

COMPETITIVE BUSINESS INTELLIGENCE (CBI) - GAINING A BUSINESS ADVANTAGE

Competitive Business Intelligence (CBI) allows a business to gain valuable foresight into market trends, buyer behaviour and competitors' plans by employing creative techniques for the gathering of legal and ethical information from a variety of sources such as public records, interviews and physical surveillance. Sophisticated methods of analysis are then used to combine numerous pieces of information into strategic recommendations for a business. It can help predict the future plans of competitors and customers by understanding their behaviour and thought processes.

CBI enables senior managers in companies of all sizes to make better-informed decisions about everything from marketing, R&D, and investing tactics to long-term business strategies. Effective CBI is a continuous process.

Competitive intelligence can be used not only to predict and counteract your competitor's strategic moves, but also to better understand your customers and your market, allowing you to become the market innovator. In a society where consumers are bombarded by competing, groundless claims of who is the best, what people remember most is who was first. If you are the first business to offer a particular service, every other business which then offers the same service is viewed as a follower, no matter how much better they might do it. Therefore, good, timely intelligence about the market in which you operate is critical to innovation, strategic positioning and effective business decision making.

A competitive business intelligence professional pays great attention to publicly observable events, has innocent conversations with customers, clients, suppliers and employees, and searches all public information about that company to create a profile of the business and its decision making processes.

The really good competitive business intelligence professionals are extremely creative and will often go well beyond public records searches. For example, getting a job with a competitor will often provide extremely useful information and can assist in: -

- developing a list of suppliers;
- uncovering operational strengths and weaknesses that can be benchmarked against your business and industry averages; and
- Gaining valuable insight into the thought process of the managers.

CBI - FREQUENTLY ASKED QUESTIONS

Is CBI espionage?

No. Espionage is the use of illegal means to gather information. In fact, economic espionage represents a failure of CBI. Almost all the information a CBI professional needs can be collected by examining published information sources, conducting interviews, and using other legal, ethical methods such as physical surveillance. Using a variety of analytical tools, a skilled CBI professional can fill by deduction any gaps in information already gathered.

Are competitive business intelligence and counterintelligence the same thing?

No. The term counterintelligence describes the steps an organization takes to protect information sought by hostile intelligence gatherers. One of the most effective counterintelligence measures is to define trade secret information relevant to the company and control its dissemination.

Why is CBI important?

The pace of technological development and the growth of global trade mean that today's business environment changes more quickly than ever before. Executives can no longer afford to rely on instinct or intuition when making strategic business decisions. In many industries, the consequence of making one wrong decision may be to see the company go out of business.

Is CBI only important for big businesses?

No. Executives at many global companies, like Xerox, IBM, and Motorola, have already realised the importance of CBI and have developed their own operations. Nevertheless, small businesses, like large corporations, must compete in the marketplace. It is just as important for decision makers in small businesses to know what lies ahead as for CEOs at Australia's largest companies.

Example –

I had a case not too long ago where a friend wanted to start a commercial landscaping service and he asked me how he could jumpstart his marketing and advertising. The solution was immediately clear to me: go to the consumers of such services first and offer to do the job better and a little less expensive than the current provider (again, "order necessary criteria"). So he hired my investigation agency to pick 3 commercial landscaping companies to follow and develop a client list. We not only developed an extensive client list for him but obtained copies of their marketing materials, products used, service fees and client points of contact (the decision makers). Armed with this information my friend then simply approached the potential clients with a better offer.

Out of the 71 service consumers we identified, he landed 18 of them and had instant start up revenue; 11 of these 18 were clients of the same landscaping company, so we both realized that there was an obvious service problem that was exploitable. We focused our efforts on that service provider for 2 more days and our client ended up gaining an additional 6 accounts. Our cost to him for services ended up being a little over \$5,720 but the 24 accounts he picked up paid for our services in less than 2 months. - Scott Harrell, Pursuit Magazine, 2008.

Is it possible for a company to practice a form of CBI without realizing it?

Yes. Any employee who visits a trade show, reads a newspaper, or talks to friends in the same industry is doing research (one of the components of CBI). However, other components of CBI are often missing in businesses today. CBI adds value to information gathering and strategic planning by introducing a disciplined system not only to gather information, but also to perform analysis and disseminate findings tailored to the needs of decision makers.

Is CBI truly valued in the business community?

Yes. In companies all over the world, CBI professionals enable senior managers to make more informed decisions that keep their companies responsive, well positioned, and profitable.