Developing Competitive Intelligence Capability
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A Brief History of Competitive Intelligence

The field of competitive intelligence (CI) as a distinct business discipline emerged in the 1980s with the publication of Leonard Fuld’s *Competitor Intelligence: How to Get it, How to Use it* (Wiley, 1985). The first organizational model for competitive intelligence was published by Ben Gilad and Tamar Gilad, *The Business Intelligence System* (AMACOM, 1988). In the decade following the publication of this book, CI functions appeared in large numbers of Fortune 500 firms in the United States.

Today, competitive intelligence is an established, institutionalized function in the vast majority of large firms in the U.S. and Western Europe. And although Asian firms are generally lagging behind Western companies in formalizing their CI activities, South Korean firms have been known to create some advanced CI capabilities.

Yet competitive intelligence as an activity is one of the oldest business functions. Records show that Phoenician traders gathered commercial intelligence while expanding their maritime empire in 1500 B.C. The underlying force behind formalizing and institutionalizing this process in the 20th Century has been globalization. Facing competitive pressures from new sources and the faster diffusion of both innovation and imitation, managers of private enterprises sought better support for their ability to compete effectively. Thus was born the demand for a formal CI process.

The CI process and its organizational model have gone through significant evolution over the past 30 years. The most significant and radical change has been the recognition that CI is not a technical information collection activity, but a strategic, analysis-based management tool. This evolution has been driven by technology, a motivation to justify return on investment (ROI), and certification.

First, technology has transformed both the gathering of data and the diffusion of information. Centralized collection is no longer a profitable use of a dedicated CI resource. Diffusion of information is easier via informal networks and collaborative workspace technology, as well as Web-based aggregators of information.

Second, the original deployment of dedicated CI resources, in the form of large departments with many managers and analysts, has proven hard to justify using traditional measures of ROI.¹ The nature of intelligence makes it impossible to measure its value directly. Attempts to use customer-satisfaction surveys or “output” measures were too removed from the real impact to afford a rational approach to valuing the activity.

The one ROI measure that survived relates CI to agility. Improvement in intelligence flows in the organization is positively related to improving agility. Simple steps such as mandating usage in critical decisions can be shown to affect response time and success rate in implementation. The underlying assumption for this approach to ROI is that the most significant direct value derived from an effective CI program is the ability of companies to adapt faster and earlier to changing market conditions. In a world where change can be devastatingly quick, this is an essential quality of effective management. It can also be measured using “competitiveness audit” tools.
Third, the introduction of the formal CIP™ (Competitive Intelligence Professional) certification in the late 1990s has given the profession a unified body of knowledge and credibility with employers on a global scale. From a “learn as you go” information-gathering role that required no real training, the current Competition Analyst in a Fortune company is a highly trained professional versed in analytical techniques and business strategy assessment. Keeping in mind the ultimate goal of an effective CI program is improving agility, rather than supplying more and more information, management accountants can play a direct role in creating and nurturing the process in companies where it is still largely informal, and auditing the process in companies where the process has been institutionalized but is ineffectively applied. The current model of a low-cost, high-impact CI process requires low investment and can be applied in a matter of weeks, not years.

Overview

The biggest misconception about competitive intelligence is the belief that it is information about competitors. This is a remnant from an early adoption of the military/government model, where the target of intelligence is “the enemy.” Translating this to “competitor monitoring” resulted in lower ROI to intelligence, diminishing the role of CI to tactical marketing/product information and depriving companies of the major benefit of CI as the necessary condition for enterprise agility. This Statement on Management Accounting (SMA) focuses on demystifying CI, laying out the fundamental elements of creating and sustaining a true CI capability, and driving value throughout the organization.

Figure 1 depicts the advanced concept of CI as the corporate capability underlying agility. In Figure 1, both external and internal data serve as input into the CI conversion process. Data or information (i.e., verified data) is never intelligence. This simple distinction separates effective CI capabilities from a variety of information services available to companies. The conversion—the most essential part of competitive intelligence—turns data and information into insights by using analytical frameworks that produce perspectives on both market dynamics and the firm’s relative standing vis-à-vis all markets’ high-impact players.
Agility is a necessary quality of all organizations—small and large, high tech and low tech. Therefore, the concepts, tools, techniques, and implementation steps in this SMA apply to all organizations that produce and sell a product or service in a highly competitive environment, which include large and small organizations; public and private entities; enterprises in all business sectors; all management levels; and all levels of the firm. This SMA will help management accountants and others:

- understand how competitive intelligence relates to the organization’s goals, strategies, and objectives;
- explain the benefits of implementing a CI process;
- understand the steps required to implement an effective CI program;
- understand the fundamental frameworks of a systematic, formal, and disciplined CI process;
- appreciate the organizational and managerial accounting challenges in implementing new and improved approaches to competitive intelligence; and
- broaden management awareness and obtain support for a CI effort.

### Defining Competitive Intelligence

**Competitive intelligence** is an unfortunate term. As mentioned, it has been historically linked to military intelligence, at times interpreted as corporate secrets or hard-to-obtain information and, worst of all, interpreted as focusing on competitors. A much more sophisticated understanding of the state of the art in CI today may start with changing the name.

Therefore, instead of **Competitive Intelligence Manager**, this Statement on Management Accounting (SMA) uses the title **Competition Analyst** throughout. In many organizations, the term **competitive intelligence** itself has been replaced with less conspicuous terms such as **Strategic Early Warning**, **Market Insight**, or **Strategic Assessment**. The change may seem superfluous, but it is not. It conveys the notion that competitive intelligence is about **competition**, not competitors. There is significant literature in behavioral economics about the power of the framing effect, which suggests people’s judgments change depending on how issues are framed.² Accordingly, management accountants are advised to think of CI as market insights and use terminology that will prevent misunderstanding and confusion.³
Get Rid of Myths and Misconceptions
Defining competitive intelligence correctly is a crucial first step in creating a capability. Without an understanding of the term, companies tend to assign the wrong person, define the wrong scope, and confuse intelligence with an extension of library/archiving/scooping services. Accordingly, here are some myths that must be kept in mind. Read carefully!

CI is not information, and CI “programs” do not provide information services.
Information services are provided by corporate libraries, research vendors (such as Nielsen or Gartner), Web-based aggregators of information (such as Flipboard and Scoop.it), and outsourced collectors. (Today, these are mostly offshore Indian and Philippine research centers.) The essence of information services is to avoid any alteration of the information (except packaging) and to provide answers to specific questions. The role of intelligence is to interpret information and provide management with a perspective on risks and opportunities.

CI is not about hard-to-get information. Hard-to-get information is hardly ever useful for the sake of developing a strategic perspective.

CI is not about the past or even the present. It requires a competitive culture, top management interest, and a view of competition in which anticipating change (i.e., market transition) takes high priority. The role of CI is to anticipate, not describe, and change is at the core of a CI perspective. Anything else is merely reporting.

Creating “competitor profiles” and other reporting activities has proven of no value to companies. Creating competitive databases and portals has proven to be of no real value to users. Moreover, looking individually at each competitor ignores the essence of competitive dynamics, which is the interplay between various high-impact players.

CI is not “nice to know” but “must know.” If the process is done with a bureaucratic mindset rather than focusing on perspective and insight as the only outcome, it quickly becomes an inquiry desk with no clear ROI. Experience shows that these inquiry-desk-type programs are eliminated at the first sign of a tightening budget. Some of the early large CI programs at such companies as Kodak, Pfizer, Xerox, AT&T, DuPont, and others, which failed to make this distinction, have been either severely pared down or cut out completely.

Keep in Mind These Success-Factor Principles
While there are many different ways of designing and implementing CI programs, all have common elements:

- CI programs focus on industries’ entire set of high-impact players—and every industry segment will have its own set. Practically speaking, that means a Competition Analyst is best positioned at the business-unit level, not corporate. Moreover, it is the changing nature of the interplay between the various players in the market segment that creates the company’s opportunities and risks. Therefore, the CI process focuses explicitly on change.
• Gathering data today is best done with technology and/or low-cost outsourced services. The changing nature of collection between the 1980s and today is that primary collection from human sources by intelligence managers is practically nonexistent in large firms. Secondary sources (i.e., published data) can be accessed by cost-effective methods without a Competition Analyst. Moreover, the diffusion of the information is best done using technology. There are numerous software programs available for effective sharing—and within existing channels of communication between managers in the firm.

• While individuals and/or units are formally charged with intelligence responsibilities, every organizational member can potentially be an intelligence “antenna.” The concept of a “unit” has been replaced in most companies today with “Lone Rangers” (i.e., a very small team or a single Competition Analyst in each business unit and an informal network of employees with a shared interest and access to external information). Managing this network can be one of the tasks of the Competition Analyst.

• The goal of CI programs is to enable agility, not to produce more information or answer tactical questions, which can be done with technology such as RSS and informal sharing inside the organization.

• CI programs are not industrial espionage. Competition analysis has nothing to do with obtaining secrets but with developing and sharing an objective perspective on the company’s relative positioning as markets change, helping the company to adapt and prosper.

• The Competition Analyst’s expertise stems from two factors:
  o First, he or she is the convergence point for all information on the high-impact players, including customers, end users, partners, regulators, suppliers, disruptors, and many others. The convergence is what allows for a strategic market overview.
  o Second, the Competition Analyst is a highly trained expert in understanding third-party behaviors. This expertise should be used effectively throughout the organization.

Understand the Objectives of a CI Program
Organizations need to continually keep abreast of market transitions and changes in order to adapt their strategy to the changing conditions or, in extreme cases, to change it. A capability to adapt is the idea behind agility. The goal of the Competition Analyst and the strategic early warning process he or she creates is derived from that definition.

Organizations should develop CI programs with the following deliverables in mind:
• to provide an early warning of opportunities and threats stemming from:
  1. technology changes;
  2. government policy changes;
  3. social and demographic changes; and
  4. competitive actions with the potential to upset the market dynamics.
• to ensure greater management awareness of changes among the entire set of high-impact players and the implications for the company’s relative strategic positioning;
• to ensure that the strategic planning decisions are based on relevant and timely understanding and predictions of the competitive dynamics; and
• to provide a systematic audit of the organization’s competitiveness that gives the CEO an unfiltered and unbiased assessment of the firm’s true strengths and weaknesses as well as potential blinders.

The Role of the Management Accountant in the CI Process

Competitive intelligence is a process of interpreting internal and external information for the sake of making better strategic and tactical decisions. This assumes that the use of intelligence is a fundamental source of better decisions, and that lack-of-use renders the CI process ineffective.

Research shows that lack-of-use stems from two sources:5
• The information is “nice to know” but does not provide a new insight that can change the decision.
• “Confirmatory intelligence” replaces demand for real intelligence.

Too many companies invest in improving the sophistication of the information (e.g., Big Data and Predictive Analytics) without addressing the real problem of an abundance of data but small insights.6 The result is duplicative spending on information that ends up being ignored and a problem of rising “noise” that desensitizes the managerial cadre to truly significant market signals.

Management accountants are trained to interpret information to affect management decisions and to audit internal processes for their effectiveness. In turning their attention to CI, they can bring significant value if they focus the audit on the use of intelligence in the decision processes throughout the organization, as explained in the following sections.

The “Competitiveness Audit”

In the age of the Internet, the availability of information is no longer an issue. Instead, the ratio of “noise to signals” has been affected to a degree that many managers and executives are inundated with information (noise) but are deprived of intelligence (insight). The deluge of information is an increasing problem for companies.7

The flow of competitive intelligence throughout the organization is one indication of the level of agility. As surveys show, companies are failing the agility test. This leads to serious problems with executing their strategies, adapting to changing circumstances, prioritizing strategic initiatives, exiting declining businesses, or allocating resources effectively.8 Management accountants must address the underlying reason of the demand for, the flow of, and the actual use of intelligence throughout the organization rather than relying on the easy audit of information inventory. As such, a competitiveness audit (a concept with which management accountants are familiar) can serve to promote agility across many silos.
What Should You Audit?

In guiding management decisions via control processes, management accountants have the training and experience that make them well suited to initiate a better CI capability, as long as they keep in mind the following:

- It is not about the amount of information provided (i.e., output) but the insight provided about market transition.
- More “information” is not better.
- Bottlenecks in intelligence flows affect agility in a significant way.
- The ROI on strategic early warning far exceeds the ROI on tactical information.
- The effectiveness of CI depends first and foremost on how and where it is used. From a management control perspective, this is the critical element that determines whether or not the CI process is worth the investment.

What Can a Management Accountant Do?

Management accountants may be actively involved in introducing a CI process in several ways. They can:

- identify the need for a new or improved CI process;
- educate top management and other senior managers about that need;
- develop a plan along with cross-functional team members for designing, developing, and implementing the new, improved CI practices, including their underlying architecture;
- identify the appropriate tools and techniques for conducting Strategic Early Warning and Competition Analysis;
- provide financial input, analysis, and expertise to the Competition Analyst;
- contribute to and use competitive intelligence in target costing;
- ensure that CI efforts are crossing silos (which research has identified as the number-one obstacle to agility);
- ensure the competition analysis relates to the firm’s strategy on all levels (business unit, market, product, and others); and
- continually assess the new, improved CI process and its implications for the organization, and continually improve the CI process.
The CI Process

The government concept of the intelligence process is a simple and repetitive cycle. It starts with planning the collection of information according to policymakers’ needs, analyzing it, storing it, disseminating it, and receiving feedback that starts the cycle again. In business, the process is much less systematic, much less well funded, and therefore centers typically on project work, whereby management defines particular issues for collection and analysis, and vendors do most of the actual collection work (and at times, the analysis as well).

Understanding the difference between government intelligence processes and business needs and practices is a must before an effective CI process can be designed. That stage is usually skipped, as many businesses simply attempt to benchmark “famous” companies. Yet the CI process at Microsoft or Google is very different from the one at Northrop Grumman or Procter & Gamble. Therefore, benchmarking is the least effective way to design a CI process.

There are many approaches to creating competitive intelligence. Corporate experience suggests that several elements are critical to an effective intelligence process. These include:

• separating the tactical information needs of various departments (i.e., product, marketing, service, purchasing, country management, and others) from the strategic needs of top executives. The two groups require very different sets of activities to serve effectively;
• mapping the existing flow of competitive information in the organization via the informal expert network used by managers when they need advice or competitive information for their job. The mapping aims at identifying managers who are well connected to external sources, managers who form bridges across an organization’s silos, and gaps in network connections among various areas and departments. This internal expert network can serve to satisfy all or most of the tactical needs for information (not intelligence) faster and more efficiently than a dedicated CI analyst;
• determining the essential decision junctions where the Competition Analyst must provide input to prevent losses or identify revenue opportunities early enough to take advantage of them;
• determining the crucial organizational meetings/committees/planning processes to which the Competition Analyst must get access;
• creating regular meetings between the Analyst and Management and establishing an access route for urgent meetings;
• establishing an educational mandate for all new managers and newly promoted managers to receive training in understanding and using competitive information; and
• assessing the patterns of use of intelligence by various management layers and re-evaluating the process accordingly.

Figure 2 illustrates a model of the steps of the typical CI process, and the following sections describe each step.
Step 1: Collect Data
The intelligence process encompasses collection of data/information from external and internal sources, analysis/synthesis of the data into competitive insights, and deployment of the insight at the right time and the right place to inform various decisions/plans/strategies across the organization. Bear in mind that the process is iterative, as decisions that are implemented create countermoves in the market, which then necessitate adjustments to and refinement of the original decisions, while changing market conditions (because of moves by other parties) create new opportunities and risks that may require new decisions/strategies.

The convergence point for data must include both external sources and internal sources.

**Internal Sources.** Those include published reports (known as secondary sources) and human sources (known as primary sources) inside the organization. For example, a market research report produced by the market research department must be forwarded to the Competition Analyst so that it is incorporated into his or her perspective. Surveys of competition analysts in many industries reveal a tendency of companies to “pigeon-hole” CI into competitor monitoring, which leads to missing out on the big picture. Competition involves more than competitors, and the impact of the dynamic play between all players in a market is what determines the success (or failure) of a company’s moves. While this step may mean a simple “place on the distribution list” internally, it cannot be achieved without a clear mandate from the top and active enforcement by the management accountant auditor.

In addition to tapping into all available internal reports relating to the market, a major source of success for CI analysts comes from the smart use of an internal network of managers with natural access to sources outside the company such as purchasing managers, investor relations managers, sales people, service technicians, and many others. (See more details in Step 7.)

**External Sources.** Most of modern collection in companies worldwide is based on tapping secondary (i.e., published) sources. With the explosion of the Web, the availability of secondary information is no longer an issue. Instead, it is the reduction of noise that becomes one of the most important roles of a CI process. Plenty of published information about competitors might already be gathered throughout a firm but not yet integrated.

For example, mandatory financial filings such as annual reports and Securities & Exchange
Commission filings are readily available. If a competitor has an active public information office, the company might produce a lot of material that provides useful insight. Clipping services can be utilized to glean articles appearing in the trade press. Patents and technical articles written by competitors’ staff members can signal their technical direction. Patent and citation mapping is a well-developed area in some industries (such as pharmaceuticals and high tech). Social network analysis allows companies to chart relationships of people and documents and point to hot research areas. Also, security analysts’ reports may provide third-party perspectives on a competitor’s performance, position, and likely direction. Dispersed throughout an organization, these kinds of information may tell little, however when they are compiled, integrated, and analyzed, they might present a much clearer picture.

**Primary Collection.** In some industries (such as retail), interviewing customers is a routine task, typically farmed out to specialized firms. In others, very little primary collection exists, either due to legal concerns or to the abundance of published information on the Web. The art of primary collection is all but lost.

In some geographies, however, the scarcity of reliable secondary sources may necessitate primary collection. Examples include China, Russia, Brazil, and many Eastern Asia countries, as well as some European countries like Italy and Portugal, where primary collection is still actively practiced. Care should be taken to ensure ethical and legal training to those involved in primary collection because hiring third parties doesn’t shield the company from legal liability.

On the other hand, the art of the interview should not be completely forsaken. It can be employed legally and effectively inside the company, as the Competition Analyst can schedule regular interviews with key people (known as gatekeepers) to solicit their perspective on changes in the market. Just as “management by walking around” is a popular management style, “collection by walking around” can be an extremely profitable practice. In addition, collecting information from trade shows is increasingly used by companies and, if feasible, competition analysts should travel to major shows where they can observe and talk to competitors, customers, consultants, and others. Again, any direct interaction with a potential source requires observing ethical and legal guidelines (such as no misrepresentation).

**Commissioned Research.** Instead of collecting their own data, some organizations buy information from research companies. The practice has moved in recent years to employing services offshore, especially in India and the Philippines, where English-speaking collectors compile reports for Western clients. Although offshore research companies can compile information about publicly held companies for a modest fee (e.g., $5,000-$9,000 annually), most Western research companies require a much higher investment. Some syndicated services (such as Gartner, IMS, and Nielsen) cost millions of dollars.

Most of this information is either in the public domain or regularly reported in the financial press and includes: patents filed, lawsuits, new plants or plant expansions and closings, biographical information on company executives, overall or individual product sales data, new product announcements, and more.

The danger of overreliance on vendors for external information is real and waste is rife. In many companies, the CI process has deteriorated into vendor coordination for project work.
This is neither a capability nor a perspective that serves management. Although outside research vendors can provide valuable data, they are also ignorant of what is truly relevant for Strategic Early Warning, as their knowledge of the firm’s own relative position is negligible. CI process designers must carefully weigh the necessity of vendor-generated data (and their cost) for a value-add strategic assessment. Today, the lower-cost technological solutions from aggregator sites (e.g., Flipboard.com, Northernlights.com, and many more) offer an alternative to expensive reports.

Step 2: Store Data
Since the explosion of noise in data along with the low cost of storage, companies have been storing enormous amounts of data without actually using them. And while it is important to organize competitive data so that they can be logically stored and retrieved, care should be taken not to store useless data.

One solution is to store analyses rather than the raw data. There is very little evidence that a central competitor database, or similar stored raw data repositories, has any value to managers. Sorting analyses allows for hierarchical storage from industry analysis down to specific third-party analysis. Storing industry-level analysis facilitates updates to industry dynamics as players make moves and change drivers shift power among the various players. It is also possible to buy software tools that facilitate storage by analytical categories (more on analytical frameworks used in intelligence later on).

The next level of data in the CI system usually relates to the specific high-impact players that are being tracked. The intent is to develop a comprehensive profile of the particular player for purposes of predictions. Again, the purpose of using an analytical framework for storing analyses rather than data is to cut down on noise.

It is critical that organizations do not spend all of their time gathering data about current players. The idea of market transition is changing the power balance between existing players and new entrants as well as the appearance of disruptive models from substitutes (e.g., Uber for the taxi industry, Amazon for traditional data storage, etc.) and the emergence of new consumers. Tracking change drivers is therefore more critical than simply gathering and storing huge amount of useless data. The categories of change drivers that are most critical are technology, government, social/demographic trends, and competitive action.

Step 3: Form an Intelligence Perspective
A common theme of popular articles on competitive intelligence is the idea of producing actionable intelligence. Although it is true that agility means action (proactive or reactive) to adapt strategy to changing market conditions, the CI process should not be judged on the action produced (or not). Action is the prerogative of management. The role of intelligence is to shape and influence (strategic) thinking via dialogue with management. It is impossible to overestimate the value of a dialogue between the Competition Analyst and the management team (and project teams). Management may decide to postpone action, or it may decide to ignore the intelligence. In either case, the fact that the intelligence did not result in action has little to do with its intrinsic value.
The focus on actionable intelligence is based on a military model by which an enemy’s threats must be met with immediate action. It is true that some form of information (e.g., tactical marketing information) may result in immediate action at the product or service level. This, however, is typically driven by the internal network exchanging “news” and “alerts” that afford quicker information flows. Most valuable CI contributions are in the strategic realm, where adaption to changes and proactive moves in anticipation of market transition take time and significant investment. And mistakes—like being late to move to exploit an opportunity or reacting inadequately to threats—may spell serious consequences for the company. Like any other economic activity, the CI activity and a dedicated resource must be deployed where its potential ROI is the highest.

Forming intelligence means creating a competitive insight or perspective on the market that reveals possible risks and potential opportunities. This is the heart of the CI process. Developing tools for creating this perspective takes highest priority. Some seasoned managers can derive insights by drawing on experience, and surveys show that intimate knowledge of the industry is a must if the CI analyst is to have an impact on management decisions. That said, experience alone is not sufficient. The competition analyst’s toolbox must include rigorous analytical frameworks that have proven invaluable in the real world of competition analysis.

There are hundreds of techniques that can be used to analyze business. The vast majority of them are MBA techniques taught in business schools and hardly ever used by any real-world CI analysts (or other managers). Despite popular belief, an MBA is not at all a prerequisite to become a Competition Analyst.

The intelligence perspective is not a technique. It’s an interpretation of changes and transitions in the power play between all major high-impact players in any given market. To develop the perspective on the interplay (known as competitive dynamics), the two most important requirements are industry experience and understanding industry evolution.

*Industry experience* is the intimate knowledge one acquires while working in an industry. There are roles and tasks that give the manager more exposure to the industry, but there is no hard and fast rule what background is superior. Brilliant Competition Analysts come from a myriad of former jobs: in marketing, business development, science and technology, product management, and others.

While intimate familiarity with the working of an industry is a must, it is not sufficient to develop a strategic perspective. For that, one must immerse oneself in the theory and application of industry evolution. The most successful framework in this area is Michael Porter’s Five Forces Model. It is hard to oversell the usefulness of this framework. Hundreds of articles and news reports have appeared on the subject since its original publication in 1980: for example, in 2012, *Fortune* magazine said, “He has influenced more executives—and more nations—than any other business professor on earth.” And although many academic and consulting firms tried to offer alternatives to Porter’s simple framework, none lasted beyond a few years of “fad.”
Analyzing industry evolution. Porter’s model describes the interplay between five forces (i.e., high-impact players), which together determine the profitability of any industry anywhere. The five forces are: suppliers and the supply chain; buyers and the demand chain, which includes distributors, customers, and the end user, if different; potential new entrants into the industry; disruptors (substitutes) of the industry’s value chain; and rivals—the whole set of the current incumbents in the industry and the rules they play by.

The five forces have immediate and powerful effect on average profitability. For example, Intel and Microsoft siphoned most of the profits from computer makers during the explosive growth of the PC industry, leaving the average return for the biggest computer makers (IBM, Compaq, HP, Acer, Sony, Toshiba, and others) in the low single digits. The result has been an exodus of companies. Compaq sold itself to IBM. IBM then sold its business to Lenovo, the Chinese manufacturer. HP tried to exit due to low profitability but failed. Sony and Toshiba are all but gone, and so on. But this effect of suppliers’ power also highlights the role of strategy. While the big players struggled mightily to make money in an industry controlled by “Wintel,” a small player (Dell) used a different strategy than the other manufacturers and became the largest PC maker and the most profitable one for two decades. Thus, industry structure can determine average profitability, but a smart strategy pushes back on the pressures to yield profits.

In different industries, the balance of power will be different, and therefore successful strategies will be different. In addition, growing industries, mature industries, and declining industries offer different perspectives on the interplay of the major forces. For example, declining industries are almost always declining due to the emergence of strong disruptors (i.e., substitutes). Mature industries almost always have relatively price-sensitive buyers looking for cheaper offerings (not necessarily substitutes). Thus, in the pharmaceutical industry, the strongest effect on profit comes from the government’s purchasing power and the government’s promotion of generic drugs.

Some critiques suggest Porter’s model ignores other pressures on profits from external forces such as macroeconomic conditions, government and political risks (e.g., wars, cyberattacks, and terrorism), physical conditions (such as climate change), social movements (i.e., activism), and other factors. This is a basic misunderstanding of Porter’s model. Porter doesn’t deny the potential influence of macro events. Instead, he points out that any macro event will have to first influence one or more of the five forces (the HIPs), before it can affect the industry. Thus scanning the environment for potential influences on the industry, and by implication, the company’s strategy—a field sometime known as “environmental scanning”—is a necessary part of using Porter’s model for the foundation of the CI process.

Whereas Porter’s model is static—a “picture” of the balance of power in an industry (or a market, or a segment) at any moment in time—the most important aspect of the model is its framing of the evolution of industries. Any change in the balance of power is an “earthquake,” so to speak. Clayton Christiansen describes one aspect of this evolution—the devastating results of disruptors on the profitability and survival of existing industries. Other changes—such as rising price sensitivity, price wars, and lowering of the barriers to entry—spell huge
consequences to incumbents. It is therefore clear that anticipating industry evolution is the number-one role and responsibility (and value) of the CI perspective.

To anticipate transitions in industry structure, the Competition Analyst must track four major change drivers:

1. **Technology changes** can be in the form of disruption but also in the form of new technology used by rivals, suppliers, or even a buyer. For example, the Internet raised the bargaining power of buyers more than anything else. In some industries, like music, this effect meant the end of many record companies.

2. **Government** has had an enormous, often destructive, influence on the profitability of industries. Government regulation, government corruption in some countries, and government antitrust initiatives can completely change the structure of power in an industry. Anticipating political developments is hard, but it is a necessary part of the CI perspective. Understanding the unintended consequences of government policies (especially so-called “progressive” policies) is a must for an analyst attempting to predict market changes.

3. **Social and demographic changes** are the slowest but probably the most powerful in their effect on the prosperity of firms especially in consumer markets. For example, the effect of aging on the food industry can’t be underestimated. Companies go bankrupt when their consumers change and they don’t. For example, IBC was once the largest bakery in the U.S. and the maker of Hostess, but it failed to adapt to changes in consumption of fat and flour and went bankrupt in 2004.

4. Finally, some **competitive action** is a change driver—although most are not. For example, the entry of Microsoft into the handheld organizer market doomed Palm Pilot, as Microsoft’s business model was very different from Palm Pilot’s.

Monitoring industry change drivers, anticipating evolutionary direction, and spotting opportunities and threats emanating from these changes is an art. While analytical techniques and Big Data allow for some searches for patterns in existing and emerging behaviors (mostly consumers), and market research digs deep into the nature of existing demand, the basic ability to see change is a talent. It evolves with experience, practicing the framework for a while, and learning to filter noise using it. That is why a brilliant Competition Analyst is worth his or her weight in gold. Companies that regard the CI process as a bureaucratic shuffling of reports that can be carried out by a junior information “specialist” completely miss out on this most crucial benefit from CI.

**Third-Party Analysis.** Although industry evolution analysis is the most important task for the Competition Analyst, and one that should occupy most of his or her time, the need to provide individual executives with ad hoc support tailored to their priorities requires that the Competition Analyst become “the” corporate expert on third parties, i.e., high-impact players. There are several analytical tools that allow the analyst to dig deeper into the behavior of third parties, and the most effective one is Porter’s 4-corner model. The 4-corner model is a behavioral-economic model that combines the economics of industries with the idiosyncratic characteristics of the company under analysis.
The underlying assumption in a behavioral economic model is that economic decisions are affected by psychological, sociological, political, historical, and other factors deviating from a pure “optimization” behavior. In a free market, unimpared by excessive government intervention, economic forces will eliminate irrational decisions quite quickly, leaving only the rational, most efficient companies as winners. Yet free markets are rare. Companies are protected by barriers erected by governments, and “crony capitalism” is a reality in many countries. Under these conditions, political factors that have little to do with economics can come into play in analyzing a firm’s behavior and, most importantly, predict its moves. For example, while the price of oil plunged in 2014, the behavior of national oil companies showed no signs of rational economic calculations. Instead, deep government pockets, political goals, and national interest trumped short-term economics.

These caveats should not suggest that economic forces are powerless. At the end, economics always prevails. Countries go bankrupt (for example, Argentina), companies lose their competitiveness to lower-cost competitors (for example, the U.S. and Europe to China), and markets penalize inefficiencies. In the short run, however, behavioral considerations are most useful in predicting behavior.

Behavioral economics works not only on a macroeconomic level but on an individual level as well. Thus, factors such as the history of a company, the background of an executive, and a set of ingrained beliefs (“blind spots”) can cause a company to behave in a way that doesn’t look optimal. Many acquisitions conform to this model, as they are initiated for ego, power, fear, and other noneconomic reasons. The failure rate of acquisitions is very high (some estimates put it at 75%) due to these noneconomic considerations.

Porter’s 4-corner model incorporates all these elements and more. It looks at the obvious—strategy and capabilities—and then proceeds to look at the less-obvious predictors of behavior—i.e., drivers and assumptions. Even when looking at the obvious, Porter’s allows the Competition Analyst the flexibility of digging deep or staying at the highest strategic level: one can go down to the product level or stay at the business-unit level. When it comes to the behavioral side, Porter encourages the analyst to factor in such issues as constraints from a parent company (such as financial dictates), as well as executive personalities, culture, and history.

The most illuminating category in the 4-corner model is management assumptions. Here, the analyst must dig as deeply as needed to develop an appreciation for the mindset of the management of the third party he or she is analyzing. This is more art than science but, if done well, this is a pinnacle of expertise. Few analysts reach this level, but those who do are well-compensated “stars.”

The value of “thinking like a competitor” or “thinking like the customer” can be easily seen from intelligence failures. Almost invariably, the most infamous failures—9/11, the Yom Kippur War, and ISIL—stem from the inability to understand the mindset of groups that were either very different or meticulously secretive about their thinking. At times, the failure is that of the decision makers (President Obama in the case of ISIL, President Clinton in the case of Al Qaeda) and not the intelligence community. Other times, like the 9/11 and Yom Kippur War, the intelligence community itself failed to correctly assess the clues to an impeding event.
In business, failure to understand the mentality and thinking of the Saudi government led to failure to predict the collapse of oil prices. Failure to understand Chinese consumer and government officials’ mindset has led to many Western firms (such as Tesco, Panasonic, Best Buy, Home Depot, and scores of other companies) losing a lot of money in China. That will only worsen in coming years, as Western firms fail to understand the overriding interest of Chinese officials in reducing foreign companies’ influence in the market. Delusions are powerful when it comes to emerging markets.

**Blind Spot Analysis.** The ability to recognize delusions (or blind spots) is a critical intelligence tool and a potential liability. It enables the analyst to forecast failure of products and start-ups, failure to exit markets on time (and therefore to suffer the sunk cost bias), failure to estimate difficulties of merging cultures in acquisitions, and so on. Naturally, the ability to spot wrong assumptions (causing the blind spots) is not easily acquired, but time, experience, and immersion in strategy literature can give an analyst a glimpse of what can cause strategy failure.

A critical mind is a must. Identifying management blind spots in one’s own company can be the most valuable contribution of an analyst, although research suggests it is almost impossible for a subordinate to convince top management it is wrong. Some techniques used to overcome resistance to a different perspective (such as instituting a devil’s advocate process, encouraging disagreements, deploying war games, and expanding the circle of trusted advisors) require management to actively watch out for the possibility of developing blind spots.13 Still, the reality is that when top executives develop deep beliefs, only a crisis and change of management can save the company. Regardless of the Competition Analyst’s level of expertise in assessing blind spots, the CI process reaches its limit in such cases.

**Step 4: Apply the CI Perspective**

Communicating the competitive intelligence perspective on market changes closes the loop between those who collect and analyze competitive information and those who use it to make decisions. This is typically the weakest link in the process.

Management accountants who elect to create and lead the process as their company’s Chief Risk Officers or who audit an existing process as part of their responsibilities for planning and control of cost, should be aware of the mistakes made by earlier CI efforts that resulted in either lower ROI or a complete elimination of the dedicated resources. Chief among these mistakes has been confusion between distribution and application. Below are some lessons one should heed:

- Competitive intelligence is not distributed. Information, data, and purchased reports can be distributed, but competitive intelligence must be applied. Understanding this difference is a major distinction between successful CI programs and unsuccessful ones.
- A bureaucratic mindset looks at competitive intelligence as just more information and focuses on distribution via internal portals, competitive newsletters, competitor profiles, and other mechanisms. Experience shows these activities generate very low return, though they are a favorite of the “busy work” mentality in some large corporations.
• Starting from the realization that the value of intelligence depends solely on its use, CI products (the CI perspective) should be deployed in three parallel streams, with focus on ensuring use, not distribution:
  1. The Strategic Early Warning (SEW) deployment;
  2. Individual decision support for the executive team; and
  3. Continuous input into strategic projects and, if feasible, mandatory review of final recommendations.
These three streams are described in the next sections.

**The Strategic Early Warning (SEW) Process.** The main role of the CI process is to provide anticipatory capability about market changes and transitions. That process known as Strategic Early Warning\(^4\) should be the first priority for the Competition Analyst and his or her boss.

Strategic Early Warning takes two forms:

• Regular briefings of top management (and the board); and
• Irregular briefing of a small leadership team based on urgent developments.

In both forms, the focus of the briefing should be on strategic risks and opportunities, not on data or reporting. Back-up information can be distributed in advanced, but the briefing is always face-to-face. It is the responsibility of the Competition Analyst’s boss (the Chief Risk Officer) to ensure access and time on top management’s calendars.

**The Individual Executive’s Support.** Occasionally, the CEO, R&D head, Marketing VP, CFO, or other top executive requires support for individual tasks. Examples include: briefing a CEO before meeting an acquisition target’s CEO or major customer’s CEO; supplying an R&D head with an in-depth brief on the progress of product development activity in rival firms as well as overall mapping of innovation activity in a segment; and answering other specific questions from the top team. At times, this will require the deployment of a collection project, preferably paid through the executive’s budget not the CI process budget. The unique expertise of the Competition Analyst ensures that the right questions are asked, the project is kept small and manageable as well as ethical and legal. The Competition Analyst then incorporates the answer within the overall evolving competitive intelligence perspective, allowing for this vital “big-picture” perspective to influence the executive’s thinking.

**Project Review.** The bulk of CI work relates to projects within the company. The nature of business dictates that companies invest significant resources in various strategic initiatives (projects). The higher the stakes, the more urgent it is to ensure intelligence is used in forming recommendations and in implementing the initiative. There are several steps that proved useful in advanced CI processes:

• Securing access of the Competition Analyst to the meetings of project teams. The purpose of the analyst’s presence is to provide input but also to be familiar with the progress of the project.
• Requiring a mandatory review of the project’s recommendations and a sign-off from the Competition Analyst (or the Chief Risk Officer) before it is executed. The higher the stakes, the more essential this application of intelligence is. This has been found to be the single most effective step in improving decisions.
• Setting up an early warning monitoring of the project’s implementation and updating the project team or the lead executive in the need to make adjustments.

Step 5: Provide Input into the Strategic Planning Process

Strategic planning is an integrative activity that is seemingly and intuitively beneficial, but strategic planning roles have gone out of favor in many companies. The reason is similar to why some CI departments have been eliminated: a bureaucratic (“busy work”) substitution for substance and value.

Forming and changing strategy is done by the top team, not the strategic planning department. The role of that function has deteriorated over the decades into coordinating deadlines for business units’ plans and providing standardized templates. Many strategic plans are long-winded documents that sit on shelves and are hardly ever implemented. That is not enough to justify the strategic planners’ budget and, as a result, many departments have gone out of business.

The strategic planning process is dynamic and driven by changes in the market and the rise of opportunities and risks. While a statement of strategy and vision can be a powerful tool in securing alignment, alignment is not an issue for most managers. The true problem is agility: the ability to adapt to changes quickly enough and early enough to make a difference.

In companies where a strategic planning department or a strategy executive still exists, their relationship to the CI process should be intuitively clear and easy. The reality is not that simple. The two processes must be tightly integrated, and that is often not the case. In many companies, competitive intelligence reports into marketing and has little role in strategy formation.

In smaller organizations, the Competition Analyst can replace the role of the strategic planner. In providing strategic perspective to the management team, strategy is examined and revised by that team in real-time without the need for a bureaucratic process and a lot of document shuffling. In larger organizations, the input of the CI perspective into strategic plans is best carried out via war games.

Step 6: Integrate War Games into the CI Process

The most effective tool of using intelligence is known as “war gaming” a plan. The application of war games at the company, brand, and country level has achieved great popularity in the last decade and has been proven to be an enormously cost-effective tool. A war game is a misnomer, but it conveys the idea quickly: a strategy workshop in which role-playing third parties (e.g., competitors, major accounts, regulators, and other parties) enable a reality check on plans and a stress test of strategic options.

War games can be deployed before executives make investment decisions, as part of an executive retreat or at a level of product and countries. War games are effective if they are carried out before the final commitments are made and while there is room to improve the plan. War games come in many forms, but the most effective ones are based on CI briefs that lead participants to make accurate assessments and predictions of third parties’ future moves.

By providing management with stress tests for its plans, ideas, and strategic alternatives, CI-based war games have shown remarkable ROI, compared with other methods.
Step 7: Nurture a Community of Practice

The old CI model called for feedback from users as to the quality and amount of intelligence received. Experience showed this feedback (basically a customer-satisfaction survey) has little real value. Although individual users may be happy to get intelligence at no cost to them, once a “CI as Paid Service” was instituted, demand dried up extremely quickly. Most companies that tried a charge-back method moved back to centrally funded CI.

The dismal record of charge-back models for CI suggests that to ensure value, the focus should move from the supply of intelligence to demand for intelligence. This is a radical change in thinking that has taken root in the past five years or so. It requires education, cultural shifts, and other long-term endeavors, but its immediate implication is that tactical information needs cannot and should not be met with an expensive dedicated CI resource (i.e., an analyst).

Taking a rational economic approach to intelligence rather than the vague “feedback and satisfaction” approach means that a smart use of available competitive information is the right way to go. That implies the following:

First, as much as possible, tactical information needs at the product level should be met by technology (e.g., aggregators, RSS, clipping services, and other low-cost alternatives). The role of the executive in charge of the CI process is to ensure users (such as product managers, brand directors, marketing managers, technology managers, and others who are in need of tactical competitive information but can’t pay for it) are trained in using technology to do their own searches and gather their own information. Often, that means defining their sphere of interest and tailoring an aggregator service to deliver news against those categories.

Second, in every company, every manager has an informal network of people he or she turns to when in need of expert advice. This network, also called Community of Practice (CoP) or Community of Collaboration, can be used to move competitive information across the organization. There are many books and articles today on the effective use of CoP that can be consulted on by the Competition Analyst or the Chief Risk Officer and then applied to CI flows. Companies well-known for using CoP effectively for CI include Ericsson, Royal Dutch Shell, and Northrop Grumman.
Practical Tips and Lessons

Creating a CI program shouldn’t take considerable effort, time, or money. An effective process can be implemented in a matter of weeks. This is especially true for small and medium-size companies. Below are several tips for the designer of this process to ensure smooth implementation.

1. Have patience
While the process can be up and running very quickly, it takes time for the Competition Analyst to develop his or her deep expertise and intuition about important high-impact players in the market. It helps if the analyst is trained in seeing the big picture and using the analytical frameworks described in the previous section. A recent survey of corporate analysts by the FGH-Academy of CI reveals that Porter’s frameworks are the most useful tools for their analysis. But management must have patience before the insights are “on the mark.” An honest and open dialogue between management and the CI analyst is the foremost critical aspect of enabling competitive insights.

2. Think economically
Many companies are familiar with demand analysis that looks at which customers are providing most of the profits and eliminates customers that are unprofitable to serve. A similar rationale should operate behind deploying an expensive professional resource. Competition analysts should not push information en-masse and should not serve as an inquiry desk for all levels of management.

   If you are auditing an existing process, ask: “Where is the valued demand?” and “Who is a profitable customer for intelligence?” The answer is easier to come by than one might think: the value of CI is always a reflection of the economic importance of the underlying initiative/decision that requires it.

3. Understand that defining priorities is not easy and that access and real-time feedback are everything
The government model relies heavily on the concept of Key Intelligence Topics (KIT), which emanates from the hierarchical, centralized military paradigm where intelligence is a systematic, resource-rich, and product-oriented process with no business constraints. Using KIT, the intelligence professional is supposed to begin a new CI program by interviewing senior managers to understand their expressed needs and plan his or her work around those. In business, however, KIT interviews often resulted in little or no insight, or worse, executives asking for “everything.” Although their interests and concerns are constantly changing, executives hardly ever take the time to share their changing priorities with a Competition Analyst.

   My suggestion is for the overseer of the process to ensure the shortest feasible communication channel between the analyst and decision makers and to keep the filtering layers to a minimum. Designing real-time feedback mechanisms is a second critical aspect of successful CI efforts.
4. Use judgment in selecting a candidate for the job
Perhaps the costliest error among companies that fumbled their CI process has been the confusion between information professionals and competition analyst. The selection of the competitive intelligence analyst should be based on an ability to see the big picture (strategic thinking) and not on ability to search for information. Information professionals (librarians, data scientists, search experts, etc.) are not intelligence analysts.

- It should be clear that not everyone can, or should, be an intelligence analyst. The following is a short list of requirements for the new role based on analyzing data accumulated at the Academy regarding the success (or lack thereof) of its alumni. Critical skills include understanding of the principles of strategy, scenario development, war gaming, analytical techniques, and communicating to management. Less critical are collection skills.
- Intimate knowledge with the industry is a must.
- Although an MBA is not necessary, some financial literacy is mandatory, since almost all senior users see the world through Excel-colored lenses.
- Curiosity is the basic personality trait of each and every bright analyst out there.

5. Educate the user
Management research and surveys suggest that most executives do not feel they need intelligence. They often confuse it with competitor minutiae that have no effect on their decisions. Therefore, it is critical to convince the entire top team to regard the Competition Analyst as a provider of market insights, not data, and not competitor information. Once a process is defined and management signs on to it, educating the users about intelligence is crucial for the maintenance of a capability. Some basic training in understanding the nature and value of intelligence can go a long way toward ensuring users actually use intelligence to improve their decisions.
Organizational and Management Accounting Challenges

For many firms, designing and implementing a CI process represents a major shift in focus. The organization must move from emphasizing historical, financial, internally oriented information toward a perspective that is sometimes qualitative and judgmental and is an externally oriented view that emphasizes market forces and competition as important determinants of organizational success. Even organizations that already consider themselves to be market focused are typically just “customer focused” and neglect the integrated look at competition as a whole.

Creating and implementing such a cultural shift must start with top management and must be reinforced continually by those managers. Rather than asking for “lip service” messages about how “competition is important,” the real test of management competitiveness is its demand for intelligence. When management asks for intelligence briefs, welcomes Strategic Early Warning presentations into all important executive meetings, and keeps the Competition Analyst as part of all strategic discussions, the organization becomes competitive. In other words, with intelligence, the test is “Do as I do, not just as I say.”

With misconceptions about what competitive intelligence is (or isn’t), gaining and sustaining the support and involvement of top management is an extremely important, and often difficult, first step. Remembering that real demand (use) is more important than slogans can help focus the effort on the right support.

The challenge for management accountants is to apply their capabilities to important new areas such as competitive intelligence. Management accountants are trained and skilled in data gathering, analysis, and presentation. Traditionally, they have applied most of these skills to internal, historical financial accounting and to managerial decision making based largely on cost analysis. Increasingly, however, management accountants must become involved in new areas of analysis and control. Competitive intelligence presents an opportunity for them but also a challenge.

The rationale behind making the management accountant a process designer or process evaluator is that enterprises today recognize the need for strategic risk management. In many organizations, the Treasurer or Controller assumes these responsibilities without actually understanding the meaning of “strategic” risk. Instead, they confine the process to examining financial risks. The area of Strategic Early Warning and Market Insights offer Management Accountants a new direction to expand their reach, influence, and expertise. In small- and medium-size companies, there is no one else who can do this task.
Conclusion

The number one capability behind successful implementation of strategies is agility: the ability to adapt strategy to changing market conditions. Organizations that do not adapt die. The number-one capability behind staying relevant is the ability to anticipate market shifts early enough to make a proactive move. Both organizational “musts” require the development of a first-class CI process that is not a mere information-pushing operation. John Chambers, the iconic CEO of Cisco for more than 20 years (until his retirement in 2015), said: “Our success at Cisco has been defined by how we anticipate, capture, and lead through market transitions.” Any executive who ignores these words is doomed to become one whose tenure is shorter than he or she hopes.

The first step to ensure superior anticipation of market transitions is to design, nurture, and promote a true intelligence process. The most important factor distinguishing effective intelligence (anticipatory) capabilities from failing ones is the company’s understanding of the difference between “busy work” bureaucratic information activities and an insight-driven strategic perspective that helps management stay one step ahead.
Appendix A: The CI Motivation Test (CIMT)

The motivation behind setting up a CI program is often a good indicator of the future of that program, its cost, and its effectiveness. The questions below should guide the reader in deciding whether or not embarking on an initiative to create a CI program is worth the time and effort. It is called the CI Motivation Test (CIMT).

1. **Is the impetus to create a CI program related to the idea of creating a centralized “competitor information” repository that will be used by every manager to increase his or her knowledge of competitors?** If the answer is yes, beware that creating these repositories has very low ROI.

2. **Is the impetus to create a CI program related to the need “to better understand what competitors are doing out there”?** If the answer is yes, beware that reporting on competitors’ activities has very low ROI.

3. **Is the impetus to create a CI capability related to the belief that there is a significant amount of knowledge of competitors inside the organization and that a CI program can systematically tap such knowledge?** If the answer is yes, beware that attempts to formalize an internal network of employees to contribute to a central CI repository have failed across the board.

4. **Is the impetus to create a CI capability related to the desire to get more competitor information into the hands of more managers?** If the answer is yes, beware that this goal has no real ROI.

5. **Is the impetus to create a CI program related to a fear that competitors know more about the company than the company knows about them?** If the answer is yes, beware that the fear is unfounded and that the return on monitoring competitors’ activities for the sake of monitoring competitors’ activities is very low.

6. **Is the impetus to create a CI program related to the assumption that salespeople and middle management can use more timely information on the market, competitors’ products, and other competitors’ news?** If the answer is yes, beware that a formal CI program is the wrong way to speed up the availability of relevant competitors’ information for mid-level managers or salespeople.

7. **Is the impetus to create a CI program based on a vague premise that the organization can use more external focus?** If the answer is yes, more noise doesn’t serve this purpose.

8. **Is the impetus to create a CI program based on a desire to increase the organization’s anticipatory capability and to improve the organization’s agility in the face of change?** If the answer is yes, go for it. The ROI is among the highest of any initiatives out there!
Appendix B: Selected Techniques for Ad Hoc Analysis

While the two fundamental frameworks—industry evolution and a third-party assessment (the 4-corner model)—are all that a Competition Analyst needs to create an intelligence capability, at times, the analyst may find room for an ad hoc analysis based on the type of tools taught in business schools or used by consulting firms. Note that in reality, some of those analyses (such as reverse engineering, financial analysis, customer analysis, and others) are more likely to be performed by either another function in the organization (e.g., Finance, Marketing, or R&D) or farmed out to firms specializing in the tool, and the Competition Analyst is hardly likely to be an expert on all of them. Also, keep in mind that with the advance of Big Data (i.e., a massive amount of structured and unstructured customer data, transaction data, and social media data that can be relatively easily assembled and analyzed with statistical techniques), there are numerous services offered by vendors that will allow the analyst to perform data analysis with ease, using software tools without needing in-depth knowledge of the statistical or programming behind the tool.

A popular programming language known as R is now employed by many software packages. One example that uses R but requires the analyst just to “drag and drop” to perform sophisticated analyses is www.alteryx.com. Graphical programs that allow an analyst easy access to sophisticated visual presentation of analytical results are also available, with a popular example being www.tableau.com.

Finally, an excellent resource for a long list of ad-hoc CI techniques is the book Strategic and Competitive Analysis: Methods and Techniques for Analyzing Business Competition, 1st Edition, by Craig S. Fleisher and Babette Bensoussan (Prentice Hall, 2002).
Endnotes

1 For example: At one time, AT&T had centralized departments with 60 CI managers and analysts in its consumer and business divisions.
8 D. Sull, et al., 2015.
15 D. Sull, et al., 2015.
18 For example, see Rob Cross, Tim Laseter, Andrew Parker, and Guillermo Velasquez, “Using Social Network Analysis to Improve Communities of Practice,” *California Management Review*, Nov 1, 2006.