



in line with Xerox's unique and multi-faceted culture, and which enabled the company to make incremental but sustainable progress.

Additionally, Mulcahy has spent considerable time and energy over the last seven years consistently communicating in person and in writing to each stakeholder group to ensure that there was a common understanding of the challenges that were being faced and the steps that were being taken in response to these challenges. This has had a major positive impact on bolstering confidence during the course of Xerox's reorganization to provide value added services to technology solution providers.

By understanding the incremental nature of the transformation process and ensuring that they, and the CEO, consistently communicate progress in their interactions with the community at large, board members can and should play a key role in managing shareholder expectations.

The Essential Partnership

Successfully transforming your organization in order to effectively respond to rapidly changing business conditions requires more than a talented CEO to lead the

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effort. Directors and CEOs must work together in partnership to uncover common—but mistaken—assumptions about the organization's reality. They need to jointly ensure that transformation strategies are suited to their organization's unique reality, and they need create realistic expectations within the organization and the greater community of stakeholders. ■

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Competitive Intelligence: Building a World-Class Program

Boards and senior management seeking to improve decision making processes should strive for solid intelligence programs. In its recent survey report, based on responses from 141 companies across a variety of industries, Fuld & Company identified several factors which can determine the success—or failure—of a competitive intelligence program.

Don't Plateau. The survey found that many programs which were initially promising became "stuck" after a short time period—and 20 percent of programs were closed down permanently or temporarily. To be useful, competitive intelligence must be based on the best and most current trend and data analytics available. Programs that succeed are innovative; provide information that is strategic, rather than merely tactical; and reflect the most current thinking.

Maintain Leadership. Many competitive intelligence programs fail due to lack of consistent leadership. Turnover and on-again, off-again program focus result in a loss of historical perspective on competitive conditions and the disappearance of vast pools of competitive knowledge. A corporate culture which supports ongoing intelligence initiatives is critical to a successful program.

Budget for Success. Throwing more money against a problem will not necessarily solve it. Still, the survey found that the more sophisticated and successful the intelligence

program, the greater the likelihood that it was supported by a sizeable budget. America's largest 1,000 companies are expected to increase their spending on staff and activities associated with competitive intelligence to at least \$10 billion by 2012, from current spending of about \$1 billion.

Currently, the industries most active in competitive intelligence are the industries with the most to lose from lack of strategic data—including IT and telecommunications, chemicals and pharmaceuticals, finance, and healthcare. However, deregulation, shortened product-to-market cycles, shifts in the global economy, and the wealth of information available on the Internet have spurred the need for ongoing competitive intelligence practices for all businesses.

Fuld & Company cautions that a lack of intelligence may cause a company's overall performance in the marketplace to fall short of expectations, and leads to a loss of revenue and market share. In order to get a leg up on the competition legally and ethically, directors and senior executives need to understand the importance of investing in competitive intelligence.

Fuld & Company is a research and consulting firm in the field of business and competitive intelligence. For more information about the *2007 Global CI Benchmarking Project*, contact lwemette@fuld.com.