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From Strategic Capability To Competitive Advantage: A Framework Of Competitive Intelligence Actions.

DE LA CAPACIDAD ESTRATÉGICA A LA VENTAJA COMPETITIVA: UN MARCO DE ACCIONES DE INTELIGENCIA COMPETITIVA.

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Resumen:
El objetivo de esta investigación es destacar el fuerte vínculo entre las teorías de gestión estratégica y el concepto de inteligencia empresarial. Utilizaremos las teorías de las organizaciones, la estrategia y los sistemas de información para construir herramientas de análisis de la inteligencia competitiva. Resultan de nuestra investigación dos herramientas: una jerarquía de necesidades y una matriz de acciones a realizar en inteligencia competitiva y estratégica. Ponemos en práctica estas herramientas e indicadores en tres sectores: la industria de bebidas no alcohólicas, la industria de software y la industria deportiva.

Palabras claves: Inteligencia económica, ventaja competitiva, gestión de riesgos, influencia.

ABSTRACT

This research aims are to highlight the strong link between strategic management theories and the concept of business intelligence. We will use the theories of organizations, strategy and information systems to build analysis tools of competitive intelligence. Result from our research two tools: a hierarchy of needs and a matrix of actions to be taken in competitive and strategic intelligence. We put into practice these tools and indicators on three sectors: non-alcoholic drinks industry, the software industry and the sports industry.

Keywords: Business intelligence, competitive advantage, risk management, influence.

INTRODUCTION

The history of economic intelligence in France begins with the works of Christian Harbulot in the 90`s. Only in 1994, simultaneous with Henri Martre's report, did economic intelligence become a concern. Ten years later, in 2003, after the publication of the Carayon Report, the government has decided to appoint a high-representative for economic intelligence. Alain Juillet was the first person to fill this spot. Coordinators for economic intelligence are appointed within the ministries, more precisely within those of interior, economy and, finally, of external affairs. Unfortunately, these services are depraved of the means and power to act.
In 2009, the first inter-ministerial delegate is appointed. The goal is to transform the economic intelligence in a genuine public policy and, thus, to strengthen the coordination of actions within EI departments and across ministries, local authorities and territorial jurisdictions. In 2013, Claude Revel is appointed inter-ministerial delegate in charge of economic intelligence.

Having been a matter reserved to intelligence services (secret services) for a long time, economic intelligence remains, in France, a process almost exclusively dealt with/driven by the State. The latter is still convinced that, with the exception of a few large groups, the SME's are incompetent in the matter. As a result, outside of the enterprise, all stakeholders strive to `make` economic intelligence: regions, chambers of commerce, research and innovation agencies, centers of excellence/business hubs, etc. Except that in practice, and unlike our Anglo-Saxon friends, the French State does not share any of its information/know-how in the economic field with the other interested parties/stakeholders. This matter does not fall within the object of this research study, but we have found at least three possible explanations for it: -if the State gives an information to a company, then it must make it accessible to all the others; -in France we still abide by the cult of "information is power", thus I will not share; and finally, the economic/business intelligence services do not have a top secret clearance which would allow them to provide information without receiving information in return. For these reasons, with regard to economic/business collective action is impossible in the current form of public organization.

A state can represent both an opportunity and a menace for an organization. By simply having the power to intervene in the public, economic, sociologic, technologic or legal environment of a company, the State represents in itself a factor of doubt/incertitude. It only has the power of recommendation on the subject of protection of the material and immaterial (tangible and intangible) patrimony/heritage. The French State is no exception from this rule and it could have a more direct/offensive approach in its practice of the economic intelligence component. In particular in pursuing the zoning of the agricultural, industrial and service sectors; in sustaining the achievement of international public markets; in financially aiding the creation of the standards and their sectoring; and in publicizing the economic information and making it available to the country's corporations. For example, the studies of the statistics agency could be more targeted and accessible to the French companies. The same goes for the economic missions abroad which are never spoken of which we never hear anything.

The objective of the study presented here is to create a matrix which would determine what action needs to be taken to implement economic intelligence in companies. We have started from the premise that the literature on economic intelligence is very diverse and varied. Thus it seemed interesting to us to address the topic of identifying which action, in the field of economic intelligence, should be implemented with priority in a company? In fact, if for a big company all actions can be easily implemented and there is the prospect of creating a specific unit within the organization, the situation is not exactly the same for small and medium enterprises. While successive governments position themselves on the issue by encouraging SME's to apply the economic intelligence into practice, the problem of means rises almost immediately. The response from the directors is as eloquent: "business first". The majority of enterprises, not having the financial means, should confine the implementation efforts to one single specific action according with the competitiveness of the company.

We start with a literature review resuming the theories of organization unto the theories of strategic management in order to create a measurement scale for the competitiveness of enterprises. We will try to materialize the determinants of building competitive advantage and enterprise competitiveness and to link them with economic intelligence actions. This will allow

us to define which would be the actions to implement depending on the position of the enterprise in the activity segment and its competitiveness.
In the second part/a second step we present an empirical approach for which we have chosen to study three different industries: non-alcoholic beverages, publishing software and sport.

FROM STRATEGY TO BUSINESS INTELLIGENCE

1. *The impact of external contingencies on the construction of the strategy*

Businesses organize themselves and follow strategies which are international or not. Through his works, Woodward (Woodward, 1958) has shown that the structural organization was influenced by technology and other environmental factors. Continuing the work of Woodward, Burns (Burns, 1961) measured the impact of technology on organizational structure in electronics companies. This study provided evidence that there exists an influence of technology on the organizations 'structure. This influence can take many forms, organic or mechanical, depending on the organization and administration's requirements and needs.
Similarly, Lawrence and Lorsch (Lawrence and Lorsch, 1967) showed that the market environment, techno-economic and scientific, had a strong influence on the organization of businesses. However, the higher the uncertainty of the business environment is the stronger the need to differentiate the departments of the company becomes.
We can observe that the factors of uncertainty of the environment of an enterprise have a strong influence on the organization and that analyzing them is essential toward facilitating their anticipation. But it is also important for optimizing the company to better adapt and respond to market needs and fight against its competitors.

2. *Analysis of the environment prior to decision making*

The environmental analysis of the environment is used to respond to the market pressure and to identify future opportunities and threats. All organizations, like all individuals, function in environment acting on what they want or not. The environment links the organization to the outside world/makes the link between the organization and the outside world. It is essential for the organizations to be responsive to the environment so as to evolve with it. The environment can be a source of opportunities as well as of threats. What we call environment correspond to the set of layers which compose it without distinction: competitors, industry, sector, macro-environment, government, suppliers, clients, shareholders etc.
The PESTEL analysis is used to analyze the environment by breaking down the influencers into six broad categories: political, economic, sociological, technological, environmental and legal. This analysis allows the organization to emerge variable pivots, that is to say the variables that are susceptible of having an impact, positive or negative, on the sector and that can thus significantly alter its structure or orientation. This analysis identifies possible future scenarios of the industry. This way the manager will be able to anticipate situations of likely ruptures.
In the analysis of the environment, it is also appropriate to use Porter's five forces model (Porter, 1979). This model allows the highlighting of the forces that affect the environment and thus

impact on the organization. Then we can deduce the level of the competition intensity, the barriers to entry limiting new entrants, the bargaining power of suppliers and buyers and the threat of substitute products. We will not take into account the influence of the state that may represent a threat or an opportunity for the environment.

All of these analyzes will allow identification of the key success factors which the organization must absolutely master before settling in its market, both in terms of opportunities to seize and of threats to counter. Thereafter, the organization can implement responses to outperform its competition and to thus gain a competitive advantage. In a highly competitive environment, developing a competitive advantage and meeting customer demand can be done by two methods: the blue ocean approach as defined by Kim (Kim, 2004) or the hyper-competition approach as described by d'Aveni (Aveni (d'), 1995). In the first approach, the construction of new key success factors enables the organization to compete with other players on antecedently unexplored territories which meet a real market demand. In the second approach, d'Aveni (Aveni (d'), 1995) describes how the new entrant or an existing player attacks and responds to competition in a slightly protected market segment. In the latter approach, there is no creation of a new key success factor, but only a new marketing approach of the offer on the low protection markets.

Recall that the identification of key success factors is the conclusion of all environmental analyzes. They represent the entirety of what an organization must master in order to outperform the competition and have a sustainable competitive advantage. These elements will later serve us to measure the competitiveness and competitive advantage of an organization. We will describe them later, especially those which are useful to our analysis.

In order to reach a decision, several steps are necessary. Thus, the use of information systems (IS) is crucial, especially for the automation of certain tasks and processes. Their organization is almost always the same: a collection phase, data analysis phase and a return of the processed information phase. We retain the definition of information systems of Reix (Reix, 2002), who recalls an information system is defined, as "a set of social actors that store and transform representations via information technology and procedures [...] It is an organized set of resources: hardware, software, data, procedures which allow to acquire, process, store and communicate information in an organization".

According to the U.S. department of economy, investment in information systems, compared to the total investment in a company, moved from 39% in 1980 to 51% in 2007.Thus, investment in IS represents today more than half of total investments.

Hence, the information system is the heart of all activities of the company and also in conjunction with all the stakeholders. It must allow the decision-making process and facilitate the flow of information.

"Give the Right Information to the Right Person at the Right Time", (Simon, 1947)

Once the information is collected, a decision must be taken. The decision process is divided into two parts: identifying a problem and solving the said problem. Economic intelligence is going appear in the phase of problem solving. We can see that the theory on this point adheres to the business intelligence actions, namely: information gathering, analysis and decision making.

The economic intelligence processes are equivalent to those of decision making. And they operate towards the same goal: to help decision making in an organization.
Once the information is collected and organized, a decision has been made. But it would be a shame not to preserve the benefits of the information organized in this fashion. It is therefore possible to transform this resource in intangible wealth.

It seems clear to us that the process of knowledge management is a factor for innovation and creation of sustainable competitive advantages. In a context of uncertainty, companies enhance their trade and core competencies to enable the organization to implement underlying experiments and the emergence of innovations.

3. *Economic intelligence defined through the strategy prism*

In this context, we define economic intelligence as the set of information processes that enable the organization to make decisions and take with the aim of seizing opportunities and reducing threats, so as to maintain or improve its competitive advantage. In literature and in practice, economic intelligence is a polysemous term. Depending on the industry and practice, it can take very different forms and meanings: vigilance, data mining, strategic analysis, benchmarking, financial analysis, alerts and notifications systems, management tool, information flow management, knowledge management, etc.

We assume to the term competitive intelligence the way companies organize themselves to ethically and legally get information in close relationship with all of their stakeholders (customers, shareholders, competitors, suppliers, etc.).

As the study is based on the strategic dimension of the company, we restrict the field of competitive intelligence to the realm of strategic management. This is why we now convene to replace the term economic intelligence to those of competitive intelligence and strategic intelligence further in the study.

COMPETITIVENESS AND COMPETITIVE ADVANTAGES: WHAT FACTORS?

1. *From strategic capability to competitiveness*

To intervene in a market means to have the minimum ability to compete with existing players. Be it in direct competition or in substitution of their offers. As a consequence, it is essential to have a strategic capability that allows outperforming the competition. According to Johnson and Scholes (Johnson and Scholes, 2011), the strategic capability of an organization is the combination of resources and skills. By resources we read all assets (equipment, intangible, financial, etc.) that the organization is able to mobilize. And expertise is the activities towards which the organization deploys its resources. Strategic capabilities can be physical (machinery, etc.), financial (assets, cash, etc.) and human (managers, employees, partners, etc.). Strategic

intelligence will thus bear more particularly on this latter capability. Indeed, the organization of information as we have seen it above will enable the creation of new knowledge, know-how and, therefore, innovation. Practicing strategic intelligence is essential for an organization to build a sustainable competitive advantage.

2. *The use of the VRIO framework in measuring competitiveness*

Barney (Barney, 2010) describes the competitiveness of an organization according to the VRIO model (value, rarity, inimitability, non-substitutability). In this model, the value is determined by the price a customer is willing to pay for a good or service. However, we have seen in history that the value of a product is closely linked to its rarity and the utility it showed. Thus for our study, we are going to voluntarily join rarity and value under the term "Rarity".
Rarity is defined as that which is owned but by a very small number of organizations. For example, a trademark, patent, a single raw material etc. However, the rarity of an offer is of no interest if customers do not value it. Attention also to the time scale of rarity. Indeed, it is quite possible that the rarity of an organization is only temporary.
To measure the inimitability one should carefully observe the manner in which the organization ensures the combination of resources and expertise. However, Barney explains that the complexity of the imitability can also come from the culture, the organizational complexity, the ability to change and the organization of resources and expertise as we have just seen. But it can also depend on the causal ambiguity, that is to say the causes or links that have been implemented to create competitive advantage or strategic capability or to allow the organization to be innovative.
Non-substitutability is an element that reinforces the strength of competitive advantage. For our study we will assume that the non-substitutability of strategic capability can join the inimitability. We will thus have further an "imitability" determinant which brings together these two elements.

3. *The impact of the life cycle and growth in the evolution of the competitive advantage*

The organization operates according to internal as well as external contingencies. Namely, the age, size and other internal factors of the organization will change its structure. Thus, like a living being, the organization will experience different phases of development that go from birth to decline passing through growth, development and maturity. The life cycle of the organization, or that of innovations, is significant as we will later deem that rarity and imitability are also related to the life cycle. Indeed, it is common sense to agree that an organization in the process of emergence holds a technology or a rare and non-imitable skill. Conversely, a company that is in a sector which reached maturity or decline would be much lower on the rarity and inimitability levels. These are phases in which competitors usually have access to the same resources and the same skills and are often prone to price wars and non-price competitiveness. Henderson (Henderson, 1979) argues that the growth rate of a market can be a variable allowing the setting of the level of profitability of a business. As we assume that the life cycle has an impact on the rarity and imitability, we can agree that the growth rate of the sector can be a good quantitative

indicator of the evolution and growth of the market in which the organization ensues. The growth rate is, thus, a common variable of rarity and imitability.

4. *Rarity and imitability: determinants of competitiveness*

As we have seen in previous sections, we consider rarity and imitability as determinants of competitive advantage and thus the competitiveness of the company. The strategic capability of an organization to hold and maintain a competitive advantage and, by logical consequence, its competitiveness depends on its level of rarity and its level of imitability. In the empirical approach we will describe the method of calculation. This will confirm or not the relevance of these indicators.

THE ACTION TO BE IMPLEMENTED IN COMPETITIVE INTELLIGENCE ACCORDING TO THE STRATEGIC CAPABILITY

1. *The needs in strategic intelligence evolve according to competitiveness*

Just like Maslow's pyramid that describes the needs of individuals we have built a pyramid of actions to be implemented with priority in competitive intelligence. From the points above we can deduct that the needs of competitive intelligence actions may evolve depending on the competitive advantage built from the strategic capability. The pyramid below shows, thus, the changing needs depending on the level of competitiveness of the organization in its sector. As shown in the diagram opposite, the strategic intelligence actions are four in number:

- Monitoring the environment;
- Influencing the environment;
- Protecting one’s assets;
- Managing the risks.

In fact, higher the level of competitiveness is, more the defensive needs of risk management and asset protection will be reduced in favor of the offensive actions of monitoring and influencing the environment.

Conversely, lower the level of competitiveness of the company will be, more its risk management and the need for protection will be the key points to successfully strengthen its position on its market. In this case, as the company has only minimal ability to intervene in a market, it will be forced to opt for a defensive strategy in the field of competitive intelligence. We can therefore say that the internal and external contingency factors as well as the strategic ability of an organization will determine, in part, the action to be implemented to improve its competitiveness.

2. *The environmental survey*

To monitor the environment is to apply all the tools of environmental analysis that exist in strategic management and which we took a glimpse at in the first part. This need corresponds to

the most favorable situation of the company. Indeed, the company is in a position of leadership, with a strong strategic capability, a rare and non-imitable competitive advantage.
The company which is a market leader must make sure it maintains its advantage by monitoring its environment. This means keeping pace with technological developments, or imposing new key success factors; ensuring the highest possible level of client satisfaction by responding precisely to changes in demand; maintaining the level of sophistication at the best quality/price ratio; striving to raise barriers to entry and finally, following the political and legal developments in its sector and in its related sectors.

3. *Influencing the industry*

In which case we need to influence the environment? As we saw earlier with the blue ocean strategy, it is important to influence the environment when the competitive intensity in the market is high and competition is fierce. It is therefore necessary to create new key success factors to cause competitors in a previously unexplored way. It may also be an opportunity to force the market with new standards or regulations by lobbying.
This situation arises when the company has a high level of rarity but imitability level is medium or high. This means that the industry is maturing and that access to technology and/or market becomes imitable or substitutable. Or that the competitive advantage and the rarity are easily imitable since they are rapidly accessible to competitors and new entrants.

4. *Intellectual property protection*

To protect one's heritage means to protect its employees, material and immaterial assets and its know-how. To protect key employees, but also those who represent a risk factor in view of their access to privileged inside information of the company or their exposure in risk areas. Protecting material goods means controlling access to sensitive sites. The sensitivity can be explained by the fragility or the danger of the materials used; by the cost and availability of technologies; also by the know-how used that constitutes a competitive advantage. But it also means protecting its intangible property by trademark registration(s) and patent(s) to foreclose the time of the use of technology and also to allow research and development to find new, more innovative technologies. The need for protection may occur at two stages. At the beginning if you know in advance that the technology or know-how will be quickly imitated. Or when the industry has matured to temporarily limit access to the market for new entrants or substitute products.

5. *Risk management*

Finally, risk management arises in situations where rarity and imitability are at their most dangerous level for the company. The competitive intensity is high, resources and skills are not rare and perfectly imitable. In this case the company must manage its particular technological and commercial risks.

The development of key points outlined above not being the subject of this research, we stayed short on their content, applications and solutions. However, we can find them in the matrix in the next section.

The matrix of competitive intelligence actions (CIA Matrix)

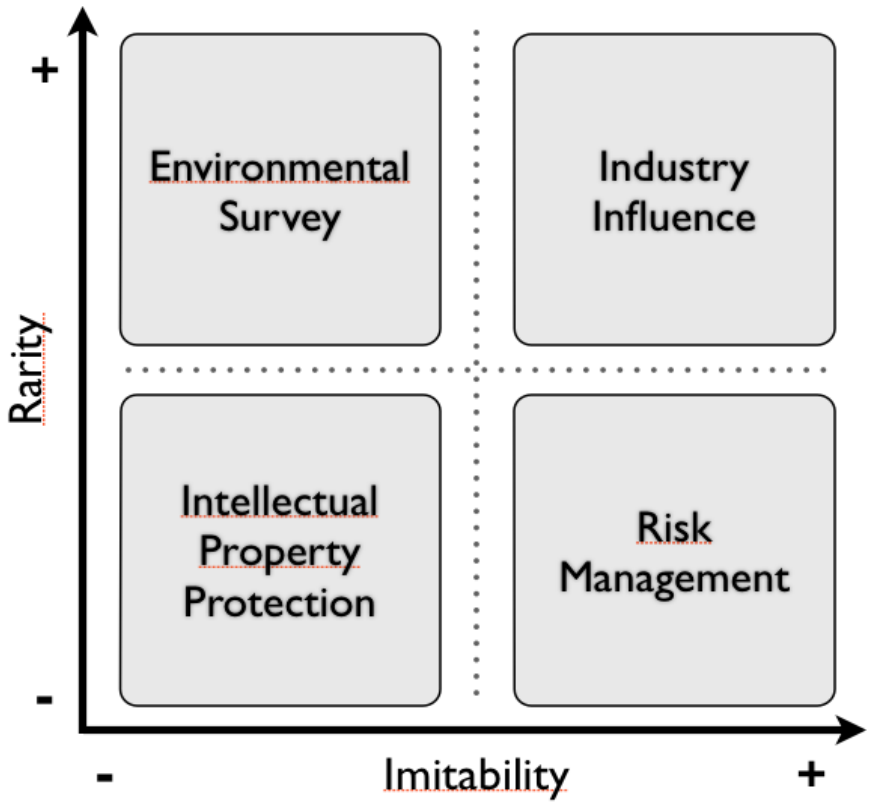


Fig 1 : Competitive intelligence actions's Matrix

The purpose of this matrix is to set the level of competitiveness following the two variables that we have identified: rarity and imitability. According to its position in the matrix, this model will allow the organization to determine what competitive intelligence action should be implemented with priority.

In the empirical approach we try to demonstrate that the model adapts to different industries and can meet the needs of small and medium enterprises.

The use of this matrix can also enable the company to analyze and monitor its level of competitiveness. The indicator will allow the company to better organize its resources and expertise and will thus create a dynamic capability which will strengthen the non-imitability of the organization.

This matrix allows adaption of the actions to implement depending on the level of competitiveness of the organization which will enable it to maintain its leadership and to maintain its position on an increasingly competitive market.

A SECTORIAL COMPARISON OF NEEDS IN COMPETITIVE INTELLIGENCE

1. *Methodology*

Following our model as described above, we will construct our indicators of rarity and imitability. The combination will allow us to position the company in our strategic intelligence needs matrix and to measure its level of competitiveness.

2. *Construction of the "Rarity" indicator*

Construction of the indicator of rarity R. The R indicator gives the level of rarity on a scale of 0 to 5, 5 being the highest, 0 the lowest and 2.5 the average score.
Sectorial variables (scored from 0 to 10): Entry barriers (EB); The threat of substitutes (TS) Bargaining power of buyers (PB); Bargaining power of suppliers (PS). Competitive intensity (CI) marked out of 40 and sector life cycle (LC) noted as follows: Emergent (1) Growth (2) Development (3) Maturity (4) and Decline (5)).
Internal variables (marked 0-5) Patrimonial Resources (PR = assets) Financial Resources (FR) and Human Resources (HR). Then we have considered the force of the Intangible Heritage (IH) and valuation by customers (VC). Each of the internal variables is scored out of five points. 5 is the highest score and 0 the lowest score. The combination of the five internal variables gives the internal variable, IV, graded from 0 to 10.
CI = EB + TS + PB + PS
This gives a score out of 40 to competitive intensity. A high intensity of competition means that the level of rarity is low and that the area is unattractive to new entrants.
The sectorial grade SEC = (CI + (LC*4))/6
This grade also provides a general and sectorial mark on a scale of 0 to 10, 10 being the highest. The mark is higher when rarity is the lowest. On the other hand 0 is the lowest score and is obtained for an area where rarity is the highest. This means that it is a very attractive sector.
Internal variables are each rated from 0 to 5, 5 being the highest, the one where the strategic capability of the company is the strongest. And 0 the lowest score, that where the company has no distinctive competence. The overall grade IV is equal to the sum of the internal variables multiplied by two and divided by five to give an overall score from 0 to 10. A note valuation (CV) has been integrated. There is a scale from 1 to 5 of valuation of the company by customers.
IV = (PR + FR + HR + IH + VC)*2/5
To make the matrix relevant the grade of the internal variable was reduced to IH and VC. This prevents the imitability and rarity to vary according to the same internal and external variables. R is mainly built on the basis of internal IH and external VC. We will find R a grade on a scale to 5 obtained as follows:
R = (IH + VC)/2
R therefore gives a grade between 0 and 5 to the rarity of the venture, 5 being the highest and 0 the lowest score.

3. *Construction of the "imitability" indicator*

Description of indicator imitability I. The I indicator shows the level of imitability on a scale of 0 to 5, 5 being the strongest, 0 the lowest and 2.5 the average score of imitability. The lower rating means that the observed organization is non-imitable, unlike a score of 5 which represents an organization with a high imitability.
I is obtained as follows:
I = (((PR + IH)*2 + ((10-TS) + EB))/8

4. *The competitiveness level*

The level of competitiveness (CL) is a combination of the grades of rarity and imitability. This gives a score between 0 and 5, 5 being the highest and 0 the lowest competitiveness rating. The grade could be easily reduced to a grade on a different scale as needed. In our case CL is a score from 0 to 5, with 5 being the highest and 0 the lowest score. =SI (I ≥2.5; SI (R ≥2.5; ((R+I)/2); (I-R)); SI ((R ≥ 2,5; ((3,75 + R - I)*10)/7.5/2; (I - R)))

5. *The case of non-alcoholic beverages*

The non-alcoholic beverages sector is a very oligopolistic one. Indeed, very few players are in this market and entry barriers are very high. The study (Xerfi Global, 2012) focused on the entire sector, taking into account the data of nine players present on the market: Coca-Cola (USA), Dr Pepper (USA), Nestlé (Switzerland), Pepsico (USA), Danone (France), Tingyi (China), Kirin (Japan), Asahi (Japan) and Suntory (Japan).
The non-alcoholic beverages sector includes a large number of products: water, juice, soda, tea, etc. Despite the crisis, the sector seems little touched and remains dynamic due to changing socio-cultural factors which create new needs among consumers.

6. *Presentation of Coca Cola*

Coca-Cola is one of the leading companies in its market. It is the largest manufacturing company of soft drinks and syrups. There are no less than 500 brands in all categories in this industry. The Coca-Cola Company operates in more than 200 countries, covering all continents. In 2012, sales accounted for 33.44 billion euro.
In France, Coca-Cola is based on a 100% national production. The Coca-Cola Company owns the brands and its subsidiaries. Based in Issy-les-Moulineaux, the subsidiary "Coca-Cola Services France" manufactures and sells concentrate to bottlers. It was it who developed the brand development strategy, communication and consumer relations. It is also in charge of product development, innovation, marketing, consumer research as well as advertising and sports sponsorship.
Second largest subsidiary, "Varoise de Concentrés S.A." based in Signes (Var) produces, sells and distributes concentrates, bases, fruit juices and services associated with bottling companies in Europe but also in Africa and Asia. The Coca-Cola Company is working with three large

bottling companies: Coca-Cola Company, Socobo and Coca-Cola Production spread over 15 sites in France. They are responsible for manufacturing, marketing and distribution of products of the Coca-Cola company. The Coca-Cola products are distributed in more than 400.000 outlets in three distribution channels: retail (70% of volume), out-of-home (25% vol.) and vending machines(5% vol.) (Coca-Cola France, 2013).

7. Presentation of Red Bull

Established in 1987 in Austria, the Red Bull group comes forward on a new market: that of the energy drink. A pioneer in its market, but a new entrant in the non-alcoholic beverages sector. In 1990 the group started its internationalization and encounters a difficult start. It is criticized for the presence of taurine molecule which is unauthorized in some countries and whose effects on the body are unknown. In 2011 Red Bull is present in 164 countries and in 2012 around the world (USA, Asia and Latin America). In 2010 sales of Red Bull totaled €3.79 billion and 4.25 in 2011.

Today, Red Bull is present in more than 165 countries and so far more than 35 billion cans of Red Bull were consumed. Because of exchange rates and prices, the turnover of the company grew by 15.9%, from 4.2 to 4.9 billion euro. These positive results are mainly attributable to the excellent sales recorded by Red Bull in South Africa sales (+52%), Japan (51%), Saudi Arabia (+38%), France (+38%), the U.S. (17%) and Germany (14%), and to a sensible cost management and ongoing brand investment (Red Bull France, 2013).

8. The case of software industry

Software represents a major sector of the computer industry. Companies being very insatiable in the software and information systems, the sector seemed quite interesting to study. It mainly impacts the functions of: accounting, finance, ERP, simulation, calculations and measurements, etc. Software vendor industry is present in almost all sectors. The closest is the mobile sector (iOS, Symbian, RIM, Google, etc.) and all the applications they reference. The development of specific applications allows this sector to remain attractive and allows small businesses to work on niche markets (Xerfi 700, 2012).

Companies included in the environmental analysis are: IBM, HP, Sopra Group, Dassault Systèmes, SAP, Oracle, Amadeus, Microsoft, Sage, Murex, Insight Technology Solutions, Cegid, SII, CS Information Systems ASAP Software, CA, TNF, Axway Software, Allopass Sungard financial systems, Alti, Micropole, HR access solutions, Berger-Levrault, Reuters financial software, Cegedim activ, Institute NDS technologies, Generix, CSC financial services, Ilog, Nexeya services, BEA Systems, Pharmagest interactive, Laser Symag Six telekurs, Dassault data services, application services and IBM VSC technology.

New offerings such as Cloud Computing have enabled the sector to be very attractive to businesses as well as individuals. Offers to access software as a service are also very attractive. In addition, the sector was very greedy in software development including the renewal of software and systems for the banking and insurance sectors which encountered new standards and regulations, including Bale III and the financial safety and fight against financial crime law.

9. The case of the sports sector

The sport sector today presents a total revenue of € 85 billion (Xerfi Global, 2012). Today all clubs are affiliated to a federation and have an economic orientation of sport. The sports sector generates a very large number of opportunities. From sponsorship to advertising, passing through media and through amateur licensee equipment, all these activities are interrelated and generate a maximum of profit for a small minority of players.

The intensity of competition in this sector is particularly tough. Very high incomes depend on the victory of a club. The most valuable activity for a club remains its fans as customers who are generating enormous profits. The arrival of new entrants is virtually impossible in this sector. The State may pose a threat since it owns a great majority of the infrastructure that it can make available or not, at its own discretion.

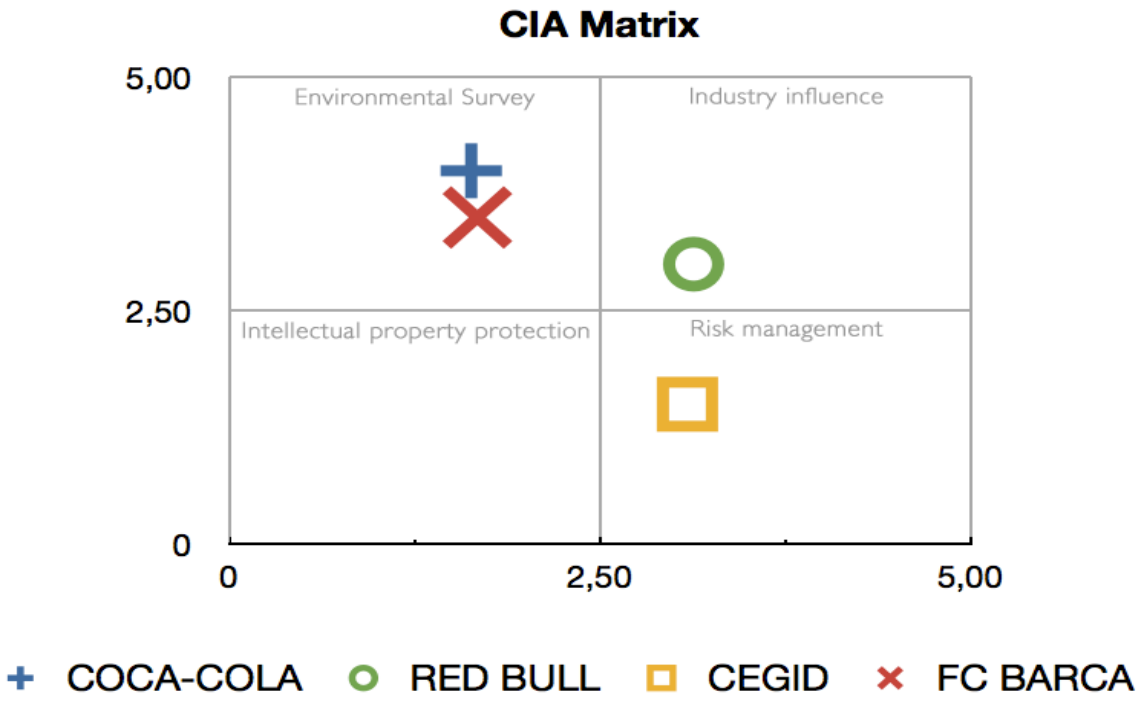
The sample includes the following players: FC Barcelona, Real Madrid, Manchester United, Arsenal, AC Milan, FC Bayern Munich, Los Angeles Lakers, New York Knicks, Chicago Bulls, Dallas Mavericks, New York Yankees and Chennai Super Kings.

1. ANALYSIS AND RESULTS

	Soft drinks industry		Software industry	Sports industry
BE	3	3	2	1
MS	6	6	2	3
PF	6	6	4	6
PA	6	6	6	6
IC	21	21	14	16
CV	3	3	3	3
SEC	5,5	5,5	4,3	4,7
	Coca-Cola	Red Bull	Cegid	FCB
RP	5	2	1	5
RF	5	2	2	4
RH	5	2	1	5
PI	5	1	1	4
CV	3	5	2	3
VI	9,2	4,8	2,8	8,4
R	4,00	3,00	1,50	3,50
I	1,63	3,13	3,08	1,67
CL	4,08	3,06	1,58	3,72

Copyright Table I: Presentation of the analysis of the collected data processed in a market spreadsheet.

Positioning of the companies surveyed in the matrix of Competitive Intelligence Actions:



In this analysis we can see that Cegid must manage its risks as its strategic capability is neither rare nor protected against the imitability. It is therefore possible for a new entrant or an existing player to imitate and enter into direct competition with the company with the risk to make it disappear.

On the contrary, FC Barcelona (Football Club Barcelona) is in the most favorable situation. Indeed, it has a rare ability and strategic non-imitable. Its action in strategic intelligence should be directed to the monitoring and analysis of the environment.

The same is true for the Coca-Cola Company. The result of our analysis allows the highlighting of a difference in position between two companies in the same industry: Coca-Cola and Red Bull. We have seen that Coca-Cola is positioned within a framework quite favorable to environmental monitoring. On the other hand Red Bull, a new player in the industry of non-alcoholic beverage, is in a situation where it must influence the environment to permanently settle in the area. Although its growth is explosive today it is easily imitable by groups such as Coca-Cola and PepsiCo which are each ten times more important than the Austrian firm. Note also that the level of competitiveness of Red Bull (3.06)1 is significantly inferior to that of Coca-Cola (4.08).2

[1] Out of 5
[2] Out of 5

These results allow us to assert that our indicators are relevant. Rarity and imitability are the determinants of corporate competitiveness factors. They can also be used in various industries.

DISCUSSION

This study indicates that the model of competitive intelligence actions adapts to different sectors and company sizes. This model can subsequently be applied in organizations of all sizes and all types of business sectors. However, we regret not having built a reference group to allow comparison of companies amid themselves.
In addition, this study highlights maps and types of organizations and competitive intelligence needs. From a managerial point of view, this research allows knowing what actions are to be implemented and for what purpose. It also allows for creation of needs which could be shared in an industry.

From a theoretical point of view, this research opens the prospect of further research questions such as the role of competitiveness hubs, or other forms of cooperation, the development and sharing of competitive intelligence actions. We can imagine further, more insightful studies on each of the competitive intelligence actions presented in this work. We may also conduct a study on a larger sample of companies in the same industry.

This study could also be a brick in the construction of a public policy on competitive intelligence as a tool tailored to meet the needs of businesses by sector and company size.

Conversely, this study does not explain how to implement the actions. It is deliberately limited to only three activity sectors. It is therefore possible that this model could not be applied to all sectors. Also, we have not studied the matrix on a significant sample of companies in the same industry. We also regret that this study is not longitudinal and therefore does not allow identifying the changing needs over time.

Nevertheless, the study of the two companies, Coca-Cola and Red Bull, of different sizes in the same industry, that of non-alcoholic beverages, shows the difference in needs for business and competitive intelligence. Furthermore, the grade for the level of competitiveness (3.06) entails that Red Bull is less efficient and more sensitive than its rival Coca-Cola (4.08).

CONCLUSION

In conclusion, our study was able to illustrate that the determinants of competitiveness could be rarity and imitability in the sense that we have defined throughout this work. The level of competitiveness as a companies' indicator may be used in future, more detailed sectorial studies and in longitudinal studies of specific companies. These three indicators are essential tools for the construction and implementation of competitive intelligence activities in the sense that we have defined.

The competitive intelligence actions to implement, as defined in our matrix, correspond to the needs of the companies we have studied. This justifies the existence of this matrix and its application in enterprises and consultancies in the field.

Our research has also facilitated the development of a pyramid of needs in competitive intelligence. Direct supplement of the matrix, this pyramid shows that the requirements change depending on the strategic capability, on the competitive intensity and, therefore, on the level of competitiveness of the company we have built.

Finally, this work is a rough stone in the theoretical construction of the concept of competitive intelligence and its empirical implementation.

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