the business and the market in which it is in.

Step #3 – differences between business intelligence and knowledge management

Given the audience’s make up and its points of reference, Kevan pointed out the differences between Business Intelligence (‘mining your own data’), Knowledge Management and C.I. as captured in table 1.

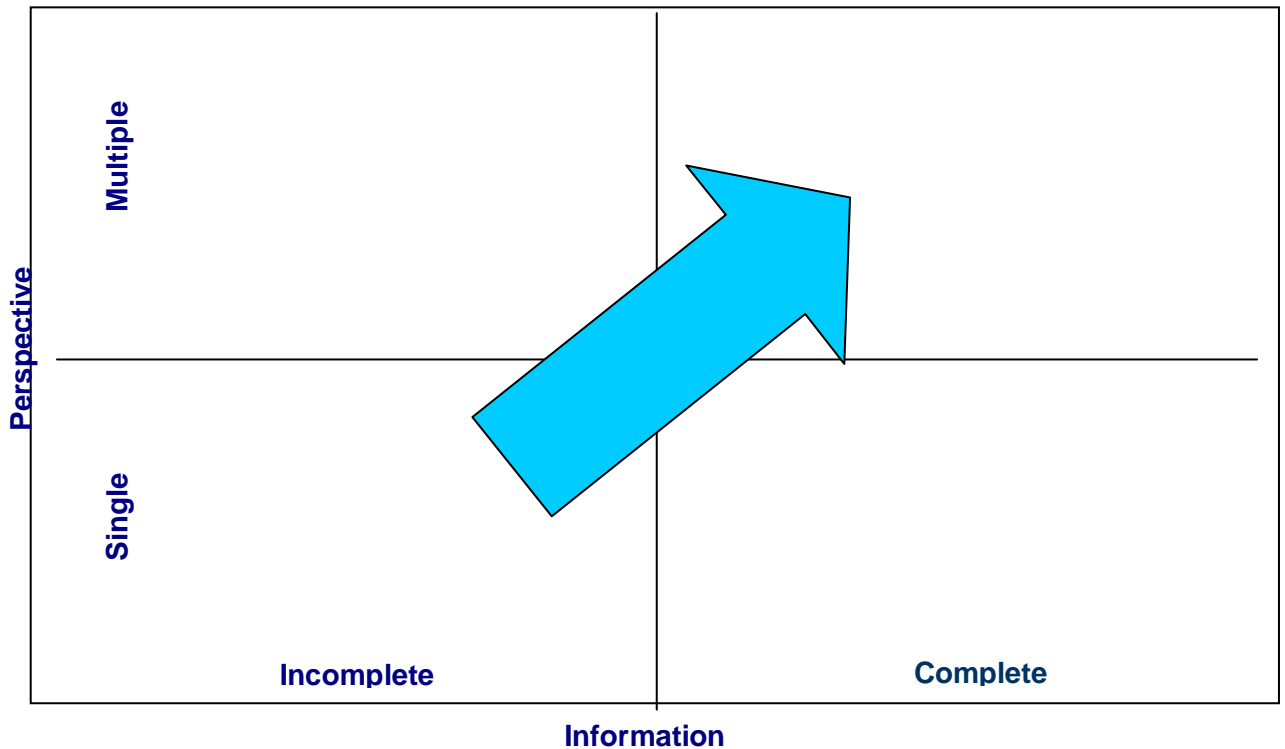
Table 1: Differences between BI and KM

	Business Intelligence	Knowledge Management	Competitive Intelligence
Business Focus	Internal	Internal	External environment
Sources of Info	Key operational data	Store of ALL data sources	Strategic and tactical
Consumers	Typically ‘dashboard’ updates for senior execs	All staff	Used by all levels of staff
Uses	To benchmark/improve internal processes	Can be so generic that people struggle to use	Wide range of insight for tactical and strategic decision making

Source: AIM Strategic Management

Kevan stated that competitive intelligence ought to be the 3rd lever, focussing on the ‘environment around which you and your customers fit’.

Figure 2: The Value of Storing and Sharing



Source: AIM Strategic Management

Other CI sources have stated that the adoption of software should only be undertaken once the process is well established and founded within the company. Kevan was quick to point out to his audience that specific management cultures he has delivered solutions to have benefited from a single, silo breaking management information system as provided by AIM Strategic Management.

Step #7 – importance of ethics

During the question and answer session after Kevan’s presentation, much of the debate focused on ethics, in particular how much can be obtained from former employees of competitors. Given the networking series’ past record in working with other professional bodies, it is no surprise that new audiences tend to focus more on the collection of the information than its ‘so what’ relevance to the issue and ‘what’s next’. Much of the response focused on the need and importance of ethics’ policies. This is an area of a successful C.I. programme that needs to be proactively addressed by practitioners. One respondent gave a graphical demonstration of how he networked around a number of contacts in a company to not only find the person he needed, but also ethically disclose his role and remit to place in context the nature of his questions.

NETWORKING SERIES

The networking series in the United Kingdom (UK) brings together practitioners from all corners of the discipline: service providers, consultants, academics, and practitioners from client side. The series aims to increase the understanding and awareness of desired themes and take the discipline to different business practices through co-hosting opportunities with other professional organisations and membership bodies, like the Association of MBAs, the Midlands' branch. The event with the MBA Association was SCIP's 13th event. Given its success, it was not an unlucky one.

About the author

Kevan Williams is the Managing Director of AIM Strategic Management Ltd, a company who focus on the provision of competitive intelligence information and the supply and development of competitive intelligence management systems. Kevan can be reached on kevan.williams@aimstrategic.com

Andrew Beurschgens is a Competitive Analysis Manager at Orange and acting Taskforce Chairman of the UK Networking Event Series with other volunteers from both the practitioner and supply side of competitive intelligence profession. He was a recent recipient of the Catalyst Award for his volunteer services to the profession. He can be reached at andrew.beurschgens@orange-ftgroup.com

Additional Reading

"Benchmark your competitive intelligence capabilities using a self diagnosis framework", Arjan Singh, Andrew Beurschgens, Competitive Intelligence Magazine, January - February 2006

"Competitive Strategy: Techniques for Analysing Industries and Competitors", Michael Porter

"Analysis without Paralysis: 10 Tools and Techniques to Make Better Strategic Decisions", Babette Bensoussan and Craig Fleisher

"Business and Competitive Analysis", Babette Bensoussan and Craig Fleisher

"Strategic and Competitive Analysis", Babette Bensoussan and Craig Fleisher

"Business War Games: How Large, Small and New Companies Can Vastly Improve Their Strategies and Outmanoeuvre the Competition", Ben Gilad and Todd Stitzer

"Starting a Competitive Intelligence Function", SCIP's Competitive Intelligence Foundation, edited by Bonnie Hohhof and Ken Sawka

"CI Ethics: Navigating the Grey Zone", SCIP's Competitive Intelligence Foundation, edited by Bonnie Hohhof and Dale Fehringer