

**Gaining the Competitive Edge:**  
*Strategic Information Needs of Small and Growing Businesses*

*IEDA/IRP Fall Conference*  
*Boise, Idaho*

Christine Hamilton-Pennell, M.L.I.S., M.A.R.  
**Growing Local Economies**  
October 29, 2008



---

---

---

---

---

---

---

---

**Outline**

1. Identify the strategic information entrepreneurs need to grow their businesses.
2. Detail the competitive research process
3. Identify key information tools and resources
4. Present case studies from entrepreneurship support programs.



---

---

---

---

---

---

---

---

**What Do Entrepreneurs Need?**

- Access to capital
- Entrepreneurial culture
- Basic infrastructure
- Livable communities
- Talented employees
- Peer networks
- Market, industry and competitor information
- Access to markets
- Training in all aspects of business



---

---

---

---

---

---

---

---

## What Do Entrepreneurs Need?



- Access to capital
- Entrepreneurial culture
- Basic infrastructure
- Livable communities
- Talented employees
- Peer networks
- Market, industry and competitor information
- Access to markets
- Training in all aspects of business



---

---

---

---

---

---

---

---

## Competitive Intelligence



What is competitive intelligence (CI)?

According to Leonard M. Fuld in *The Secret Language of Competitive Intelligence*, CI is “analyzed information that gives you insight and competitive advantage.”

---

---

---

---

---

---

---

---

## Why Do You Need Competitive Intelligence?



- Reduce risk
- Leave more money available
- Avoid “box canyon”
- Get early warning of threats and challenges
- Uncover inaccurate assumptions
- Learn what you don't know
- Understand market niches and differentiation
- Find potential alliances and partners
- Develop a strategic action plan

---

---

---

---

---

---

---

---

### Value of Competitive Research Services



- Most small business owners don't do their own research
  - Lack of time
  - Lack of money
  - Lack of skills
- Business research services provide value-added research directly to the business owner



---

---

---

---

---

---

---

---

### Delivery of Competitive Research Services



- Three core functions in competitive research program
  - Counseling/technical assistance
  - Competitive research
  - Administrative support
- Expanded functions
  - E-commerce/Web marketing analysis
  - GIS services

---

---

---

---

---

---

---

---

### Business Counseling/Research Interview



- What is keeping them awake at night?
- Where have they been for help already?
- What is their core strategy?
- What information will move them forward?



---

---

---

---

---

---

---

---

## Identifying Information Needs



- Separate the research needs from other business needs
  - Financial advice
  - Legal advice
  - Hiring or workforce assistance
  - Management training
  - Operations/process assistance
  - Web design/marketing



---

---

---

---

---

---

---

---

## Identifying Information Needs



- Identify information needs that you can address through research
  - Marketing lists
  - Competitor information
  - Customer information/demographics
  - Market and industry trends
  - Best practices
  - Experts



---

---

---

---

---

---

---

---

## EG Research Case Studies



- Greeley/Weld County Airport
- Overview Technologies
- Open Door Capital
- Connecticut Economic Gardening Group

---

---

---

---

---

---

---

---

## Case Study: Greeley/Weld County Airport



**Question: how can we identify the best recruitment prospects for our industrial space?**

*Information provided by City of Greeley Economic Gardening Program*

---

---

---

---

---

---

---

---

## Case Study: Greeley/Weld County Airport



### Information provided:

- Research on "very light jet" and "drone" planes.
- RSS feeds from industry sources to stay up on trends.
- Research on Colorado aviation uses
- Aviation companies with government contracts
- Trends in the industry
- Research on global innovation in aviation
- Competitive intelligence on 20 targeted Colorado companies

*Information provided by City of Greeley Economic Gardening Program*

---

---

---

---

---

---

---

---

## Case Study: Overview Technologies - Unmanned Aerial Vehicle (UAV)



**Question: What is the market potential for this UAV?**

- Information about competitors, including details about their products and markets
- Information about industries using this technology, including photography, hobbyists, and the military
- Information about several other applications for UAV technology

*Information provided by Wyoming Market Research Center, funded by Wyoming Business Council*

---

---

---

---

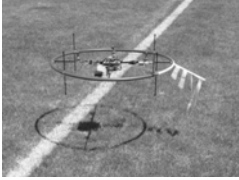
---

---

---

---

## EG Case Study: Overview Technologies – UAV Uses



- Property/documentation
- Wildlife habitat
- Search and rescue
- Traffic and crowd monitoring
- City/county zoning/planning issues

*Information provided by Wyoming Market Research Center, funded by Wyoming Business Council*

---

---

---

---

---

---

---

---

## Case Study: AquaMatrix - Fish Farm and Processing Center



**Question: What are the market demands and industry trends for fish products?**

- Trends and demographics
- Regional markets along the Front Range
- Most desired new product forms
- Price structures
- Price/volume relationships
- Comprehensive analysis of this market
- Larger market issues regionally and nationally

*Information provided by Wyoming Market Research Center, funded by Wyoming Business Council*

---

---

---

---

---

---

---

---

## Case Study: AquaMatrix - Fish Farm and Processing Center



**Produced customized report, including:**

- Consumer demand for fish, including organic market
- Aquaculture industry outlook
- Value-added fish products
- Marketing strategies
- Potential regional distribution markets



*Information provided by Wyoming Market Research Center, funded by Wyoming Business Council*

---

---

---

---

---

---

---

---

## Open Door Capital



### Question: How Can We Target Our Marketing?

- Metro area high-growth companies
- Local businesses with sales of \$2 to \$5 million and Paydex scores over 30 days
- Colorado companies with government contracts
- Consultants who help businesses get government contracts
- Industry and market trends in factoring

Information provided by Littleton Economic Gardening Project. Used with permission from Misha Seese, Open Door Capital.

---

---

---

---

---

---

---

---



## The Connecticut Economic Gardening Group



Competitive intelligence research for high-tech companies:

- Process control software company – *early warning intelligence assessment of a major competitor*
- Computer hardware company – *insight into a niche market*
- Transfusion products company – *competitor product analysis*
- High-end display kiosks company – *market analysis*
- Company developing software to support mfg compliance – *market and competitor assessment*
- Company producing radiation detection devices – *competitive products assessment*
- Disbursement software company – *market assessment for college campus market*

Information provided by Fred Wergeles, President, CT Economic Gardening Group, [www.CT-EGG.org](http://www.CT-EGG.org)

---

---

---

---

---

---

---

---

## Key Business Questions



Information needs of entrepreneurs fall into a few main categories:

- Who are my *competitors*?
- Who are my target *customers*?
- What are the characteristics of my *market*?
- What are the trends and developments in my *industry*?

---

---

---

---

---

---

---

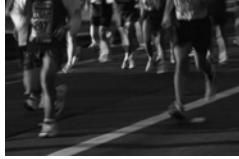
---

### Key Question 1



Who are my *competitors*?

- Who else is in my space?
- What are their basic offerings (product, service, price, market strategies, delivery method, etc.)?
- With whom could I partner?



---

---

---

---

---

---

---

---

### Key Question 2



Who are my target *customers*?

- What are their characteristics?
- Do they want what I have to offer?
- What will they pay for it?
- In my customers' eyes, what differentiates me from my competitors?
- Where can I get lists of potential customers to let them know about my offerings?

---

---

---

---

---

---

---

---

### Key Question 3



What are the characteristics of my *market*?

- How large is it?
- Is it shrinking or growing?
- What are the potential niches?
- What are the channels of distribution to get my offerings to the market?

---

---

---

---

---

---

---

---

## Key Question 4



What are the trends and developments in my *industry*?

- What are the current trends?
- What are the future forecasts?
- Who are the industry leaders?
  - Companies
  - People
- What are the best practices?
- How is technology impacting the industry?
- How do I stay up to date?

---

---

---

---

---

---

---

---

## Recap of Small Business Needs



Basic question:

*“What market space are you in, who else is there, and how will you differentiate yourself to reach customers?”*

--Jane John, Principal Researcher, On Point Research

---

---

---

---

---

---

---

---

## Competitive Research Process



- Identify key information questions (interview process)
- Identify best resources to use
- Identify key terminology and concepts
- Find SIC and NAICS codes



---

---

---

---

---

---

---

---

## Match Research Questions to Sources



Two types of sources:

- **Published Information**
- **Human Intelligence**



---

---

---

---

---

---

---

---

## Published Information



- Databases
- Articles
- Books
- Technical reports

---

---

---

---

---

---

---

---

## Published Information – Subscription Databases



- Business & Company Resource Center
- D&B Million Dollar Database
- Ebsco Business Source Premier
- Hoovers
- ProQuest ABI/INFORM
- ReferenceUSA
- High Beam (low-cost)
- JJ Hill (low-cost)
- Demographics Now
- IBISWorld
- Factiva (transaction)
- Dialog
- Lexis/Nexis

---

---

---

---

---

---

---

---

## Published Information – Free Resources



- BizJournals
- Free-Research
- Hoovers (limited free access)
- Superpages
- Manta
- Thomas.net
- Tradekey
- U.S. Census – Economic Census
- Zapdata (limited free access)
- ZoomInfo
- Yahoo and Google news

See also: "Free and Low-Cost Information Resources for Supporting Local Entrepreneurs," [www.growinglocaleconomies.com](http://www.growinglocaleconomies.com)

---

---

---

---

---

---

---

---

## Published Information – Consumer Marketing Lists



- AccuLeads, [www.accumleads.com](http://www.accumleads.com) (residential lists)
- ListFinder, <http://listfinder.directmag.com/market> (direct mail lists)
- ReferenceUSA/Salesgenie, [www.infousa.com](http://www.infousa.com) (residential lists)
- SRDS Direct List Source, [www.srds.com](http://www.srds.com) (direct mail lists—subscription service)
- State government lists (licensed professionals)

---

---

---

---

---

---

---

---

## Human Intelligence



- Customers
- Industry experts
- Competitors
- Trade shows
- Social networks

---

---

---

---

---

---

---

---

## Human Intelligence



- Customers
  - Focus groups
  - Surveys
  - Interviews
- Industry experts
  - Associations
  - Journalists
  - Market analysts



---

---

---

---

---

---

---

---

## Human Intelligence



- Competitors
  - Companies with similar but not overlapping markets
  - Talk to competitors' clients
- Trade shows
  - Talk to exhibitors
  - Attend demos

---

---

---

---

---

---

---

---

## Human Intelligence



- Social networks
  - LinkedIn
  - Xing
  - Facebook
- People databases
  - ZoomInfo
  - Jigsaw



---

---

---

---

---

---

---

---

## Identify Key Terminology and Concepts

Use several search engines to get overall sense of industry, key terminology, and key players

- Google
- search.yahoo.com
- clusty.com
- gigablast.com



---

---

---

---

---

---

---

---

## Find Industry Codes

### SIC/NAICS

- All businesses are organized by industry classification codes
  - Four-digit SIC codes
  - Six-digit NAICS codes
- An establishment may operate under multiple codes



---

---

---

---

---

---

---

---

## Standard Industrial Classification (SIC) Codes

<http://www.osha.gov/pls/imis/sicsearch.html>



U.S. Department of Labor  
Occupational Safety & Health Administration  
www.osha.gov

SIC Description for 3751  
Description for 3751: Motorcycles, Bicycles, and Parts

Division 35: Manufacturing  
Major Group 37: Transportation Equipment  
Industry Group 375: Motorcycles, Bicycles, and Parts  
3751 Motorcycles, Bicycles, and Parts

Establishments primarily engaged in manufacturing motorcycles, bicycles, and similar equipment and parts. Establishments primarily engaged in manufacturing children's vehicles, except bicycles, are classified in industry 3794. Establishments primarily engaged in manufacturing golf carts and other similar personnel carriers are classified in industry 3799.

- Bicycles and parts
- Frames, bicycle, tricycle, clutch and other
- Gears, motorcycle and bicycle
- Handle bars, motorcycle and bicycle
- Hoses and parts
- Motor scooters and parts
- Motorcycles and parts
- Motorbikes and parts
- Saddles, motorcycle and bicycle
- Seat parts, motorcycle and bicycle

OSHA Search | Division Structure | Major Group Structure | OSHA Standards Code |

Back to Top | www.osha-slc | www.dhs.gov

Contact Us | Freedom of Information Act | Customer Service  
Privacy and Security Statement | Disclaimer



---

---

---

---

---

---

---

---

## North American Industry Classification System (NAICS)

<http://www.census.gov/epcd/www/naics.html>



**U.S. Census Bureau**  
**2007 NAICS Definition**

**336991 Motorcycle, Bicycle, and Parts Manufacturing**<sup>19</sup>

This U.S. industry comprises establishments primarily engaged in manufacturing motorcycles, bicycles, tricycles and similar equipment, and parts.

Cross-Industry Establishments primarily engaged in:

- \* Manufacturing children's vehicles (except bicycles and tricycles) are classified in U.S. Industry 339912, Snow, Toy, and Hobby Vehicle Manufacturing, and
- \* Manufacturing golf carts and other similar personal vehicles are classified in U.S. Industry 36999, All Other Transportation Equipment Manufacturing.

2007 NAICS	2002 NAICS	1997 NAICS	Index Excludes for this Industry
336991	336991	336991	Bicycles and parts manufacturing
336991	336991	336991	Motorcycles and parts manufacturing
336991	336991	336991	Motor vehicles manufacturing
336991	336991	336991	Motorcycles and parts manufacturing
336991	336991	336991	Tricycles, scooters, and other children's manufacturing
336991	336991	336991	Tricycles, scooters, and other children's manufacturing

Census Bureau Links: Home - Contact - Statistical Data - Data Tools - Current - Census 2010 - Quality - Statistics - Contact Us

**U.S. CENSUS BUREAU**  
 Helping You Make Informed Decisions  
 Page Last Modified August 02, 2007

---

---

---

---

---

---

---

---

---

---

---

---

## Recap of Small Business Needs

- “We don’t know what we don’t know”
  - Competitors
  - Potential partners
  - Market characteristics
  - Price points
  - New product/innovation opportunities
  - Key industry experts, associations, publications and trade shows
  - Opportunities on the Web




---

---

---

---

---

---

---

---

---

---

---

---

## Analysis and Packaging

Focus on what answers the business owner’s question: actionable intelligence

- Identify key competitive insights
- Offer recommendations and next steps
- Synthesize information and provide executive summary




---

---

---

---

---

---

---

---

---

---

---

---

## Recap of Learning



- Strategic information provides businesses with a competitive edge, reduces risk, tests their assumptions, and leaves more money available to the business
- Key business information needs include competitors, customers, market, and industry intelligence
- You can gather information from published or human sources
- Analysis turns information into actionable intelligence

---

---

---

---

---

---

---

---

## More resources available at

[www.growinglocaleconomies.com/eghandouts](http://www.growinglocaleconomies.com/eghandouts)



### Contact Information

Christine Hamilton-Pennell, M.L.I.S., M.A.R.  
Growing Local Economies  
1460 S. Grant St.  
Denver, CO 80210  
720-394-5270  
303-282-4280 (fax)  
[christine@growinglocaleconomies.com](mailto:christine@growinglocaleconomies.com)  
<http://www.linkedin.com/in/chamiltonpennell>  
[www.growinglocaleconomies.com](http://www.growinglocaleconomies.com)



---

---

---

---

---

---

---

---

## About Growing Local Economies



Growing Local Economies offers training, consulting, and research services to economic development, small business, and library audiences.

*"Our mission is to help communities become more prosperous by leveraging their assets to support local entrepreneurs."*

Christine Hamilton-Pennell, Founder and President, has a background in both economic development and business research services. Her particular passion and expertise is "economic gardening," an entrepreneurial approach to economic development first pioneered in Littleton, Colorado, where Hamilton-Pennell served as Economic Intelligence Specialist for several years.

---

---

---

---

---

---

---

---