

COMPETITIVE INTELLIGENCE: CONCEPTUALISING ITS APPLICATION IN SMALL TO MEDIUM ENTERPRISES IN ZIMBABWE

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ABSTRACT

Within this descriptive survey study, the researcher approached the concept of competitive intelligence (CI), which was considered to be a key element for the success of any business especially in the current period characterized by numerous economic and financial turbulences. This study set out to determine the difficulties associated with the adoption, practice and implementation of competitive intelligence by small to medium enterprises (SMEs) in Zimbabwe. The study deliberately targeted SMEs because the researcher strongly believed that while small to medium companies may lack the huge resources required to launch and maintain large sophisticated CI networks, CI is equally important to these enterprises as well. The study used a sample of thirty entrepreneurs, selected using stratified random sampling. The instruments used for data collection were the self-administered questionnaire, the structured and unstructured interview guides. The data collection instruments were deliberately designed to generate quantitative and qualitative data. Data collected using the self-administered questionnaire was analysed using descriptive statistics. Analysis of data collected through the structured and unstructured interview guides involved a special set of interpretive practices and narrative techniques. The evidence from this study suggests that there has been very slow uptake of competitive intelligence by SMEs. In addition, the research clearly showed that competitive intelligence as practiced today is seriously misunderstood by many entrepreneurs who are running small to medium enterprises in Zimbabwe. The study advanced a view that training directed to entrepreneurs running SMEs should include among others training on the use of CI, its strategic importance and its benefits. In addition, the study recommended that SMEs should also consider being accredited with the Fuld-Gilad-Herring Academy of Competitive Intelligence to enhance their understanding and application of this important strategic business management tool.

Key words: competitive intelligence, espionage, industrial espionage, entrepreneurs, competitors, competition

1.0 INTRODUCTION

The concept of competitive intelligence (CI) has grown to become a key success element of any business big or small especially in the current period characterized by numerous economic and financial turbulences. Knowledge obtained from competitive intelligence is increasingly playing a fundamental role in crafting business survival strategies in today's fast-paced, high technology business landscape. Lack or inadequate knowledge leads to bad business decisions. The competitive pressures exerted on a business have increased tremendously in recent years calling for extra ordinary measures to deal

with them. It is evident that companies today are operating in a landscape full of environmental risks associated with increased competition in the markets that are dynamic and unpredictable. The dynamism and unpredictability of the market environment is influenced by new competition, mergers and acquisitions, sharp price cuts, rapid changes in consumer preferences and tastes and weak brands. Consequently firms must focus their actions on those value adding activities such as collecting, filtering and disseminating information about the general condition of the competitive business landscape.

The rapid changes in the business environment has had a major impact on the growth of competitive intelligence (CI) to represent one of the most fundamental elements of strategic management of organizations. In these extremely dynamic and unpredictable competitive business environments companies have no choice but to turn to (CI) in order to be able to build and maintain a competitive edge over competition. It is a truism that CI has become a critical value adding process that provides a direct source of competitive information required in strategic management of businesses. Today's successful businesses apply CI in order create and sustain competitive edge over competitors. It has since been recognized that organizations that implement CI programs have better appreciation of their competitive landscapes than those that do not. It is now an acceptable reality especially in the Western World that organizations that apply CI in their strategic planning have better understanding of their competitive landscapes as correct application of intelligence information enables a firm to be more knowledgeable and aware of what is happening in its environment (Collins 1997; Flud 1999; Miller 2000 and Calof and Fox 2003),

The available literature on CI seems to converge at a point that it is easy for large multinational companies to adopt and implement CI processes than small to medium domestic companies (Kahaner 1997; West 2001; Tyson 2002; and Vedder and Guyness 2002). A reading through the growing literature on CI may seem to suggest to a causal reader that CI is only conducted by large well headed companies in the Western World. This is due to the fact that much of the literature associated with the Field of CI as exemplified by the detailed bibliographies which were published by the Society of Competitive Intelligence Professionals (SCIP) has focused on large as opposed to small companies. There is also a school of thought which believes that while small

companies may lack the huge resources required to launch and maintain large sophisticated CI networks but CI is equal important to these enterprises as well. This school of thought contends that CI is a must to SMEs as this will enable them to grow quickly. Prescott and Miree (1998) argue that while small businesses face numerous limitations which include among others, resources, staff, time and expertise, they are still able to design and utilize CI programs that will address their unique challenges and needs. The aim of this paper is to examine the difficulties encountered by small to medium enterprises in launching and applying CI programs. This study is divided into four main parts. Drawing from literature, the first section unpacks the concept of CI. The second section focuses on the theoretical frameworks. The third section gives an overview of the study methodology while the fourth section presents the results and discussions.

2.0 RESEARCH QUESTIONS

This study was premised on the following research questions drawn from the main research problem:

- Do entrepreneurs leading small to medium enterprises understand the concept of competitive intelligence?
- Are entrepreneurs aware of the benefits of the application of CI in their businesses?
- What specific difficulties do entrepreneurs in Zimbabwe encounter in the application of competitive intelligence?

3.0 THEORETICAL FRAMEWORK

3.1 The concept of CI unpacked

Pranjic (2011) argues persuasively and elegantly that if a decision is made too late or is based on wrong facts, regardless of which level of the business it pertains to, it can have far –reaching negative effects on the business. In short this observation is pointing to the fact that bad data lead to bad

business decisions. Modern markets landscapes dictate that nothing can be left to chance. Consequently Pranjic (2011) suggests that in order for the company to avoid this, it needs to be as informed as possible, so that making right decision would be more probable. Information on market movements gathered through practicing CI represents a basis for making right business decisions, which leads towards reaching the established business goals. In this regard Barson (2002) observes that successful use of CI allows a business to be knowledgeable and aware of what is happening in its environment. Companies which ignore CI meet a lot of surprises and even fail to timely identify opportunities and threats. As Frederick the great said; "It is pardonable to be defeated but never to be surprised." Gary Castley, Kellogg's former North American Division President cited in Ettore, (1995) stated that: "managers who do not do competitive intelligence are incompetent and that it is irresponsible not understand your competitors."

Prescott and Gibbons (1993) observe that global competition; the emphasis on quality management and the realization by managers that actionable intelligence can be a key competitive advantage have spurred the growth of CI to become an integral part of large companies. While Gilad (2008) argues persuasively and elegantly that knowledge on future market trends, on activities of competition, as well as knowledge of technological developments, represents today the most important asset of a company. In the same vein Patton and Kenna (2005) observe that the systematic scanning specific to CI is critical for organizations, in terms of awareness of changing market conditions and avoid costly errors.

3.2 Definition of competitive intelligence the conceptual framework

Over time there has been a gradual increase in the number of publications in the

field of CI and this has resulted in the mushrooming of CI definitions. Consequently there are numerous definitions in contemporary literature as there are many scholars and researchers who have come before us. In this regard Prescott (1989); Gilad and Gilad (1988) and Bernhardt (1994) observe that the domain of competitive intelligence is quite broad. As a result there is no single definition that can be precise and universally acceptable.

Ghannay and Mamlouk (2015) simply identify CI as nothing but the process of identifying and collecting relevant information periodically about existing and potential competitors of the company. On the other hand Colakoglu (2011) refers to CI as a systematic process initiated by organizations in order to gather and analyse information about competitors and the general socio-political and economic environment. The Society of Competitive Intelligence Professionals (SCIP) (2008), define CI as the systematic and ethical process for gathering, analyzing and managing external information that can affect the company's plans, decisions and operations. All these definitions are best summarized by Rouach and Santi (2001) who identify CI as an art of collecting, processing and storing information to be made available to the people at all levels of the firm to help shape its future and protect it against current competitive threat; it should be legal and respect codes of ethics and it involves a transfer of knowledge from the environment to the organization within established rules.

Fleisher (2001) views CI as a process in which organizations capture information on competitors and their environment and applies it in their decision making process and planning with the purpose of improving the performance of the business. In all these cited definitions CI is clearly conceptualized as an ethical process whose purpose is to monitor the competitive landscape, with the objective of providing actionable intelligence that will ensure a

sustainable competitive edge to the organization. CI in all these definitions is also identified as a fundamental element of strategic decision making process. In addition these definitions also show what CI is and what CI is not. They clearly show that CI is not a high stakes game of industrial espionage targeted at stealing or exposing a competitor's trade secrets and other proprietary property.

Murphy (2005) argues that from the shadows of corporate "spy versus spy" stereotypes, modern CI professionals are legal and ethically collecting, analyzing, and applying information about the capabilities, vulnerabilities and intentions of competitors and monitoring developments within the overall competitive environment (such as previously unseen rivals over the horizon, or new technologies that could change everything). The aim is to obtain appropriate and actionable intelligence, which will provide the business with a competitive edge. This assists the firm to outwit, outmanoeuvre, outperform the current, emerging and potential competitors.

3.3 Role of competitive intelligence in an organization.

Definitions of CI have shown that CI is a process of identifying and collecting relevant information about the competitive environment. After the information is collected from various sources, it is analyzed in order to understand the possible market strategies and future direction. According to Wright and Calof (2006) the intent of CI is to better understand customers, regulators, competitors and so forth to create new opportunities and forecast changes in the quest for sustainable competitive advantage. On the other hand Bose (2008) contend that the most common benefit of CI, however, is its ability to build information profiles that helps a company to identify its competitors' strengths, weaknesses strategies, objectives, market position and likely reaction patterns. Westervelt (1996)

posits that CI shed light on competitor strategies. While Berner (2000) provides a number of benefits associated with the application of CI in a company which include preventing surprises that could hurt the business and to assist the company to identify opportunities and threats. Also included in the benefits as identified by Berner (2000) is that CI improves long and short term planning in the process providing actionable intelligence for use in the development of survival business strategies.

Barson (2002) recognizes that the successful use of CI allows a business to be knowledgeable and aware of what is happening in its environment. According to Gilad (1996) CI is designed in order to ensure an early warning and to support the foreseeing of the actions of competitors, customers and government. According to Nasri and Zarai (2013) the use of CI by firms will make them reach better performance in acquisition of new and retention of existing businesses, identification of new business opportunities and improved ability to anticipate surprises and improving managers analytical skills. Nasri and Zarai further contend that the use of CI enables integrating diverse ideas and enhancing organization's competitiveness. Assisting in predicting, with a high level of trust, business environments evolutions, competitors actions, requirements, even influences generated by political changes and providing for better and better support for strategic decision making process

3.4 Application of competitive intelligence in small to medium enterprises.

Kahaner (1996), McKinnon and Burns (1992) and Ghoshal and Westney (1991) all observe that the field of CI has grown in the last few decades to become an integral part of most large organizations. Understanding the firm's competitive position and being able to monitor relevant competitors are now mandatory survival skills for big and small businesses. According to Groon and

David (2001) for some time there has been a call for SMEs to improve their competitor analysis. The question which immediately comes to mind is: Are small and medium enterprises capable of applying CI processes? In this regard Prescott and Miree (1998) contend that regardless of the size of an organization, there is a set of common fundamental CI concepts, once this set is understood, the process of designing a CI program, which addresses the unique qualities of small businesses, can be developed. In addition Prescott and Miree (1998) observe that the interest and use of CI is increasing among small businesses while acknowledging that these face certain limitations which include resources, staff, time and expertise. Even with these limitations they argue persuasively that small businesses are still able to design and utilize CI programs that will address their unique challenges and needs.

Palubiak (1996) supported by Berger (1997) observe that while same competitive issues are faced by all businesses there has been limited attention devoted to development of viable intelligence programs in small firms. Prescott and Smith (1989) and Subramania and Isak (1989) observe that much of CI literature has focused on large as opposed to small companies. Bournois and Romani (2000) also observe that CI is more developed in large firms than in small ones. These observations are indeed plausible, since environmental monitoring needs extra investments in technology and human resources. Unfortunately in most cases small companies do not have the huge resources to invest in technology and human capital. Buchada (2007) recognize that all companies, regardless of size, needed to confront competition in home and global markets. On the other hand Oubrich (2007) argues that SMEs were limited to conducting surveillance of markets and competition whereas large companies were integrating CI programs into strategy development.

Harkleroad (1996) state that the list of the best CI performers frequently identify large multi-national companies such as AT & T, Coca Cola, Eastman, Kodak, Ford, General Electric, Hewlett-Packard, IBM, Intel, Kellogg's, 3M, Microsoft, Motorola, Procter & Gamble, Royal Dutch Shell and Xerox. However, Calof (1999) argues for a case for small companies to do CI. He states that if you are Coca Cola and you read the market wrong, you can buy your way out of the problem. If you are a small business, and you read the market wrong, you are dead. On the other hand, Harkleroad (1996) believes small companies are often more attuned to gathering and using CI effectively because they are leaner and "closer to the ground," often headed by motivated entrepreneurs accustomed to personally knowing as much as possible.

Maynard (1993) supported by Chen and Hambrick (1995) acknowledge that small businesses need to focus on competitors and competitive environment as much as large businesses do. Prescott and Miree (1998) recognize that all firms big and small are faced with limited resources, limited access to capital, and a few slack human and physical resources. These constraints ultimately affect the size of the CI operating budget and demand focus for any CI initiatives. According to Calof, Fox and Nguyen (2002) it is generally believed that large firms have the required resources to run large sophisticated intelligence programs but small firms could also run intelligence programmes at world class levels. On the other hand Calof and Fox (2003) observe that CI may be more important for small companies than it is for large ones. Smaller companies cannot absorb market mistakes in the same way large ones can. Calof and Fox (2003) further observe that organized properly good CI can level playing field between small and large businesses therefore small companies must take advantage of CI to grow.

It is a truism that small companies generally have few intelligence objectives therefore could also conduct varied intelligence analysis techniques despite the fact that they cannot have a formal intelligence unit with full time employees. However, literature seems to be teaching us that while small companies may lack the huge resources to launch and maintain sophisticated or automated CI networks, the fact that the CEO and other senior executives act personally and continuously on intelligence gives them a leg-up in the competitive market place. It might simply mean that small businesses could still co-ordinate the collection of information focused on organizational concerns, train employees in intelligence, consider the counter intelligence implication of this information, share information, conduct some analytic techniques and in general be aware of the role and need for CI.

A survey conducted in 2001 by Groon and David among 139 SMEs in the US concluded that, in general, small companies had informal intelligence networks and that the customers were the major sources of business information. On the other hand Collins (1997) and Fuld (1995) acknowledge lack of developed formal CI practices in small companies and attribute it to the following circumstances:

- There are no adequate resources to be dedicated to intelligence gathering.
- There is no expertise available to gather and analyse intelligence information

While the Canadian Institute of Competitive Intelligence (1999) also observes that the

key for small businesses is to recognize that CI for them is more about developing an appropriate culture for intelligence and focus on intelligence activities. This study moved to explore the evolving use of competitive intelligence as a strategic marketing management tool in the Zimbabwean manufacturing sector.

4.0 METHODOLOGY

This study was located within an interpretive paradigm and it applied both qualitative and quantitative methods. This approach was informed by the primary objective of the study which was to investigate difficulties associated with the application of competitive intelligence as a strategic business management tool by small to medium enterprises. The study applied both qualitative and quantitative approaches so as to benefit from the strengths of the two methods, and at the same time minimizing on the weaknesses of the two approaches. Adopting a descriptive survey approach to generate answers to the primary objective, the study used a sample of thirty (30) entrepreneurs from a population of one hundred and fifty (150) small to medium enterprises which are members of the Zimbabwe National Chamber of Commerce (ZNCC). This sample was selected using stratified random sampling. The study preferred stratified random sampling because it considered these SMEs to be heterogeneous as they were operating in different industrial sectors, different in sizes and also operating in different towns.

TABLE 1: Sample profile, sector/ size, town/ gender and type respondent

Sector / Size		Town / Gender		Type of Respondent	
Engineering	5	Bulawayo	15	Owner Manager	17
Manufacturing	12	Gwanda	6	Hired Managers	7
Retail	6	Victoria Falls	7	Co-managed by	0
Telcoms	7	Hwange	2	Owners	6
1-10 employees					
11-20 employees		Men	23		
Above 20		Women	7		

Table 1 shows how sampling was done taking into account the heterogeneity of SMEs using issues like sector, size, towns, gender and type of respondents.

The instruments used to collect data were the self-administered questionnaire and the structured and unstructured interview guides. The self-administered questionnaire was used to generate quantitative data as it contained closed ended questions only. While both the structured and unstructured interview guides were used to generate qualitative data as they contained open ended questions. In this descriptive survey study data was collected from thirty (30) participants using a self-administered questionnaire which was supplemented by the use of both the structured and unstructured interview guide. The structured and unstructured interviews were conducted face to face. All interviews were audio recorded.

5.0 DATA PRESENTATION AND ANALYSIS

In the current descriptive survey study the analysis and presentation of qualitative data was unquestionably a complex process involving inductive analysis of data where critical themes could emerge from the data. The analysis of data from structured and unstructured interview schedules involved a special set of interpretive practices and narrative techniques. It 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.

6.0 RESULTS

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, 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.

6.1 Knowledge of competitive intelligence.

The study established that entrepreneurs leading SMEs in Zimbabwe are not familiar with the concept of CI, as the majority could not freely define the concept. It was clear that CI as a strategic business management tool is unknown to the vast majority of entrepreneurs leading SMEs. In terms of its application and practice the study showed that there has been a slow up take as the majority said they were not actively and formally practicing CI. The findings clearly pointed out that CI within SMEs is not at a formalized stage. The participants when further probed using unstructured interview guides on how they gathered information

that they used to make decisions indicated here and there that they applied some of the principles and techniques of CI. Only a very small minority was able to say they were adhocly applying CI to assist them in strategic planning.

Table 2 shows how the participants responded to quantitative questions regarding the general descriptions of CI. Results from table 2 clearly show a lack of understanding of the concept by the majority of entrepreneurs. This situation could be a product of three possible

reasons: (i) a problem associated with semantics, whereby some entrepreneurs may be practicing CI but using a different terminology. (ii) The use of the term intelligence is normal undermined by the negative connotations of spying and business espionage as a result some entrepreneurs may have been avoiding using the term despite carrying out CI activities. (iii) CI as a formal practice is a relatively a new concept in Zimbabwe only starting to find its way even in large companies.

Table 2: Ability to define CI

Definitions of Roles in an Organization of CI	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
CI is about determining what your rivals will do before they do it	0	0	2	7	2	7	16	52	10	35	30	100
CI is a tool to alert manage	1	2	1	2	0	0	10	34	18	62	30	100
CI makes the organization more competitive	1	0	1	2	0	0	12	40	17	58	30	100
Business survival is dependent on understanding the competence environment	0	0	2	3	0	0	11	39	17	58	30	100
CI is spying on competitors	4	15	6	20	5	18	7	21	8	26	30	100
CI is the same as other information rich disciplines	5	17	15	51	6	20	3	10	1	2	30	100
CI is used to achieve sustainable competitive advantage.	2	5	8	25	0	0	17	57	36	13	30	100

Above all the results also clearly pointed out that CI is a seriously misunderstood concept in the majority of cases. The majority of responses to both quantitative and qualitative questions indicated that CI was

spying on competitors. In addition to associating CI to spying most entrepreneurs failed to distinguish CI from other information rich disciplines. Effectively evidence from data analysis pointed out that

lack of familiarity with the concept of CI coupled with associating it with industrial espionage could be the possible barriers to the application and practice of CI by SMEs in Zimbabwe.

6.2 Difficulties SMEs face in carrying out CI.

The study identified lack of financial resources dedicated to intelligence gathering as one of the major barriers to carrying out of CI by SMEs in Zimbabwe. The analysis of quantitative data showed that sixty-six percent (66%) of the respondents felt that lack of financial resources dedicated to CI operations was one of the major barriers to the full up take of CI within SMEs. In general the application

of CI requires the building of large, sophisticated and automated intelligence processes, which call for huge investment in people and technology. The creation of sophisticated CI networks call for huge financial investment resources which most SMEs do not have the capacity to raise. The results are consistent with the findings of Prescott and Bhardway (1995) who observed that a minimum of USD 300000.00 is required to fund as successful CI programme. SMEs in Zimbabwe are not in a position to generate such income in any given year. These findings on lack of financial resources dedicated to CI within SMEs are also consistent with observations by Collins (1997) and Fuld (1995) who acknowledged lack of developed formal CI practices in small companies.

Table 3: Difficulties associated with practice of CI

Possible difficulties experience	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Lack of financial resources	5	18	15	48	4	13	5	18	1	30	30	100
The concept of CI is recent and is not sufficiently recognised in Zimbabwe	10	35	9	30	7	22	3	10	1	3	30	100
Benefits of CI are abstract and difficult to measure	7	23	10	32	8	28	4	13	1	3	30	100
CI is considered to be business espionage	11	37	10	35	4	12	3	11	2	5	30	100
Lack of expertise to conduct CI	5	18	15	47	4	15	4	15	2	15	30	100
Intelligence gathering is a foreign concept which is not applicable to SMEs	11	35	13	42	3	12	1	3	2	8	30	100

The quantitative responses to questions regarding barriers of carrying out CI among SMEs are as shown on table 3. The table shows various barriers identified by the entrepreneurs which include among others:

- Benefits of CI are abstract and difficult to measure (55%) The concept of CI is recent and is not sufficiently recognized in Zimbabwe (65%)
- CI is considered to be business espionage (72%)
- Intelligence gathering is an unknown concept which is not applicable to SMEs (77%)
- Lack of expertise to conduct CI (66%)

Data analysis also revealed that lack of expertise to conduct CI within available human resources was another major barrier to the carrying out of CI by SMEs. The study revealed that sixty-five percent (65%) of the participants pointed out that lack of expertise to conduct CI was indeed a challenge faced by SMEs in the application of CI. Evidence from the analysis of both qualitatively and quantitatively generated data revealed that SMEs lacked appropriately trained personnel with skills and experience to do a professional job in competitor analysis. A further analysis of qualitative data showed that the shortage of appropriately trained CI practitioners was not only limited to SMEs but was a country wide problem as Zimbabwe generally has few trained CI professionals. Again this observation is consistent with findings from elsewhere. Lack of expertise within SMEs were also identified by Collins (1997), Prescott and Miree (1998), Maynard (1993) and Chen and Hambrick (1995). The shortage of CI professionals even in large corporations in Zimbabwe is not consistent with the arguments of Gaidelys and Meidute (2012) who state that often large corporations employ experts with different experiences who use different work methodologies of CI.

The lack of expertise as revealed by both qualitative analysis and quantitative analysis of data proved to be a major barrier to carrying out of CI processes by SMEs. Competitive intelligence processes rely heavily on the human element from both inside and outside the organization. In addition data analysis showed that SMEs are finding it difficult to distinguish CI from industrial espionage and other information rich disciplines. These findings resonate with the previous researches as revealed in the available literature. These researches include among others by Maynard (1993), Chen and Hambrick (1995), Palublack (1996), Prescott and Miree (1989) and Calof et al (2002). Also coming out as clear challenge to the adoption and application of CI as a strategic business management tool by SMEs was that the majority of entrepreneurs strongly believed that CI is spying on competitors. Analysis of quantitatively generated data revealed that seventy-two percent (72%) of entrepreneurs could not distinguish CI from industrial espionage. Associating CI with industrial espionage was also prevalent to the respondents' responses to both structured and unstructured interview guides. The study also revealed that some barriers to the application of CI by SMEs include the belief that CI is abstract and its direct contribution to the bottom line is difficult to measure. Other participants pointed out that Intelligence gathering is a foreign concept which is not applicable to SMEs and also that the concept of CI is recent and is not sufficiently recognized in Zimbabwe even by large companies. CI as a concept is still at its infancy in Zimbabwe therefore unknown to the larger business community.

6.3 Benefits of competitive intelligence

Data analysis showed very interesting results as most of the respondents showed better understanding of benefits of CI compared to their understanding of CI as a concept. The majority of respondents were

able from both qualitative and quantitative responses to point out that the successful use of CI allows a business to be knowledgeable and aware of what is happening in its environment. And that the purpose of CI is to ensure an early warning

to the company and to support the foreseeing of the actions of competitors, customers and government. The results are consistent with the findings of Nasri and Zarai (2013).

TABLE 4: Benefits of CI to an organization

Contribution of CI to a company	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
CI contributes to the bottom line of a company	10	33	12	40	5	17	2	7	1	3	30	100
CI processes lead to improved financed performance	8	27	15	50	6	20	1	3	0	0	30	100
CI processes leads to an increase in sales and market share	16	52	12	42	1	2	1	2	0	0	30	100
Practise of CI leads to increase in earnings per share	4	15	14	42	10	32	2	7	0	0	30	100
Practice of CI assists to prevent surprises.	13	43	10	33	4	13	2	7	1	4	30	100
Practice of CI assist to identify opportunities and threats	14	47	9	30	5	16	2	7	0	0	30	100

The quantitative responses regarding benefits of CI to a company are as presented on table 4.

Results as depicted in table 4 are consistent with findings from elsewhere regarding benefits of CI to a company. Miller (2000) refers to a study by academics at the University of North Texas that found that those companies which emphasized CI in most cases outperformed those that did not in sales, market share and earnings per share. In short the study revealed that there is a positive relationship between emphasis on CI and success in financial performance.

7.0 RECOMMENDATIONS

In the light of these findings from the study, it is recommended that training directed to SMEs should include among others, training on the use, strategic importance and benefits of CI. This kind of training will assist SMEs to appreciate and understand the strategic role of CI in an organization. Further it is recommended that Business Associations in the country should set up training programmes which are targeted at SMEs on designing CI programs which address the their unique challenges and

needs of strategic information within their limited financial abilities.

In addition the study revealed that some entrepreneurs could not differentiate between CI and industrial espionage. To rid this critical strategic business management tool of the negative perception of the spy image it is recommended that entrepreneurs leading SMEs join the Society of Competitive Intelligence Professionals in their individual capacities. The SCIP assists with training and dissemination of information and knowledge on CI. The SCIP helps members in developing skills, knowledge and appreciation of CI.

In addition, the study recommended that SMEs should invest in the appropriate technology and human resources development in order for them to be in a position to effectively apply and benefit from CI. The study further recommended that SMEs in Zimbabwe should consider being accredited with the global Fuld-Gilad-Herring Academy of Competitive Intelligence. The Academy will also assist member SMEs to set up appropriate intelligence gathering and analysis supportive systems. Membership of this academy will enhance understanding and application of this critical strategic management tool by entrepreneurs leading SMEs in Zimbabwe. In addition companies need to train all employees on competitive intelligence this will ensure that everyone in the firm is focused on reporting relevant and useful information. To address the shortage of CI practitioners in the country the study recommended that major training institutions which include universities and colleges should consider introducing CI modules to boost the skills in the field.

8.0 CONCLUSION

In summary, it is evident that CI is equally important to SMEs as it is to large multinational corporations. In fact CI may be more important to SMEs than it is to large corporations as smaller companies cannot

absorb market mistakes in the same way large ones can. The findings of this study has shown that CI as a strategic business management tool is unknown to the vast majority of entrepreneurs leading SMEs in Zimbabwe. In terms of its application and practice the study showed that there has been a slow up take of this important competitive tool as the majority of SMEs are not actively and formally practicing CI. CI is currently not at a formalized stage within leading SMEs. The study also observed that lack of funds dedicate to CI coupled with lack of expertise and relevant equipment were some of the major barriers associated with the failure to formalize CI by SMEs.

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