

Capturing CI Through Your Sales Force

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Dear CI professional,

I'm a sales representative at a telecommunications company and I'm writing to you because I just received a request from one of your colleagues, our director of competitive intelligence, to begin sending field information to her at headquarters so she can "analyze and share it with senior management to improve our strategies." Who does she think she is, anyway? Is it my job to help her look good and schmooze with senior executives? Not a chance! If I have some good "dirt" on competitors, I'll send it up the ladder and take the credit myself! My job is to sell and hers is to support me - not the other way around.

However, if she really wants to help, what I need is a partner who can provide useable analysis and information that helps me beat my competitors. If she can do that, I'll be happy to send her all the field data she wants.

So keep this in mind the next time you send an e-mail to your sales force – if you want me to help you collect field data, you'd better be prepared to "close the loop" and provide me with analysis and tools that help me win business.

Sincerely,
Your typical sales representative

The sales force and competitive intelligence are inextricably linked. Nowhere is there a greater sense of the firm's competition and the need for good competitive analysis than on the front lines. Nowhere else in the firm exists such clarity of outcome – the sales person either wins an account or loses it - and the understanding of performance *relative to competitors* as the determinate of success. Nowhere else is the source of competitive information so closely linked to its use and nowhere else in the firm exists greater motivation to use competitive information because the sales person's professional and financial success is determined their customers' everyday buying decisions.

With such high awareness of the potential value of competitive intelligence by the sales force, why do most CI professionals have such difficulty getting access to field information and working as a partner with the sales force? While many of the reasons are cultural and involve organizational design, we believe that the CI professional can create an environment of feedback and information sharing by taking a first step of actively providing analysis to the field. This article continues the discussion by Ellen Naylor of the Business Intelligence Source on working with the sales force (CI Magazine Volume 3, Number 1, Jan.-Mar. 2000) and suggests that the concept of positive reinforcement – i.e.: providing analysis and information back to the sales

force using simple analysis tools and techniques is the key to gaining immediate support and beginning an ongoing partnership with Sales.

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Key Design Considerations

Jaworski and Wee best summarized the primary design consideration in their 1993 SCIP publication, *Competitive Intelligence: Creating Value for the Organization*:

“...the sales force provides information to the extent that they receive equal value in return. If their information is not used, they will quickly discontinue reporting.”

This philosophy forms the basis for successful interaction between the CI professional and the sales force.

A second principle is to integrate CI activities with the general sales process rather than creating an additional activity for the sales force. The first step is to map the existing information flow of data from the field. Where does it go? Who uses it? Are there weekly call reports and regular conference calls? The second step is to tap into this flow.

It is also critical to keep in mind the competitive knowledge and political needs of your key stakeholders and to note the differences in needs between sales management and the sales force. For example, sales management may look to you more for early warning reports and analysis pertaining to sales strategy. The sales force has two primary questions – who is the competition? and, how do I compare?

Last, a primary concern for most CI managers and staff when working with the sales force is over-committing available resources. In most companies where only one or a handful of CI analysts serve a sales force of hundreds of representatives, a real concern is getting buried with requests for tactical sales information. Given this imbalance, survival depends on enabling representatives to replicate simple templates and information so they can conduct analysis at the local level

Tools and Techniques

The following are examples of analysis tools that can be provided to the sales force that meet the key design considerations mentioned. They work best if a basic CI process is already in place that includes a competitor profile database and a regular “push” early warning tool.

Competitor Map

An effective way to communicate to the sales force and identify the firm's competitors is to create a simple map that clearly shows which competitors are most important. This not only prioritizes their capture and channeling energies, but also helps them alert you to new entrants. A side benefit can be pointed discussion by senior management about who really belongs on the map and why.

A simple competitor map has the focal firm's main products or services along the horizontal axis and its markets down the vertical axis, with the names of the most important competitors in the cells. Thus Figure 1 describes how Competitor A plays in

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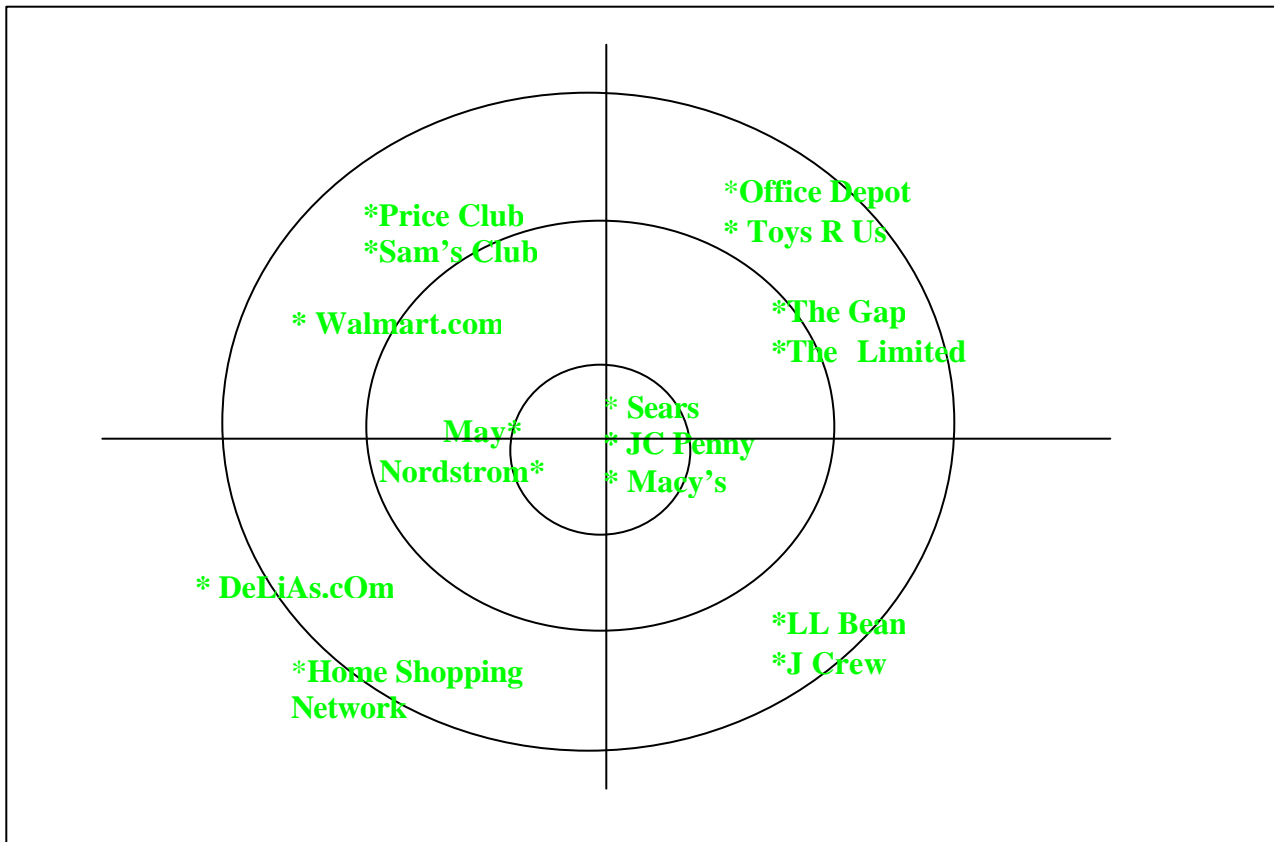
your most important market segment and how Competitor T is focused on your biggest product line.

Figure 1. Competitor Map

| | Our Major Product Lines or Business Units | | |
|-------------------------------|--|--|-------------------------|
| Our Market Segments | Biggest Product Line 1 | Next Product Line 2 | Smallest Product Line 3 |
| Most Important Segment X | Competitor A Competitor B Competitor T | Competitor M Competitor R Competitor A | Competitor A |
| Next Most Important Segment Y | Competitor A Competitor T | Competitor M Competitor R | Misc. Competitors |
| Least Important Segment Z | Competitor T Competitor B | Competitor B | Misc. Competitors |

A more comprehensive competitor map takes a 360-degree view by using a radar screen with the focal firm in the center. This analysis tool can be used in many different ways but is best utilized to group companies with common business models. (Adapted from Value Migration, Adrian Slywotsky, 1996. HBS Press)

Figure 2: 360 degree View



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Comparative Product Analysis

Tactical comparisons of product features and benefits are probably the analysis most valued by sales people because they help increase credibility in the customer's mind and, hopefully, positively influence the buying decision. The key consideration is providing the right level of detail, as sales people typically do not need the depth that a product manager might need. Figure 3 uses a telecom product to demonstrate that Our Product is rated higher overall and has superior features for voice mail, network, and data than the competitors. This table may be an introductory analysis that allows the sales person to drill down to the specifics behind each rating.

Figure 3. Product Feature Comparison: Telecom Example

| | Our Product | Compet.A | Compet.B | Compet.C |
|-------------------|--------------------|-----------------|-----------------|-----------------|
| Phones | 5 | 5 | 5 | 8 |
| Voice Mail | 7 | 6 | 4 | 3 |
| Call Reporting | 8 | 8 | 8 | 8 |
| Network | 9 | 7 | 5 | 6 |
| Call Center | 7 | 8 | 6 | 6 |
| Data Features | 8 | 6 | 5 | 7 |
| Total | 44 | 40 | 33 | 38 |
| 1 = Low 10 = High | | | | |

Of course, customers don't make decisions on product features alone. Buying criteria will likely include attributes beyond the product such as company reputation, financial stability, or service after the sale. Figure 4 illustrates a similar comparison on customer buying criteria. Again, the analyst will allow the sales person to drill down to specific detail.

Figure 4. Customer Buying Criteria Comparison

| | Our Company | Compet.A | Compet.B | Compet.C |
|---------------------|--------------------|-----------------|-----------------|-----------------|
| Technology | 9 | 5 | 5 | 6 |
| Technical Support | 9 | 8 | 8 | 6 |
| Financial Stability | 7 | 7 | 7 | 7 |
| Sales Team | 7 | 9 | 6 | 7 |
| Product Reliability | 8 | 5 | 5 | 7 |
| Total | 40 | 34 | 31 | 33 |
| 1 = Low 10 = High | | | | |

CI practitioners will develop their own versions based on client needs. Figure 5 is an example using an identity verification company that builds on key product features to

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create a strengths/weaknesses analysis. It then extends the analysis to anticipate the selling tactics of the competitor based on the identified strengths and weaknesses. Last, it gives the sales person an action step in the form of verbal ammunition and recommendations for offensive or defensive positioning.

Figure 5: Side-by-side model

| | Our Company | Competitor A |
|--|---|---|
| Key Customer Requirements <ul style="list-style-type: none"> • Data sources • Ease of access • Data timeliness • Customization | Proprietary, direct Secure internet Updated real time 3 options | 3rd party Secure internet Depends on client Will custom design |
| Company Strengths & Weaknesses | S: data sources, timeliness W: customization | S: internet tech, customization W: data sources |
| What to Anticipate | Competitor will sell custom capabilities, ROI. Will position data source “just as good as” | |
| Recommendations | Position data sources and timeliness as the most important buying criteria by using an economic analysis. Show how customization adds to client costs. | |

Conversion Impact Model

This defensive “switching cost” analysis helps the sales person quantify and communicate the focal firm’s incremental value vis-à-vis competitors to retain clients. Because the analysis is at the account level, the CI practitioner should create a template and provide base data that can be complemented with local knowledge by the account representative. Figure 6 demonstrates how the overall cost of doing business with My Company is lower overall despite a higher product price. This template is ideally completed face-to-face with the decision-maker to maximize buy-in as well as to capture information on competitors in a non-threatening manner.

Figure 6: Switching Cost Analysis

| | My Company | Company X |
|---------------------|-------------------|--|
| Product Price | \$\$\$\$ | \$\$ |
| Product Quality | High | ?? |
| Company Commitment | High | New to market |
| Employee training | None | \$100/employee (?) |
| Order system change | None | IT Programming, code conversion |
| Total Cost | \$\$\$ | \$\$\$\$\$\$\$\$..... |

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Conclusions and lessons learned

Sales people need a partnership with the CI practitioner, rather than one where they provide data that feeds a “black hole” at corporate headquarters. By first disseminating simple analysis and templates to the sales force instead of asking them for data, the CI professional begins a self-reinforcing process of field sales feedback that, in turn, enables increasingly more valuable analysis and recommendations from the CI group. Simple analysis tools such as the competitor map address the question of who the competitors are. They, in turn, enable sales people to prioritize their capture and channeling efforts and to alert you to new entrants. Simple grid comparisons address their second major question – how do we compare? They give the sales person objective information that heightens their credibility and image in the buyer’s mind and which ultimately results in a positive buying decision. Creating templates and providing base data for sales representatives to complement with local knowledge provides needed flexibility and addresses the CI group’s primary concern of overextending resources.

The sales intelligence professional should start small with a willing sales district or region, document their success, and be patient in building key relationships. Once begun, this approach builds and constantly communicates the value of the CI group broadly within the firm and makes them a true partner with the sales force. Ultimately, the CI professional benefits through increased job security and satisfaction and knowing that no one will ever again question the value they provide to the organization.

Stephen Schulz spent over eight years in sales with three different companies before he created the CI function at Deluxe Corporation and then managed it for more than five years. He recently served as advisor on a sales force restructuring task force for a mid-sized, midwestern firm, and has recently taken over CI duties at Jostens, Inc. in Minneapolis, MN.