Journal of Competitive Intelligence and Management

Volume 2, Number 4, Winter 2004

Special Issue on Country-Specific Competitive Intelligence

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The Journal of Competitive Intelligence and Management (JCIM) is a quarterly, international, blind refereed journal edited under the auspices of the Society of Competitive Intelligence Professionals (SCIP). JCIM is the premier voice of the Competitive Intelligence (CI) profession and the main venue for scholarly material covering all aspects of the CI and management field. Its primary aim is to further the development and professionalization of CI and to encourage greater understanding of the management of competition by publishing original, high quality, scholarly material in an easily readable format with an eye toward practical applications.

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Competitive Intelligence in Germany

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Executive Summary
Although competitive analysis has a long tradition in Germany, the North American terminology of competitive intelligence is rather foreign. Despite these semantic differences, Germany has made a fine contribution to the CI literature. CI education and research, however, have not reached its full potential in Germany as of yet. Corporate CI training, while very active in the 1990s, has decreased in recent years. While the Society of Competitive Intelligence Professionals (SCIP) is the dominant professional association in Germany, membership has fallen to a stable level in recent years. Nonetheless, Germany continues to have the second largest SCIP membership in Europe. Contrasting the high numbers of secondary research providers, there are twelve CI consultancies in Germany today. Several leading indicators suggest that CI in Germany is gaining momentum.

Keywords:
- competitive intelligence, consulting, Deutsche Competitive Intelligence Forum, education, future, Germany, industry overview, literature, Society of Competitive Intelligence Professionals, training

About the Author
Rainer Michaeli founded Die Denkfabrik GmbH (The Think Factory) in 1993. Die Denkfabrik, is a leading German business intelligence and strategy consultancy, which serves technology-driven companies in establishing business intelligence centres and in conducting global competitive research. Mr. Michaeli’s consulting expertise focuses on market and competitor intelligence analysis applying quantitative management concepts, such as operations research, business simulation, and decision and risk analysis.

Earlier in his career he worked in systems analysis for military R&D projects and in sales and marketing for an IT company. Mr. Michaeli has earned an aeronautical
Mr. Michaeli is author and co-author of several publications about business intelligence topics. He is a frequent speaker at business intelligence conferences in Europe and the USA. He currently serves on the Board of Directors for SCIP and has been an active contributor to the CI community.

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Introduction

Competitive intelligence (CI) has many names and flavours in Germany:

- Wettbewerbsforschung und -Wettbewerbsaufklärung
- Wettbewerberforschung
- Konkurrenzanalyse und -beobachtung

These are some of the most common terms used in German for the Anglophone notion of ‘competitive intelligence’. Traditionally, these terms refer to an in-depth analysis of the competitive landscape. Usually the competitive intelligence function is organized within marketing or market research departments. The term ‘competitive intelligence’ doesn’t mean a lot to non-English speaking Germans. Either the term is highly misleading towards mental capabilities (intelligenz) or misinterpreted towards the diction of national intelligence (nachrichtendienstliche Aufklärung) - obviously none of these would transfer the CI notion, as conveyed by the Society of Competitive Intelligence Professionals (SCIP).

Especially in industrial markets (with few direct competitors), aggressive market research has been conducted virtually since the age of industrialization. Without it, German companies (both, big and medium sized) wouldn’t have been able to globalize very successfully and build household name awareness around the globe. Small wonder that, given the high export dependency of German industry, knowledge about competitors and (foreign) markets were prerequisites for successful business in Germany.

The use of competitive information as a mean of establishing competitive advantage has a long tradition in Germany, presumably stemming back from military history. A case in point is provided by Prussia’s restless history of war, political manoeuvring and ever changing alliances in the 17th and 18th centuries. Political survival against its powerful neighbouring countries depended on a well functioning (standing) army and a political system that institutionalized proven military structures. The use of ‘intelligence’ (‘Nachrichten’ in the contemporary German language) was a most notable necessity.

Von Clausewitz, chief of staff for the Prussian army, for example dedicated in his famous book, On War (Vom Kriege, 1852), several chapters towards the notion of “intelligence in war” (or “Von den Nachrichten im Kriege” in the German language). Von Clausewitz deserves not only fame for his unique insight in strategies, but for his elaborations on ‘intelligence’ in war as well.

“By the word intelligence we mean all the information we have about the enemy and his country, that is, the basis for our own plans and actions. If we consider for a moment the nature of this information, how unreliable and variable it is, we soon get a feel for how dangerous the edifice of war is and how easily it can collapse, burying us under its rubble. […] Much of the intelligence that we receive in war is contradictory, even more of it is plain wrong, and most of it is fairly dubious. What one can require of an officer, under these circumstances, is a certain degree of discrimination, which can only be gained from knowledge of men and affairs and from good judgement”. (English translation taken from von Ghyczy, von Oetinger & Bassford, 2001).

Obviously after the 2nd World War, military diction and Prussian thinking were not in high demand in German corporations. Unthinkable that a bunch of retired “Bundesnachrichtendienst” (German national intelligence) employees could have been the driving force behind an association (a German version of SCIP) to promote their intelligence skills to corporate Germany.
German CI Literature

Various articles and books have been published in Germany about the German equivalents of CI. As examples, a non-comprehensive list of books and articles are described below and compared with the Anglophone literature.

German CI Books

In his 1992 book, Konkurrenz-Analyse und Beobachtung (English translation: Competitor Analysis and Competitor Research), Professor Dräger described many aspects of contemporary CI organization, CI cycles and even some dubious data collection methods. Professor Brockhoff, well known for his technology management research, published from the 1970s to the 1990s, several articles and books about information and decision-making (Brockhoff 1986) and what SCIP refers to as competitive technical intelligence. According to his empirical findings, (Brockhoff, 1991) approximately 50% of the top 100 industrial German corporations used sophisticated Wettbewerberaufklärung (CI).

Another prominent German CI book, Technologische Konkurrenzanalyse (English translation: Technological Competitor Analysis) (Lange, 1994) describes an empirical survey that was conducted amongst the leading German technology oriented industrial companies. Based on a detailed questionnaire, the author concluded that a well-established, continuously operating technical intelligence system was a prerequisite for competitive advantage and bottom line success.

These books are as advanced and dedicated to CI as any comparable bestselling Anglophone CI publication from renowned authors such as B. Gilad, L. Fuld, J. Herring, J. McGonagle or L. Kahaner. To some extent, they are even more advanced as they link competitive intelligence to scientific disciplines or even, as in the case of Professor Brockhaus’ works, applied decision-analysis (behavioural science) or technological diffusion theories.

Several authors such as the work of Kairies (1998), So analysieren Sie Ihre Konkurrenz (English translation: How to Analyse Your Competitors) or the work of Graumann and Weissman (1998), Konkurrenzanalyse und Marktforschung preiswert selbst gemacht (English translation: Self-made Cost Efficient Competitive Analysis and Market Research) published books for hands-on do-it-yourself competitor analysis. Given that these authors are consultants, one can imagine that, to some extent, these books are ‘me-too’ variations of standard CI literature, targeted at a broad public and marketing the author’s services - a book genre well-known in Anglophone CI literature as well. All of the above mentioned German books, however, don’t even mention the term ‘competitive intelligence, but a few refer to SCIP as an association.

A first German book which explicitly referred to ‘competitive intelligence’ even in the title was published in 1997 by SCIP member Dr. Christian Kunze, based on his dissertation (Competitive Intelligence - Ein Ressourcenorientierter Ansatz strategischer Frühauflklärung - A Resource-based Approach to Strategic Early Warning). Given the academic purpose of this book, it reflects on German corporate best practice and the use of CI in German corporations to support the development of corporate strategies. Dr. Kunze conducted an empirical survey among German corporations (17 respondents). Lux and Peske (2003) published a highly theoretical book entitled, Competitive Intelligence and Security, summarizing the Anglophone competitive intelligence literature and its relation towards counterintelligence. Forthcoming is a CI handbook by the author of this article providing both theory and application of CI. Included are some 25 contributions (case studies) by corporate practitioners, consultants and academics, providing a vivid perspective of CI practice in Germany and beyond [Michaeli, forthcoming - Competitive Intelligence: Durch Konkurrenz- und Wettbewerbsaufklärung strategische Wettbewerbsvorteile erzielen (English translation: How to Gain Strategic Competitive Advantage via Competitive Intelligence)].

Virtually countless other German books highlight the need for competitive intelligence within different contexts such as within early warning (Klopp & Hartmann (1999), business intelligence (Grothe, & Gentsch, 2000) or management information systems (Hannig 1996). Again these books rarely use the term ‘competitive intelligence’.

German CI Articles

In line with published books, German articles dedicated explicitly to ‘competitive intelligence’ are rarely published in popular magazines. Some of the more recent publications are:


For a more comprehensive listing of German language articles, see http://www.competitive-intelligence.com

Most of these German CI articles refer to the ‘new phenomenon’ of U.S. American ‘competitive intelligence’ as if it was a new management fad. Some articles (especially Stippl, 2002) refer to competitive intelligence as the U.S. version of corporate espionage - a topic still raising sales for popular magazines.

CI Training and Workshops

Non-Academic Training

Competitive intelligence became somewhat popular in the late 1990s, when all major German training and conference providers, such as the Institute for International Research (IIR), Management Circle, or Marcus Evans Conferences, offered special 2 day competitive intelligence conferences or intensive two-day training sessions. Interest in these events has levelled off in recent years. Only a limited number of public seminars are still offered, usually by CI consultancies or smaller postgraduate training providers (ZFU, Löser, etc). The private organization, “DENKFABRIK Institute of Competitive Intelligence” offers a whole range of CI workshops and a professional CI certification. (see http://www.competitive-intelligence.com).

Academic Education

Competitive Intelligence (or the German equivalent) is not offered at German universities as an independent degree (Diploma or Masters). Consequently, competitive intelligence is not (yet) perceived as an independent management discipline, deserving dedicated academic attention. Obviously, many Marktforschung (market research), Unternehmensführung (corporate strategy) or Information Science studies include elements of the competitive intelligence notion.

Only one academic course explicitly labelled ‘Competitive Intelligence’ exists in Germany. This course has been taught by Professor R. Michaeli at the University of Applied Sciences, Koblenz, since autumn, 2002.

Academic Research

Academic research in Germany has only recently been stipulated towards ‘competitive intelligence’. The Society of Competitive Intelligence Professionals (SCIP) and the Deutsche Competitive Intelligence Forum (DCIF) have jointly sponsored and supported an empirical research project in 2001 with the University of Applied Science, Friedberg - Giessen, involving 130 participating German companies. A more recent research project was launched in 2003 with the European Business School, (EBS) at Oestrich Winkel) about Early Warning and Competitive Intelligence with Professor Utz Schäffer and Andreas Kirschkamp. In 2004, SCIP in Germany plans to support the University of Applied Science in Sachsen - Anhalt to launch an information collection competition amongst German student teams.

All in all, an increasing number of student thesis and dissertations projects are dealing explicitly with ‘competitive intelligence in Germany’ - a clear indicator that finally the awareness within the academic community is on the rise.

CI Associations

Society of Competitive Intelligence Professionals in Germany

SCIP’s penetration of corporate Germany has been moderately successful, at least when compared to Switzerland, which has the highest per capita SCIP membership in Europe. When, in 1995, a German affiliation (SCIP e.V.) was founded, 55 existing SCIP members registered. In 2001, the affiliated status was terminated and a chapter structure was incorporated. Frankfurt (2001), Munich (2002) and Berlin (2004) become active chapters. Membership peaked at some 100 members at end of 2003 but levelled off to some 65 members. This decline was caused by the increase in

**Deutsche Competitive Intelligence Forum in Germany (DCIF)**

In 2002 the DCIF (hosted via http://www.competitive-intelligence.com) was founded by the German SCIP chapter coordinators and 4 active SCIP members, with the mission to promote competitive intelligence and SCIP in Germany. Activities include press coverage, local contact points for academia and specific German (language) content tailored to the needs of corporate Germany.

A 2001 survey among SCIP members in Germany (29 respondents, conducted by R. Michaeli) revealed that the main benefit of SCIP was perceived to be the local chapter meetings, networking among peers, and the *Competitive Intelligence Magazine* (The *Journal of Competitive Intelligence and Management* did not exist at the time of the survey). Still, due to the high (then just recently increased) membership fees, the perceived cost benefit ratio of SCIP membership was stated to be rather moderate.

**CI Consultancies**

In 2000, a non-published survey was conducted by the market research company, S.V.P. The survey’s goal was to identify providers of competitive intelligence services in Germany (with at least 3 full time employees). The study concluded that some twelve German-based companies offered CI services but only four of these were SCIP members (at this time). Beyond these companies, smaller, dedicated CI consultancies with a wide range of management consultancies exist, offering CI related services within their strategy or business development offering. It is very hard to judge, how credible and professional these services are, given that traditionally consultants serve specific industries, hence having to offer their services to direct competitors.

Obviously there are countless smaller companies and self-employed individuals focusing on secondary research services. A somewhat comprehensive listing of over 700 German information brokers can be found at the website (http://www.dgd.de) of the Deutsche Gesellschaft für Information (German Society for Information), similar to the U.S. American Association of Independent Information Professionals (AIIP). Other service providers offer CI related services, such as web monitoring, clipping services or counterintelligence services.

No other association than SCIP is known to the author that addresses the ‘competitive intelligence’ community in Germany.

**The Future of CI in Germany**

In conclusion, competitive intelligence seems to be gaining some momentum in Germany, based on the following indicators:

- the number of German language publications (books and articles) with explicit reference to ‘competitive intelligence’ is steadily increasing
- SCIP membership is at least stagnant
- Requests for information from students working on topics about competitive intelligence are increasing.

These leading indicators provide cause for optimism regarding Germany’s continued position as one of the strongest CI communities in Europe.

**Notes**

1. In 2003, Germany became the number one export nation (partially due to the beneficiary Euro/US$ exchange terms).

**References**


