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The Making Of A High-Impact Market Intelligence Function

A Best Practices Case Study: Dow AgroSciences Global Competitive Intelligence

Part Five of a Five-Part Briefing: Creating Knowledge Environments—The Convergence of Culture, Technology, User Applications and Content



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Introduction

During February and March 2000, Outsell analysts interviewed managers responsible for market research, market intelligence, competitive intelligence, business intelligence, consulting, and corporate library functions to gain insight into the state of today's corporate intelligence function.

As part of this study, we interviewed a total of 42 individuals representing 37 different companies across eight industry sectors, including:

- Technology (hardware, software, networking, and peripherals)
- Telecommunications (equipment and services)
- Pharmaceuticals and Biotechnology
- Financial and Insurance Services
- Aerospace and Defense
- Chemicals
- Healthcare
- Automotive

Through telephone interviews and site visits, we obtained in-depth insight into the market intelligence practices of some of the world's most respected industry leaders.

In this series of five Briefings, we have discussed what it takes to build a high-impact market intelligence function by bringing to light some of the best practices we observed. In so doing, we have tried to give those of you who lead market intelligence functions an opportunity to compare yourselves with benchmark firms and identify successful practices for you to test in your own firms. Likewise, we trust that those of you who serve corporate intelligence functions have a greater appreciation for the state of the function and the needs, issues, challenges and trends to which you need to be sensitive, in order to better serve this community of professionals.

In this fifth and final Briefing of the series, we examine how Dow AgroSciences, a subsidiary of The Dow Chemical Company (see Appendix for Dow Overview), blended culture, content, technology, process, and people into the creation of a market-savvy intelligence function—a function that today stands as a best practices model for both intelligence leaders and suppliers.

A final note before we begin. Intelligence functions are increasingly assuming broader *market intelligence* responsibilities. (After all, it's impractical to speak intelligently about the competitive landscape without the necessary market context.) Although Dow AgroSciences gives the label "Global Competitive Intelligence" to the function featured in this Briefing, the function's responsibility spans the entire industry landscape, of which competitive intelligence is an integral part. With this in mind, we use the terms "market and competitive intelligence" and, more generally, "intelligence" to describe the broader body of information that overarches what has traditionally been called market research and competitive intelligence.



Model of Success

Bottom Line ►

A successful, efficient, high-impact, highly valued market intelligence function doesn't just happen – it comes from vision, focus, leadership, and strategy as much as from information, systems, and process. Dow AgroSciences is among a handful of companies we interviewed that applies the five fundamentals of a best-in-class intelligence function: focus and appropriate resources, an aligned and integrated business model, a meaningful value proposition, efficient information management processes, and market-driven management practices.

Why this Case Study?

During our interviews we spoke with numerous intelligence professionals and found best practice model *components* in every intelligence function. While some functions excel at creating value-add content, others shine in organizing and integrating intelligence activities, and others are ahead of the curve in effectively deploying market intelligence within their organizations.

We chose Dow AgroSciences because it represents one of the most holistic marketing and competitive intelligence functions we found. Dow AgroSciences is among a handful of companies we interviewed that excels in multiple practices. While its intelligence leader readily admits there's work to be done, the organization offers an excellent profile for how one organization, beginning with meager means, built a best-in-class intelligence function that today serves hundreds, if not thousands, of decision makers in Dow AgroSciences.

About Dow AgroSciences

Dow AgroSciences (DAS) is an industry-leading global company that provides pest management, agricultural and biotechnology products. The company is supported by more than 6,000 employees in 50 countries, and has worldwide sales of more than \$2.3 billion.

DAS began as a joint venture in 1989 between the Agricultural Products Department of The Dow Chemical Company and the Plant Sciences business of Eli Lilly and Company, resulting in the creation of DowElanco. In 1997, The Dow Chemical Company acquired 100 percent of DowElanco and the new wholly owned subsidiary was renamed Dow AgroSciences in 1998.

The company offers over 100 products targeted at major agricultural market segments including corn, cereals, soybeans, cotton, rice, fruits and vegetables, horticulture, turf, ornamentals, range and pasture, forestry, and rights-of-way management, in addition to urban pest control.

Recent DAS acquisitions and joint ventures include Rohm and Haas Company's Agricultural Chemicals Business (pending regulatory approval), Cheminova Agreement (JV), Acetochlor Herbicide, and Cargill Hybrid Seeds.

The Business Challenge

How does an organization capture knowledge? What's more, how does an organization manage, deploy, and apply that knowledge? It's been said that over 80 percent of corporate America's business knowledge resides in the minds of employees—a huge untapped asset. Organizations that capture knowledge and effectively apply it can gain competitive advantage and market share.

Underlying Dow AgroSciences' business challenge was a corporate initiative to collect and disseminate information that it believed would play a leading role in shaping the business landscape. This initiative, along with several internal and external market factors, precipitated DAS to evaluate a market and competitive function.

Internally, a 1997 corporate reorganization had pushed decision-making to lower management levels in the organization, creating the need for better, more timely information distributed to a broader and more heterogeneous user audience. Intelligence wasn't just for executives anymore.

Externally, increased competition, industry consolidation, and margin pressures caused by trends in product commoditization created the need for both tactical and strategic competitive and market intelligence.

While throwing a technology- or content-only fix at the problem may have been tempting, DAS leaders resisted. Instead, they looked at the factors that influenced—and that would be influenced by—its solution. These factors included people who had other jobs to do besides collecting intelligence, resource issues like budget constraints and limited staffing, vendor negotiations, and volumes of digital content from potentially hundreds of internal and external sources.

Its business challenge then, was to build a function to capture market and competitive intelligence—from *both* internal and external sources—and deliver it to strategic and tactical users when and how they needed it. Several key elements—culture, content, technology, process, and people—would ultimately drive the design of DAS's future intelligence function.



The Changing Landscape

Bottom Line ►

Industry consolidations; market corrections; the dot.com implosion; cost management initiatives; new market, product and technology opportunities; and constantly changing business and customer needs have created an environment that for some organizations is teeming with uncertainty. For others, however, the changing landscape is part of the natural order, full of opportunity.

What then, distinguishes the former from the latter? In short, market intelligence. Companies like Dow AgroSciences, that know how to capture and use the intelligence that resides within and outside of their organizations, aren't being unsettled by these changing landscapes—they're shaping them. The tools they're using—the market intelligence drivers—include the Internet and accountability.

The Internet

The Internet has fundamentally changed the way intelligence professionals do business *because it's changed the way their users get information*. Today, information users have desktop access to countless sources. They can serve themselves. What they don't have is extra time. What they want is synthesis and analysis—a finished intelligence product—not raw materials that require more time to interpret and publish.

That said, don't assume that throwing a technology- or content-only fix at the problem is the answer. Intelligence professionals must be able to distinguish the Internet (the vehicle) from what's really important—the information content that's accessed, shared, analyzed, and disseminated with it. Outsell research shows that finding and accessing content is an information user's biggest problem. The “post-it-and-they-will-come” attitude has few angels to support the function that expects users to use, much less find and access, content just because it resides on some Web-based system in the company. Rather, as we will see in this case study Briefing, a sustainable solution integrates company culture, content, technology, processes, and people.

Accountability

We're used to hearing about a company's “accountability” to its shareholders or investors. More recently, however, accountability has been a term used around the water cooler in discussions about individuals' relationships to one another, their workgroups or departments, or their organizations. As the landscape changes, corporate business models are changing, and decision-makers are demanding higher levels of accountability from all functions, especially staff/support functions like the intelligence function. Accountability is fulfilled in two ways: value-add, and return on investment or ROI.

Value-add

The Internet, and how information users use it, has created the new standard by which intelligence functions will be measured: value-add. Value-add is no longer an option. Decision-makers want relevant content delivered just in time in a ready-to-eat package.

Successful intelligence professionals have embraced their future as providers of value-added information/knowledge services. They don't just respond to users' inquiries, they're proactive. They anticipate their users' needs rather than waiting for the next request.

Return on Investment

Market-savvy intelligence professionals know that in today's business environment the need for solid metrics to substantiate return on investment (ROI) is not only imminent, it's essential. However, even best-in-class intelligence functions realize they are operating without fact-based measures of their performance, value, and contribution to the corporation. As a result, few can demonstrate their effectiveness in serving end-users' needs, or quantify their value, contribution, and/or ROI to the company that funds them. As internal departments are held more accountable for being competitive and productive entities, pressure will come (and already has in many environments) for solid evidence of contribution and success.

Best-in-class intelligence functions are just now beginning to employ processes that close the distance between information collection activities and the tactical and strategic decisions those activities impact—what we call the “value gap.” Firms that successfully navigate the gap are better positioned to deliver higher value-add and, ultimately, higher business performance.

Dow AgroSciences is one such organization that, with the right people, has created the right tools and the right processes to narrow the value gap and play an active role in landscaping the biotechnology industry. Now, let's take a closer look at Dow AgroSciences, and the business challenge that impelled it to evaluate and build a new corporate function entrusted with establishing competitive intelligence as part of the company culture.



An Aligned and Integrated Business Model

Bottom Line ►

Earlier attempts to solve Dow AgroSciences' business challenge had been marginally successful. They didn't "stick" because they were not continually reviewed and updated, and thus could not remain aligned with the company's strategic objectives. What's more, prior attempts were (you guessed it) technology- or content-only fixes, disintegrated from other critical processes and elements that comprise a sustainable solution. Two factors would shape the solution to come—alignment with company objectives, and entrepreneurial leadership.

Alignment with DAS Strategic Corporate Objectives

Success would depend on alignment and integration with three strategic corporate objectives.

Strategic and Tactical Analysis Needs

First, the function would need to support DAS corporate strategic planning with *strategic* analysis, and DAS business operations (particularly local sales teams) with *tactical* analysis. On a strategic level, its intelligence function would have to cover all major regional competitors through in-depth analysis, including pro forma income statements and SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. Tactically, the function would have to effectively field, capture, and manage thousands of daily news items from various external and internal sources.

Engaging and Integrating People into the Solution

In addition, the function would have to engage company employees in the importance and practice of sharing market and competitive intelligence. The saying, "everybody's a salesperson," probably applies to information gathering, as well. Everybody acquires and uses information, and everybody should share it. But taken literally, 6,000 employees would flood even an army of intelligence professionals. A process—one that would not only support but also motivate information exchange across DAS's global organization—would become a vital part of the function.

Content Integration

One can only begin to imagine the volumes of content generated by thousands of potential contributors worldwide, not to mention virtual libraries of external content from vendors. The function would need to manage internally generated content from DAS employee contributions, and integrate it with external content acquired from outside vendors.

Entrepreneurial Leadership

At this point, we begin to see the integral and prerequisite relationships between culture, content, technology, processes, and people. DAS had not yet made a corporate commitment to the function. It would be no small feat for DAS to carve out of the landscape an organization that, based on its strategic corporate objectives, would become a high-impact, highly valued intelligence function. The business challenge was multi-faceted, requiring a creative, multi-faceted approach to its solution. The next task was to creatively muster whatever resources could be found to prove the potential value of a DAS market and competitive intelligence function.

Through a self-described “skunk works” effort, two formative processes were established. The first process created a static, password-protected Intranet site to which information on select competitors was posted in HTML format. The second process assembled a group of DAS employees who *voluntarily* reported competitive activity, which was placed in a word processing document and then shared with the network on a weekly basis.

Outcomes from these processes bore fruit when skunk works intelligence was applied to—and markedly impacted—several key strategic company decisions. DAS senior management quickly recognized the value of competitive intelligence and initiated the process to create a formal global function responsible for collecting, analyzing, and disseminating competitive and market intelligence. This decision linked the now imminent intelligence function to the DAS strategic planning process. Then, by way of direction, senior management set the objective to “establish competitive intelligence as part of the company culture.”



DAS Forms Global Competitive Intelligence Function

Bottom Line ►

In 1997, information at Dow AgroSciences was, as in most organizations, widely dispersed among many different databases and employees. But limited access made the value of this information less meaningful. DAS needed to capture market and competitive intelligence—from both internal and external sources—and deliver it to strategic and tactical users when and how they needed it. In 1998, based on a foundation of DAS’s strategic corporate objectives, DAS created a new, dedicated function it today calls “Dow AgroSciences Global Competitive Intelligence.”

The mission of Dow AgroSciences Global Competitive Intelligence (GCI) is to provide all employees accurate and timely information on competitors and the market, which can then be utilized to establish a competitive advantage for Dow

AgroSciences. GCI manages the process of collecting information obtained internally and externally, and disseminates it to local DAS knowledge workers worldwide.

By design, GCI is helping the company increase sales and profits, enhance customer service, and improve DAS business processes by providing information that allows the organization to take proactive steps to establish competitive advantage. GCI's vision is to make competitive intelligence an integral, natural part of the DAS culture.

The GCI Team

GCI is, in essence, a virtual team. Global Competitive Intelligence and Data Compensation Leader Mr. Bob Fowler and Competitive Intelligence Administrator Ms. Tracey Milionis lead and manage the entire GCI function. They were also the entrepreneurs behind the aforementioned skunk works project.

In addition to Mr. Fowler and Ms. Milionis, GCI enjoys active participation from a virtual, global network of "Focal Points." The Focal Point Network is comprised of individuals who, in addition to their functional responsibilities, serve as local information go-to persons, helping to ensure that published content is essential, new, appropriate, and accurate. The virtual team doesn't end with DAS's Focal Points. DAS employees—from sales and marketing to research and development—participate in DAS's intelligence efforts by collecting and distributing news and content to their Focal Points, or directly to GCI.

As extensions of its virtual team, Mr. Fowler and Ms. Milionis also became members of the Society of Competitive Intelligence Professionals, and studied profiles and practices of other companies' successful competitive intelligence functions.

GCI is located at DAS headquarters in Indianapolis, IN. The function reports to executive management, and supports the entire organization's competitive, market, and customer intelligence requirements. Operationally, GCI's highly integrated business model is critical to its success, helping to create intelligence links between GCI and DAS's five global business units, and the various departments and divisions within those business units.

The remainder of this Briefing will focus on how DAS built a best-in-class intelligence function. We will examine how Dow AgroSciences Global Competitive Intelligence, with a meaningful value proposition, efficient information management processes, and market-driven management practices, today delivers on its executive promises *and* engages record numbers of DAS employees in the daily practice of competitive intelligence.



A Meaningful Value Proposition

Bottom Line ►

Every great business opportunity has as its foundation a compelling value proposition that articulates who is being served, its offering, and how its customers benefit. GCI's value proposition has all these ingredients. What's more, its value proposition is well understood and supported by DAS senior management.

Who Is Being Served

Knowing customers' or users' needs means understanding the environment in which they do business. That environment—in this case, DAS's company culture—was GCI's context for understanding its users' information and intelligence needs, preferences, and behaviors.

Without an understanding of user needs, even the most elaborate, feature-rich offering will fall short because it won't get used and won't benefit its intended users. To identify user needs, best-in-class functions continuously ask these five key questions:

1. What types of information do my users need now and what will they need in the future?
2. How much time do my users spend looking for and analyzing information?
3. How do my users access the information they use?
4. What sources do they use?
5. How satisfied are my users with the information provided?

In sizing up its users' competitive and market intelligence requirements, GCI did its homework (without becoming burdened with complex user analyses and endless prototyping). GCI assessed its users' requirements using qualitative research methods, and gathered information about what information they needed, when and how often they needed it, how they wanted to access it, and so on.

Based on its findings, GCI concluded that most DAS employees wanted general agri-business information from reputable external sources. A relatively small subset of DAS employees—mainly decision-makers and strategy leaders—wanted specific types of intelligence derived from both internal and external sources. For this group, value-add was paramount.

The Offering

The offering is another key element of a value proposition. Applying an understanding of its users' needs in the context of the DAS culture, GCI began shaping the model for a global communications network to gather and disseminate information—a centralized location to report, record, and request competitive and market intelligence.

GCI's model called for a deliberate blend of information technology (IT) and information content (IC) that would enable it to deliver intelligence to its users how and when they wanted it. IT would involve a system for effectively facilitating the collection, storage, and dissemination of competitive information. IC would involve management of a complex mix of internal and external content, integrated, synthesized, and analyzed into ready-to-use intelligence products.

Together, IT and IC would make up the bulk of the communications network—the system—but the offering would not become the strategy. It would only be as good as the processes and people behind it. From the beginning, GCI set out to create a function that would integrate culture, content, technology, processes, and people. As we will see, GCI's function embodies all of these elements.

The Expected Benefits

The third component of a sound value proposition is benefit; specifically, how the offering promises to benefit its intended users. GCI wanted its offering to enable:

- More customer-focused, market-driven decisions, plans, and strategies.
- Quick response to customer and market demands.
- Early notification of competitor moves and market vulnerabilities.
- Minimization of investment risk.
- Enhanced customer service and stronger customer relationships.

With executive support, corporate objective alignment, a clear view of the landscape, and a compelling value proposition, GCI began designing and developing the centerpiece of its offering—a proprietary competitive intelligence system. The process would involve numerous options, decisions, and constraints—and the essential services of a strategic partner.



Efficient Information Management Practices: A Culture-Driven System

Bottom Line ►

Market and competitive intelligence functions in today's business environment share a common end goal: to get the right information to the right people at the right time. Best-in-class intelligence functions are making this end goal a reality by putting in place a clearly defined deployment strategy, supported by a set of information management processes that facilitate the accessibility of market intelligence.

In its effort to employ efficient information management practices, GCI faced certain constraints and opportunities. Limited IT resource availability, limited

budget, a global internal user audience with diverse information and intelligence needs and, of course, time, were among its constraints. Conversely, GCI had senior management's support, was working from a clean slate (no legacy systems), and had learned from prior attempts to identify pitfalls to avoid, as well as opportunities for innovation.

Central to GCI's deployment strategy was culture. Remember, DAS's chief goal – and GCI's mission – was “to make competitive intelligence an integral, natural part of the DAS culture.” Culture was the basis for how (and by whom) GCI's system would be built, and the system's specifications, integration requirements, content, and functionality.

Options and Specifications

Soon after its formation, GCI realized it would not be able to manage its increased information volume without a database. A plethora of options was considered. The Dow Chemical Company was (and is still today) considered a competitive intelligence thought leader. DAS could leverage its parent company's systems, but to meet GCI's requirements would require significant IT resources – something DAS did not have lying around. Alternatively, GCI could purchase a commercially available product, or commission a third-party developer to build a custom system. Various combinations were also considered.

GCI's chosen path may have been less clear had it not remained focused on its mission. GCI developed the following design specification criteria. The system must have or enable:

- Centralization of data with global access at the local level.
- Ability to capture information globally from employees about competitive activity on a local basis.
- Ability to monitor print media about competitive activities.
- Ability to assess a competitor's strengths and weaknesses without holding a large meeting or surveying a large number of employees.
- One set of assumptions about competitors to build business case scenarios across business units.
- Ability to monitor and track generic activity and pricing.
- Ability to access governmental filings.
- Ability to access investor reports.
- Ability to share information widely and/or narrowly within the organization.
- Ability to integrate competitive intelligence into business and functional planning processes.
- Reduction in duplication of efforts.

Using these criteria, an industry search ensued to identify “off-the-shelf” products that would meet GCI's requirements. GCI quickly determined that no

commercially available product met its requirements, including the ability to capture printed information along with information reported by DAS employees. Given budget and schedule limitations, internal DAS IT resource capacity and other constraints, GCI determined the most cost- and time-effective approach was to design and develop its own system—or partner with an organization that could do the work.

Strategic IT Partnership

GCI established a business relationship with Web FX Studios, a leading provider of digital technology solutions, to build an Intranet solution to meet its competitive intelligence network needs. Like GCI, Web FX Studios is a best-in-class company, named by the Indianapolis Business Journal as one of the fastest growing companies in the Indianapolis area. Its business model is aligned with its clients' needs; it has an articulate and compelling value proposition; and it employs market-driven business management practices for continuous performance improvement.

Web FX Studios would become a strategic development partner—not just an arm's-length contractor for hire. GCI wanted a development partner to collaborate on all phases of system development, from design to implementation to future enhancement support.

Web FX Studios' development approach was straightforward but effective. It wanted to build a system that was:

- Simple—easy to understand, use and manage.
- Focused—complementary to existing news portals and monitoring services.
- Adaptable—flexible enough to meet the intelligence management needs of more than one business unit or organization.
- Self managed—manageable by internal employees with no technical expertise.

Technology components included a database server, Web server, Web browser, e-mail system, Internet connectivity, and news services.

With Web FX Studios as development partner, GCI's Web-based competitive intelligence system was designed, developed, and tested in less than 90 days. The system was beta tested with a small group of Focal Points for usability. In addition, demonstrations were given to senior management to solicit feedback and promote the function. Feedback was transformed into modifications, and the system was officially launched to all DAS employees worldwide toward the end of 1998.

Integrating Technology with People, Processes and Content

Building a system with the aforementioned feature set was one thing. Getting individuals to use it—and contribute to it—might have been quite another without the creation of the DAS Focal Point Network.

The network breathes life into the system by integrating people, processes and content. Focal Points are like human conduits connecting local competitive activity and intelligence to the centralized Intranet, where it can be tagged and subsequently disseminated. Focal Points support GCI's first design goal: centralization of data with global access at a local level.

This people-processes-content trio focuses on local sales groups where use and impact is most immediate, identifiable, and measurable. The system utilizes a word processing method to record information, and e-mail to disseminate information on a weekly basis. Individuals who contributed information are recognized for providing valuable competitive intelligence.

Various types of functions serve as Focal Points, from sales people to administrative personnel to product managers. These are not full-time jobs, but augmentations of existing roles. Presently, DAS has 58 competitive intelligence Focal Points in the organization.

In addition to the Focal Point Network, other company functions, like the DAS Market Research group, integrate with GCI to serve DAS intelligence users. The GCI system hosts MR (market research) work-in-process, enabling and encouraging collaboration on primary research design (e.g., surveys). The system also hosts MR findings, conclusions, and other pertinent MR content, further integrating these separate but symbiotic functions in ways that benefit DAS users.

A System Rich in Content

GCI's Intranet is a rich and dynamic source of internal and external content ranging from short news items to detailed value-add analyses. It contains three databases or "rooms," each with its own purpose and levels of security.

Competitor News and Profiles

This room contains three types of content: Recent News, Competitive Profiles, and Key Account Tracking information.

Three levels of access are in place. Level 1 enables access by any DAS employee to all Recent News—printed facts from public information sources (to which GCI has paid distribution rights)—and Competitive Profiles. Users can search Recent News by date, key word, title, or full text. Articles matching a user's

search criteria include key word highlights for easier, faster reading. Advanced searching functionality and online templates are also available. Recent News is updated daily.

Competitive Profiles, available via Level 1, includes content about top multinational competitors, as well as generic competitors. Organized by competitor, users may access articles, press releases, personnel information, parent company information, and hotlinks to competitors' Web sites. Profile content is input once a year when competitors' annual reports are published, and updated throughout the year as new information becomes available.

Level 2 enables access to authorized users only—namely Focal Points and DAS management—via user name and password. Level 2 users have access to all Level 1 content in addition to sensitive intelligence pertinent to specific business areas. Examples of sensitive data include rumored information entered about competitors, and competitive profiles to which DAS value-add analysis has been added, such as competitors' strategy assumptions, pro forma financial statements, and the like. Level 2 users also have the ability to add intelligence data to the system.

Level 3 enables access to all data—official and unofficial, substantiated and unsubstantiated—by GCI management only. Because some Level 3 content is unsubstantiated, it may reside here indefinitely, never to be published. In addition to content, GCI's administrative tools reside in Level 3.

Key Account Tracking, accessible by Level 2 users, contains current strategic information about key distributors and analysis of major purchasing customers. Company profiles, alliances, organizational charts, contact information, sales history, competitors, and call reports are some of the information attributes available in this database.

Competitor Products

The Competitor Products database is populated with information directly related to the use patterns, formulation, chemical and biological properties, and cost and performance information of competitors' products. SWOT analyses also reside in this database. The Competitor Products room is available to Level 2 users only.

Global Market Research Library

This database, available with Level 2 access, contains summaries of market research studies, presentations, and supporting analysis. It also contains all active and proposed market research, including works-in-progress such as questionnaires, to minimize project duplication and allow users to potentially piggyback on planned studies and participate in the virtual design of DAS research. Information attributes include research titles, executive summaries, contact points, sensitivity and confidence ratings, competitors involved, and cost and vendor information.

Functionality

While system functionality is robust, it is also practically implemented—useful without being glitzy. The self-service environment enables users to find what they need, when they need it, without unnecessarily burdening GCI staff. And the less time GCI spends administrating the system, the more time it has to add value to the content on the system.

System Roles

The system's functionality supports four main user roles. The Director (Mr. Fowler) sets the directives for DAS's intelligence efforts, oversees system organization, and serves as chief analyst of all intelligence data. The Administrator (Ms. Milionis) manages content, access levels, and users. Focal Points (the information gatherers) collect intelligence and enter it into the system. Finally, Analyzers (the information seekers), analyze the information, adding value to it for better, faster, and more relevant decision making.

Content Management

Content in the system is formatted as a typical news article with a title, story, date, and source. File attachments such as spreadsheets, documents or photos can be uploaded and linked to articles. News articles are designated as fact (printed news), rumor, continuing rumor, or confirmed rumor.

Built-in Taxonomy

One of the most powerful functions of GCI's Intranet is content management, particularly the system's built-in taxonomy. Content flows through the system in a simple but deliberate way. Internal content is manually entered via browser by Focal Points, while external content (news feeds and monitoring services) enters the system via manual extraction from news providers. (A new feature is being developed which automates this process.) The Administrator monitors the incoming content, approves (or rejects) it, and using the built-in taxonomy, assigns the appropriate business attributes and access. The Administrator applies 75 decisions to each data point, ensuring proper classification. Once approved and tagged, the content is "live" and viewable by Analyzers.

Push-and-Pull Functionality

Another best practice function is the system's inherent intelligence exchange process or push-and-pull functionality. The system provides users with easy access to the database. They can acquire, or pull, their own content from the system and push relevant information to key managers through GCI and Focal Points. Relevance is added because users do not perceive it as a global database, but rather a series of local databases that are useful and relevant on a local level, and whose sum total creates additional value.



Market-Driven Management Practices Mean Best-in-Class Performance

Bottom Line ►

It is abundantly clear that best-in-class market intelligence functions are managed by professionals who role-model market-driven behaviors. They employ practices that ensure the market and competitive intelligence function is: appropriately focused and aligned in support of the corporate agenda, in touch with targeted end-user needs, delivering value and ROI to the organization, continuously innovating and improving, and evangelizing its offering.

Overall, best-in-class intelligence functions proactively manage the market intelligence function with focus on planning, product development, marketing, human resource development, and performance management. Specific management activities we found to be critical in this regard are:

- Alignment of functional and personal goals with corporate goals and objectives.
- Systematic, fact-based feedback loops that measure, monitor, and continuously improve the product/service offering and performance of the function.
- Role-modeling of market-based behaviors.
- Continuous improvement and innovation.
- Demonstration of value, contribution, and ROI to the company.
- Ongoing marketing efforts (positioning, packaging, publicizing, etc.).

Most intelligence professionals acknowledge the above practices are critical to their sustainability, yet readily admit that these activities are difficult to put into place for their own functions. Most are in a conscious state of awareness (i.e., the “we need to get better at this” stage). However, some, like DAS’s GCI, have employed certain business management, marketing, and performance management practices to sustain their business models and ensure high user satisfaction and loyalty.

Business Management Practices

Best-in-class intelligence function leaders recognize the need for more systematic practices like strategic planning, information product development life cycle planning, and relationship development and management.

GCI is run “like a business.” Mr. Fowler’s team has all the necessary components to run a business—formal vision and mission statements, a clearly defined strategy and value proposition, systems and processes, and skills.

As noted earlier, GCI is closely linked to DAS's internal strategy development process. To establish the link, it first had to understand its own business model, and how it could contribute to the greater process. Development of strategic functional plans addressing key activities, and improvements and innovations for the group to undertake in support of corporate goals/objectives, are other business management practices employed by GCI.

Evidence of its business management practices is found in the numerous ways in which GCI contributes to the intelligence needs of DAS. For example, underlying GCI's product and service offering—Competitor News & Profiles, Competitor Products, and Global Marketing Research Library—is strategic and product development planning. And behind GCI's Focal Point Network is its mission to make competitive intelligence a part of DAS culture.

Marketing Practices

In general, most market intelligence professionals seem to be shy about marketing their products, services, skills, and capabilities. Their humbleness is a detriment to their function. Users are frustrated with increasing information needs, but they're not exactly sure of where they should turn to get those needs satisfied. (In end-user studies Outsell conducts on behalf of clients, we all too often find a huge gap in awareness of just what products, services, and support are available to the end-user community within the corporate environment.)

The need for market intelligence is at an all-time high, and now is the time to break the cycle of frustration on two fronts—on the part of end users who don't know what internal support is available to them, and on the part of intelligence professionals who are not being recognized and fully utilized as valuable resources.

While GCI has excelled in this regard, it also recognizes the need to do more. Visibility, making its services tangible, tailoring its messages, and using attention-getting multi-media are a few marketing practices currently in place at GCI that create awareness of and demand for its products and services.

Visibility

Awareness building is the first step to consideration, and GCI makes it a point to be visible. Recently, DAS area vice presidents sent letters to the company's five geographical business units around the globe to impress upon key business leaders the importance of exchanging competitive and market intelligence. What's more, through a strategic relationship with DAS's global newsletter publication group, GCI contributes pertinent articles—at least monthly—on topics of broad interest to the company. Face-to-face meetings, company meetings and presentations are other ways in which GCI gains more visibility.

Making Services Tangible

Functions employing best marketing practices make their services tangible, and position their offerings relative to those of “competitors” (i.e., alternative intelligence sources, whether they are internal or external to the organization). GCI has effectively “branded” its offering—Competitor News & Profiles, Competitor Products, and Global Marketing Research Library. Users are aware of them and thus can consider them for use among other alternatives. In addition, one can’t ignore GCI’s Intranet. It makes otherwise digital and behind-the-scenes activities like analysis tangible when synthesized reports and news items are posted for users to apply to their business decisions.

Tailored Messages

The ubiquitous nature of Internet information access has created unparalleled levels of noise—content pile-up—that few organizations have the resources to manage. More than ever, intelligence dissemination must be packaged and personalized in “one-to-one” communications even to get considered. GCI’s “Alerts” offer a good example of tailored messaging. At least six times every week, personalized e-mail messages containing relevant news items are distributed to a small list of DAS executives. Not only do these messages get opened, they get read, forwarded, augmented with new information, and discussed. They create dialogue that in turn creates new knowledge, which gets rolled back into the system for subsequent use—completing a knowledge cycle that began with a relatively simple but tailored e-mail message.

Using All Available Media

Mr. Fowler and the GCI team understand that people respond to a mix of different media. Teleconferences, videoconferences, newsletters, in-person forums (e.g., staff meetings, training sessions, company forums), and its Intranet are just some of the ways GCI communicates with its users. Plans are underway to offer “Lunch and Learns”—informal brown-bag discussion forums—in the upcoming months.

Performance Management Practices

Although many market intelligence professionals express a need and desire to put formal performance measures in place, Outsell research shows that most are operating without solid, fact-based measures of their performance, value, contribution or ROI to the corporation. As a result, few can demonstrate their effectiveness in serving end-users’ needs, or quantify their value, contribution, and/or ROI to the company that funds them.

While a few don’t see the need for formal metrics, most either haven’t made measurement a priority as of yet, or are struggling with how to validly measure things like ROI. However, as expenditures grow and internal departments are held more accountable for being competitive and productive entities, pressure will come (and already has in many environments) for solid evidence of contribution and success.

GCI formally or informally measures a number of practice metrics, from Intranet hits to user satisfaction. But like most other companies' intelligence functions, it is also improving on these practices. Here are some of the practices GCI currently employs, as well as some practices on its to-do list.

Performance Measurement Practices

System Usage. GCI's primary performance management practice is measuring activity on its Intranet. In addition to tracking hits per day, GCI's system administrator tracks what, when, and how often users hit the databases. Reports are produced on activity, which is shared with managers to reinforce and reward information-sharing behaviors (or to encourage these behaviors). Focal Points are expected to access the system at least once every week. Inputs from Focal Points are expected at least once each month.

User Applications. GCI also monitors how information is applied by users. This is currently a qualitative process, whereby use information is gathered through informal means such as personal contacts, meetings, and presentations.

User Needs, Satisfaction, and Loyalty. GCI regularly assesses its users' satisfaction with the market and competitive intelligence it delivers, while at the same time identifying met and unmet needs. GCI uses an annual questionnaire, administered internally, to collect this information.

Proactive Analysis. The "fire-drills" associated with running an intelligence function are common, but proactive analysis can help reduce the number and magnitude of those drills by anticipating users' needs and fulfilling them in advance of the inquiries. At first this may seem like a Herculean task. But best-in-class functions are getting ahead of the curve by tracking and monitoring past inquiries (going back two or more years), identifying patterns, engaging in regular communication with users, and creating strategic, forward-looking plans and processes to preempt fire-drill inquiries.

For GCI, competitive activity during the months leading up to DAS's year-end typically incites a cascade of financial-related inquiries. In response, GCI created its "Global Quarterly Results Summary." This report, proactively pushed to users, shows DAS's top competitors' financials, annualized and normalized to U.S. dollars.

Contribution. On GCI's practice to-do list are initiatives to measure the function's contribution to DAS. At present, this is an informal process, though it's smartly woven into the greater Focal Point fabric. As part of their responsibilities, Focal Points are asked to share at least four times each year real-life ways in which intelligence was used to gain competitive advantage or make strategic decisions. While these measures don't necessarily produce quantitative results that can be translated into dollars, they contribute to the decisions that impact DAS's bottom line.



On the Horizon: A Bright Future for GCI

Bottom Line ►

Having accomplished so much, we are compelled to ask, “What’s next for GCI?” Below is a list of activities in development at DAS’s GCI function. Make special note of the strategic nature of each item. As one would expect from a best-in-class function, GCI is continuously and deliberately improving its business and information management practices, marketing practices, and performance management practices.

System Enhancements

To continuously improve its effectiveness, GCI’s Intranet must change as the needs of GCI and its users change. Since the initial launch of the system in 1998, Web FX Studios, in concert with GCI and the user community, has been creating specifications for new system features and functions. Version 2.0 is currently in development, and promises to meet even more of GCI’s needs. Version 2.0 will add numerous features, including a function that automates GCI’s news-feed process (currently manual) by posting content directly into the system. Mr. Fowler estimates that this new feature will alone save at least 15 percent of the administrator’s time in handling external content. In addition, with the release of Version 2.0, Web FX has plans to commercialize this version and market it to intelligence, knowledge management, and related functions in other companies—a move that will no doubt produce an even broader, deeper feature set from which GCI might benefit.

Process Integration and Improvement

We have discussed how GCI has successfully aligned and integrated its business model with DAS’s strategic corporate objectives. As part of this ongoing process, GCI’s competitive and market intelligence content will soon be integrated into DAS’s broader knowledge management process.

In addition, GCI plans new ways to demonstrate its value to DAS and its users through fun and informal methods like “Lunch and Learn” events—open forums for employees to learn more about DAS’s market and competitive intelligence function, and how it benefits DAS and their individual functions. These brown-bag events also offer employees an opportunity to ask questions and discuss hot industry news and issues.

Another process improvement opportunity involves GCI’s goal to be more proactive. To this end, it plans to commit time, at least once each year, to evaluate past and present inquiries to determine—even predict—the nature and scope of future inquiry activity, especially from senior managers. Through this exercise, GCI expects to further improve its best practices in this area, by aiding in strategic and tactical decision making through increased quality and decreased response times.

In terms of its business management practices, GCI plans to obtain increased levels of human and budget resources to manage its widening array of internal and external content sources, expanding global service reach, and growing number of users.

Last but certainly not least, like most best-in-class functions, GCI regularly reviews and, as needed, updates its vision and mission statements. While this may seem unnecessary, this business management exercise is central to a business's understanding of its market, business model, and, most importantly, its users.



In Outsell's Opinion

Bottom Line ►

While GCI does not stand alone in the best practices universe of market and competitive intelligence, you would need to look hard to find another organization that, starting with modest means, built an intelligence function that in a short time has achieved global reach and truly admirable levels of user participation. And that's what creating a knowledge environment is all about: employing compelling ways for all employees, no matter what their location, to take accountability for gathering and sharing market and competitive intelligence.

When information is shared, it gains value through the experiences of its users. It becomes knowledge, part of a greater knowledge community. Knowledge communities like GCI can withstand even the most severe market corrections, industry consolidations, the dot.com implosion, or corporate belt-tightening measures because their contributions are well understood and valued.

However, Dow AgroSciences Global Competitive Intelligence is a stand-out because its leaders built and grew the company's intelligence function by integrating culture, content, technology, processes, and people to form the function. It understood its business challenge, and aligned and integrated its business model with DAS corporate strategic objectives. A compelling value proposition, efficient information management practices, and market-driven management practices added more fuel to deliver on its mission to establish competitive intelligence as part of its company culture.

Implications for Intelligence Professionals

Are you taking advantage of the opportunities emerging for the market intelligence function in the new business environment? Are you seeing signs of success as a result of your efforts?

If not, now is the time to take stock. Every organization needs and can benefit from a strong market and competitive intelligence function. So if you haven't

already done so, we encourage you to evaluate your action against the best-in-class characteristics identified in our study, and particularly in this Briefing. Consider actions you need to take in response to your learnings from GCI's best practices, and from emerging market trends.

Learning from Best Practices

While other intelligence functions may not choose the same path as GCI, the fundamentals must not be ignored. Anyone in the process of planning, evaluating, or reconsidering their market intelligence capability can benefit from studying these best practices:

- *Understand Your Company's Corporate Strategic Objectives.* DAS's earlier attempts to establish an intelligence function proved unsuccessful because they were not aligned with the company's strategic objectives. By understanding those objectives, GCI was able to focus on the right tactical and strategic analysis that offered the highest value to its users.
- *Executive or Senior Management Support Is Critical, but Need Not Be Absolute for Some Semblance of the Intelligence Function to Take Root.* As we learned from GCI's experience prior to becoming a sanctioned corporate function, "skunk works" efforts demonstrated value (rather quickly) by participating in and adding value to a handful of strategic decisions.
- *Know Your Customers' Intelligence Needs, Behaviors, and Preferences.* GCI invested time—though not so much as to stall its momentum—understanding what types of information its users need, how they want to access that information, and what sources they use. Sound intelligence about your customers' needs is a building block in creating a sustainable intelligence model.
- *Build and Nurture Your Function with All Eyes on Integrating Culture, Content, Technology, Processes, and People.* GCI resisted temptations to dazzle its users with "cool technologies" or volumes of content. Rather, in the context of the DAS culture, it integrated these dimensions with sound processes and an understanding of users' behaviors (people), and built a function now in demand.
- *Operate Your Function Like a Business.* While this may seem like an obvious statement, many intelligence professionals ignore important business management practices like strategic planning, product development life cycle planning, marketing, and performance management. Although GCI has opportunities for growth in some practice areas, its commitment to run its function like a business has enabled it to add new products and grow the function without compromising quality and customer service.

Implications for Vendors Serving Intelligence Professionals

Market and competitive intelligence is no longer a function, it's a market, and it's growing. Companies are investing in building and strengthening their intelligence activities to help them win in an increasingly competitive economy.

As part of the vendor community, are you ready to provide support, partnership, clarity, added value, and innovation? There is a flood of new-breed competitors emerging on the scene, offering new information and technology solutions that challenge old paradigms and fulfill new value propositions. Is it time to reevaluate how well positioned you are to successfully compete and win in the evolving market intelligence marketplace?

As you proceed in this regard, we offer the following advice:

- *Know Your Purpose and Your Audience.* The intelligence landscape is changing dramatically. The responsibilities of traditional information professionals, market researchers, and knowledge managers are converging. Just as these internal vendors must do, you too must choose where you will focus your energies. In the process, remember that you have two audiences to serve – the market intelligence professional, and the ultimate end user, i.e., the corporate decision-maker whose work you exist to facilitate. Seek to identify, understand, and ensure you are fully serving both.
- *Think Value-add Content.* Information is everybody's commodity. Think about how you can add value and dimension to the content you provide. Consider GCI's requirements. The market is demanding richer, more real-time insights and placing a premium on personalization, customization, mobility, convenience, and control. The market is also looking for integrated information solutions. Be creative in how you seek to fulfill these needs, whether it's expanding your capabilities or partnering with other players who have complementary products, services, capabilities, and/or delivery channels.
- *Think Beyond Content.* Finally, while content may be your core offering, think about the larger challenge intelligence professionals have and how you might be able to help. It might be in the process of acquiring, aggregating, categorizing, summarizing, mining, and synthesizing market intelligence, or in supporting market intelligence professionals in their roles as champions, facilitators, educators, and leaders.

Joel Block

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Market and Business Intelligence Best Practices

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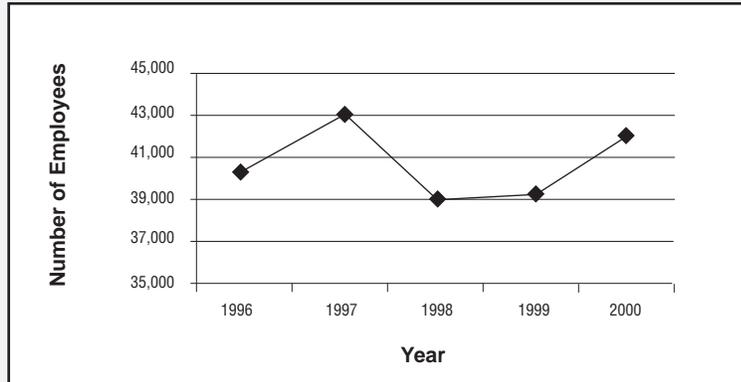


Appendix: Parent Company Profile – The Dow Chemical Company

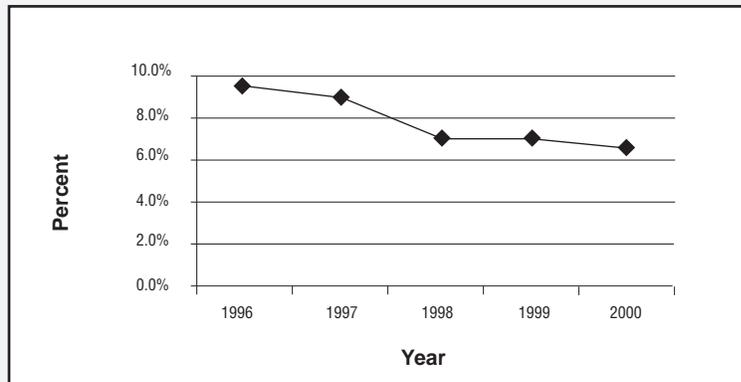
With annual revenues of over \$23 billion, The Dow Chemical Company (DOW) is among the top five diversified chemical companies on the planet. Industry consolidation has impacted numerous chemical companies, including Dow. The company's growth has been fueled, in part, by acquisitions. This trend is expected to continue across the sector as the economic expansion of the last few years slows and companies look for new growth opportunities.

The Dow Chemical Company is parent to over 17 divisions or subsidiaries. Its operations include plastics, chemicals, hydrocarbon and energy products, and agricultural products. It operates in an array of markets ranging from food, transportation, and health, to medicine, building, and construction. Dow is a Fortune 500 company, ranked #78, and presently serves 170 countries with over 45,000 employees. The company grew its 2000 revenue by more than 20 percent, and posted modest earnings in 2000 of 6.5 percent.

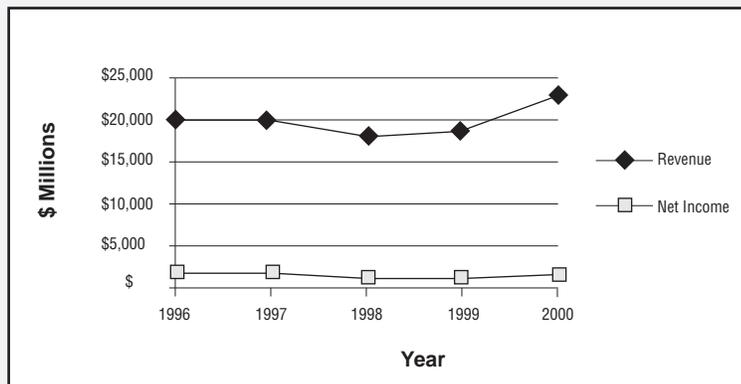
Dow Chemical Company Employees Size



Dow Chemical Company Net Profit Margin



Dow Chemical Company Revenues and Net Income



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Year	P/E		PER SHARE (\$)		
	High	Low	Earnings	Dividends	Book Value
1996	12	9	2.53	1.00	11.03
1997	13	10	2.56	1.08	11.34
1998	18	13	1.92	1.16	11.29
1999	23	14	1.97	1.16	13.23
2000	21	10	2.22	1.16	14.30

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Vice Chairman:	<i>William H. Joyce</i>
President, CEO, and Director:	<i>Michael D. Parker</i>
Executive Vice President, CFO, and Director:	<i>J. Pedro Reinhard</i>
Executive Vice President, Operations and Director:	<i>Arnold A. Allemang</i>
Vice President, Electronic Business and Chief Information Officer:	<i>David E. "Dave" Kepler II</i>
Vice President, Environment, Health and Safety, Human Resources, and Public Affairs:	<i>Lawrence J. Washington Jr.</i>
Vice President, Research and Development, and Director:	<i>Richard M. "Rick" Gross</i>

OUTSELL BACKGROUND

Founded in 1994 by Greg Chagaris and Anthea Stratigos, Outsell is the only research and advisory firm that focuses exclusively on information content—delivering high-quality, fact-based research, analysis and advice about every aspect of content strategy and use to a wide range of vendors, buyers and users of information.

Headquartered in Burlingame, California, Outsell has helped world-class content leaders and Fortune 500 companies increase their understanding of users and end-markets, assess content quality and effectiveness, and develop more successful content products and services.

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