

Assess Your Competition

By Diane A. Garrod

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Assessing your online competition is like going on a treasure hunt.

With the Internet, you can gather a tremendous amount of competitive intelligence information in just a few hours.

Here's a map for finding the information you need about your competitors.

First, understand your business's internal strengths and weaknesses. Second, decide on a strategy you'll use to protect yourself. Here are three:

Hold steady. Your company is stable, so your course of action will be to continue to do what you do best, only better.

Use an offense. The goal is to attack your competitor's soft spots with aggressive, offensive moves: price changes, new products or expanded advertising and promotion.

Here's an example. XYZ Manufacturing Co. discovers a competitor's weakness: delays in filling customer orders in the Northwest. Based on this information, XYZ creates an ad campaign stressing its on-time delivery record, and the company modifies all its sales presentations. The aim is to increase market share in the Northwest.

Get defensive. The goal is to defend your soft spots from the competitor by protecting your market share, covering operation weaknesses, or keeping pace with the competitor.

Here's an example. XYZ Manufacturing Co. discovers another competitor's strength: new telemarketing programs that increase sales at minimum cost. The defensive move is to rapidly create a telemarketing program. The aim is to prevent this stronger competitor from gaining market share at XYZ's expense.

Pace is fast online. As a result, business life cycles are measured in months, not years. Keeping your eye on your competitors is a game you need to know how to play. Here are four steps to leveling the playing field: Planning and direction, information collection, analysis and dissemination.

Planning and Direction

Clearly understand your business needs, including time constraints. How will the intelligence be used? Why is it needed? Which people or departments will use it?

Competitive intelligence is used for strategic planning, research and development, entry strategies, acquisitions, market timing and technology assessment. Decide how you'll use it.

Next, establish a plan for information collection and analysis. What is the time frame? Your staff must understand that quickly executing a strategy is key to successful competitive analysis.

Information Collection

Collection involves obtaining raw information and turning it into usable intelligence. It is the hardest part of the process.

First, determine whether the competitor is publicly held, privately owned or a subsidiary of a publicly held company. This will help you know where to direct your research. It will also indicate how easy the research will be. Publicly held companies are required by law to provide earnings reports to their shareholders. So it's easier to investigate public companies than privately held companies, which aren't required to reveal information.

Next, decide whether you will use intelligence software. Some you might try are C4U Scout and KCC's Competitive Intelligence Spider.

Following is a list of sites to visit in your search.

Galileo Internet Resources offers a listing of company directories and other competitive analysis sites on the Internet.

Hoover's Online is a widely respected service that provides timely and detailed information on more than 50,000 public and private companies.

CompaniesOnline, on the Lycos Network, provides addresses and phone numbers, annual sales figures, numbers of employees and other information on more than 900,000 public and private companies.

CorporateInformation provides U.S. and international company information, including research reports, company profiles, earnings information and analyst reports.

You'll find private company information at Public Record Databases, compiled by Pacific Information Resources Inc. Also look at Investigative Resources International.

Other great online hunting grounds are the news feeds NewsAlert, NewsEdge Newspaper and PR Newswire.

Cornell Law Library provides links to texts of laws and court decisions, international documents, directories, trade information and statistics.

The Guide to International Trade Law Sources on the Internet on LLRX.com is a superior guide to sources for international trade.

Michigan State University's MSU-CIBER site contains a wealth of information, including U.S. and international news and periodicals, statistical data and information resources, international trade information, company directories and more.

Company Sleuth will monitor up to 10 companies for you for free.

Find corporate annual reports at Annual Reports Library and Barron's Annual Report Service.

Finally, remember to stop in at your competitors' Web sites, where a wealth of information can be found, including product announcements, organizational charts, lists of clients, links to subsidiaries, contact information, event schedules and regulatory compliance.

Analysis

Preparing an analysis profile on each competitor will help you catalog your data. List the following: competitor's name, competitor's product or service, market share, estimated sales volume, current priorities, known objectives, strengths, weaknesses, advantages and disadvantages in relation to you, cash position, cost position, profit picture, short-term strategy, long-term strategy and suggested counterstrategy.

Analyzing the market itself must be an on-going effort that focuses on where the market is positioned today, what the market trends are for the future, and what strategic positions can be developed and exploited.

Dissemination

Dissemination is the ability to get the necessary information to the decision-maker in time to make a difference.

Dissemination marks the moment of truth. Will your data reveal the treasure intended or will you have uncovered nothing? This is when you'll find out.

And, finally, remember that your competitors like to uncover treasures of their own. Look out for counterintelligence.

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