

## BENCHMARKS FOR SUCCESS: THE CONTINUED EVOLUTION OF COMPETITIVE INTELLIGENCE

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*Even if you're on the right track, if  
you stand still, you'll get run over.*

Will Rogers

I'm sure you're at least somewhat familiar with Charles Darwin, the father of evolutionary theory. He argued that evolution in the natural world occurs through a process of adaptation and natural selection, which Darwin dubbed "survival of the fittest." Whether you personally believe in evolution, creationism, the Big Bang theory, or any other explanation for our existence, many of Darwin's points remain valid. And they are as relevant in the business world as they are in nature.

Will Rogers summarized Darwin's message in a simple one-liner: "Even if you're on the right track, if you stand still, you'll get run over." This is evolution in a nutshell: Survival depends on continuous improvement and strategic adaptation. For thousands of years, many species appeared to be "on the right track," only to be wiped out by environmental changes to which they were poorly adapted.

### EVOLUTION AND THE CI INDUSTRY

The concept of evolution is especially relevant to our business: Competitive intelligence (CI) as an industry must take this lesson to heart and develop a plan that ensures its healthy adaptation, its continued evolution, and, ultimately, its survival as a robust and essential business service.

To survive and thrive, competitive intelligence as a discipline cannot stand still. Quite the opposite: CI firms and practitioners must strive to be the fittest possible and to pursue excellence in all aspects of their activities to ensure not only their own longevity, but also that of the competitive intelligence industry as a whole. Who comes out on top depends on how well and how quickly firms adapt to the current environment and anticipate future needs and trends.

To ensure the longevity of competitive intelligence as a species of professional service – to join the ranks of respected relative newcomers like advertising and public relations – we must establish a set of commonly held standards for industry excellence. Such benchmarks provide practitioners with goals for further development, a gold standard of sorts. At the same time, creating a set of world-class expectations will earn the trust of consumers by giving them a customers' bill of rights and a means to measure one CI company against another. In short, a set of clearly expressed, commonly accepted benchmarks will help the industry identify the true competitive intelligence contenders for excellence.

Competitive intelligence helps bridge the gap from guessing to predicting events in the marketplace – not as futurists, but as realists. To satisfy clients' business needs for competitive advantages and to reach this level of insight, the industry must establish a clear set of standards that ensure the development of rich, vibrant, and insightful intelligence for

competitive intelligence consumers. This is the path to world-class CI.

### WORLD-CLASS CI CAPABILITIES CHECKLIST

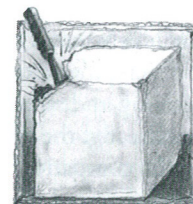
A set of world-class competitive intelligence performance parameters serves at least two purposes:

- It establishes benchmarks against which competitive intelligence firms and professionals can measure themselves.
- It clarifies the essential capabilities a client should expect to find in a potential competitive intelligence partner.

A checklist of essential capabilities can help clients decide whether they are likely to be working with the right partner before they sign the contract.

Competitive intelligence consists of a complex set of activities that requires a broad array of specialized skills. In my upcoming presentation at the SCIP07 annual meeting in New York City on May 2, I will cover these qualifications in detail. But as a broad overview, clients should expect their competitive intelligence provider to exhibit specific qualities organized into the following six major categories:

- Established competitive intelligence culture, with a set of guiding principles around which the company consistently operates and which are understood and implemented by its employees.
- Talent management, with an experienced team that offers





flexibility, multidimensional thinking, and commitment to the clients' intelligence gathering goals.

- Competitive intelligence training, as continuous and comprehensive training is key to the development of true CI practitioners and clients.
- Industry expertise, including subject matter expertise and senior team members who have actively participated in and objectively study the vertical industry over the long term.
- Systems and technology, including tools that leverage technology advancements to ensure robust customer relationship management.
- Performance metrics, as objective measurement is the only way to ensure validation, return on investment (ROI), measures of effectiveness (MOE), and improvement.

These benchmarks are just the beginning, but they provide a basis for further discussion and development of commonly accepted professional standards for the competitive intelligence industry. As a practice, the industry must set high-performance and world-class standards that formalize CI as an empirical research discipline. Doing so will ensure that competitive intelligence is a highly valued business practice that offers high top- and bottom-line impact.

## THE FUTURE OF CI THROUGH STRATEGIC ADAPTATION

Competitive intelligence as a species occupies a unique position in the world of business. Most market research as we know it is oriented to the present and past environment. Rarely do companies invest in research to gain perspective on the future, much less a quantifiable or action-oriented

outcome. World-class competitive intelligence can offer that vision.

As seen in the rise and fall of many a great company, today's most effective information-gathering lens must be a combination of a high-powered microscope and a wide-angle camera. It must show in infinite detail the inner workings of markets and players, balanced with a broader perspective of

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the countless socioeconomic forces that truly shape a business.

Look too closely, and you lose objectivity and perspective. Step back too far, and you miss the subtle nuances and shifts that can quickly, quietly, and completely reshape a product category, brand, or market.

The future poses a formidable challenge to how we think of business: We must reexamine traditional assumptions and make new connections to the realities of the external forces driving the market. To be ready for that future and poised to adapt to whatever it may bring, competitive intelligence must focus on standardizing its own practices. Firms that make a concerted effort to establish a set of world-class CI standards now will have made a quantum leap in the evolutionary process and readied themselves not just to survive but to excel in the competitive years ahead.

*[Editors Note: Garry Maag is presenting at SCIP07 on Wednesday, May 2 at 9:45 a.m. His session is titled: "The Competitive Intelligence Bill of Rights"- An Innovative Framework for Crystalizing Clients' Understanding of Their Rights, Responsibilities and Expectations from a World-Class Intelligence Collaborator."]*

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Gary Maag is chairman and CEO of Proactive Worldwide, a leading decision support agency, where he manages long-term and strategic planning, new business development, and marketing. He has been involved in CI for 17 years and has been a part of the research community for two decades. As a highly sought after speaker, Gary has presented at a plethora of conferences including SRI (Strategic Research Institute), Frost & Sullivan, SCIP, PBIRG (Pharmaceutical Business Intelligence Research Group), AMA, as well as numerous universities and industry associations. He has spoken on topics including Wargaming-Myth Busters, Transformational Frameworks for ROI, Creating Powerful CI Cultures, CI Legacies through Processes and Systems and Establishing a Foundation for Managing Clients' Expectations. ●