Managers in an organization compete with managers in other organizations to introduce new products, sell products, win battles and make money. Let's examine three related questions: What is competitive intelligence? How does Competitive Intelligence differ from Business Intelligence? and What are examples of competitive intelligence software packages? The last question about software packages initiated my analysis of this topic. But all three questions must be addressed to answer the broader question of providing computerized decision support for competitive intelligence tasks.

What is Competitive Intelligence?

Jean Graef, founder of The Montague Institute (www.montague.com), argued in a 1995 article at CIO.COM that "Competitive intelligence (CI) is a key discipline for IS managers who recognize the importance of information content as well as information technology. CI is both a product and a process. The product is actionable information -- information used as the basis for a specific action (e.g. acquiring another company). The process is the systematic acquisition, analysis, and evaluation of information about known and potential competitors."

The Society of Competitive Intelligence Professionals (SCIP) website, SCIP.ORG, states CI is a "systematic and ethical program for gathering, analyzing, and managing external information that can affect your company's plans, decisions, and operations. Put another way, CI is the process of enhancing marketplace competitiveness through a greater -- yet unequivocally ethical -- understanding of a firm's competitors and the competitive environment. Specifically, it is the legal collection and analysis of information regarding the capabilities, vulnerabilities, and intentions of business competitors, conducted by using information databases and other 'open sources' and through ethical inquiry." Check http://www.scip.org/ for more information.

The Competitive Intelligence Resource Index (http://www.bidigital.com/ci) is another source for background on CI. It is a search engine and listing of sites by category for finding CI resources.

So Competitive Intelligence is a fairly well-established profession related to strategic planning and it is a process/task and it is an output or product of a process.
How does Competitive Intelligence (CI) differ from Business Intelligence (BI)?

A number of Ask Dan! columns have examined business intelligence (cf., DSS News 11/04/2001). Some vendors and conference organizers try to overlap the terms BI and CI or equate them. The terms are ambiguous. My suggestion is that Competitive Intelligence (CI) focuses on providing external competitor input for strategic management and planning and that business intelligence initially provided analysis of company data. Today some vendors define BI more broadly as providing any type of data-driven decision support that helps managers understand their business, their environment and their competitors.

For example, the Frost & Sullivan Competitive Intelligence conferences have moved toward more of a BI focus, but they remain oriented more narrowly from my perspective to qualitative aspects of competitive intelligence with "a blink and a nod" toward computerized support for intelligence gathering and processing activities. You can find out more about Frost & Sullivan's 9th Annual Competitive Intelligence Executive Summit at http://frost.com. It is planned as an "Interactive Forum for Competitive Intelligence, Corporate Strategy, Business Development, and Marketing Executives Seeking to Drive Decision-Making."

The event summary promises attendees can "Develop a world-class business intelligence function by sharpening your skills and expanding your arsenal of sources and analytical tools. Network with BI professionals as well as research and business development executives to find out how the business intelligence function can and should influence corporate strategy."

In general, Competitive Intelligence and Business Intelligence refer to processes/tasks and the outputs/products of a similarly named process. Computerized support can assist staff in completing both types of tasks.

What are examples of Competitive Intelligence (CI) software packages?

Are there decision support tools for Competitive Intelligence (CI) tasks?


Finally, SCIP.ORG in its CI Marketplace of Analysis Software & Tools identifies 18 companies/vendors including Evaluate and Strategy Software.

In conclusion ... Personally it seems to me that the software for CI is narrower and more focused than most BI software. Report and query and other BI tools are more general purpose and could be used to create systems to assist in evaluating data for competitive intelligence purposes. Competitive intelligence professionals and decision support, marketing and business intelligence analysts can benefit from better understanding of what software can be used to create systems to support their data gathering, data analysis and decision support activities and tasks. It is my hope that this Ask Dan! column continues us down that path.

References


Society of Competitive Intelligence Professionals (SCIP), URL http://www.scip.org.


Are there decision support tools for Competitive Intelligence (CI) tasks?

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Last update: 2015-12-29 07:15