



FINDING THE NEEDLE IN THE HAYSTACK

By Meredith Frick-Kim

UNDERSTANDING PRIVATE COMPETITORS

When conducting research on large and public competitors one will find a deluge of information – where the trick is teasing out the insightful nuggets. In contrast, for small, private, or start-up companies it's often the opposite – just finding the basic information is the real challenge. Hopefully, the following overview will open up new resources and insights for the intelligence professional.

WAIT – YOU WANT TO KNOW WHAT?

In today's environment competitive intelligence professionals are faced with the challenge of understanding a market and multiple (sometimes tens or hundreds) of competitors or co-competitive partners. This is particularly true in very fragmented industries with many small, niche players such as technology, healthcare, publishing, and restaurants. Often, the competition is made up of many small, new, and private companies for which solid information is unavailable. In situations like these it's important to **focus on what is available versus what is not**. Personally, colleagues will rarely hear me say "there's no source for that." Instead, I try to say "here's what we do know, and this is why we can assume that."

Whether the question to is from Product Development, Marketing, Sales or Strategy, usually enough information can be found about a company in order to make an informed decision, no matter how small or obscure the company is.

STRATEGIC OR TACTICAL

According to Ben Gilad, "Competitive Intelligence is a perspective on changing market conditions."

Competitive intelligence professionals often act as internal research consultants within the organization to drive strategy in response to changing market conditions. As such, we should be depended upon to undertake each project with an unbiased view, with the purpose of delivering intelligence that is free from preconceptions and blind-spots. Subsequently, competitive and market intelligence practitioners will enable the organization to embark on a strategy with a strong chance of success.

In any given project, whether the task is strategic or tactical, there will be a determining factor on the type of research and the sources tapped.

There are many occasions where the difference is glaringly apparent. For example, clear strategic tasks impact the **future direction of the company**. Examples include research related to:

- Merger and acquisition activity
- Future-directed product development
- Market trends that may impact the company's mission

Tactical tasks include any activities that work to support current strategy:

- Specific product attributes, features and functionality
- Pricing
- Anything that helps sell more widgets
- Real-time market and competitive conditions

KNOWLEDGE PORTAL

Competitive intelligence is useless if the right people in your organization are unable to access it at the right time. A knowledge portal, shared drive, or SharePoint site is the cornerstone of a good competitive intelligence practice. It can be as primitive as a folder on a shared drive or as robust as a fully functional portal where colleagues can search through internal documents and news.

Self-service can free up the time of a competitive intelligence staff member, so that they can focus on answering critical strategic intelligence questions.

In cases where the type of task is not readily apparent, taking a consultative approach can help. Simply asking what your business colleague or line partner is trying to achieve can answer this question. With time and experience, it becomes easier to recognize which type of request it is based on, i.e. the questions you are asked.

In the current “big data” craze, it’s important not to become too short-sighted by focusing on individual data points alone. Failing to recognize that the competition is only one part of the market as a whole negates the original purpose of intelligence – helping organizations adapt and be successful.

SOURCES OF INFORMATION

INTERNET SOURCES

One of the first steps to researching a new industry is understanding the individual companies that make up the market, starting with market leaders and funneling down. Traditionally, in a large, established industry the first place to look would be securities filings – I have spent many a day poring over balance sheets and cash flow statements and many a morning catching an earnings call at the crack of dawn. While these can often produce significant insights, it’s certainly not the only way to obtain enough intelligence to make a reasonable prediction on the future direction of a company. Nor is this wealth of information available for privately held or start-up companies.

Of course, always, the first place I go when asked to research a specific company is their website. Here are some things to look for the first time you visit a competitor or partner website:

- Does it look custom or is it full of free stock photos? This is a great indicator of the company’s marketing budget.
- How much do they say about their products? Are there specifics or only generalities? This can do two things: validate your assumption about marketing dollars and determine if this is a site worth exploring further or not.
- What does the “About Us” page say? Usually, there is information about when, where and why this company originated. This is generally where you’ll find a company mission statement.
- Who’s on the executive team? If you’ve been in an industry for a while, you often see the same executives pop up time and time again...and they often have a pattern of behavior. Such as starting up a company and merging with a similar company or selling out to a large competitor.
- Anything interesting in the HTML? Scanning the page source information reveals hidden links both to and from the page and can indicate the company’s partners, customers, and suppliers.
- Which types of positions are they hiring? The number of open positions by department or location can indicate where the company is focused. For instance, a health information technology company hiring developers with expertise in a specific electronic medical record system might indicate a partnership or a large new customer coming on board.
- What’s on the “Company News” site? In most instances, the stories referenced on a site’s news page are limited to press releases – a great resource for product launches and partnership announcements. Don’t stop reading when you get to the “About Us” section, more details about the company itself and number of customers can be found there that aren’t mentioned elsewhere.

SUBSCRIPTION BASED RESOURCES

If your organization has the budget to purchase a subscription service for company information there are a few good sources available, such as Dun & Bradstreet/Hoover's, ZoomInfo, or Data.com; however, the information can be hit or miss with small or new companies.

Manta is specifically geared toward small companies and often has some good product information as well as approximate revenue and details about the executive team members. Manta is populated by company owners and employees, and so often, if the information is available it's going to typically be accurate and up to date.

In addition to standard Google alerts, a news service is a good resource for current and past information about a small company. It's also a great way to disseminate breaking news to your key stakeholders. Many small companies love to issue press releases and can tend to issue one for just about every product update, partnership, industry award, and customer win. Reputable news services include LexisNexis, BusinessWire, Thomson Reuters, and Meltwater. Most of these news services also track any social media mentions, but there are other free or subscription based options available too. A few common social media monitoring services are: Social Mention, Mention, Talk Walker, Topsy, HootSuite, or PinAlertsⁱⁱ.

DON'T UNDERESTIMATE GOOGLE AND SLIDESHARE

A good, old-fashioned Google search or alert on a company or product name can often be very revealing. Along with any news mentions, Google or another search engine will pick up blog mentions, mentions in other company press releases and mentions in industry journals or magazines. A search will also often point toward who the company's competitors are and give more information about a specific market or industry, including which industry blogs are respected and who should belong on your list of industry influencers.

Which ads show up in your search? Taking note of these will often help you compile a list of competitors to pursue, and add a piece of information to your perspective on the company's marketing strategy and budget. While the general search is good, a great trick to search for documents is to add .pdf or .ppt to the end of the search term – much of the results returned will be actual documents, white papers, presentations, proposals, price sheets, and marketing collateral. It is documents like these that will be beneficial when you get to the analysis portion of your research. Having one or two concrete pieces of information go a long way when making an assumption about the strategy or tactics of a competitor.

Add .PDF or. PPT to the end of your search term and you might just get lucky with a sales presentation, strategy deck, or even a price sheet.

Online resources are great – instantly available, often free, and easy to use. However, being completely dependent upon what's found online can lead to misleading points of view. Be aware of placing too much importance on social media comments or blog posts by non-industry experts, and always do your due diligence on the provenance of any statement on any site before citing or presenting to key management.

When possible, assign a confidence factor using colors, emoji, or numbers to tactical data points in order to provide a visual representation of the "sureness" of the data. These tables can also be called 'competitor arrays' and are ideally 'living' documents that are constantly edited and updated in a group effort between competitive intelligence, sales, and product. An example of a numerical confidence rating of competitors can be found in Table 1.

Key Industry Success Factors	Weighting	Competitor #1 rating	Competitor #1 weighted	Competitor #2 rating	Competitor #2 weighted
1 - Extensive distribution	.4	6	2.4	3	1.2
2 - Customer focus	.3	4	1.2	5	1.5
3 - Economies of scale	.2	3	.6	3	.6
4 - Product innovation	.1	7	.7	4	.4
Totals	1.0	20	4.9	15	3.7

Table 1

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HUMAN RESOURCES

Depending on the depth of information you're looking for, it might be necessary to tap into your professional network. Trade shows, professional organizations, and networking nights are terrific for gathering intelligence. If you're new to an industry, trade shows can be particularly helpful in both learning about the industry and determining who your competitors are, who their competitors are, and how they all play together. More often than not, the booth staff at your competitor or co-competitor are more than happy to talk about their company, products, and future plans. As long as you don't misrepresent yourself, it's entirely within the SCIP Code of Ethics to ask as many questions as you like. Often saying "I'm new to the industry, can you answer a few questions for me?" is all you need to get a salesperson to take you under their wing and tell you everything they know about their company and its competitors.

Remember that "About Us" page? When you find a list of company executives, founders, and board members, do a search on LinkedIn. Look to see if any of them are connected to anyone in your circle. In small industries, more often than not, you will be tangentially connected by a friend to an executive in the company you're researching. It never hurts to send your friend a note to connect. You never know, maybe they're a good friend or a former employee.

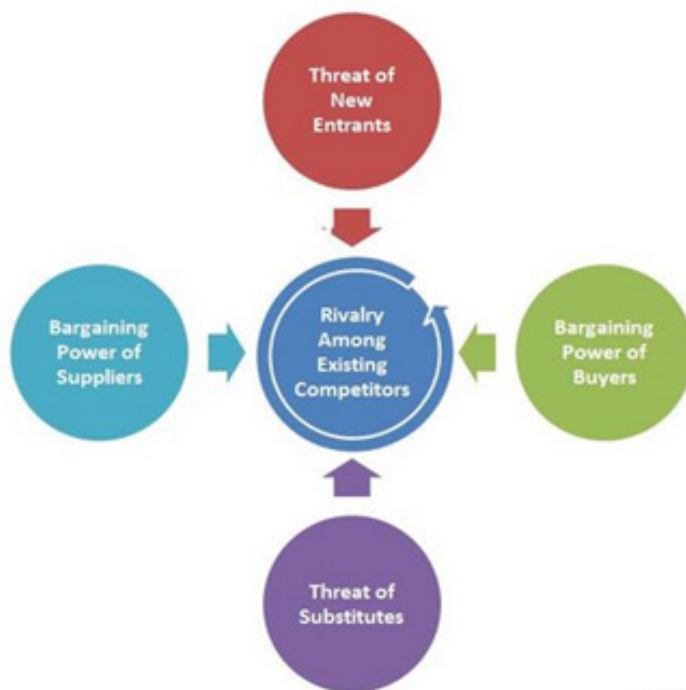


TRANSFORM TACTICAL INFORMATION INTO INTELLIGENCE

COMMON ANALYSIS FRAMEWORKS

Now that many disparate points of data have been collected, how can it be put together to form a perspective and a conclusion? If the task was purely tactical, perhaps you answered the question and the task is finished. If not, it's necessary to conduct further analysis based on the information you've found so far.

One great way is to use an analysis framework to synthesize these data points into a broader theme. The different types of analysis frameworks are too numerous to name, but Porter's Five Forces, four corners (or Political, Economical, Social and Technological factors – PEST) and the SWOT analysis are generally the most widely known and used.



Porter's Five Forces is an analysis model named after Michael E. Porter. It examines the five market forces that impact a company's success – threat of new entrants, buyer bargaining power, threat of substitutes, supplier bargaining power, and the level of rivalry that already exists in the market (Figure 1^{iv}).

Another Porter model, the Four Corners is an especially good model if you have limited concrete information but are very familiar with a company's strengths, weaknesses, and organizational culture. The Four Corners can serve as an early warning to what a competitor may do in the future by looking at what motivates a specific competitor. Figure 2^v shows the detailed steps and information needed to conduct the Four Corners.

Figure 1



Figure 2

Additionally, a SWOT analysis can shed light on how your company stands up to the competition. The SWOT is intended to examine an organization's strengths and weaknesses as compared with its external opportunities and threats. This is an excellent exercise to carry out with company sales staff and product development. Both product intelligence and 'feet on the street' knowledge is imperative to creating an objective SWOT.

The striking thing about these frameworks is that they assist the analyst in making assumptions, not always based on hard facts such as reported revenue, cash flows, pricing or product specifications. Anecdotal information, corroborated by more than a couple of internal colleagues, combined with what you've uncovered online and through your network, will give a much clearer picture of the competitive environment than facts and statistics alone. However, watch for competitive blind spots.

PRIMARY RESEARCH

An outstanding way to check for blind spots in your analysis is to compare what you've learned through your information search and analysis with what your customers say. Pulling in quotes and scores from Net Promoter Score or Customer Satisfaction surveys can test the hypothesis you've been forming as you conducted your research. Conducting a win-loss analysis can identify trends in where your product is leading or lagging, gaps in salesforce knowledge, and marketing or education opportunities.

If the competitive and market intelligence function of your organization is not already housed within the marketing department, make an effort to get to know the primary market researchers. Hopefully, your department can make suggestions on the primary research being carried out. If so, lobby to have questions about the top three competitors included along with questions about your own organization. Knowing how your customers feel about your competitors is invaluable to evaluating a competitor's market position and presence; and all of that information is helpful in comparison to your own.

For example, your organization has had a long-standing rivalry with Competitor A. According to your preliminary research you conclude Competitor A has a superior product and better growth opportunities through partnerships. However, when your vendor partner team reached out to their vendor contacts and asked if Competitor A was pursuing partnership with them, or anyone else, the research results indicated the opposite. Without the vendor partner manager's help and buy-in the analysis would have likely led to an erroneous conclusion and possibly a detrimental business decision.

Blind spots or misconceptions about competitors are extremely common. In my own career, I've seen one competitor be perceived as the biggest rival when in fact, the company was actually very small and shrinking. It was stated often by executives, product managers, and even sales, because simply their concerns were based on the amount of market noise the company was making. Once the research was complete, the analysis showed the competitor was actually a very small part of the market as a whole, less than two percent market share, in fact.

DELIVERING INTELLIGENCE

PRESENTATION TO MANAGEMENT

The presentation of the information is often glossed over, but returning a quality result every single time will be the foundation of your reputation as a competitive intelligence professional.

Make sure to include the original key intelligence questions with your analysis. Hardly a revelation, but start with small wins to develop trust and continue working to build a trusted relationship with executives – when

conducting “assumptive” competitive intelligence it’s even more essential. If they don’t trust you with solid facts, they are not going to trust that your assumptions are correct.

In a statistics or facts based company culture, it’s important to bring all the facts you have and more to back up your assumptions. This is an instance where taking a storytelling approach can help you obtain buy-in to your hypothesis.

SUMMARY

In short, competitive intelligence isn’t just data gathering. It’s gathering, synthesizing, analyzing and disseminating the findings to key intelligence questions. It’s having the back-up information for why your company should build a specific product. It’s why your company should focus on growth through acquisition, as opposed to organic growth. It’s how your company sets five year-revenue growth targets.

All these key intelligence questions and more can be answered, even in a fragmented industry, if you’re able to take what is available and extrapolate a reasonable conclusion.

Without synthesis and analysis of the millions of little facts about competitors and markets floating around, it’s just that – facts floating around. What sets a competitive intelligence professional apart is the ability to take facts, anecdotes, research results, and product information and come up with a conclusion that can answer your business question.

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Meredith has over 15 years of market research and intelligence experience in the healthcare industry, holding positions at a variety of healthcare organizations, including Alcon Labs, American Heart Association, and Health Care Service Corporation.

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