

Conducting Proactive Competitive Intelligence Through Competitor Activity Tracking

By Dale Fehringer, Inkwell Productions, and Toni Wilson, MarketSmart Research Services

Tracking, analyzing, and reporting competitor activities are among the most significant and challenging things you will do as a competitive intelligence practitioner. These activities take time and resources, involve a certain amount of risk, and may occasionally be challenged by others in your organization. However, they are vital to your success as a practitioner.

This article offers suggestions for conducting effective competitor activity tracking. Because every organization is different, you will likely have to adapt the suggestions to your environment and culture.

ACTIVITY TRACKING AS PROACTIVE COMPETITIVE INTELLIGENCE

Competitor activity tracking involves

- monitoring competitors' tactical and strategic developments
- analyzing those developments
- distributing analyses to appropriate members of your organization in the form of alerts

Activity tracking is a form of proactive competitive intelligence (McGonagle and Vella 2006) conducted in anticipation of or in response to competitive developments rather than to fulfill management requests. Alerts are sent as soon as possible, which makes them "event triggered, not calendar driven" (Naylor 2006).

Activity tracking "provides the basis for an anticipatory early warning process" (Herring 2006) and offers several benefits, including the following:

- Informing your organization as early as possible, helping to avoid surprises and enabling the organization to act early on the knowledge (Fuld 2006).
- Providing a forum to demonstrate your competitor knowledge, competitive intelligence expertise, and the value you add to your organization.
- Helping to maintain intracompany contacts and strengthening relationships with management and internal networks.

THREE C'S OF COMPETITOR ACTIVITY TRACKING

Effective competitor activity tracking is an ongoing obligation that requires consistency, commitment, and control.

Consistency

Do activity tracking the same way every day. Once you start, your contacts will come to depend on you for competitor alerts, and they will be disappointed if you let them down. Train at least one other person to do it, and ensure that this backup person steps in for you when you are absent or have a conflict.

CASE STUDY: COMPETITOR ACTIVITY TRACKING AT VISA INTERNATIONAL

At Visa, competitor activity tracking was an important competitive intelligence function. It kept us linked to management and to our internal networks, and allowed us to demonstrate our competitor knowledge.

Each morning, we monitored news services, analyst reports, SEC filings, and industry reports, and scanned competitor Web sites to see what major developments were taking place.

We sent competitor alerts to two internal groups: headquarters senior management and co-workers in headquarters and regional offices. All recipients (a) had said they were interested in receiving the alerts, and (b) were part of our internal CI network. The feedback we received helped make our intelligence more accurate and more useful.

Commitment

Schedule activity tracking as the first and last thing you do each day. Complete it as early as possible and get the results out before the recipients go off to their daily rounds of meetings. At the end of the day, do another search and send out alerts for any significant developments. That will keep late-working co-workers current, and early birds will appreciate having alerts waiting for them the next morning.

Control

Explain what happened and what it means to your organization, but don't overwhelm the recipients. Limit the number of alerts and the amount of information you include. If there are no significant developments, don't send any alerts. (See the case study and figure 1 for an example of operating a competitor activity tracking system.)

UNEARTHING COMPETITIVE ACTIVITY

The process of finding competitor activity involves reviewing all available primary and secondary sources, and identifying competitor developments that will likely have an impact on your organization.

Primary sources

Primary sources include your internal networks as well as external sources such as industry analysts,

customers, journalists, vendors, and board members. Some of these sources will not produce information regarding environmental changes or activity every day; your job is to scan or contact them regularly and identify meaningful changes, updates, or additions.

Co-workers are an often-overlooked primary source, particularly sales representatives and others who are focused on the competitive environment. You may want to develop a convenient process and template for them to provide you with information updates. You may also want to conduct regular conference calls or host a shared knowledge management system (such as an intranet-based competitive intelligence site or internal Wiki) for internal primary sources.

Trade show reports from co-workers are good sources of primary information, as they often contain useful, relevant insights.

Secondary sources

Searching newspaper and magazine articles and monitoring competitor and related Web sites on a daily basis is a straightforward way to track competitors.

You can save time and effort by using alerting tools available from database vendors and search engine providers. These automated searches are available from most database companies, such as Factiva and LexisNexis, as well as through major search engines like Google and Yahoo!. They provide current and relevant findings based on a set of search criteria (that you create) relevant to your competitors and/or their products and services. The more sophisticated tools allow you to set up alerts to collect and deliver the information to you, often via e-mail, according to your monitoring schedule.

In addition to database and Web-based tracking and alerting, several new tools have recently been introduced that can help you track changes in competitor Web sites. For example, WatchThatPage and Website-Watcher can alert you to changes in targeted sites.

ANALYZE AND SEND ALERTS

When you find a competitive development that merits distribution, you should read it thoroughly, including all sources and accompanying information. Analyze it in light of previous trends, relevance, and urgency. Prepare and send an alert (see McGonagle and Vella 2003), keeping the following steps in mind.

1. Summarize

Give the reader a short, high-level synopsis of the development. Word the subject line or title to attract attention, indicate what is coming, and make it easy to find the alert later.

EXAMPLE

Subject: Competitor X introduces X-42 chip.

Summary: Competitor X today announced a new microchip called X-42 that will be launched this July in San Jose, California, at a price of \$23.

2. Analyze

Add a *brief* and *carefully worded* analysis of the development and its implications to your organization. As Jan Herring (2005) wrote, “The goal is to get the competitive intelligence into the hands and heads of the users: communicating your analytical insights and visions of future competitive situations is the objective.”

The following are some guidelines for developing an alert analysis:

- Avoid lengthy explanations. Limit your analysis to one or two paragraphs.
- Do not cut and paste information from the source document.
- If there is an article, report, or other information your readers should see, include it as an attachment or send a link. (Note: Be aware of copyright rules for distributing documents and check with your legal staff if you have questions.) Tell your readers what is in the attachment or link so they can decide whether to read it.

EXAMPLE

Analysis: This new, low-cost X-42 microchip will likely compete with our Rally chip in the U.S., Canada, and Asia PC components markets. The X-42 will be 20% cheaper and 12% faster than Rally. X-42 will be positioned as a low-cost substitute for Competitor X’s X-13 product. (The full Wall Street Journal article is attached.)

3. Substantiate

Tell why you believe this is factual. What is your source? Why is the source credible?

EXAMPLE

Source: This was announced in the Wall Street Journal on June 14. Competitor X’s CEO was quoted as the source.

4. Review

Double-check the content, grammar, and spelling in your alert and make sure everything is correct before sending it out. While it may seem more important to get the message out fast, your readers will judge you on content and grammar as well as on your competitive intelligence skills.

5. Disseminate

Be disciplined in what you send out. As Bill Fiora (2005) wrote, “By disseminating only intelligence that meets consistent criteria, you help set expectations among your customers for what the competitive intelligence function can deliver.”

Start by sending alerts to a handful of people who will be receptive to receiving them. Test your service with those people, get feedback, then gradually expand the distribution list. As the list grows, divide it into multiple shorter lists by subject matter, organizational location, or rank.

Adjust your distribution lists to reflect the content needs of specific users. As with other intelligence products, alerts containing sensitive information can be disseminated to certain audiences, such as executives and other high-level decision makers. More widely applicable information can be shared with a broader audience.

SELECT AN APPROPRIATE FORMAT

You can select from several formats for sending alerts, such as e-mail, hard copy flash reports, intranet postings, or telephone updates. Select the one (or more than one) most appropriate and acceptable for your organization.

If you have a competitor section on your intranet, post alerts to it, so others in the organization can find them. Clear this with your management first, and make sure all sensitive information is removed from messages before posting.

FOLLOW-UP: CONNECTING THE DOTS

After distributing the alert, file it in a manner that will allow you to find and retrieve it quickly and easily. Periodically review what you have sent out to identify trends and patterns, ensure appropriateness, and make sure you aren’t overwhelming your readers.

Follow up by sending information on similar developments or further evidence of the competitor activity. Attach the original message, if appropriate, so readers can review and compare related messages.

OBTAIN FEEDBACK

Regularly solicit feedback on your competitor alerts. Ask key recipients if they are receiving the right amount of

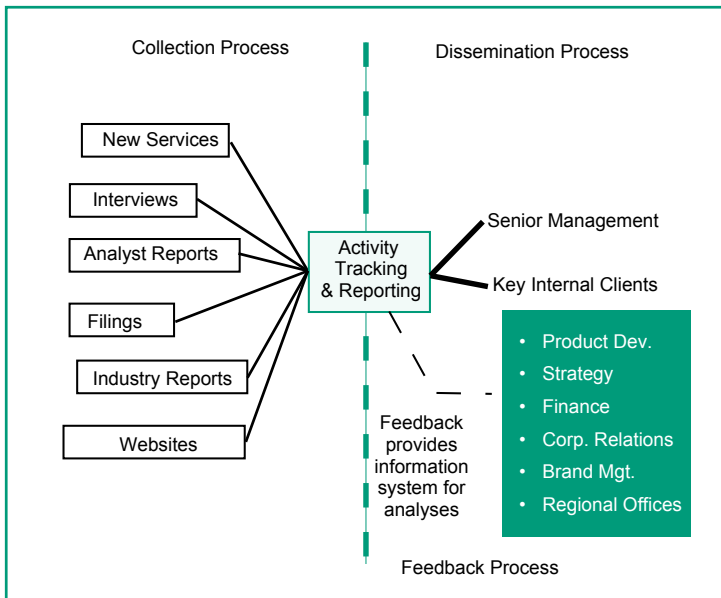


Figure 1: Example of competitor activity tracking collection and dissemination.

information and if the alerts are useful. Make adjustments as necessary to improve your service. That could mean widening or narrowing your searches or your distribution lists, which will help ensure that you are providing a meaningful and valuable service.

DEALING WITH QUESTIONS OR CHALLENGES

Occasionally, you might run into questions or challenges. For example, a contact might be concerned that sending alerts is someone else's responsibility or that the information you are sending is too sensitive.

If you receive this kind of feedback, tell your manager, then talk to the objecting person about it. Explain the objectives behind your service and your belief that this is part of your responsibility. If one of your alert clients objects, offer to remove him or her from your distribution list or to limit future messages, if appropriate. Discontinue sending competitive information to anyone who asks you to stop, but don't cut off objectors simply because they are challenging your activity.

DO IT RIGHT!

Competitor activity tracking can be a vital component of a successful competitive intelligence function. Doing it properly takes time and effort, but the end result will likely mean additional exposure and credibility for you. The key is to do it right. We welcome your comments and feedback.

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Dale Fehringer is a freelance writer and editor. He started and managed the competitive intelligence function at Visa International and currently serves on the SCIP Education Advisory Committee. Dale edited the Competitive Intelligence Foundation's Competitive Intelligence Ethics book and the State of the Art: CI study. He can be reached at dalefehringer@hotmail.com.

Toni Wilson is founding partner and principal consultant at MarketSmart Research Services. She was an intelligence practitioner at LexisNexis for 15 years, where she developed unparalleled expertise regarding publicly available intelligence sources. She can be reached at twilson@marketsmartresearch.com.