The Internet, the best medium for spying on the competition
Neus Palomeras
Expansión
June 14, 2002

The net allows companies, both big and small, to follow their competitors moves closely in a continuous and economical way.

Procter & Gamble hired spies to obtain information on their rival Unilever in 2000. Oracle admitted having looked for documents in the rubbish bins at Microsoft's central office. Both are recent cases of monitoring of the competition with methods that are on the edge of the law, known as industrial espionage. This same activity carried out legally is called intelligence or competitive vigilance. An activity designed not only to obtain information, but also to process, analyse and apply it. Market research and vigilance are based on one word: information. Getting it is complicated and costly. That is why only the largest corporations can put aside resources to obtain it. According to Business Week, some companies are able to invest more than 1.08 million euros a year in competitive vigilance but only a few carry out market research, an activity more appropriate for consultancy firms and government organisations.

However, small and medium sized companies are the ones most affected by unexpected technological changes. What is the alternative for these companies? One of the answers is to form partnerships to contract the services of technology institutes or consultancy firms. Another response is the Internet. Thanks to it, market research reports produced by official organisations, like the Oficina de Prospectiva Tecnológica Industrial (OPTI) -Office of Industrial and Technological Market Research- are within the reach of all. It deals with studies that help to identify the most promising I+D lines for a sector. But furthermore, the net enables vigilance to become a constant practice, more accessible and less costly. For example, it allows you to keep an eye on the competition, to surf their web pages, to locate their ex-employees, to consult their job offers, to analyse the business news that concerns them and to locate them on company information data bases. You can also discover information about a company, its new processes or products through what is known as distribution lists, forums centred on a theme that operates by subscription to those involved in that activity.

The net has popularised data bases that already existed before it came into being but not known by a non-expert audience. The most specific data bases compile references on technical sources of information about chemistry (Chemical Abstracts), engineering (Compendex), life sciences (Biosis) and science and technology (ICYT). The more general ones collect information on law (Iberlex), juridical processes (Aranzadi) and patents. The latter are of particular interest to companies wishing to innovate, as eighty percent of the technical information is published in these documents.
**Dangers**

Looking for information online can also have its dangers. Companies must be aware that the majority of this information comes from secondary sources and not directly from experts in the material. Likewise, it is essential to know the degree of reliability of the sources. Normally, an official source will be more reliable, one that is not completely free of charge and enjoys a good reputation. Therefore, when developing competitive intelligence the net will not be enough, rather the information will have to be complemented and contrasted.

Another danger of using the Internet to carry out competitive intelligence is getting bogged down with the sheer amount of information. Every year two million articles are published and a million patents are registered that the Internet simply puts within reach. This makes the selection and processing of information difficult. On the other hand, it has to be taken into consideration that companies intentionally place certain information on the Internet. This is the defensive aspect of competitive intelligence. Xerox, for example, prohibited their employees from looking at the data base of patents that IBM had on their web page. Giant Blue controlled Xerox's searches to deduce the lines of research of their competitor. Finally, companies should know that the Internet is not everything, although it is a good place to start an investigation.

**The Question**

"Will the defensive aspect of competitive intelligence prevail on the Internet?"

**Analysing information is crucial**

**Bruno Cassiman, IESE Teacher**

The first time that I wrote a proper noun on Google I was surprised to see how, in less than 0.2 seconds, there appeared a list of 630 items with references from the most diverse origins. This lets you have an idea of the volume of information available in digital format. Moreover, it can give an approximation of what can happen when dealing with the name of a company on the Internet. Although a large volume of the information available on the net still needs a big effort in order to be converted into competitive intelligence, some companies find intelligent ways of extracting the relevant information from sources on the Internet and of gathering information observing the virtual movements of their competitors. However, it will be the companies that are capable of thinking strategically using this information that will carry off the biggest slice of the cake. And so, it is necessary not to fall behind in analysis or in the protection of information to be found on the Internet.

**Data, within the reach of everyone**

**Benigno Lacort, Senior Manager, PwC**

In the business world it is essential to know the movements of competitors. Obtaining this information ethically and incorporating it into the processes of decision making of the company is what is known as competitive intelligence. The Internet has come to make access to information and the early detection of risks easy. However, it adds a new complexity to the competitive scene as it exposes business to public scrutiny and to an easy replication on the part of the competition in a universe where protection of intellectual property rights still has a long way to go and where its very definition needs
discussion and consensus. Against the demand for information on the part of the players in the market is set the need to protect the strategic movements of the company, both technological and commercial. Where is the boundary between transparency and the protection of intellectual capital? Creativity is one of the most valuable assets of a company and the aim is to protect it.