

CI SURVIVAL: MAKING CI PAY OFF

(SCIP ONLINE NEWSLETTER – ADDED TO MINDSHIFTS NEWSLETTER FEBRUARY 2003)

For years companies have been establishing competitive intelligence (CI) units to watch their external environment and provide early warning of threats and opportunities. While establishing such units is more relevant than ever in these times of rapid change, many units are being eliminated while others aren't providing the value that had originally been hoped for. The unfortunate result is that companies have stopped watching their external environment at a time when their businesses could most benefit from the insights and early warning that true CI can provide.

Why CI Units Fail

The reason that many of these so-called CI units fail is because they were never intelligence units to begin with; they were data collecting teams. Almost anyone in an organisation can collect data. Intelligence, on the other hand, is forward-looking and decision-relevant. It provides early analysis of emerging trends so that management can begin to act before events force them to.

With good intelligence capability, executives can begin to anticipate, rather than react to, the events that are taking place in the external environment. Companies with effective intelligence capabilities say their CI units have generated millions of dollars in increased revenues or cost savings - easily offsetting the costs of running these units.

The difference between the teams that succeed and those that do not, is the ability to establish an ongoing dialogue with top management about upcoming decisions. Those CI teams who fail to establish this dialogue, often guess the decisions management is facing and deliver information that is not relevant or useful. Further, if a CI unit is buried deep within an organisation, it will never establish this type of strategic dialogue with its users - unfortunately, this is where the majority of intelligence efforts begin.

Can You Survive?

If your company has a CI unit, and if you are part of this unit, ask yourself the following:

- Does the unit deliver unique insights that can't easily be found elsewhere?
- Does the unit deliver forward-looking analysis that directly supports management decisions?
- How often does the unit deliver information that has already been published on a website or other medium?
- If the unit were eliminated tomorrow, how easily could the organisation adjust?

If your CI unit doesn't fare well against these criteria, the odds are against its long-term survival. Both management and the CI team should start taking steps to keep it alive.

Survival Tips

To survive, keep the following rules in mind:

- Ask yourself what future decisions will the CI unit support - not what kinds of information it should collect. Decision-relevance is critical to the unit's survival.
- Place the unit where it can have ready access to the decision makers that it will support.
- Staff the unit with experienced professionals who can function on a peer level with users of intelligence.
- Don't task the unit with collecting only published information or other data that can easily be found elsewhere.

Those who follow these few rules will go a long way to ensuring that their competitive intelligence unit will survive and provide tangible value and return on investment. Those who do not will be fighting the odds against the unit's long-term survival.

BABETTE BENSOUSSAN

B.Bus(UTS), MBA(Macq.)

Babette Bensoussan is a Director of The MindShifts Group, a company specialising in competitive intelligence, strategic planning and strategic marketing projects in the Australasian region. She has undertaken major studies and consulted to Australian and Global Fortune 500 companies in strategic business and marketing planning, competitive intelligence, and strategic analysis. Babette has carried out numerous intelligence and strategic projects in a wide range of industries and markets including aerospace, information technology/computers, waste services, pharmaceuticals, utilities, tourism, mining and manufacturing operations – to just name a few. She has had published numerous articles, co-authored a successful book on CI and strategy, and is an invited speaker and guest lecturer both domestically and internationally.