

PARTICULARITIES OF THE COMPETITIVE INTELLIGENCE PROCESS

Adrian Florin STOICA¹

ABSTRACT

The present paper presents, in a synthetic manner, a series of particularities of the Competitive Intelligence process by reporting to some digital means of obtaining and processing existing data in a virtual environment, known as Business Intelligence.

Without minimizing the utility of the digital programs used in the interrogation and processing process of some large data flows present in the virtual environment, alongside other authors, we appreciate that these softs, by themselves, don't provide intelligence products, but information.

These pieces of information, however, corroborated with other factors identified in the Competitive Intelligence process, can facilitate the obtaining of some Intelligence Care products, which, in their turn, have the capability of ensuring decisional factors the required informational support necessary to gaining or maintaining the competitive advantage.

KEY WORDS: *competitive intelligence, business intelligence, key success factors, environment*

JEL: *O01*

1. INTRODUCTION

In order to understand the peculiarities of the Competitive Intelligence process within a company, it is necessary for us to understand the manner in which this process is accomplished and its functions.

The main goal of the above process is that of ensuring decisional factors the required informational support necessary to gaining or maintaining the competitive advantage on the market. Accomplishing this desideratum is however, conditioned by systematically knowing the internal and external environment in which a company conducts its activity.

The systematical mastery implies the capaciousness of continuously identifying and monitoring the critical success factors that affect a company's productivity. (Mallowan and Marcon, 2013).

The key success factors in a company's activity equally depend of the manner in which these resources are used. According to Christopher Murphy (Murphy, 2005), the critical success factors aimed for in the CI process are of an internal and external nature. The internal factors are centered on the tangible/intangible resources of which an enterprise disposes in its current economic activity. The critical external success factors are localized in the social-economic environment in which a company unfolds its activity, including, without confining to them, social-cultural, demographic, technological, economical, environment, political and judicial factors.

In specialty literature, the CI process is built around 4 axes:

¹ PhD Student, West University of Timisoara, Faculty of Economics and Business Administration, adstoica@gmail.com

- ❖ Monitoring strategic information
- ❖ Knowledge management
- ❖ The informative and influent protection that the company has on the market. (Mallowan 2013)

Globally, there is no unitary perception of the particularities of the CI process, under the aspect of their content, of the instruments used in this process, of the place and part this process has within the functioning mechanism of an organization, of the unfolding management of this process and qualifications or aptitudes necessary to the persons that deploy CI activities.

In the current practice of a corporation, the CI represents a state of mind, a conscious or focused attitude through an economic process designed to sustain competitiveness. (Malowan 2013)

For many companies, the need for useful information in their economic activity is satisfied through a simple interrogation of some public search engines, of some integrating public data databases or by searches on social networks.

One of the main difficulties encountered in promoting the implementing of the CI process at the level of an organization consists in the quantification difficulty of the economic efficiency of such an activity.

Regarding this aspect, matters are much more complex than we could anticipate, as an objective evaluation of this process must take into account many variables that are hard to identify or measure.

According to some well-known authors in specialty literature (Kahaner, 1996), the economic quantification of the CI process is similar to the attempt of establishing the impact that public services of health, education, sanitation, environment, public order etc. have on the life quality of the inhabitants of an urban locality.

It is unquestionable, states Kahaner, for public services with an elevated quality standard to attract educated and highly qualified residents willing to establish and live in these cities, and this constitutes an indispensable resource in the initiation and development of some economic activities with a high added value, an aspect that has a positive impact on the town's budget.

2. PARTICULARITIES OF THE CI PROCESS WITHIN AN ORGANISATION

Within an enterprise in a competitive environment, the CI activity represents an adequate means of knowing the internal and external environment capable of integrating, through a unique process, the entire informational flow necessary for obtaining or maintaining the competitive advantage on the market.

In contrast to CI, the concept of Business Intelligence represents a technical means of processing some great quantities of information existent in the virtual extent, according to criteria or algorithms established by the providers of these services or by recipients.

In the opinion of some authors (Freeman, 1999), Business Intelligence is a software product that doesn't provide intelligence products, however, used accordingly, can ensure an important informational support in the process of information' organizing.

The advanced dynamics of the digitization process of existing data and information in the virtual extent has led to a necessity of using adequate technical means

of processing data flows through which users could extract the information they need in the activity they currently carry.

Business intelligence provides very little information sources with a unique character, the information provided through digital processing being common to all users (Freeman, 1999).

No database can respond to difficult questions that still lack answers (Stoll, 1995).

For creating and successfully implementing an operational CI process at the level of a company, a proper and organized expert network to operate in the varied steps of the CI process is mandatory (Štefániková and Masárová, 2014).

Knowing the competitors and the competitive environment is the essential ingredient of success in business, regardless of the company's size.

The structure of the CI process is compiled from the following elements: Identifying and establishing the critical information required to gaining or maintaining the competitive advantage on the market and gathering, analyzing, processing, interpreting and disseminating them.

The intelligence products obtained behind the CI activity must possess the ability of supporting the elaboration and implementing of the company's development strategy, to ensure the early warning regarding the threats or opportunities identified in the external or internal environment and to ensure the permanent cognition of the key players on the market as well as the actions unwound or foreseen to be unwound by them. (Aspinall, 2011).

In order to understand the particularities of the CI activities, we assess it is useful to consider the competitive environment a battlefield, where the companies confront each other in order to gain or maintain a client portfolio.

For you to win in a war, it is imperative to know your enemy. Knowing your enemy implies understanding his manner of thinking, his action plan, and his strong and weak points, the locations in which direct confrontation could have the highest chance of winning.

The secret of a CI activity consists in knowing when and how to look, how to obtain correct information without using illegal methods, how to interpret the information as a piece of a puzzle. (Weiss, 2002)

Monitoring the competitive environment has, as a main objective, the identification of the changes that may have a major impact on the business plan.

These changes regard, without limitation, information concerning legislative environment, social-economic environment, consumer behavior, new competitors or providers on the market, new technologies etc.

The intelligence products are not obtained by a plain interrogation of a database or of a digital system, but by a complex analysis and corroboration process of the information extracted from the internal/external environment.

These intelligence products must ensure an adequate support of knowledge to the ones who, in their current activity within the company, need them.

The cognition of the competitive environment unwound within the CI process will be focused on the following aspects:

- ❖ Knowing each and every one of the competitors
- ❖ Identifying the difference between the main competitors on the market
- ❖ Knowing the market (products or services, clients, providers, selling channels, technologies, rivalries, alliances etc.).

In an organization, the most important benefit of implementing the CI process is not that of issuing alerts regarding risk status identified in the external environment, but to transform these warning signals in capitalized opportunities for maintaining competitiveness on the market (Murphy, 2006).

CI is not only about knowing the competitors, but also about knowing the entire business environment in which a company conducts its activity.

The knowledge implies obtaining a large spectrum of information that can influence the competitiveness of a company, such as the information on a client, distributors, social changes, legal regulations, competitors, economy (Sharp, 2009).

The critical success factors of the CI process' implementation within an organization are: The added value and the recognition of this value added by the management (Stiller, 2014). In the opinion of the same author, the CI function must have the ability of providing information with a high added value.

3. CONCLUSIONS

At the level of any economic entity, there is a specific organizational structure meant to ensure the necessary capabilities for fulfilling the functions for which it was established.

In the component of this structure, depending on the specific of the economic activity assumed by every company, we retrieve administration services, management, accounting, judicial services, marketing, human resources, sales, production, public relations etc.

The only organizational component capable of extracting and integrating, in an adequate manner, the critical information required for gaining or maintaining the competitive advantage on the market, is represented by the CI process.

In an increasingly dynamic economic environment, in a global competitive market in which the pressure on prices is enormous and the need for differentiation is imperative, the competitive advantage can no longer be maintained on a medium or long term by turning to managerial policies inadequate to the social-economic challenges we are dealing with.

Using softs of identification and processing of an elevated quantity of information present in the virtual extent, known in specialty literature as business intelligence, cannot substitute the CI activity, as they don't possess the ability of offering Intelligence CI products, only gathered, processed, contextualized and analyzed information based on algorithms created by providers or customized by recipients.

For emphasizing the relative character of the information obtained through Business Intelligence systems, some authors (Freeman, 1999) have exemplified, in a suggestive manner, the fact that the regular purchasing of a certain product, in a certain day of the week, cannot generate the conclusion that the product is preferred by the person that acquired it as long as it cannot be determined if the product was acquired for the personal needs of the buyer or for another person.

Business intelligence is an important knowledge instrument widely used in the CI process, as, through it, great data and information flows used in generating intelligence products can be interrogated and processed in synthetic formulas; however, the interrogation of such a soft alone cannot offer the user an overview of the competitive environment he want to know.

In the circumstances mentioned above, we assess that only the deep understanding of the entire operating mechanism of a company and of the environment in which it operates can generate a digital support adequate to the obtaining or maintaining of the competitive advantage on the market.

REFERENCES

- Aspinall, Y., (2011), "Competitive intelligence in the biopharmaceutical industry: The Key elements", *Bus. Inf. Rev.* 28, 101–104
- Freeman, O., (1999), "Competitor intelligence: information or intelligence?" *Bus. Inf. Rev.*, 16, 71–77
- Kahaner, L., (1996), "Competitive Intelligence: From Black Ops to Boardrooms-How Businesses Gather", *Anal. Use Inf. Succeed Glob. Marketpl.* N. Y. NY.
- Mallowan, M., Marcon, C., (2013), ASIS&T 2013: "From competitive intelligence as a state of mind to information transculture". *Proc. Assoc. Inf. Sci. Technol.* 50, 1–11.
- Murphy, C., (2005), "Competitive Intelligence: Gathering, Analysing and Putting it to Work". Gower Publishing, Ltd.
- Sharp, S., (2009), "Competitive intelligence advantage: how to minimize risk, avoid surprises, and grow your business in a changing world", John Wiley & Sons.
- Štefániková, L., Masàrovà, G., (2014), "The need of complex competitive intelligence", *Procedia-Soc. Behav. Sci.*, 110, 669–677.
- Stiller, H., (2014), "Information professionals in the corporate sector: A survey of French companies", *Bus. Inf. Rev.*, 31, 41–49.
- Stoll, C., (1995), "Silicon snake oil: Second thoughts on the information highway", Anchor.
- Weiss, A., (2002), "A brief guide to competitive intelligence: how to gather and use information on competitors", *Bus. Inf. Rev.* 19, 39–47.