So, you've been put in charge of starting a new competitive intelligence program at your company? You will find that this can be a challenging yet rewarding task. The good news, however, is that it can be a reasonably straightforward project with a little up-front organization and planning. This paper will show you the necessary steps needed to build an effective and scalable program.

The first thing you'll need to do is to set aside many of the things you might have learned about competitive strategy in your business classes or MBA programs. The real challenge in building an effective CI program is not in the intelligence itself but the structure and organization of the program. Many people make the mistake of starting with a focus on their intelligence gathering and analysis projects rather than on addressing how the program is going to run. This is not to downplay the competitive strategy courses you may have taken, however. Instead, its a matter of starting with the right steps first. Once you have the program in place, it will be a much more comfortable and smoother process to gather, analyze, and distribute your intelligence.

The following items are the ten things you need to do and the questions you need to answer before building your program. Many of them, if not all of them, will seem quite obvious. However, the obvious items are the ones that are most frequently overlooked. Keep these ten steps in mind as you form your CI organization, and you will be preparing yourself for a successful future.

The Ten Steps

1. Determine the needs of your company.

The first thing you need to do is to identify what type of competitive intelligence your company needs and where the most significant holes for competitive information exist. Ask yourself or others in the company:

- Do sales teams have the information required to correctly position your company's products or services against the competitors?
- Does management have the information needed to make strategic decisions?
- Does marketing know how the competitors position their products?
- Does product management know the features and road maps of competitor products?
- Is there one unique location in the company for people to go to find competitive information?
- What competitive information currently exists in the company, and how is it updated?

Once you have the answers to these and other questions, you'll have a good idea of where you should focus your competitive efforts.

2. Define Your Audiences.

Once you understand the current competitive needs, capabilities, and deficiencies that exist in your company, you will need to determine who the primary, secondary, and possibly tertiary audiences of your information are going to be. Many times this will be dictated by the organization structure of your company: if your CI group is in the sales organization, for instance, the primary audience will likely be sales teams and sales management. If your CI team is in a discrete business group, then your audience may be the marketing and engineering teams. Once you know who the primary consumers of your information are, you will be able to better identify the types of documents and services you need to produce.

3. Define your goals and value

Perhaps one of the most challenging tasks for a CI group is to define your value to the company. Your value should be measurable and easily communicated to others. Having a definite and quantifiable value will provide you with many benefits in your job, including helping to build a positive reputation for your team, justifying budgets for research projects and lab equipment, and providing the ability to have input and impact on the company direction. Decide what your impact on the company is going to be. Are you going to impact the competitive culture? Are you going to affect the revenue? Are you going to change the deal process?

4. Standardize on content types and services

“Competitive Intelligence” can mean something different to everyone within a company. Once you know the significant needs of your company, who your target audience is, and how you are going to define your value, you can determine the types of content and services you are going to offer. Pick a few and standardize the format and frequency of your deliverables. You should be able to define the purpose, the intended impact, and the expected result of each of your main CI deliverables. Having templates for your different deliverables will help keep your analysis consistent with your audience’s expectations. Some ideas of content and services to start with are:

- Summary of your competitor’s products and features
- Analysis of your competitor’s corporate strategy
- Competitor profiles
- A Competitive landscape that gives an overview of all the players in a market • Responses to competitor announcements
- Predictions of what competitors or markets will do in the future • Competitive product positioning guides
- Win/Loss analysis
- Competitive deal support

5. Define Markets, competitors, and tires

One of the other pitfalls of many CI organizations is the lack of focus on competitors--i.e., trying to respond to all the competitors in the market rather than on just a few important ones. The reality is that CI research is a human-intensive task. The number of competitors that you can address will ultimately be limited by the number of analysts and skillsets you have on your team. A successful CI manager will be able to prioritize the competitors and markets that will be addressed by the CI team. While it is easy to say, “Assign the highest priority the most threatening competitors,” it is a more difficult task to determine a level of relative threat quantitatively. Some options of how to define threats/risks are:

- The potential for a competitor to impact revenue
- The frequency that a competitor turns up in accounts
- The potential for a competitor to impact market or customer opinion
- The potential for a competitor to impact technology or business practices • The ability for a competitor to move into adjacent markets

You also will need to determine how you are going to distribute the work on your team. Some CI organizations have an individual who is responsible for one or more particular competitors or products; others have individuals who are accountable for markets or technologies that may span multiple competitors.

6. Establish Information Sources And Partnerships

One of the most valuable resources to you as a CI practitioner is knowing where you can get information. While the general Internet is a great source, you will also need to develop relationships with individuals inside and outside of your company. Salespeople, for instance, tend to be excellent sources of information as they frequently interact with customers who are talking to competitors. Partners, suppliers, and distributors are good human sources as well. Also, look for and participate in industry groups. Trade shows and industry events are also good places to get information, as are industry-specific periodicals and newsletters. Don׳ t forget the every-day news sources like newspapers and television as well. Keep your ears open at all times and determine where your most reliable and reputable sources of information are.

Also, within your company, it is a good idea to have an executive sponsor. This is a person who influences a large part of the company and who can be a significant ally for your efforts. It could be a VP of Sales or Marketing or anyone else who can get people to pay attention to your work.

7. Centralize And Organize Your Intelligence

Now that you have established your sources and have begun collecting information, you need an organized way to store it so that it will be easier to process and analyze. Data of all types (documents, e-mail tips, news stories, information captured on blogs, etc.) should be stored in a central location so that it is accessible by the entire CI team. The storage method should be organized such that the CI analysts can quickly find raw intelligence related to competitors, markets, products, significant industry events, and other items that they will need to perform their analysis. Pieces of intelligence should also be tied to sources so that they can be referred to at a later date if necessary.

8. Establish Communication Methods

Once you create your intelligence, content, or services, you will need to deliver them to your audience. The best way to do this is to have a centralized place that people at your company will associate with competitive content. Try to make this location somewhere that your audience already naturally uses. For example, if your primary audience is the sales organization and your company already has a sales interface, you might choose to put your content there. This makes it easy for your intended audience to find. Also, it is a good idea to create a closed-loop communication process where you can get feedback or input on what type of content is needed. This can be done through regular interfaces with your audiences, surveys, one-on-one meetings, or other ways. Finally, your audience will demand that your content is always fresh and up-to-date. You will need to determine a method for removing outdated content and replacing it with new information regularly.

9. Determine How You Will Measure Your Success

If you've completed steps 1 through 7 adequately, you would have the framework of a pretty good CI organization. The question then becomes, "How do I know that I am performing well?" The answer is to set criteria with which you can monitor your progress and impact. Pick criteria that can be measured and which can be tied to your efforts. Ultimately the criteria you pick should be related to your goals and values defined in step 3. Set up a schedule of how frequently you are going to monitor your progress and how you are going to incorporate the results into improving your performance. Some ideas of criteria are:

- Usage statistics on your competitive website
- Number of times your team has contributed to deal processes
- Number of times your team has contributed to corporate strategy
- Impact on the number of competitive features developed in your products
- Number of pieces of content delivered in a quarter
- Number of tests performed on competitor products

10. Make your process repeatable and improvable

Now that you've defined your audiences, your value, and your products and services, and you've measured your success, take the time to document your procedures and processes. This will ultimately make it easier to incorporate new people onto your team and will also help you remember why and how you do your job.

Once you've completed the above ten steps, give yourself a few congratulations because you've just built the framework for a successful CI organization! While these steps may seem quite generic and process-oriented, the truth is that a well-thought-out and executed process that organizes and centralizes your intelligence and provides for scalable distribution will help enable your CI organization to stay on top of the competitors. One of the many pitfalls that CI teams encounter is that they become mired in "reactive" work, such as responding to competitor claims or helping to answer critical account calls. When this occurs, the CI practitioner is not able to do research and analysis that allows proactive handling of competitive threats or being able to address those threats before they occur.

In future white papers, we will discuss the details of particular types of content, research, and analysis that will help your CI team be effective in its role, as well as strategies for managing your intelligence.