



Knowledge-enabled Competitive Intelligence: CI Across Business Functions

By Rachele Williams

In its six consortium benchmarking studies on best practices in competitive intelligence, APQC has observed many examples of how organizations organize and manage their competitive intelligence knowledge across business functions. All six APQC studies have featured the subject matter expertise of John Prescott from the University of Pittsburgh's Katz Graduate School of Business. APQC's most recent consortium benchmarking study, "User-Driven Competitive Intelligence," focused on how best-practice organizations manage and capture both tacit and explicit knowledge across business functions within the organization. The results of this study are available to APQC members in the Best-practice Report [User-driven Competitive Intelligence](#); this article will highlight some of the key findings.

In order to couch the discussion in the appropriate context, it is helpful to first review the definitions of knowledge management (KM) and competitive intelligence and how the two disciplines are related. APQC defines knowledge management as "systematic approaches to help information and knowledge emerge and flow to the right people at the right time to create value." Competitive intelligence is defined by the Society of Competitive Intelligence Professionals as "systematic and ethical programs for gathering, analyzing, and managing external information that can affect an organization's plans, decisions, and operations to enhance market competitiveness." The commonality between the two definitions can be found in the words "systematic" and "actionable." Both disciplines must be implemented in a methodical, organized fashion so that information can be accessed by people who need it, and knowledge and competitive intelligence must be actionable in order to be valuable to the organization and help it create a competitive advantage.

CI, then, is a subset of KM that incorporates the external knowledge of the marketplace and competitors, while the larger world of KM deals with an organization's knowledge pool as a whole. Like KM, CI must follow three key tenets in order to make information systematic and actionable:

1. the competitive intelligence must be filtered to the right people at the right time,
2. the organization must have easy and ready access to CI subject matter experts, and
3. competitive intelligence knowledge and best practices must be transferable.

By providing actionable information to those who need it when they need it, CI fulfills its mission to be a good business partner through aiding the organization to make better business decisions. The remainder of this article presents examples of how best-practice organizations detailed in [User-driven Competitive Intelligence](#) accomplish these three things across business functions.

Getting Competitive Intelligence to the Right People at The Right Time

Best-practice organizations channel competitive intelligence to the people who need it, when they need it, using targeted push deliverables, CI databases, and dedicated CI sites on corporate intranets. Several of the best-practice organizations in *User-driven Competitive Intelligence* created organizational structures that facilitate knowledge sharing. For example, MetLife has seven dedicated research managers funnel competitive intelligence information to their specific product groups (Figure 1). These research managers have a dotted line reporting relationship to the director of competitive intelligence and support the group by building relationships with key end users and providing content for various competitive intelligence products. The seven research managers are each responsible for a key business unit or combination of business units. They ensure that the customer business unit receives the intelligence that they need, when they need it.

Figure 1



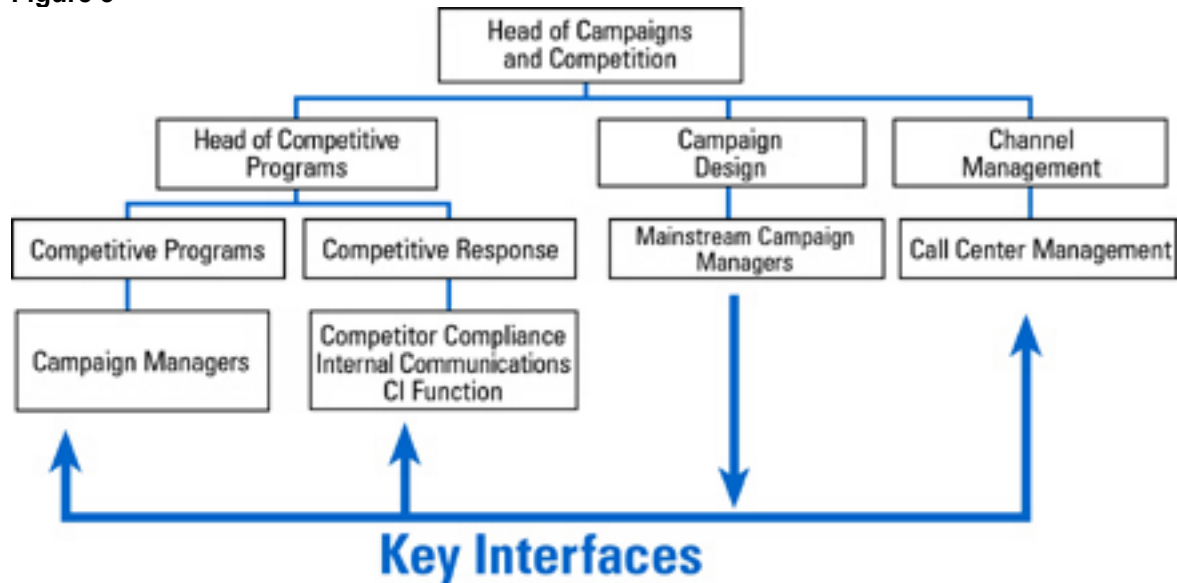
At BP, another best-practice example in *User-driven Competitive Intelligence*, the CI function is composed of a core team of four CI professionals, another set of individuals who are devoted to CI for specific business streams (with a dotted-line reporting relationship to the CI team leader), and a worldwide network of approximately 200 individuals who are involved in CI activities on a part-time basis or have indicated that CI is an area of interest for them (Figure 2). These four stream "relationship managers" report to their respective stream organizations, but have a close relationship with the CI team leader. Their job is to ensure that CI information is filtered to their respective streams from corporate CI, and vice versa.

Figure 2



Best-practice study partner BT Retail has restructured its organization to facilitate knowledge sharing across business functions. As illustrated by Figure 3, CI and its primary customers (advertising campaign managers and the call center) are part of an overall cross-functional team. The nature of the cross-functional team enables more effective campaigns against key competitors, in part by more closely aligning competitor analysts and campaign managers.

Figure 3



Access to CI Subject Matter Experts

APQC has observed best-practice organizations use the following mechanisms to provide access to key CI subject matter experts and tap their tacit knowledge:

- personal interviews with key subject matter experts (SMEs) and targeted questionnaires of internal SMEs,
- SMEs identified and accessible through the intranet, and
- CI human networks.

For example, one of the ways in which the intelligence function at BP engages key users in the production of CI is the use of targeted questionnaires submitted to executive SMEs to mine internal corporate knowledge on a specific topic. These targeted questionnaires are used sparingly in order not to inundate the executive customer with surveys from the CI team. They enjoy a high response rate because they benefit from the established network and general level of trust between the user and the CI team.

A good example of a CI network or community can be found at Kodak (Figure 4). In the words of the director of CI at Kodak, the Kodak CI community provides "access to others 'in the know' to those who 'need to know.'" The Kodak CI network involves business intelligence, technical intelligence, and manufacturing intelligence working together as one entity to serve the organization. Organizationally, each intelligence group reports to different areas, and each maintains a separate budget, reporting structure, and charter. However, the intelligence groups converge operationally based on projects or issues, depicted at the center of the chart. Kodak intelligence professionals leverage the CI network of experts from different functions (business, manufacturing, research and development, business units, and international and external partners) to locate intelligence information present throughout the corporation.

Figure 4



Transfer of Knowledge and Best Practices

The final element of making competitive intelligence actionable is the ability to share and transfer CI lessons learned and best practices throughout the corporation. Best-practice organizations transfer competitive intelligence and best practices through such mechanisms as:

- periodic forums,
- knowledge fairs,
- road shows,
- discussion groups,
- e-mail and distribution lists,
- CI champion teams,
- rotation of staff in and out of CI,
- CI Centers of Excellence, and
- CI databases and intranets.

The corporate champion program idea comes from best-practice study partner IBM. This program was started in the early 1990s at IBM as a mechanism to understand competitors' key strengths, weaknesses, and the implications of their actions, as well as to anticipate their next moves. Key executive champions at IBM head cross-functional champion teams, and each team is responsible for keeping up-to-speed on a specific key competitor. These champion teams are responsible for transferring lessons learned regarding their specific competitor to those who need the information.

Another example of transferring CI best practices and lessons learned can be found at best-practice partner Kodak. The CI function at Kodak hosts "road shows" whereby intelligence professionals travel to different Kodak locations throughout the world and educate employees with pictures and hands-on demonstrations about CI themes. The intent of the road shows is to convey information about the competitive landscape to employees in the outer reaches of the company.

Summary

This article has presented ways in which best-practice organizations from APQC's most recent Best-practice Report [User-Driven Competitive Intelligence](#) manage, capture, and disseminate competitive intelligence knowledge across business functions. In order to ensure that competitive intelligence is systematic and actionable, organizations should: ensure that the competitive intelligence is routed to the right people at the right time, provide access to key CI subject matter experts, and provide the ability to transfer competitive intelligence and best practices. For more information about the detailed findings in this study, a free executive summary can be downloaded by clicking [here](#).