

Competitive Intelligence (CI) in Morocco

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Abstract

The business environment is highly complex in Morocco, and the purpose of this article is to examine the current situation with regard to competitive intelligence (CI) activities in Morocco. Morocco lacks competitiveness, as much of its industrial base has long been focused on import substitution, rather than on competitive exports. This study is mainly exploratory in nature. A questionnaire survey methodology was used where a questionnaire was administered to CI experts in organisations to determine the current state of CI in Morocco.

Key words:

Competitive Intelligence (CI), Morocco,

Introduction

Morocco is among the emerging nations hence innovation will play an increasingly important role in the country's future growth. The Government has set up the Moroccan Innovation Initiative to promote the country as an innovation hub. This initiative provides an in-depth examination of the role of innovation in Morocco competitiveness and lays out a concrete roadmap of recommendations for the future, organised into three broad categories: talent, investment and infrastructure (African Economic Outlook, 2012). However, Morocco lacks competitiveness, as much of its industrial base has

long been focused on import substitution, rather than on competitive exports. This could make the prospect of integration to the global economy a painful one. But Morocco is taking bold steps to change things for the better (Oxford Business Group, 2006).

Therefore, competitiveness has drawn much attention in Morocco. In this regard, the Moroccan government has undertaken an economic development programme and set up a vision derived from an 1800-page survey of the Kingdom's economic potential in the global marketplace. In 2005, McKinsey carried out a diagnosis of 12 sectors and 77 industrial branches, so as to benchmark Morocco's competitiveness against three groups of countries: direct competitors (Tunisia, Egypt, Romania, Turkey and Indonesia), aspiration countries (Poland, Czech Republic, Portugal, Malaysia, China and India) and world-class countries (Spain, Ireland, South Korea and Singapore). The survey also forecasted Morocco's future potential competitiveness and performance in each sector, focusing on prospective improvements, measures and incentives (Oxford Business Group, 2006).

In order to enhance the competitiveness of its industry sector, Morocco carried out the Emergence plan. This plan aimed to identify a number of medium and high value-added activities dubbed Morocco's Global Trades, in which Morocco can gain a key competitive edge, thanks to its access to the main markets, logistical proximity to Europe, abundance of qualified human resources, and quality of life. These will be leveraged to attract export-oriented activities. The Emergence plan aims at achieving several ambitious targets, such as creating 440,000 direct jobs by 2015 (National Pact for Industrial Emergence, 2008).

This article investigates the current state of competitive intelligence (CI) implementation in organisations in Morocco, and it is aimed at looking at the progress made in terms of improving its competitiveness in the global market.

Competitive Intelligence

Since CI is a relatively new management concept, it

is necessary to ensure that an accurate understanding and definition of CI is obtained. Several terms such as business intelligence, competitor intelligence, and even industrial espionage are found in literature to express the concept of CI. According to Calof and Skinner (1999), CI is actionable information arising from a process involving planning, collecting, analysing and disseminating information on the external environment for opportunities that have the potential to affect a company's competitive position. The basis of CI is knowing the difference between information and intelligence. Streamcrest (2003) believes that CI provides a framework of knowledge to organise coordinated activities as a group, to share information, to allow analysis and to incorporate active collection techniques. Executives usually have to read through several reports and proposals before making decisions, and it is often found that they are overwhelmed with information and lack intelligence that will enable them to make more efficient decisions. Therefore, it can be said that companies that are able to turn information into intelligence will succeed (Sewdass, 2012).

A comprehensive definition of CI is "the legal collection and analysis of information regarding the capabilities, vulnerabilities, and intentions of business competitors conducted by using 'open sources' and ethical inquiry" (SCIP, 2012). Kahaner (1997) eloquently discusses what the new world of CI is by showing how companies efficiently, systematically and economically collect information, analyse and use it to make decisions. This understanding can assist the decision makers in organisations in making more informed decisions concerning improving the quality of services or products offered to citizens. Most organisations, and individuals alike, confine competition to the other companies performing the same function as they are, and literature usually refers to these as 'the direct competitors' or 'traditional competitors'.

The basic reason for this could be the fact that it is relatively easy to spot traditional competitors, study and analyse them. However, it must be realised that in the business world, competition can be 'anything and everything' that will send the customer away from your door (Sawyer, 2002).

Competitiveness in the Global Economy

According to Garelli (2003), "the competitiveness of nations looks at how nations create and maintain an environment which sustains the competitiveness of its enterprises." A global study of CI in large companies that was conducted by the Global Intelligence Alliance (2005) revealed the following benefits that companies claimed to have achieved through the use of CI:

- Increased quality of information received,
- Accelerated decision making,
- Improved systematic understanding of information collection and analysis,
- Improved effectiveness,
- Increased awareness,
- Improved dissemination of information,
- Improved threat and opportunity identification,
- Time and cost saving.

The study also indicated that CI was able to fill a primarily strategic role in the companies, with top managers being the most important users of CI information products. CI was also used in strategic planning and business development, continuous monitoring of the companies, and gathering of information on competitors, customers, and industries in the field (Global Intelligence Alliance, 2005).

While, in theory, the process of conducting CI seems to be a relatively logical and simple way of conducting business, the implementation of such a process is more challenging and daunting. Hence, the reason why many organisations have failed to use, or have not even considered utilising CI in their operations. The situation is further compounded by other factors. These factors include: the negative attitudes of managers; the organisation's corporate culture not being conducive for CI; previous research failures of CI programmes that have not worked out as a result of ineffective implementation; lack of understanding of the organisation's strengths and weaknesses; the lack of resources to conduct CI; and, finally the fact that CI is regarded as an additional cost for the organisations (Broome, 2001; Kahaner, 1997; Metayer, 1999; Madden, 2001).

The Situation in Morocco with Regard to Competitiveness

The Kingdom of Morocco is a country located in North Africa. It has a population of over 32 million and an area of 446,550 km². Morocco went through a decade of major political, economic and social change (Semmar, 2012). Despite the uncertainties raised by the Arab Spring, Morocco has been able to show some resilient growth in 2011; and this growth trend is expected to continue in 2012 and 2013 (African Economic Outlook, 2012). The vibrant domestic demand and consistent progress in agricultural and non-agricultural production can also be credited for Morocco's growth trend. Furthermore, it has assisted Morocco to cope with the deteriorating economic situation in Europe which is its main economic partner. However, even with the good economic performance, the country is still facing several social challenges such as persistent inequalities, social disparities, and a dysfunctional labour market. Morocco also has a high unemployment rate, particularly among young graduates and women (African Economic Outlook, 2012).

Clerc (2008) states that Morocco, like any nation with an emerging economy is concerned about the sustainability of its development, or even its survival, the preservation of its identity between Europe and Africa, and the search for new capabilities and economic power (free trade agreements with the United States, with the European Union and with Turkey). The considerable investment, rationalisation and restructuring efforts by the government have deployed to meet Morocco's needs and confront the challenge of globalisation (Semmar, 2012). Structural reforms by the Moroccan government since the early 1980s were to re-establish and stabilise macroeconomic equilibrium and liberalise the economy (Semmar, 2012). The result was to lift the monopoly on foreign trade, liberalise prices and open the national economy to foreign investment. Furthermore, there is a dire need to design the Moroccan intelligence process while taking into consideration the richness of the Moroccan cultural base. In 2011, Morocco was elected 'African country of the future 2011/12' by FDI Intelligence (Semmar, 2012).

In the literature of CI in Morocco (Ahrar, 2011;

Clerc, 2008), the terms economic intelligence, social intelligence and competitive technical intelligence are often used to explain competitiveness. Social intelligence is defined as "All activities of a company connected to the intelligence, the ability to adapt to meet changing circumstances in order to achieve agreed development goals" (Clerc, 2008). The effectiveness of social intelligence is further based on the size and dynamism of the country's industry knowledge, as well as the density and quality of information networks and expertise. Economic intelligence is referred to as the intelligence that "allows territory and organisations to act effectively on the environment, to anticipate major trends and opportunities, to warn of the threat of loss of attractiveness, competitiveness or information" (Clerc, 2008). Competitive technical intelligence is the process focused on monitoring the competitive and technical environment of an organisation. It is actionable information about external science and technology developments that could impact on a company's competitive position (Ashton and Klavans, 1997).

Morocco has approximately 10,000 industrial firms with fewer than ten employees, and tissue production is more than 90% composed of small and medium-sized enterprises (SMEs) and very small entities. SMEs account for more than 40% of the industry, employing more than 50% of the workforce (Ahrar, 2011). According to the Global Competitiveness Report (Schwab, 2011), over the past year, the Middle East and North Africa (MENA) region has been affected by a great deal of turbulence that will have an impact on national competitiveness and might further exacerbate the competitiveness gap between the Gulf economies and the rest of the region. The competitiveness of many countries from North Africa stagnates.

According to the Global Competitiveness Index (Schwab, 2011), Morocco was ranked 73rd out of 142 countries. The size of its economy was ranked 57th in the market size. The country's financial market development was ranked 62nd, and this indicates that there is not a very high level of confidence and trust in Morocco's financial markets in other parts of the world. Morocco was also rated 80th in business sophistication and innovation. The most problematic factors for doing business in Morocco are: access to financing, corruption, inadequate supply of

infrastructure, inefficient government bureaucracy, and tax rates and tax regulations in Morocco. These are the most critical areas that pose problems for other countries doing business with Morocco.

The Emergence of CI in Morocco

Morocco suffers from numerous programmes launched by the various governments since independence because they didn't have a common strategy. A lot of financial resources have been wasted as a result. In reaction to this, many experts have launched a call for the Moroccan government to define a new strategy where CI must be integrated. In the last decade, Morocco has followed a strategy of open market to develop its economy. This was a mistake because it compromises the long term development of the country. Hence, a solution can be found from a new way of thinking where geopolitical factors have to be analysed (Senoussi, 2010). The world is not any more limited to the political borders but to the economical dynamics.

Morocco was the first country in North Africa known as the Maghreb to be most interested in CI since November 2004 when the first meeting on CI was held in Tetouan in North of Morocco, under the theme: Economic intelligence and strategic watch: challenges and strategies for the emergent economies. Since that date, many initiatives were undertaken; the first initiative was the creation of the Strategic Watch Committee within the Prime Minister Department. The Committee examined propositions made by sector committees with regard to different sectors; and based on these propositions, new measures have been selected and will subsequently be submitted to the government.

Senoussi (2010) stresses that the lack of a security strategy impacts negatively on economical stakeholders. Morocco also does not have tools to lead the country in a competitive world and to imagine the future. The country does not have a large culture of CI and of sharing information between public and private sectors for common actions of lobbying and markets penetration.

Clerc (2006) states that managers and directors in firms are aware of the importance of information, however, their actions are not structured and formalised. Moreover, there is no professional CI organisation and CI work is not primarily done

by professionals. In contrast, CI is more advanced in large Moroccan companies, especially in the finance sector. Some Moroccan groups like Omnium Nord African (ONA), Barid Al Maghrib, BMCE Bank, and another financial institution called Caisse de Depot et de Gestion (CDG) have already set up a CI service or a CI department and have launched programmes in this field (Clerc, 2008). However, most of these programmes are focused only on environmental analysis.

In recent years, the political, economic and academic Moroccans have gradually accepted CI as a process aimed at using reliable strategic information for business development, public organisations but also projects and territories. Morocco has decided to develop institutions to organise a public CI policy on a national and territorial level (Ahrar, 2011).

Morocco has created sixteen regional centres (to promote investments and assist investors). Moreover, it has created a special agency for SME's to help managers identifying new areas of development and enhance their situation with their competitors. CI as process and tool is recommended and supported by many organisations such as the following:

- *Moroccan Institute of Scientific and Technical Information*: It allows Moroccan scientists both in the public and private sectors to have fast and efficient access to scientific and technical information. Also, it supports the dynamics of technological innovation in all economic sectors.
- *Moroccan Industrial and Commercial Property Office*: It aims to protect patents and to support universities and research centres.
- *Royal Institute of Strategic Studies*: Created in 2007, this institute offers some information analysis at a large scale so as to be able to deal with the country's main issues, adopting a cross-cutting and multidimensional approach.
- *National Centre of Documentation*: The centre keeps tracks of the evolution of different sector, such as mining, agriculture, industry, tourism and crafts, healthcare, and provides timely information.

The Competitive Intelligence and Strategic Management Centre (CIEMS) is an academic centre

that was established in 2011 at Rabat, and it is dedicated to promote the field of CI and Strategic Management, through bringing academics together with business, the public sector and policy thinkers in order to develop and deliver research reports and studies which have an immediate and significant impact on management practice (CIEMS, 2012). CIEMS' goal is to promote the execution and dissemination of the best possible research on issues central to organisations, especially in CI and strategic management. Its mission is to work with partners in industry, government and other organisations to provide exciting new insights and to help improve the competitiveness of organisations. CIEMS's vision is to help the Moroccan society through theoretical and applied CI research projects. CIEMS intends to shift its emphasis from the development of pure research methodologies towards more focused algorithms and approaches to directly address real problems.

Methodology

This study is mainly exploratory in nature. A questionnaire survey methodology was used where a questionnaire was administered to CI experts in organisations in Morocco. The questionnaire was distributed by CIEMS.

The organisations surveyed for the study were based on the Standard Industrial Classification that is used worldwide and comprises ten categories. An additional category, oil and gas industry, was added. Hence, the industry classification used in the study was as follows:

- Agriculture, hunting, forestry and fishing industry
- Mining and quarrying industry
- Manufacturing industry
- Electricity, gas and water supply industry
- Construction industry
- Wholesale and retail trade industry
- Tourism industry
- Transport, storage and communication industry
- Financial, insurance, real estate and business services
- Community, social and personal services
- Oil and gas industry.

A combination of convenience sampling and snowball sampling was used to identify the experts in CI in these industries. Convenience sampling refers to the procedure of obtaining respondents who are most conveniently available (Zikmund, 2003). Snowball sampling on the other hand refers to a variety of procedures in which initial respondents may or may not be selected by probability methods, but in which additional respondents are then obtained from information provided by initial respondents (Cooper and Schindler, 2007). The researchers had to rely on their personal contacts and networks in industries to identify the experts in CI. These experts were assumed to have a sound knowledge of CI, its implementation and benefits for organisations. The snowball sampling technique was then applied, where the respondents of the convenience sampling technique were asked for references of other respondents who would possibly complete the questionnaire. This is perhaps a limitation of this study, as some important experts practising CI could possibly be left out of the survey.

The questionnaire was structured as follows:

- Section A: Background and demographic information
- Section B: Competitive situation in organisations
- Section C: Competitive intelligence implementation in organisations.

The questionnaire was sent as an attachment via e-mail, and it was accompanied by a cover letter to all identified respondents. The completed questionnaires had to be returned to the email of the researchers. The questionnaire was e-mailed to 40 experts identified, and 25 copies of the questionnaire which were completed represent a response rate of 62.5%.

Research Findings

Background Information of the Respondents

The gender of the respondents was mostly male (71%), and the majority (92%) of the respondents were younger than 50 years. The majority of respondents had postgraduate degrees and were in either top management or senior/middle management level of their organisations (88%). Only 29% of the

respondents were employed by companies with more than 500 employees. It was interesting to note that 21% of the companies with less than 50 employees in the organisations also use CI as a strategic tool. Most of the companies that used CI were from construction business (16%), and this was closely followed by financial, insurance, real estate, transport, storage and communication; tourism and agriculture, hunting, forestry and fishing (each with 13%).

Competitive Situation

While the majority of Moroccan organisations

indicated that competition in their business environment was very intense (42%), only 13% of the respondents were of the opinion that they coped above average with changes in the business environment. This is an even greater motivation for organisations in Morocco to pay more attention to CI as a strategic business tool.

According to the majority of respondents in Morocco (67%), a formal CI function did not exist in their organisations and the CI function had been in existence for more than five years in only 30% of the companies.

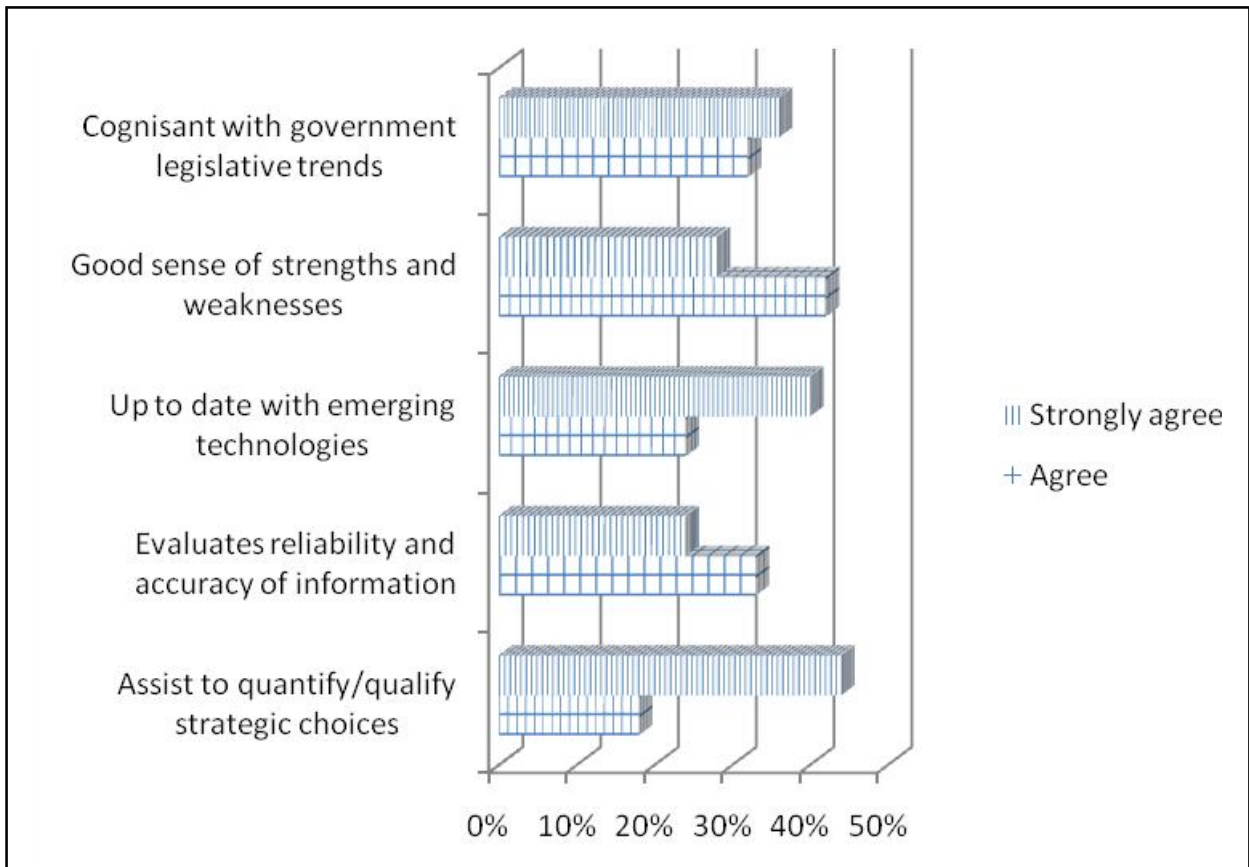


Figure 1: Competitive Intelligence Activities

According to figure 1, 44% of the respondents strongly agreed that the most important CI activity in their organisations was to use CI to assist to quantify/qualify strategic choices, while 40% of the respondents indicated that CI was used to keep up to date with emerging technologies. Thirty-six per cent of the respondents strongly agreed that CI was used to remain cognisant with government legislative trends, while 28% of the respondents strongly agreed that they used CI to make good sense of strengths and weaknesses in the organisations. A further 24% of the respondents used CI to evaluate the reliability and accuracy of information. It was

interesting to note that CI was not used extensively by organisations for decision making, only 16% of the respondents strongly agreed that CI was being used for decision making in their organisations.

Use of Secondary Sources

The most important secondary sources used by Moroccan organisations (see Figure 2) were exhibitions/road shows/trade shows (40% used yearly), customer demographics (32% used quarterly), trade journals (28% used daily), information on potential business partners (24% used weekly).

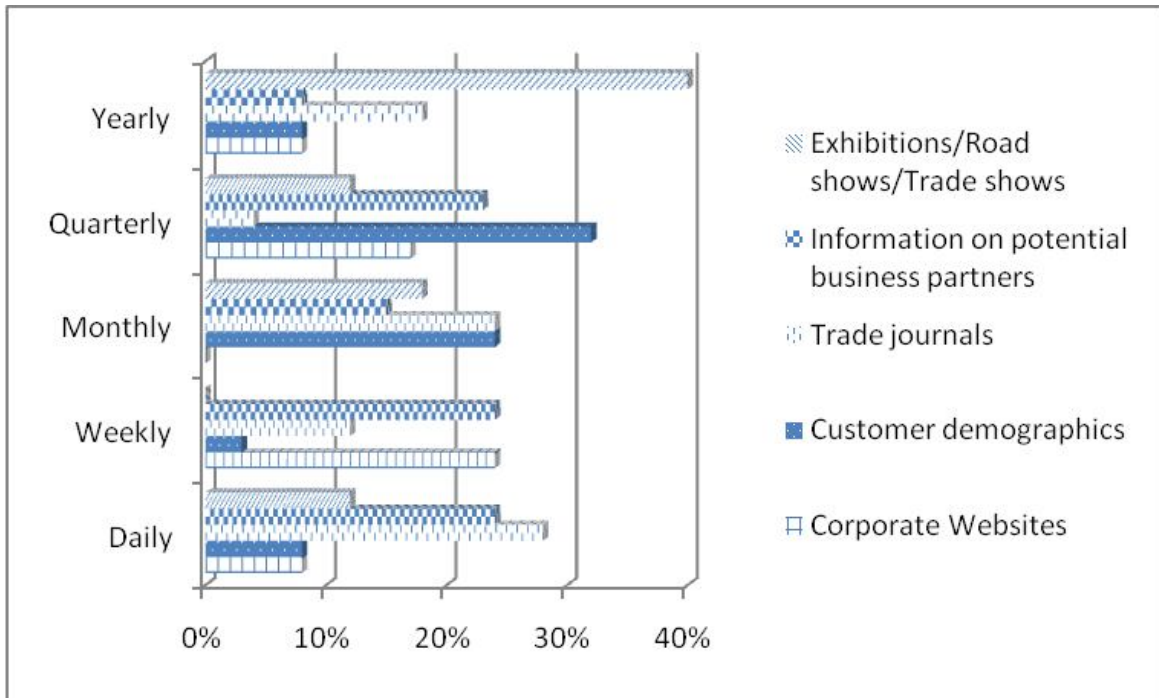


Figure 2: Secondary Sources Most Used

Use of Primary Sources

The most important primary sources used by organisations in Morocco were direct customer feedback and suppliers (see Figure 3). Industry

experts, analysis of competitors' products and sales staff were also important primary sources of information for organisations in Morocco.

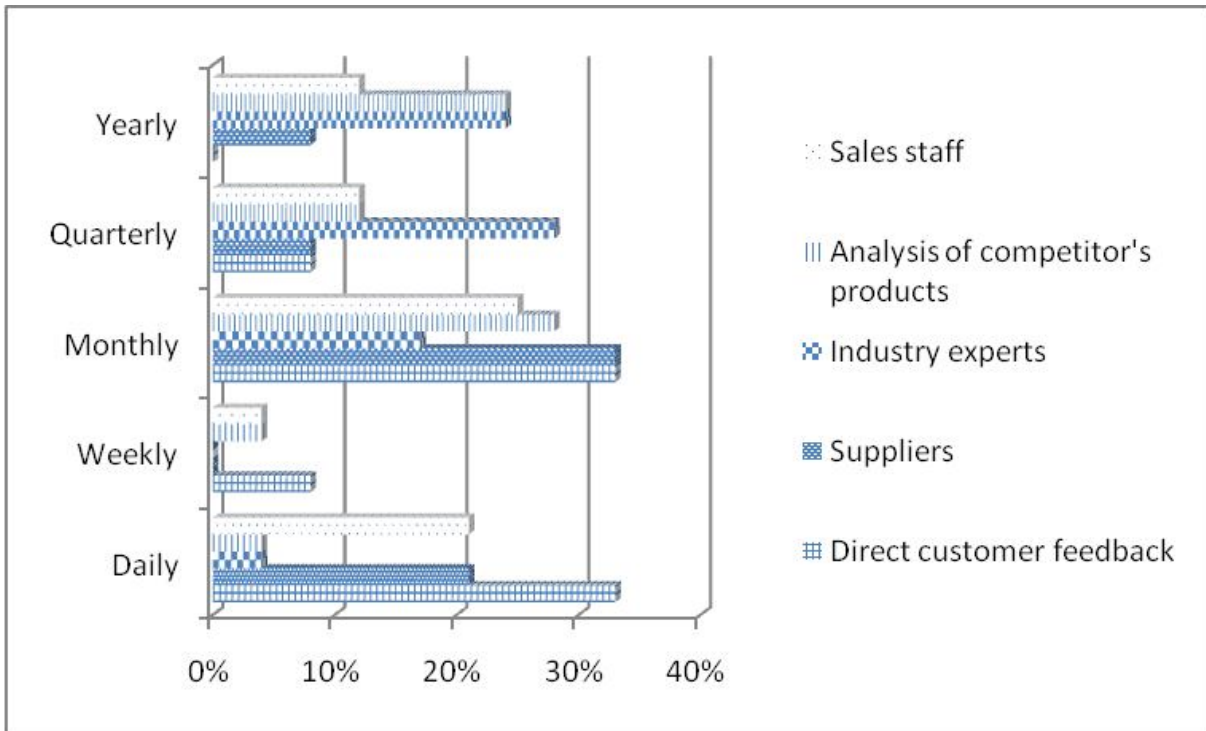


Figure 3: Use of Primary Sources

CI Analytical Methods or Models Used

With regard to the use of CI analytical methods or models, 28% of the respondents used financial analysis and valuation as well as benchmarking to a

very great extent. Organisations also used customer segmentation analysis, financial ratio and statement analysis, and GAP analysis to a great extent (see Figure 4).

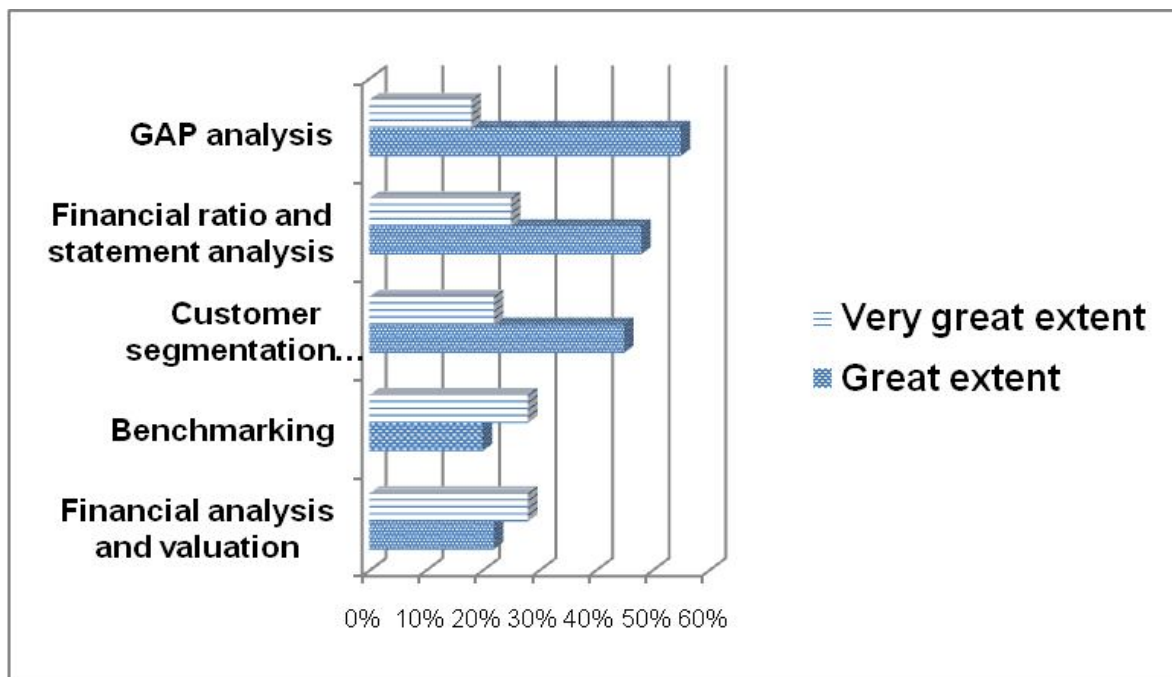


Figure 4: Analytical Methods or Models Used

Methods Used to Distribute and Present CI Findings

The most popular method to distribute CI findings in Morocco was emails which were used by 40% of the organisations to a great extent and by 24% of

the organisations to a very great extent. Reports were used by 28% of the organisations to a great extent and by 28% of the organisations to a very great extent. Personal delivery, presentations and newsletters are also used by 76% of the organisations to a very great extent (see Figure 5).

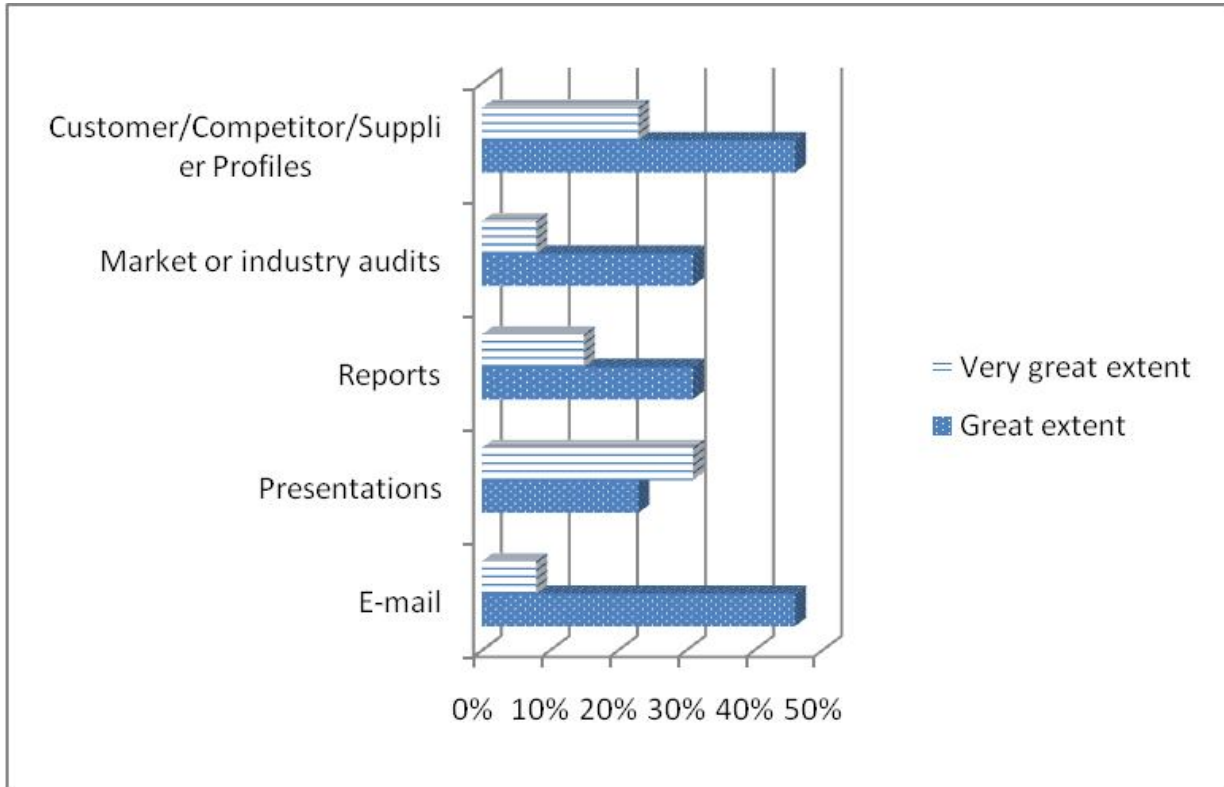


Figure 5: Methods Used to Distribute & Present CI Findings

Conclusion and Recommendations

Morocco as a country continues to rank low in the world of competitiveness. The research done for this article focused on the implementation of CI in the various organisations in Morocco and to see how CI is used to improve the competitive situation of these companies and to assist them in decision making. It was interesting to note that many of the companies are involved in implementing CI. However, most of the companies indicated that they did not use CI for decision making purposes. It is evident from the study that CI is necessary for developing countries such as Morocco. Furthermore, CI as a strategic management tool must form part of efforts to enhance competitive behaviour among Moroccan companies, and it requires commitment and support from government leaders and professional organisations such as CIEMS.

Cooperative ventures between other African countries and Morocco should be explored in order for them to learn from the experiences of other successful developing countries in the region.

CI as one of the fastest growing domains has long been acknowledged as a strategic management tool and if it is used in strategic decision-making, it could enhance the competitiveness of Moroccan organisations in the global economy. In the light of the importance for Morocco to compete in the global economy, the hope is expressed that the definition on competitiveness as quoted earlier (Garelli, 2003) can be paraphrased as follows:

The competitiveness of Morocco should focus on creating an environment which facilitates the competitiveness of companies and encourages the implementation of competitive intelligence for long-term sustainability.

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