

INTELLIGENT COMPETITIVE INTELLIGENCE

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Much has been made of the importance of effectively using competitive intelligence in developing and implementing business plans, but many are unaware of the real power of using competitive intelligence intelligently. Intelligent competitive intelligence involves more than developing information – it's how the information is used that's important.

Most businesses develop competitive information, but it's often limited to basic information about products, served markets, maybe identification of specific customers, business financials, and pricing if it can be accurately determined. However, the truly proactive business will develop an understanding of their competitors' strategy, plans, capabilities, and more. The objective is to understand your competitors' business plans as well as you do your own. You must be prepared to predict what actions your competitors would take as a result of your actions or changes in market place dynamics. You know what tactics you will employ if something changes in the market. If your competitors are intelligently following your business, they will be positioned to adapt to changes more rapidly than you might. Always assume your competitors know your plans.

Competitive Intelligence is not an unethical or underhanded activity, but rather ethically obtaining information about the behavior and capabilities of your competitors with intelligent and unbiased analysis of what the information reveals about your competitors' strategies. If you aren't doing it, your competitors likely are.

There are many ways to develop solid competitive intelligence, but we have found the most effective methods employ resources outside your normal channels. It's very challenging to develop sound information from behind a desk. While some information may be available in the public domain, particularly with publicly traded competitors, such information can be biased, dated, or incomplete. Your front line sales force can also provide valuable intelligence, but it will be presented from a narrow perspective and must be consolidated with other information to be most valuable. Your sales force knows only what they know, and is likely not to have relationships with all potential customers. Experience has also shown your sales force may filter information to protect their key customers.



A proactive analysis of your competitors will reveal their:

- Core Competencies and capabilities
- Organizational strengths and weaknesses
- Technical strengths and weaknesses
- Critical marketing strengths and weaknesses

Once you truly understand your competitors, you will be better equipped to predict their behavior in the marketplace and be better positioned to proactively develop strategies that can exploit their weaknesses and behavior.

How to do it

Developing intelligent competitive intelligence is really a business culture. It's not a "project" or a "program of the month", but rather an inherent focus on developing this critical information on an on-going basis. Competitive Intelligence is a dynamic activity. As soon as you have information, it may have already changed. Perhaps more important that actually developing methodologies to collect important information, you need to develop the capability to centralize and analyze the information you do obtain. Key information isolated and held in the sole possession of one or two individuals will not be useful unless it's examined in context of all information you've been able to obtain. There are many sources of information you should regularly tap.

- Your own sales force
- Your customers
- Literature searches
- Consultants
- Other non-competitive suppliers to the industry you serve – an often-untapped source of valuable information
- Industry Trade Groups
- Government agencies and publications, including patents, environmental permits, etc.
- Local news media. - It's amazing how much information is available from local media where the competitor operates

It's the analysis, Stupid!



It may seem obvious, but information alone is merely information. It's what you do with it that's important. At the very least all known information about a competitor needs to be collected in some central location where it can be analyzed in total. Only after carefully reviewing what you know, can you deduce what it may mean. This can be very difficult to do without internal bias. It's often valuable to obtain neutral, unbiased assistance in this analysis step. All too often, it's easy to let your own viewpoint cloud what might be revealed.

Ideally, you should be looking at writing what you think is the competitor's business plan. If you can deduce what your competitor has planned, your own proactive business plan becomes a much more valuable weapon in the marketplace, particularly if you are able to capitalize on a key weakness of your competition. Remember, if you aren't developing Intelligent Competitive Intelligence, your competitor likely is!



About The Author



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Bob joined ChemQuest in 1999 with 27 years experience in the Adhesives, Sealants and Coatings Industry. Prior to joining ChemQuest, he served as Business Manager and New Business Development Manager of Ashland Specialty Chemical Polymers & Adhesives Division. He brings with him extensive knowledge and experience in developing high-productivity sales and marketing teams, developing business processes, market assessment, competitive analysis and business modeling. His primary strategic focus has been in catalyzing growth through internal initiatives as well as business and technology acquisition, licensing and partnerships. He holds a B.S. in Chemical Natural & Synthetic Polymer Chemistry from SUNY College of Environmental Science & Forestry. Call Bob at (614) 792-3673.

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