



Strategic Space Development

Business Development Secrets to Success

Competitive Intelligence: Mining the Internet

Special points of interest:

- Learn new competitive intelligence techniques
- Understand how the internet can be your single most powerful tool for competitive intelligence, and your greatest vulnerability
- Discover techniques to exploit the internet for competitive gold

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The Need: All businesses need and use competitive intelligence (CI), which consists of information melded with experience to produce context for interpreting competitor behavior, predicting their approaches and strategies, and understanding their thinking. New business efforts and proposals should always be based on early and accurate competitive intelligence. Unsuccessful proposals and new business thrusts often lack timely competitive intelligence, or even worse, rely on inaccurate or incomplete information. Having bad CI is even worse than the prospect of having none. Clearly, the need for accurate information and CI is critical.

Sources: Competitive intelligence is obtained through various means including open source information, development of sources within the industry, and targeted intelligence gathering. Experience shows that competitive intelligence based on open source information gathering is more than adequate in 90% of cases. Limiting information gathering to open sources avoids the legal and ethical implications of more direct and targeted collection methods. Information gathered from open sources may also introduce fewer CI errors since directed

gathering methods and human sources can generate false information, either deliberately or due to false interpretation.

RUMINT: One of the least reliable and least advisable approaches to gathering CI is a reliance on rumors. Such information, often labeled RUMINT (short for Rumor Intelligence) is notorious for being inaccurate. Consider the experiment that most of us experienced in grade school. The teacher whispers into the ear of the first student that “Ronny has a lot of money.” This information is then passed mouth to ear between each student. By the time that it gets to the final student, the message becomes “Randy had a mummy in his house on First Street.” The transcription errors are compounded by the human tendency to add or subtract message information. Further complicating RUMINT is the loss of context from the original source, as well as the possibility that the information is in fact disinformation. Shrewd practitioners of CI can plant false information to mislead competitors.

Organizing Efforts: Every business has a need for CI, and organizations have various means of



Competitive intelligence enables one to better estimate the strength of competitors, divine their approach to a procurement, and explain their actions.

gathering this information. So-called “hired guns” exist to anonymously gather and analyze CI. Larger corporations will have teams of people dedicated to the development of CI. Smaller companies tend to rely on industry sources and more informal information gathering.

The payoff of an organized CI operation is high enough for all organizations to justify the effort and expense of such an effort. Consider how much money is spent pursuing new business opportunities; aerospace companies spend an average of 10% of gross revenue on new business. Accurate and timely CI will generally improve the revenue yield on this investment.



Accurate and timely competitive intelligence will generally improve the revenue yield on business development investments

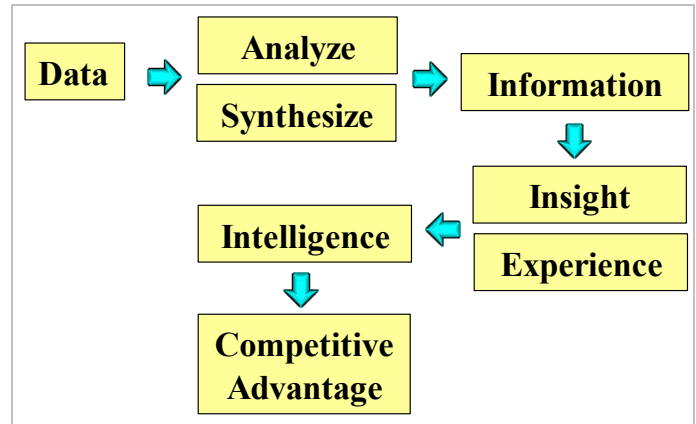
Competitive Intelligence (Continued)

Based on experience, CI consumes less than 5% of new business resources but can be expected to improve win rates by 20%. The resulting savings can be substantial.

Competitive intelligence improves bid/no-bid decisions and win strategies when expensive proposals are undertaken. Improving the return on investment for both of these key activities will substantively improve the bottom line revenue generation and take-home profit.

In all cases, CI enables strategic business analysis to provide answers to questions confronted by a business. In order to answer strategic business questions, we truly need “intelligence” and not just information. Often, businesses don’t recognize the full spectrum of competitive threats, or who they compete with and why. For example, many large companies consider the competition offered by “big corporations” but not that of small companies wanting to take their business. Good CI can bring this potentially fatal error to light.

Another threat may not be a company, but a new regulation or market trend. CI can bring to light other threats like this, and if done in a proactive manner, can give your company the ability to develop counter strategies. CI efforts should include tracking of competitors, new technologies, market trends, government regulations, and government and commercial contract awards.



CI Process: The CI process is not a random gathering of information to form a competitive picture. Effective CI efforts start with a requirement for a specific set of information. This requirement may be to validate or invalidate rumors, to perform due diligence on competitors for a procurement, or to investigate the capabilities of competitors. Once the requirement is determined, specific information is identified and targeted. A collection plan is implemented and the information is gathered. Once gathered, the information is synthesized with experience to produce a competitive picture.

Information for the Taking: The internet has become the most important storehouse and conveyance of information in the world and is a gold mine of competitive intelligence.

Internet-based open source intelligence is a perfect compliment to other sources of information such as colleagues, CI professionals, conferences, open literature, news, press releases, government procurement awards,

and government regulatory filings such as those required by the SEC.

Company Web Sites: It has been our experience in working with our clients that there is generally enough information on the internet and in the public domain to provide significant CI on most companies. In fact, most of this information is deliberately placed in public domain areas of a company website. By practical necessity, companies place CI on internet sites to promote new capabilities. However, information is occasionally misplaced in publicly accessed areas and can be of enormous value.

When you search through a company’s web site, be sure to look at all areas, explore all links, use the search engines, and explore the root directories if available. Also view the company’s press releases, job announcements, company newsletters, and annual reports. All of this information paints an interesting profile of the company and will tell you quite a lot.

“The CI process is not a random gathering of information to form a competitive picture.”



Competitive Intelligence is about strategic business analysis that answers questions

Competitive Intelligence (Continued)

Companies will often talk to local press about business matters that they will not normally release to industry press, so make sure to check local press reports and links to local stories. A company's web site is the first place to start any CI information gathering exercise, but many other places can yield orthogonal and valuable information.

Investor Relations: All publicly traded companies have to be concerned about investor relations as well as SEC filings. In both cases, substantial amounts of information can be disclosed. Consider that the SEC requires full financial disclosure from a publicly traded company, and that this information will paint an immediate and accurate financial picture of the company. Other details regarding contracts and profitability will be available in these documents.

Investor teleconference transcripts are often posted on the internet and offer a wide variety of interesting data. Investors will often ask very direct questions of the top company executives, and their answers may reveal important information about recent wins or losses, new products, and strategic plans for future activities. This category of information is often overlooked and can contain a treasure trove of information.

Conference Publications: Conference publications are often available on the internet, along with abstracts and attendance

lists for conferences and briefings for industry. These documents often provide clues to a company's activities, research interests, on-going contracts, and general capabilities. This information is also extremely valuable in assessing the professional interests of key executives and sales targets in companies that you may be selling into.

Blogs and Industry Sites: There are many internet sites dedicated to denigrating companies and publishing dirt on the latest inner workings of organizations.

Websites such as f***edcompany.com routinely publish corporate memos and email from top company executives, which have been posted by disgruntled employees. Other gossip blog sites and investor chat sites contain extraordinarily valuable information and should not be overlooked.

Search Engines: Never underestimate the power of a properly wielded Google search. When searching for items, try logical associations of terms.

Another good technique is to associate the company name with file extensions like .ppt and .pdf. The results might surprise you. Also consider searching for combinations of words in different orders, and use different search engines. It is interesting to note how different search engines will find information differently.

The Way Back Machine: The so-called "way back machine" at www.archive.org contains a historical archive of web sites across the internet. Once information is placed on a web site, it is available forever. As soon as web sites are placed on the web, web spiders crawl through every bit of information on the site and archive it.

This can provide a wealth of information for CI professionals and lawyers alike. In terms of CI, this information will yield an accurate picture of the way companies present themselves, as well as some of their past clients, organizational changes, and contract awards.

Lobbying Reports: All lobbyists are required to disclose lobbying activities. These reports are contained on the world wide web.

A good site to view lobbying reports is sopr.senate.gov. This site enables a search of lobbying reports by lobbyist, company, and client. Understanding what large and small companies are lobbying for is an important tool to understanding their major concerns.

Operational Security: The internet is a good news/bad news scenario for all organizations. The good news is that it speeds up communications, opens advertising to all the world, and offers unmatched opportunities to provide information to would-be customers.

The bad news is that it provides an unparalleled risk to corporate information security. A good information technology security plan coupled with sound information security processes practiced by personnel will remove 80% of the risk.

The remaining risk to information security results from resource limitations coupled with the need to convey information to customers, shareholders, investors, and potential business partners.

One of the largest risks to CI is email. Email, once sent, is never secure and can easily and readily be spread to your competitors or be intercepted. Never send sensitive information by email and consider adding a general expiration date to all email. This capability is easily accessed in Microsoft Outlook.



"The internet is the great equalizer between large and small companies."

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Strategic Space Development is a business development consulting firm specializing in aerospace and defense sector business and competitive intelligence. Strategic Space has many top drawer clients in the high-tech and aerospace sectors, and works with companies to grow revenues, identify and pursue new business opportunities, and make sound strategic decisions. Our efforts focus on working the client factors that increase the probability of winning new business. SSD's staff hails from DoD and civil space backgrounds and has a breadth of business and engineering experience to work across the large domain of technical sales and strategy considerations. SSD also offers professional development courses in the business development, competitive intelligence, strategy development, and engineering disciplines.

Strategic Space Development Delivering Increased Win Probability
www.strategicspace.net and www.bdcourses.com

Business Development Courses Offered in Las Vegas

Join us in Las Vegas May 24, 25, and 26 for a business development seminar. This course is an ideal way to hone your business development skills and to get an overview of the business development process as it applies to the aerospace and high-technology industries.

This course is meant for both experienced business development professionals and those new to the profession. The curriculum focuses on:

- ***Understanding the sales process***
- ***Developing the new business funnel***

- ***The role of marketing and brand generation***
- ***Developing competitive intelligence***
- ***Proposal strategy development and execution***

The cost of the course is \$1,500 for early registrants (one month before seminar) and \$1,800 for normal registration. Group and client discounts are available. Space is limited so be sure to make your reservations early. Contact Adrienne Smith at 435-232-7768 or adrienne@strategicspace.net to reserve a spot.

Additional courses and dates are also offered. Please visit our website (www.bdcourses.com) for more information.

We also offer courses on-site at your place of business. The advantages of an on-site course include lower course costs, elimination of travel time and costs, and wider exposure.



This course emphasizes an overall understanding of business development processes and techniques fundamental to your success.