



- Intelligence report of the SCIP Benelux Event - 29 June 2005 -

June 8 2005 we have had a very successful SCIP Benelux event in the Golden Tulip Hotel Mastbosch in Breda. We will give you a brief explanation of the competitive intelligence practices at NuplexResins, DSM, Cisco, Belgacom and LU-Danone as presented to the attendees of this SCIP Benelux event.

Nuplex Resins is the former AkzoNobel Resins company. Introduction message of Mario van Wingerde was "How you gather, manage and use information will determine whether you win or lose". At Nuplex Resins the mission of CI is the competence to analyze the company's external environment and convert hard and soft information into knowledge about the company's own position. Intelligence is actionable information about the external business environment that could affect Nuplex Resins competitive position. Intelligence is focused at four key areas: customers, competition, markets and technologies. The intelligence function is linked with global marketing and is part of the global management team. Key success factors that made intelligence happen at Nuplex Resins are: executive sponsorship, strong focus, first organisation and than IT support, involving as much people as possible, strong project management and finally keeping it simple build on current resources & infrastructure.

Competitive Intelligence at **DSM** is organised within BIND, the business intelligence network DSM. Important introduction message of Marcel van Berkel was "If generals can't do without good intelligence, why do CEO's think they can". At DSM around 35 people are involved across the company with a masters and bachelor degree in business and/or chemical technology. The functions concern BI management, researchers and analysts. Nice part of the presentation was the market barometer in which the BI group forecasts two quarters ahead based on strong supply chain indicators.

The competitive intelligence at **Cisco** is driven by sales intelligence and is based at a CI portal with all the relevant information and intelligence about the complete global competitive arena. James Crowther explained that Cisco has a global team of 12 people dedicated to the global CI activities and is led by the director CI Team Cisco. Each team member is dedicated to one of the key competitors of Cisco. In case new competitors step into the competitive arena, the team of Cisco works fully and dedicated to find out all issues of this competitor. It confirms again the statement I have seen on Cisco's competitive intelligence before: "We spend a lot of time thinking through what is publicly communicated by competitors, working with our sales forces, our customers, with people who are funding new businesses and start-up as they emerge. That's why CI is fundamental to how we drive our business".

Belgacom is the national telecom operator in Belgium. Starting point at Belgacom has not been the traditional way from data to intelligence to action. Luc Rooms stated that the real start has been the actions management wants to take, based on an intelligence focus on markets, company position, competition and environment. Data and information gathering on the intelligence activities was second resulting in actionable intelligence. Prime target is to facilitate decision making for group strategy at strategic level and for marketing at tactical level. Belgacom opts for a decentralised CI approach to be close to the business. Internal coordination is guaranteed through a virtual committee at Belgacom. In the production of the right intelligence three levels are important: group level scope, strategic business unit level scope and the tactical business unit level scope. At the business unit scope Belgacom uses the "allaire-approach" for market definition, an portfolio approach for short – long term related to the narrow and large scope. The presentation closed with the statement: "Questions are never indiscreet. Answers sometimes are", explaining the sensitivity of the actionable intelligence at Belgacom.

At **LU-Danone Benelux**, active in the biscuits market, intelligence is a centralized capability called "market research consumer intelligence". The company is one of the few FMGCs in the Benelux with a well established intelligence function. As this becomes a strong competitive market with numerous new entries by companies like Pepsico, Kelloggs, Masterfoods, Unilever, Heinz, Nestle and others LU-Danone changed their vision into a broad market vision from a "share of market" into a "share of stomach" perspective. The consumer intelligence mission is "Increase the company's performance through better decision making, based on maximum insight in

markets, trends, competition and the trade environment". Criteria for success are: collection of the relevant information, a strong network & knowledge base, the position of the consumer intelligence function in the organisation and the dissemination which is seen as a critical success factor. Michel ten Donkelaar is director consumer intelligence and member of the management team and coordinates the global intelligence capability.

Finally Joseph Rodenberg, chairman of **SCIP Benelux**, presented his vision on the future of competitive intelligence. Companies should add to the day-to-day and short term focus of the operations defined as "economic companies" a management style such as "living companies". At "economic companies", organizations continue with competitive portfolio management at operational and tactical level where pricing strategies, outsourcing and off shoring are the key themes combined with a strong focus on corporate governance and merger & acquisitions. Aim is to produce wealth for a small group of institutions and individuals, managing for profit. The future should much more focus on sustainable and long term competitive advantages by innovation where building renewed dominating market positions, building alliances and creating virtual networks are the key themes. Than the real shift can be realized from "economic companies" to "living companies" which fulfil their potential as ongoing communities with a management style for growth and long term survival. Strategic competitive intelligence can play a key role to identify in time the discovering of social, economic and political discontinuities, finding new markets, technologies and lines of businesses and uncovering real added value and unique merger & acquisitions opportunities.

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