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## The impact of competitive intelligence on sustainable growth of the enterprises

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### Abstract

This paper is focused on the better use of knowledge of enterprises to support their sustainable growth and innovation. The aim is to describe the positive impact of competitive intelligence on sustainable growth of the enterprises through the quantitative marketing research which was conducted in the Slovak enterprises during 2014. Our attention in this research was focused inter alia on that if the implementation and subsequent use of competitive intelligence in terms of the Slovak republic leads to an improvement in the competitive position of businesses and increasing of their market share.

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### 1. Introduction

Sustainable growth is such a development that meets the needs of the present without compromising the ability to meet the future needs. Long-term perspective is characteristic of this growth. Any decision should be considered in terms of long-term impacts. Successful business development is conditioned by many factors. The most important are clarified strategy and the company's ability to respond flexibly to varying market situations. Therefore, we can say that the competitiveness and sustainability are mutually supportive concepts. In the context of today's business environment, companies compete on the basis of what they know, how quickly they learn and how well they used it in the past, when access to resources such as capital, labor and material had a decisive effect (Fleisher, Bensoussan,

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2003). Herring names this enterprise environment such as competition based on knowledge. This environment is based not only on data, information and knowledge but also on its intelligence system (Herring, 2003). Currently, companies collect large amounts of data and information that are losing importance in this volume. Therefore, enterprises to maintain a competitive advantage must clearly establish a system of data transformation to intelligence. This process is called competitive intelligence and requires unique skills, experience, knowledge of the industry and organizational conditions, decision-making and management skills.

## 2. The importance of the implementation of competitive intelligence

A well-designed system of competitive intelligence can help businesses in the strategic planning process, as well as in determining of intent and ability of its competitors, and also determine the extent of the risks to which enterprise may be exposed. Gross confirms that by stating that competitive intelligence in the enterprise serves as a catalyst in the decision making process. It is also part of the value chain, which converts the component data into usable information and the results of strategic decisions (Gross, 2000).

West maintains that there are basically three reasons why companies conduct intelligence. He lists them as curiosity, has emulation and anticipation. Of these, curiosity has least value to an organization. Curiosity can easily be satisfied by low-level information gathering and it evolves normally around trade gossip, public media and informal contact. No attempt is made to verify the information that fed by inaccurate rumors in the marketplace. Intelligence or information gathering, merely to satisfy curiosity, can be fatal if it is not recognized for what it is: unreliable gossip. Unreliable gossip is normally unverified, and if it goes unchecked for too long it becomes “fact”. This could lead to wrong decision based on fictitious rumors. Information should always be verified before it is used.

Emulation begins to move closer to what a competitive intelligence program actually entails. Emulation recognizes that all organizations have something to learn from one another. The learning process can cover the full scope of a given organization's operation and can help to solve the following problems in an organization:

- When a problem is encountered and difficulties to resolve it with the organization's own resources are experienced.
- When existing or new competitors launch a new initiative into the marketplace that appears to be successful.
- When competitors appear to be using superior technologies, achieving higher levels of productivity or performing better financially (West, 1997).

Anticipation is where the use of competitive intelligence comes into its own as a decision-making process. It allows organizations to recognize current and future competitive threats, devise stratagems that will neutralize their effectiveness, and gain some form of competitive advantage. Advanced users of competitive intelligence tend to be:

- companies that are active in businesses in which the competitive landscape is evolving rapidly and subject to major change,
- companies that are active in businesses that require large investment and development programs in order to remain credible players,
- aggressive companies seeking rapid gains in market share,
- dominant companies with major position to defend,
- companies that have recognized that they are seriously vulnerable to attack (West, 1997).

The ultimate objective of competitive intelligence is to formulate sound, fact-based, rational decision for action (Gross, 2000). This is the result of intelligence work and implies that the competitive intelligence process should become an essential part of the infrastructure of organizations. The reasons why organizations need competitive intelligence have been identified by Kahaner as follows:

- The pace of business is increasing rapidly and decisions need to be made faster and with fewer resources, hence organizations can keep pace with this new speed by means efficient management and competitive intelligence.
- The managers are faced with information overload, since information is traditionally regarded as power. However, information is of no value if it is not relevant, timely, accurate and reliable. Competitive intelligence has the capacity to analyze and evaluate the information gathered and to offer the most relevant, high quality and

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