

# ***COMPETITIVE INTELLIGENCE***

## ***THE STRATEGIC KEY FACTOR OF THE COMPANIES' COMPETITIVE EDGE***

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### **Abstract**

In a globalized economy, the organizations are facing an ever complex and vulnerable environment, confronting unlimited challenges and pressures and are obliged to adapt and keep pace with change if these organizations want to survive and remain competitive.

This Descriptive study examines the concept of competitive intelligence, its history, definitions, analysis tools, benefits and the competitive intelligence process.

The review of the extensive literature results in that organizations are completely conscious of the competitive intelligence great importance and important role in sustaining the organizations competitive advantage and then their competitiveness.

Researchers recommend for more sensitizing programs focusing on prominence of implementing CI programs within the organization and to master the CI process as a highly strategic tool to getting a competitive edge.

*Key words: Competitive Intelligence, Competitive Intelligence Process, Strategic Management, Competitive advantage, Business environmental competitive analysis.*

### **Introduction**

In today business environment, having a competitive intelligence (CI) system has become more and more important to the organizations. The competitive intelligence has a strategic role in the survival of the organization in an ever changing globalized environment. It is the source for the organizations to form a highly well designed, accurate and rigorous strategy of their business and to sustain as more as possible a competitive advantage, and stay ahead of their competitors.

The competitive intelligence is the engine of a successful strategic management in the organizations. It is the tactical, operational and strategic analysis of the markets, competitors and industries. It is the cornerstone of the strategic management, on which depends the total chain of processes of finding a fit between the organization and its environment. CI provides the needed information about the threats and opportunities that could confront the organization and its own strengths and weaknesses in comparison to its rivals in a specific industry. It helps position the organization compared with its main competitors. It is interested in analyzing the micro-environment of the organization, by gathering relevant, accurate and timely information of the customers, suppliers, competitors ... in other words, it analyzes the industry by examining the key factors within the organizations' task environment.

According to the Society of Competitive Intelligence Professionals (2004): CI "is a systematic and ethical program for gathering, analyzing, and managing external information that can affect your company's plans, decisions, and operations".

Examples of CI include benchmarking, background checks, competitor assessments, network analysis, and war gaming analysis. Moreover, CI has become a vital part of the emerging knowledge economy. Careful analysis of competitors and the global marketplace allows companies to effectively anticipate market developments and respond proactively. (Taib, Yati, Ahmad & Mansor, 2006) In this Descriptive paper, the researchers explore the theme of CI as a primordial part of the strategic management process, and a major technique for achieving competitive advantage. It reviewed a considerable number of recent researches in the theme of CI, CI history, and provides a general idea about the meaning of the concept of CI, in order to develop the researchers' own definition. Researchers in this study, added the main challenges that could hinder the CI program in organization, in addition, to the CI analysis tools and methods based on the previous studies results. It aimed also to clarify and present the tremendous benefits that CI could generate and realize for the organizations. Finally, the researchers present the CI process and its major phases by which the CI can be achieved and developed.

## **Competitive Intelligence Defined**

Nowadays, the organizations are struggling to survive and remain competitive in facing this continuous change, where the place is for those who react very intelligently to keep up and succeed in making from this change a profitable opportunity. The global Intelligence Alliance (2007) pointed out the exigency of the intelligence to deal with such circumstances: «Today's business environment demands a comprehensive system for managing risks in the external business environment. Never before have the forces of globalization been as intense as they presently are. Most business executives feel that these forces of change will have a major impact on their organizations"

Hannula and Pirttimaki have argued before, in 2003, that if the organizations want to gain a competitive edge, it is by developing the ability to anticipate information, transform it into knowledge, turn it craftily into intelligence relevant to the business environment, and actually use and exploit the knowledge gained from it.

Recently, CI has been the focus of debates. The organizations begin to understand the importance of the CI, and take consciousness of what it could provide for them in facing challenges and changes, like "in recession, competitive intelligence can pay off big" (Business Week (2001), "In a recession, competitive intelligence can pay off big", Business Week, 26 November). Competitive Intelligence is more concerned with understanding the big picture and having the right perception of the marketplace.

Being keen of changes happening in the organization's environment permits it to cope with the business's developments and continuously and systematically seize opportunities and avoid threats, which ensure the organization's position.

"Sometimes CI is confused with business intelligence (BI). The difference between BI and CI is that BI is internal intelligence about and within one's own company, whereas CI is external intelligence about the firm's competitors." (Bose, 2008)

Historically, Prescott wrote one of the first modern insights into the evolution of CI. He identified three stages of CI development and contended that stage one occurred during the 1960's and 1970s; and he defined CI activities at this time as being mostly associated with data gathering, and that they were informal and tactical.

He explained that CI was poorly linked to decision making and involved little analysis. Prescott's second stage of CI Development was defined as CI activities in the 1980s when competitor and industry analysis became popular. According to him, competitive intelligence personnel switched from library functions to marketing and planning functions. He explained that CI activities remained tactically oriented whereby the spy image began to evolve, and there was very little by way of quantitative data analysis. The third stage of Prescott's CI

Development that began in the 1990s, showed CI contributing to strategic decision-making that was built into dedicated formal units, either on their own or within their marketing or planning.

Since then, competitive intelligence activities have been oriented to both tactical and strategic decision-making and include qualitative and quantitative analysis. CI receives moderate attention from top management and is often a valuable contributor to strategic decision-making (Prescott and Gibbons, 1995).

Kahaner (1996, p. 16) defined CI as a systematic program for gathering and analyzing information about one's competitors' activities and general business trends to further one's own company's goals. Prescott (1999, pp. 42-43) states that CI is defined as the process of developing actionable foresight regarding competitive dynamics and non-market factors that can be used to enhance competitive advantage. (Heppes & Du Toit, 2009).

Calof (2008) defined CI by adding that "Intelligence helps your company sustain and develop distinct competitive advantages by using the entire organization and its networks to develop actionable insights about the environment (customers, competitor, regulars, technology ...). It uses a systematic and ethical process involving, planning, collection, analysis, communication and management". Wheelen and Hunger (2008, p.92) provided the following definition to CI: "Competitive Intelligence is a formal program of gathering information on a company's competitors".

Based on the review of CI literature, this paper's researchers defined CI as follow: "***CI is about benefiting from the actionable results and implications of the developed intelligence to systematically analyze information about the organization's industry, by making use of the critical thinking in evaluating the moves and countermoves of competitors, suppliers, customers, alliance partners and potential competitors; on an attempt to confine and monitor the external opportunities and threats in light of the organization's strengths and weaknesses.***"

Many reasons argued why companies need CI in the global economy:

- The lack of the competitiveness and having a systematic and practical CI program would certainly improve their competitiveness, especially through skills development.
- The pace of business is increasing rapidly and businesses are required to handle more projects and make more decisions with more speed than before.
- Technological development resulted in the introduction of wireless communication, personal computers, the internet and biotechnology. This has increased the speed and availability of communication and companies are experiencing an information overload.
- Increased access to resources increased the number of global competitors and decreased the importance of close physical proximity.
- Existing competition is becoming more aggressive. Many market places are maturing resulting in companies increasing their market share at the expense of their competitors.
- Political changes affect companies quickly and forcefully. Many countries have moved from communism or socialism to capitalism in the last decade (Kahaner; 1996; pp .28-31; Heppes & Du Toit, 2009; Strauss & Du Toit, 2010).

Beside these reasons, many challenges inhibit the success of CI programs. In 2011, Nasri investigated the degree of knowledge and importance of CI within Tunisian companies. He conducted semi-in-depth interviews with six executives, working in three sectors: communication technologies, manufacturing and commercial retailing. Nasri found that Tunisian companies are conscious of the importance of CI in their management which stills inappropriately implemented, and unknown as a competitive tool. Based on results, Nasri found that for Tunisian executives, the challenges of CI were:

- Knowing the importance and roles of CI,

- Knowledge and understanding the firm's current strategy,
- Identifying threats,
- Development of the company,
- Defending the position of the company,
- Protecting its market share,
- Ensuring business continuity.

Respondents have revealed that internal sources of information are more valuable than external sources. In addition, the results revealed that the CI is not known as competitive tool to Tunisian companies, except for few ones. Nasri recommended and proposed for more awareness and training program, and to recognize more the value of CI if companies want to implement it. Nasri (2011) have also identified the main factors that influence the CI in Tunisian companies:

- Cultural awareness and training and sensitizing programs,
- Obtaining the support from the top management,
- Design process for the company,
- Creating infrastructure for CI,
- Goals of CI,
- Development of internal/external networks,
- Collection of the information,
- Integration and analysis of information,
- Communicating intelligence product,
- Measuring the impact of action.

Priporas et al., (2005) have in turn identified the challenges that faced companies in a European country like Greece. They investigated the extent to which companies in Greece are aware enough of the importance of and implement CI. They found that between 50 interviewed executives from well-known companies only 12 of them knew about the existence of the CI as a tool. The researchers said that this result was logical when comparing the American companies, which adopted widely the CI, to the European ones. Only four multinational companies, the leaders in their fields, were found to have an official and organized CI department; while the other companies taken into study, depended on the marketing department. Researchers referred this to following reasons:

- The unawareness,
- The lack of competent staff,
- The shortage in experts available to train the staff,
- The dependence on marketing research activity of in-house marketing department,
- The focus on short-term customer's satisfaction rather than long-term competitiveness.

To measure the level of maturity of CI function in South Africa, Heppes and Du Toit surveyed a group of 18 members from a retail bank. The results indicated that the CI function was at a mid-level of maturity. While there is a significant opportunity for the function to develop to a world-class level, such growth is limited by respondents' requirements. The CI function is used in support of various levels of decision makers for various levels of decision making. There appears to be a lack of, and great requirement for the provision of analytical products. Respondents indicated that the CI function should move towards being a key component of company strategy.

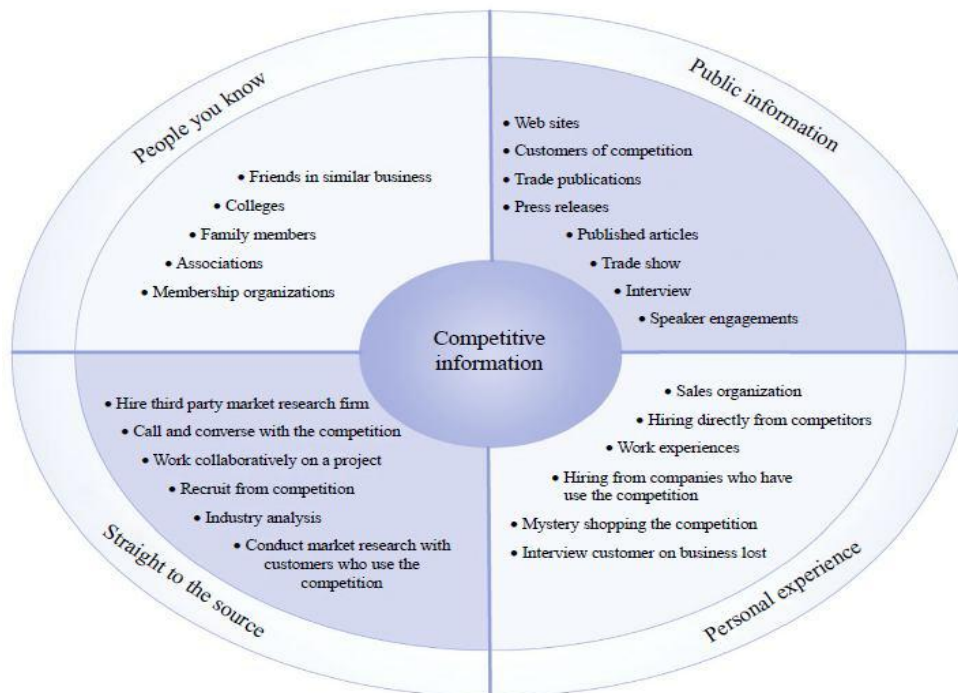
Johns & Van Doren (2010) cited a list of questions with their potential answers sources (Table. 1), developed by a consulting firm that provides market strategy development, helping in assessing the CI of the organizations.

Table. 1

Question	Potential answer sources
1. Who are all the companies in the competitive set?	Trade associations, people known, media, and articles; NAICS code research, internet research
2. How is each of the competitive companies positioned in the market place?	Company web sites, customer interviews, market research both primary and secondary
3. What is the complete list of services and solutions those companies offer?	Company web sites, company literature, proposals, past customer interviews
4. What is the size of the company in dollars, employees, etc.?	Hoovers, Dun and Bradstreet reports, annual reports
5. What are the key weaknesses of the firms?	Company web sites, past customer interviews, employee interviews
6. What are the key strengths of the firm?	Company web sites, past customer interviews, employee interviews
7. What is the financial picture of the firm?	Hoovers, credit reports
8. What is the organizational structure of the firms?	Company web sites, annual reports
9. What is the management team's experience and expertise in the industry?	Web site bio's, news and media, associations and trade groups
10. What is the history of the firm and significant events?	News and media, public relations information
11. Is there merger and acquisition history or potential?	News and media, investor information, Hoovers
12. What major money or dollars are being spent on product development or marketing?	Annual reports, people known, public information
13. How does the firm segment the market and who are their target audiences?	Company web sites, company literature, people known, past customer interviews
14. What are the major contract wins and losses? Why?	People known, employees
15. What is the customer's perspective about the firm?	Customer interviews
16. How do the current employees view the firm?	People known, interviews with employees of the firm
17. How do past employees view the firm and why did they leave?	Interview past employees
18. What is the pricing strategy for the firm?	Interview past and current customers
19. What are the current public relation articles written about the firm and what do they mean?	Public relations information, news and media, trade publications
20. What are the current marketing strategies employed by the firm and are they effective?	Company web sites, third party company research

In addition, the researchers gave the four main sources of CI information: people known, public information, personal experience and straight to the source (Figure. 1).

Figure.1. CI Information Sources



Researchers also explored the importance of a CI information system, composed of -as researchers called- the four components of CI (Figure. 2): competition positioning, competitive strategies, competitive and industry direction, and competitive service and solution line-up. This CI system could be realized through the cross

functional teams' efforts. Johns & Van Doren concluded that mastering CI puts the organization at greater advantage for reinventing itself and adapting quickly to challenges in the market; and that long-term growth depends on this promise.

**Figure. 2. CI Information System**



In order to analyze the CI information, CI professionals utilize a number of analytical techniques: SWOT analysis, Michael Porter's industry five forces analysis, strategic group analysis (also called competitive cluster analysis). In addition to these are Porter's four-corner exercise, Treacy and Weirsema's value disciplines, Gilad's blind spot analysis, and early warning scans. These can be used in strategic "war game" in which people role-play different competitors and their possible future strategies.

### **Competitive Intelligence Benefits**

Bose (2008) explored the concept of CI, its processes and its different analysis tools and methods. Bose cited a number of CI benefits:

- CI pays off big by pointing out the internal weaknesses because of the strength of competitors, and companies without a CI program will fail,
- Better understanding of competitive landscape: having a universal view of where threats and opportunities lie, helping a more quick move and understanding toward devising strategies to maximize a competitive advantage,
- Identifying areas of improvement.
- Informing and strengthening the entire strategic planning process as well, yielding sound strategic plans that are more in tune with competitive circumstances and better able to withstand external pressures.
- Formulating strategy through an understanding of the company's industry, the company itself, and its competitors,
- The ability to build information profiles that helps a company identify its competitor's strengths, weaknesses, strategies, objectives, market positioning and likely reaction patterns. Using these profiles, a company begins to look for points of comparison regarding its strengths and weaknesses versus its competitors.

According to John Hovis, the senior vice president of corporate planning and investor relations of the company Avnet (one of the world's largest distributors of electronic components that uses CI in its growth by acquisition strategy): "Our competitive intelligence team has a significant responsibility in tracking all the varied competitors, not just our direct competitors, but all the peripheral competitors that have a potential to impact our ability to create value ... one of the things we are about is finding new acquisition candidates, and our competitive intelligence unit is very much involved with our acquisition team, in helping to profile potential acquisition candidates."

Bose (2008) summarized the attributes by which the value of the intelligence, produced through a CI program, can possibly be measured:

- Accuracy: all sources and data must be evaluated for the possibility of

technical error or misperception;

- Objectivity;
- Usability: must be in a form that facilitates ready comprehension and immediate application;
- Relevance: its applicability to a decision maker's requirements, with potential consequences and significance of the information made explicit to the decision maker's circumstances;
- Readiness: CI systems must be responsive to the existing and contingent intelligence requirements of decision makers for all levels of the organization;
- Timeliness: intelligence must be delivered while the content is still actionable under the decision maker's circumstances.

Johns and Van Doren (2010) discussed the theme of CI and its benefits to the growing companies. They provided a study of the concept of CI as an extremely new and original concept for businesses to apply. They presented the following major CI benefits:

- Differentiation,
- Cohesive marketing communication plans,
- Pre-selling an idea to the target audience,
- Building credibility with the customer.

Tanev and Bailetti (2008) studied the relationship between CI information (42 information topics that fall into four categories: industry, customers, competitors, and firm) and the innovation performance (measured by the number of newly launched products, process and services) in small Canadian firms, classified into three types: new technology-based, specialized suppliers, and service firms. Findings of 45 questionnaires indicated that customer and firm information categories have the highest rates of use by all types of firms; whereas competitor and industry information categories have the lowest rates of use by all types of firms. Service firms have the lowest rate of using CI information about industry relative to specialized supplier and new technology-based firms. New-technology based firms have the lowest rate of using of CI information about competitors and the highest rate of using information about their own firms relative to specialized supplier and service firms; and specialized suppliers have the highest rate of using information about customers and industry relative to new technology-based and service firms. Generally, the researchers affirmed the significant relationship between CI information and innovation performance in small Canadian firms.

Qiu (2008) have explored the influence of entrepreneurial attitude orientation and market orientation on the managerial scanning for CI, and the impact of this later on the managerial representations of competitive advantage. He has chosen a sample of 3000 members from the Society of Competitive Intelligence Professionals and the American Marketing Association. 309 surveys were valid for analysis. Qiu concluded three important insights necessary for managers in identifying opportunities and threats through collecting CI:

- CI scanning is more an entrepreneurial activity than a routine activity for innovative, successful managers, and highly motivated to monitor their external market.
- Managers in highly market-oriented organizations conduct better frequent and extensive CI scanning, with a strong supportive culture for CI collection and dissemination.
- It is important to conduct proactive CI scanning which influence the managerial representations of competitive advantage, and to facilitate the understanding of the impact of the market's forces on the organization, and to develop an effective representation of organization's strengths and weaknesses.

In 2009, Zangouinezhad and Moshabaki have found, from the analysis of 200 questionnaires conducted in Iranian companies, that 62.1% of the variance in the rightness-accuracy and admission of CI information was explained by the structural organizational capital (information system & content factors). In turn, the CI was found explaining 56.4% of the variance of the competitive advantage: in terms of high quality, lower cost and general insight.

The Competitive Intelligence Foundation (2006) commissioned study found that in respondent firms; CI was focused on producing the following results:

- New or increased revenue;
- New product or services;
- Cost savings/avoidance;
- Time savings;
- Profit increases; and
- Financial goals met. (Calof & Wright, 2008)

The Global Intelligence Alliance (2004) has summed the different benefits cited in a considerable number of literatures. These benefits were:

- Product launch to new markets
- Development of new products
- Selling consulting services
- Order approval
- New patents
- Higher level of product quality
- Higher level of strategic planning quality
- Higher level of market knowledge
- Influencing actions of decision-makers and Accelerating decision-making
- Improved early warning signals
- Identifying new opportunities
- Exploiting competitor vulnerabilities
- Sharing of ideas and Improved information dissemination
- Better serving the company's customers
- Quality, relevance, timeliness, and accuracy of intelligence
- Accuracy of data in analysis
- Increasing number of clients and additional business from current clients
- Business success and performance measured by industry benchmarking.
- Increased quality of information
- Improved organizational processes
- Improved organizational effectiveness



- Decreased costs
- Increased organizational awareness
- Time savings

Simon, in 1998 (reported in GIA, 2004) proposed a tool by which the benefits of CI could be measured. He divided the CI measures into Hard (measuring the final outcomes of the organizations' processes: costs, quality, and time) and Soft measures (measuring more subjective questions and issue, like working habits, feeling, attitudes, work atmosphere and organization development). These measures are outlined in the following table 2.

## Collective Intelligence Process

The process of CI is the action of gathering, analyzing, and applying information about products, competitors, suppliers, regulators, partners, and customers for the short- and long-term planning needs of an organization (Kahaner, 1998). According to the Society of Competitive Intelligence Professionals (SCIP), an effective CI process is run in a continuous cycle, called the CI cycle (Figure 3). The SCIP describes the CI cycle as the process by which raw information is acquired, gathered, transmitted, evaluated, analyzed and made available as finished intelligence for policymakers to use in decision making and action. There are five phases which constitute this cycle:

1. Planning and direction;
2. Collection;
3. Analysis;
4. Dissemination; and
5. Feedback.

Table. 2. Hard and Soft Benefits' Measures

HARD MEASURES	SOFT MEASURES
<p><i>Costs -- CI contribution to the bottom line:</i></p> <ul style="list-style-type: none"> <li>• Costs of doing the research</li> <li>• Cost benefit of CI research (saving on organizational resources) <ul style="list-style-type: none"> <li>• Financial gains generated from the impact of ideas and suggestions introduced by CI practitioners</li> </ul> </li> </ul>	<p><i>Customer usability:</i></p> <ul style="list-style-type: none"> <li>• Work habits</li> <li>• User friendly reports</li> <li>• Participation on teams</li> <li>• Contributions to teams</li> <li>• Communication skills</li> <li>• Contact follow-ups</li> <li>• Customer satisfaction ratings</li> <li>• Understanding</li> </ul>
<p><i>Quantitative measures (output) -- measurable number of units of work produced:</i></p> <ul style="list-style-type: none"> <li>• Clients serviced</li> <li>• Projects completed</li> <li>• Suggestions submitted</li> <li>• Suggestions implemented</li> <li>• Projects assisted</li> <li>• Number of BI/CI staff</li> <li>• Staff productivity</li> <li>• Participants in the CI process (direct and indirect)</li> </ul>	<p><i>Acceptance and alliance measures:</i></p> <ul style="list-style-type: none"> <li>• Work climate</li> <li>• Number of requests for service</li> <li>• Number of repeated requests for service</li> <li>• Requests for participation in team meetings</li> <li>• Referrals from customers</li> <li>• Further integration of CI into projects</li> </ul>
<p><i>CI practitioner performance measures:</i></p> <ul style="list-style-type: none"> <li>• Effective use of resources (resourceful and creative)</li> <li>• Knowledge of CI methods <ul style="list-style-type: none"> <li>• Personal competencies including but not limited to computer skills, thinking ability, and communication ability (oral and written)</li> </ul> </li> <li>• Resourcefulness</li> </ul>	<p><i>Unit and personnel effectiveness measures:</i></p> <ul style="list-style-type: none"> <li>• Feeling/Attitude</li> <li>• Solicitation for services (selling of services) <ul style="list-style-type: none"> <li>• Attitude changes – clients taking you in to confidence or consulting with you</li> <li>• Customer loyalty rating</li> <li>• Perception of CI contributions</li> <li>• Relationship building (sharing of personal information)</li> <li>• Problem solver perception</li> </ul> </li> </ul>
<p><i>Quality measures:</i></p> <ul style="list-style-type: none"> <li>• Intelligence product measures</li> <li>• Accuracy of information (validity and reliability)</li> <li>• Immediate usability of results (no need for rework)</li> </ul>	<p><i>Personnel development/advancement:</i></p> <ul style="list-style-type: none"> <li>• Rewards</li> <li>• Job effectiveness</li> <li>• Attendance at CI orientation and training programs (participant or teaching) <ul style="list-style-type: none"> <li>• Promotion</li> <li>• Pay increases</li> <li>• Work accomplishment acknowledgements</li> </ul> </li> </ul>
<p><i>Time measures:</i></p> <ul style="list-style-type: none"> <li>• Ability to produce timely information <ul style="list-style-type: none"> <li>• Efficiency (time for research and time of response)</li> <li>• Time saved by CI interventions</li> <li>• On-time delivery</li> </ul> </li> </ul>	<p><i>CI Practitioner performance measures:</i></p> <ul style="list-style-type: none"> <li>• Initiative</li> <li>• Implementation of new ideas</li> <li>• Degree of supervision required</li> <li>• Ability to set goals and objectives</li> </ul>

This process gave cause for the creation of the CI cycle (Figure 4). All phases of the CI cycle are interrelated and therefore the success of the one will determine the success of the other. Various sources indicated that the generally accepted norm for the CI cycle includes the constructs of planning and focus, collection, analysis, communication, process and structure, and organizational awareness and culture.

The Key constructs or stages that emerge in the literature are:

1. Planning and focus, i.e. focusing on issues of highest importance to senior management ;
2. Collection, i.e. the focused collection of information from a variety of sources internal or external to the company;
3. Analysis, i.e. converting information into “actionable intelligence” on which strategic and tactical decisions may be made;
4. Communication, i.e. packaging and communicating the results of the CI process or project to those with the authority and responsibility to act on the findings;
5. Process and structure, i.e. those structures that ensure effective CI can be performed; and
6. Organizational awareness and culture, i.e. to ensure that CI is well executed and that all should participate, there must be the right competitive culture and Information gathering (i.e. it should be on everyone’s mind) (Kahaner, 1997). (De Pelsmacker et al., 2005; Dishman & Calof, 2008; Saayman et al., 2008; Strauss & Du Toit, 2010; Nasri, 2011).

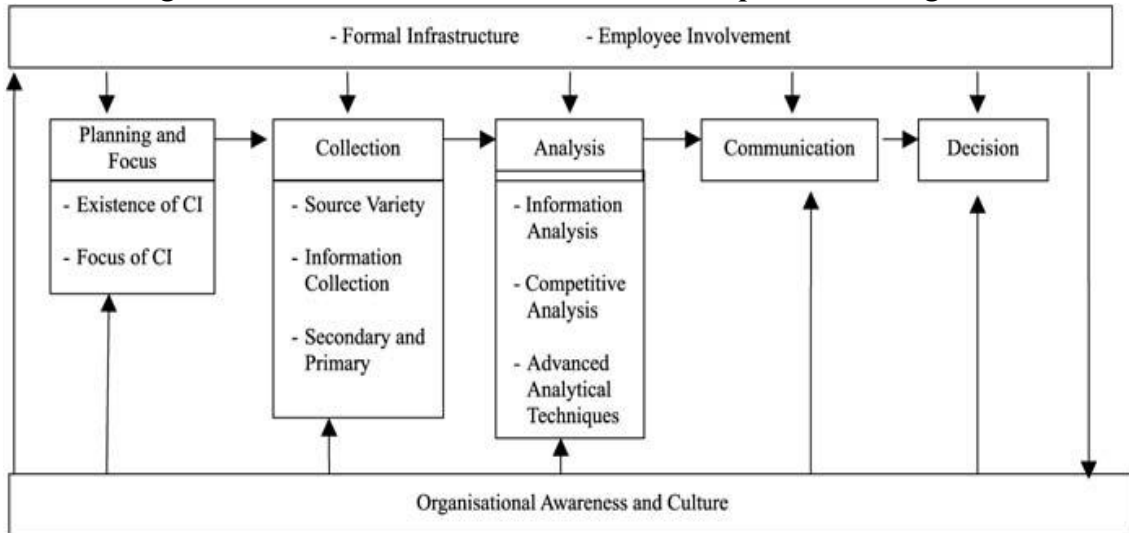
Calof (1998, p. 5) lists the key components of the CI process as:

1. Obtaining CI requests.
2. Collecting information.
3. Analyzing and synthesizing information.
4. Communicating intelligence.
5. Managing the CI process.

Calof (1998, p. 5) describes the competencies required to satisfy CI requests as exact identification of intelligence needs, effective communication skills, knowledge of the organizational structure and environment, and knowledge of the CI capabilities.

In 2008, Dishman and Calof investigated the CI process as a complex business component and a precedent for marketing strategy formulation. From their results of a total of 1025 surveyed executives from different Canadian companies, Dishman and Calof have developed a model, exhibiting the multiple phases and the different contributing aspects in each phase of the process (Figure. 3)

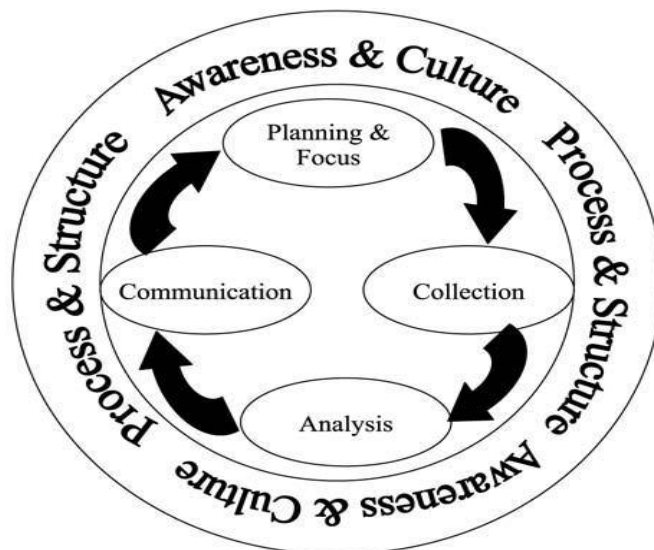
**Figure. 3. Calof and Dishman's model of competitive intelligence**



The researchers indicated the existence of a good understanding of CI within surveyed firms. They found that the organization culture within Canadian firms highly supports an effective CI program. They place greater importance to the collection phase as opposed to the planning/focus, communication, and especially to analysis and process & structure in which they scored weak.

Saayman et al., (2008) tried to explore and validate the theoretical constructs of the CI process in South African and Belgian exporting firms. Their study aimed to refine and validate a questionnaire used in previous empirical studies and validate the constructs of CI. Also, they investigated the impact of the context in which the CI was practiced on the CI process' success. Researchers have focused on the model of Calof and Dishman (2008) (Figure. 3) and the CI wheel of Kahaner (1996) (Figure. 4) which distinguished between the CI process and the contextual influences on it.

**Figure. 4. Competitive Intelligence Cycle**



From 601 exporters, the data analysis results indicated that the CI process within the two countries consisted of three constructs: planning and focus, collection and analysis, and communication. The context in which the CI takes place was found to consist of four constructs: awareness, internal information, formal infrastructure, and employee involvement. The regression analysis result ( $R^2 = 82.3\%$ ) and correlation, the context in which

CI is practiced strongly influenced the CI process success. In Addition, researchers deduced that the size of the firm is an important influential factor in a business' CI process.

In 2005, a study was conducted to compare the CI practices, opinions and attitudes between 292 Belgian and 309 South African exporters. The results of the 601 questionnaires, covering five dimensions, in other words CI process phases: process & Structure, planning and focus and collection, data analysis and quality control, culture and awareness, and skill development; revealed that CI is not well conducted or effective within both South African and Belgian companies. CI was not practiced in a separate department, and if the department existed, it was at the marketing and sales department. The 601 exporters relied on the same resources of similar and important types of information. For Belgian exporters, CI is more a top management responsibility issue, comparing to the South African exporters who involved full- and part-time staff in an organized formalized CI activity, due to the lack of market knowledge. (De Pelsmacker, Muller, Viviers, Saayman, Cuyvers & Jegers; 2005)

Another study (2010) investigated the perceptions toward the CI within South African companies. The study has also presented the main CI process, including the constructs of planning and focus, collection, analysis, communication, process and structure, organizational awareness and culture, in addition to skills development.

Based on the review of the CI Literature, a questionnaire was developed and targeted 132 attendees of CI courses, workshops and seminars held by the department of Information and Knowledge Management at the University of Johannesburg. The results from 78 completed questionnaires showed that a number of skills have to be included in the job description of CI professionals in South Africa:

- Considerable knowledge of the principles and practices of CI;
- The ability to aggregate, analyze and synthesize industry data into
- Communicable deliverables that will help guide decisions;
- The ability to think strategically;
- Specific industry knowledge;
- The ability to express ideas clearly and concisely, orally and in writing;
- Presentation skills;
- Technological skills;
- networking skills;
- Research skills;
- The ability to multi-task;
- The ability to work according to deadlines; and
- An innovative personality.

The study affirmed the lack of the competitiveness of the South African companies and that having a systematic and practical CI program would certainly improve their competitiveness, especially through skills development. Finally, it was recommended that if South Africa is going to compete at the global economy level, it is important to understand the importance of CI skills and practices.

According to P&G chairmen John Pepper: "I can't imagine a time in history when the competencies, skills, and knowledge of the men and women in competitive intelligence are more needed and more relevant to a company being able to design a winning strategy and act on it".

## **Conclusion**

The review of literature about the theme of CI have shown a great emphasize on the importance of CI to the organization sustainable competitive advantage. All the literature has shedding light on the tremendous benefits of CI and the implementation of CI process. Most of the recent studies taken into study in this research were

applied in the South African companies, which recognized the necessity of CI in improving their global competitiveness. Also, the American companies appeared to be the most ones mastering the CI and its process and activities. And compared to the USA companies, the study conducted in Greece had relevant results, confirming evidence of the needed emphasis on CI in European companies. The only Arab study found for this research was that of Nasri, qualitative in nature, applied in Tunisia and which recommend for more training and awareness programs.

To survive in an international active environment, characterized by continuous change and uncertainty, The ability to remain cognizant of the competitors' likely strategies and moves, so as to prepare for counter moves to sustain or gain competitive advantage is what CI is to an organization. The ability to produce and use CI is becoming a necessity for all the organizations. Competitive Intelligence (CI) plays a key role in companies' strategic management with a view to sustaining competitive advantage.

The management of an organization must be seen to support and use CI as a necessary activity in a company's endeavor to become and remain competitive in its industry. Top management support is an important element, communicating the strategic needs of the organizations with the employees involved in the CI. Also, embedding a culture of competitiveness and CI appears necessary and presupposes demonstration of the value of CI to the different users of CI in the company (e.g. managers, product developers, sales staff and business development staff). Finally, the CI concept has become extremely important for organizations, and the Arab organizations are more and more challenging and driven by the highly competitive trends, with high business standards, were Arab managers have to learn in an extremely speed pace, and utilize and profit from the substantial recent strategic tools, techniques, and management methods; if they have to survive and remain competitive in an international unbounded business environment.

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