

Social Networking Systems

CI

as Competitive Intelligence Tools

By Steve Duncan, QuadTech

Much has been written about networking, and by this time you know it's a good thing to do. Now there's another reason: online social networking services (SNS) make it easier than ever to not only build a social network, but also to use it for effective competitive intelligence (CI) gathering. You've no doubt heard of some of these sites (see sidebar one); perhaps you've already joined one.

In these systems you first join or are invited. You create an account that contains a profile, much like a CV. You then invite others you know to connect to you — this is how the network is formed — and they, in turn, do the same. The people directly connected to you are first-degree connections, their connections are second-degree, and so on.

You can usually see the complete profile of anyone you are connected to, and either a complete or reduced profile of those within three degrees — there can be astonishing diversity at that level. That's the value of these systems: at three degrees and beyond you stand an excellent chance of finding the person you seek to interview or research, from experts to CEOs. These systems can be effective competitive intelligence tools; let's look at how to get started using them, and how to get the most out of them while still being a good, ethical networker.

WHAT SNS CAN DO FOR YOU

Social networking services are among the first places I go when I need to learn about a new person or company. In particular, they help with:

- **Finding experts**, especially the technical folks, particularly when you're looking outside your industry and the person may not belong to the usual associations.
- **Finding current and ex-employees of target companies**, who are often excellent sources of information. For example, LinkedIn.com has a reference feature that allows you to find a person who worked for a company and expand your search to potential references — people who are likely to have worked with that person. All services offer similar search capabilities and some way to request a referral or introduction.
- **Gathering background information**, as people often put interesting data in their profiles. In these records I've seen sales data and information on the sizes and organization of departments and offices. In one case, the profile of a competitor's former employee stated sales at the target company significantly higher than our best estimates. Later, he confirmed the number, which led

us to reassess our view of this competitor. It's possible to determine turnover rates, organizational structure, and other information if you dig deep enough.

- **Engaging the community**, the best reason to join a social networking service. By connecting with and interacting with more folks in your industry, you are exposed to all kinds of opportunities.

For example, someone in my network asked me to help a friend who was looking for work. My company had been hearing rumors that a competitor was unhappy with the leadership of a particular division and might be looking to make a change. So I suggested to this friend of a friend that perhaps he should contact the company. I didn't mislead him — I was very clear about what I knew and how and where I'd heard it. He contacted the company and they were very interested, which helped confirm the rumor we were hearing.

In another case I had contact with a person who had been laid off by a competitor. I wasn't able to help place him in a new job, but he appreciated the effort. After he found work in another industry, he has provided insight while respecting his agreements with his former employer.

The main method for finding information is doing searches, and all social networking services have search capability. You can generally search by name and company name, along with region, industry, and keywords.

PICK WHICH NETWORK(S) TO JOIN

At the moment, LinkedIn is the largest social networking system, with 6+ million users. OpenBC is another system that is more global (although LinkedIn is catching up) and has features such as discussion forums and PDA-friendly pages. If you're interested in Europeans, OpenBC has the edge.

Ryze, Ecademy, Amodus, Soflow, and others are focused more at meeting people and finding others with similar interests, and generally have much smaller populations. They do tend to feature more detailed profiles including photos, full HTML and so forth.

Start with one network and join others as you become more comfortable with the system. In time, you will likely settle on one that works particularly well for you, but you'll still end up using the others on occasion.

FILL OUT YOUR PROFILE

It pays to be visible. To be ethically sound, make sure you are clear about what you do. For example, I clearly state my title and the fact that I gather competitive intelligence. I've been contacted several times by people with information who wouldn't have been in touch with me if they hadn't known who I was. These are generally folks seeking a job or

SIDEBAR 1: SOCIAL NETWORKING SITES

www.linkedin.com

The largest user base, business focus, not many interaction tools. Free, with upgrades for a fee.

www.openbc.com

Growing rapidly, multilingual, European focus, forums and other interaction tools. Free for basic membership, premium is about 70 euros annually.

www.ryze.com

Famous for setting up face-to-face meetings. Lots of interaction tools. Free limited membership, \$10 to \$20 a month for advanced.

www.ecademy.com

Perhaps a bit more social than the others, lots of interaction tools. Free limited membership, \$25 a year for "Greenstar" membership.

www.amodus.com

Still very new, centered around discussion with less emphasis on networking per se. Free at present.

www.spoke.com

Focus is on sales efforts, and finding decision makers. Fairly expensive at \$500 a year.

www.soflow.com Very strong marketing and creative focus, with lots of interaction tools. Free at present.

some kind of business relationship, and that means being very careful about accepting anything from them, but having potential sources contact me is nice.

Listing former employers in your profile will, in some systems, automatically make you visible to others with the same history. Some folks exploit this to connect to people who they haven't actually worked with. They will put fraudulent background info in their profiles to get access to people, and then try to connect to them as former colleagues. This is against the rules, always unethical, and usually quickly discovered. But it always pays to scrutinize those claiming to know you.

EXPOSURE TO THE NETWORK

Is it better to have a broad network with a large number of casual contacts, or a narrow network with a small number of highly trusted contacts?

SIDEBAR 2: WRITING PROFILES

There are many advantages to encouraging employees to join social networking services, but there are risks as well. Assuming the risks are worth it, here are some guidelines you should follow:

1. Encourage employees to connect to you. By being the connection between them and competitors, you stand a chance of being involved in introductions. This might sound silly, but there are cases where the original requestor (perhaps your counterpart at a competitor) won't be able to see who their introduction is routed through.
2. Encourage employees to leave specific numbers out of their profiles. Better to say "increased sales by x percent" than "increased sales by 15 units". Same with department sizes and other information not available elsewhere.

Ask to be notified if an introduction request comes in from a competitor or questionable company. Even if you are the "hub," not all requests may pass through you.

For research purposes, broad is the way to go. Social networking services are really just large databases of information about people. Access to that information is limited by who you are connected to. Thus, more connections equal more access.

INVITE, INVITE, INVITE!

We all get spam and abhor the idea of spamming anyone ourselves, but you cannot network effectively without inviting folks to connect to you. There are a few things you can do to ensure success:

- First, write your own invitations in your own words. Some systems provide boilerplate invitations, but you should never use these.
- Write the invitation as if you were writing to a single person. This will keep it from sounding sterile.
- Keep it short. Let the social networking service do the persuading via their site. Explain what you're asking in a sentence or two.
- Do not invite recklessly. Some services will punish you if you have too many failed invitations or draw too many complaints about inappropriate invitations.

MAKE IT EASY TO BE INVITED

Some folks will be a bit uncomfortable with the idea of connecting to strangers, and the services themselves don't always agree with the practice. If you want to have a large, effective network for research purposes, it will pay to be an "open" networker and welcome invitations from others.

Start by stating clearly in your profile that you welcome invitations to connect. Put your e-mail address in your profile. Then join whatever forums cater to that social networking service. Yahoo Groups features LinkedIn LIONS and MyLinkedInPowerForum, and a simple message to introduce yourself and state your willingness to connect will yield lots of invitations. Other systems may require a complete profile.

SHOULD YOU CONNECT TO COMPETITORS?

Business is not war — today's enemies can be tomorrow's friends and vice versa. When employees of a target company leave, you stand a much better chance of finding them later if you are connected. Being connected will give you greater visibility to their activities, and you may be surprised at the folks you inadvertently have access to. How much you use this access depends on your industry and your use of it must be guided by your company policies.

Being connected and visible is a double-edged sword, however, so it makes good sense to create some guidelines for fellow employees to follow when they write their profiles (see sidebar two).

On some systems you can decide whether to allow members of your network to browse through the list of people in your network. When you have customers, vendors, and competitors all connected to you, it might be a good idea to turn off this feature. However, some folks are very offended by this. If you have a large number of contacts (more than a few hundred) the risk may be acceptable. I have mine turned off.

REMEMBER TO PAY FORWARD!

When you start building your network, remember the first rule of networking — givers get. Make sure you offer to help folks when you can, and look out for their interests. At times it can seem like you've suddenly become servant to the masses, but the goodwill this generates will come back to you.

This activity is really just an extension of regular non-internet networking, but it can be easy to think of these systems as purely research tools and forget they are an extension of your reputation. I have over 1,500 connections on LinkedIn, and I get perhaps two requests in a busy week — it doesn't take a lot of time.

POWER USER TIPS

Do you want to become a “super connector” — one of those networkers who has thousands of connections? Then you need to get a power tool: LinkedIn Contact Manager (see <http://www.mycell.org/megaas/security/downloads.html>). This freeware application allows you to automate searches, including e-mail addresses in profiles, invitations, bulk e-mail messages and keeping track of contacts. Like any power tool, it can automate mistakes as well, so it's best to get your feet wet before using it.

One of the best features of LinkedIn is that when you enter an e-mail address into the “other contacts” area, the system tells you if that address is registered with LinkedIn. This alone can confirm a guess at an e-mail address. When you combine this with the ability to search outside your network, you can put a name to the otherwise nameless results returned in out-of-network searches.

For example, you are looking for folks to interview at Acme Corp, and you do an out-of-network search for the vice president of marketing. So, you fire up Jigsaw.com or Google and search for VP, marketing, Acme Corp, and get a press release announcing Bill Shaw is the new vice president. The press release also says to write to info@acmecorp.com for more information. You go back to LinkedIn, and enter bill.shaw@acmecorp.com, bshaw@acmecorp.com, william.shaw@acmecorp.com, etc. as “other contacts.” You'll notice that bill.shaw@acmecorp.com has a small “in” logo near it, signifying that the e-mail address has been registered at linkedin.com. Now you have a valid e-mail address.

GIVE IT A TRY!

I hope this article has piqued your interest enough to try these useful tools. The best time to get started is right now, because it takes time to build a network and its usefulness is proportional to its size. So why not pick a site and get started today?

Steve Duncan is the price and competitive analyst for QuadTech Inc. of Sussex, Wisconsin. In 2003 he created a competitive intelligence function for QuadTech from scratch, along with managing worldwide product pricing. Since then, Steve has established competitive intelligence policies, created gathering plans, implemented a CI software system and built a foundation to enable strategic goals. His background includes managing QuadTech's Finishing Products product line, and mechanical engineering on projects ranging from paint finishing equipment to graphics machinery. Steve received a Master of Business Administration from the Keller Graduate School of Management in 2001. He also received a Bachelor of Science degree in Industrial Technology from the University of Wisconsin at Stout. An avid blogger, Steve has blogs at www.lornitropia.net and www.recordingthoughts.com. He lives with his wife and daughter in Milwaukee.

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