ABSTRACT ONLY EXCEPT GRIFFITHS

Competitive Intelligence Panel Session – The Content Provider, the Researcher and the Information Manager

Brad McGrath, Trimagic Software Pty Ltd, Lindfield, NSW
Richard Griffiths, Capital Monitor Pty Ltd, Canberra, ACT
Cindy Tschernitz, Tell Me Now, Williamstown, VIC

The Competitive Intelligence Panel session will explore CI from three different angles: the content provider, the researcher and the information manager.

Richard Griffiths, Managing Director of Capital Monitor Pty Ltd, will outline the competitive intelligence market.

Cindy Tschernitz, Director of Tell Me Now, Business Information and Research, will discuss researching competitive intelligence and what distinguishes CI research from other business research.

Finally, Brad McGrath from Trimagic Software will discuss how competitive intelligence software is being utilised, and its potential.
Competitive Intelligence
Richard Griffiths
Managing Director, Capital Monitor

Introduction

The term “Competitive Intelligence” (CI) has become tediously fashionable in the last couple of years, as organisations and writers have sought to extract both fame and fortune by over-egging a cake that is mostly commonsense. Nevertheless, the mere existence of a term like CI does convey concepts that should be very useful to librarians, who are always struggling either to justify their corporate existence or to advance their careers.

Some of the literature defines CI in terms like “a process of filtering and analysing huge volumes of information”, allowing the organisation “to be pro-active and not reactive”. It has been more fulsomely defined elsewhere like this:

“Competitive Intelligence (CI) is a process – using legal and ethical means – for efficiently discovering, developing and delivering timely, relevant new knowledge about the external environment so that decision makers can effectively manage external affairs.”

and, even more impressively, as

“actionable recommendations arising from a systematic process involving planning, gathering, analyzing and disseminating information on the external environment for opportunities, or developments that have the potential to affect a company’s or country’s competitive situation”

[No, I am not making these up, but I am not going to give you the references, either, because that would probably embarrass the authors.]

Although that kind of verbiage smacks of a buzzword generator, it does suggest how we might parse the subject to understand the characteristics of CI and, from that, work out the most important thing: how it might affect you.

What’s It All About?

Let’s look, first, at what CI is supposed to achieve. Look at the name.

Competitive
We want to use CI to help us to compete. Sometimes we compete with other organisations; sometimes [Hush!] our competitors are within our own walls. There are two major points:

• competition should produce measurable results, so we should be able to measure the success of any CI operation in the principal measure that matters - $$$; and

• librarians are, traditionally, nice cooperative people, sharing resources and believing in free information for all of society, so working in CI may involve a radical change. [Some librarians may need to stop for a while and think about this.]
Intelligence

Intelligence, in this regard, is simply “organised information”. The way in which information is collected and organised, and the way it is then used, has to meet the competitive needs of your organisation.

CI is supposed to involve information about the external environment, although defining “external” can be subjective.

Logically, if you are going to run a CI organisation, you have to be in a position to know “the competitive needs of your organisation”. Do you? If you don’t, how can you find out and then stay in the loop?

Perhaps you will have to work for and report directly to the managing partner or director if you are to get CI’s results treated seriously. If you think CI should be part of some strategic planning section, why not think about running that section? The important thing is to ensure that your CI outputs lead to actions, not just more words.

What To Do?

Obviously, to run a CI operation you will need to:

a. know what external intelligence information your organisation needs to allow it to:
   (1) first: make a profit, and
   (2) second: succeed/compete/advance against its rivals;
   (Note that the word “organisation”, as used here, may mean something external - another company, institution, agency or firm – or it might mean some other tribe within your own outfit.)

b. know who to give your intelligence information to, and in what format and timescale to present it.

What Information Will You Need?

You will need to be able to deliver your information to the right person in the right form in a timely manner. This simple requirement establishes the requirements of all your information inflows and your own processing systems.

You will need feeds [that’s plural] of information to allow you to create accurate, timely intelligence. You probably won’t want the same information, in the same form, twice, although some redundancy should be built-in to guard against system failures, but you will want multiple sources of information to permit you and your recipients to confirm, correlate, extrapolate and, hopefully, predict.

You will need to receive your inputs in a timescale and format that gives you, or your CI organisation, time to perform your own processing functions. If the information comes to you so late that you can add nothing, then what you will add is more delay.

You have now defined your external costs and are starting to look at your internal requirements.

Your internal systems have to produce the right output from those inputs. This is actually very tricky.
If you are producing CI for experts, either you must be an expert in each subject yourself, or you should let your organisation’s real experts, your recipients, see all the raw data, much as they might groan.

Only an expert can assess the significance of what to you or, worse, some wet-behind-the-ears trainee, appears to be insignificant raw data. If the data is related to the subject, you have to let the expert see it; if he or she complains about the volume of information you give them, then see the section below – “Who To Give It To?”

Your job is probably not to analyse the information you receive (at least, not until you become an “expert”). Your job is to “to deliver your information to the right person in the right form in a timely manner.”

Can you, even with only your limited knowledge of the subject, attempt to point out correlation patterns? You already see all the raw information that is going from you to the real expert so correlation might be useful value to add to your CI output. Don’t, however, let your efforts obscure the importance of showing the raw data to the real experts – there may be other patterns buried in it which you and your staff cannot see.

You can now start to define the internal resources you will need. Don’t even bother to quantify them. No one is going to give you money for such a project.

You have to start to produce CI outputs with whatever resources are at hand. If you can sell them well, you will start to get resources allocated. If resources are not forthcoming, then you have to consider walking to somewhere where your skills will be appreciated.

**Who to Give It To?**

Knowing to whom to give your hard-won CI output raises a new issue: what if the person that you have to give the information to is incapable of using it properly (in your view)?

Before you even think of starting your CI organisation, reflect upon human nature. There are very few people, and even fewer organisations, that welcome new information about their external environment - in particular, new information to which they must react. The most normal reaction will be to shoot the messenger, who happens to be you. If you are still interested, read on.

As an example of using new information properly, you may have good, hard intelligence (harder than US WMD intelligence, one hopes) that a mining company is getting into all kinds of environmental trouble and is going to need a good law firm, but your firm’s environmental practice is totally incapable of marketing itself. Why waste your time?

That suggests that, as the CI Manager, you will want to have some say in staff selection processes and, indeed, the firm’s entire development processes. This may be new territory for some law librarians; demanding a say in partner selection processes might be considered a bit uppity. Certainly, no management is going to invite you in just because it seems like a good idea to try. You will have to work your way in.
First you must prove yourself. Always start with the easy jobs. Feed your information to those who you know will use it and, preferably, will acknowledge where it came from. Get runs on the board before you overtly grab power. Make sure everyone knows what good work you are doing.

Let the other managers, partners, or whatever in your organisation, start to wonder why they are not getting the same moneymaking or influence-enhancing feed of intelligence. Start to supply them only when they request you to, and then make sure you offer advice on how they might use “your” intelligence. See if they achieve results; if they don’t, then you are wasting your time and will have to resort to other measures.

You will need not just good information, but extremely good inter-personal skills and heaps of diplomacy and tact to run an effective CI operation. It doesn’t mean that you don’t knife some incompetent superior who misses good opportunities to compete, just that you must do it so that they do not notice the knife going in or, at the very least, whose fingerprints are on it!

The Literature

You will notice, if you research CI, that much of the literature discusses the subject in terms of “projects”, with finite beginnings and ends and, presumably, measurable direct rewards. That is not the nature of most librarians’ experience which, if they are successful, tends to revolve around 10 hour days and not much opportunity for holidays, year after year after year.

You will also notice that most of the literature focuses on obtaining and processing external information, on the grounds that understanding the external environment is essential if organisations are to prosper or compete successfully. While that is true, it is not the real challenge.

You will now be aware that the hardest challenges in running a CI organisation are internal – obtaining resources, getting recipients to use your outputs properly, ensuring that the firm is structured to respond to or profit from your information.

Why, you might wonder, is so much of the literature on the wrong track?

The answer appears to be human nature, or “career progression”.

People running CI outfits tend to become frustrated when their information is not used as effectively as they think it should be. In large measure, that is because of the very nature of human organisations; the bigger they are, the more likely they are to be unresponsive to external stimuli.

Even when CI managers find champions in their firm who use their outputs effectively, the relationships tend to be personal and, in particular, disappear if either moves on. For example, it would be with mixed feelings that a CI manager watched a lawyer, whose progress had been boosted by feeding all the right media information for four or five years, being offered a super job by Mr Kerry Packer.

The result of all this, therefore, seems to be frustration for even the best CI managers and many do what comes naturally – they leave the big corporate world and form their own research companies. Suddenly they are operating in a project-oriented,
contract environment – tasks with beginnings, ends and rewards – and they need pay less attention to the internal office politics of their clients when fulfilling their own contractual obligations.

Because they can make time, and because they need to market themselves, stand-alone CI organisations tend to write most of the “literature” on the subject and so, of course, the CI literature is project-related and pays little attention to office politics.

Conclusions

CI is not for sweet, cooperative, librarians.

You can set up and run a CI operation almost anywhere, with almost no resources, at least initially.

CI resources will only come with well-demonstrated success.

CI should produce enormous benefits for the firm, but much will depend on your intelligence, drive and interpersonal skills, ie office politics.

CI will also become, inevitably, very frustrating and you will probably move jobs a few times on the strength of your newly acquired reputation.

Eventually, you will probably leave the corporate scene and set up your own company.

Recommendation

If you are not frightened by the prospect, and like a challenge, start to run a CI operation. Just start.