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Cover Stories:

Capturing Competitive Intelligence from Your Sales Force

Turning sales reps into your CI eyes and ears is good for you, and good for them. These tips can help you begin.

Ellen Naylor, Business Intelligence Source Inc.

For capturing tactical information and the market's reaction to your company's new products and services—or your competitor's—there is nothing comparable to your sales force. Who has a better incentive to know about your competition than the sales force, whose livelihood depends on "knowing better" to make the sale?

There is little cost in training the sales force on the value of competitive intelligence. What you need to "train" them on is that CI is important to help your company make smarter decisions about which products/services to develop. Developing the right products or services—whether internally or through acquisitions—will improve a sales person's product portfolio, satisfy customers' needs better, and increase a sales person's job satisfaction and commission checks.

As an example, at Bell Atlantic we tapped the sales force's intelligence when we considered acquiring Nortel's business in our region. At a corporate level, the acquisition made sense, but we wanted Sales' feedback, since they would be responsible for selling and maintaining this business.

So why aren't 100% of companies tapping their sales forces for CI? There are many reasons, but predominantly it takes a lot of energy to make this happen. Sales forces are used to reporting findings and results to sales managers, since this is how they are paid. They are not usually compensated for giving a CI professional "hot tips" on the competition. Executive support is often required to get this effort off the ground, and it is not always there. Some companies simply don't have the right culture to support the bridge of communication needed to enable this process, and to keep it alive.

Setting the Stage: Managing Expectations

You need to manage expectations both with your management team and the executives in charge of sales and strategy. This is not an overnight process, regardless of how motivated your sales force is, or how motivated executives are in lending their support.

This process takes about two years to get up and running (unless yours is a small company) not because it is so difficult, but because you are developing personal relationships, which takes time.

Technology can help you build, stay in touch with, and disseminate data and competitive intelligence, but it takes time for you to cultivate the right people and develop trust.

So, Who is in Sales???

You need to think broadly as you develop your sales network. Those in direct sales—sales, product managers, sales support staff, technical staff, sales managers—are obvious candidates. But what about the contracts negotiators, proposal managers, subcontracts managers, systems engineers, investor relations, advertising, public relations, analyst relations, purchasing and legal staffs? They all brush with sales and your customers, and can be a rich resource of competitive data.

Don't just look internally. Which consultants do you use to help answer RFPs (request for proposals)? Which consultants do your competitors use? Which industry analysts assist the company in product development? Do any of them help your competitors? Which equity analysts cover your industry? If your industry is regulated, there can be some knowledgeable regulators. Are there some sharp professors and researchers that focus on your business?

Stringing in the Sales Force

How do you make the sales force realize that what you are seeking is important, and not a huge time commitment? When I was at Bell Atlantic, I had access to numerous analyst reports. I was "on call" and happy to share what I thought they needed to make the sale. That was a good start in relationship building. As I developed my network, I had more human intelligence to share, which was highly valued by sales. Often enough, the source of intelligence was another sales person.

- **First Impressions Count!**

When I started working in CI, I visited all our sales directors, vice-presidents, tactical staffs, and product managers. This was well worth the investment of time: no amount of e-mails and phone calls could ever replace the rapport that was developed from these first contacts. I educated them as to why I needed their help, hypothesized as to how I could help them, and listened.

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- **What's in It for Your Sales Force?**

You need to deliver your sales force something that is valuable to them early on before they will reciprocate. Within a few months of taking the CI job at Bell Atlantic, I provided the sales force with the knowledge they needed to sell against competitors in the voice-communications area, which in the mid-1980s was our bread and butter.

You are continually selling to the sales force. So you need to make your presence felt, not only by providing them with intelligence, but also by being a contributor at key sales events. It is important to keep feeding sales with knowledge or they will not see the value of helping you. I fed them with new product competitor announcements that were brief and to the point.

If there was a major competitive product announcement, I would schedule a half-day session, and invite sales people to be educated about the competitor's new product either via teleconference or by attending the session on site. We would also mail videotapes to each sales group as a follow-up.

- **Organize Your Work**

You will really impress everyone you come into contact with if you remember something about them, and more importantly for you, how they might help you in CI. I maintain a database of names using a contact database. Unless you have a really good memory, you need a sortable database, since you need to contact people for their expertise, as well as send out CI based on their specific needs. This is even more important if you work within a group, since you will want to consolidate your contacts and share this database.

Create a CI brand so your work is readily identifiable. Recognize that CI has a short shelf life in the tactical sales world. Put a date on everything you send out. That way if it gets used, and it's old, they know it!

- **Treat Sales with Respect**

In many companies, sales people are not treated with respect. You will gain their attention often by simply treating the sales staff like decent human beings. Some people have been successful by making the submission of CI tips a game involving prizes, such as a nice dinner, a cruise, or a camcorder. Sales people love recognition, so this is often an effective way to kick-off a CI initiative with them. A write-up in the company paper or intranet can also go a long way to reinforce this process.

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- **What CI Processes Already Exists?**

Do your homework on what your company already does to enable CI. In most cases, account executives report some of this information to sales managers. Most sales forces conduct some form of win/loss. While it is often not detailed enough, it provides a base from which to work..

Other processes include customer satisfaction, tradeshow analysis, organization of competitor materials, and the rumor mill process that sales people are so notorious for.

Marketing research often is responsible for customer satisfaction. Which trade shows are in the "must attend" category? You should attend some, but you can also tap into your sales contacts to have them find answers to specific questions on competitors at trade shows. They are usually happy to help, since trade shows are often not their favorite marketing function.

- **Be Easy to Do Business With**

A great way to draw sales into the CI process is through the use of a hot line. You need to define very clearly how it is to be used. Typically, they call in with questions, which you will try to answer, and in the process, disseminate the response to all sales people or prepare a weekly/semi-monthly FAQ.
The hot line is also a good way to capture the sales force’s "rumor mill." However, be smart. Have them qualify the rumor by telling you when and where they heard it, and how reliable they think it is. Verification of these rumors can also be included in the weekly/semi-monthly FAQ or can be inserted on your company’s sales or CI intranet site.
Ask your sales people how they like to receive communications. This is an important cultural factor.
Be creative and think of different deliverables that will grab sales’ attention: early warning bulletins, new technology analysis, sales newsletters, new product announcements or SWOT (strengths, weaknesses, opportunities, & threats) analysis.
Be open to effective channels of communication between yourself and sales. Many sales people prefer to use the telephone. Be open to arranging informal impromptu meetings, since they often bear fruit.

- **Recognize Contributors**

Everyone likes a thank-you and some form of acknowledgment for their contributions, and sales is no exception. If it’s a major contribution, write it up on the company intranet or newspaper/magazine, depending on which gets read more in your company. A letter to the boss never hurts. When at the annual sales conference, thank everyone, but especially acknowledge the major contributors. You have their full attention, as well as their bosses’.

Barriers to Success

The sales force may be unclear as to what you need from them. There may be a lack of sales management commitment, which means you won’t get CI from sales. It is imperative to make the sale to sales managers if you want the sales force to cooperate.
Another common barrier is the lack of a feedback loop. Since yours is a dotted line relationship with sales, at best, getting the communication to flow is a big deal. There certainly is no shortage of communications channels in today’s hi-tech world. However, there is a shortage of time to be responsive. With one of my clients, each sales person has an average of four phone lines: one at the office, one at home, the cellphone, and the pager. I communicate with them via e-mail, since this is their preference.
Some people complain that sales response is too slow for those decisions that need to be made quickly. This is an area where we need to manage executive expectations. You are paying the sales force to sell, not to be drawn into corporate firedrills. While you have a few people in your network that you can call for those quick response items, you don’t want to involve the whole sales force.
Sales CI may be viewed as too tactical for corporate decision-making. Most of it *is* tactical, and is best left for tactical decisions. Sales CI can be used over time, however, to track trends in the marketplace. A good win:loss analysis is very valuable to senior management for this reason.

Conclusion: Why Tactical CI Is Essential

The feedback loop with sales is costly to create and maintain. It takes an incredible amount of time to be responsive to sales. This is due to the short CI life in the tactical world. However, if your company has the commitment to be the best, tactical CI is essential. Your sales people need to be armed with current, accurate intelligence on the competition to sell against them.
(Look for Part II in an upcoming edition of Competitive Intelligence Magazine.)

Key Steps for Dealing with Sales

- Treat sales with respect.
- Let sales know "what’s in it for them" by helping you.
- Identify a key deliverable early on, and produce it for sales.
- Be organized: log names, skills and needs into a sortable database.
- Take advantage of existing sales or marketing processes that complement CI.
- Be sensitive to your company’s culture.

- Be an effective communicator.
- Recognize contributors .
- Keep feeding sales with competitive scoop.
- Be easy to do business with.
- Stay visible with sales.
- Be a good listener, yet sell!

Sidebar
Notable Quotes on Enlisting the Sales Force

"At Xerox, we have a Competitive Hot Line for our sales people to phone in competitive information. We use our sales force to identify where the competition is located, who our potential customers are, what industries they're in, what applications they have, and even why they bought from the competition.

"Here's an example of how important these 'eyes and ears' are. Early last year we received competitive information indicating that a competitor was planning, for the first time, to offer service on Xerox products. One of our competitor's service reps told one of our service technicians that he was being trained to service our products. Our service rep went to his manager and that information was passed up through the channel into the Competitive Intelligence group.

"We verified the information with about three additional clues, one of which was rather obvious – an ad the competitor had placed in the classifieds for people with Xerox product experience. This allowed us to announce a counter-strategy as the competitor was about to announce its new service strategy."

-- Judith M. Vezmar, Vice President, U.S. Customer Operations, Xerox Corporation ("Competitive Intelligence at Xerox," *Competitive Intelligence Review*, vol.7, no.3, Fall 1996)

"The key for us was executive leadership, getting dedicated teams focused on the companies we felt were going to be our strategic competitors for the long term. Because of our size, our challenge has been to create a cross-functional team because to have an intelligence environment that works, along with sales and marketing we have to include R&D, we have to include our services organizations. And, to avoid being just theoretical, we have to make sure the field operations are brought in. We have immediate feedback from our field organizations as to what the competition is actually doing in the marketplace versus what we might read in the newspapers that they're *going* to do."

-- David Thomas, General Manager, IBM North America ("Understanding the Competition: The CEO's Perspective," *Competitive Intelligence Review*, vol.7, no.3, Fall 1996)

"Most of our intelligence at Johnson & Johnson Medical comes through our interaction with our customers, and through our field forces searching the literature, looking at changes in management, partnerships, licenses, etc."

-- Thomas M. Gorrie, Worldwide Franchise Chairman, Johnson & Johnson Medical Inc. ("Understanding the Competition: The CEO's Perspective," *Competitive Intelligence Review*, vol.7, no.3, Fall 1996)

"We capture information on our competitors, as well as information on what's happening in the industry, and try to use it to our advantage. We collect CI information in many ways. Especially our sales and marketing folks are a big resource. We actually have incentive programs for people that help us gather and find useful bits of information which we can use in our competitive analysis."

-- Hans Gieskes, President & CEO, LEXIS-NEXIS Group ("If CI Isn't Part of a Corporation's Strategy, Then It's Just an Interesting Exercise," keynote presentation at the Fourth Annual SCIP European Conference, Amsterdam, November 3, 1999, adaptation forthcoming in *Competitive Intelligence Review*)

"One of my favorite incentives was at Fidelity. To help their sales force with CI, they created a "Jeopardy" game. They gave the sales force a lot of information prior to the sales meeting. Then, at the sales meeting, they played "Jeopardy" to allow the sales force to see how much of this they actually absorbed. They have a lot of fun with this game at the sales meeting. The sales people like the process and it helps institutionalize CI issues."

-- John Prescott, Professor of Business Administration, University of Pittsburgh ("Leveraging Information for Action: A Look into the Competitive and Business Intelligence Consortium Benchmarking Study," *Competitive Intelligence Review*, vol. 9, no.1, Spring 1998)

***Note**: positions/affiliations as of the dates when the above-referenced articles were published.*

Related Reading

Berger, Amy (1996). "How to Support Your Sales Force with Competitive Intelligence," *Competitive Intelligence Review*, vol. 7, no. 4 (winter), pp. 81-83.

Cain, John (1998). "Supporting Field Sales with Competitive Intelligence: AT&T's Intranet," *Competitive Intelligence Magazine*, vol. 1, no. 1 (April-June), pp.16-18.

Ellen Naylor has been a CI professional since 1985 and has held corporate marketing positions in the retail, transportation and telecommunications industries. She initiated Bell Atlantic's centralized CI effort for commercial marketing and conducted financial CI at Northwest Airlines. In 1993, she formed Business Intelligence Source, Inc., which helps clients develop business intelligence processes, such as early-warning systems and ways to capture competitive intelligence from sales forces. She also conducts seminars and provides market analysis, which can include value chain analysis and competitive intelligence to support product development and acquisition activity. Ms. Naylor was a founding member of Minnesota SCIP, is a Catalyst Award winner, and is a former member of SCIP's board of directors, where she led global membership. If you have questions or comments, she may be reached by e-mail at answers@thebisource.com, or by calling +1 303-838-4545.