

# Our 2019 survey: State of CI



**Look Mom, I can walk!**

With all the noise afflicting managers, it is hard to do online surveys these days. So ACI took a break after 2015. But then as ACI's strategy gradually shifted, we wanted to see if we were on the right track.

*No, that's bollock. Of course we are. Do you think I can have blindspots?!?*

But I believe deeply in being two steps ahead of everyone else. **That means surveying the one remaining and most important issue facing competitive intelligence today: impact.**

It has been the Academy's vision to get CI to have the most impact. If we don't do it, no one else would. We have over 2000 highly trained ambassadors (certified CIPs) out there who are part of our 10,000 alumni working to have an impact. Are they successful?

To answer that, I constructed a survey- short, confusing, badly written; they responded.

**When we get through...**

Firewalls won't let you through (especially at large companies, and our alumni are overwhelmingly from Fortune 1000). Still, 879 emails made it through, and out of those, 291 returned the survey. That's 33 percent response. That's almost 10% higher than the average response to email surveys. Of course the survey is totally biased – those who cared to respond were motivated by loyalty to us and fear of me. But we also received numerous responses from non-alumni. They don't know me well enough to be afraid. Yet.

**No longer an infant**

The survey only asked about intelligence use - which is where my writing and lectures and executive presentations and crusades have been focusing on for the past decade. While newcomers to the field think production of intel is the most important element, the reality is companies have enough intelligence out there to fill a few clouds plus a bucket. Collection is no longer CI 101 collection of the 80-90s. CI research tools have gotten automated, calibrated, augmented, and algorithmized; the analytical part – separating the crowd of information chasers from our analysts' alumni - has *always* been the focus of the Academy and we graduated and certified brilliant analysts all over the world (*except China*). But actual *use* remains a relative enigma: unknown, underexplored, unreported. I've been fighting relentlessly to increase our impact on executives' use of intelligence. Without use we are just producing noise, not intelligence.

I don't need to any longer. I think I can start packing in - we've reached this goal. Can I go now?

# Some facts

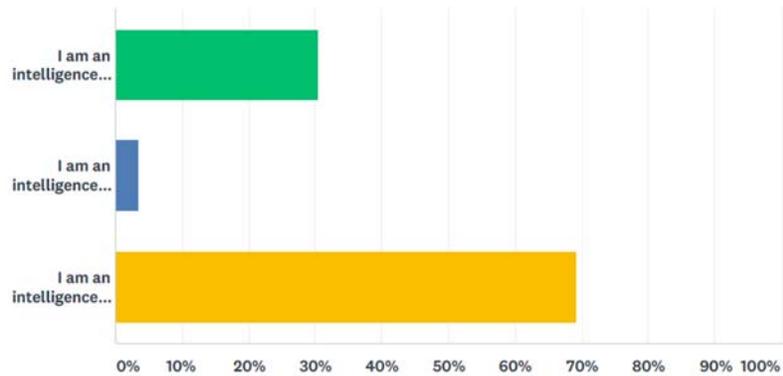


## Mirror, mirror on the wall: who saw the future before them all?

Starting around 2016, we completed the pivoting of our curriculum away from operational to skill training. In other words, rather than just training full time CI producers, we've been preaching *CI as a skill* needed in all corporate functions facing the market. That was a trend we spotted long before anyone else: in our 2015 survey, 58% of respondents were still full time CI producers, 40% part-time (producers/users). In 2019, the distribution is exactly reversed: Dedicated CI producers 30%, and users/producers 70%.

### Q3 Producer/User

Answered: 290 Skipped: 1



ANSWER CHOICES	RESPONSES
I am an intelligence Producer	30.34% 88
I am an intelligence User	3.45% 10
I am an intelligence User/Producer	69.31% 201
Total Respondents: 290	

Also, 102 respondents are director level and above. **With diversity of “day jobs,” we are rising in the corporate ladder.**

### The usual suspects but also a newcomer!

The good news: we are everywhere! The usual suspects: Pharma/Biotech/Medical Devices leading the wave; Energy, Defense and Aerospace, Software/High-tech, then Healthcare not far behind. *Relative* newcomers: Finance/Insurance (of course some insurers like USAA have been in CI long before CI was even invented), Consulting, Legal (following our alliance with the Legal Marketing Association), and lo and behold, a newcomer - Education (more on these poor fellas in a bit). The traditional Industrial/Manufacturing segments are lagging in this sample, and the Consumer Goods companies are the least represented (but those that are represented happen to be powerhouses).

But that doesn't capture the whole picture: CI is indeed like a weed: it grows everywhere - Retail, Food Service, Retirement, Entertainment, Real Estate (!), even Automotive. Winds of change: The almighty chemical industry that in the 90s was the number one CI-state-of-the-art has gone to the CI dumpster. DuPity.

Why are some industries more likely to have professional CIs than others? It is easy to explain. Pharma+ have lots of money; for Defense +, losing a deal means hundreds of millions if not billions lost; Energy and Healthcare are in a constant turmoil due to government meddling and social pressures, and they'll be lucky to come out alive at the other hand. But Education?? There were several academics that took the survey for the first time and my conclusion is that universities are the last remaining dinosaurs. Besieged by declining enrollment, insane student debt, irrelevant curriculum, MOOC, SHMOOK and LOOK, they truly live in an ivory tower where the foundation is sinking but they are blind. In this sample, the hapless academics were utterly frustrated. I feel for them - I've been there!

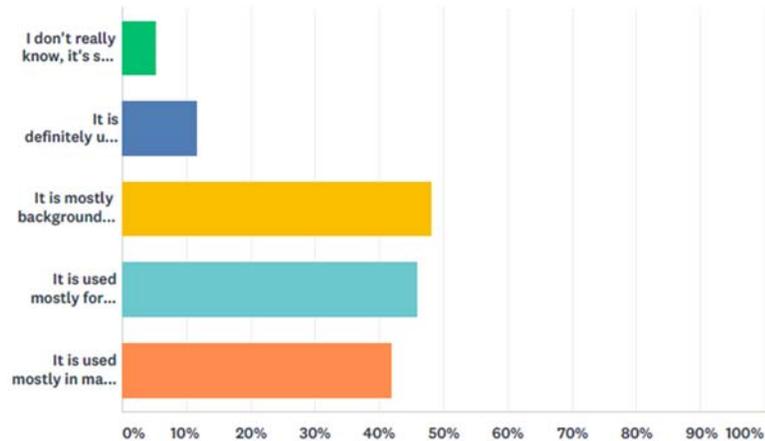
# The Questions

**Impact - are we there yet?**



## Q4 What typically happens to the intelligence you provide?

Answered: 291 Skipped: 0



ANSWER CHOICES	RESPONSES
I don't really know, it's sent to a black hole	5.15% 15
It is definitely used in making decisions but I don't know how	11.68% 34
It is mostly background information for decisions and plans	48.11% 140
It is used mostly for tactical decisions (marketing, sales, BD leads, operations)	46.05% 134
It is used mostly in major strategic projects/moves	41.92% 122
Total Respondents: 291	

**My perspective:** I was happy to see these responses. The fact that only 16% were basically in the dark as to use of their product is a real coup. I allowed for multiple answers so in subsequent analysis I controlled for those who marked both tactical *and* strategic (18%), which left 23% serving pure strategic projects. Yes, I know I am biased - it's not that a company doesn't need tactical intelligence; it's that impact is *relative* and the higher the user, the larger the impact.

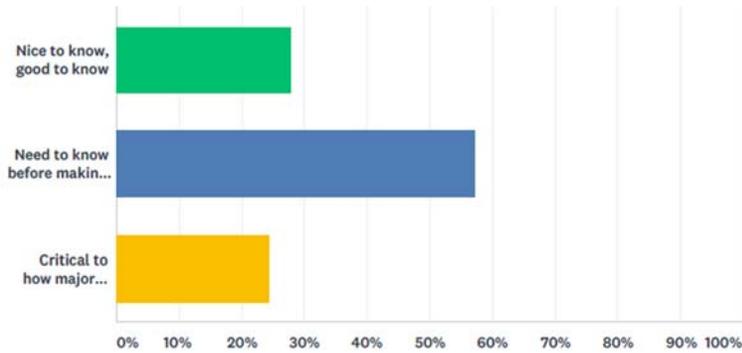
The option for CI as "background" was misinterpreted by some – probably those who have never been to my classes where I use "background" as a derogatory classification. Background is not actual decision. It's mostly "checkmark." But it's absolutely my fault they misconstrued the answer. Controlling for multiple answers, I found that 19% marked "background" only. So altogether, only 35% saw their CI use being less than optimal (I am being diplomatic); 42% saw *their CI used in strategic decisions*. While I didn't ask this question in 2015, the question I did ask then showed only 8% having impact on major decisions. So this is encouraging.

However, I am a suspicious SOB. The fact that a bit of info is "used" in decisions doesn't mean it actually has impact. So I had a "control" question asking about perception as to *why* users ask for CI.

**Control question:**

Q5 In your perspective, users' demand for intelligence in your company is mostly

Answered: 291 Skipped: 0



ANSWER CHOICES	RESPONSES
Nice to know, good to know	27.84% 81
Need to know before making a decision	57.39% 167
Critical to how major decisions are made	24.40% 71
Total Respondents: 291	

So here is the reality: yes, users – tactical or strategic - get Competitive Intelligence. But “need to know” might actually be confirmatory info - the decision maker wants to make sure his thinking is correct. The Competitive Intelligence doesn’t change much. It’s still viable but not as much as something that is critical to the decision, that without it a decision can’t or won’t be made. Now that’s impact. Twenty-four percent (24%) of respondents saw their input being deemed critical. Are they correct? I don’t know, but it’s still 3X better than the 8% in 2015!

# Top Users



### How much face time do you get with users/decision makers?

32% - daily or weekly

38% - several times a month

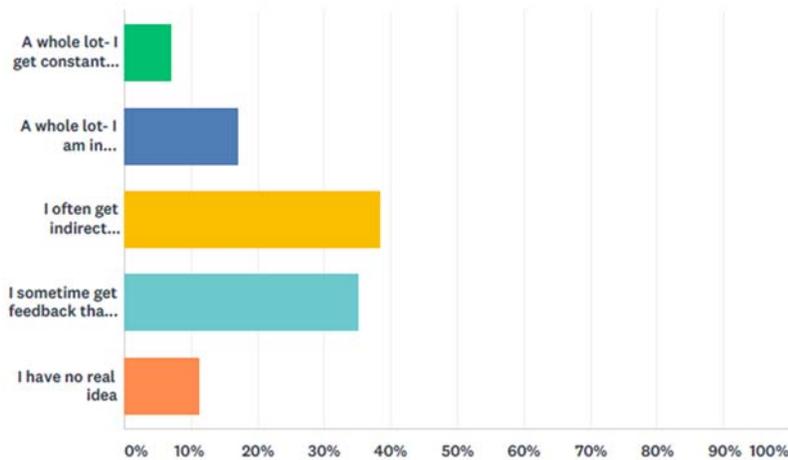
34% - several times a year or hardly ever (but hardly is only 7.22%)

**My perspective:** Thirty-two percent meet with users frequently. That’s just fantastic. But what do they get out of it? And are these top users? Competitive Intelligence for top users only works if there is feedback. Feedback is the second most influential factor in having impact (as shown in the 2015’s regression results.) So I asked control questions.

### Feedback from top

#### Q7 How much do you know about which part of your intelligence is actually being used by top executives?

Answered: 291 Skipped: 0



ANSWER CHOICES	RESPONSES
A whole lot- I get constant feedback	7.22% 21
A whole lot- I am in continuous dialogue with our top execs	17.18% 50
I often get indirect feedback that it has been used	38.49% 112
I sometime get feedback that it has been used	35.05% 102
I have no real idea	11.34% 33
Total Respondents: 291	

**My perspective:** Out of 71 with constant/continuous dialogue, though, 14 were consultants.

Eh... we have a way to go. But compared to 2015 where only 7.9% received continuous feedback, this is a BIG improvement.

# The Briefer



## Proxies

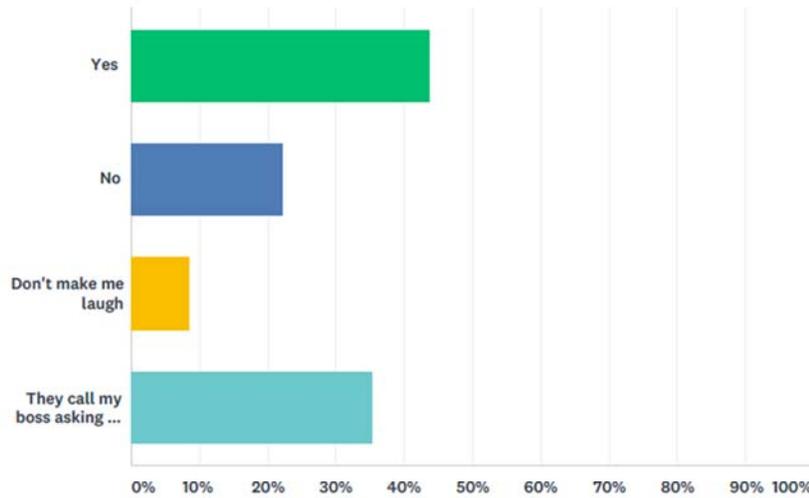
I am totally biased towards the CI model I call “Briefer”. It is a variant on the good old “champion” model that worked in the 90s (as long as the “champion” was there), but more importantly that model didn’t actually overcome what I see as the number one issue in impacting top execs: how the hell are you supposed to know what they are looking for?

A briefer is an intermediary between the CI community and top management. It’s a formal role (though not a full time position). It overcomes the analyst-executive distance issue.

Without a Briefer, executives may call the analyst directly with questions (so called “management questions”.) What are they looking for? My model calls for executives to look for perspectives, not just facts. Are we there yet?

### Q9 Do top executives call on you personally to provide perspective on issues and pending decisions/moves?

Answered: 288 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	43.75%	126
No	22.22%	64
Don't make me laugh	8.68%	25
They call my boss asking for information, not opinions	35.42%	102
Total Respondents: 288		

**My perspective:** I realize corporate reality is never black and white. Executives may call directly asking for perspective, but also call the respondents’ bosses asking for data. Controlling for multiple answers, “Yes - perspective” counted for 37%. “No” and “Don’t make me laugh” (yes, I phrased it like that!) around 28% in total. Thirty five percent (35%) reported that executives call their boss but ask for facts, not perspective. Idiots (the bosses, not the respondents): they spend on professional analysts and they used them as human search engines. It’s like using your engineers to build with Legos. Still, 37% get to do what I urge them to - provide perspective for the top users. Hallelujah!

The Briefer model is a direct solution to numerous challenges facing the use of intelligence in organizations identified by our respondents.

What prevents competitive perspective from being widely used in your company? (Mark as many as you want, and assign a priority, 1 being most important obstacle)

Obstacles to use (1-4 highest priority score)	1	2	3	4	Total for 1-4
1. Everyone is an expert on the market	0.20 67	0.20 11	0.13 97	0.19 55	0.743
	37	36	25	35	
2. We are supposed to know what top executives' needs are without actually ever talking directly to them	0.22 44	0.19 23	0.12 82	0.10 26	0.6475
	35	30	20	16	
3. It is easier to assume you already have all the intel you need	0.11 95	0.16 98	0.26 42	0.13 21	0.6856
	19	27	42	21	
4. Internal politics trump intelligence insight	0.22 8	0.15 03	0.11 92	0.11 4	0.6115
	44	29	23	22	
5. Culture of complacency	0.14 45	0.12 72	0.12 14	0.13 29	0.526
	25	22	21	23	
6. Our position in the company's organizational chart is detrimental to impact	0.09 33	0.14	0.10 67	0.09 33	0.4333
	14	21	16	14	
7. Competitors never matter that much in final moves	0.05 38	0.1	0.11 54	0.07 69	0.3461
	7	13	15	10	
8. We are not that good in educating users	0.06 12	0.12 24	0.09 52	0.09 52	0.374
	9	18	14	14	
9. There is too much noise and data to actually be useful	0.07 93	0.07 32	0.15 85	0.09 15	0.4025
	13	12	26	15	
Nothing - it's everywhere, every time, no important decision made without it	0.25 41	0.04 1	0.05 74	0.03 28	0.3853
	31	5	7	4	

**Implications:** The table speaks for itself. I arranged it in descending order from the most prominent obstacle (weighted by the assigned priority) for Competitive Intelligence use to the least. Here are the implications for organizations and those who care about more competitive decisions.

1. There is no solution to #1 - people like to think they know as much as the analyst. *Arguing will just make enemies.* Instead, enlist the “experts” into your CoP network. That’s what Troy Pfeffer does (come take [his course](#) “Planning and Collection” and learn *exactly* how that works).
2. Same with “It is easier to assume you already have all the intel you need.” Under tremendous time pressure, I would make the same assumption. Overcoming it requires some kind of

mandatory competitive review *sign-off*, but few have that. Instead, a Briefer who has the trust of top decision makers needs to navigate diplomatically among the conflicting demands of deadlines and asking for Competitive Intelligence input. Not easy.

3. It won't come as a shattering surprise to anyone that internal politics trump intelligence (#4). That's absolutely expected. The Briefer model serves primarily the CEO or unit president. It is in the interest of that leader to make sure she balances reality check with the power play.
4. Culture of complacency - oh, well, *quelle surprise*. Schumpeter showed how the market takes care of these organizations (when government doesn't protect them). Just make sure you move out and away before the crisis. If you are a tenured professor, enjoy. Short of killing someone, you can go down with the institution. They can't easily lay you off.
5. The good news: position in the organization (#6) doesn't matter much any longer. God knows how many discussions and debates and articles I've read (and written) on this in the day. Now it is clear that skill matters more than location.

But clearly, not knowing what the top is thinking (number #2 listed obstacle) makes it a guesswork and guessing leads to a lot of irrelevant noise bubbling upstairs and turning off top users. So, yes, the Briefer. Do I sound like a parrot?



**Finally, my favorite type of question: Hindsight.**

**In retrospect, with 100% hindsight, chose the one area where using your competitive insight would have made the most significant impact on the outcome?**

228 kind respondents endeavored to provide answers to this open question. I classified their answers crudely into broad categories.

Strategy	23
EW	31
Competitor	10
Sales	9
Product	9
BD	6
Marketing	15
RD and NPD	9
Investment	12
Entry	7
M&A	17

Naturally, many answers overlap several areas such as marketing, competitor reaction, market positioning, etc. Overall, 82 reported their companies had strategic setbacks and surprises that could have been mitigated or avoided with competitive perspective (S+EW+RD+In+Entry+ M&A); 49 reported tactical improvements that were missed (C+Sa+BD+Mark).

I am typically a cantankerous old man but this time, *for a limited duration*, I am happy. Even if the organization doesn't see it, even if hindsight is easier than real time decision, it is clear that **better market perspective could have improved hundreds of decisions in all aspects of the company.**

In Pharma, Competitive Intelligence could have made pipeline, portfolio and launching decisions better. In Defense, huge bids that were lost might have had a chance. In many cases, early warning that wasn't heeded resulted in shocks and missed opportunities especially in entering new markets or industries or developing new offering. Not surprising, and consistent with 2015, corporations make huge acquisitions and other strategic investments without true Competitive Intelligence perspective, and statistics on the success of acquisitions confirm they have a miserable record. ***Karma at its best.***

The areas mentioned covered almost every possible variable from more accurate market positioning to avoiding barriers to entry to dealing with competitor threats to finding worthy partners to recruiting the right legal minds. Some comments were surprising: use CI to improve budgeting and to make better promises to the investor community.

There was one brilliant (and actually quite sad) comment from an academic who wrote: “all of ‘em”. Doc., if you are reading this: your next course is on us. Contact Lynne.

**Conclusion:** So we solve organizational location issues, we moved on to skill, we have impact on strategic decisions, we “do good” on tactical, we even get more direct face time with the top. Yes, some things need a push. The Briefer model might be this last push.

Can I retire now? With my faculty (Helen, Troy and Heather) being so good (Helen is so much kinder than I am, Troy is better looking, and Heather is a phenomenal teacher), I am ready to rest on my laurels. If I can just find them; where did I put them last, damn it!

OK, who am I kidding? I’ll die of boredom.

Yours truly, and gratefully

Ben

Last day of 2019