The Biggest Challenge for Competitive Intelligence

by Alan Baren

Most companies with a competitive intelligence function only have a few dedicated CI professionals or can leverage a network of people doing CI work part-time in addition to their "day jobs." So the biggest challenge for most CI organizations is what to focus on with limited resources?

Between ongoing market monitoring, competitive analysis, deal support, field networks, primary research, early warning, and war games, you simply cannot do it all. The most important thing you can do as a CI organization is *"know who you are: what's your mission and who you serve!"* And then target your initiatives and deliverables around that.

Is your primary mission tactical support for Sales; educating the sales force on the competition and providing insights for how to win against certain key competitors?

Or is it strategic; helping Corporate Strategy

understand threats and opportunities, Product Management understand competitive gaps in its roadmap, or Marketing refine its competitive messaging and channel placement.

It's definitely hard to do it all and do it well. Here are some tips for focusing your resources:

Identify your primary stakeholders. Set expectations with your Management around who your core stakeholders are and how you get measured. This is the most important thing you can do to help you prioritize activities. If Sales and Marketing is your key stakeholder, you should be focused on running a win \ loss program, helping develop battle cards and facilitating the sharing of competitive insights across the sales organization. If Product Management is your key stakeholder, you'll want to spend more time understanding the product landscape of competitors and providing insights into solution trends. If Corporate Strategy is your key stakeholder, you should be helping with the strategic assessment of your business – analyzing market trends, running war games, and helping identify where new opportunities exist.

There will always be some cross-over of activities from one area to another and some one-off requests you need to address. In general, however, its way better to focus on a few core deliverables for your key stakeholders and do those well than try to do a little bit for everyone.

Focus on your most important competitors. I took ten minutes one day and identified 330 competitors in our industry (which was 'Human Capital Management and Payroll') across different niche products and market segments. Now everyone's industry will not be as complex,

but you'll always have more competitors than you can focus on in a comprehensive way. Pick the top 8 - 10 competitors you come up against most often and focus on those. Also try to group sets of like competitors into generic categories; e.g. Midwest regional providers. You'll find same-sized competitors in the same market tend to be positioned in a fairly similar way. Positioning against one can be used against the others (to some extent).

If you ask different stakeholders in your company "who are our core competitors?" you will probably get slightly different lists. A good exercise to help you is the following: download last year's deals - both wins and losses - from your CRM system. Using a pivot table, categorize deals by competitor and look at aggregate revenue or deal size. You can then determine which competitors your sales organization was up against most, or where most of your potential revenue was won or lost from. This is the list of competitors that really matters. If 80% of your sale deals are against a certain set of competitors, this is a good short list to focus on.

Stick to your core competency; providing competitive insights. For example, when working on competitor profiles or battle cards for Sales provide them with facts about the competitor, discoveries about how they are going to market, and insights around their strengths and weaknesses. Senior sales stakeholders then need to weigh in on how they want to go-to-market against that competitor. "If competitor x is undercutting us on price or is offering training for free, what do we want our counter tactic to be in response?" There are lots of different ways to respond, and Sales or Marketing needs to drive those decisions. CI professionals can provide competitor profiles

and insights, but should then engage Sales to define go-to-market strategies against that competitor, and Marketing to craft the scripts and messaging for Sales. CI professionals can facilitate and engage other stakeholders to arrive at a finished product, but should not try to do it all themselves.

Leverage internal knowledge. Everyone in CI thinks about using primary research (information that comes directly from the source by interviewing or surveying customers or competitors directly) or secondary research (the collection and analysis of existing research, including web searches, industry studies and other sources of publicly available content). Don't forget however to leverage internal knowledge as well. Creating a field network and gathering insights from your sales and support organizations is an often underdeveloped and overlooked source of intelligence. These are the folks closest to what is going on with customers; what customers are hearing about competitors and what customers want. Spend time connecting with and gathering insights from sales, implementation and training teams and customer support. Collecting secondary research and internal knowledge can be a more affordable way to collect intelligence if you don't have the budget for extensive primary research.

Prioritize what you analyze. Be selective in where you go to collect content and what assets you spend time analyzing. On the content collection side, there is always more news, tweets, press releases, financial statements and research studies to read than there is time in the day. Be really focused on the intelligence topics you are trying to address, and identify the most effective sources to use to get that content.

For example, don't spend time reading through a press release where a competitor is receiving some industry award or recognition versus a press release focused on a product release, organization change, or change in strategy. Or, don't spend time reading a whitepaper that a competitor co-sponsored as a thought leadership piece versus analyzing third-party research providing an unbiased view of how the competitor is positioning themselves in the market. It's all about quality versus quantity.

For market news, a good place to start is the Pressroom page of your competitors' websites. Many also have an "In the News" section where they list their most important news mentions. Collecting content can also be simplified with news alert services like Google Alerts, Gagein or Owler. More robust news aggregation is also available with

tools such as CIRadar, clearCI, epam InfoNgen, Newsedge, Radian6 and FirstRain.

One of the best sources of competitive information for public companies about their strategy, market segments, new product offerings and financials are their quarterly earnings calls. You can either dial into those calls or read through their transcripts. Transcripts are available for free on SeekingAlpha. com shortly after each call. Transcripts from Investor or Technology Conferences provide another great source for learning about competitor strategies.

When purchasing research, understand what each source provides. In our industry, we have tens of industry research firms and trade associations that focus on our space (e.g. Aberdeen, APQC, ASTD, Bloomberg BNA, Brandon Hall, Conference Board, Gartner, Forrester, i4cp, IDC, Bersin by Deloitte, Everest Group, Hackett Group, HfS, Mercer, Nelson Hall, SHRM, Towers Watson and others). Some research firms are good for performing quantitative surveys and results, others for market share / sizing estimation and others for industry thought leadership.

Understand the type of research and value each source providers for your industry, and pick the top 3-4 sources to focus on. You cannot read, analyze, and afford to pay for them all!

Lastly, keep in mind that competitive intelligence is not only about competitors. As CI professionals, we can often get overly obsessed with tracking and following every move of our competitors. We do want to learn everything we can about our competitors so we can be best positioned against them, but understanding markets and customers is equally, if not more, important. Make sure the intelligence from your sales organization, win\loss program, market research, and customer experience surveys are key inputs to your analysis.

How do you balance the activities in your CI organization and determine where to spend your time and resources? Feel free to respond with comments at: http://tinyurl.com/cichallenge

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