

What's your competitor doing?

Competitive Intelligence is about knowing what your competitors are doing about their business and customers, as well as yours. They want your customers, while you want to retain yours and get theirs

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THE MOST important decisions of any company are made outside, and not inside the boardroom. Those who make these decisions are the company's customers and competitors. Most companies have lost their position and customers due to complacency and lack of competitive intelligence-based management and strategy. "Once customers leave a company, they never return. And the ones who wean away your customers is your competition," says Joseph Rodenberg, managing partner of Rodenberg Tillman & Associates. Complacency is the biggest enemy of success, he asserts.

Every company wants to retain its customer while poaching on its competitors'. In this race, intelligence on what the competition is doing becomes very important. Actionable intelligence is a need for every company out in the marketplace in a competitive environment. And for this, competitive intelligence (CI), based on hard facts, is critical.

Strategic and tactical intelligence is about knowing 'why' and 'how' the market affects you. Market

HOW TO GO ABOUT IT

- Ask agencies to give you alerts
- Gather relevant information and analyse it
- Know what you need to achieve and gather information accordingly; be pro-active
- Network and build contacts
- Don't rely on just one source of information
- The actionable information should be brief, not lengthy

data and information are available to all, but about 80 per cent of this data is unstructured. The available data may or may not be relevant to the company and left unstructured, becomes useless when it remains unprocessed. CI deals with turning data into intelligence. For, this it needs to analyse the data that is relevant to the company and arrive at actionable intelligence to shape its market strategy.

A company needs to pick up information about its customers, market movements, changes in technology and trends, know its competitors, their strategy, their aim, customer feedback and so on. About 90 per cent of all this information is available in the public domain—through media, agency services and studies conducted by various organisations periodically. Networking forms an essential part of information gathering.

"Most people who attend my mas-

ter class on CI understand the need for strategic intelligence-based management and marketing, but they keep asking, 'From where do I get the relevant information?'" says Rodenberg. CI is not a one-time or once-a-year process such as the annual strategy meetings often held by managements. It is an ongoing process of gaining and updating knowledge about what your competitor is up to. It is a disciplined way of thinking and acting. CI helps a company be pro-active and not reactive to market changes.

How conscious are Indian companies of the need and benefits of CI? "We are not very interested in creating radars," says Arindam Banerjee, professor, marketing area, IIM-Ahmedabad. "Corporates in India are myopic and short sighted. They are more interested in working at immediate goals and getting immediate returns to their investments."

Business schools in India do teach about CI, but that evaporates as students turn into executives and get busy dealing with immediate issues for the company. Also the huge market space in India, which is yet to be saturated, is making marketers and managements complacent. "Indian marketers are playing the lowest competitive denominator now," says Harish Bijoor, CEO, Harish Bijoor Consults, agreeing with Banerjee. "They don't feel the need for CI because there is room for everyone. However, in about 8-10 years, market penetration is going to be deep—leading to a 90 per cent saturation." In about 20 years, he warns, intelligence-based strategic marketing and management is the only thing that will save a company.

Ganeesh Natarajan, Nasscom Chairman and CEO of Zensar Technologies, a global software solutions firm, says that CI-based marketing and strategy are very important for survival and growth of companies across industry sectors. "Any management that does not see the need for actionable, intelligence-based management and strategy planning needs to be sacked," he says. Propagating the need for the CI-edge and facilitating Tillman & Associates' Master Class workshops in India through Rodenberg, Hetal Yagnik, senior competitive intelligence analyst, CIsolutions India, says, "Only the paranoid survive in business."

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CI DELIVERS RESULTS

Smart with CI: Shell, through its CI team, had analysed and foreseen a situation where the Middle East countries would cut/reduce crude supply. Years before it actually happened, it had anticipated this eventuality through market research. Shell devised a strategy to deal with it and years later, when the crude shortage struck, it was ready with a plan. Other companies were caught unaware and suffered dearly, giving Shell an edge over them.

The not-so-smart: Motorola, which was the global leader in mobile technology, fell to the fourth position giving up its claim to the top spot to Nokia. Nokia, the current global leader, has a 100-strong team working on competitive intelligence, analysing relevant data and forming a actionable intelligence for the company to act upon. Motorola failed to see the shift from analog to digital. It also failed to see that mobile phones are not just a means of communication but so much more.

