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The benefits of using competitive environment integrated information analysis to the development of the organisational culture and to the consolidation of firm's durable competitive advantages

Summary

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In today's society, as the technological means are becoming increasingly complex. The amount of information available at any time becomes very large. However, from the business environment perspective, the need for information is, also, on an upward trend. Until recently, the dominant idea in the business environment was that the one that owns the biggest amount of information is also the strongest. Today, however, the significant amount of information brings into discussion a general differentiation of information categories: useful information and useless information. In this context, one of the most important question brought forward by the business environment is: how can we filter this volume of information in a way that a firm's information needs are met at a high rate, with the lowest possible costs?

Competitive environment integrated information analysis as part of the Competitive Intelligence cycle deals with a current problem of the modern society, the need to obtain information which give action capacity, namely intelligence ("intelligence is the element which may be coded in order to be stored, processed and communicated; it is the product of collecting, processing, integrating, analysing, evaluating and interpreting available data, relating to certain interest areas", Nicolaescu and Simileanu, 2004). In our days, the mere possession of information is no longer sufficient and the way it is analysed and then used becomes essential. In this context, the process that includes competitive environment integrated information analysis is a systematic program for gathering and analysing information about your competitors' activities and general business trends to further your own company's goals (Kahaner, 1995).

The use of information about competitors salary policy, expected market developments, possible merges or competitors' pricing policy is crucial in determining the company's development direction on a hectic and competitive market. In fact, the main purpose of the intelligence producing activity is to obtain, through legal and ethical methods, information which give action capacity regarding the market and the competitors in order for the firm to gain competitive advantages. Thus, to the quantitative methods, which are very important for the economic activity, we can add the competitive environment integrated information analysis as a part of the Competitive Intelligence cycle, a qualitative method that creates added value in the competitive market.

Concepts such as Business Intelligence, Data Mining and, more recently, Big Data, acquire an important role in the knowledge management field. However, the new knowledge-based society needs to develop a more specific type of information analysis focused on the competitor, such as the one part of the Competitive Intelligence activity cycle.

Therefore, given the significant importance that competitiveness plays in the global economy, obtaining competitive advantages through the use of appropriate actionable

information is essential. Only strong and adaptable companies are able to thrive in a society of sceptical and increasingly demanding consumers.

This study brings information in line with the other production neo-factors, such as the technological capacity and entrepreneurial skills, proper management of intelligence analysis inside a firm being an important asset for sustainable development. At the same time, it can form the basis of a rigorous research regarding the importance of intelligence for the competitive environment and its role in the development of the business environment. The main answer this study gives is regarding to the importance of information analysis and the use of its results in a company that wants to increase market competitiveness.

All in one, we have chosen the theme “The benefits of using competitive environment integrated information analysis to the development of the organisational culture and to the consolidation of firm’s durable competitive advantages” in order to underline the importance of this activity for the competitive market. The business environment in Romania is still fragile, although it’s based on the existence of a free market for more than a quarter century. In order to reach maturity and stability, a innovative, opened to new ideas and future prospects approach is needed.

In terms of methodology, we chose to research the field scientific literature, both on national and international level, and transpose the conclusion revealed in the best rated documents. Also, we have used the most relevant analysis types description in order to properly define the information analysis domain, especially the one regarding the competitive environment. Finally, the presented examples were extracted from publications of renowned authors and companies from the Competitive Intelligence field.

The first chapter refers to the quantitative data analysis, applied on the Business Intelligence, Data mining and Big Data concepts. This brief overview of the three methods is a way of clarifying their main characteristics, and especially of their main differences. Each method has its utility, relevant to different sectors, but, as revealed in the text, the quantitative analysis specific limits require the user or beneficiary of those methods to restrict the conclusions in the short term that does not refer to unforeseeable events or those with a high degree of uncertainty. However, all companies that want to hold performing information analysis departments need to pay attention to these concepts.

The second chapter highlights two types of qualitative analysis, intuitive analysis and structured analysis. Both are important for the qualitative analysis activity but our focus is on the structured analysis, because this is the core of competitive environment integrated information analysis as part of the Competitive Intelligence cycle. Therefore, we presented eight structured analysis methods: structured brainstorming, cross-impact matrix, key assumptions check,

indicators analysis, analysis of competing hypothesis, pre-mortem analysis and structured self-critique, “What if?” analysis and scenario analysis. Subsequently, in the section dedicated to the Competitive Intelligence activity, we presented the concept and the stages of this process, highlighting the most important step: the competitive environment integrated information analysis. The end of the second chapter is dedicated to the Competitive Intelligence delimitation to other related or similar activities, such as Benchmarking, Data Mining, Business Intelligence, Knowledge Management and espionage. We believe this distinction is essential for any company in order to understand the properties of the Competitive Intelligence process, its scope, used methods and conclusions that can be reached, and in order not to create confusions between these activities that may damage the final result. The end of the chapter reveals the cultural implications of using the CI process as part of the business process in Romanian firms, both at an individual level, in particular, and at the entire society level, in general.

The third chapter, entitled “Competitive advantages interface elements – the benefits of competitive environment integrated information analysis” begins by emphasizing the need of using a process that includes this kind of information analysis in order to obtain sustainable competitive advantages. Along with the reasons given in the introduction (the exponential growth in data volume, the limitations of quantitative analysis etc.), we chose to mention some strictly economic related reasons, such as the possibility of obtaining economic growth, the possibility of developing companies or solving problems resulted from the large agglomerations at the global competitiveness level. The next subchapter presents a number of certain advantages of using the competitive environment integrated information analysis as part of the production, followed by four example in which Competitive Intelligence was used in order to obtain competitive advantages and to strengthen or improve the strategic position on the market. Thus, the cases of the well-known companies AT&T and Nutrasweet alongside the presented experiences of the Competitive Intelligence consultancy firm, Fuld&Company, certify the importance and effectiveness of this particular type of activity as an integrated part of the firm.

Finally, the conclusions draw the main idea of each part from this report, highlighting once again the added value that the Competitive Intelligence process can bring to a company.

Certainly, further research in the directions given by this report are needed in order to strengthen the ideas that had fewer palpable arguments, but we believe that following the steps and the methods presented in this paper can provide sustainable competitive advantages at low costs to any company that wants to improve its position on the competitive market.