

Market Intelligence

The Most Vital
Resource to
Business Owners

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From day one, what's been vital to the success of the founders of Linksys, the 2004 Entrepreneurs of the Year? What do they have in common with a practice Michael Dell initiated early on and continues today? How have they both avoided the number one weakness in growing companies, something so simple and inexpensive, yet universally overlooked by most companies? What is the most squandered resource to entrepreneurs?

Every day customers, competitors, suppliers, and employees are providing bits of intelligence useful to business owners. Customers are talking with your sales and service associates, competitors are sharing their plans with your customers, frontline employees are seeing opportunities and experiencing problems, and suppliers are blabbing to everyone! The challenge is systematically collecting this virtually free input and using it to power the business on a daily and weekly basis.

The 9/11 Commission Report poignantly reminds us of the tragedy that can result from not integrating disparate pieces of intelligence. Like the proposed intelligence czar, immediately assign someone accountability for gathering up the feedback swirling all around you – and have this feedback reported weekly. Nothing fancy, just make sure someone is asking your sales people, customer service people, and operations what they are hearing each week from the market. Make it part of everyone's normal weekly reporting.

I recently hosted Victor Tsau, co-founder of the phenomenally successful Linksys, at an executive program for growing firms. Launched in 1988, this leader in home and small business wireless technology, was purchased by Cisco last year for \$500 million – not a bad payday for Tsau and his equally talented wife and co-founder Janie.

What they have done so consistently from the very beginning is systematically capitalize on the hundreds of hints, clues, ideas, and concerns of their customers and employees – something they are fanatical about on a daily basis. And they use this feedback to stay roughly five weeks ahead of their competition! Not months or years, but merely weeks ahead. Victor was adamant that this was THE source of their continued domination of a very competitive market. Today Linksys analyzes the input from roughly 15,000 technical and customer service calls they receive each day.

Like Linksys, Dell, Intuit (Quickbooks), Ritz Carlton, Wal-Mart, GE, and a local software firm I worked with years ago when they were really small and now dominate their industry – a firm call Deltak – share this common focus on gathering market input daily and weekly and acting on it within weeks.

When I first met Ken Delaski, the founder of Deltek, the firm had less than 100 employees. One of the disciplines that stuck with me was his insistence that every top leader spend a few hours each week working in the technical support center answering customer calls – Ken, himself, spending up to a half day each week.

GE learned from Wal-Mart and implemented what they call their QMI or Quick Market Intelligence process for formally gathering customer and competitor feedback from sales, support, and operations people on a *weekly* basis. It's this data that drives decision-making and strategy within GE.

At Wal-Mart, most of headquarters empties at the beginning of the week, with leadership spending their time in the field talking with customers, visiting stores, and scouting the competition. Expected back Thursday evening, everyone huddles Friday morning to pour over what has been learned with changes expected to be executed by Saturday at noon. Wal-Mart figures this gives them a roughly eight day lead on their competitors. Again, you don't have to be months or years ahead of the market, just days and weeks.

And at the heart of Dell's and Intuit's success is this same fanatical focus on gathering customer feedback and acting on it weekly. Starting with slips of paper Michael Dell had his employees use to log every problem, complaint, concern, issue, idea, or suggestion and then turn into him on Thursday's so he could "read the tea leaves," Michael held a meeting every Friday morning to make Dell "1% better each week" using this vital information.

What are you doing to listen to your customers, listen to your market, and gather intelligence weekly? There's an item on my suggested weekly meeting agenda for "customer and employee feedback"-- bring this part of the agenda alive. Call one customer a week and listen. Take one employee out to lunch each week and listen. Mystery shop one of your competitors and report what you learned. You need this data to drive your everyday decisions – get it and use it.