



Competitive intelligence for the LIS

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Outline of presentation

- Introduction
- What is Competitive intelligence (CI)?
- The intelligence cycle
- Value of CI for organisations
- How companies compete
- Competition in the Service Sector
- Gaining a competitive edge
- Competitive strategies for the LIS
- Conclusion



Competitive Intelligence



- What is competitive intelligence?
 - Competitive Intelligence (CI) is a systematic program for gathering and analysing information about your competitors' activities and general business trends to further your own company's goals.

(Kahaner, 1996:16).





- CI when practiced **responsibly** it's legal and ethical.
- Intelligence and **not just information**, it is what managers need to make decisions.
- Companies that know how to turn **information into intelligence** will succeed and the company that doesn't will fail.
- CI is not a function, it's a **process**.



The intelligence cycle



- The basic unit of a competitive intelligence system is the intelligence cycle/intelligence process.
- It is the process by which raw information is turned into intelligence.
- CI practices rely on the intelligence cycle.
- It can be regarded as a framework that defines specific functions for establishing a full-service intelligence unit.



Critical CI processes & intelligence operations (Fleisher & Bensoussan, 2007)

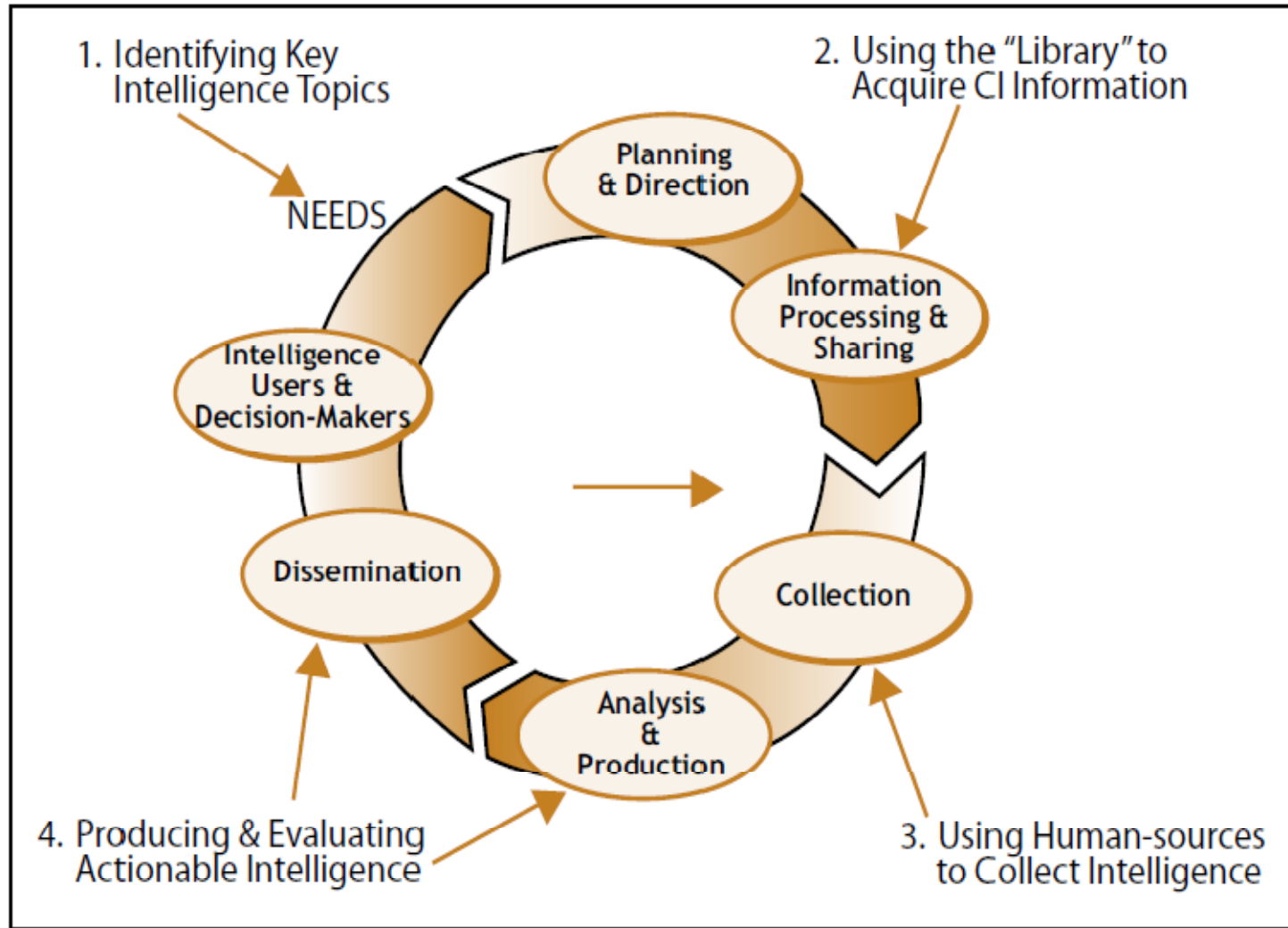


Figure 2: Critical CI processes and intelligence operations



The value of CI for organisations



- Anticipate changes in the marketplace.
- Anticipate the actions of competitors.
- Discover new or potential competitors.
- Learn from the success and failures of others.
- Increase the range and quality of acquisition targets.
- Learn about new technologies, products, and processes that affect your business.



The value of CI for organisations



- Learn about political, legislative or regulatory changes that can affect your business.
- Enter new businesses.
- Look at your own business practices with an open mind.
- Help implement the latest management tools.



The need for CI in organisations



- The pace of business is increasing rapidly.
- Information overload.
- Increased global competition from new competitors.
- Existing competition is becoming more aggressive.
- Political changes affect us quickly and forcefully.
- Rapid technological change.



How companies compete?



- Products
- Financial areas
- Technology
- Organisations and people
- Strategic alliances with other companies
- Manufacturing
- Marketing and advertising
- Reputation/image



Competition in Service sector

- **Internal competition**
- Funding and other economic factors
- Physical location as a form of competition
- Personnel
- Expertise and experience
- Influence and prestige
- Red Tape procedures and lack of delegation
- Vision, mission and strategic intent
- Organisational structure
- Culture
- Client interaction
- Rapid staff turnover



Internal competition.....

- Staff as internal saboteurs
- Status and clashes of ego
- Meetings, workshops, training
- Policies, legislation and regulatory procedures
- Too much change
- Flow of information
- Communication patterns
- AIDS
- Technology
- Political environment
- Lack of professional ethics
- Fraud and corruption



External competition



- Competition from customers:
- Prior relationship and bad experiences
- Alternative means of accessing services
- Reluctance to change
- Lack of education and awareness
- Customer expectations
- Mass media and negative press reports



Left field competition



Sudden change in demands:

- Xenophobia
- Cholera outbreak in Zimbabwe
- Illegal immigrants
- Eskom power outages
- 2010 FIFA Soccer World Cup
- Turnaround Programmes
- Third party service providers
- Labour and labour costs
- Scarce skills competition
- Financial fluctuations
- Repositioning the image
- Identity theft



Gaining a competitive edge in LIS



- **Characteristics of successful organisations (Bryson, 2006:24-26):**
 - **Knowledge enabling-** gains come from releasing the creative know-how, intellectual capacity & experience of people and in enabling knowledge and organisational learning. LIS as an enabler of knowledge has a responsibility to ensure that the corporate memory is complete & that everyone is able to develop high-level skills & proficiencies in knowledge sharing, management and use.



- **Innovative capability**- shift away from management of material goods to the management of know-how, skills, talents and expertise of people. Creativity & innovation are acknowledged .
- **Leadership style**- leaders are proactive, visionaries, entrepreneurial & risk taking. They create a collaborative & supportive environment. Resistance to change is smoothed by open communication and a participatory style. Decision making is encouraged to those in the service areas.



- **Culture & values-** strong corporate cultures with executive management “walking the talk”. Mutual respect for people and rewards for performance and innovation rather than for length of service. Importance is attached to expertise, imaginative thinking, trust, ethical behaviour and values.
- **People management-** increasing expertise through training and development, coaching & expanding capabilities. Emphasis is on the provision of advise & relevant information rather than instructions & decisions.



- **Structure-** flatter with fewer management tiers in order to be more responsive to changing environments. People work in teams (Cross-functional), collaboratively and with partners.
- **Use of technology** – viewed as a transformational tool. Can be used for customer relationship management, enabling internal efficiencies through integrated systems and extending the human-to-machine interface to make life more exciting, convenient & enjoyable.



Competitive strategies for the LIS

(Bryson, 2006:295)



- Strategic marketing
- Customising services to meet segments
- Diversification and service rejuvenation
- Using competitive intelligence
- Customer relationship management





Thank you!

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