Market Intelligence System (MkiS)

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- Successful business planning and development requires a good understanding of market potential, and of your capabilities against those of your competitors
What is a Market Intelligence System?

A Market Intelligence System (MkIS) is one that systematically gathers and processes critical business information, transforming it into actionable management intelligence for marketing decisions.
Benefits of an MkIS

- Market and customer orientation - implementing an MkIS will encourage people throughout the organisation to focus externally.
- Identification of new opportunities One company in a component industry identified a new trend before the ‘expert’ industry analysts.
- Early warning of competitor moves - through good intelligence, One chemical company thwarted the siting of a competitor's manufacturing plant in one of their most profitable sales territories.
- Minimizing investment risk - ongoing intelligence and analysis is more likely to temper unbridled enthusiasm to follow the bandwagon into those “mustn’t miss the window of opportunity” markets.
Benefits of an MkIS

- Better customer interaction - An insurance company downloads into their salespeople's portables up to date profiles, order history and relevant 'news bites', for the clients they are about to visit.

- Better market selection & positioning - good understanding of customer needs and competitor positioning will help a company better carve out its own unique niche.

- Quicker, more efficient and cost-effective information - establishment of a system will make information more quickly and easily accessible. One company avoided the need for an expensive piece of market research by tapping into its existing MkIS.
Key Elements of an MkIS

Information

- A continuous flow of information is the lifeblood of a good market intelligence system - information about new technologies, markets, customers, the economic and regulatory environment etc.

- Both formal (routine reporting, factual) and informal information (gossip, opinions) must be tapped.
Key Elements of an MkIS

- **Information Management Processes**
  With many professionals having external information delivered to their desktops, from online services such as Reuters or MAID, and increasingly from the Internet is easy to believe that users have all the information they need on tap.

- However, this is raw information and will need transforming into intelligence. Before that,

- however, this information must be classified, stored and made accessible - applying good practice principles of Information Resources Management (IRM).
Key Elements of an MkIS

- Intelligence Development Processes
  - A good intelligence system is more than information.
  - It is a recurring cycle of linking the needs of decision makers to the processes of turning the information into actionable intelligence.
Key Elements of an MkIS

- This requires human interpretation, communicating and sharing of information and perspectives between internal and external experts.
Key Elements of an MkIS

- **Computer Systems**
  A comprehensive MkIS will combine many of the features of decision support systems, EIS, online databases and library systems. It is therefore likely to include many of the following:

  - **For gathering information**: CD-ROMs, online database access, data feeds, email, Internet access, filters, intelligent agents etc.
  - **For storage and retrieval**: Database/document management facilities, text retrieval, search engines, intelligent agents.
  - **For processing and analysis**: modelling and visualisation software, groupware, group decision support systems (GDSS)
Key Elements of an MkIS

An Organizational Focus

- Although many professionals do much of their own information gathering and analysis, there still needs to be a clear focal point of MkIS responsibility.

- This may be a named individual or a small group who have the distinctive skills needed (such as those promulgated by *SCIP - the Society for Competitor Intelligence Professionals*).

- Its role is to ensure a cohesive approach and effective interdepartmental co-ordination.
10 Steps to success

- Define the Customers.

Always a good place to start! For MkIS there are usually three distinct groups of customers who will need different solutions:

- **Field Personnel** e.g. sales and service - their needs are immediate and specific: "I want the price of product X for competitor Y ... and I want it yesterday!"

- **Marketers and planners** - more strategic but focused; market and product trends to develop marketing plans and adjust the mix - pricing, packaging, promotion etc.

- **Board level management** - strategic and broad; general industry and market developments that affect investment and other strategic decisions.
10 Steps to success

- Understand Needs
  - A common starting point is an information audit, a detailed analysis of information entities - their origins, uses, and formats.
  - However, we would advocate a less onerous and more focused approach - the study of your customers' work and decisions, using structured interviews (taped if possible), focus groups etc.
10 Steps to success

☐ Map Needs against Decisions & Sources

- This will list information originators and users, sources required and decision supported.

- It will also identify high pay-off opportunities, for example where certain information has multiple uses.
10 Steps to success

- Implement a Sourcing Strategy
  - The source/needs map from step 3 will point to clusters of information needs that can give economies in purchasing.
  - For example, purchasing a networked CD-ROM may be more cost-effective than doing multiple ad-hoc online searches.
10 Steps to success

- Define Information Policies & Standards
  - Steps 1-4 will reveal, often to many people for the first time, the sheer wealth of information that is available.
  - This step therefore involves classification standards, ownership, life-cycle management standards and agreed 'protocols and procedures' between owners and users.
10 Steps to success

- **Select a Pilot Project.**
  - This is to create a 'quick win' to demonstrate the power of an MkIS.
  - Select a key decision process that involves people across several departments. Pricing can be a good one.
  - It is something that needs to be reviewed regularly and has direct bottom line impact - a 1% price change flows straight to the bottom line and can equate to more than a 10% change in sales.
  - The careful selection of a pilot cannot be overestimated. Pick the wrong one, and it be difficult to regain credibility.
10 Steps to success

- Select & Adapt Appropriate Technology
  - With the selected pilot project acting as a focal point,
  - now is the time to start detailed consideration of the computer solution.
  - The choices are bewildering, and are proliferating daily. Therefore, selecting the right solution may need the involvement (or even the approval) of your MIS department - but make sure they are well-tuned into end-user computing styles (as opposed to the "we'll give users access to the Internet over my dead body" brigade - exact words recently relayed to me by an MIS manager).
10 Steps to success

- Nurture the Intelligence Processes
  - This requires encouraging interaction across departmental boundaries and sub-cultures.
  - Therefore, the creation of events and forums to encourage this interchange is often a useful starting point.
  - Advanced MkIS users extend their systems access to business partners and external experts as part of this process.
10 Steps to success

- Focus Dissemination

- Intelligence on the shelf - or buried in a computer - is of little use to anyone.
- It needs to reach those in decision making situations.
- This can be in the form of regular dissemination, an alerting service or responding to an ad-hoc requests to the intelligence base.
- Many MkIS departments issue weekly or monthly bulletins of key developments. These should be short and focused.
- They give company relevant and specific information that no external newsletter, with its generic coverage, can provide.
10 Steps to success

**Market the Capability**

- Good MkIS managers create two way interaction with their clients.
- Use all the techniques of marketing to reach your internal audience and consider carefully the incentives you can offer to encourage the regular inflow of useful information.
- After all the best intelligence is already probably lying somewhere within your own organisation.
- It comes from contacts made between employees and the outside world - marketing people at exhibitions, business managers at professional meetings, and perhaps, most important of all - salespeople on customer visits etc.
References

- http://www.skyrme.com/insights/9m_kis.htm