

# Information Opportunities

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by

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# Introduction

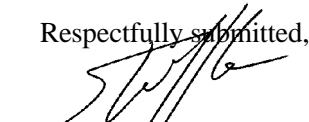
Whipple, Sargent & Associates (WS&A) and Competitive Benchmarking Associates (CBA) are pleased to submit the following outline of business and strategic information opportunities. CBA and WS&A are uniquely qualified to perform this service by virtue of prior experience in the development of marketing information systems and the utilization of proprietary methodologies to ensure you of the greatest accuracy and reliability of findings.

It is the purpose of this report to explore the process by which an organization can most efficiently and expeditiously acquire an expanded and actionable insight on customer, market and marketing issues. Further, we will discuss how this insight can be integrated both in terms of data collection and reporting to perfectly match the unique organizational requirements of a growing operation.

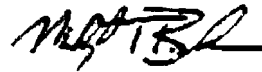
This is a multi-phase process in which the first step lays the foundation upon which all subsequent systems and processes will be built. This is called your research curriculum and it involves a management audit, market determination, research methodologies and organizational reporting. The benefit of this approach will be an information system which will serve your needs for decades.

Therefore, this report will discuss the issues and propose the professional services necessary to develop the appropriate curriculum to address management's information requirements.

Respectfully submitted,



Sherman Whipple,  
partner, WS&A



Michael Branham  
president, CBA

# 1. The Management Information Audit

## *What do you need to know and how do we collect and distribute that information?*

This is the question which must be asked and answered before we even begin to develop control models, research methodologies and analytical tools. Without first defining your information requirements and infrastructure, research can provide only limited relevance and value to your organization.

Therefore, we propose to conduct a management information audit. The end product will provide the architecture for the collection, processing and reporting of all relevant categories of research used in the marketing decision making process. The structure will mirror your organization and will, therefore, be unique.

Deliverables will include the following:

- On site audit and interviews to define corporate information/reporting needs
- Market determination
- Data source audit
- Definition of key driver relationships
- Executive interview pre-test for syntax and relevance
- Preparation of 3x3 corporate information matrix
- Organizational chart for information collection/distribution
- Preliminary reporting/meeting
- Final curriculum audit report

WS&A's standard fee to perform the professional services, above, is \$20,000 (US) plus \$1,000 per diem for client site consulting and reimbursement of out of pocket expenses for travel, lodging and cash disbursements.

## 2. The Market Control Model

Using the specifications and parameters in the Curriculum Audit Report, the next step is to either adopt, compile or create your control model. The control model is a national statistical abstract of your markets. It presents the national incidence and distribution of all of your market segments, key drivers, and customer profiles.

One uses this to overlay, compare and contrast every other form of observation including local surveys, site selection, sales and marketing data. The control model allows you to establish the relevance of your data. It shows you exactly where every piece of the puzzle fits.

This will ensure data compatibility for subsequent analysis. Virtually any marketing record can be evaluated both horizontally within your organization (territory to territory/customer segment to customer segment) and vertically (by offering/floor plan/mix, competitively and universally (as it relates to the attitudes, expectations and intent of a total population, industry or category of business)).

Control models are created using national, census based, parametric, quantitative benchmark survey research. This is a relatively expensive process provided by fewer than 200 research organizations, including WS&A, who specialize in custom survey research, .

It is, however, highly probable that sufficient data already exists to develop your control model without going to the expense of conducting a custom benchmark. This is particularly true for a retailer, where, due the range of your product offering, the costs to conduct such a test run substantially higher than it would for a tractor manufacturer, for example.

During the data source audit, CBA and WS&A will determine the availability of relevant control data which can either be adopted or, in the case of multiple sources, compiled to form your control model.

### 3. Research Methodologies

One of the key elements of the Curriculum Audit Report is the 3x3 Corporate Information matrix (sample shown below):

Internal/Qualitative	External Quantitative Lagging Sales History/Penetration	Concurrent Sales/Exchange Data	Leading Market/Formative/Expectation
Lagging Customer Satisfaction Cust. Dissatisfaction			
Concurrent Employee Motivation Promotion Events ACV			
Leading R&D Goals Planning/Expansion Consolidation			

WS&A Information Grid Worksheet \_\_\_\_\_ of \_\_\_\_\_

Having adopted a standard matrix, you will now have the capability to cross reference the relationship of all internal corporate information requirements such as the sample areas in the left column with the external categories of baseline, empirical or market data across the top. This added capability will apply to both your current data collection as well as future research assignments.

Most important, it is the application of this matrix which, when applied to your customer loyalty metrics (internal lagging/qualitative), will allow precise and reliable gap/cluster analysis against a market benchmark survey which models the three categories of installed base (external lagging), concurrent (sales) and leading (expectation).

Using this matrix, managers, department heads and key decision makers can clearly define their information requirements and the essential components required for the most insightful reporting. This can then be used for forecasting, risk assessment and the identification of emerging opportunities and uncontested ground.

Further, the completion of this matrix will define all necessary research disciplines, sources of data, data gathering methodologies and expose opportunities to combine research for an overall cost savings. CBA and WS&A will then provide the individual specifications for all methodologies required to standardize your requests for proposals (RFP) and bidding requirements on both national and local levels.

Creation of survey fielding specifications are charged at a fixed price of \$3,000 each. Based upon your initial information requirements, you are looking at no more than three sets of fielding specifications at this time.

## 4. Organizational Reporting

The previous aspects of curriculum development deal with the technical aspect of meeting your information requirements as they relate to accuracy, relevance and the gathering reliable information. This means you will have good data, but it does not become actionable or truly valuable unless it can go out to the people who need it, and, even more important, be in a form which they understand.

The structure of your information reporting is part of the management audit report. This last phase addresses the specific format and content of each type of information reporting. Here you have many options based upon who within your organization is receiving the report, confidentiality issues and frequency of reporting.

The technical process involved uses your 3X3 matrix to define the controls and data sources used to create each type of report. This includes data/field definitions and statistical tools which will be used to compute and present the values in the reports and the database requirements.

A number of your reports, in addition to site selection, may be best presented in a map form. Other reports are most easily understood as charts or graphs. Still others can be most effective by eliminating any reference to statistics and numbers and going straight to a narrative or directive in plain language.

Report distribution is essentially an internal process. CBA & WS&A will assist you as a consulting service to your internal MIS or IT department at hourly or per diem rates. This also applies to the specification of additional applications and systems such as MapInfo and the integration of a MkIS database to automate your information collection and distribution process.

# The Marketing Information System (MkIS)

The 3x3 matrix and adoption of standard controls are the framework of all marketing information systems. This is a standard process which, interestingly, predates the computer, but was one of the earliest mainframe computer applications in the late 1950's. Initially the computer applications were designed to alleviate the labor intensive "number crunching" processes.

Database marketing information systems essentially automate your research and information collection and distribution processes through the levels and divisions of your organization using a database and pre-programmed analysis and reporting formats. Further refinements include varying levels of security and detail of reporting based upon "need-to-know" or unique information requirements.

While it sounds like a very simple process, the horror stories about organizations spending tens of millions and five or six years implementing an MkIS database, only to find that nothing makes sense, are very real. This is what happens when a business tries to work backwards with non-compatible data sources and no control framework.

By starting with a management information audit, adopting control models and standardizing your observations and reporting specifications before you automate, building and using an MkIS database is both painless and economical.

The MkIS database is the next step beyond that which has already been proposed for your curriculum development.

## Summary

The key issue here is to address your organization's current and future information needs. It is the baseline or foundation of the growth of your information and insight on the opportunities for growth and increased profitability.

CBA and WS&A present a logical and organized approach to expand your information and market intelligence gathering process. It is to be built upon your own structure and needs. It will be uniquely yours, but allow full cross discipline analysis with all other data, industry and statistical sources.

Work will commence immediately upon receipt of the retainer. The Management Audit typically runs between three to six weeks to the preliminary curriculum reporting and meeting(s). The final report containing all research parameters is normally delivered two weeks later.

The services proposed will result in an exponential increase in the information capabilities and sources of business intelligence available to management. In a very real sense it becomes a technology transfer. You acquire our skills.

We look forward to serving your needs.

## Contact Information

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