

## How to measure success of in-company competitive intelligence?

### **When working with competitive intelligence is not (yet) a norm in your company**

There is a difference between a norm and a value. A norm is something that is so embedded in your thinking that you don't think of it anymore. A classic example of a norm has been provided by expert Fons Trompenaars. Fons gives the example of a norm that postulates that in your company you don't shoot people. This is so obvious that it requires no further elucidation. Hence, you never communicate about it at your company's leadership days. You also never read about e-learning programs being offered to encourage you and your colleagues to leave their handgun or axis at home. In your company there is no need to remind your corporate leaders to set a good example by stopping to shoot people themselves, in doing so trickling down the good behavior to the ranks.

How different it is with values. Many companies consider it a core value to provide a safe working environment. So, in such companies you see corporate campaigns on how to prevent incidents. These companies track and visibly communicate their safety-related performance. In such companies, employees are encouraged to reproach their colleagues that do teleconferences while driving their car or that do not hold the handrail while walking a flight of stairs. The question now is: what is the status of competitive intelligence in your company? Has it developed into a norm? Or is it at best a value that needs to be consistently reinforced? Or don't you even have a program that is worth the name, so you can't even call it a value?

Coincidentally and at separate occasions I met staff working in competitive intelligence in three different companies recently. Each experienced that in their case applying competitive intelligence in their company's decision-making was not a norm. In their companies it was still far from evident whether it already was a value. One of them even wondered whether expenditures for it would feature (again) in his next year's budget. Hence, he understandably asked me: "how do you measure success of competitive intelligence efforts to secure having a budget again next year?"

### **No easy answers**

It may sound disappointing, but I believe there are no scientifically correct answers to his question. Most often it depends on the personality of the competitive intelligence customers. Success is success in the eye of the beholder. Who measures success of your competitive intelligence efforts? When it is the finance department, they will likely wish to see quantifiable KPIs that express the *results* of better decision-making based on superior competitive intelligence. Think of:

- your market share growth.
- outperformance of your business line' volume growth vs objectively measurable volume growth for the same line of products in a particular channel (e.g. your 5% volume growth in retail in the EU, vs. 1.5% volume growth for the total market in that channel and geography).
- outperformance of your business' financial results versus that of peers.
- outperformance of your average pricing for a (standard) product versus an objective price quotation for that product.

When, however, success is measured by a general or a marketing manager, the KPI or KPIs may be different or complementary to the ones mentioned above. She may have simply valued having been provided with typically at least once a quarter a short report that turned the information-overload of market news into just these few actionable insights. The competitive intelligence function has made sure that the timing of these insights is such that it allows her to win that debate she is having through having the right detailed argument at hand when she needs it most. That alone may be enough to make and keep her happy and thus ready to support your next year's budget request.

### **Show and tell**

My suggestion to any practitioner is to aim to turn competitive intelligence into a company value, if not a norm in your company. On that route demonstrate both your competitive intelligence department's contributions to quantitative and output oriented KPIs (think: your business' market share) as well as show input KPIs (like your department having timely delivered a report).

The output KPIs being met or exceeded will always be the result of a multi-disciplinary effort in your company. The success of such effort will never be solely attributed to competitive intelligence contributions alone. It is important to be seen as part of that success, but it is not enough. The input KPIs show that those tasks you and your department have been responsible for and had the authority to do, have always been completed in time, in full and within your budget. In a service function like competitive intelligence it is critical to deliver high-quality work. It is, however, also relevant to show your work and the contribution you made to those that need to see it. Being good and feeling capable yourself is not good enough. Decision-makers should also be aware of that. Self-marketing may feel uncomfortable to the critical and skeptical professionals that many competitive intelligence specialists are. You must, however, accept that "be good and tell it" must be your norm to drive the success of your competitive intelligence function.