



STRATEGY  
RESEARCH  
INSTITUTE

SECURING...

## 'COMPETITIVE INTELLIGENCE'

### *Methodology and Research Options*

All of our research is customized to the Client's needs and perceptions. We pride ourselves in being able to obtain the "intelligence" required, while remaining within budget and time parameters; and, presenting the information requested in the Client's preferred format.

### *Project Definition and Purpose*

It is critical to identify the purpose for the research and how it will be used. The importance of this cannot be overstated. The purpose drives the entire investigation and enables us to bring forth information, nuances or perspectives that may not have been requested but add considerably to your understanding. Depending upon the specific need for competitive intelligence, we search for information that will:

1. Detail the industry as it exists today;
2. Define where the industry is headed;
3. Indicate the dynamics affecting this area — especially from outside the industry and those which are changing;
4. Identify keys to success;
5. Uncover the barriers to entry into the marketplace;
6. Explore opportunities as well as countervailing and potential threats;
7. Uncover market shifts and discontinuities that are likely to impact business;
8. Probe for key leading indicators of future performance;
9. Serve as a baseline for future strategy.

### *Project Scope - Investigating an Industry or Competitor*

The following describes a partial menu from which to select appropriate items of inquiry:

1. **Market/Industry**
  - a. Sales, growth and trends
  - b. Product or service lines
    - ✓ Fastest growing
    - ✓ Emerging
    - ✓ Substitute or unknown
  - c. Distribution channels
  - d. Changes, trends, discontinuities impacting the respective industry
  - e. Customers (target, emerging and niche)
  - f. Pricing
  - g. Advertising/Promotion

**Research &  
Consulting for  
Strategic Planning**

Northern California Southern California  
925 ♦ 372-3788 714 ♦ 447-4884

Corporate FAX 714 ♦ 447-4537  
Toll-free Nationwide 800 ♦ 224-7608

P.O. Box 6548 Fullerton, CA 92834

## 2. Major competitors

- a. Sales, market share, trends
- b. Products
- c. Positioning/niches
- d. Strengths/weaknesses
- e. Marketing strategy
- f. Profits and/or most profitable lines
- g. Company orientation (i.e., technology or market focused)
- h. Anticipated marketing and advertising activity
- i. Alliances, joint ventures
- j. Financial profiles

Additional information will also be incorporated as we develop it — even though not specifically stated in the proposal. (Investigations of concepts and ideas will cover different information.)

### ***Depth of Probe***

---

The type of research conducted will depend upon the purpose for the research, along with your parameters in terms of budget and time. It can range from an overview of the market, to an in-depth investigation. It rarely is necessary to conduct an exhaustive examination; one that is comprehensive usually brings forth all critical information. The additional time and money spent to move from comprehensive to exhaustive will likely not be justified.

### ***Methodology***

---

There are three primary segments that comprise the industry: the marketplace; the competitors; and the customers. An investigation of all three provides balance and a reality check, with each segment enhancing the information garnered from the others.

It may not be necessary to investigate all three areas. The purpose of your query will be the major factor for determining which approach (or combination) is most appropriate.

1. An overview of the **marketplace** presents an understanding of the industry and its components (suppliers, distributors, major players, emerging competitors, etc.) This segment provides the big picture of where the industry is, where it has been, and where it's going.

Our analysis of the marketplace includes a future-focus, to identify potential opportunities, threats, substitute competitors, and changes that are in the early stages and not yet recognized (and/or deemed important) by the industry. This may be the

most valuable segment as it focuses on emerging issues and includes the only perspective relevant to *tomorrow*.

2. **Competitor** intelligence provides information on actions and strategies from the specific companies, along with a view of how they see the industry. This analysis compares and contrasts competitors' offerings, marketing strategy, target customers, niches, distribution channels, etc.

Information on competitors *may appear to be* the most valuable type of information, but this focus does *not* uncover customer needs or concerns, or the reality of the marketplace.

3. **Customer** intelligence provides information from the *user's* viewpoint, which is often quite different than the producer or the industry. It is often the underlying reason why a new company (start-up or established company from another industry) can enter the market.

Customer analysis can provide an external understanding of the client's offerings v. the competitors, and how others view the client. It further offers the opportunity to uncover concerns, problems and opportunities, why the company lost a customer (or can't sell to a prospect) that the industry often doesn't recognize or minimizes.

4. When necessary, we will add the input from suppliers, distributors, and others who interface with competitors and customers in the industry, in order to flesh out current and near-future changes and shifts.

### **Information Sources**

---

The information will be obtained from published sources and direct contacts, with each providing different, but equally valuable information. While these two sources complement and supplement each other, one cannot replace the other.

1. **Published information is obtained** from electronic (online and Internet) and non-electronic sources. It includes articles, reports, surveys and studies - from sources within the trade as well as those outside the trade who are indirectly involved in the industry. This encompasses trade periodicals and associations, general business publications, newspapers, specialized newsletters, government data, SEC filings, and press releases.

Our approach is multi-faceted, and incorporates non-traditional sources that have an interest in this market. The purpose is to provide an external perspective from a *wide* array of experts within the industry as well as those who service this market (i.e. suppliers, distributors). The benefit is that each document is a mini-investigation which often points out gaps, problems and opportunities that are unknown or ignored by the industry.

This option avoids reinventing the wheel, as well as the opportunity to obtain (expensive and detailed) surveys and studies - immediately, and at little or no cost. If there is some information that could not be obtained from published sources, then direct contact methodology can be undertaken to supplement the published information (“primary” vs. “secondary” intelligence).

2. **Primary data-gathering/Direct contact** (speaking with those who have a vested interest in this segment) provides information that is not generally available from printed sources, or information that is not sufficiently fleshed out. Direct contact primarily includes competitors and customers, but also includes industry experts and vendors.

Direct contact approach does not replace or replicate traditional primary research. Rather, the purpose is to gain understanding and insight, to uncover nuances that will be valuable in your strategic planning or during negotiations. Our model can involve conversation and dialog, as well as interviewing or the use of questionnaires. This is a building process, with each conversation validating the prior one as well as fleshing out new information.

This is an opportunity to determine (along with areas previously mentioned):

- |                                      |                       |
|--------------------------------------|-----------------------|
| ▪ Hot markets (geography, venues...) | ▪ Company positioning |
| ▪ Market drivers                     | ▪ Keys to success     |
| ▪ Fastest growing products/services  | ▪ Barriers to entry   |
| ▪ Competitor strengths & weaknesses  | ▪ Product mix         |
| ▪ Marketing strategy                 | ▪ R&D activities      |
| ▪ Loss leader / pricing issues       | ▪ Reputation          |

### **Deliverables**

---

All materials will be distilled, organized and analyzed. Findings will be presented in a formal report and on disk, including charts, graphs and tables, and an executive summary, if appropriate. While the information determines the structure and length, we will consult with you to determine your preferred presentation style, - slide (bulleted) presentation format (e.g., PowerPoint), or a more descriptive and analytical text-heavy report.

All printed raw materials collected in connection with our research will be transferred to you, along with a listing of all public sources contacted. For your convenience, we will highlight the useful text segments within the included articles and organize them by category. We do not provide transcripts or notes of companies contacted directly.

## **Costs**

---

*Total costs, agreed to prior to the project start, include expenses (with the exception of travel) and are based on:*

- Depth - detail requested for each issue
- Breadth - issues to be covered
  - companies (competitors, customers, distributors, suppliers) to be contacted, as well as the type/number of individuals and departments
- Difficulty - type of information requested
- Schedule - time frame for completion

