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THE VOLVING USE OF COMPETITIVE INTELLIGENCE AS A STRATEGIC BUSINESS MANAGEMENT TOOL: THE ZIMBABWEAN EXPERIENCE

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ABSTRACT

This study employed a descriptive survey design to explore the difficulties manufacturing companies in Zimbabwe encounter in the application and practice of competitive intelligence (CI). This was done with full knowledge that adopting and implementing competitive intelligence concepts is a voluntary process as it is not enshrined in law and therefore there are no legal penalties imposed on those companies which do not apply any one of its tenets .The manufacturing sector was chosen because it is one of the sectors which is heavily threatened by globalization and technological advances. The exposure of the Zimbabwean manufacturing companies to both domestic and foreign competition means that these companies have to adopt and apply business survival strategies which include among others implementation of CI to counter this threat. The primary objective of this research was to explore the application and practice of CI in Zimbabwe. A sample of 100 Chief Executive Officers was chosen from a population of 350 manufacturing companies who are members of the Confederation of Zimbabwe Industries (CZI). This sample was selected using stratified random sampling. Data was collected through the use of a self-administered questionnaire which was supplemented by the use of the structured and unstructured interview schedules. The data collection instruments used, were designed such that they were able to generate both qualitative and quantitative data. The major findings from the study were that lack of financial resources dedicated to CI activities and lack of expertise to conduct CI processes were major barriers faced by companies in the application and practice of CI. It was therefore recommended that in order to boost and build expertise in the field of CI major Business Schools in the country should consider introducing compulsory core courses on CI.

Key words: bottom line, competitive intelligence, espionage, competitors, competition, intelligence, competitive advantage.

1.0 INTRODUCTION

Since the turn of the 20th century competitive intelligence (CI) has slowly but surely evolving as an important worldwide strategic business management tool. It is a truism that your business survival depends on you gaining a full understanding of your market and competitive environment. Evidence from the Western World, shows that application of CI processes enhances the ability of a company to avoid surprises in the process identifying threats and opportunities (Collins 1997; Fuld 1999; Miller 2000 and Calof and Fox 2003). A company that ignores to monitor and analyze its competitors is no doubt poorly equipped to craft and execute a long term winning business strategy. While the advantages and benefits of the use of CI are obvious, it is hard to understand why the concept has not been widely adopted in Zimbabwe. To survive and succeed in today's turbulent and competitive global business environment companies in Zimbabwe should increase their use of CI as a strategic business management tool. The question which immediately comes to mind is: "Is competitive intelligence an imperative issue among manufacturing companies in Zimbabwe?"

The aim of this descriptive survey study was to explore the difficulties manufacturing

companies in Zimbabwe encounter in the application and practice of CI as a strategic business management tool. Miller (2000) cites a year 1995 study by academics at the University of North Texas which found that those companies that adopted and implemented CI programmes in most cases out performed those that did not in three areas namely, sales, market share and earnings per share. This study by North Texas University Academics is consistent with the bench marking study conducted in the US within the aerospace and defence industry by Price Waterhouse Consulting (PWC) in the year 1993 that found that companies with a 67% win on contracts they pursued (the industry average win was 18%) included CI in their contract strategy. In addition these studies have also shown that there is a positive relationship between emphasis on CI and financial performance. The Strategic and Competitive Intelligence Professionals (SCIP) (2008) have also observed that companies in the Western World are aggressively applying CI while in the developing countries Zimbabwe included CI is either unknown or is still in its infancy. While the advantages and benefits of CI are obvious it is hard to understand why the concept has not been widely adopted in developing countries. Such sentiments and observations have influenced the researchers to explore this area.

This study sought to address the following central question: Is CI an imperative issue among Zimbabwean companies? The study was carried out with the full knowledge that adopting and implementing CI is a voluntary process which is not enshrined in law and therefore there are no legal penalties imposed on those companies which do not apply any one of its elements.

2.0 RESEARCH QUESTIONS

The study was guided by the following research questions:

- Do senior executives in Zimbabwe understand the concept of CI?
- What difficulties are encountered by companies in the adoption and practice of CI?
- What are the financial benefits derived by companies in practicing CI processes?
- What are the most commonly applied CI practices in Zimbabwe?

3.0 THEORETICAL FRAMEWORK

The scholarly publications and burgeoning academically researched literature associated with the discipline of CI are housed in the detailed bibliographies that were published by the Strategic and Competitive Intelligence Professionals (SCIP). The history of publications and other scholarly researches can be summarized as follows: Kelly (1965) introduced the field of CI; Porter (1985) identified CI as a critical business function; Kahaner (1997); West (2001); Tyson (2002); Vedder and Guyness (2002); Calof and Wright (2008); among others contributed to the burgeoning scholarly publications and researches in the field, and all had one thing in common; the strong belief that companies will benefit from adopting and implementing CI processes in strategic planning. Kahaner (1996); McKinnon and Burns (1992) and Ghoshal and Westney (1991) observe that the field of CI has grown in the last few decades to become an integral of most large organizations

3.1 The Evolution of Intelligence Gathering

Fleisher (2003) argues persuasively and elegantly that CI has a long history, even though its use in the realms of commerce is more recent. In this regard Fleisher and Blenkhorn (2003) point out that intelligence and competitiveness have a long association with warfare and are only gaining one in business now.

According to Fleisher and Blenkhorn (2001) origins of intelligence gathering can be traced back to Confucius in China and Biblical Moses in the West. Moses is reported to have sent out an expedition of Joshua, Caleb and other men to scout the promised land after the Jewish people left the land of Egypt around 1500 BC (Numbers 13 v 12-33 KJV). And Moses sent them to spy out the land of Canaan and said unto them, get you up this way southward, and go up into the mountain, and see the land. What it is; and the people, whether they be strong or weak, few or many… After the death of Moses; Joshua who took over the leadership of Israelites is also reported to have sent out men to spy secretly the Promised Land, including Jericho (Joshua 2 v 1-24 KJV). A millennium later the celebrated Chinese military strategist Sun-Tzu wrote a lengthy essay on the value of military intelligence. According to Farrell (2003) the invasion of Asia and Eastern Europe by Mongols under Genghis Kahn relied heavily on coordinated and extensive intelligence system that enabled planning and execution of military strategies.

3.2 The Evolution and Growth of CI as a Business Discipline

Historical records indicate that intelligence gathering is not a new concept, for time immemorial empires, countries, kingdoms and states have been gathering intelligence for military or defense purposes. Fleisher and Blenkhorn (2001) point out that over 2400 years ago, Sun-Tzu plainly stated the case for intelligence gathering. However, it is also clear from historical records that intelligence networks from past centuries were focused on military and political intelligence. This intelligence was collected using both overt and covert methods. In most cases, these secret methods employed a broad network of spies. Furthermore, Fleisher and Blenkhorn (2001) argue persuasively and elegantly that many of the earliest forms of formal intelligence processes were found in the military industrial planning complexes of nation states.

Available literature prove that it was only in the 1980s that business corporations started intensively applying CI techniques to gather information required in strategic planning. A closer analysis of available historical literature shows, that CI as practiced today is an outgrowth of military and political intelligence and has heavily borrowed from that discipline. According to Fleisher and Blenkhorn (2001), CI is commonly practiced in countries that have fought or have been fighting a war for their survival. They identify France, Germany, Israel, Japan, Korea and Sweden as countries having sophisticated political and military intelligence networks, many of which have been transferred into commercial and economic realm.

According to Cook and Cook (2000) throughout history, the commodity market has evolved and merchants gathered information to enable them to obtain the silk of China, the spices of India, olives of Greece and wines of France. On the other hand Fleisher and Blenkhorn (2001) argue that CI has existed commercially since the first salesperson got wind of a competitor's price reduction and decided to communicate this intelligence to his/her superior. Historical records seem to support the view that CI is not an invention of the 20th century; but is as old as doing business itself. The argument is that CI may have operated under a different name or under no name at all, but it has always been present. In support of the view that CI is not a discovery of the 20th Century, Farrell (2003) gives an example of the British Financier Nathan Rothschild, who managed to conquer the market on British Government Securities by receiving early warnings of Napoleon's defeat at Waterloo. Rothschild used his intelligence network and became the first banker to learn of the defeat of the French Emperor, Napoleon at Waterloo and cleverly utilized the

information and in a single day made a fortune on the London Stock Exchange.

3.3 Definition of CI: The Conceptual Framework

There are numerous definitions of CI in contemporary practice. As a result there is no single precise and universally acceptable definition. Gordon (2002) identifies CI as the process of obtaining and analyzing publicly available information to achieve the objectives of your company by facilitating organizational learning, improvement, differentiation and competitor targeting. Gilad (2008) identify CI as the action of defining, gathering, analyzing and distribution of intelligence about products, customers, competitors and any aspects of the environment needed to support executives and managers in making strategic decisions of a company.

On the other hand Vedder and Guyness (2000) define CI as a systematic and ethical programme for gathering, analyzing and managing information about the present and future behavior of competitors, suppliers, customers, technologies, government, acquisitions, market and general business environment. While the Society of competitive intelligence Professionals (SCIP) (1986) defines CI as the process of ethically collecting, analyzing and disseminating, accurate, relevant, specific, timely, foresighted and actionable intelligence regarding the implications of the business environment to the organization. It may be concluded from these definitions that CI does not apply unethical and illicit or illegitimate methods to accomplish its goals. Thus CI uses those sources that are in public domain to locate and collect relevant and actionable information on competitors and competition.

In addition these definitions prove that CI is not about stealing a competitor's trade secrets or other proprietary property, but, rather gather in a systematic, ethical, overt and legal way a wide range of publicly available information. The synthesis and analysis of CI provides strategic decision makers with critical and deeper appreciation of a competing company's major activities, intentions, capabilities and weaknesses. Strategically intelligence is directed mainly to competitor analysis which assists in gaining deeper appreciation and understanding of competitors' future goals, current strategies, assumptions and capabilities.

Furthermore, the above definitions are an indicator that CI professionals do not operate outside the law, they are law abiding practitioners and that CI is not spying. Spying implies use of illegal and /or unethical activities and methods. These definitions also show that CI is not a crystal ball as there is no such thing as a true forecasting tool. However, CI does give companies good approximations of the reality in the near and long term.

CI comes in many flavors (http://www.fuld.com). Put simply, this statement means that different people in an organization view CI according to what it does or role it plays in their respective departments or sections. Thus to a research scientist CI is a heads-up on competitors research and development initiatives. In the same vein a salesperson considers CI as insights on how his/her company should bid against another firm to win a contract. While to a senior executive CI provides long term perspective and view on the broader business environment.

3.4 The Growth of The Application of CI as a Strategic Business Tool

Fleisher and Blenkhorn (2001) contend that CI is not a recent phenomenon either in business practice or scholarship though its use in the realms of commerce and business is more recent. They argue that the boom of CI in the last decades was driven by increasingly wide spread recognition that good information has a direct impact on the bottom line. It is also

true that CI has evolved as part of the larger movement towards strategic management of organizations. While it is acknowledged that CI is not a discovery of the 20th century as it is believed to be as old as doing business itself there is no doubt that it only started evolving as a worldwide strategic business management tool in the last few decades (Fleisher 2003).

Fleisher (2003) observes that intelligence and competitiveness have long association in warfare and are only gaining one in business now. The growth of CI in the last few decades was greatly influenced by many countries in the world which embraced free markets and many companies pursuing global customers. Miller (2000) points out those countries such as China, Japan and South Korea that were not world economic players in the past few decades are now forces to reckon with in the global business. Their growth and impact in the global economic realm has been enhanced by the use and application of CI processes both at home and abroad.

3.5 Categorization of CI

The early 1980s saw the growth of CI from an emerging concept to an intensively applied strategic business management tool (Miller 2000). It is during this period that great emphasis was being put on the analysis of industry structure and competitors. Porter (1980) emphasized the importance of competitor analysis as part of a business strategy formulation process and strongly recommended the adoption and application of formal CI processes. In addition Porter (1980) outlined the tools for analyzing competitors and evaluating their strengths and weaknesses. Being a relatively new strategic management tool in modern business operations, CI plays an important role in supporting managers, to make better and informed decisions in strategic planning. Vedder and Guyness (2000) indicate that business enterprises today do conduct some sort of CI practices whether conducted formally or not.

In modern times most studies on CI have elevated the concept to a formal level. Porter (1985); Kahaner (1997); Tyson (2002) and West (2001); among others made great contributions to formalization and institutionalization of CI. Porter (1980) argues that firms can benefit more from a formalized CI process than on informal and unstructured one. Furthermore, Porter (1980) emphasized the importance of competitor analysis in the formulation of a sustainable competitive business strategy and recommended the use of formalized intelligence processes. In the same vein Gilad (1996) exposed the close relationship between strategic planning and formalized an institutionalized intelligence processes. Shaker and Gembicki (1999) observe that CI can be simple, such as scanning a company's annual report, and other public documents, or elaborate, such as performing a fully digitalized war-gaming exercise. According to McGonagle and Vella (2002) originally, CI emerged as a process to be undertaken to support the development of competitive strategy. They point out that CI's initial place in business management was to link the development of competitive strategy with achieving competitive advantage.

In addition McGonagle and Vella (2002) contend that CI has since evolved into several types of intelligence namely defensive, strategic, and competitive and market intelligence. Other functions, such as benchmarking, reverse engineering and crisis management now have strong links with CI. McGonagle and Vella (2002) further observe that in its continued evolution CI as practiced today has divided into two separate disciples, that is, active (offensive) and defensive intelligence. They further categorise / divide active CI into four separate, but overlapping types of intelligence processes, namely strategy-oriented, target-oriented, tactic-oriented and technology-oriented intelligence. McGonagle and Vella (2002) also identified departments in companies which produce the majority of CI requests. In their findings

marketing tops the list at 37% followed by sales at 35%. Senior management sits on a mere 13% followed by mergers and acquisitions/ finance at 9% and internal marketing at 6%.

According to Cartwright, Boughton and Miller (1995) CI practices are commonly structured in the following formats:

- Adhoc
- Continuous comprehensive
- Continuous focused
- Project-based.

While Collins (1997) differentiates between two CI programmes that is routine surveillance and focused investigation programmes. He defines routine surveillance as continuous scanning of the business environment. Hussey (1995) refers to this method as "vacuum cleaner approach" and believes that it attempts to collect as much information as possible. A comparison between the views of Cartwright et al (1995) and Collins (1997) show that Collins (1997) agrees with Cartwright et al (1995) to some extent. .

According to Cartwright et al (1995) adhoc CI is performed on an as requested basis and produces outputs that are online in nature and focused on a particular competitor, event or competitive product/service. While continuous comprehensive CI is performed on an ongoing basis by dedicated CI staff that assesses the broad competitive forces affecting the industry (-ies). Continuous focused CI is also performed on an ongoing basis by a dedicated CI staff, but is designed to investigate a selective set of specific issues as defined by key decision makers. On the other hand project-based CI is performed by a temporarily designated team that assesses how competitor and competitive conditions may affect the success of a partner project. Prescott and Smith (1987) refers to project based as focused investigation programme performed on an "as requested" basis and does not require the appointment of a permanent team dedicated to monitoring the competitive business environment. Cartwright et al (1995) concluded that adhoc is the most commonly used form of CI although many companies simultaneously use multiple forms.

3.6 Benefits of the Application of CI Processes

Unexpected changes in the business landscape which are also influenced by globalization of markets have declared no happy surprises in today's market place. Today's business failures are frequently associated with inability of managers to anticipate rapid environmental changes, and failure to respond to new and increasing competition. In the modern global economy CI is recognized as a primary tool in achieving sustainable competitive advantage.

McGonagle and Vella (1990) believe that CI can be used in programmes that supplement planning, mergers and acquisitions, restructuring, marketing, pricing, advertising and R&D activities. Gilad (1989) contends that behind every successful strategy there has been a tireless effort to collect intelligence. Prescott and Smith (1989) suggest that the role of CI in an organization is to support strategic decision making. However, Ghoshal and Westney (1991) believe CI identifies early warning of threats and blind spots in business. On the same vein Vedder and Guyness (2002) observes that CI supports strategic planning and implementing marketing information technology and research and development activities. Caudron (1994) suggests that CI is there to support competitor assessment and tracking. On the other hand Gelb, Saxton, Zinkhan and Albers (1991) believe CI assists in performing industry bench marking with competitors. Lynch (2006) argues that CI is the bedrock of strategic planning. According to Pirrto (1991) an organized CI programme can help to reduce costs, manage the company's pricing

strategies and create products for the market.

A number of authors such as Porter (1985); Kahaner (1997); Vedder and Guyness (2002); Prescott (1995); Fleisher and Blenkhorn (2001); Miller (2000); Calof (1999) among others have clearly stated a case for CI and its benefits to companies. These benefits have been stated by a number of authorities but Fleisher and Blenkhorn (2003) have provided an easy to follow summary. Fleisher and Blenkhorn (2003) are of the view that CI programmes support organizational decision making and are focused on achieving competitive market place goals, such as proactively detecting opportunities or threats, eliminating or reducing blind spots, risks and surprises.

Kahaner (1996) refers to a Price Waterhouse Consulting (PWC) bench marking study within the aerospace and defense industry which concluded that companies with a 67% win on contracts they pursued (the industry average win was 18%) included CI in their contract strategy. Another study by Jaworski and Chee Wee in 1993 came up with following observations:

(a) Companies that engage in high levels of CI activity showed 37% higher levels of product quality that in turn delivered a 68% increase in business performance.
(b) Companies that engage in high levels of CI activity showed 36%higher levels of strategic planning. Higher levels of confidence in planning were associated with a 48% increase in business performance.
(c) Companies that engage in higher levels of CI activity showed 50% higher levels of market knowledge. Higher levels of market knowledge were associated with a 36% increase in business performance.
(d) Lack of formally sanctioned CI structure led to less collecting, analysis and use of CI.

Miller (2000) cites a 1995 study by academics at the University of North Texas which found that those companies which emphasized CI in most cases outperform those that did not in sales, market share and earnings per share. In short these studies reveal that there is a positive relationship between emphasis on CI and success in financial performance. Financial performance as measured by three (3) key measures that is average sales, market share and profitability. The studies found that the average sales for those companies who practiced CI were US$9.80 billion compared to those who did not implement CI in the same industry whose average sales were US$1.02 billion.

These studies found that that the average market shared for CI focused companies was 5.4% compared to 0.8 % for none CI focused companies in the same industry. CI focused companies had an average earnings per share of US$ 1.24 compared to a net loss on this measure of US$0.71 for other companies.

Gilad (1989) supported by Rouach and Santi (2001) gives examples of companies where CI helped to bring about positive financial impact on these companies' performances in different areas. These companies were identified as Merck & Company, NutraSweet, Texas Instruments, Shell, East Kodak Company, and Motorolla, AT&T, Metropolitan Life Insurance Company etc. The website hptt//www.fuld.com observes that modern times entrepreneurs such as Richard Brandson, Bill Gates and Michael Dell need, want and use CI on a regular basis. Eger (1995) refers to the concept of "cost avoidance" as a means to measure effectiveness of CI. Kahaner (1996) cites Robert Flynn, the chairman and CEO of NutraSweet who place a value of US$50 million a year on revenues gained in addition to those not lost due to high levels of CI activity.

3.7 Implementation Challenges for CI

According to Prescott and Herring (1997) in spite of burgeoning literature in favour of CI, several studies have on numerous occasions pointed out that CI is sometimes misunderstood and its recognition overstated. The misunderstanding is attributing to confusion between CI and industrial espionage. In this regard Bryant, Coleman and Krol (1996) suggest that the best way to rid CI of the negative connotations associated with the word "intelligence" would be through an awareness campaign.

Powell (1999) points out that another challenge associated with CI is its relationship with other business concepts. He believes that CI does not only have a marketing problem because of being misunderstood but risk being confused with marketing itself, particularly marketing research. Hendrix (1996) observes that some authors believe CI is an extension of marketing research, or that it should support marketing. On the other hand Pinkertorn (1996) points out that others use the term marketing research and CI interchangeably. Kahaner (1997) supported Prescott and Herring (1997) postulate that CI compliments other business management techniques such as benchmarking, total quality management (TQM) and knowledge management.

According to Tyson (1993), the third challenge facing CI is linking the results of CI processes with decision making. He points out that sometimes vague intelligence requests by decision makers result in unfulfilled expectations. Again at times information overload cloud the final product of intelligence. The final product of CI should be finished intelligence, packaged in a format appropriate to decision maker. Prescott and Herring (1997) suggests placing emphasis on a synthesis and analysis of information instead of research to overcome this problem.

A major challenge lies in measuring the value of CI. The ultimate purpose of CI is to add value to the business. In most companies however, different managers may interpret the concept of value differently. As a result to this day there is no universal value measurement tool of CI. McGonagle and Vella (2002) observe that CI usually has only indirect impact on the bottom line of any business which makes its contribution hard to measure. They also identify another characteristic that makes measuring CI impact more difficult. The identified characteristic presents difficulties in determining when, or even if, an individual or firm has made use of that CI much less, how and when it was used. These views imply that the impact of CI's on business has to date been largely a matter of speculation, of approximation and of faith. According to Sawka (2000) CI brings economic value to the firm in four ways:

i Cost avoidance

ii Revenue enhancement

iii Investment maximization,

iv Value creation.

Prescott (1996) states that although there is some difficulty in measuring increases in financial terms, the same may be said of other business disciplines such as advertising and research and development To overcome the problem of measurement, Metayer (1999) argues that the best in class firms for CI tailor CI function in terms of what the manager wants.

3.8 Criticisms of CI

A reading of the burgeoning literature on CI, seem to converge in concurrence that CI plays an important role in strategic decision making. In spite of this consensus CI does have limitations and criticisms in its practical application. Glitman (2000) argues that CI completely fails to predict the behavior of irrational business competitor. On the other hand Powell and Bradford (2000) point to

the failure by some political intelligence services in the world to cope with unique situations such as the CIA failing to predict the fall of the Soviet Union. In their opinion the intelligence cycle model is only suitable for static business situations and inappropriate for modern day turbulent global business environment. The following are some of the criticisms of CI.

3.8.1 Spy Image

The use of the term "intelligence" conjures up visions of clandestine spy networks. Farrell (2000) points out that although true CI professionals are guided by a code of conduct, there have been instances where unscrupulous individuals have been caught spying. He gives as an example of the year 1982 case where a Hitachi executive was charged for conspiring to steal trade secrets from IBM. In this case Hitachi pleaded guilty and heavy fines were imposed on the company and two of its employees.

3.8.2 Ethics and Legalities

Despite the fact that CI uses publicly available information and this information is identified through legal means which breaks no law and personal ethics, it is true that what is legal is not necessarily ethical. It is also a truism that in the field of ethics boundaries can be dangerously thin. Fuld (1988) supported by Farrell (2003) observe that there have been stories worldwide of patent infringement, outright theft and other types of illegal acts .However, the objective of CI remains not to steal a competitor's trade secrets or other proprietary property but to gather in a systematic, overt, ethical and legal manner a wide range of information.

3.8.3 Collective Intuition

Available literature and the following discussion concurs that CI is a modern strategic decision support tool. However, CI practices have been called into question by recent theories driving modern decision science. Recent literature by Surowiecki (2004) and Gladwell (2005) has introduced the abstract world of Decision Science. Decision Science models revolve around whether individual, instinct driven snap decisions yield better overall results than a collective consciousness where many minds pooled together reach consensus on the accurate depiction of risk and reward. Decision Science models challenge the conventional organizational decision making in which specialized CI individuals examine options, uncertainties and impacts to formulate actionable recommendations.

Gladwell (2005) state that hastily made decisions can be in every bit as good as decisions made consciously and deliberately. On the other hand Sorowiecki (2004) questions the viability of standard organizational models in which the decision making process is formal and structured. Soroweicki (2004) suggests that the collective wisdom of a crowd, more often than not, is superior in predicting outcomes than the individual decision making of an expert. According to this school of thought companies are better off decentralizing decision making into the hands of many and free decision makers than relying on CI.

3.8.4 Impact of CI is Not Measurable

McGonagle and Vella (2002) who are clearly apostles of CI do admit that CI is difficult to measure. They point out that CI usually has only an indirect impact on the bottom line of any business. That makes its contribution hard to measure. Most CI departments have experienced difficulty in developing methods of measuring their effectiveness within companies. It is also a truism that available literature on CI consists of theoretical overviews and advice on how to set up and conduct CI programmes, very little has been written about CI evaluation methods. Kerr (1996) attempted to address the issue of measuring CI value by suggesting that managers should ask themselves if there are areas where CI professionals add value over existing employees. If the managers cannot find

value, the CI function must cease to exist. Unfortunately, different people have different definitions of value.

3.9 The Role of CI in Strategic Planning Activities

According to Cohen (2004:10) "the word strategy is derived from the Greek word strategos which means the art of (military) general." Miles and Snow (1978) and Snow and Hambrick (1980) agree that the concept of strategy was introduced in business literature and advanced mostly notably during the 1950s by the Harvard Business School. Since the publication of Michael Porter's book **Competitive Strategy** in 1980 various authorities have attempted to identify the role of CI in strategic business management of companies. CI is recognized as a primary tool in achieving sustainable competitive advantage in the modern global economy. McGonagle and Vella (1990) believe that CI can be used in programmes that supplement planning, mergers and acquisitions, marketing, pricing, advertising and research and development activities. Gilad (1989) contends that behind every successful strategy there has been a tireless effort to collect intelligence.

4.0 RESEARCH DESIGN AND METHODOLOGY

This descriptive survey study used a sample of one hundred (100) manufacturing companies out of three hundred and fifty (350) who are members of the Confederation of Zimbabwean Industries (CZI) and the sample was selected using stratified random sampling. Stratified random sampling was preferred for this study because manufacturing companies were regarded as being heterogeneous as they were in different industrial sectors. The study used a descriptive survey as the most suitable method of collecting data. The hallmarks of the descriptive survey design are in its strength as a tool for investigating the status of the phenomena, and its in-built mechanism for reliability and validity.

Data was collected through the use of a self-administered questionnaire supplemented by the structured and unstructured interview schedules. The data collection instruments were designed such that they were able to generate both qualitative and quantitative data. The questionnaire was designed such that it provided quantitative responses as it contained closed ended questions only. The structured and unstructured interview schedules were designed to generate qualitative responses through the use of open ended questions, and the flexibility to allow follow up questions. This mixed approach was deliberately adopted to ensure the study was able to benefit from the strengths of qualitative and quantitative approach while minimizing the weaknesses of both approaches.

Table 1. Classification of manufacturing companies by industrial sectors

Strata	**Sample**	**Actual received**
Beverages, foods and food additives	28	15
Pharmaceuticals, adhesives, chemicals and cosmetics	18	8
Clothing, textiles, leather, footwear and rubber.	18	11
High tech and industrial goods manufacturers	18	9
Households, building materials and agricultural equipment	18	7
Total	**100**	60

4.1 Sampling techniques

Stratified random sampling was preferred for this study because manufacturing companies were regarded as being heterogeneous as they are different industrial sectors. Table 1 illustrates the different industrial sectors manufacturing companies are classified into by the Confederation of Zimbabwe Industries. Random samples were selected in each stratum.

4.2 DATA PRESENTATION AND ANALYSIS

The analysis of data from structured and unstructured interview schedules involved a special set of interpretive practices and narrative techniques. The analysis and presentation of data from interview schedules involved organizing the data and breaking it into manageable units in the process searching for common patterns. This process made it easy to discover important ideas and what to report. Data collected through the self-administered questionnaire was presented and analyzed through the use of descriptive statistics. The use of descriptive statistics enabled the researchers to reduce a body of data into tables and graphs, so that facts would be easily interpreted. Constant comparative analysis was used in the analysis of data to establish emerging themes. In the final analysis different data analysis strategies were used to strengthen the research and improve validity of the findings. Out of a total of one hundred (100) questionnaires sent out sixty (60) were completed and returned. The response rate was therefore sixty percent (60%). The study emerged from the application of the questionnaire which was supplemented by the structured and unstructured interview guides.

5.0 RESULTS OF THE STUDY

5.1 Level of awareness of the concept of CI among senior executives

It emerged from the analysis of data that Senior Executives leading manufacturing companies in Zimbabwe have a good and strong theoretical and practical understanding of the concept of CI as they were able to freely define and identify the strategic role of CI in a business enterprise. This high level of awareness could have been backed by the fact that most managers were mature, had the required experience at senior management levels and had sound academic and professional qualifications. It also emerged from data analysis that despite this high level of awareness of CI among senior executives there was also present a strong association of CI with business espionage which could be a possible barrier to the successful application and practice of CI among manufacturing companies. These findings are consistent with views of Prescott and Herring (1997) who rightful observe that despite the growing literature in favour of CI several studies have on a number of occasions pointed out that CI is sometimes misunderstood. The misunderstanding is attributed to confusion between CI and industrial espionage.

5.2 Difficulties Associated with Adoption and Practice of CI

The study established that financial resources dedicated to intelligence gathering, was a major barrier to the adoption and practice of CI. Analysis of data showed that application and practice of CI requires building large sophisticated automated intelligence programmes, which call for huge extra investment in technology. Creation of these sophisticated CI networks call for huge financial resources which most companies do not have.

5.3 Lack of expertise to conduct CI

Lack of expertise to conduct CI within available human resources was found to be another major barrier to the application and practice of CI in Zimbabwe. It emerged from data analysis that the country generally lacks appropriately trained personnel with skills and experience to do a professional job in competitor analysis. The study established that lack of expertise was a serious barrier to the application and practice of CI as all CI processes heavily rely on the human element from both within and outside the company.

5.4 Lack of appropriate technology

Figure 2 illustrate how lack of appropriate technology was a negative factor towards the implementation of CI processes. Lack of appropriately trained personnel and financial constraints bedeviling manufacturing companies to invest in CI processes further exacerbate the problem.

It also emerged from data analysis as depicted in figure 3 that the spy image associated with CI contributed to the slow acceptance of the application and practice of CI. In this regard Bryant et al (1996) suggests that the best way to rid CI of the negative connotation associated with the word intelligence would be awareness campaign.

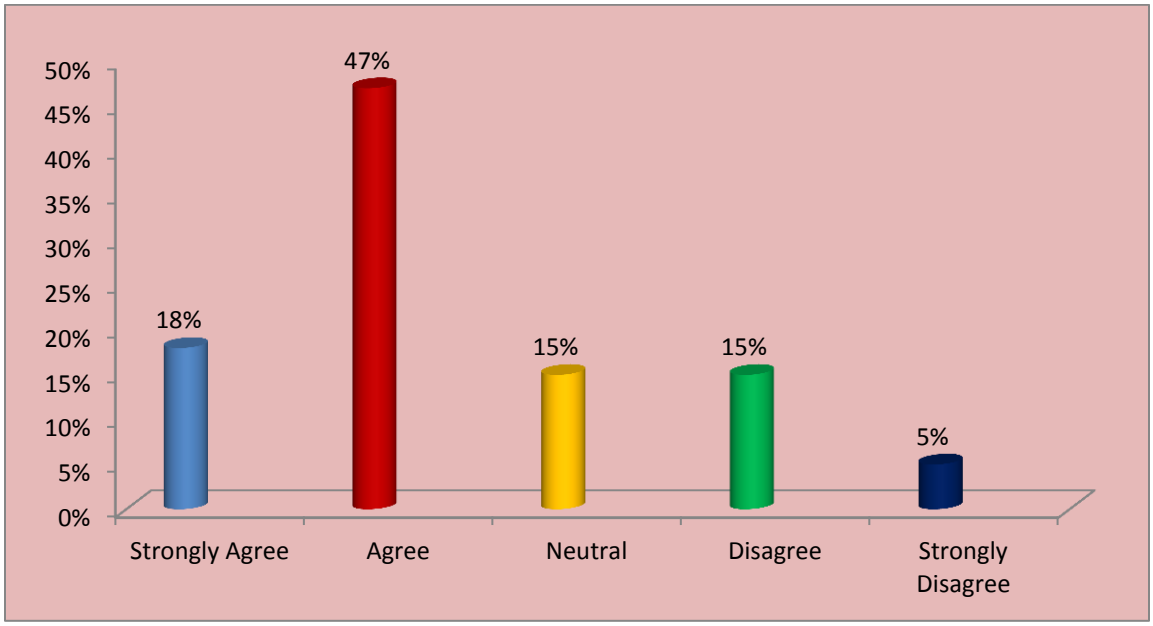

Fig.1: Responses to the assertion that lack of expertise for conducting CI

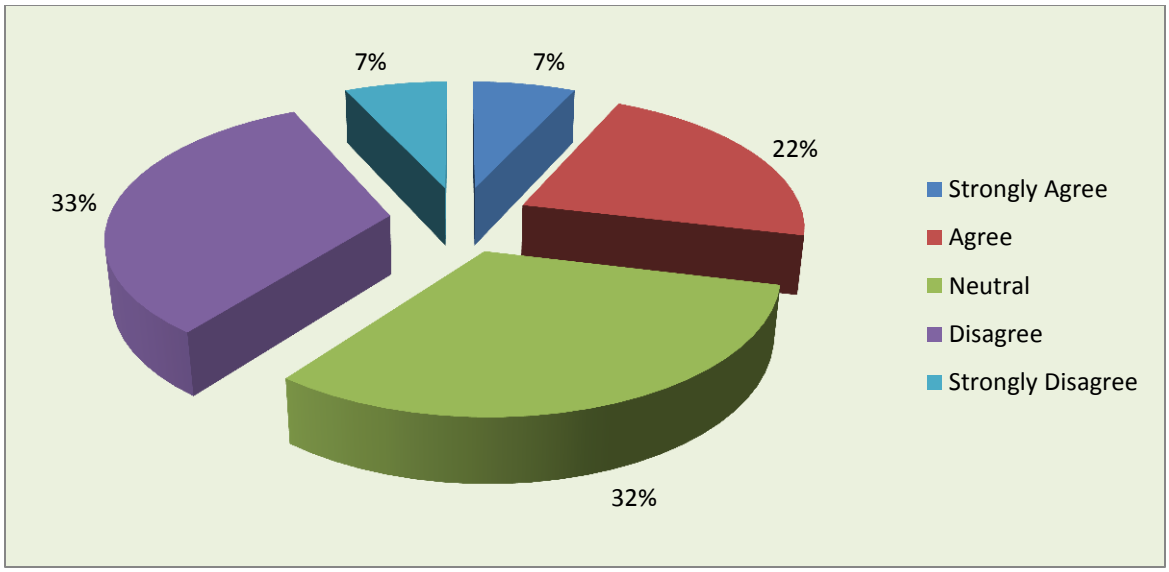

Fig. 2: Response to the assertion that companies do not have the ability to invest in appropriate technology and human resources.

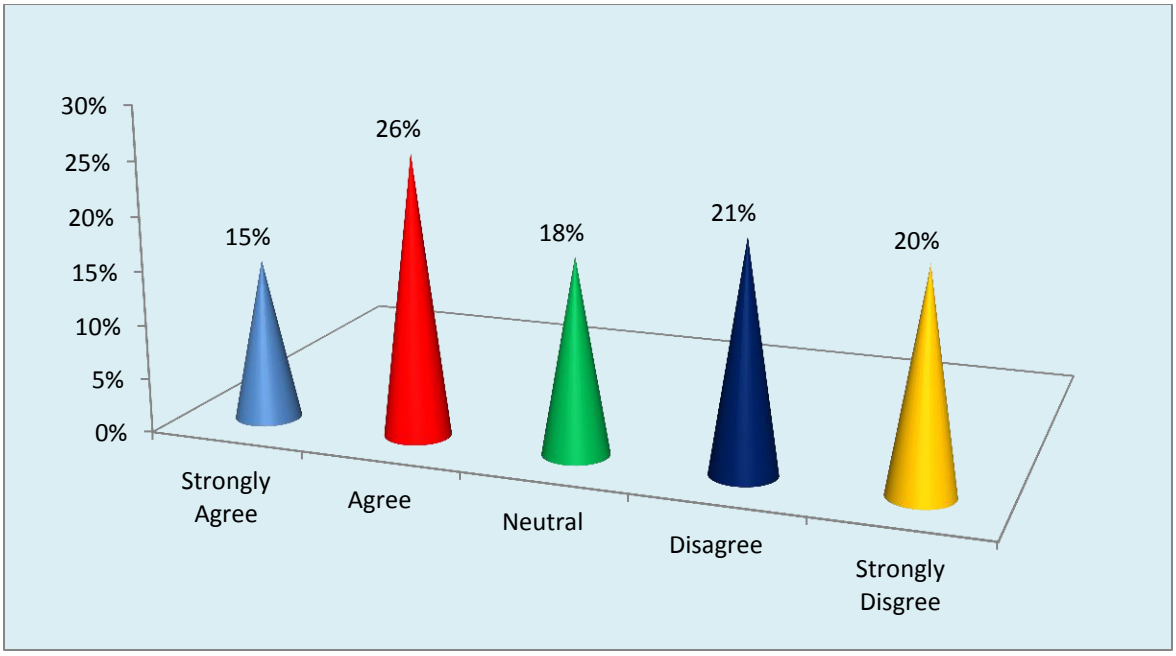

Fig. 3: Response to the assertion that competitive intelligence is spying on competitors.

Table 2: CI leads to improved financial performance N=60

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	16	26.2	26.7	26.7
Agree	31	50.8	51.7	78.3
Neutral	11	18.0	18.3	96.7
Disagree	2	3.3	3.3	100.0
Strongly Disagree	0	0	0	100.0
Total	60	98.4	100.0	

5.5 Relationship between the Practices of CI and Financial Performance.

Evidence from the analysis of data in Table 2 revealed that senior executives believe that application and practice of CI adds to the bottom line of their companies. It was also established that executives strongly believed that the application of CI assisted their companies to gain higher market knowledge which in turn leads to increased business performance. Data analysis further showed that application of CI processes leads to an increase in sales and market share and also leads to an increase in earnings per share. Overall this study concluded that there is a close relationship between the practice of CI and financial performance. Financial performance as measured in terms of market share, sales, profits and earnings per share. The study furthermore, rejected the notion that CI's financial contribution is abstract and difficult to measure.

5.6 Commonly Applied CI Approaches in Zimbabwe.

Analysis of results showed that CI is practiced by manufacturing companies in Zimbabwe such practice still at its infancy. The study also concluded that the most commonly applied CI approaches were formal, informal and discontinuous.

6.0 RECOMMENDATIONS

Companies need to invest in appropriate technology and human resources development in order to successfully apply and practice CI processes. The study furthermore, recommended that companies should consider accrediting with the global Fuld-Gilad-Herring Academy of Competitive Intelligence. The Academy will assist companies to set up appropriate intelligence gathering and analysis supportive systems. In addition companies need to train all employees on CI and this will ensure that everyone in the firm is focused on reporting relevant and useful information.

Business Schools in the country should introduce compulsory core courses on CI for all business management degrees. All Master of Business Administration, Master of Commerce and Master of Science in Marketing Degrees should include among other modules CI as an additional requirements,. This will increase skills and knowledge in the field of CI.

Universities and Polytechnics should also consider introducing Bachelor Degrees and Diplomas in CI. This would assist in building

a pool of skilled CI practitioners in the country.

There is need to rid this critical strategic business tool of the negative perception of spy image as some managers still confuse CI with business espionage. Zimbabwe Chapter of the Strategic and Competitive Intelligence Professionals (SCIP) should be established. The SCIP in addition to promoting the welfare and professional development of its members to run short courses on CI and other professional development programmes for both members and non-members.

Before the establishment and full operation of the Zimbabwe Chapter of SCIP that universities and polytechnics should start offering short courses on CI and these courses should include specific training for SMEs as CI is equally important to them.

7.0 CONCLUSION

In summary, it is evident that CI has grown to become a must use strategic business management tool. The findings of this study have shown that general senior executives leading companies in Zimbabwe have a good theoretical and practical understanding of the concept of CI. This high level of awareness could have been backed by the fact that most managers were mature, had the required experience at senior management levels and had sound academic and professional qualifications. The study also concluded that as a result of this high level of awareness of CI these executives were indeed competent participants of this study. In the end the study concluded that there is a close relationship between the practice of CI and financial performance of the company. Financial performance as measured in terms of market share, sales, profits and earnings per share. In the process rejecting the notion that CI's financial contribution to a company is abstract and difficult to measure.

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