

The Case for Decentralized Corporate Intelligence: An Increasing Need for Bottom-Line Driven Intelligence

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Although many competitive intelligence professionals work in a corporate environment, more and more of today's companies are seeking to provide more decentralized and actionable intelligence at the business unit level. The current trend for decentralized or "grassroot" competitive intelligence is primarily driven by an increasing need for actionable and quantifiable information, which is directly tied with some of the functional lines of business, for instance:

- Competitive pricing or product positioning intelligence to support sales campaigns led by various business units or regions across corporate organizations
- Competitive product launch assessments or supplier benchmarking data to support the R&D or strategic planning functions
- Supply chain analysis or competitive benchmarking assessments to support the production and operations lines of business

In the end, this trend for tactical or functional-driven intelligence is also directly linked with tighter budgets and with an increasing need to produce information with a quantifiable financial and/or strategic impact on the bottom line, and the general performance of the corporate organization.

Key Challenges

Some of the leading challenges associated with a business unit-centric CI model include:

Unique information needs in each business unit. Each business unit has a different operational focus and therefore unique information support needs. For instance, research and development business units require technical and patent information, while sales and support business units require competitor and/or market-driven intelligence. This makes decentralizing the competitive intelligence effort a very challenging and resource-intensive undertaking. It often requires hiring dedicated CI support staff with industry and operational experience to support key business units.

Decentralized CI requires a grassroots approach. Competitive intelligence practitioners are required to get "up close and personal" with decisionmakers and key stakeholders in each business unit. This is best achieved by attending sales and staff meetings held within each business unit to be introduced to your customers, to make them aware of the purpose and value of CI in their individual business units and to define their key information gaps. Oftentimes just being present and visible contributes to a decentralized department's success.

Increased Needs for CI Processes and Guidelines. Due to the resource-intensive aspects of competitive intelligence, business professionals need to have access to a clear set of guidelines and resources to become more self sufficient when searching for information. These guidelines should be created and disseminated by corporate competitive intelligence

professionals and made available across business units. However, it is unusual to find an organization with a structured CI policy and guidelines strategy published and applied company-wide.

Unique Collection and Analytical Requirements. Collecting and analyzing information on the behalf of business units can present a number of challenges, including: availability and reliability of data available in the local markets (particularly for emerging markets based-business units); language barriers and data interpretation challenges, particularly when trying to reconcile locally collected data with corporate data and/or strategic assumptions made at the corporate level; scarcity and motivation of resources to assist with the collection and the analysis of intelligence.

Best Practices Highlights

Recruit from Within. Hire part-time business professionals who are retiring or have part-time availability to help you produce and disseminate the competitive intelligence data requested by each business unit. Some of the advantages associated with this approach are:

- **Cost effectiveness.** Part-time employees cost less in benefits and are aware of the financial constraints of the organization, more so than an outside recruit would. Plus, you'll save on recruitment cost and time.
- **Depth and Credibility.** Current employees will bond much more quickly with an individual with good interpersonal skills who has already been working in their business unit. In addition, an experienced professional will have a much better sense for the some of the key information gaps existing within his/her respective business unit and be able to provide the analytical depth and the relevance required by his/her peers.

Help Business Units Help Themselves. Save yourself some effort by defining and publishing detailed guidelines — including processes, information sources and resources — available to all business unit professionals in need of competitive intelligence. These might be intranet sites, access to corporate libraries or bibliographies or building a central CI database (see next point) that can be accessed according to business unit interests.

Guideline information should cover a wide range of resources, ranging from ethical competitive intelligence policies to analytical frameworks and methodology, to internal points of contact and resources available to assist your customers with their respective information needs.

Leverage Technology Across Your Organization. Keep in mind that “one size fits all” is not an acceptable approach to producing and disseminating effective competitive intelligence among business units. A CI portal can only add value to each business unit if it can be tailored to display information relevant to each business unit's needs.

Although it is usually feasible to use a common database and sources of information, you should adopt and deploy a technology framework that can display a unique and relevant set of information sources, news and analysis to each business unit in your organization. This can be done by defining and assigning a unique user profile with the login credentials of each business unit professional in your organization so that an R&D user login in your portal

is provided with technology-centric news, while a sales professional will be shown sales/customer-driven intelligence, for example.

Become an Evangelist. In the end, competitive intelligence remains a people-focused discipline, and your success in implementing a decentralized CI function is directly linked to your ability to establish credibility and reciprocity with professionals in the business units you are serving. Attending key staff meetings to promote the role of CI in the organization and define the key information requirements of business unit professionals is critical to the development of a decentralized CI function in the organization.

Leverage Company-Wide Events to Create Synergy. Industry conferences, sales meetings and trade shows are examples of events you can leverage to establish intelligence synergy between corporate and business unit stakeholders. This gives you a unique opportunity to share the CI objectives of your entire organization while leveraging the contacts and knowledge of business unit professionals during a specific event.

In summary, decentralized competitive intelligence is not an easy thing to achieve, but the potential payoffs for the organization are great. Moving forward with strong interpersonal relationship building, frontline employee education and department visibility will help give you a more successful outcome.

About

Raoul Farcot, Vice President of Cipher Systems, LLC, is responsible for managing Cipher's Competitive Intelligence Commercial practice. Mr. Farcot oversees a variety of CI consulting projects, ranging from Marketing Opportunity Assessments to Mergers and Acquisition research projects, as well as the implementations of Cipher's proprietary enterprise competitive intelligence software, Knowledge.Works. He works across a wide range of industry sectors, including Energy (gas and electric utilities), Manufacturing, Telecommunications, and the Life Sciences (including pharma, biotech and medical device). He can be reached at r.farcot@cipher-sys.com or 888.899.1523.