

Competitive intelligence yields business advantage
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Ask any group of fledgling technology entrepreneurs what they would like to know more about and competitive intelligence is sure to be high on the list. "I know I need it, but I don't know how to get it," one Mid-Columbia business owner said at a recent seminar.

"Good competitive analysis is the next best thing to having a crystal ball," said Karen Buxton, senior information specialist at the Hanford Technical Library. "It is the artful analysis of information gathered from publicly available sources and personal interviews to form a picture of the competitive landscape."

Jaki Upton of the Pacific Northwest Laboratory's technology commercialization office points out that "competitive intelligence can't tell you what to do." Its purpose is to provide an objective basis for making the strategic decisions, to help businesses answer such questions as:

Can we penetrate a particular market?

What is the price of entry?

Who is our customer?

What is the real path to deployment of our technology or service?

"Most important, knowledge of your competitors can guide you to market what your customer needs and will buy, not just what you think is cool," Upton said.

Check out the library

Competitive intelligence looks at two main categories of information: quantitative and qualitative. Quantitative information consists of such things as industry statistics, patents, market share, profit and demographics. This information is nearly always available to the public.

Publicly available resources commonly used in data gathering include news stories, journal articles, market reports, job announcements, web pages, public records, patents and business directories. Much of this information is available on the web from free and fee-based databases or at a library with a good business collection, such as the Hanford Technical Library.

These resources contain many kinds of information. Technical descriptions gathered from journal articles, conference papers and reports can identify lead researchers, companies and technologies in a field of interest. Market reports can provide an indication of where an industry is likely to invest. A news release on a new chief operating officer may indicate change is on the horizon for that company.

The Hanford Technical Library shares resources with the WSU Tri-Cities library and also offers competitive intelligence resources demonstrations. For information on the next session, contact Buxton at karen.buxton@pnl.gov.

Talk to your customers

According to Pamela Henderson, president of the Richland-based marketing firm Meridian Strategies, quantitative information can provide good background, but because it is nearly always publicly available, it doesn't deliver a competitive advantage.

"You gain a competitive advantage by differentiating yourself, and you need qualitative information to do that," Henderson said. The most valuable qualitative information is obtained through in-depth interviews across many levels of an industry, especially current and potential customers, she said.

"If I base my strategy solely on what my competitors are doing or will do, I will fail," Henderson said. "If I base my strategy on what my customer wants, I will succeed."

The goal is to acquire strategic information – to learn who matters, why and why not, and how they operate. For instance, quantitative data may show a dozen providers of your technology, but if customers mention only three suppliers, those three are your real competition. A space these competitors have not entered can mean opportunity for you.

For example, one local technology firm discovered a huge market advantage when interviews by Meridian Strategies revealed that a key customer group perceived no competition in an area where the company wanted to position a new product.

"Customers know it is in their best interest to talk with you because they will do whatever they can to encourage better products, prices and value," Henderson said. She noted that, trained to ask the right questions, a company's sales force can be a powerful tool for gathering information from customers.

Put the data to work

"Competitive intelligence is like solving a puzzle," said Jodi Amaya, also of PNNL. "There is a great variety of data, but you have to look beyond the data to find out what's really going on."

Henderson and Amaya urge entrepreneurs to approach the concept of "competitor" and results of information-gathering with an open mind. "It is the job of the competitive intelligence professional to raise issues," Amaya said. "You may not like the message, but it can save you heartache and dollars in the end."

“Moreover, intelligence-gathering is an ongoing process,” Amaya said. “Keeping tabs on your competition is essential so you can be proactive in developing and growing your position in the market.”