

Benchmark Your CI Capabilities

using a  **Self**

Diagnosis Framework

By Arjan Singh and Andrew Beurschgens, Fuld & Company

The Self-Diagnostic Framework™ allows competitive intelligence (CI) managers and analysts to quickly build a holistic picture of their CI departments' capabilities and limitations. It also provides a benchmark to help practitioners understand where their CI department stands with respect to a world-class CI capability. The findings from the framework's completion, gap analysis, and recommendations help create actions and timetables.

A competitive intelligence function needs to be effective in 11 activity areas essential for world-class capability. Each focus area has four stages: stick fetching, pilot, proficient, and world class. Most CI departments usually focus on less than half of these building blocks.

FOUR DEVELOPMENTAL STAGES

Stick fetching is the first stage in developing a competitive intelligence capability. Here, CI teams are often disconnected from the core business processes of their organization. They are consulted when decision-makers, who at that point are often well into the decision-making cycle, request some information. These intelligence requests usually require a quick turn-around and the CI team is usually kept at a distance from the decision to be made. As a result, the CI team has no real understanding as to why the information is needed, and they have very little opportunity to set expectations relative to what is being requested. Their action takes place in a vacuum.

The **pilot stage** happens when the organization has some commitment to developing the competitive intelligence function at the right level in the business and gives it a mandate to help make decisions. CI teams can then build processes to systematically handle intelligence requests and develop a workload relative to their own comfort level around the evolving process.

At the **proficient stage** the competitive intelligence teams have most of the required CI capability in place within the organization. A CI team that excels in all the attributes achieves **world-class** status.

HOW TO USE THE TOOL

The Self-Diagnostic Framework is outlined in Figure 1. If you are part of a broader competitive intelligence team or just a lone practitioner, you need to decide which cell per attribute best describes the current stage of your program's development, if you have one at all. This is the value of the Self-Diagnostic Framework – you read the description of each attribute and check off the one that most closely matches your own organization. The column with the most checks is where your organization is.

Aspiring or established practitioners familiar with their company should have a relatively easy task to check off the description that applies to their organization. However, experience has shown that this exercise can create much

FIGURE 1: THE SELF-DIAGNOSTIC FRAMEWORK

Stages				
Attributes	Stick Fetching	Pilot	Proficient	World Class
1. Roles and responsibilities	Undefined role, with arbitrary, unstructured responsibility and focus	Evolving from conflicting roles to focused direction from an executive sponsor	Defined roles and responsibilities that are understood by the CI team	Agreed service level agreement between the CI team and executive management team
2. Processes	Top-down, one-way chain of requests	Introduction to KITs, bespoke, piecemeal, steep learning curve for CI stakeholders and contributors	KITs aligned to a wider executive management audience	CI embedded to such an extent that intelligence dialogue drives all major decisions
3. Secondary research	Web as the sole source of intelligence	Exploring and trying additional external sources	Tap into internal secondary sources	Fully integrated use of internal and external electronic and grey literature sources
4. Primary research	Nil	Recognize the value of human sources but issues with obtaining timely intelligence	Use of 'friendly' human network to access meaningful targeted intelligence	Fully integrated use of internal and external human sources
5. Analysis	Nil	Occasional use of basic analytical tools	Use of more analytical tools	Selection and use of advanced analytical tools
6. People	No formal CI staff. Volunteering 'information' provision	Individuals nominated by sponsor	Trained CI practitioners working to agreed legal and ethical guidelines	Experienced CI practitioners
7. Organizational structure	CI absent from the organizational chart	CI nominees not yet recognized in the corporate hierarchy	Placement of CI team(s) in appropriate part(s) of the organization	Team(s) optimally placed across multiple parts of the organization
8. CI awareness	Limited to a handful of individuals and driven by curiosity	Increased awareness is triggered by a 'Pearl Harbor' in the competitive environment	Increased awareness by a sustained communications campaign	CI embedded in job description, performance appraisals, induction programs and meetings
9. Technology	Overreliant on desktop Internet searching	Recognition that technology is not a substitute for to actionable intelligence; determining its role	Trying appropriate technology and integration with existing platforms	Fully developed technology complements human systems
10. Value perception	Limited or no recognition	Driven by a recognition that CI is necessary	Formal justification of the value of the CI capability. Formalized evaluation process	Conviction that decisions cannot be made without actionable intelligence
11. CI professionalism	Nil	Nil/limited	Increased need for professional development	Management plan for CI team's career progression

discussion, depending on the number of people attempting to define the organization's position for each attribute, and whether they can agree at all on each attribute.

This tool is a starting point to begin the analysis of your CI capabilities. The first stage is determining where you are. Once you've completed the model, distribute it internally to validate it and solicit feedback from your program's internal stakeholders. This will help refine the work that you have done and will ensure that everyone within the CI team is aligned in their thinking.

The second stage is defining how you can improve. Compare your CI function's position with its mandate to identify areas of focus and priority. This will help you draw up a roadmap for the improvement of your department and you can measure your progress against this roadmap. One of the main values of this framework is its ability to accelerate CI improvement as an individual or as a team.

Here are two practical examples of how this framework was used within two European companies.

CASE STUDY 1: IMPROVING CI AT A MAJOR FOOD COMPANY

The competitive intelligence function, located in the R&D department of a major food manufacturer, had existed for over four years and four people worked in it. However the evolution of this CI function had been very slow – it was not progressing as quickly as management would have liked. We were brought in to do the following:

- Help diagnose their issues.
- Gain an understanding of their program's capabilities and its fit with its stakeholders' requirements.
- Formulate a plan for accelerating the department's development.

Working with the CI function's members, we applied The Self-Diagnostic Framework as the central model to analyze their existing CI capabilities. By understanding the CI function's answers to the attributes and the relative understanding of the function's program among its stakeholders, major gaps in the department's capabilities, and its relative aspirations, we quickly identified areas to improve. The framework identified two major issues:

1. **Strategic vs. tactical intelligence.** The department's value perception was at the *stick fetching* level. This identified a huge disconnect between the team's deliverables and the internal demand for intelligence. Interviews with the program's stakeholders identified that they were hungry for actionable strategic intelligence and the CI team was providing tactical intelligence.

2. **A very low position for primary intelligence** indicated that it was not a component of the intelligence reports being delivered to management.

Based on interviews with the function's staff, we analyzed the major reasons for these two issues and identified several additional issues:

- Decision-makers provided a limited focus and direction of CI department activities toward strategic issues.
- A lack of clearly defined legal and ethical guidelines for the CI activity severely hampered its expansion.
- Scientists did not recognize the importance of their work in a competitive environment.
- Most in the organization were unaware that an organized CI department existed.
- Current CI resources and skills were not sufficient to produce timely output to support the current needs of decision-makers – "If we double what we are doing, then it would be useful."

The competitive intelligence department had purchased proprietary patent analysis software from a university in Europe and used this tool to prepare its analysis reports. The project methodology included first conducting a patent search and then using the software to analyze the results. This obviously worked well when they were asked to do patent analysis, but this methodology could not create other deliverables.

The key problem was that the CI department had bought a technology solution and built up a workflow around it. They had a greater capability in working with secondary information and specifically, structured information. However, this emphasis limited the development of other essential building blocks, namely the 11 attributes of the Self-Diagnostic Framework required for a proficient or world-class intelligence capability. The end result was that the CI function was unable to deliver what its clients wanted. The framework helped the project team to systematically identify areas of quick improvement for the CI team and provide an action plan for quickly developing that capability.

CASE 2: SELF-DIAGNOSTIC FRAMEWORK AT A TELECOMMUNICATIONS COMPANY

The company recruited an analyst to strengthen an existing competitive intelligence function that had not incorporated the specific requirements of a corporate new market focus into its work. Applying the Self-Diagnostic Framework helped the analyst understand the new market division's attitude toward CI. It also helped deliver and execute a structured program that allowed the CI function to

help the market division reach its short- and medium-term goals. The framework also created an understanding of the relative stage of the whole CI team's development to the rest of the organization, irrespective of their market focus.

In the new market division, using the Self-Diagnostic Framework structure set the right expectation for the new division's management team based on the foundation that had been put in place by the existing CI function. By establishing the process as a two-way dialogue as quickly as possible, the CI program developed on the right footing – not stick fetching. They also wanted to gain pilot and proficient levels as quickly as possible, with the goal to move to a world-class function.

During the introductions with the management team, the framework helped develop an understanding of the roles and responsibilities relative to the new division, such as processes, analysis, awareness, and value perception. It was important to demonstrate these features as early as possible through the delivery of initial key intelligence topics: to “walk the talk.”

Of secondary concern to the management team was how the competitive intelligence function applied secondary and primary collection and analysis techniques. But this explanation helped the management team understand the full value of what the CI team and its resources could deliver, as well as set expectations.

Following initial engagement with the management team, the framework helped the analyst to understand the mindset of the CI program's target audience. The delivery of the key intelligence topics – either on a reactive or increasingly proactive basis – has changed the management team's view of the CI process.

Within the existing CI function's structure, considerable attention had been paid to several attributes: people, organizational structure, value perception, CI profession, roles and responsibilities, primary research and analysis. The framework identified where the whole team was in terms of its own development and what recommendations could be made to improve it.

The existing team members applied the Self-Diagnostic Framework, rather than management or the target audience of the market divisions they served. Some scores were given: roles and responsibilities, organizational structure, people and secondary research. Following the engagement with the analysts, it was easier to establish where the function was on its developmental cycle and what gaps it had to fill to become world class. We presented the findings, gap analysis, and recommendations to both the CI function and its management. Following the discussion we created an action timetable to ensure that the value of the function was developed for the benefit of its own customer's management.

The framework is applicable to all competitive intelligence programs, whether managed through lone

messengers or larger teams. The key success factor is the discipline to do it and follow through. The framework ensures that consensus on the current situation is established, creating a common and consistent CI agenda for the organization.

[Self-Diagnostic Framework is a Fuld & Company trademark.]

Arjan Singh is a director at Fuld & Company. He has more than eight years' experience in CI and has worked with numerous Fortune 500 companies to help them build world-class CI departments. He can be reached at asingh@fuld.com.

Andrew Beurschgens is a CI practitioner at one of Europe's leading wireless operators with more than nine years' CI experience. He is responsible for the end-to-end CI process and outputs at the company's business market facing division. In his previous role at Fuld & Company he was responsible for delivering actionable research to clients. He can be reached at abeurschgens@yahoo.co.uk.