Organizing CI in a structured way
- within Volvo CE Region International

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Program: GTI & International Marketing
Subject: Business Administration
Level & Semester: Masterlevel, spring 2010
ABSTRACT

The premise of this thesis is the need for research regarding how to enhance the competitive intelligence structure in a company. The overall purpose of this thesis is to create a functional Competitive Intelligence process that enhances Volvo CE Region International as a learning organization. In order to reach this purpose of the thesis a case study of Volvo CE Region International has been carried out and a benchmarking of Tetra Pak.

The theoretical framework involves a description of; the term competitive intelligence, different types of competitive intelligence, the process for creating and organizing the competitive intelligence. The empirical study deals with how the case company Volvo CE Region International, Volvo CE Headquarters, Volvo CE Russia and our benchmarked company Tetra Pak manage their CI process.

In the analysis the theoretical framework and the empirical findings are compiled. It is discussed and analyzed how Volvo CE Region International can create an competitive intelligence process in a structured way.

It is concluded that a company can be organized in a structured way in order to improve and take advantage of available competitive intelligence by establishing a good network, build a platform, assign a CI region manager, be aware of CI needs, give feedback on disseminated intelligence. At last, recommendations with managerial implications for Volvo CE Region International are presented.

Key words: Competitive intelligence, CI process, Collecting, Analysis, Dissemination, Evaluation, Organizational structure.
Acknowledgements

We would like to thank everybody who contributed to this unique learning experience and made our thesis journey possible.

First of all we would like to express our gratitude to Volvo Construction Equipment Region International that gave us the opportunity to write this thesis. Special gratitude is expressed to Ulrika Ek and Fredrik Sjöström for providing us with an interesting subject and company contacts, which gave us the opportunity to conduct case studies within the companies presented in this thesis.

Furthermore, we would like to show our appreciation to the employees at the headquarters in Eskilstuna who contributed to our understanding of the situation in the company by sharing their explanation on their present situation regarding competitive intelligence. We are also thankful to Alexander Fedotov, Sales analyst at Volvo CE Russia and Maria Khoklova, Business Intelligence analyst at Volvo CE Headquarters in Brussels, Belgium, on their experiences and views. Another large portion of gratitude goes to the employees at Tetra Pak who shared their valuable tacit and explicit knowledge about competitive intelligence.

We would like to express our special gratitude towards our supervisors for the thesis, Professor Hans Jansson for giving us supervision of our thesis during this period and his contribution through advice and helpful guidance that has been of great value throughout the entire study, and Sandra Kliknaite for her guidance and inspiring input throughout this research.

In addition to our mentors and contacts mentioned above, we would like to thank our friends and colleagues for their support. Last but not least we would like to thank you, dear reader, for your interest in this thesis.

Kalmar 25th of May 2010

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<th>Full Form</th>
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<td>AI</td>
<td>Artificial Intelligence</td>
</tr>
<tr>
<td>ASM</td>
<td>Area Sales Manager</td>
</tr>
<tr>
<td>BI</td>
<td>Business Intelligence</td>
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<td>BU</td>
<td>Business Unit</td>
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<tr>
<td>CI</td>
<td>Competitive Intelligence</td>
</tr>
<tr>
<td>EMT</td>
<td>Executive Management Team</td>
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<tr>
<td>MNC</td>
<td>Multi-National Corporations</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>SI</td>
<td>Strategic Intelligence</td>
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<tr>
<td>SME</td>
<td>Small Medium Enterprises</td>
</tr>
<tr>
<td>SPM</td>
<td>Sales Process Measurement</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities, Threats</td>
</tr>
<tr>
<td>TOD</td>
<td>Targets for Operational Development</td>
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<tr>
<td>TP</td>
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1. INTRODUCTION
The first chapter will present an overall picture of this thesis. The reader will be introduced to the background of the study and used terms are defined in order to avoid misinterpretations. This is followed by a presentation of the case company. Furthermore the introduction chapter includes research problem, the purpose of the thesis, delimitations and outline of the thesis.

1.1 Background
Globalization has led the way for various opportunities and created new potential buyers, at the same time increased the amount of international competitors. As global competition intensifies rather than diminish, companies must develop skills in investigating and monitoring other companies competencies and assess their future focus and paths relative to their own (Wang, 2001).

Thus there is no doubt that competitive/strategic intelligence is necessary for corporate decision making in today’s highly complex global markets, where current and potential competitors meet on multiple levels of competition.

Nowadays, competitive/strategic intelligence is a vital function in multinational corporations (MNC’s) that helps them to develop and grow business. Due to the increasing global competition, MNC’s are forced to consistently obtain accurate information for decision-making in order to sustain competitiveness. It is vital for an MNC to be proactive, as they must act before their competitors (Lackman et al., 2000). To handle an abundance of information is gradually becoming a key factor when enhancing competitive advantage. Consequently, relevant and accurate information from reliable sources needs to be proceeded throughout an MNC, in order to be successful. However, the process of transforming related information into strategic/competitive intelligence and provide decision makers with the right intelligence is rather a complex task that demands skills and resources.

Within the Volvo CE Region International there is no established competitive intelligence (CI) process. There is a flow of information between individuals both horizontally and vertically in the organization. Despite that it is not a formal established system it works quite well. Although the construction industry is not developing fast, it does not mean that Volvo CE Region International can act idle, it is always important to be in the forefront of competition. In order to achieve and sustain this position the assembled information needs to
be turned into intelligence that then can be utilized by the decision makers. At present the latter is extremely gaining a vital importance for MNC’s. CI is an indispensable function when achieving and maintaining sustainable competitive advantage. This confirms CI importance as an underlying base for decision-making.

1.2 The case company – Volvo Construction Equipment Region International

Volvo Construction Equipment is a part of the Volvo Group, which is one of world’s leading suppliers of commercial transport solutions. Besides the construction equipment, Volvo Group provides trucks, buses, drive systems for marine and industrial applications as well as aircraft engine components and financial services. The core values of the Volvo Group are Quality, Safety and Environmental Care. Volvo CE has a unique philosophy that distinguishes them from others, called: “More care. Built in”. This philosophy summarizes what they want their customers to think about them (Volvo CE Region International, 2009)

Volvo CE is one of the world’s leading manufacturers of articulated haulers and wheel loaders, and among the world’s foremost manufactures of excavation equipment, road development machines and compact construction equipment. Volvo CE’s headquarters are located in Brussels, Belgium. The organization is divided into four regional departments counting Region America, Region Asia, Region Europe and Region International. The Region International has its headquarters in Eskilstuna, Sweden. Volvo CE offer products and services to over 125 countries. Volvo CE Region International approaches its customers around the globe via independent dealer partners in most of the markets (Volvo CE Region International, 2009)

To create a better product and solution, they have improved and increased the offering of customer support, financing and leasing. They see themselves as a company that offers products for the customer’s problems because they already from the beginning are working with care on every detail.

1.2.1 Targets for Operational Development

Every year Volvo CE Region International creates several Targets for Operational Development (TODs). This is done in order to manage necessary improvements in the operations. One of these TODs for 2010 is defined: “Competitive business intelligence in a structured way” and that is what this thesis will be about (Volvo CE Region International, 2010)
Volvo CE Region International has gathered and has a wealth of information within the company and its dealers, but there is no organized and structured way of analyzing and disseminates the information to the main-customers.

1.3 Research problem

1.3.1 Research Background
Due to the economic problem in the world, many companies have been struggling with low resources. This problem has also stroked Volvo CE Region International that now tries to create a more efficient use of their resources. Volvo CE Region International does not want to put a lot of resources on competitive analysis. Instead, there is a belief that the Competitive Intelligence already exists among the dealers and employees.

In order to achieve the wanted market position, the company wants to enhance the flow of needed information among the important actors in the Volvo CE Region International network. To prevent the information overflow to the receiver, the information needs to be filtered and organized. Currently, there is no structured way to manage the information, which in that sense creates an inefficient organization.

1.3.2 Problem Definition
To achieve the company’s wanted position for 2015 they need to manage and take advantage of the information that already exists in the organization. The problem is not that they do not have enough information in the company, but there is no process that can collect, analyze, structure it and consequently deliver a ready CI product to the right receivers. A tool such as Competitive Intelligence process is indispensable in order to assist decision makers with intelligence about competitors, customers, stakeholders as well as other relevant aspects of the market. Useful intelligence about the market is important when predicting the future and enhancing the base for decision making. It is becoming more common that companies are using a CI process to enhance decisions on issues as whether to enter new markets, how to manage customer relationships and how to promote products.

Valuable information is often ignored without devoting time to it. This occurs since the majority of achieved information is of qualitative character, which is the focal problem when structuring, evaluating and analyzing incoming data. Consequently, the process of CI’s organization it is rather difficult to manage.

When the CI process is implemented correctly, competitive business intelligence information needs to be collected and published, both internally to the main-customers and externally to
their dealers. This process will facilitate the decision-making process. Since CI process is complex, both to refine and to organize, it is particularly important to find an organized way of dealing with the information.

Thus, the following research questions have been developed:

**Main problem:**

\[
\text{How can a Strategic Marketing System within a MNC be organized in a structured way in order to improve and take advantage of internally and externally available intelligence about competitors?}
\]

The main problem is a fundament for this study since we noticed that there is a need to enhance the competitive intelligence structure in many companies. We aim to study how a company can enhance their monitoring of the environment and act on that intelligence. This problem is vital and in order to solve it we created three sub problems. Every sub problem will be solved separately, and in this order, to find a solution to the main problem.

**Sub problem 1:**

\[
\text{How can the MNC gather the competitive intelligence from its external and internal sources?}
\]

The *first sub problem* aims to investigate how a MNC can monitor and gather information about the environment both from employees in the company and from other external sources. This is a vital part in order to answer the main problem due to the importance of information flow into the organizations.

**Sub problem 2:**

\[
\text{How can the collected information be analyzed in order to create actionable intelligence?}
\]

With the *second sub problem* we aim to investigate how an MNC adds value to the raw information that has been collected, that later on can be used for taking action. The importance of this sub problem is to find out how an MNC transform information to intelligence.
Sub problem 3:

How can the actionable intelligence be disseminated within the MNC and with its dealers?

The purpose of the third sub problem is to investigate how an MNC can send out intelligence to people that needs it in the organization. This is an important part since if the decision makers does not receive the information, or does not receive it in a proper way; the effort of collecting and analyzing is a waste of time.

1.4 Purpose

The aim of this thesis is to create a functional CI process that enhances Volvo CE Region International as a learning organization. To reach this goal the following points will be conducted:

- Find the “best in practice” organization that have the same characteristics as Volvo CE Region International and then benchmark it.
- To give Volvo CE Region International answers and helpful recommendations how to create a more efficient learning organization.

1.5 Delimitations

- The dissemination stage in the CI process includes different software that can be utilized in this purpose. It is not our intentions to focus on how this software works because it is far too complex.
- We are not focusing on BI process as a whole; instead we limit our research scope to CI.
- We will only discuss legal CI intelligence process and not the grey or black types of intelligence methods.
- We will not process advance analysis tools as e.g. calculating forecasts. We will only bring up basic and common analysis tools.
1.6 OUTLINE OF THE THESIS
The purpose of this section is to guide the reader through a chapter-by-chapter overview of the present thesis. The outline is divided into six chapters that we intend to include in the final thesis.

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<th>5. Analysis</th>
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<tbody>
<tr>
<td>▪ Comparison between the existing theory and the empirical data</td>
<td>▪ Provide answers to our research questions</td>
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<td>▪ Evaluation of research material</td>
<td>▪ Recommendations for Volvo CE Region International</td>
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2. METHODOLOGY
The purpose of this chapter is to present and justify the methods and procedures, which have been used in the research of this thesis. Firstly, the scientific reasoning will be discussed followed by the
research strategy. Then we will present the research approach, case study design and research method. Afterwards the reader is provided with data sampling types and data collection, and the combination of primary and secondary data can be found. Finally, the quality of research will be discussed.

2.1 Scientific Reasoning

When doing a research, the researcher can use various scientific reasoning. There are three different ways of scientific reasoning, which can be defined as: deductive, inductive and abductive reasoning (Dubois and Gadde, 2002).

The deductive approach is the process, where the researcher begins with the theoretical framework and then searches for appropriate data. Thereafter it is put together with previously formulated assumptions to review if the empirical world matches the theoretical world. Conversely, when using inductive approach the empirical evidence are gathered first and then compared to researchers pre-understanding, or theory, this is known as inductive approach. Induction means that the researcher tries to draw conclusions from gathered empirical data and to subsequently formulate theories. The third way is to use abductive reasoning, which can be described as a combination between inductive and deductive reasoning. According to Harryson (2002) the overall benefit of this reasoning is that both empirical and the theoretical analyzes are continually reinterpreted to create new knowledge in line with the research process.

We have used a deductive reasoning in the thesis which means that we used the theoretical framework chosen from the beginning. We searched for appropriate data in both Volvo CE Region International and Tetra Pak in order to see if there was a match between the empirical and theoretical world.

2.2 Research method

According to Strauss and Corbin (1998) the general research methods available are quantitative and qualitative. In quantitative research the objective is to test a hypothesis with the help of statistical material. Holme & Solvang (1991) state that the quantitative method converts information to quantities and numbers for statistical use. Andersen (2005) explains that this method is applicable when predicting and controlling events and phenomena based on patterns. Further the author states that the ways to collect raw data are by systematic reviews and surveys.
According to Merriam (1998) the qualitative approach is based on the philosophy that reality is build from observations and interpretations gathered in the field. It gives a deeper understanding of how people think, resonates, feels and reacts. Holme & Solvang (1991) state that this method should not be transformed into numbers, instead it should be understood by social settings, social processes, frame of reference and by motives. Strauss & Corbin (1998) claim that normal instruments used for collecting data are interviews, documents and observations. The negative aspect of this kind of method is that the collected material is both objective and subjective which makes it hard to generalize the findings.

We carried out interviews in order to deepening our knowledge and understanding about the complexity of CI. Qualitative research was the only valid method that provided answers for our research questions. Therefore, our research questions were built up on “How” formula. However, according to Andersen (2005) this formula does not allow to gather quantitative data.

2.3 Research strategy
Yin (2009) describes five research strategies you can use when doing a research. The strategy we have chosen is case study but you can also chose between; history, survey, experiment and archival analysis. What kind of research strategy you select depends on three circumstances. The first aspect is what kind of research question you have formulated, it is appropriate for case studies to have questions that are asked with words “why” and “how”. The second aspect is about how much control and access the investigator has to actual behavioural events. When you want to understand a complex social phenomenon the research strategy “case study” is recommended. The last aspect is if the focus of the analysis is on contemporary or historical events. Historical and case study approach have a lot of similarities but differentiates in ways that the case study often has direct observations and interviews of involved people, and compared to historical approach where this is not the case.

The underlying table 1.0 shows the relation between what we earlier called circumstances and the different research strategies.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioural events</th>
<th>Focuses on contemporary events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, Why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Research Strategy</th>
<th>Questions</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey</td>
<td>Who, What, Where, How many, How much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>Who, What, Where, How many, How much</td>
<td>Yes/No</td>
<td></td>
</tr>
<tr>
<td>History</td>
<td>How, Why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, Why</td>
<td>No</td>
<td>Yes</td>
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Table 2.1 Relevant Situation for Different Research Strategies. Yin, 2009, p.5.

The table 1.0 shows that different strategies are preferred for questions such as why, how, where, what and who. Because of our choice to do a case study, our questions is dominantly of a “How” character.

Merriam (1998) means that a case study is about focusing on understanding a context and that it provides an in-depth understanding of a situation. A case study provides thorough descriptions and analyzes of particular units and thereby differentiates itself from other types of qualitative research methods. According to Yin (2009, p.13) “a case study is the empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”

Case study research has according to Yin (2009) three main characteristics. The first is that there will be more variables on interest than data points in the technically unique situation. Multiple sources of evidence are the second, and the third is that it benefits from earlier developments of theoretical propositions to guide analysis and data collection.

According to Yin (2009) the strength of a case study is that it gives you the ability to work with a great variety of evidence, but the collected material must be treated fairly to avoid subjective evidence. Yin (2009) and Gummesson (2000) discuss about prejudices against case studies. They both agree on that it takes a lot of time and financial resources. They also state that this kind of study gives a poor basis for generalizing the findings. According to Gummesson (2000) the sensitivity and the integrity of the researcher creates limitations to the case study just as the statistical validity. The researcher has the ability to choose data and
therefore virtually anything he wants can be illustrated. The case study has the ability to create hypotheses but not to test if it is true.

Yin (2009) states that surveys do not have the ability to research context in a large extent if you compare it to case studies. Surveys use strict and detailed questionnaires in the search for information and will not give us the deep knowledge we need. When you use experiment as a research strategy it is only possible to focus on few isolated variables, control over the behavioural environment is then required. This master thesis involves current events which are very hard to control, thereby is a case study more applicable then the historical approach which deals with the past. Our research questions starts with “How” just as they are supposed to be in a case study. Despite the flaws of the case study strategy this previous text convinced us to use a case study as a strategy. The case study strategy will give us the ability to investigate Volvo CE Region International’s CI process in its context.

2.4 Case Study Design
According to Yin (2009) a research design is defined as” *a logical plan for getting from here to there*” where “here” is the initial questions to be answered and “there” is a set of conclusions. He divides up case studies in four different designs.

- Single-case (holistic) designs
- Single-case (embedded) designs
- Multiple-case (holistic) designs
- Multiple-case (embedded) designs

Yin (2009) states that single case designs are functional when it represents the critical case in testing a well-formulated theory or a unique/extreme case. According to Yin (2009) a single case study is seen as one experiment and can only be applied when analyzing one case. Our task is to analyze one company (Volvo CE Region International) and that is why a single case design has been applied. On the contrary a multiple case study is applied when a study contains more than one single case. The holistic design is used when the global and networked nature of an organization is examined. In an embedded design there is more than one unit to analyze (Yin, 2009). In our research we analyzed multiple units inside the organization in order to understand the information flow. By knowing the need of analyzing multiple units we choose to work with an embedded design.
2.5 Research Approach

According to Yin (2009) you can choose between three different approaches when applying the case study strategy – explanatory, descriptive and exploratory. Gummesson (2000) and Scholz & Tjetje (2002) state that the exploratory approach is useful when generating hypotheses, models, theories and for formulating a more explicit problem definition. It is an approach that is applicable when there is little information about the analyzed phenomenon and when it is hard to select the correct models. This approach is most common to use in the beginning of the research when the aim is to generate knowledge because of the unfamiliar subject.

The descriptive approach according to Gummesson (2000) helps to describe an event that has been explored before. The problem is clearly structured and the researcher knows what he wants except the answers. It already exist a lot of explored events in our research field and thereby the descriptive approach has been used and applied in the analysis. This approach was applied when we created the theoretical framework because of the existing theory we utilized about CI. The explanatory approach is applicable when you need to determine if one event leads to another, if there is an existing casual relationship between the events. Scholz & Tietje (2002) state that you with this approach can test cause-and-effect relationships and that it can be applied when you have collected all the material for explaining how and what it has affected. This approach has been utilized in the analysis part of our research in order to see how interacting factors are interlinked between Volvo CE Region International, Tetra Pak and the theory.
2.6 Sampling
Within every study there probably exist numerous sites that could be visited, people that could be interviewed and documents that could be read. However, while sampling it is important to consider where and when observations should be done, what to observe and also whom to observe. We have applied one of the basic types of sampling called purposeful sampling, which is based on assumptions that the researcher wants to discover, understand and gain insight. Therefore you need to select the sample that you can learn most from. There are different types of purposeful sampling, among these; snowball sampling might be the most common type (Merriam, 1998). We used this type when carrying our first interviews, both at Volvo CE Region International and Tetra Pak, the respondent’s referred us to persons that were of value for the study.

2.7 Data Collection
Merriam (1998) states that it is reasonable to use several sources of data when doing a case study in order to gain a deeper understanding of the case. Yin (2009) complements this statement with the theory of six sources of evidence consisting documentation, archival records, interviews, direct observations, participant observations, physical artifacts and declares that “the various sources are highly complementary, and a good case study will therefore want to use as many sources as possible”. This study has been based on interviews at Volvo CE Region International and Tetra Pak; they are our main source of evidence. Interviews were used due to the ability of providing a deep insight and are a fundamental source of our case study information. We also found a recommendable amount of theory about CI which gave us deeper understanding about the case. When we integrated with both Volvo CE Region International and Tetra Pak: s employees they affected us which “in some way” colored our interpretations of their answers. These direct observations gave us a better understanding about the company’s CI, and together with the interviews and theories it filled the gaps and created a holistic picture. The different sources that have been mentioned above are classified into primary and secondary data.

2.7.1 Primary Data
Primary data is information collected directly from a particular source. It is gathered for fulfilling the need of a certain purpose and therefore consists of new data. Primary data is most often collected through interviews and observations, especially interviews are a suitable method (Merriam, 1998). By conducting interviews the researchers can ask questions that will provide the exact answers they need. There are also disadvantages with conducting
interviews, it is rather time-consuming. A part from the interviews the researchers have to spend time on analyzing and interpreting the results in order to use them directly. According to Yin (2009) interviews can be open-ended, focused or structured. Within our case study, interviews were of an open-ended structure, meaning that the respondents were interviewed for a certain period of time, approximately from one to one and a half hours following a certain set of questions. Interviews were carried out in conversational manner and respondents answered the questions by giving fact as well as their own opinions and insights about the subject. Some of the interviews were also conducted over telephone. This was chosen since the interviewed persons were located abroad, in Belgium and Russia. One benefit of using phone interviews is that the phone is so widespread nowadays; the probability of differences concerning the social groups that can be reached over the phone has been diminished. There are also disadvantages of using telephone interviews, for instance, it is not possible to see the respondent and therefore not possible to analyze body language. It is also hard to know whether the respondent is paying attention to the questions or whether he/she is distracted by the environment around him/her. Nevertheless, in this thesis telephone interviews have been used for talking to employees within Volvo CE that are located in Belgium and Russia and we assume that these persons were paying attention to the questions and likewise what to answer.

This study is grounded mainly on primary data, which was gathered through internal interviews with Volvo CE Region International. The qualitative interviews at Volvo CE Region International were conducted with Mikael Larson, Vice President Human Resources (2010-04-21); Lars-Gunnar Larsson, Vice President Processes & Systems (2010-04-21); Anders Sjögren, BI analyst (2010-04-21); Göhkan Kener, Regional Business Coordinator, Turkey/Central Asia (2010-04-21); Lars Haglund, President Region International (2010-04-27); Leika T, Price Basket (2010-04-27). The interviews at Tetra Pak were conducted with Anders Påander, Director Marketing and Portfolio Tools (2010-05-20); Veronica Tunestam, Marketing Manager – CBDP, Compass and MT (2010-05-20); Mats Enhol, Head of CI (2010-05-24). As a complement, we also carried out two interviews with Maria Khoklova, BI-CI analyst at Volvo CE Headquarters (2010-04-19) and Alexander Fedotov, Sales analyst at Volvo CE Russia (2010-04-16). All interviews were carried out with a tape recorder. The purpose to tape the interviews was to be more involved in the discussion. Another purpose was when compiling the information; it was always possible to listen to the interviews several times in order to interpret everything correct as possible. We were usually two or three persons in the research team for each interview.
We started interviews with general questions about the respondent’s background and then proceeded with specific ones around the topic. In all interviews the same questions were asked, because that gave us structure and made it easier to handle and compare the results. Furthermore, the questions were sent out before the actual interview in order to give time for interviewees to prepare the answers.

Management of data is one of the key factors in maintaining reliability. We typed down data from the interviews as soon as possible, at most a day or two after the interviews had been held. After all interviews were conducted, we sent our interpretation of each interview to the respective interviewees for comments and proposals for correction if needed.

2.7.2 Secondary Data
Secondary data is information collected from already existing sources for another purpose and it is mainly used at the initial stage of a study in order to get a quick overview of the subject. Secondary data is found in books, journals and on the internet, and can be divided into internal and external sources (Kinnear and Taylor, 1991). The internal sources are information that has been published in the case company; while external sources are information collected from various medias and do not necessarily have relations to the case or the case company. Secondary data is cheaper and quicker than primary data, but it is difficult to secure the validity of collected information and for what purpose it was created.

In our case study we have used both internal and external sources of data. It was gathered internally from presentation material and company descriptions from Volvo CE Region International, and externally from scientific and internet articles and course literature. Secondary data facilitated our understanding of the particular topic from different angles and was used to create the theoretical framework of the thesis.

2.8 Quality of research
The purpose of this part is to describe the validity and reliability of this thesis in order to let the reader know to which extent the results can be trusted. Yin (2009) provides emphasis on four aspects that needs to be taken into account when designing the case study.

2.8.1 Construct validity
Distinguishing feature for construct validity is that a case study researcher develops a set of operational measures for the studied objectives. People that have been critical of case studies often points that the researcher fails to develop an adequate operational set of measures and uses a subjective approach when collecting data (Yin 2009). Various researchers characterize
the term CI rather differently. According to this, it was necessary to formulate an own definition, which we published in the third chapter. This was implemented to increase the construct validity of the case study. To clarify a definition in the third chapter of the thesis will facilitate the efforts to minimize the possible confusion for the reader.

2.8.2 Internal validity
Merriam (1998, p.201) defines internal validity as how research findings match reality, which means that internal validity deals with the question of how theoretical findings of the study match reality in the case company. To increase the internal validity the researcher can use six basic strategies (Merriam, 1998, p.204). Among these strategies we utilize the following in our study; triangulation and member checks.

*Triangulation* refers to the usage of multiple researchers, multiple sources of data, or multiple methods to confirm the emerging findings. One way of this procedure is to use outside sources to validate case study materials. We will use this tool to underline the results after it been analyzed and interpreted, and in case of uncertainty of the evidence we will consult an external opinion. *Member checks* are a procedure of taking data and tentative interpretations back to the people from whom they were received and then asking those if the results are reasonable. This strategy has also been used to make sure that the respondent actually understood what we meant. By providing triangulation and member checks the validity of this thesis has been enhanced.

2.8.3 External validity
Another aspect of quality research is the *external validity*. It refers to whether the finding of one study can be applied to other situations and how generalizable the results are (Merriam 1998). But first the aspect of internal validity needs to be carried out; otherwise there is no point of generalizing the information. Yin (2009) claims that the problem of external validity has been a major barrier in doing case studies. Critics state that single cases offer a poor basis for generalizing. There are two different ways of doing generalizing findings. One way is to make a statistical generalization and the other way is the analytical generalization. Surveys rely on statistical generalization, whereas case studies rely on analytical generalization. In analytical generalization the researcher generalize a particular set of results to some broader theory (Yin, 2009). One way we have used for achieving external validity has been to strive towards an objective theoretical framework. Since CI is a rather new concern for MNCs, not many studies has been conducted in this area. Consequently, this study is concerned with
analytical generalization rather than statistical generalization. Since we have conducted a case study this way of generalizing the findings has been utilized.

There are three strategies to strive towards external validity. The following strategies that can be used are; 1) rich, thick description, 2) typicality or modal category and 3) multisite designs (Merriam, 1998). By utilizing a rich and thick description, readers will be able to determine how closely their situation matches the research situation and whether the findings can be transferred. By declaring the typicality of the issue the users can make comparisons and see if it is related with their own situation. Finally, by providing a multisite design, this will allow the results to be applied by wide range of readers of other situations. In this study we have provided a thick description of CI which gives the readers a chance to determine how closely their situation matches with the research situation. We have Volvo CE Region International as a case company and by benchmarking Tetra Pak we give the reader an insight of both companies CI which enhances the possibility that the result can be utilized in other similar situations. Various types of CI are on almost all companies’ agenda and that is why the result from this thesis can be applied by a wide range of readers. CI is not a determined process but needs to be managed in a common way; this enhances the ability to generalize the result. To conclude this discussion we have achieved external validity in our study.

2.8.4 Reliability
Merriam (1998) refers to reliability as the extent to which research findings can be replicated. According to Yin (2009) reliability deals with the question if the same result under exactly the same conditions could be reached, if the investigation was undertaken at another occasion. In other words, reliability in a research design is based on the assumption that there is a single reality and that studying it repeatedly will yield the same result. In addition, the interviewees have verified the information that was gathered throughout the interviews. Before conducting the interviews, we sent out questionnaires to the interviewees in order for them to be prepared and be able to give accurate and reliable answers. After transcribing the interviews, we sent the answers to each interviewee in order for them to correct if there were misinterpretations and to increase the reliability of our study. The interviews were compiled together with the conviction that discussing the perceptions and observations from the interview would grant us the most reliable information. In this study we used multiple sources, when collecting and analyzing information we tried to think as critical as possible, therefore we assume that this study is of high reliability.
2.9 Benchmarking
Pitts and Lei (1996) define benchmarking as a systematic identification, examination and implementation of alternative practices and techniques that other firms use to achieve excellent performance. Hussey and Jenster (2000) state that benchmarking can be a very useful tool in building competitive advantage, and is one of the tools that might be used to help achieve world-class performance. According to Gummesson (2000) benchmarking is when one comparing with the very best wherever it is to be found and aiming for best in class performance. Plenert (2002) states that there are two types of benchmarking: internal and external. Internal Benchmarking is when you use several measures of yourself and retake those same measures over time to see if you are improving. Internal can also measure different facilities within the same company against each other. External benchmarking is when you measure your performance against someone else, like a competitor or like the industry averages that are available for your specific industry, in order to see how your performance measures up. External benchmarking can also be used to refer to a comparison of your use of methodologies, tools and techniques when compared to your competitor. We were provided with a task from Volvo CE Region International to benchmark a best practice company that is excellent in their CI process. We conducted an external benchmarking to investigate the methodologies, tools and techniques that are used in Tetra Pak’s CI process.

According to Hussey and Jenster (2000) there are elements used for benchmarking: decide what to benchmark, decide who to benchmark against, study your own process in the area which is causing your concern, study the equivalent process of your benchmark partner and compare the results with what you are doing. We followed these elements when we carried out our benchmarking. First of all when knowing what kind of area that Volvo CE Region International needed to improve, we decided together with the owners (Fredrik Sjöström and Ulrika Ek) of our TOD that benchmarking could be a useable tool for finding a solution to their problem. After chosen this method next step was to decide who to benchmark against. We discussed with one of our tutors, which gave us solid information about Tetra Pak. We chose to benchmark them since they are “best in practice” and have good experience on how to organize intelligence in a structured way. Our third step was to study Volvo CE Region Internationals own process, we investigated and discovered how their situation were today. Our fourth step was to study the equivalent process at the benchmarked company Tetra Pak. Both of these studies were carried out with interviews, where we used similar questionnaires. In order for us to come in contact with Tetra Pak, we needed one that already had good
contact with the benchmarked company since it is extremely closed. One of our tutors that already had good contacts with them helped us to arrange the three interviewees. At Tetra Pak the interviewees were carried out on corporate level compared to Volvo CE Region International were the interviewees were on cluster (region) level. By using the similar questionnaires it were easier to compare the different companies’ processes with each other. Pitts and Lei (1996) discuss that the firm that conducts benchmarking tries to duplicate those factors that seem to lead to higher performance and better quality. This we handed over to Volvo CE Region International, with good guidance from our conclusions and recommendations.
3. THEORETICAL FRAMEWORK

The theoretical framework serves as the fundamental base for solving the main problem of our thesis. Furthermore, issues around the organization of the competitive intelligence are covered in this chapter.

3.1 Defining Competitive Intelligence

Competitive Intelligence (CI) is often viewed or regarded as a relatively new discipline. However, CI is not a recent phenomenon in either business practice or research (Fleisher and Bensoussan, 2002). Nowadays CI practices are well integrated into the organizational culture in many leading companies. The benefits were already understood in the pre-modern Germany. In the fifteenth century, e.g. the key officers were provided with a steady flow of confidential political and commercial information. The more modern German intelligence grew in the eighteenth century; Germans discovered that they could compete with British and French firms by applying foreign scientific advances on their own industrial processes (Rouach and Santi, 2001).

There is not a general definition of what CI is; different authors give their own definition of CI concept. It is important to know that there are several attempts of defining CI and that many companies adapt the definition to their own unique needs. Kahaner (1996) define CI as:

“A systematic program for gathering and analyzing information about your competitors’ activities, general business trends and further your own company’s goals”.

Cook and Cook (2000) agree on this and add that the process is to enhance the decision-making. Vriens (2004) define CI as:

“The process of ethically collecting, analyzing and disseminating accurate, relevant, specific, timely, foresighted and actionable intelligence regarding the implications of the business environment, competitors and organization itself.”

Gilad (2000) states that CI is a way of figuring out market signals and any information that is significant for the company’s blindspots.

Fuld (2006) describes CI as analyzed information that provides you with insight and competitive advantage. This gives everyone in the company the possibility to apply this discipline to improve market standing and bottom-line results. According to Brody (2008) and
Wilkins (2007) CI is the systematic and ethical process for gathering, analyzing and managing information that can impact an organization’s operations and plans. CI is a necessary, ethical business discipline for decision-making based on understanding the competitive environment. Albescu et al. (2008) state CI as the analytical process that transforms scattered information about competitors and customers into relevant, accurate and usable strategic knowledge on market evolution, business opportunities and threats.

McGonagle (2002) holds that CI involves the use of public sources to develop data on competition, competitors, and the market environment. Public sources, in CI, mean all information you can legally, and ethically identify, locate, and then access. Dutka (1999) describes CI as a process that involves collecting, analyzing, and acting on information about competitors and the competitive environment. Bernhardt (1994) states that CI is an analytical process that transforms disaggregated competitor, industry and market data into actionable strategic knowledge about competitors’ capabilities, performance and position. To conclude, CI is the data a company has collected to better understand and better anticipate market trends and competitor strategies (Burkhardt, 2001). As you can see from the authors’ definitions above, some common aspects of the CI definition are; an activity that includes collecting and analyzing information and the result of CI is used as a base for decision making within the company.

In order to get a comprehensive perception of CI in this thesis, the following definition has been developed and is exploited throughout the study:

“CI is a structured process that contains gathering, analyzing and disseminating information about competitors’ present situation and coming actions. The output is actionable CI, which enhances the decision making.”

Despite the aforementioned advantages CI can easily be of little or no value. If the CI is not organized and reviewed it will be of no value. Furthermore, if an organization knows nothing about its markets, customers, technical abilities etc., the chances of gaining market shares will be very slim. Therefore, different types of CI are presented.

3.2 Different types of Competitive Intelligence

Both in journals and literature there are different concepts of intelligence presented. When doing the planning of the CI activities, one criterion is to specify the areas to investigate. The different areas of intelligence that are presented are following; business intelligence, competitor intelligence, customer intelligence, market intelligence, strategic intelligence and
technical intelligence. All components of the total intelligence environment are important for companies in order to make accurate decisions. Nowadays the markets have become more global, which leads to an increase in competition. Thus, there is an increasing awareness of the benefits of intelligence.

**Business Intelligence** is defined by Kahaner (1996) as it is based on historical trends. According to Montgomery and Weinberg (1998) BI is a strategic tool that enables a company to improve its competitiveness by identifying key driving forces and anticipate future market decisions. It is a process where information from multiple sources is gathered, interpreted and communicated for early warnings of opportunities and threats.

**Competitor Intelligence** comprises current and proposed activities of competitors (Prescott, 2001). Pollard (1999) defines it as; “*the output of a systematic and legal process for the gathering and analyzing of information about the current and potential competitors of a business*”. The similar definition is introduced by Rouach and Santi (2001, p.553), who refer to Competitor Intelligence as “*needed to evaluate the evolution of competitive strategy over time through changes in competitors’ structure, new product substitutes and new industry entrants*”. According to McGonagle and Vella (2002) Competitor Intelligence can be divided into separate divisions, one of the divisions are target-oriented Competitor Intelligence, it includes their competitors; capabilities, current activities, plans and intensions. It comprises elements of what is sometimes called Competitor Intelligence.

**Customer Intelligence** is according to Prescott (2001) when information and analysis is focusing on current customers, with emphasis on relationship building between these units. The aim of Customer Intelligence is to provide information regarding customers’ economical status, the probability that they will complete entered agreements, and new potential customers (Pollard, 1999).

**Market Intelligence** according to Prescott (2001) encompasses broader market issues from a macro perspective, examining vertical industry grouping or countries, as well as social, political, economic and environmental issues. According to Rouachi and Santi (2001), Market Intelligence is needed in order to provide a road map of future and current trends in customers’ needs and preferences, new markets and creative segmentation opportunities. McGonagle and Vella (2002) state that tactics-oriented CI could be comprised with what is also called Market Intelligence. This intelligence is developed on very current activities and near term plans in the marketplace. Pollard (1999) holds that Market Intelligence involves
analyses within the market segment where the company is active. Actors in this area are e.g. dealers, distributors and suppliers.

**Strategic Intelligence** is defined by Liebowitz (2006) as aggregation of the other types of intelligence in order to provide value-added information and knowledge toward making organizational strategic decisions. According to McGonagle and Vella (2002) strategy-oriented CI is comparable with Strategic Intelligence, this type of intelligence means providing the higher level of management with information on the competitive, economic, legal and political environment in which your firm and its competitors will operate in the future.

**Technological Intelligence** is defined by Prescott (2001) as containing of internal technical competencies within organization, function as a link among the product marketing strategy, and product development functions. Rouach and Santi (2001) state that technological intelligence is needed to assess the cost/benefit of current and new technologies and to forecast future technological discontinuities. McGonagle and Vella (2002) hold that technology-oriented CI comprises much of what have been referred to Technological Intelligence. According to Gilad and Gilad (1988) the technological intelligence is especially important for the high tech companies to follow.

Different authors frequently use these terms for the same contents and function. Vriens (2004) claims that the common factor in data of these subjects is that they all contain information of strategic importance. If, however, intelligence is produced and processed about a specific subject, authors often use terms indicating this subject: e.g. Competitor Intelligence, Technological Intelligence and Marketing Intelligence.

In order to create CI the knowledge and information needs to be processed. Bringing value to information and being able to transmit it is the major purpose of intelligence initiatives. Thus in the next chapter we will examine Competitive Intelligence Process.

**3.3 Competitive Intelligence Process**

According to Hannula and Pirttimaki (2005) the CI processes are applied for acquiring and analyze information. By letting the business related data and information flow through the process in order to translate it into useful knowledge and intelligence. Bernhardt (1994) describes CI as a discrete process that generates a unique product that is tailored for the specific main-customer. Wilensky (1967) describes the corporate intelligence service as a
process that collects, synthesizes and disseminates the relevant external information for the
decision maker. Weidong Guo (2008) states that in order to win competitive advantage and
improve enterprises development, enterprises should take effective measures to build an
enterprise CI system. The construction of CI System is a very important part for enterprise
information; it is the foundation and protection for the enterprise CI work.

Tyson (2002) states that CI process involves gathering virtually every entity and event in the
environment, externally to the company. The CI process takes gathered information and
transforms it into strategic intelligence. Further the author discuss that the CI process should
show how to gather, sort, analyze and synthesize information for strategic and tactical
decision-making purposes. The advantages with a coordinated intelligence process approach
are:

- Leads a company to act rather than react to different happenings in the market place.
- Gives a company the chance to take advantage of market opportunities
- Managers get a greater understanding; how to maintain their competitive advantage
  and how to reach it.
- Links central intelligence efforts to the operational concerns and information sources
  of individual business and functional areas.

Hannula and Pirttimaki (2005) made a framework where data and information are inputs. The
task of the refining process is to add value to this information and data, and to transform it
into knowledge and intelligence. Bernhardt (1994) suggests that companies can learn a lot by
study the military. The author describes the CIA: s intelligence process five stages: planning
and direction, collecting, processing, analysis and production and at last dissemination.
Kahaner (1996) made a similar process that existed of four steps: planning/direction,
collecting, analysis and dissemination. Vriens (2004) also describes a similar process like the
previous authors, which consists of four steps: direction, collection, analysis and dissemination.

Weidong Guo (2008) describes enterprise CI system as a large work system, which uses
intranet as a platform to achieve combination of organization network, information network
and social network. It is also a combination of advancement and practicality, and established a
capacity with the fastest reaction to obtain and analyze the competitive environment,
competitive rivals and competitive strategy.
Albescu et al. (2008) claim that this process exists of four steps: collecting the information, converting information into intelligence, communicating the intelligence and countering any adverse competitor actions.

We have now explained different authors CI process structures and their definitions. The CI process is used to acquire and analyze information. By letting the business related data and information flow through the process in order to translate it into useful knowledge and intelligence. Before we further present the different phases of the CI process we are going to describe and distinguish between data, knowledge and information.

3.3.1 Data, knowledge and information
Before being acquainted with CI it is essential to attain an understanding of disparity between information and intelligence, but first between data and information (Kahaner, 1996). The dissimilarity between data and information is minor, although crucial.

Information is facts, numbers and statistics, but also information about people and MNC’s actions. Information is not a good base for decision making, no matter how accurate and comprehensive it is (Kahaner, 1996). Nevertheless, Zikmund (2002) is arguing about information as a support to decision making, and define it as

“A body of facts in a format suitable to support decision making or to define the relationship between two pieces of data”.

Figure 3.2 Competitive Intelligence cycle. Source: Adapted from Kahaner (1996)
Authors have different aspects to what extent information can be a base for decision making. Most of them argue that information itself does not support decision making; it first needs to be analyzed. The analyzing and integrating process of information turns it into *intelligence*.

According to Blankenship et al. (1999) intelligence is defined as the factual accumulation of the information that is organized and presented to help solve the problem or develop a plan or program. Intelligence is the concept where collection of information has been filtered, analyzed and distilled. After that, the managers apply intelligence for decision making. Which result in that the vital point is the analytical function, the information alone will not provide the managers. Kahaner (1996) holds that it is the process of how a MNC turns information into intelligence that distinguishes a successful MNC from an unsuccessful one. The author continues and discusses that intelligence is another term for knowledge.

According to Cook and Cook (2000) you can also distinguish between knowledge and intelligence, where knowledge is defined as analyzed information and intelligence is defined as a collection of knowledge that has been verified, analyzed and applied.

For the analysts in the organization to know what kind of information they search for, they need to know the decision makers needs. In the next part we bring up the aspects of knowing these needs of the CI customers.

### 3.3.2 Needs/Environment/Competitive strategy, planning and directing

Tyson (2002) states that the CI process should find information to avoid surprises, identify market opportunities and minimize threats. The CI unit has to get a better understanding about the needs of the decision makers. By defining the CI needs it helps the CI unit to know what kind of information that is relevant. It is important for the CI unit to understand the company’s overall mission and the different business units’ strategies and current interests. By interviewing business group executives, business group managers and staff, group CI coordinators and senior executives it will help the CI unit to create a clear picture about the company’s needs.

Rouach and Santi (2001) describe the importance of understanding the user’s needs. Bernhardt (1994) also discusses the importance of knowing the need, and describes three basic questions that have to be answered in order to acquire intelligence: 1) What do we need to know? 2) Why do we need to know it? 3) What decision is to be made, or action taken, once we know? These questions must have answers that are strategically relevant to the firm. Vriens (2004) states that it is in this part of the process the strategic information requirements
are stated. Albescu et al. (2008) state that there should be an interaction between the end users and the producers in this early stage to clarify the decision makers demand. Also Cook & Cook (2000) discuss this and state that the participation and role of the decision maker in the CI process are critical to its success. It has to be backed up by the managers, which also need to clarify their needs.

Kahaner (1996) discusses the requirement of a three-pronged approach when carrying your planning and directing. Firstly; you need to understand the user’s needs and his/her time constrains. The understanding of usage, why it is needed and what kind of people or department that will use it, is really important. The CI unit most important task is to serve the top management with actionable intelligence. To figure out what kind of information specific persons need, the CI unit can interview or surveying the top management. Secondly; you need to establish a collection and analysis plan. When creating this plan there are some elements to have in mind, available time and what type of information that is requested. Thirdly; is when you have a plan to attack. Now you need to go back to the main-customer of information to make sure that this is accurate information for his needs. Then you let the customer know how much time and resources you need. This process ensures that you give the customers what they need.

Cook & Cook (2000) hold that one of the greatest problems when conducting a CI project is the huge amount of information. To manage all the information you need to know where and when to start. In order to save time you can determine an organized approach, but it has to be flexible because of the new sources that can become available. The first step is to determine what information that is important, that selection also determines what kind of research approach you choose. When key areas of information are determined you need to break it down further by trying to find vital sub categories. When you know what information that is needed it is time to formulate a question. An example can be “Should we match our competitors employment programs?” The research provides you with information that you later can act on. Before researchers start to collect, it saves time to organize the process. It can be a good idea to find out what information that is floating around in your own company; perhaps there is vital information in your co-workers mind that can be easy to access. After the internal search in the company the next step is to find information outside the company borders. It can now be a good idea to find easy accessible sources of information. Ask yourself if there is anyone else that needs the same information. Perhaps you can ask other people that already are in contact with the company.
According to Bernhardt (1994) the manager needs to formulate their policies in order to accumulate answers to these questions. The policy makers cannot possibly know everything because of the constant changing environment. The intelligence analyst must try to answer the questions and during the mean time give the policy makers updated information about the changing environment in order to give the policy makers the ability to generate good and accurate policies. Vriens (2004) holds that the company needs a model that shows the “organization in its environment” in order to know what kind of data classes that should be collected and analyzed.

In this part we examined different authors’ opinion about the importance of knowing the decision makers needs. To sum up, one needs to understand the users’ needs and his/her time constrains, the understanding of knowing how the user will apply the information, why it is needed and what kind of people or department that will apply it. When the collectors know what they are looking for they can find and collect the information in different ways. The next part brings up the aspects of collecting information in a world that nowadays can be characterized as an ocean of data. The problem is not to find information; instead it is about finding information that is accurate and usable.

3.3.3 Data Collection
This part is according to Weidong Guo (2008) an important building block for the CI system because it categorizes and filters the collected information. According to Vriens (2004) this stage is about determining what sources that are available, accessing these sources and retrieving data from them. Bernhardt (1994) discusses that collecting involves the gathering of raw information that you later going to use in the intelligence creating process. Albescu et al. (2008) stated that in this stage the objective is to identify the key areas of concern for the business decision makers and the requested information. Thus, rather than collecting information at random, the search needs to be focused and planned, and aimed at answering the various intelligence requirements of the business – often termed key intelligence topics.

Albescu et al. (2008) discusses that 80% of the collected information is from open sources such as internet and trade journals, but the information that is gained from a human source has a bigger chance to be turned into actionable intelligence. Cleland and King (1975) pointed out that if you want to determine how effective the information process is, measure how many people in the organization that is implicated in the environmental gathering process. Kahaner
consider primary sources such as personal observation as absolutely accurate. Primary sources are important and should be the prior source. Secondary sources are more easy to find and can sometimes be better than primary because they can provide you interesting information from analysts and journalists. When a customer tells your sales force about competitor information; that is a primary source. The customer is gladly willing to share his knowledge about competitors, because he expects to get the best products at the best prices in return if sharing information. The best source of human CI comes from your sales force because they are in the front line trying to outsell the competitor. The sales people instinctively search for information about competitors that gives them an edge, but most of them keep the information for themselves or only share it with their colleges. One reason why this information does not reach the decision makers is because the sales personnel already has a lot of paper work and does not prioritize CI. Some companies try to decrease this barrier by having an 800 number, fax or e-mail messages. An easy and low-tech system is never wrong when trying to collect information from salespeople or anyone else. It is important that sales people receives feedback when they have shared information, that will boost the participation in the collecting process. Other techniques are also applicable such as written surveys or phone surveys.

Kahaner (1996) holds that anyone with a need should have access to the collected information. To create a functional system the information must be shared. E.g. the sales personnel that has been pushed to search and gather information needs to have the access of the raw and analyzed information. Companies with local or wide area networks should have a central data bank with stored data. Important decision makers must have access; also the people inside the company that are interested of learning more about a subject should have the possibility to get the information.

Bernhardt (1994) describes three of the most valuable sources of competitive information; the competitor organization itself, customers and agents/suppliers. The company already contains a lot of valuable information but the company needs a mechanism for gathering. One key function of the CI unit is to connect all the knowledge inside the company and add value to it. To know if the collected information is accurate one can search if the same information comes from other sources that are independent from each other or perhaps are from different countries or offices. Vriens (2004) agrees on the importance of having an intelligence
collecting network. This network contains people with all kinds of functions in all areas of the organization that has a task to collect information.

Rouach and Santi (2001) distinguish three types of data.

1) “White” information is the name of information that can be found public in databases, newspapers, internet databases and internet.
2) “Grey” information is private domain information such as trade shows or publications that is of no interest for the competitors. It is for example information that a salesmen collect when he visiting a company.
3) “Black” information is of the illegal kind.

Cook & Cook (2000) discuss that retail dealers are a fantastic information supply because they are in contact with customers, suppliers, distributors and the existing competition on a daily basis. Tyson (2002) also discuss that sales personnel “dealers” and marketing personnel have a lot of information because they are in the front line and act face-to-face with the customers and competitors. This kind of personnel knows about these different types of CI:

- Numbers of sales and marketing employees
- Sales practices
- Training programs
- Compensation methods
- Areas of product differentiation
- Pricing practices and trends
- Promotion mix
- Marketing and customer development programs
- Specific future strategies

Operating personnel can give you a lot of information about competitors and the overall state of technology within the industry. Examples are:

- Nature of processes
- Facilities
- Employees mix
- Cost trends
• Productivity  
• Status of technology  
• Capacity and utilization

The accounting and finance people does not only know everything about your company’s financial situation, also your competitors. The engineering and R&D personnel will most likely change information between colleagues in other organization because of their loyalty to their profession instead of the company. This is a problem but can be used as an opportunity to get information about competitors. This kind of people has knowledge about:

• Technology  
• Product development  
• Patents  
• Product process innovation

Human resource personal can share information about competitor recruiting manuals, personal manuals, training manuals and union contracts.

Cook & Cook (2000) state that a way to get this information can be through a toll-free CI hotline, which the employees and dealers can use with their cellular telephones. This gives anyone within the company, which finds interesting information, the ability to share. Tyson (2002) also agrees on that this CI telephone technique is useful, especially for personal that regularly use the phone. Cook & Cook (2000) discuss that this requires the setup of a system and one designated employee that answers all the calls and e-mails, it is cost efficient, has a lot of benefits and can be used by both SME’s and MNC’s. The persons that work with this should rotate and not have this as a full time job. The CI employees give decision makers immediately and timely intelligence. The information can also “travel” the other direction by providing the salespeople information how they should approach particular customers or suppliers. Tyson (2002) also discusses that electronic mail is a good tool to apply if it is common within the organization to use communication via mail. The author further states that forms and schedules that has to be filled out manually and sent to a central point is an approach that seldom works.

The phone number and e-mail needs to be strictly confidential because of the risk for intruders from competitors. The company intranet is a valuable tool and many authors think that all the
information the company need for success already exists within the company. Tyson (2002) states that 80% of the information you need may already be inside your organization. The task is to create an internal network to extract this information. You have to know who inside your organization that has this information.

Cook & Cook (2000) discuss that these intranets are dedicated to people within the company and works as limited-access Internet. This intranet can be opened for customers and suppliers as well. This function cuts down decision-making time, and is cost and time effective when you communicate within the company. By connecting the intranet to information databases you get access to even more of the company’s information. It is important that employees want to use the intranet and that it is easy for them to use. This can be achieved with education, understanding of the strategic benefits and involvement of employees in every level. The employees need to get some kind of reward for the effort they put into their sharing. Finding incentives that make your employees share information is hard and will involve some kind of learning process. Tyson (2002) states that financial reward systems are not a good idea for a company. It is hard to administer and less satisfactory because of the varying degrees of substance in each piece of information that is send. The best way to make people share is to motivate them by letting them be part of the overall intelligence process. They have to be part of the team and should get some value added information in return for what they provide. This “feedback loop” can for example be a monthly news bulletin listing people’s intelligence contribution during a period with their name as a source. It is important that the employees feel part of the team and that their efforts are recognized. To motivate and prompt people the intelligence coordinator need to do regularly calls in order to keep a sustainable intelligence flow. The author discusses different networking techniques that are helpful:

- Who-knows-who list
- Monthly call list
- Information matrixes
- List of strategic questions

People with good knowledge about unpublished information from outsiders should be in a who-knows-who list. Develop a monthly call list of people inside the company that should be called by the intelligence coordinator on a monthly basis. The coordinator should spend one
or two days just to call the people in the list and ask them the following questions: What is happening with competitor A, What is happening with competitor B, What is happening in the marketplace that might have an impact on our strategic and tactical plans?

The best way to gather information is by “face-time” so the information coordinator should meet a lot of people, visit regional sales and operation offices periodically, as much as the schedule and budget allows. Information matrixes can be handed out to employees that for example attend to tradeshows and other industry, technical or professional meetings. Companies that use this matrix technique gather 10 times more intelligence with no additional cost at all. Develop a list of 4 to 8 key strategic questions that can be used on the matrix.

It is vital to develop a good internal network for the overall success of your competitive intelligence process. If you want to develop a network quickly you can start by recruit your closest friends and colleagues. Find something successful that the CI process has contributed with and promote it, again and again. By promoting this other people notice the importance of the CI process which will make the network building much easier.

Cook & Cook (2000) state ten things to make your sales people share information to our CI process:

- Educate them about CI
- Teach them what information that is confidential and should not be shared
- Create a effective system they can use to share information
- Make them aware of the company’s information needs
- Educate them in interviewing skills so they can drain their contacts
- How to approach information gathering with distributors, competitors and customers because they need to be approached in different ways
- Their main task is to sell, do not give them long CI reports to write because that will likely stop them doing it
- Create awareness about the importance of everyone’s participation in information gathering
- Make sure that they get some value/reward back
- Make them comfortable of providing feedback and suggestions. If the decision makers treat the employees like it is only a waste of time, they will soon stop sharing.
The collecting part that we described involves the gathering techniques of raw information that you later going to use in the intelligence creating process. It is up to each company what kind of information that should be collected and it usually depends on the moral standards. When you now have gathered the information you need to add value in order to make it easy for decision makers to use it and make accurate decisions. In the coming part we bring up different techniques that you can use when analyzing and preparing the information for the decision makers.

3.3.4 Analysis

According to Rouach and Santi (2001) the analysis is the core part of the process because it turns information into intelligence. Cook & Cook (2000) describes analysis as the lifeblood of CI. It is the part that transforms data, information and knowledge into intelligence. Bernhardt (1994) also describes the analysis as the value added part of the process and is the part, which generates recommendations. Further the author holds that it is in the analysis part that transformation of raw material into intelligence products takes place. One big problem is the huge amount of information, the analyst must be careful not to miss important information about events and developments. The managers already have loads of information; they need an analytical intelligent product that is delivered in time. Tyson (2002) discuss that you need to think about the overall objective while searching for relevant information. The main objective is to find information that has an impact on the company’s strategic and tactical plans. You need to find information that is relevant today, but if you find things that can be relevant for the future, you will need a storage system.

Vriens (2004) states that it is in this part the data are analyzed and where the strategic relevance are determine. Further he stresses the importance of having a model that shows what data that is relevant. Cook & Cook (2000) discuss that information that should be analyzed is the one that can answer your goals, needs and questions you decided to answer in the first phase of the CI process. According to Cook & Cook (2000) the business world is not ideal and because of this you never will get perfect information for your decisions. It is better to always be close then accurate occasionally. This analysis phase is vital in order to create effective business decision-making. Tyson (2002) also discusses that there is no thing as absolute accurate analysis because of the liquid business infrastructure and the constant state of flux.
According to Kahaner (1996) good analysts are hard to find because you need to have a certain temperament and have the ability to think linearly and in patterns. They do not need to have great knowledge about a particular area, but instead a wide base of experience and knowledge. Rouach and Santi (2001) describe the analysts’ different attitudes. The analyst can act as a hunter or be on the lookout in the search for Competitor Intelligence. The authors talk about different attitudes that the analyst can have. The “warrior” analyst takes an offensive attitude and manages the CI in a pro-active way with a constant lookout for opportunities. The “assault” attitude is also working pro-active. It is common that analysts with this attitude are ex. military intelligence specialists. With the “active” attitude the analysts search for strategic information from open sources. The information system within the company is not really structured. With the “reactive” attitude the manager takes action only when competitors are very aggressive. The fifth and last attitude is “hostile”. In this case the management team does not show any interest in CI and does not fear competition. The intelligence analyst within this type of company can vary from a sleeper to a warrior.

By using different analytical models, Albescu et al. (2008) holds that you can convert pieces of information into actionable intelligence. SCIP (Society of Competitive Intelligence Professionals) made a research in 2006 about the models that was most commonly used by companies. According to them it was Competitor Analysis, SWOT analysis and industry analysis based on Porter’s Five Forces model. Artificial intelligence (AI) technologies can play a vital role during the analysis and interpretation of the collected information. The AI creates actionable intelligence by providing solutions and interpretations for the decision makers.

3.3.5 Methods of analyzing
Kahaner (1996) writes about the SWOT method as a tool used for analysis. Vriens (2004) agrees on that the SWOT method is a good model to use. Both this authors also mention other methods as: the growth-share matrix of the Boston consultancy group, scenario analysis, war-gaming and competitor profiling. Albescu et al. (2008) also mention the SWOT matrix, BCG matrix, PEST and Porters five forces. Cook & Cook (2000) also state the importance of some of the earlier mentioned strategies but adds event analysis, intelligence mapping, market factor analysis, company profiling, merger analysis, patent analysis, personality profiling and ratio analysis.

When you analyze the environment it is according to Cook & Cook (2000) important to understand what kind of analysis you can use and the different elements of the environment.
The authors break down the competitive analysis into three categories: *market analysis; industry analysis;* and *company analysis.* By implementing these various types of analysis you need to use different techniques: event analysis, intelligence mapping, market factor analysis, company profiling, competitor profiling, merger analysis, patent analysis, personality profiling, Porter’s model of five forces, ratio analysis and SWOT analysis.

**Figure 3.3 Types of analysis. Source: Cook and Cook, 2000**

**Market analysis**: The authors mention two types of techniques that can be applied when doing this kind of analysis: *market factor analysis* and *intelligence mapping.* The market factors that need to be investigated are: political, economic, social, technological and industry-specific. This market factor analysis gives you a historical insight on the markets evolution and development, and a good idea about where the market is headed. A political analysis is for example what kind of government, legal system and level of corruption the country have. Jansson (2007) stresses the importance of studying the political issues when analyzing the market. The economic analysis gives you understanding about historical growth and decline of the market. It is for example important that the country has the infrastructure needed for your kind of business. Social analysis is conducted to gain knowledge about a country’s cultural element such as: language, belief systems and general cultural differences. It gives you a picture if the particular market will accept the new product/service, business model or your marketing approach. Technological analysis gives an important picture of the technological level/maturity and the rate of adoption. In the industry analysis you move from
study the general market to your specific industry. You apply analysis tools as Porter’s five forces, competitor profiling, SWOT analysis, event analysis, merger analysis and patent analysis.

Intelligence mapping means to map the intelligence resources you can find in a country. This technique is applicable in all three categories “market, industry and company analysis”. The first step is to identify a business event or a company. Then you call sources that follow business events in that country and ask these questions: 1) if you had to go to country X to find information on private company Y, what sources would you use first? 2) Which sources would give you the most accurate and timely information on a private company? 3) Which of the sources are most likely to have the information, and which are least likely? Could you rank them? With the answers to these questions you can create a framework of antennas that will be your intelligence map. Each country has this kind of antennas that have a lot of information about the region and you can by knowing them easily conduct research in the future.

Industry analyses: To be successful on the market you need to have a broad understanding about it. This type of analysis gives you an insight into industry profitability, success indicators and life cycle. Cook & Cook (2000) stress the usage of two models: Porter’s five forces model and Competitor profiling.

Porter’s five forces model
According to Cook and Cook (2000) Porter’s five forces model identifies the forces that act on players in a competitive environment. The five forces are:

- **Competition within the industry**
  The competition on every market grows because of the decreasing barriers for companies to compete.

- **Threat of new competition**
  “If you think that your product will work in a new market, remember that your competitors think the same”

- **Influence of suppliers**
  In most cases a company is integrated with suppliers. Their greed, efficiency, mismanagement or vision plays thereby a part in your success and is important to analyze.
• **Influence of customers**
  Businesses need to analyze and act on needs of customers and potential customers as part of their competitive strategy.

• **Threat of alternatives or substitutes**
  If the competitors’ products have a new feature it must be seen as a threat. There are always threats that customers can get the same thing you are offering or something similar in a way they like more.

**Competitor profiling** is according to Cook & Cook (2000) conducted by finding the company’s main competitors and to compare their functions with yours. These functions can be: company history, management information, strategy, finance, marketing, sales, products and/or services, distribution, employment, R&D, technology and image. The authors give an example how to do it and describe the usage of a 1-10 scale of the competitor’s different functions, which gives us a good insight of the competitor’s strengths and weaknesses.

**Company analysis**: has according to Cook & Cook (2000) three components:
- **Technical analysis**
- **Personality analysis**
- **Operational analysis**

**Technical analysis** gives a statistical snapshot of the company by using standard accounting reports and formulae. You will get a technical perspective of your competitor situation.

**Personality analysis** gives a perspective on how the competitors see themselves and how they can react in different situations. You can get a company culture perspective by looking at the company structure, ownership, key managers or board of directors. To get a good view of the competitors personality it is appropriate to combine the information about the culture with the organizations goals, marketing communication, polices and strategies.

**Operational analysis**: investigates the key elements of operating a business. You try to find where the competitive advantages exist by studying: R&D, manufacturing, marketing, sales, distribution and customer service.

This three analysis components “Technical, Personality and Operational analysis” works best when they are considered together to create a picture of a competitor.
According to Cook & Cook (2000) the applicable analysis techniques for company analysis are: SWOT analysis, company profiling, ratio analysis, event analysis, patent analysis, and personality profiling.

**SWOT Analysis:** Is a tool that helps you investigate your competitor’s strengths, weaknesses, opportunities and threats. The strengths are strong attributes that an organization posses, the weaknesses the opposite and these kind of analyses occurs at the business or corporate level. Opportunities and threats are analyzed at the market or industry level examining conditions that can affect your organizations ability to compete. By doing an accurate SWOT analysis you need to study many factors like: products; finances; technology; human resources; strategic alliances and partnerships; manufacturing or operations; marketing and sales; branding; and image.

By investigating the company’s public forecast, industry experts forecast, what the company’s current or past actions indicate for the future and how the competitive environment will affect the company’s future, you can try to predict the company’s future opportunities and threats.

**Company profiling:** Is a tool that gives you a detailed description of a company by analyzing the activities, operations or strategies. You analyze the company’s parts simultaneously which creates a wide picture and greater detail of a particular company. The different parts that can be of interest to investigate are: background information, management, strategies, finances, operations, technology, marketing, sales, products and/or services, distribution, employees, R&D or engineering and any other information that can be of interest about the company.

**Ratio analysis:** gives you a picture about a company’s financial strength and future using different kinds of ratios. Some ratios mentioned by Cook & Cook (2000) are: Current ratio, quick ratio, accounts receivable ratios, inventory turnover ratio, average days in inventory ratio, total debt to assets ratio, debt servicing ratio, debt to equity ratio and profitability ratios.

**Event analysis:** is when you monitoring competitively movements or events of a company. With this tool you will find out possible movements of a company or marketplace by analyzing the past and current events. This analysis can be useful for illustrating why industries or industry actors have a hard time with the changing nature of competition. While conducting a competitive analysis it is important to know where the company comes from, it can give you information where it is heading and how successful it may be in getting there.
**Patent analysis:** gives you a view of a company’s innovation and potential by investigating its patents and trademarks. You can create an understanding about who is the leading company, who is going to be it in the future and which country’s are at the cutting edge of technology. This type of analysis also gives you information about relationships between subsidiaries of the same parent corporation, strategic alliances between companies, maturity of technologies, where R&D funds are spent and which people in the company that is particularly innovative.

**Personality profiling:** Creates a profile of the decision makers in a company in order to find out their next move. When a company change decision makers you most of the time can see that the company in some way change direction. To find out the decision makers history and background helps you to predict the company’s next action. Cook & Cook (2000) gives some examples of areas you can investigate to get valuable insight of a person: Childhood history, education, work history, current lifestyle, goals and objectives. Some analysts also check a person’s handwriting and body language.

### 3.3.6 Dissemination

According to Kahaner (1996) dissemination is when the findings are presented to key management and he claims that this is the most important part. The part where you present your logical arguments based on your analysis of raw data. According to Weidong Guo (2008) the dissemination refers to the publication, transportation, browsing, sorting and storage of the processed intelligence. The author states that the ultimate purpose is to provide intelligence information to customers.

This is according to Rouach and Santi (2001) the part where the analysts suggest possible course of action and sends out the information to the right receiver. Bernhardt (1994) also describes this part and includes the delivery/communication of the finished intelligence product. Vriens (2004) holds that in this part the intelligence should be presented clearly and to the right decision maker. Tyson (2002) states that you need to tailor the information depending on the receiver’s location and level in the organization. Some people perhaps want it more detailed or in a summarized version. Vriens (2004) discuss that information should be used to evaluate existing strategic options and to create, compare, select and implement new ones. A way to make sure that intelligence is used in strategic decision-making is to use electronic means to share and store the intelligence to the right people.
According to Bernhardt (1994) dissemination can be handled out in many various formats. Some companies use bulletins or newsletters but they are of little strategic value. The different formats that are used for dissemination are described by the author “in terms of hierarchy” to be: Special intelligence briefings, periodic intelligence briefings, situation analysis, and strategic impact worksheet and competitor profile. Tyson (2002) discuss that many company’s today use a mechanized reporting process by word processing, spreadsheet or database software and CI websites.

Kahaner (1996) describes five criteria that need to be fulfilled to create a successful dissemination. The analysis must be responsive to management’s needs, the analysis must be focused not general, the analysis must be timely, have high trust level and the results must be in the best form for management. Storing and delivering is according to Fuld (1995) included in this part together with the implementation of security measures. Albescu et al. (2008) state that data warehousing has been accepted as a key technology for organizations and that it enhances the data analysis and support the decision making.

Cook & Cook (2000) state that a mix of analysis, data warehousing and data mining creates value to the intelligence function. Data warehouse is a storage place for the collected data that needs to be used later. It provides the decision makers with logical and structured data with the help of a well design and user-friendly software. There exist difficulties because of the huge amount of data and the multiple users with different needs. The software organizes the quantitative data and stores it for later usage. If there are different departments with similar needs it can be appropriate with more than one warehouse. Data mining uncovers relationships between data by using sophisticated statistical analysis. It creates classifications, associations, sequences, clusters and forecasts by manipulating your data and creating models. The created models needs to be tested in reality because they can be accurate, but not reflecting a real situation.

Weidong Guo (2008) states that data exchange causes security threats and can affect the stability of the system because of the chance that inappropriate disclosure reaches customers that should not get it. The customers can to prevent this use IP verification when they login. A firewall can be used to separate internet and intranet to ensure the security and confidentiality
of the CI system. By categorize the customers you can control that wrong type of customer does not get confidential information.

This part covered and explained the different formats that can be used when sending out the information to the decision makers. The dissemination phase refers to the publication, transportation, browsing, sorting and storage of the processed intelligence. The ultimate purpose is to provide intelligence information to customers. When the decision makers received the information they need to give the collectors and analysts feedback on the intelligence product they received. Perhaps they want it presented in another way, or perhaps the information was not accurate for their decision. The last phase in the CI process is evaluation; it provides the CI process with feedback for constant improvements.

### 3.3.7 Evaluation

Ashton and Stacy (1995) discuss the importance of auditing the system performance. Kahaner (1996) holds that some companies use the two-sided report card method to see if the CI worked. The decision maker gives information about how well his needs were fulfilled and the CI unit assesses how the users used the intelligence. Further Kahaner (1996) states that the only way to measure the success of intelligence, is to investigate whether or not the receivers used the presented intelligence. Cook and Cook (2000) hold that the lessons learnt from the evaluating will be used into future CI projects. As a result the business intelligence model starts again, only with more intelligence than before. To conclude, feedback is important both for confirming that receivers have received the analysis and for improving CI procedures. According to Albescu et al. (2008) the end users should have a continuous interaction with the producers during the feedback to get the knowledge if the products had high quality and if they were applicable in order to create sustainable competitive advantage.

This evaluation phase closes the CI process and gives the process a chance to evolve in order to always meet the decision maker’s needs. This part stresses the importance of having a close interaction between end users and producers in the process.

Different companies use different organizational structures in order to extract this valuable CI. In the coming chapter we present the different types of structures and how you can organize the intelligent organization.
3.4 Organizing Competitive Intelligence

Intelligence is spread throughout an organization. Since most organizations have various business units (BU) that perform different business functions, intelligence can be found in decentralized settings (Miree & Prescott, 2000). According to Cook and Cook (2000), one of the key factors in creating an “intelligent” organization with improved competitiveness is organization and implementation of CI structures. Kotorov (2001) holds that the more we know about the different components in the organizational structure that are likely to be affected by strategic choices, the easier it is to focus on information search efforts, and the more likely it is to find relevant information in various sources.

Organizing a CI process can be difficult to accomplish. According to Tyson (2002) the first restriction is usually the cost. Most of the companies prefer not to devote resources to a process until it can be proven that the process is necessary and will succeed. When setting the overall objectives for CI activities, it is recommended to plan for a period of three to five years. Since most intelligence groups find that it takes this long for the process to develop.

Tyson (2002) gives some examples of typical first year objectives:

- Begin with gather the intelligence from both internal and external sources.
- Monitoring two or three key competitors on a continuous basis.
- Establish a intelligence coordinator role
- Develop an intranet web site for CI to provide news and intelligence briefings on companies monitored

After some years of CI activities, the objectives need to be broadened.

CI involves a set of activities that produce a result of value to a customer. In order to manage these activities successfully, formal direction and co-ordination is necessary. CI units are usually small in size, even in large companies’ five staff or less is not uncommon. And firms that delegate part-time CI responsibilities organizational units without structured, centralized co-ordination will fail to realize the full power and potential of CI (Bernhardt, 1994). Tyson (2002) holds that it is necessary with a mix of part-time and full- time personnel. Initial data gathering is usually done with part-time resources assembled as a project team. Ongoing activities require at least one full-time coordinator. Large organizations present a more difficult coordinating role, because those organizations include a number of distinct business units comprising the total organization. In the beginning it is best if each of the unit
intelligence coordinators works independently. The role of the central intelligence becomes more important when the gathering performed at the lower levels becomes more broadly based. According to Kahaner (1996) you need a CI unit in order to produce CI. At the head of this unit there should be a CI director, with the main task to coordinate the information and intelligence flow within the company. However, in cases where there is separate CI units for each business area, there should be one CI director who facilitates the flow.

Tyson (2002) argues that intelligence and analysis should be carried out as close to line management and market as possible. The organizational structure has to do with the way organizations are built and how its basic employee-related functions work. It supports business activities, e.g. hierarchy, roles and responsibilities, work hours, pay rates, rules of deportment (Simon & Kern, 2001). According to Scheps (2008) in the most cases, organizational structure aligns with the company’s culture, e.g. if the decisions are made at the top; the top executives are communicating down to the rest of the organization in a hierarchical way. Organizing the CI team in a way that enables agile development and stronger business alignment is important for a successful CI initiative. It is also important to ensure that the team is comprised of the best people (Howson, 2008).

Kahaner (1996) discusses that in many large companies the CI unit is placed in strategic-planning office, which reports directly to top management. This makes the most sense since the CI units’ main job is to support strategic planning, and in most companies this is the case. Gilad (2000) adds that the CI unit integrates data from published and human sources into a strategic puzzle, which they feed to main-customers involved in strategy information. In other companies you may find a CI unit in each business division, attached to a senior vice president or president. In Competitive Intelligence review (2000), they publish a case study that results in that there is no single organizational structure which is used by the majority of firms. Thus in the next chapter we will present different types of CI organizational structures.

3.4.1 Formal and Informal CI structures
Gilad (2000) explains that there are two kinds of CI activities: formal and informal. Informal CI is carried out in many companies that do not have a CI function or are too small to have a separate center within the organization. According to Miller (2001) it is hard to provide precise descriptions of the CI structures since particular company requirements differ from company to company. Formal CI can be organized in five different formal structures: departmental, decentralized, centralized, support and complex.
Departmental

According to Gilad (2000) in departmental CI structure, CI function can be found in every department and is used for satisfying specific needs of a single department only. Every structure has its benefits and drawbacks. The benefits with a departmental function are the focus of intelligence that leads to more detailed and efficient analysis. The drawback of this structure is the lack of information coordination within the company, which may result in failure of anticipating threats from competitors.

Howson (2008), states that if your company is new to CI, it may be difficult to pursue an enterprise solution. Some of the best ideas may develop within individual departments or business units, and this may be the ideal place to test the CI waters. However, even if you begin with CI at the departmental level, keep your view on the enterprise. Departmental CI may allow for a faster solution, tailored to the specific needs of a business or department. Scheps (2008) states, that if a company implements BI for the first time, it should be on a departmental level. Keeping it narrow and more focused affords you the chance to learn and make mistakes, in order to see what does and does not work.

Decentralized

In decentralized CI structure, CI function is decentralized to each CI unit which is responsible for carrying CI in a way to assure its organizational units specific needs. The benefit of this structure is the coordination of information flow between departments within a BU. The drawback of such CI structure lies in the lack of information sharing between company headquarters and separate BU:s (Gilad, 2000). According to Fuld (1995) CI activities works best when they are decentralized but coordinated. Miller (2001) states that decentralized structure comprise almost exactly opposite characteristics to their centralized counterparts, and this type of CI structure tends to consist of multiple intelligence staffs throughout the organization. Scheps (2008) holds that a decentralized organization is using entrepreneurial strategies since the decisions are made in the business areas rather than in central control unit.

Centralized

Gilad (2000) states that in centralized CI structure, a centralized CI function is in charge of the CI in the entire organization and should be placed at the staff function of the company.
The benefit of this structure is the accessibility and speed of information needed for management at all levels, which includes possible threats and opportunities. The drawback is that the central CI unit is isolated from other BU: s, which means absence of close contacts and information exchange between analysts and experts from each BU: s. Howson (2008) mention in the *departmental* section, departmental CI allows for faster solutions, but centralized CI allows for a greater sustainable success. According to Prescott (2001) there is a debate about if whether CI activities should be decentralized or centralized. Furthermore, the author brings up that regardless of the degree of centralization, strategic and tactical intelligence must be coordinated. Business areas that share the same customers/competitors and resources should centralize their CI activities. Miller (2001) states that the centralized CI structure starts with the premise that strategic needs dominate and that decisions regarding strategy are made by corporate decision makers. Which means this structure is standing alone, relying on informational and analytic inputs throughout the organization.

**Supportive**

Gilad (2000) holds that in supportive CI structure, the supportive CI function consists of decentralized BU: s, which has its own CI functions and is self-managed. The difference from a decentralized CI function is that there is a central CI unit that supports other BU: s in their decision making process. The benefit is that it removes duplication of intelligence work, but the drawback is that it increases the complexity of information management.

**Complex**

According to Gilad (2000) complex CI structure is a combination of centralized and decentralized CI structures. The central CI unit is responsible for the total CI process in the company and should provide all BU: s with intelligence. Parallel with this the BU: s are responsible to assure their specific needs. To succeed with this structure, coordination and management are vital factors during the process. Miller (2001) names this structure hybrid, which combine attributes of both centralized and decentralized structures. Multiple intelligence units may exist throughout the organization. It is not uncommon for hybrid to undergo organizational tweaks as intelligence needs change.

The formal CI structure provides us with the collection, analysis and dissemination of intelligence at a higher cost than the informal (Gilad, 2000).
3.4.2 Selection of CI structure

According to Cook and Cook (2000) setting up a CI function in your business becomes a management project, an operational project and an information technology project. The key for success is not to let the building of the CI function take all the time and resources. The main factors that decides the choice of CI structure is the company’s structure, size, culture, types of decisions and amount of resources that the companies are willing to invest. Kahaner (1996) agrees and states that establishing a CI system in your company does not cost a lot of money, resources or material. It requires a change in your attitude toward information and intelligence.

According to Cook and Cook (2000) CI functions must be able to address two key strategic needs, firstly the need for ongoing intelligence and secondly the need for “special projects” intelligence.

In the end of the CI process the analyst has a crucial part; the mission is to provide the main-customer with the analysts’ findings. However, not all businesses and organizations can afford a dedicated CI analyst on the payroll. In smaller companies this position might be fulfilled by the same individual, who serves as one-person CI function. Gilad (2000) agrees on that, and states, if organizations with limited resources are setting up a system it may not be able to assign more than one part-time employee to the task. Clearly, this is not an ultimate situation, but it is better than forsaking CI completely. Furthermore, the full-time or part-time CI employees differ in every organizational structure depending on the company’s policy concerning CI (Cook and Cook, 2000).

According to Kahaner (1996) one of the features of a CI system is that they are simple and fit into your current organizational structure. In the old days, when companies were more hierarchical (centralized) than they are nowadays, CI flowed to the top and stayed there. Nowadays, with decentralization, CI can flow freely and still fulfill its duty to inform the top management.

A company with small resources should choose departmental or informal CI structure, since there are too small to have a separate center within the organization. But, if a small company offers different products it may be more suitable with decentralized CI structure in order to increase and focus the development of different products. In larger organizations, if the planning is done in a decentralized way, the intelligence unit is decentralized as well (Tyson, 1998). In order to coordinate vast amounts of information, large organizations with a single
product should choose centralized or decentralized CI structures. Nevertheless, if a large organization has adequate resources for setting up a more complex structure, they should select supportive or complex CI structures.

One important aspect of the CI structure is its organizational location. This has important implications for the analysis and dissemination of CI. When Marketing and Sales function within a company has the responsibility for the CI process, the quality of analysis and dissemination increases. One explanation for this is that marketing and sales personal tend to be more externally focused by nature, with most of their time spent with customers (Hesford & Kersi, 2007).

To summarize, in order to create an intelligence organization one key factor is organization and implementation of CI structures. Organizing the CI unit in a way that enable development and stronger the business is important for successful CI, and also ensure that the unit is comprised of the best people. There are no single organizational structures that are used by the majority of companies, it differs from the requirements they have and therefore it occurs different CI structures.
4. EMPIRICAL FINDINGS

In this chapter, we will provide empirical data collected during the interviews with the case company Volvo CE Region International, Volvo CE Headquarters, Volvo CE Russia and with our benchmarked company Tetra Pak. We have chosen to present the interviews from Volvo CE regions separately in order to apply the other regions CI processes on Region International. The information will be presented based on the structure from our theoretical framework.

4.1 Volvo CE Region International

4.1.1 Defining Competitive Intelligence

Volvo CE Region International (RI) does not have any clear definition for CI. CI at RI is overall about long-term strategies with the main goal to know competitors next step. In some cases, they use short-term strategies, in order to understand competitors’ present situation in the market. RI’s main-objectives with CI are, to know how information should be utilized, promote sales, increase profit, survive business, create correct strategic decisions, volume forecasts etc.

“I cannot say how we define CI at RI”

(BI analyst)

One challenge for RI is to define a clear specific need for CI, in order to secure a better business impact of strategic intelligence

4.1.2 Competitive Intelligence Process

RI has a flow of information both horizontally and vertically in the organization. It is not a hierarchic system but it works informally quite well. Product innovation in the construction industry is not vast. Because of low innovation, demand of instant and timely CI decreases. It does not mean the company can be inactive for search of CI, it is always important to remain in leading edge. VCE has only people in thirteen of hundred countries, so in practice, dealers are the company. The dealers collect local CI, which needs to reach central parts of VCE. Unfortunately, this is not the case. It is very rare that RI reacts on information from dealers, but if, it is used to perform forecasts. RI does not analyze information. They act more as a receiver and supplier of intelligence.
Maria Khokhlova (BI analyst, VCE HQ) does analyses centrally in the organization. Her task is mainly concentrated on monitoring competitors. She also sends information requested by other regions in the organization. Main-challenges for RI are to keep track of their market, and to be aware of movement from competitors.

**Needs**
The decision makers at RI receive much information concerning their industry via email. However, they do not consider it relevant and regard it as of low importance. The decision makers feel that the information is too general. Many things the sender thinks is intelligence, is actually not. Intelligence can be sent to wrong receiver and hierarchical level in the organization. This information comes from persons outside the organization, who are not analysts.

Most of CI activities at RI are case-by-case based, which gives the CI group a good understanding regarding: “who is going to use the information and for what needs?” Lots of collected information at RI is request-based, but not all. There is also an ongoing process where persons collect information without knowing decision makers needs.

**Data Collection**
In RI, main-contributors of information are third party organizations, dealers, and employees in different departments. The main-contributors assist RI with information regarding competitors, price levels in the market etc. RI has problem with large amount of information that is available. Their dealers share information by calling their two contact persons in the company. They have one contact when it concerns product matters, and one contact for service questions.

RI utilizes Sales Process Measurement (SPM) in order to get a sustainable flow of information about competitors. Sales people can only give information about why a deal failed, which is one flaw of the system. Sales people fill in an electronic form, e.g. that competitor’s price was lower. This form is sent automatically and used centrally in the organization. SPM exists in 20 of 74 countries. This information is submitted to VCE HQ in Brussels, where it is processed and then returned to sender.

RI does not give feedback to sales people. In RI, one does not contact VCE HQ direct in order to share information. Instead, one contacts the sales support team, which distributes the information.
Dealers do not get incentives to share information. Information dealers share is good for them in the long run, but they tend to see this in short term. RI tries to convince dealers to share information by arguing that this is a way to influence RI, and that both organizations mutually benefit from this. RI has never paid for such information. However, in 2007, VCE in Turkey gave incentives in form of commissions to sales people and dealers when exchanging information.

Since employees cannot turn to a particular person to receive information, they turn to persons they think possess it. The need for networking is therefore large, as they mostly get connections through business meetings. Employees also seek information from dealers and former employees of competitors that now works at RI.

Several techniques are utilized at RI when collecting information. Third party organizations and governmental agencies provide information about competitors, e.g. statistics about number of sold machines. By sending templates to dealers, RI receives information about competitors’ price in different markets. Dealers make a price research and send the templates to RI. This information is then used in order to set next year’s prices. Flaws in this system are that RI does not use the same products in different templates, which makes it hard to create a pattern. Another flaw is that dealers do not always have recourses needed for this kind of price research.

RI uses the same procedure for all competitors in order to collect information about them. RI studies competitors’ websites and brochures. Customers that use competitors’ machines are participating in telephone interviews, where questions regarding their experience and opinion about competitors are asked. RI is cautious about this type of information, since it is hard to know if it is reliable. E.g., dealers can give unreliable information in order to get lower price from RI. Information is only considered reliable, if it is provided by different sources.

RI’s employees perform reverse engineering on competitors’ machines, in order to study its functions. They also carry out driving tests with competitors’ machines, in order to assess strengths and weaknesses, which can be used as vital sales argument. RI utilizes events as a common source to find out more about competitors’ situation. Another source of information is monthly reports, e.g. region Middle East collects information about their region and then gathers employees that are interested for a meeting. At this meeting, everyone receives the same information.
**Analysis**

When RI receives information, they categorize it under different subjects, e.g. product prices. With this information, they compare competitors’ models with their own. Diagrams and columns are utilized in order to know their position in comparison to their competitors. Categorizing CI under different subjects enables to identify trends.

In RI, there is no systematic way to carry out a competitive analysis, but a common model is the SWOT analysis. Every year VCE performs a market share analysis of their sub regions, which is collected centrally by the BI analyst at VCE HQ, and a global market share analysis is performed. In VCE’s industry it is difficult to carry out analysis; the challenge is to estimate the size of VCE and to calculate their market share especially when there are few statistics available. The answers from analysis are often rough estimations.

RI cannot afford a culture where every department searches information actively; they need to package information in some way. Another main-challenge for RI is to structure and sort information that already exist in-house under logical headlines.

**Dissemination**

When there is a need of financial information, the main source is Maria Khokholova at VCE HQ. Important sources in RI are Sales Support Team, ASM (Area Sales Manager), Regional Manager and Product Support.

When employees search for information, the intranet is helpful and has the most recent updates. Employees utilize two different platforms at intranet to search for CI. VCE call them Violin and Team place. Violin is updated by VCE HQ and contains new information, which automatically is erased after two months. Employees in RI are not utilizing an organized way for sharing information, but there is an organized function called Team place. Occasionally, employees add value to information themselves, or merely publish raw data on Team place. Employees at RI seldom utilize these platforms. Common ways when employees find usable information, they store information in their personal computers or share the information with colleagues. Information concerning e.g. results are stored and can be used to measure trends, but comments and news are not stored.

When employees search for information concerning a region, it is enough to know one contact in that region. If employees in RI need specified information, they can contact different departments in the organization.
Dealers complain about the complex presentations RI use when returning analyzed information. RI has many employees that travel and obtain direct impressions from geographical markets, where they e.g. educate their customers (dealers). Information that employees collect is rarely sent centrally in the organization, except information that is published on Internet. RI utilizes pre-determined formats when they collect and present the CI. These presentations are of a very high detail level with competitor prices and specifications. RI’s sales support often searches for buying criteria and presents this by transforming the material into graphics that are easier to comprehend. The newsletter that employees in the organization receive from VCE HQ concerning CI is appreciated. It is useful in order to obtain an overview of events. In this way, one can say that CI is packaged and delivered frequently.

One main challenge is to promote that RI has a data storing system, since not all information reaches the decision makers.

**Evaluation**
RI is not utilizing a structured way for carrying out evaluation of CI. When RI carries out CI research case-by-case, it gives the main-customers a chance to provide feedback to senders and assess if information was usable or not, but this does not occur frequently. RI arranges meetings with dealers two – three times a year. In these meetings, dealers present their findings and receive feedback on what kind of information that is important.

### 4.2 Volvo CE Headquarters

#### 4.2.1 Defining Competitive Intelligence
In Volvo CE Headquarters (VCE HQ), they define CI as both competitive monitoring and analysis. Business Intelligence is everything that are related to Volvo retail, units, industry volumes (total market), Volvo market shares and also macroeconomics falls into this category. Regarding CI, it contains everything concerning the competitors. The main objectives at VCE HQ are day-to-day monitoring, communication and strategic analysis.

#### 4.2.2 Competitive Intelligence Process
CI is a part of all functions, but it has a different scope when it comes to the level of details. The scope can be one country for a dealer, one product for a product specialist, manufacturing techniques for somebody in operations, a region for a region specialist etc. CI is carried out on a global level for all products in order to support different headquarters functions, but mostly
when it concerns EMT (Executive Management Team), Volvo AB and Strategy and Business Development department.

CI is a fundamental block when decisions are made in many functions. One needs to create an efficient CI organization and avoid unnecessary duplication. There are a bottom up and top down flow of information. As the organization is rather new, VCE HQ has not achieved a functional network, theoretically it is all about having the right contacts.

One main-challenge is to structure CI, in order to make it more logical. To structure CI, one needs to know one’s own perimeter of one’s role and responsibility. One needs to know one’s task and the colleagues’ tasks. It is about having clear roles and responsibilities, a clear process and a clear contact network.

The CI process within VCE is not finally established because of the reorganization that recently was conducted within the company. Establishing a CI network and organizing the process will increase the value of CI for the whole company.

**Needs**

VCE HQ has usually direct requests for information. VCE HQ also coordinates what intelligence the CI unit shall collect during the year. Overall, requests come from all parts of the organization.

The CI unit at VCE HQ can sense the need before requests of intelligence arrive. Needs are mostly driven by what happens on the market.

“If something huge is happening, you can be sure that there will be a request and then you can anticipate it and initiate it yourself in advance”.

(BI-CI analyst)

In order to know that the CI products are defined, packaged and delivered in ways that respond to the needs of the main-customer, there are two fundamental approaches that might be utilized; it is either “I produce CI and then I see if anyone is interested” or “I am only carrying out tasks if it is requested”. The closer one comes to the decision makers’ needs, the more concise the information needs to be. It is rare that CI persons send raw information to decisions makers.
Data Collection
Ideally are all the functions within the company main-contributors to the CI process. In order to share the information VCE utilizes Team place, but generally, it is sent through e-mail.

There are dealers that feed the organization with knowledge, but when the process is unstructured, as unfortunately in this case, one has not established contacts everywhere. Information gathered from dealers is not frequently published at Team place; it is mainly shared to whom the information may concern. VCE HQ utilizes public sources and semi-public sources where one needs to have a subscription in order to gather the information. The public sources are e.g. Internet. When employees search for information on Internet, they have certain restrictions e.g., they need to know what to search for and be aware of the source reliability. VCE HQ also utilizes public news sites for the industry construction equipment; some news sites are more reliable than others are. VCE HQ holds subscription to the news database from Reuters (Business and Financial news) and monitors the most important national newspapers. If an employee e.g. needs information concerning Japan or Korea, big news agencies like Nikkei or Yonhap are useful.

Employees are willing to share; they only need to know how and to whom. VCE HQ does not need to utilize incentives in order to attract employees and dealers to share information, because they should know the importance of sharing. One of the main-challenges is to judge the reliability of the collected information.

Analysis
The tools VCE HQ utilize to analyze CI are SWOT analysis, scenario planning, financial analysis and strategic analysis. According to the analysts, it is occasionally more useful to have raw data without any opinion. But decision makers’ opinions are more important. However, it depends on the questions; sometimes the decision makers need raw data in order to create their own opinion.

VCE HQ analyzes information in order to make decisions. Models applied for analyzing are e.g. Porter’s five forces model and the BCG matrix/Growth-share matrix. However, it is not common that decision makers apply these strategy tools. VCE HQ mentions that RI applies tools used for correlations. The correlations tools are more applicable to macro economic analysis than for CI.
Dissemination
There is not only one structure for VCE’s CI sharing system. One of VCE platforms is the CI Library, which is available for all employees at VCE, and the Volvo Group. This platform is used to store only the information that VCE purchase from certain established consultants. Reports that VCE possesses are published on different Team places, since some information can be sensitive for all employees to read.

One challenge in carrying out CI is the non-disclosure law. In Western Europe, Japan and North America, it is not allowed to exchange volume and price information among competitors. Because of the non-disclosure law, it is not possible to get accurate information about competitors. The information from these regions is due to the law only estimated figures. One needs to be careful with whom one shares information, e.g. there is information that VCE HQ does not share with independent dealers, only with employees.
VCE HQ presents the information with Microsoft Power Point presentations and Microsoft Word documents.

“When you provide your analysis to the management of Volvo CE you know they read it and do something with it”
(BI-CI Analyst)

Occasionally employees publish information and expect that other employees read it. Employees also send information directly to persons who need it. However, an employee should not send too much information. It is important to find a balance and know the needs of their own organization etc.

Evaluation
It is difficult to measure the value of CI. However, if one does not follow the competition for as little as three months, the organization is jeopardized. Feedback concerning how useful the information has been is sent by email.

4.3 Volvo CE Russia

4.3.1 Defining Competitive Intelligence
They do not have a definition of CI.
4.3.2 Competitive Intelligence Process
Most handling of competitor information by VCE Russia is made by Alexander Fedotov. His job is to collect data, make it readable, sometimes analyze it, and report directly to persons interested, who mostly are decision makers and sometimes analysts.

Needs
There is a standardized ongoing process of collecting information at VCE Russia. However, the persons who collect do not always know the purpose of the information. When decision makers make a request for information and decides the deadline, the planning for the collecting and analyzing process begins. In the planning stage, the information collectors’ first try to get an understanding of what information that is required. Secondly they investigate what is possessed in the company and lastly they search for other sources of information.

“In VCE Russia there is only one department that needs to know the needs from the top management, that department is me”

(Sales Analyst)

Data Collection
VCE Russia has several types of data providers. If VCE Russia needs information about prices and lost deals, they contact their sales team. The best source of collecting information about competitors’ real price level is to participate in negotiations with vendors. Many competitors participate in negotiations, which gives VCE Russia good insight about competitors. Other sources VCE Russia utilize to find competitor pricelists are Internet and loyal customers.

If VCE Russia needs statistics, they collect it from third party organizations. When they e.g. need to calculate the amount of excavators that were sold in Russia 2006, they contact an agency that is specialized in these types of research. When monitoring competitors, they inspect their press releases and websites, their pace of factory construction and successful business deals. VCE Russia search try to find as much information as possible through open sources. The main part of information comes from external sources and rumors employees hear. Some employees worked for competitors before and still have contacts in the competitor’s organization.

VCE Russia uses a system they call sales process management “SPM”. When they lose a deal, a vendor, or when customers choose a competitor’s product VCE Russia’s sales team and the dealers’ salespeople report it by filling in an electronic lost sales report in SPM. Alexander
Fedotov uploads this information to a special server on Volvo dealer network. It is used to calculate participation rates, and to analyze why they did not succeed with deals.

When dealers’ salespeople and VCE Russia’s sales team find information about a competitor, they sent it directly to Alexander Fedotov. The sales teams also have deadlines for providing VCE Russia with different kinds of information. There are no arranged meetings when VCE Russia and dealers’ salespeople exchange competitor information. Instead, there is a continuous information exchange between the two parts. Alexander Fedotov receives this information and stores it in Microsoft outlook or in a special folder for future researches.

The incentive VCE Russia applies in order to make dealers’ salespeople share information is to provide them with the information they require.

Some of the non-confidential reports dealers’ salespeople and the sales team share are published on Team place. Everyone in the organization that should have access to these reports can read them. The dealers’ salespeople have no access to this information at Team place, but they can easily ask responsible people in order to acquire it. Confidential information is not for public utilization and is stored for management use.

**Analysis**

VCE Russia analyzes sales performance with a program called Microsoft Serum. This is the main tool for the sales organization in order to create offers to customer and to track sales. It improves the possibility to give correct orders to the factory and is a customer database showing in which region the machine was sold and the customer segment.

Competitors’ revenue is difficult to predict because of the limited access to this information. They compare information about the competitors whenever it is received.

**Dissemination**

VCE Russia utilizes Microsoft Excel in order to make price comparisons and to store statistics on imports, which is reported every month to VCE HQ and SPM data on demand. Current and historical market shares data are available on Team place and updated every month. To store lost sales reports generated from the SPM system, VCE Russia use a web based solution. Collected retail sales data are stored and sent to VCE HQ in order for them to create reports and analyze the market demand.

To store and share Microsoft PowerPoint and Microsoft Excel files VCE Russia use Team place. Information can then be accessed by many people and requirements of sending mails
are reduced. Information is stored at different places on Team place because of its confidentiality level.

Infoview is a program VCE HQ use to store information from sub-regions, e.g. VCE Russia, about dealer performance, sales performance and market shares. Information from third party organizations is also stored on Infoview.

When requested information is collected, Alexander Fedotov sends the information to decision makers that required it by emails or Team place.

4.4 Tetra Pak

4.4.1 Defining Competitive Intelligence
Tetra Pak rarely consider CI as a separate process without having the entire BI ecosystem in mind. There is therefore no separate definition of CI in the company. BI consists of four categories of intelligence: Competitor Intelligence, Consumer Intelligence, Food & Manufacturer and Channel & Logistics. Food & Manufacturer category provides the firm with information about e.g. new possible partners in the liquid industry. Channel & Logistics category provides the firm with new possible logistics solutions. Many employees are working with different kinds of intelligence at Tetra Pak, integrating it into daily routines at all levels within the company. The firm has established an BI culture in the organization where everyone knows the importance of sharing intelligence.

“It became established in everyone’s mind that you have to compete to survive”

(Mats Enhol, Head of CI)

“CI monitor, analyze and interpret external information, suggests actionable deliverables and anticipates competitor activities and their future product changes”

(Mats Enhol, Head of CI)

The aim of BI at Tetra Pak is to collect, analyze and provide Top management with useful information, and to support strategic decisions with forecasts that predict the next coming three-four years, creating insights and guidance for executives.
4.4.2 Competitive Intelligence Process

According to Anders Påander (Director of Marketing and Portfolio tools), there is a continuous improvement of the BI process. Due to the development of DIT technology and Internet during the last decade, Tetra Pak has developed new web solutions.

According to Veronica Tunestam (Marketing Manager – CGBP, Compass and MT), Compass is synonymous to intelligence at Tetra Pak. Compass is a tool and a process to collect, analyze and disseminate intelligence. It is seen as the backbone of the company. This tool does not work without the people running it. Through Compass Tetra Pak becomes proactive in the competitive efforts. A major success factor of the BI activities is the establishment of Compass, and the resources involved in this intelligence process. Previously, Tetra Pak only conducted research in 15 markets due to the high costs, while today they do this research in 80-90 markets. The money spent is for both conducting research and for the process of maintaining data.

According to Anders Påander, Category management works globally and consists of 6-7 people. Their task is to understand and guide the four categories in the BI unit. The categories are Competitor intelligence, Consumer intelligence, Food & Manufacturer and Channel & Logistics. Category management answer research questions such as, “Why do consumers consume?”, “How do they consume it?”, “In which occasions do they consume it?” By knowing the end-consumers behavior they will know e.g. if the sales will increase. Category and Competitor management utilize Compass to understand the global trends in liquid packaging.

According to Veronica, intelligence work was earlier inefficient because employees filled in templates using Microsoft Excel. But in 1999, Tetra Pak started the big Compass project. They realized that if they wanted accurate market information and good future estimations they needed to cooperate with outside research suppliers for a second opinion.

Tetra Pak therefore invited three global research suppliers that were focusing on liquid foods and dairies. These suppliers also worked with other companies in the liquid packaging industry. In 2004-2005 BI efforts started to become acknowledge within the company, and more efforts and resources were invested to establish a BI organization. It took eight years for Tetra Pak’s intelligence team to create the BI ecosystem and equally long for Compass to end up in the balanced scorecard (BSC). To achieve the firm’s targets, clusters within the organization have individual objectives to provide information. Each time a cluster share
information it is presented as numbers in the BSC. When a certain number is reached, the people in that cluster are rewarded with a bonus.

The establishment of a well functioning BI ecosystem started with building a good intelligence network. Compass did not get much support from Top management in the beginning. After having shown Top management the usefulness of information generated from Compass it was supported and promoted. Today the whole company utilizes it. Compass started from the bottom up by first showing its value to the employees. When it became accepted by the Top management, it was spread from the top down to rest of the company (Veronica Tunestam).

Tetra Pak are market leader in liquid packaging, having a lot of knowledge in-house. But they also purchase information from external research suppliers, which they integrate with the in-house information. Data from emerging markets are not seen to be reliable, whereas they complement it with interviews with market companies and information from third party organizations.

According to Veronica Tunestam, the market is divided into eleven clusters. Nowadays a large amount of information exists within the market companies in the different clusters. But not all this information is disseminated to the BI unit. In general, Compass works well because all market companies know which persons who are responsible in their cluster. The responsible person can then easily be approached. Through the marketing companies, 120 countries are monitored worldwide. The amount of employees that works with BI in each cluster varies according to the size of the market.

The clusters Compass manager is responsible for that the market companies of the cluster receive information about the decision makers’ needs. The Compass manager monitor the market companies work and makes sure that it is continues exchange of information between him and the market companies of the cluster. Every year Veronica travels to each cluster in order to coach and inform Compass managers about the issues from a corporate perspective. She listens to their view and makes sure that the research supplier can provide the intelligence required for each cluster. As soon as there is a problem in a cluster, the Compass manager informs Veronica. She then visits the cluster and helps to solve it.

A major task of the Compass manager is to make sure that the Category manager and Marketing manager are contributing with intelligence. The Compass manager therefore
monitors and helps them to understand the category. It is also the Compass manager’s responsibility to make sure that they are feeding information into the BI process. Standardized categories of needs are communicated e.g. price.

Intelligence efforts should be built on extensive and intensive networking involving the whole organization. Therefore, it is unnecessary to have one dedicated person per cluster managing CI (Veronica Tunestam).

According to Veronica, the Sales organization is important for CI to work, since they interact with customers and have wide knowledge about them. When sales people have new information to share, they send it to the Compass manager in their cluster. For a venture/project to succeed, it is important to have one responsible person that everyone can turn to for sharing information. Projects were run with support only from Top management, but it did not work. To make employees aware of the importance of contributing with CI it is critical to let them understand what they are doing, why they are contributing and the result of contribution.

To work as Compass manager, one needs good communication and networking skills, since one need to travel a lot in order to build strong relationships with face-to-face meetings. It is not enough with mail and phone communication.

Veronica holds that Tetra Pak is working to improve the collaboration between the marketing and sales organization. They want employees to understand that marketing is equally important as sales. In order to create this awareness, the Marketing Division and the Compass team designed a course for employees they call “Drive Market Leadership”. It is available to all office employees and its purpose is to teach that it is only possible to drive market leadership if marketing, sales and product management collaborate.

In order for CI to work, there is a need for a win-win situation between Tetra Pak and their market companies. If a Compass manager asks for information from market companies, they expect to get something back. In those cases, Compass support market companies in their short and long-term tasks. Market companies struggle with Compass because they need to fill in data on templates. However, they still feel motivated to fill in the data, as they understand the purpose of sharing information (Veronica Tunestam).
Needs

The benefit with Compass is the on-going process, which keeps track of globally and locally changes in the market. Tetra Pak requires that Compass report the competitive situation in the market, at least once a year.

According to Veronica, Compass time schedule is an annual cycle that consists of intelligence activities. In the beginning of the year, during January – April, Tetra Pak conducts a series of kick-off meetings. In these meetings, the cluster Compass manager meets the external research suppliers and market companies for the cluster. These meeting are conducted in each cluster. Together they decide objectives for the coming year. This activity assists external research suppliers and market companies with focus when gathering and analyzing intelligence.

In next period, during May – August, external research suppliers and market companies conduct research projects to reach their objectives. The cluster Compass manager arrange a “wash-up” meeting with the external research suppliers and market companies. The external research suppliers present their findings. Afterwards, there is a discussion between market companies and the cluster Compass manager concerning how to apply the gathered data.

Next period is during June – October. This is when a Cluster business and deployment plan is created. Cluster Compass manager conducts a time and effort consuming process with the clusters market companies. In this process, market companies utilize Compass data in order to analyze global trends in terms of category & customer and product & services. In June, market companies prepare a strategy in order to handle competition, increase market share, deploy a portfolio, and to know what investments that are required. In order to carry out this strategy, market companies need to understand the market situation.

Between middle of July to middle of August, external research companies send their reports concerning the market situation to market companies. When market companies receive the report, they analyze how the market share can be increased in each market. During the same period, the cluster Compass manager decides targets for upcoming year in terms of e.g. finance. In November, the cluster Compass managers meet at Tetra Pak HQ in Lausanne in order to present their targets for next year. A requirement for performing the presentation is that presented material bases on data from Compass. After the presentations, the CEO of Tetra Pak and the GLT (Global Leadership Team) will criticize, accept or decline their targets, and perhaps provide them with different goals. In the end of November, the cluster
Compass manager receives the final figures for the budget from Top management. Finally, in the beginning of January, Tetra Pak conducts an activity called market assessment where the cluster Compass manager presents the final achievements of the goals (Veronica).

In the end of each year, Tetra Pak compiles all researched information they receive during the year in order to conduct a scenario planning for the upcoming year. The result works as an input to the strategy process, which is compounded in the beginning of the upcoming year. The strategy process shows in detail events for next year, but it exists information gaps. Tetra Pak tries to reduce the gaps by conducting intelligence projects (Veronica Tunestam).

According to Veronica, Compass is utilized by management in order to gather market data for different projects. Compass helps management to identify trends and to compare them with sales and revenues. This gives management a perspective about if they are active in the right markets. Tetra Pak needs to be sure of their strategy in order to focus on what results in most revenue and growth.

It is common that a market leader, as in this case Tetra Pak, claims that there is no need to share information due to their position in the industry. When these situations occur, Veronica Tunestam reminds the employees about the importance of keeping track of their market situation. She also monitors if Tetra Pak shares information with their external research suppliers and market companies. The Compass manager in each cluster reports directly to Veronica when a change in the market occurs.

Data Collection
Anders claims that it might take years for management to trust information sent from contributors. In the early stage of building up the intelligence organization in Tetra Pak, the contributors were dissatisfied and complained that they shared information, but management did not use it. After a while, management started to use the received information, and a process for this called Crystal was established. All information fed into Crystal needs to be presented in Business review meetings, and the contributor is responsible for the shared information. Crystal is a platform based on technology called knowledge exchange. All employees have access to this tool, and it is used for employees to share news and documents. Purchased reports from external sources are also published on Crystal.

Employees from different intelligence teams working with, BI (20 employees), Technology Intelligence (6-7) and Environmental Intelligence (2) are the only sources that can publish information on Crystal. In each team, one assigned person is responsible for information
published on the platform. Having responsible persons increase the reliability of the information. This is one reason why Crystal works well.

According to Veronica, “Esmark” handles the 15 different news sources that Tetra Pak subscribes and constantly keeps track of every acquisition throughout the world. Acquisitions and mergers are of great interest for employees that work with CI. With the expensive “Esmark” subscription, all important news and reports are fed into the system in a structured way. Whatever system one has, it demands resources and time.

Anders states that it costs a lot to own a subscription for intelligence from research teams, but it is well-spent money for keeping track of general consumer trends.

Between salespeople and intelligence people, there are continuous interactions. If there are new developments and threats from competitors, Tetra Pak relies that sales people inform them regarding the case.

According to Veronica, Compass managers are in charge of incentives that make employees share information. Their task is to make employees aware of competition and that they act based on that. The sharing of information from employees comes from a state of mind, which took time to create. Everyone in the organization needs to understand that competition exists and the importance of sharing. One of the Competitor intelligence units task is to travel to all parts of the organization to make employees aware about this. Their role is also to support the GLT with information regarding competition. The Competitor Intelligence unit use Compass in order to understand the competitive situation in the market.

One reason why Tetra Pak is successful is the direct and constant interaction between CEO/Top management and Competitor Intelligence unit. There is also a constant message from CEO/Top management to the entire organization that employees need to be more cost effective and innovative.

Veronica mentions BSC as an incentive Tetra Pak use. Mats Enhol (Head of CI) clarifies that it is more common to use BSC as incentive in larger clusters e.g. Russia and China. Clusters that use BSC have individual targets for sharing information. When a cluster reaches its target, the employees receive a bonus. However, it is important that the company decrease the amount of targets. Many targets make it hard to achieve focus.
Tetra Pak informs employees the importance of sharing and what they are contributing to, which is according to Tetra Pak the best incentive. When employees know that Tetra Pak utilizes information they shared for decision-making, it makes them proud.

“Tetra Pak have tools that employees use for sharing information, but employees have either time or interest in utilizing this tools. Instead they share information via email and telephone”

(Mats Enhol, Head of CI)

It does not matter which role an employee has in Tetra Pak, all employees should contribute with valuable information to the BI process. First person that an employee shares information with is the closest manager, and then the employee disseminates the information to the personal network.

One way to collect relevant information from sources in-house is to arrange workshops with face-to-face presentations about competitors.

Analysis
According to Veronica, Tetra Pak use a tool called Qlickview to conduct situation analysis. When they measure market shares, they utilize Compass. However, Anders stresses that they cannot trust their own opinion about their market share. In order to get an objective and probable estimation, they need to hire an external source.

Dissemination
According to Anders Påander, Tetra Pak utilizes a web based “capture tool” to store information. External research suppliers mainly create templates in Microsoft Excel using DCT (Data Capture Tool). DCT contains data from e.g. present and previous year’s data, concerning product categories. DCT is collaboration between Marketing & Portfolio tools, the local company and external research suppliers.

According to Mats Enhol, BI unit disseminates BI to Compass managers by email. Then, Compass managers forward it further to employees in each cluster that need BI. General information e.g. reports all employees in Tetra Pak should have knowledge about are also disseminated by email. Tetra Pak also use global and corporate functions e.g. Crystal, when disseminating intelligence.
Employees that search for information and are unfamiliar with Crystal, choose rather to contact a person they believe has the knowledge in their personal network or cluster, than using Crystal. This behavior arises because of their stressed working conditions (Mats Enhol).

Mats Enhol mentions another MNC that do not use databases anymore, because they consider uploaded information as old information. Instead, they use a forum, where employees can ask questions. Everyone in the organization need to use the forum constantly in order to answer questions related to their region. This ensures that information always will be updated.

**Evaluation**
Anders Påander mentions that Tetra Pak use email when giving feedback about shared information. During certain periods, e.g. when they decide organizational targets, they have one assigned employee in corporate management only working with providing feedback. When more data arrives, corporate management uses more employees for this issue.

Veronica travels a lot to meet cluster Compass managers. In these meetings, she provides feedback concerning which information that is needed. In the end of every year, she evaluates certain predictions that external research suppliers presented, to see if there were a difference between forecast and result. Even if the difference is modest, she travels to the external research suppliers for evaluating why it did not correspond.

Tetra Pak stresses the importance of informing employees in the organization that information they share is used. This message makes employees contribute.

**4.4.3 Organizing Competitive Intelligence**
Veronica stresses the importance of having an intelligence organization built on contacts. Without intensive networking efforts, one will not get intelligence working. These networks are hard to establish without having commitment from Top management. Top management’s task is to put pressure on managers and management in the organization regarding these issues.

According to Mats Enhol, the formal BI structure at Tetra Pak is centralized. They do not want a large central BI unit located at the marketing department. Instead, they have employees allocated in the entire organization that participates to the BI process. BI unit consists of a value chain with four components:
TI is not included in the box and is totally another aspect; they drive only technology questions or issues. According to Anders, another function that goes cross the value chain is category management and consists of six-seven employees. Category management is not traditional BI, their task is to understand product categories and drive them forward. They drive the actual need from an intelligence point of view. The central BI unit consists of 20 employees with both operational and intelligence oriented tasks. The operational tasks do not necessarily concern intelligence. The BI unit has direct contact with GLT. GLT often invite management from the BI unit to their meetings in order to listen to the BI unit’s predictions about the future.

The BI unit needs to be comprised of the best people. To be curious and have the ability to convince people are two vital factors for being an efficient BI person.
5. ANALYSIS
In this chapter, we unveil the mechanisms and processes that describe CI functions within studied companies. In the analysis, we apply theoretical and empirical findings on the case company. We will use the structure from the theoretical framework.

5.1 Analysis

5.1.1 Defining Competitive Intelligence
VCE HQ has defined CI, but it is not known in RI and Russia. This situation does not exist to the same extent in Tetra Pak because routines have been established for the intelligence work at all levels of the company. This creates awareness and knowledge about what is meant by CI.

VCE HQ defines CI as both monitoring and analysis of competitors. Tetra Pak has no separate definition of CI. Instead, CI is embedded but not mentioned in the definition of the BI ecosystem. The definition of BI at Tetra Pak consists of four categories of intelligence: Competitor Intelligence, Consumer Intelligence, Food & Manufacturer and Channel & Logistics. This definition is known at all levels of the organization, which creates a culture where everybody contributes to the process. This fits with Kahaner (1996), who means that there are many definitions of CI, but which are adapted to the individual needs of the firms. However, most authors agree to the importance of having and conveying a common definition and role of CI within the company. Cook & Cook (2000), Vriens (2004) and Wilkins (2007) discuss the common aspects of how to do this, being an activity that includes collecting and analyzing information, where the result is utilized as a base for decision-making.

The main objectives of RI for CI are to know how this information should be utilized to make forecasts, promote sales, increase profits, to make correct strategic decisions, and ultimately for the business to survive. In Tetra Pak, CI is looked upon as an integral part of the BI system. This means that Tetra Pak’s main objectives for CI is the same as those for BI, namely to collect, analyze, and provide Top management with useful information, e.g. to support strategic decisions with forecasts that predict the next coming three-four years.
Burkhardt (2001) stresses that CI is gathered in order to better understand and anticipate market trends and competitor strategies.

5.1.2 Competitive Intelligence Process
RI works as a user and a supplier of information about competitors. Analysis is done centrally by the BI analyst at VCE HQ. This task is mainly concentrated on monitoring competitors, and forward information that might be of interest for RI, or other subdivisions. In Russia, Alexander Fedotov is responsible for the CI function. His task is to collect data, summarize it to readable formats and report to persons interested. He also carries out some of the analysis and works as a buffer between supplier and receiver.

RI has a flow of information about competitors both horizontally and vertically in the organization. Although, it is not a top down flow of information, it works well. In VCE HQ, there is a system of bottom up and top down flow of information. The purpose with this system is to have an efficient intelligence organization, and to avoid unnecessary duplication. Tetra Pak confirms the need of bottom up and top down flow of information in the organization. The bottom up and top down system starts with employees reporting CI to the BI unit, which then collects and manages information, and sends it to decision makers. The information is further sent to rest of the organization.

Tetra Pak claims that it is important with a good relationship between customers’ and dealers’ sales people. A good relationship makes it more convenient for Tetra Pak’s sales people to receive information concerning the competitors and the market situation. Tetra Pak does not utilize a formal CI questionnaire that Tetra Pak’s sales people follow when discussing with customers. Sales people does not either receive a formal BI training. Kahaner (1996) discusses that customers are important main-contributors of information concerning competitors, and can be classified as a primary source for sales people. Furthermore, sales people instinctively search for information concerning competitors that gives them an edge. The author also states that best source of human CI come from a company’s sales force, because they act in the frontline trying to outsell the competitor.

Tetra Pak’s first year main-objective for CI activities is to decide the tasks for every business unit. There is a wide scope of intelligence, and Tetra Pak cannot work through every piece of intelligence. Tyson (2002) states that companies should set annual objectives for CI activities and stresses that it takes time to build a CI process. The first year objectives according to the author are, gather intelligence from internal and external sources, monitor two or three key
competitors on a continuous basis, establish an intelligence coordinator role and develop an intranet website for CI. This should be done, to provide news and intelligence briefings on monitored companies. The author further states, after a few years of CI activities these objectives need development.

CI customer needs
CI activities at RI and Russia are mainly requested by decision makers, but it also occurs on ad-hoc basis. Tetra Pak’s clusters also conduct CI activities on ad-hoc basis, but conduct it in addition to their regular and ongoing BI process. When Russia receives a request of information from a decision maker, they use three steps. First, they regard the requirement, secondly they investigate what information that is already possessed and lastly they examine where to gather the information. Cook & Cook (2000) suggest, first to search in-house to find easy access information and then search outside the company. Bernhardt (1994) describes, three basic questions that need to be answered by decision makers to acquire intelligence: 1) “What do we need to know?” 2) “Why do we need to know it?” 3) “What decision is to be made, or action taken once we know?” These questions need answers that are strategically relevant to the company. Albescu et al. (2008) state, interaction between end users and producers need to occur in an early stage, in order to clarify the decision maker’s demand. According to Kahaner (1996), another dimension to have in mind is decision maker’s time constrains. The author further discusses, when planning is done and the CI unit is in the initiating stage of collecting information, they contact the decision maker to control if the information is desirable. According to Bernhardt (1994), intelligence analysts must respond to decision makers’ needs, and at the same time give decision makers updated information concerning the changing environment. In order to, give decision makers the ability to generate good and accurate decisions.

In order for RI’s CI unit not to act in blindness when predicting the decision makers next move, they should according to Tyson (2002), define the company’s overall mission, different business units’ strategies and current interests. When RI decides their needs, they carry out interviews with business group executives, business group managers and staff, CI coordinators and senior executives.

In order for dealers to be aware of RI’s information needs, meetings are arranged two-three times a year. Tetra Pak’s clusters arrange meetings with market companies in order to inform about the needs and importance of sharing.
Data Collection

RI’s main-contributors of information are third party organizations, dealers and employees in different departments. RI also monitors competitors’ homepage, brochures, and conducts telephone interviews with customers concerning their opinion about competitors’ machines. Albescu et al. (2008) discuss, information collected from a human source has a greater chance to be turned to actionable intelligence. Kahaner (1996) considers primary sources such as personal observations, as reliable. Primary sources are important and should be prior source. Primary source is, e.g. when customers inform the sales force about competitors. Secondary sources are easier to find, and can be more efficient than primary sources. Secondary sources can provide interesting information from analysts and journalists. Kahaner (1996) further states, sales force is the best source of human CI, because they act in the frontline trying to outsell competitors.

RI collects data by sending templates to dealers, monitor competitors’ websites and brochures, Sales Process Measurement (SPM), telephone interviews with customers, reverse engineering of competitors’ machines, third party organizations and governmental agencies. RI’s dealers can also share information by calling their contacts in RI. BI unit at Tetra Pak travels a lot and conducts face-to-face meetings with dealers and employees in the entire organization. This is done in order to acquire information, and at same time teach persons in the organization about their BI needs. Cook & Cook (2000) and Tyson (2002) state, sharing intelligence via telephone is a good and useful way. The authors discuss that a toll-free CI hotline gives everybody in the company ability to share. Employees and dealers can use the toll-free hotline with their mobile phones. Kahaner (1996) agrees with previous authors, and adds fax, e-mail, written surveys and phone surveys as efficient tools when sharing intelligence. The author further states the importance to provide sales people with feedback when they share information. It will boost participation in the collecting process. Tyson’s (2002) findings are in line with Tetra Pak’s way of collecting information through face-to-face meetings. The author states, this is the best way to gather information.

Tetra Pak and VCE use a similar process when gathering information, the difference is, Tetra Pak’s creation of Crystal. A tool utilized in order to gather and store information. Random employees do not have the ability to share information directly on Crystal. Information from employees goes instead through a network of people in the organization. Via the network, information reaches different intelligence areas (BI, TI, and EI). These intelligence areas have dedicated persons with the role to fed Crystal with information. The advantages of this
process are that the organization can be sure that obtained information from Crystal is reliable. It is easy to contact the responsible person who added the information for questions. Cook & Cook (2000) discuss similar kinds of intranet, and describe a system where all employees have ability to share information directly to the platform. If, the system is connected to the information database, employees have access to a large storage of data, information and CI. These platforms can be seen as complex and hard to utilize among employees. This barrier can be reduced with education, consisting of learning to understand strategic benefits and involvement of employees in every level. If the intranet is available to customers and suppliers, the decision-making time can be cut down. The intranet is also a cost and time efficient tool for communication within the company.

RI’s sales people do not have any incentives for sharing information, which creates complaints from dealers. The dealers are often short-term oriented, and because of that, they cannot estimate their benefit of sharing information to RI. The sharing of information is a win-win situation, because in the long term it creates sustainable business. Employees do not have any special incentive either, but they have the ability to visit Team place on the intranet to see what they shared. Not all reports are published on Team place due to its confidential nature. Russia uses the same Team place system as RI. However, if sales people want to obtain information, they have no access to visit Team place. Nevertheless, they can easily ask an employee in the organization in order to acquire information.

Tetra Pak utilizes a system called Crystal. Employees do not add information themselves on Crystal, instead information needs to go through a network of employees in order to reach the persons with authority. With this strategy, the employee cannot be recognized for his efforts of sharing because there is no information about the information’s origin, which takes away the ability to give the contributor feedback. Instead of providing feedback, Tetra Pak trusts that everyone in the company knows the importance of sharing. This trust comes from a corporate culture that has its origin in a learning process, which took many years to create. The sharing from employees is a state of mind. Employees are aware of the importance of sharing. CEO and Top management constantly send the message regarding that they need to be cost efficient and innovative. Tetra Pak teaches employees to understand why they should share and what they are contributing to, which is according to Tetra Pak the best incentive. Each clusters Compass managers at Tetra Pak, continuously interact with the central based BI unit. Compass manager’s task is e.g. to inform employees about the needs, and the importance of sharing. Employees from BI unit travel to different clusters, informing the entire
organization about paying attention to competition and stress the importance of sharing. Tetra Pak also utilizes BSC as an incentive in larger clusters. Each cluster that uses BSC has a target for sharing information, when reaching the targets they receive different scores, which decide the employees’ bonuses. The corporate culture creates an environment where employees are part of the overall intelligence process. This is according to Tyson (2002) the best way to make people share. The author also discusses the important feedback loop and mentions ways that neither of our case companies has utilized, as e.g. a monthly news bulletin listing people’s intelligence contribution during a period with their name as a source. Tyson (2002) also stresses the importance that employees and salespeople that share information receive value added information in return, which is not a reality in none of the case companies.

According to RI, there is a need to network among employees. When employees need information, they sometimes need to guess which person possessing certain kind of information. VCE HQ also discusses the matter of networking. VCE has recently conducted reorganization, thus mean employees in the organization does not have established contacts everywhere. Employees in VCE’s organization are willing to share, but they need to know with whom. Information gathered by employees is rarely sent centrally in the organization, except information published on Internet. Tetra Pak states the importance of having a good network. Employees seldom use expensive programs utilized for sharing information, because it is much easier and faster to call or email persons. In Tetra Pak’s organization, it is easier to find “right” person, since all employees have clear roles and responsibilities.

Tyson (2002) discusses networking from a CI responsible view, and mentions that the responsible can motivate and affect people by regularly make calls. One can develop “who-knows-who” lists and monthly call lists consisting of employees, which should be phoned on monthly basis. One should spend one-two days calling employees in the lists and provide them with following questions: What is happening with competitor A? What is happening with competitor B? What is happening in the marketplace that might have an impact on our strategic and tactical plans? The author further states, one can try to find successful factors that CI process has contributed with and promote them to employees, repeatedly. Employees will notice the importance of CI process, which make network building more convenient.
**Analysis**

Decision makers at RI receive a lot of information via email, which they do not place great emphasis on, since the information is too general. It is very common that contributors forward what they think is intelligence, which later is not usable in the process for decision-making. One reason for this behavior according to decision makers at RI is that intelligence usually is sent from persons outside the organization, which are not analysts.

“If they understand what you are doing, why you are doing it and what it contributes with, it is even better”

(Veronica Tunestam, Marketing Manager –CBDP, Compass and MT)

When RI receives information, they try to place it in different categories e.g. product prices. Information is utilized in order to compare their own models with competitor’s models; this is carried out by utilizing different tools. Tools utilized in these occasions are diagrams and columns to locate their position in comparison to their competitors. In Russia, the tool Microsoft Serum makes some of the analysis. The tool tracks all the sales, shows what region the machines went to and what segment the customers operates in.

In RI, there is no systematic way to conduct a competitive analysis, but one common model is the SWOT analysis. This model is also used frequently in VCE HQ. Kahaner (1996), Cook & Cook (2000), Vriens (2004) support the companies’ usage of SWOT analysis and stresses that the model is common. The authors also add Competitor Analysis and Industry analysis based on Porter’s Five Forces Model, to models commonly utilized by companies.

Each year, VCE carries out a market share analysis of their sub regions, which are collected centrally by Maria Khokhlova at VCE HQ. Then, she carries out a global market share analysis. In VCE’s industry, it is hard to make a market share analysis since it is difficult to estimate the size of VCE and their market share, when few statistics are available. The results of this analysis are often roughly estimations. Tetra Pak utilize a different way to estimate next year’s market share. In comparison with VCE, they do not perform the analysis themselves. Tetra Pak stresses, one cannot estimate their own market share. One needs to hire an external source, this in order to get a more objective view on possibilities to reach estimated targets. Cook & Cook (2000) verifies the complexity of the business world, and claims that it is not ideal, due to this, one will never get perfect information for one’s decisions. The author further states, it is always better to be close then accurate occasionally.
Dissemination
VCE utilizes two different platforms to share information, which they call Violin and Team place. VCE HQ manages Violin, and different regions manage their own Team place where they can upload information. These platforms have same attributes and characteristics in all VCE regions we investigated. The platforms are available for all employees and are utilized in order to share information. Employees do not have an organized way to share information, but they have one organized function, which is Team place. Information VCE HQ uploads to Violin is automatically erased after two months. Information on Team place, except news and comments, is stored and later utilized by VCE HQ in order to measure trends etc. According to VCE HQ, each region has more than one Team place, due to the confidentiality of documents. Cook & Cook discuss this matter and state that intranets can work as a limited-access internet because of the confidentiality of information. Tetra Pak utilize a web based capture tool, where one can store data in order to measure trends. The stored data is in form of numbers, and not information in form of news and comments. Tetra Pak also utilize another system, where all employees have access. They call it Crystal, a system where news and documents are shared. Intelligence departments (BI, TI and EI) are responsible for updating Crystal. This distinguishes it from VCE’s Team place, where all employees have ability to upload information. Crystal is common in-house and works well, one reason is assigned persons in each department. They have responsibility for shared information to the system.

The similarity with Tetra Pak’s Crystal and VCE’s Team place is that all employees have access to the platforms, which is vital according to Kahaner (1996). The author mentions that decision makers need to have access to this data. Employees inside the company, e.g. salespeople that been pushed to search and gather information, needs to have access to raw and analyzed information. The author further states, companies with intranet should have a central data bank with stored data. This central data bank exists in Tetra Pak and VCE. Cook & Cook (2000) discuss data warehouses and state that it is a storage place for collected data, which needs to be used later. Data warehouses provide decision makers with logical and structured data, with help of a well design and user-friendly software. The authors further discuss that it is appropriate to have different data storages for different departments. VCE utilizes their different Team places in similar way. The situation and problem at VCE is that employees seldom utilize these platforms. One main-challenge is to promote that VCE has a data storage system, since not all information reaches decision makers. The low usage of platforms is also a fact in Tetra Pak. Employees in Tetra Pak think that platforms are time consuming; they rather use their well-established networks in order to gather information.
Cook & Cook (2000) state the importance of having good and user-friendly software for the platform, in order to boost usage.

RI utilizes pre-determined formats when presenting their findings. They try to search for buying criteria, and present this by transforming analysis material into graphics that are easy to understand. Pre-determined formats help employees to know how to utilize information. According to Tyson (2002), one need to tailor information depending on receiver’s location and level in the organization, since employees perhaps want it detailed or in a summarized version.

VCE HQ’s BI analyst sends a monthly newsletter to employees in the organization concerning CI. When employees have found information, they publish their findings and think that people will read the information, and in some occasions, they sent it directly to employees in need of the information. Russia’s sales analyst shares information by sending people e-mails, or publish information on Team place. In Tetra Pak, intelligence is shared from BI unit to the cluster managers via mail. Reports that everyone in the organization should have knowledge about are also sent via e-mail, otherwise they utilize Crystal. According to Tyson (2002), many companies utilize a mechanized reporting process by word processing, spreadsheet or database software and CI websites in order to share information in the organization. Bernhardt (1994) discusses newsletters and states that it is of little strategic value for the organization. Newsletters are utilized by VCE HQ and sent to the entire organization.

**Evaluation**

In RI, there exists no structured way of carrying out evaluation for CI. RI stresses that when the company perform CI research case-by-case, it gives main-customers a chance to provide feedback to contributors and assess if information was usable or not. However, this type of feedback does not occur frequently. VCE HQ emphasizes their way of providing feedback concerning how usable the information is via e-mail. Tetra Pak also stresses that email is efficient when providing feedback. When Tetra Pak e.g. sets targets, there is only one responsible person in corporate management that provides feedback. However, when more data receives by the company, more employees examine data and communicate feedback to the sender. In Tetra Pak, they frequently have follow-ups concerning input and output of data in the company.
Kahaner (1996) stresses the importance of evaluating CI activities in order to know if CI worked, and became actionable intelligence. The author further states that companies utilize the two-sided report card method, in order to know if the CI resulted in any value. In this method, decision makers deliver information regarding how well the needs were fulfilled, and CI unit assesses how main-customers utilized intelligence. The author also points out that investigating if intelligence is utilized, is the only way to measure success of intelligence. Cook and Cook (2000) agree and states that the evaluation phase will make the company stronger and lessons will be learnt, which could be utilized in future CI projects. Overall, evaluation is important, both for confirming that analysis has been received and for improving CI. This part of the CI process is the final step. It gives the process a chance to develop, in order to meet decision makers need. For closing this part of the CI process, a vital keyword needs to be remembered, and that is close interaction, between end users and producers.

5.1.3 Organizing Competitive Intelligence

VCE HQ’s employees have not achieved a functional network; theoretically, it is all about having the right contacts. Tetra Pak confirms the importance of having an intelligence organization built on contacts. According to Tetra Pak, without intensive networking efforts one will not get intelligence working. They further claim that these networks are hard to establish without having commitment from Top management. Top management’s task is to put pressure on managers/management in the organization, in order for the organization to run and establish well.

The formal BI structure at Tetra Pak is centralized. The BI unit is placed at the department of Marketing. Central BI unit has direct and constant contact with GLT. GLT often invites management from BI unit to their meetings, in order to listen to BI unit’s predictions about the future. This is an example of how they fulfill intensive networking. Tetra Pak is not aiming for a large central BI unit, instead they have assigned persons allocated in the entire organization, which participates to the BI process. In Tetra Pak’s BI unit, they apply a value chain of four components when organizing BI activities. The BI unit consists of categories; one of them is Competitor Intelligence (CI). Below we present all categories:

- Competitor Intelligence
- Consumer Intelligence
- Food Manufacturer
- Channel & Logistics
Tetra Pak’s central BI unit consists of 20 employees working with both operational and intelligence-oriented tasks. Tetra Pak stresses that BI unit needs to be comprised of the best people. Valuable skills for working with intelligence are curiosity and ability to convince people. In comparison to Russia, where only one CI person works with collecting data, make it readable and report intelligence to right contacts. However, in this case, employees’ e.g. salespeople are involved in the process by collecting and sending data to CI persons. Cook and Cook (2000) confirm Tetra Pak’s statement, and mention in their research that an organization needs to implement CI structure, in order to create an intelligence organization.

Gilad (2000) stresses, with centralized CI structure, the central function is in charge of CI for the entire organization, and located at staff function in the company. The author further stresses both benefits and drawbacks with centralized CI. One benefit is the accessibility and flow of information needed for management at all levels, which includes threats and opportunities. The drawback is that central CI unit is isolated from other BI units, which implies absence of close contacts, information exchange between analysts and experts from BI units. Prescott (2001) stresses, regardless of the degree of centralization, strategic and tactical intelligence must be coordinated. Bernhardt (1994) contradicts the amount of employees in Tetra Pak’s BI unit. The author further states, it is common with BI units consisting of five or less, even in large companies.

Tetra Pak stresses, whatever organized system one has it takes time and resources to reach full potential. They also emphasizes, resources are not the vital factor. It is more important to create an organizational culture in the company. Tyson (2002) confirms that it is resource demanding when organizing CI process to its full potential. Kahaner (1996) confirms that it requires a change in employees’ attitude towards information and intelligence, in order for CI process to be successful. When the company decides CI structure, factors influence the choice. Cook & Cook (2000) state in their research, that main factors of influence are: company’s structure, size, culture, types of decisions and amount of resources companies are willing to invest.
6. CONCLUSIONS

In this chapter, we have combined empirical findings, theoretical findings and the case company in order to get a holistic view of the problem area. With this information, we will find answers to our sub problems in order to answer our main problem.

The first sub problem deals with how an MNC can gather the competitive intelligence from its external and internal sources. From our analysis, we found that the first step an MNC needs to take is to integrate the intelligence work into the daily routines at all levels of the company in order to create awareness about the CI definition. It is vital to have a definition, one that is adapted to the specific MNC. The MNC needs a system of bottom up and top down flows of information, in order to have an efficient CI organization and to avoid unnecessary duplications. It is vital to create good relationships to customers because they are the best source of CI. A good relationship makes it more convenient for sales people to receive information concerning competitors and market situations.

When an MNC starts with CI activities, the first year’s main objective is to state what kind of information each unit handles, the reason being that there is usually a wide scope of intelligence and the company cannot work with everything. In the beginning an MNC can gather intelligence from internal and external sources, monitor two or three key competitors on a continuous basis, establish an intelligence coordinator role and develop an intranet website for CI in order to provide news and intelligence briefings on companies that are monitored. After a few years of CI activities, these objectives can be developed.

An MNC can have a yearly plan regarding what information employees collect. When there are market changes, it is necessary to have the ability of searching on an ad hoc basis. The first stage in the collecting process for the CI unit is to search internally in the company to find easy access information, and the second stage is to search externally. The searchers need close interaction with the decision makers, and answers to the following questions: 1) “What do we need to know?” 2) “Why do we need to know it?” 3) “What decision is to be made or action taken, once we know?” These questions need answers that are strategically relevant to the company, providing decision makers with updated information concerning the changing environment. Interaction between decision makers and searchers need to occur in an early stage, in order to clarify decision makers’ demand.
By conducting interviews with responsible managers, the CI unit gets a clear picture of the organization and can then anticipate and work proactively in order to respond to demands from decision makers. To provide dealers with information concerning what they should search for, the MNC arrange meetings several times a year.

An MNC can collect data by sending templates to dealers, watching competitors’ websites and brochures, making telephone interviews with customers, third party organizations, governmental agencies, and reverse engineering of competitors’ machines. Another efficient way of collecting data is travelling in order to meet dealers and employees, who can have a contact surface inside the MNC, if they find information they want to share.

Efficient tools used when sharing information is e-mail messages, telephone, and information platforms. These platforms are managed by a small group of employees in order to increase trustworthiness of the uploaded information. However, the platforms are not accessed by all employees, and are often seen as complex and hard to use. But this barrier can be reduced by education. By letting people in the organization know who is responsible for what, one gives them the ability to share information with the right person. This creates a network that ends up at one of these responsible persons. With a learning process that takes many years, employees can change and adapt to a corporate culture that gives them understanding about how important it is to share and what they contribute to. Usually, the critical problem is to know with whom to share intelligence. Therefore, it is important for an MNC to have a good network and that employees are well aware of their responsibilities and roles within the company.

The second sub problem deals with factors about how an MNC analyze gathered information in order to create actionable intelligence. Our analysis shows that there are usually no direct or systematic way of analyzing gathered information in an MNC. However, common models used for creating actionable intelligence are SWOT-analysis, Competitor Analysis and Industry analysis based on Porters Five Forces Model.

The third sub problem concerns how an MNC can disseminate actionable intelligence within the MNC and to its dealers. From our analysis, we found that an MNC could use a platform for their dissemination, where news and documents are shared, and which all employees can have access to. This platform is the same as we mentioned above for gathering information.
The MNC can have dedicated persons in each department, which are responsible for sharing information within the MNC and to its dealers. Another way to disseminate actionable intelligence is to send monthly newsletters to employees. They can then either publish the intelligence in data storage, hoping that someone with interest will read it, or send it directly via e-mail to the person needing it. E-mail can also be used as an effective communication tool for sharing reports that concern all employees.

Finally, the main problem concerns how a strategic marketing system for an MNC can be organized in a structured way, in order to improve and take advantage of internally and externally available intelligence concerning competitors. The analysis identifies how a strategic marketing system can be organized. It shows the importance of having an intelligence organization within the MNC, which is built on contacts. Since, if the intensive networking between contacts is not running well, the intelligence function will not work in the organization.

The most efficient way to give feedback about how useful the information has been is via email. It is also important to carry out frequently follow-ups of input and output of data within an MNC.

It is not necessary for an MNC to have a large centralized CI unit, it works also well when the dedicated persons with CI responsibilities are allocated throughout the entire organization and participate in the CI process. The number of persons of the CI unit usually depends on the size of the organization. The entire CI unit can easily consist of 20 employees and in a subdivision there are usually one or two persons with CI responsibilities. However, all employees in a subdivision contribute to the process by collecting and sending data to the responsible CI person. Whatever strategic marketing system one organization has, it takes time and resources to reach the full potential. However, resources are not the most vital factor in this case, which is more about creating a corporate culture in the MNC. It facilitates the process if everyone, employees and retailers alike, are aware of how to act when they have important intelligence. Normally, for the strategic marketing system to succeed, it requires a change in the employees’ attitudes towards information and intelligence.

Sales by independent dealers create a problem when collecting information about the different local markets, since dealers do not always see themselves as part of the company. When
dealers also sell competitors machines, the situation becomes even more complex, for example to build good relationships and create effective incentives. Under these circumstances, the MNC occasionally only gets fragments of the information available about the markets. The company does not get the complete picture and has to make rough estimations in their forecasts. A good relation decreases the barrier between the independent dealer and the company. In order to enhance the relationship between an MNC and its independent dealers one can develop a system, where dealers receive different types of company information, e.g. newsletters. Another way is that the CI manager meets dealers face-to-face, with the purpose to build relationships and inform about the importance of sharing information. During these meetings, the CI manager can convince the dealers’ sales people that they will benefit from sharing information, e.g. by having a sustainable business. The dealers also need a tool for sharing information about competitors, which is easy to use and not time consuming. The sales person could get a reward if the shared information is used, e.g. that the company shows gratitude for the effort.
7. RECOMMENDATIONS
Organizing the Competitive Intelligence in a structured way at Volvo CE Region International has been introduced as the main problem for this thesis. In the final chapter, we will provide Volvo CE Regional with recommendations. We have chosen the following structure in order for the reader to get a better overview.

7.1 Managerial implications for Volvo CE Region International
We have found several managerial implications for Volvo CE Region International (RI), which we will present in the following text. We will first describe the recommendations itself and then explain why it is important for RI to implement the recommendations.

7.1.2 Define CI
We recommend RI to first define CI. They should perform it by adapting the definition to their own needs. In order to create awareness about the CI definition, RI needs to integrate the intelligence work into daily routines at all levels of the company. We find it important, because if a company does not have any definition of CI, the employees will not be aware of the decision makers’ needs and that results in a straggling focus in their search for information. With a better understanding of where the focus should be when searching for information, the better RI will be in understanding and anticipate market trends and competitor strategies.

7.1.2 CI Region manager
Our second recommendation to RI is to assign a CI Region manager. The assigned CI Region manager needs to have good communication and networking skills, since s/he needs to travel a lot in order to build strong relationships with face-to-face meetings. The CI Region manager will work as a link between RI and VCE HQ in order to exchange information. The main tasks of the CI Region manager are to make employees aware of the decision makers’ needs and to make sure that all employees in their region know the importance of contributing to the CI process. We recommend RI to appoint an employee with experience of intelligence to this role.

7.1.3 Management needs to be involved and put pressure
We recommend the management in RI to be more involved in the intelligence work, by showing the importance of sharing intelligence within the company. There should be a direct and constant interaction between management and CI Region manager. The management should put pressure on the managers at all levels, in order to make them contribute to the CI process.
7.1.4 Platform
The platform at RI should be structured as outlined below.

Only the CI Region Manager should add intelligence to the platform, requiring training in how to operate the platform, e.g. uploading information, when one needs to choose accurate keywords to be able to find the right information in an easy way. This makes the information more reliable. It is also easy to contact the responsible manager to ask questions. With such a platform structure of only one person responsible for uploading information, there is a huge need of networking, since all the vital internal information needs to reach the CI Region manager.

All employees should have access to the platform, because they need the intelligence in their daily work, as well as being trained to gather intelligence from the platform. RI should use the platform as storage for information in order to measure future market trends.

7.1.5 Network
Our advice to RI’s organization is to establish a network and make the employees well aware over their responsibilities and roles. Nowadays, there is not a huge problem to share intelligence, the main problem being to know who needs it. If the intensive networking between the contacts is not running well, the intelligence function will not work properly. Changing the corporate culture will make employees understand why they should share and what they are contributing to, also creating an important incentive structure.

7.1.6 Feedback
We recommend RI to use e-mail messages when giving feedback on intelligence, because it is an efficient and convenient tool. It is important to have frequently follow-ups of input and output of data within the company. Performing such evaluations of CI activities is important, since it is the best way to know if the shared intelligence became actionable and successful. It will make RI stronger and lessons will be learnt, which is useful in future CI activities.

7.1.7 Relationships with independent dealers
We recommend RI either to develop their existing tool SPM or to create a new tool in order for the independent dealers to share information about competitors. SPM is nowadays a tool that dealers use for sharing lost sales reports, i.e. why a sale did not happen. Their ability to share should be broadened so they can share all types of information concerning competitors. This tool must be easy to use and cannot be time consuming. By educating independent dealers about the tool, it becomes easy to use in their daily work. This tool gives independent
dealers frequent information about RI, e.g. through newsletters. After sharing information, the sales person should receive an e-mail in return showing RI’s gratitude and that the information has been used. The CI Region manager should continuously meet the independent dealers face-to-face with the purpose to build relationships and inform about the importance of sharing information. In these meetings, the CI Region manager should make sure that the independent dealers get something in return when they share information. The main reason is that sales are conducted by independent dealers, who in some cases also sell competitors’ machines, thereby many times not feeling that they are part of the company. Under these circumstances, the motivation of independent dealers to share information is low. RI then only gets fragments of the information that is available about the markets, for example making it more difficult to make forecasts.
7. RECOMMENDATIONS
Organizing the Competitive Intelligence in a structured way at Volvo CE Region International has been introduced as the main problem for this thesis. In the final chapter, we will provide Volvo CE Regional with recommendations. We have chosen the following structure in order for the reader to get a better overview.

7.1 Managerial implications for Volvo CE Region International
We have found several managerial implications for Volvo CE Region International (RI), which we will present in the following text. We will first describe the recommendations itself and then explain why it is important for RI to implement the recommendations.

7.1.2 Define CI
We recommend RI to first define CI. They should perform it by adapting the definition to their own needs. In order to create awareness about the CI definition, RI needs to integrate the intelligence work into daily routines in all levels of the company. We find it important, because if a company does not have any definition for CI, the employees will not be aware of the decision makers’ needs and that results in a straggling focus in their search for information. With a better understanding of where the focus should be when searching for information, the better RI will be in understanding and anticipate market trends and competitor strategies.

7.1.2 CI Region manager
Our second recommendation to RI is to assign a CI Region manager. The assigned CI Region manager needs to have good communication and networking skills, since they need to travel a lot in order to build strong relationships with face-to-face meetings. The CI Region manager will work as a link between RI and VCE HQ, in order to exchange information. The purpose of the CI Region manager is among others to make employees aware of the decision makers’ needs and to make sure that all employees in their region know the importance of contributing to the CI process. We recommend RI to appoint Anders Sjögren (BI analyst) to this role, due to his earlier experience with intelligence.

7.1.3 Management needs to be involved and put pressure
We recommend the management in RI to be more involved in the intelligence work, by showing the importance of sharing intelligence within the company. There should be a direct and constant interaction between management and CI Region manager. The management should put pressure on the managers at all levels, in order to make them contribute to the CI process.
7.1.4 Platform
We have given advices for how the platform at RI should be structured and characteristics are outlined below.

Only the CI Region Manager can add intelligence to the platform, she/he requires an education in how to operate the platform e.g. uploading information. Because, when one uploads information one need to choose accurate keywords, in order for co-workers to find right information in an easy way. By knowing that one educated employee disseminates information, makes it more reliable. It is also easy to contact the responsible employee that disseminated the information, in order to ask questions. When one has a platform structure with only one person responsible for uploading information, there is a huge need of networking. Since all the vital information that exist internally in the organization, needs to reach the CI Region manager.

All employees should have access to the platform, because they need the intelligence in their daily work. They should have the education needed in order to gather intelligence from the platform. This platform should also work as storage for information in order to measure market trends in the future.

7.1.5 Network
Our advice to RI’s organization is to create a good network and make the employees well aware over their responsibilities and roles within the company. Nowadays, there is no huge problem for RI’s organization to share intelligence. The only problem is to be aware of to whom the employees will share the intelligence. It is of importance that the intelligence organization within the company is built on contacts. Since, if the intensive networking between the contacts is not running well, the intelligence function will not work in RI’s organization. Changing the corporate culture in RI will make them understand why they should share and what they are contributing to, and this will work as their incentive.

7.1.6 Feedback
We recommend email-messages when giving feedback regarding intelligence in RI, since it is a more efficient and convenient way. It is also important to have frequently follow-ups of input and output of data within the company. Performing evaluation regarding CI activities is important, since that is the only way of knowing if the shared intelligence became actionable and successful intelligence. Evaluation will make RI stronger and lessons will be learnt, which are useful in future CI activities.
AREAS FOR FUTURE RESEARCH

Volvo CE has an area that requires more research. The sales are today conducted by independent dealers. This creates a problem when collecting information about the different local markets. In order for a company to make accurate decisions the decision makers need accurate information about their surrounding environment. This information needs to flow from the dealers in to VCE Region International, but the dealers do not always see themselves as a part of VCE Region International. VCE Region International now only gets fragments of the information that is available about the markets. They do not receive the complete picture and has to make rough estimations in their forecasts. There must be a good relation between the independent dealer and the company. The independent dealer must understand the importance of sharing.

The future research problem is “How to enhance the relationship between a company and its independent dealers”.

In order for a company to make accurate decisions the decision makers need accurate information about their surrounding environment. This information is easiest for the salespeople to collect. A problem arises when the salesforce are working for another company e.g. the salesdepartment are outsorced or the salespersonel works for a independent dealer. There must be a genuine relationship between the producer and the salesforce that makes the salesforce to share

The salesforce must understand the importance of sharing

[23:36:19] Martin Svensson: the problem becomes more complex when the independent dealer are selling competitor machines
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Lars-Gunnar Larsson, Vice President Processes & Systems, Eskilstuna, 2010-04-21
Anders Sjögren, BI analyst, Eskilstuna, 2010-04-21

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Göhkan Kener, Regional Business Coordinator, Turkey/Central Asia, Eskilstuna, 2010-04-21
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Volvo CE Headquarters, Brussels, Belgium
Maria Khoklova, BI-CI analyst, Brussels, 2010-04-19

Volvo CE Russia, Khimki
Alexander Fedotov, Sales Analyst, Khimki, 2010-04-16

Tetra Pak AB, Lund, Sweden
Anders Påander, Director Marketing and Portfolio Tools, Lund, 2010-05-20
Veronica Tunestam, Marketing Manager – CBDP, Compass and MT, 2010-05-20
Mats Enhol, Head of CI, Italy, 2010-05-24
APPENDIX

Questionnaire for interviewee

1. How is CI defined within your company and what are the main objectives of your CI activities?
2. What different processes/functions are the main-customers and users of CI within the MNC?
3. In which courses of action are the CI needs captured from the main-customer processes and functions?
4. What different processes/functions are the main-contributors that should feed knowledge into the CI process?
5. How is it secured that these contributing processes/functions regularly contribute with relevant CI?
6. How is it secured that the CI-products are defined, packaged and delivered in ways that respond to the needs of the main-customer processes/functions?
7. How does the MNC measure the value, payoff and business impact of CI?
8. How much of the CI within your MNC has led to actionable intelligence?
9. What are the main-challenges and areas of improvement to secure better business impact of strategic intelligence in general?
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On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

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