

Good Reasons to Survive

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Competitive intelligence functions are in a fight for survival. While competitive intelligence has always seemed to require an above average dose of justification to top management, it is now in a life-or-death battle with other corporate functions for an increasingly limited pool of budget dollars.

Over the past several months, I've written about the need for CI functions to make fundamental changes to what they produce and how they operate to demonstrate value and survive the economic crisis. This month, I want to highlight what several CI departments are doing to not only weather their organizations' budget cuts, but to thrive and expand their impact. Most of the examples that follow are taken from a lively discussion currently underway in the CI social networking platform Ning (<http://competitiveintelligence.ning.com>).

First, *ensure that competitive intelligence is embedded in multiple, critical business practices and operations*. At one global specialty chemicals company, the competitive intelligence function is interlinked in several crucial business planning processes, including pricing programs, marketing planning, customer relationship management procedures, and the like. The company's Key Intelligence Topics are defined by standard business planning processes and are integral to the company's market monitoring and early warning systems. These CI activities have become so crucial, 93% of its users have said that they cannot do without them according to an internal survey conducted by the CI team. The result? Despite a 30% head-count reduction in the Corporate Marketing Group, the CI function has experienced no staff reductions and no cuts to its six-figure budget.

Second, *CI programs may have to temporarily suspend their focus on the long-term and shift attention to current needs*. Just like there are no atheists in foxholes, there is no long-term in severe global recessions. One CI practitioner who contributed to the discussion described how he identified where current external uncertainties are the greatest, and intervened immediately. Doing so requires a high degree of flexibility. For his CI function, identifying the most urgent, current needs has CI

supporting pricing programs one day, and then supporting deliberations regarding a prospective M&A opportunity the next.

Third, *CI needs to stay close to the company's revenue stream and help management focus on serving existing customers*. Cost cutting alone won't help most companies weather the economic downturn; protection of the top line is critical. Two CI functions are helping their organizations manage the top line by helping protect and secure more revenue from existing customers. CI functions can do so by examining whether current customers and revenue sources are threatened by competitive or other external forces, and whether existing rivals have any immediate weaknesses that can be exploited in ways that capture revenue from customers.

Fourth, *CI functions should reexamine the utility of their CI products to C-level consumers*. If top-level CI users find your existing deliverables too long, not actionable, or simply unusable, the perceived value of the entire CI function is damaged. I have a consumer products industry client that fortuitously transformed its CI reports from long, ponderous market studies to short, warning alerts that provide actionable insights on emerging competitive and industry trends. The CI function aggressively marketed these products to the C-suite and within a matter of weeks had the company's entire strategic leadership team addicted to these reports.

The current economic crisis need not spell the automatic decline of competitive intelligence. The examples offered here illustrate opportunities for CI functions to not just survive but thrive, and emerge from the current turmoil even more necessary to the success of their organizations.

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