There are many definitions for competitive intelligence, but all share some common themes – namely that it is an ethical process for obtaining information on the competitive environment for use in organizational decision making. As a result competitive intelligence collection and analysis has both tactical and strategic importance for companies. A legitimate question is whether companies should risk outsourcing the collection of such information to non-company employees. Surely competitive intelligence is too important to be outsourced to anybody who lacks a full understanding of the company culture, markets, history and current competitive situation.

Nevertheless companies do outsource both primary and secondary competitive intelligence research for a variety of reasons. Furthermore, doing so can provide them competitive advantage compared to those organizations that believe they know best and keep such research in-house. Reasons include the obvious issues relating to the time required to gather such intelligence, and many organizations lack the skills needed. In the case of primary research, a key reason to outsource is that an independent researcher may be able to approach sources that would not be easily accessible to the company itself. The first section of this article by Arthur Weiss focuses on how independent information professionals can provide value for competitive intelligence research using secondary/published sources. The second section by Ellen Naylor will consider issues relating to primary research.

Secondary Research for Competitive Intelligence

For many, secondary research involves a simple Google search. The researcher enters keywords and hopes that the needed information will come up within the first 10 or 20 hits. When it doesn’t, the researcher tries a few more terms and then gives up – assuming that what is needed can’t be found. An independent information professional (IIP) could be invaluable in helping such researchers find the missing information – if they only realized what they were missing. An IIP should also be able to provide training, showing them how to improve their searching.

Seasoned researchers will try more sophisticated searches, having changed the preferences on Google so that 100 hits appear on each page rather than the default 10. They will also put search terms in quotation marks and search within titles or for specific file types – using Google’s fieldcodes. They may try alternative search engines, Bing for example, or specialist tools such as Google Scholar and various deep web search approaches. If they work in large organizations, they are likely to have access to pay-to-use services such as Factiva, Lexis-Nexis and Dialog, among others.
An independent information professional can provide value for even the seasoned researcher by offering true objectivity on top of a familiarity with the types of sources required for competitive intelligence that goes well beyond what can quickly be found with competent searches on Google, for example.

Competitive intelligence secondary researchers need to be able to find the following:

- Potential interviewees for primary research with as much detail as possible about the person. Such people can include ex-competitor employees or current competitor employees plus a range of other stakeholders. Finding such people can depend on the size of your network – and typically an IIP specializing in competitor research will have developed a large network to draw on. Searches will be made on LinkedIn.com as well as searches for conference attendees, speakers, job-movers and more.

- Product details – whether from patents, trademarks, technical documentation or customer feedback. Such intelligence can give an idea on the technology used in the product as well as future plans, problems and potential for development for both the competitor and one’s own organization. Understanding competitive technologies is often outside the skill set of the average competitor analyst. Engaging an IIP with familiarity with the industry can provide insights that could otherwise be overlooked.

- Competitor capabilities – a key focus for competitor research. Questions such as whether the company has the finances to expand or the technologies or employee skills and much more need to be answered, since understanding a company’s capabilities makes it possible to draw up a SWOT (strengths, weaknesses, opportunities, threats) assessment and evaluate potential strategies that the competitor may consider.

- Strategies, goals and assumptions – obtained from management interviews, blog comments, news articles and even twitter feeds. Such intelligence is crucial in building up a picture of a company, allowing a competitor to anticipate future actions.

The above list of the types of information required for competitive intelligence is partial. It doesn’t include the ad hoc query aimed at answering a time-specific management query or at long-term business environmental forecasting, for example.

The sources used to answer competitive intelligence queries are thus not simple, and many questions are unlikely to be answered from Google searching. Competent information professionals should have an awareness of the range of sources that can provide clues to the intelligence required. Unfortunately, with corporate downsizing, organizations often lack the time and sometimes the skills for such searches. Competitive intelligence managers within companies can identify the questions and evaluate the answers but may not be equipped to do the research themselves. As such, using an IIP may be the solution.

Another reason to outsource competitive intelligence research is the risk of subjectivity. It is very difficult to remove the blinkers of organizational culture and see a competitor from a truly objective perspective. Failure to do so can be very damaging. In 1991, Virgin Atlantic accused British Airways (BA) of poaching customers and gaining access to confidential Virgin files. BA denied this and accused Virgin boss Richard Branson of publicity seeking. However in the subsequent libel case, British Airways lost and ended up paying substantial damages to Virgin. Following the case, Lord King, the BA chairman said, “If Richard Branson had worn a pair of steel-rimmed glasses, a double-breasted suit and shaved off his beard, I would have taken him seriously. As it was, I couldn’t. I underestimated him.” An IIP should be able to look at the competitive marketplace without such organizational blind spots – complementing the organization’s own competitive intelligence research.

Although the issue of subjectivity is also important for primary research it can be crucial for secondary research in that IIPs are more likely to be able to think laterally and find the crucial nuggets that would remain hidden if they were constrained by their client’s organizational culture.

Ultimately, however, the key reason to use IIPs for competitive intelligence secondary research is their experience. A competent IIP will be familiar with a wide range of sources that they have used for a variety of different tasks.
This breadth can give them the edge when looking for items that competitors would prefer weren’t found—even though they are available from published materials. The skill is not just finding information but putting disparate pieces of data together to build a cohesive picture. However without the information in the first place, there will be no picture—and often in-company researchers have too little time to fully investigate what is available or lack the knowledge to search the unfamiliar. As an example, I once was asked to find some information on Japanese auto part suppliers by an automotive distributor. Within a few hours I’d given my client what they needed. Their comment was to ask me how I’d found it so quickly when they’d spent two days looking for the same information. They were skilled searchers for the automotive industry but had no idea how to search Japanese company data and so failed to find the information. Another time, I’d provided a client detailed financial data on a UK competitor. Shortly after, I received a phone call from the client’s legal counsel accusing me of espionage—pointing out that such information could not be publicly available. Within the United States it wouldn’t be. In Europe there is a legal requirement to make full finances available—even for private companies. It is in cases such as these that the IIP brings real competitive value providing data that may be missed by companies refusing to outsource competitive intelligence research.

Primary Research for Competitive Intelligence

In competitive intelligence, as in other forms of research, you can always gain more insight if you conduct primary research—that is learning about the competitive environment, not just the competitors—from talking to knowledgeable people.

Most information professionals start competitive intelligence projects using public sources that are free, pay-to-use resources that we use at discounted rates as AIIP members and social networks such as LinkedIn. Sometimes our clients are happy with the results of this research. In other cases, you may just need to make a few phone calls to make sure what you have collected using secondary research and social networks is accurate or perhaps to fill in a little hole. For example, you might call the company receptionist to find out what a person’s job title is or the marketing VP’s name.

However, for U.S.-based privately held companies, it is difficult, if not impossible, to get enough information about them without talking to industry experts, association executives, customers, suppliers, ex-employees from the competitive company and the competitor, for example. You only have one chance to get through when you call the competitor directly, since they are usually smaller companies and everyone talks to each other. They are often savvy and will look you up on the Internet and LinkedIn before returning your call. That’s why, if I have enough time, I prefer to cold call and gradually find out whom I need to talk to without leaving my contact information.

With every project, I organize a list of people I might contact from all sources. I read all the target company’s executive profiles just in case I am transferred to one of them, as I usually cold call into the competitor’s main office for my first call. This way I learn how they treat potential customers, how professional they are and how long it takes for me to get connected to the right person. One time I found good information about the company’s business by listening to its “advertorial on hold” while waiting to be transferred to the sales manager. Surprisingly, the advertorial contained information that answered a couple of my client’s questions.

Another time I was immediately transferred to the company’s executive VP of marketing. Wow, was I surprised as I had expected to talk to a sales person! I was prepared, however, because not only had I read about him, but I had seen him in a video on the company’s website. I knew what he looked like, his mannerisms, how he held himself and that he was quite egotistical.

This brings me to another point about conducting primary research, especially over the telephone: it isn’t for everyone. You need to be very observant and sensitive to the other person’s tone of voice, personality and predisposition. Put your ego on hold. Don’t take yourself too seriously and focus on listening—also on what’s not being said. Think about your favorite investigative journalist and that’s the kind of skills a competitive intelligence researcher should have.

Before I call people, even when cold calling, I apply Naylor’s First Rule of Primary Intelligence Gathering—Think about what will motivate a person to share with you.
Consider 4 Ps about each person before you call them. Even during a cold call, I think about these 4 Ps:

- **Profession**
- **Politics**
- **Predisposition**
- **Personal issues**

Understanding these 4 Ps is the first step in communicating cooperatively. Put yourself in the other person’s position. Open yourself up to who they are and forget about yourself. Who they are is influenced by what they do, their personality, personal goals, favorite charities, hobbies, marital status and how their company rewards their efforts.

### About Cold Calling

Many people who do competitive intelligence are uncomfortable with cold calling. They want to know the name of someone at the target company and have a referral source, even if it’s LinkedIn. While this targeted effort is effective for conducting research, when I call competitors, I prefer to cold call so they more quickly forget who I am. We just have a phone conversation with no digital communication like email as a trailer.

Even with cold calling, you will sometimes have to leave your name and phone number with a receptionist since s/he doesn’t know who to refer you to, or perhaps does know and the person is not available. Just recently, this happened to me, and two executives called me back and grilled me on the competitive intelligence angle of what I do for a living.

This brings me to Naylor’s Second Law of Primary Intelligence gathering: Do your homework on all angles before dialing!

If I have a choice, I call competitors last when I conduct primary research.

I look at primary collection like peeling back the layers of an onion, where I first query sources that are further from the competitor, like industry experts, and work my way towards those who are closer, like customers and ex-employees (Figure 1). That way I will be armed with enough information about the competitor to think of better probing questions during my conversation with them and am prepared to answer those grilling questions about what I do for a living, competitive intelligence.

Before calling the competitor, be prepared to explain who you are, why you’re calling, what you’re doing and prepare yourself for the questions the competitor might ask, since you are probing into what they might consider proprietary territory. Of course, I always respect requests for confidentiality. Just before you call the competitor, prepare some pointed questions that you believe will resonate with them – ones that might make them look good, for example.

Lastly remember Naylor’s Third Law of Primary Intelligence gathering: Be respectful of the other person’s time. Some clients ask me to send out RFPs to their competition. Not only is this unethical, but it’s also disrespectful of their time. It takes many hours to prepare the response to an RFP. I have learned that you can find out what your client needs to make better decisions by supplementing your secondary research with some phone calls, by attending a trade show and/or talking to their customers. If they need detailed pricing information, that’s what their sales force should be collecting.

There are two other ways in which I find primary intelligence about the competition:
From customers, primarily through win/loss interviews
- From just about any attendee at trade shows in the sales mode in public places like restaurants, bars, bus rides to the airport, the airplane ride, even the bathroom:
  - Industry experts
  - Magazine/newspaper authors
  - Bloggers
- Exhibit booth personnel
- Presenters
- Fellow attendees

Both sources keep companies from being blind sided, since they provide an external perspective.

Win/loss analysis (why a customer did or did not purchase a product or service) is the least expensive form of primary intelligence gathering, and I am surprised more companies don’t do it. Many are afraid of getting their sales people angry, but good sales people embrace win/loss analysis findings, which can help them sell better against the competition. These interviews can usually be conducted over the telephone, although in some cultures they need to be conducted in person.

Trade show intelligence gathering works best in person and is a goldmine for anyone who is collecting information, since just about everyone is in the sales/marketing mode at trade shows. Apply the cold calling practices in this article, and you will learn about your competitor’s latest product development and what’s in their product pipeline. Get yourself invited to a competitor’s cocktail party and listen!

**Conclusion**

Regardless of what type of competitive intelligence collection you are doing, keep in mind that no one method will be successful for every project. Competitive intelligence collection is both an art and a science. Think about collection as a continuum: a series of steps that start with secondary collection, then social media collection and lastly primary collection (Figure 2). However, as you learn from each source, you may find yourself checking other sources up and down the collection continuum that you might not have originally considered. Remember that most people operate in WIIFM (What’s in it for me) and MMFIAM (Make me feel important about myself) modes. If you keep these facts of human nature in mind, you will engage conversation and keep it flowing.

<table>
<thead>
<tr>
<th>A. Think and Do</th>
<th>B. How You Need to Be</th>
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<tbody>
<tr>
<td>1. How do you think the source is motivated?</td>
<td>1. Psych yourself up: Envision and expect them to share with you.</td>
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<tr>
<td>2. Why would they want to talk with you?</td>
<td>2. Be interesting on your end, even if you’re horrified!</td>
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<tr>
<td>4. Read up on their profession if you don’t know it.</td>
<td>4. Think confidence: This comes through.</td>
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<tr>
<td>5. Prepare a good intro about yourself: short and crisp.</td>
<td>5. Psych yourself up: What’s the worst thing that will happen? (They’ll hang up or ask you too many questions and you’ll hang up.)</td>
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<td>7. Prepare the list of questions you need to have answered.</td>
<td>7. Listen closely to each person. You’ll be amazed at additional questions that you’ll think of that will delight your clients.</td>
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<td>8. Consider why they would want to answer these questions.</td>
<td>8. Listen to what they don’t say, and decide if it’s worth going into.</td>
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<td>9. Consider which questions might be easier for them to answer.</td>
<td>9. Leave them feeling good about themselves: You may want to call them back.</td>
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<td>10. Make sure you have some open ended questions to start.</td>
<td>10. If you’re having a bad day, don’t make phone calls: tomorrow is another day!</td>
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**Figure 2. The continuum of collection**

- Public Intelligence
- Social Networks/Blogs
- Human Intelligence