

tance of the portal, and some did not know how to begin relationships with internal Penn State experts working within the key occupational or geographic areas identified. However, positive momentum has been created to attempt to reach the top of the *MI pyramid*.

Just as a climber within an expedition team ascends to the top of a mountain, he or she has to make sure that they are conditioned (access to data and information), have the correct tools (analytical skills), are working with other teammates (communicating with others), and have the same goals and pace of the team (people and

infrastructure). Other key elements that a climber needs, just as marketing intelligence professionals need, is a sense to their surroundings (culture), changes to nature and the terrain (proactive to specialty or geographic areas of expertise), having adequate supplies (budget) and having supportive leadership. The remainder of 2005 and early part of 2006 will be a critical assessment period to see if this group can transform from market research to marketing intelligence. They have made progress upwards, but only time will tell whether this entire group can achieve this goal.

View From the Trenches: Seena Sharp—Founder of Sharp Market Intelligence

Seena Sharp founded Sharp Market Intelligence (SMI) in Los Angeles in 1979 following a successful corporate career in New York City, where she earned her Master's degree in Mathematics from NYU. SMI specializes in market intelligence and analysis for Fortune 500 and emerging companies that are entering a new industry, expanding their product or service line, preparing their strategic plans, or engaged in business development.

Seena defines business intelligence (BI) as “knowledge and foreknowledge about the entire business environment that results in action.” That is, knowledge reveals the past; foreknowledge indicates the future as it is unfolding; the entire business environment refers to all the external forces that impact your company; and information without action is nice-to-know, so the intelligence must lead to new thinking and better decisions. Bottom line: it's the best insurance to reduce risk, seize opportunities, and gain competitive advantage. Seena can be reached at: ssharp@sharpmarket.com



Key Points:

- There are several techniques for identifying the early warning signs of market change including the role of surprise.
- Denial is a key issue for many industry executives, in that they believe they are on top of industry changes, when they are not.
- The best approach for mid-sized companies is to learn how to conduct business intelligence internally.

Q: How has your Master's degree in Mathematics helped you in your analysis of market change and competition?

A: Mathematics is a terrific discipline for becoming more logical or organized. Consequently, our work and deliverables are very organized, with the final report presented in a way that is most useful to our clients. In addition, the study of mathematics has enabled me to be analytical even in non-mathematical areas. That is, we analyze the information to search for implications, patterns, and emerging or unknown external forces.

However, as pertains to marketing and future strategy, mathe-

matics (or its siblings, statistics and data) is increasingly less useful. While companies prefer neat and quantifiable results which data provides, it must be recognized that data only provides part of the story, and in rapidly changing business times, data provides less and less useful information.

In general, the best use of numbers is to tell the story of the past—the who, what, where, when of an industry, company or product. That's where data is most accurate, when it's used historically. Other types of information are required for decision-making, which involves actions from today forward.

Q: You are well-known for identifying the early warning signs of market change which is a critical component of business intelligence. What techniques do you use to identify these “signposts along the way” or trends?

A: This is the basis for a book I'm writing and a topic I have been speaking about for more than 15 years. The purpose is to teach executives and managers how to recognize the early warning signs of market changes and trends. One of the easiest techniques to understand and apply is that of understanding the role of “surprise.”



Change is defined as different, and different is often a surprise. It manifests itself in those things that we typically ignore, laugh at or dismiss. In other words, notice that which appears to be silly, bizarre, unconventional, contradictory or challenges assumptions. This is what change looks like when first encountered. The first time you notice it—it's silly and likely doesn't make sense. The second or third time, it's not so strange and upon consideration, begins to appear valid. Changes couched in off-the-wall and strange products or behaviors present an opportunity to figure out how you can apply it to your company. It will probably take some time to figure it out, but the sooner you notice these changes, the longer time you have to monitor their increasing acceptance and best use by your firm.

Q: Sometimes market intelligence gets confused with market research. How would you describe market intelligence?

A: Market research tries to understand the consumer or customer's perspective. It relies on what these respondents state—which may or may not reflect reality.

Market intelligence, on the other hand, relies in part on what has happened (the statistical aspect referred to above) and is therefore quite accurate about the past. In addition, it should also incorporate all the external forces that impact an industry—from indirect and substitute competitors (competitors from other industries), to suppliers, distributors, changes in technology (not necessarily related to the industry), consumer behavior, societal changes, possible new government regulations, etc. That is, market intelligence looks at all the factors that might affect a company's ability to be successful. Market intelligence takes a macro-view of the marketplace and all the elements that make up that marketplace.

Q: Besides being a teacher and an author you are also an accomplished speaker. What topic(s) do you have a passion to discuss before audiences?

A: Feedback from audiences has indicated that the following two topics appear to offer a different perspective than they have previously heard:

Business Intelligence: The Prepared Mind

This presentation presents some contrary points of view regarding information and intelligence. It is not a guide on how to find information, although there is a limited discussion about this, but rather an eye-opening discussion of the critical elements of BI. This includes detailing what information is important, why focusing on competitors is limiting and could be dangerous, explaining the new competitor environment, and outlining myths about BI (based on the author's article in *Competitive Intelligence* magazine, www.scip.org/news/cimagazine_article.asp?id=229). The purpose is to move the audience from data to intelligence.

Predictive market intelligence: Identify Growth Opportunities

Business intelligence is filled with clues, hints and signals to market changes. The problem is that business has traditionally

relied on forecasting tools that were reliable in a stable environment. But in times that are constantly changing, and changing in ways that can't be anticipated, new tools and techniques are required. Executives often look to scenario planning for "seeing the future," but this approach can't capture the actual changes that are happening. It's a very useful tool, especially for expanding thinking, but not useful for staying ahead.

The purpose of predictive market intelligence is not to predict the future, but rather to recognize it as it unfolds. These techniques are logical, pragmatic, and easy to understand and apply, once the premise is clarified. Dozens of examples are included that clearly and specifically validate the techniques.

Change presents companies with opportunities that competitors may not identify for years, so there is enormous advantage in spotting signs sooner. Information on change is right in front of us everyday, but it's usually dismissed, ignored, or ridiculed.

Q: What market intelligence projects are you currently working on that really hold your interest?

Every project we work on becomes fascinating, at a relatively early stage in the research, much to our surprise and constant delight. Whether we're investigating commodity products such as electrical fittings, or telcom for prisons, or industries ranging from food, automotive, retail, financial services, healthcare, to international arenas—what we learn for our clients (and ourselves) is significant and truly captivates us.

Results often reveal that the things that companies might believe are most important, such as price, rarely are. And they are constantly surprised at what customers (B-B or B-C) think is most important. In addition, they are surprised to learn about opportunities, potential problems and changes in their industry, many of which they were unaware of. Further, these companies who request BI are the most open to knowing this information, so that working with them almost always results in a great partnership.

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Q: Stepping back a bit, what do you see as some of the big issues facing your industry?

A: The biggest issue is denial. It's executives and managers believing they know what is actually occurring in their industry—today. It's necessary to repeat that we live in times that are changing in ways few can imagine. And yet, people believe they are on top of these changes. If they were, new companies would not be able to capture their customers or sales. Customers (B-B or B-C) buy from unknown companies when their supplier is not offering what they want and the new company is. That's a major issue—getting companies to recognize that the established businesses create the opportunity for new businesses that recognize change.

Companies that engage in business intelligence have a significant advantage—especially those who focus on the marketplace and not their competitors. The major benefit is that these companies are not blindsided or surprised.

Q: What advice would you provide a marketing manager at a small-to-mid-sized company when they look at building their market intelligence capabilities?

A: They would be best served by learning how to do it internally, for themselves. It's best to get everyone on board at the same time, or else the “have-nots” don't understand the value of intelligence and will hinder the process. One approach is to have a one or two hour teaching for the entire company, followed by a more in-depth workshop for a smaller select group who will be more involved.

In addition, every company has people who already do some BI, but they don't recognize that what they're doing is business intelligence or how to apply their findings to their basic corporate mission. A company-wide introduction to BI will reveal those who are more insightful, and give tools to those closest to the customers who have a wealth of valuable information. This includes customer

service, sales, repair, delivery, and others who are not usually asked for their observations or insights.

Knowledge management has not been nearly as effective as executives had hoped. Business intelligence, on the other hand, overcomes much of the cultural hindrances, and is far more likely to result in employee participation.

Q: What is your biggest challenge in dealing with your clients?

A: Generally, it has been our experience that clients who request our business intelligence services are already open-minded. While they believe they know their industries, they are also open to the fact that there may be changes of which they are unaware.

Accordingly, it is very rare a client does not learn some significant information from our investigations. So, our biggest challenges are twofold: getting the companies to train their employees in basic BI; secondly, it's explaining to those companies who believe in their internal information that there are significant changes of which they are unaware.

Q: How have you been able to quantify the positive affect that market intelligence plays in an organization?

A: When we first posited the idea that numbers might not be a useful tool for strategy in a changing world, an academic magazine asked us to quantify that position, which struck us as most amusing.

However, when our clients shift strategy or direction after one of our investigations, or when they decide to halt further investment in an idea in which they have already poured millions, or refrain from a planned acquisition or line extension, there is considerable savings that only the client can quantify.

So, while much of the positive effect we offer may be negative (not doing something), our research also always includes opportunities. This provides the company with new or different areas to monitor until they determine how they can apply this new intelligence.

Tip of the Month: Product Unboxings

Key Points:

- Product unboxings can be used by many different functions within an organization and can be a key competitive deliverable.
- Having an individual 'tagged' with the responsibility of competitive unboxings is critical for consistency and comparison across multiple unboxings.
- The *Photizo Group* recommends a nine step process for the unboxing process.

A company can learn much from a product unboxing, whether it is a hardware product or a software product. Engineers can learn about packaging type, ease of use, operator intervention, estimated product cost, new features and functions. Marketing and sales can learn about competitor's messaging and how competitive the product is to the current product line. What decisions can be made from carrying out an unboxing? The product engineers can decide if future designs will be state-of-the-art, marketing can decide if they need to improve messaging and pricing, and sales can decide the best way to attack the new product. And the legal department can note if any intellectual property issues may be raised.