

Development of Competitive Intelligence Strategies for Organisations Providing Support to Start-ups: Examples of Genilem and Fongit

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Abstract

The first objective of this study was to identify the economic intelligence requirements of two organizations providing support to start-ups in Western Switzerland (Genilem and Fongit) and to define recommendations to address their key issues. The second objective was to identify needs common to the two institutions and to suggest a set of measures that could be used on a regional scale to rationalize the use of resources.

Data were collected through about 20 interviews involving both start up managers and collaborators of the coaching companies. A questionnaire has been sent to most of the companies which had received support from these administrative bodies.

As a result, 2 lists of about 15 guidelines were given to Genilem and Fongit. Furthermore, practical measures and a better task allocation have been suggested to the regional support partners.

Ultimately, this research helped both Fongit and Genilem to improve their practices. It also served to provide a reflection on what should be considered as essential support for entrepreneurship in the cantons of Vaud and Geneva. In addition, the study offers an innovative methodology for the analysis of the need for economic intelligence.

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1 Introduction

For any given region, the creation of start-ups represents an interesting opportunity as new enterprises create a significant number of jobs. In the USA, these amount to roughly 20% (Haltwanger, Jarmin & Miranda 2008). Nevertheless, these start-ups are precarious as half of them disappear within 5 years (see the study made by the Swiss Confederation's Commission for Technology and Innovation promotion – CTI: Gantenbein, Herold & Zaby 2011: 37). Therefore the government is well advised to try to reduce the number of failures by adopting supportive measures, among which business incubators and help to acquire funding.

The main advantage of a start-up is its agility and capacity to adapt itself to the environment, among other things by identifying innovative solutions. Because of limited resources and staff, information and competitive intelligence are major challenges for these innovative ventures. Organisations that have the specific purpose of supporting start-ups therefore need effective competitive intelligence practices to provide relevant assistance to start-ups to meet their requirements and expectations.

2 Objectives

The present study (2014) has two objectives. First, to determine the particular competitive intelligence needs of two organisations which follow start-ups: Genilem Vaud-Genève with its three-year coaching program for businesses of all sectors and Fongit, a specialized incubator for high tech companies – in Plan-les-Ouates, suburb of Geneva.

	J L GENILEM	fongit HighTech Business Incubator
Team	10	8
Sectors	All	High techs
Coaching	✓	✓
Hosting		
Financing		via Fongit seed invest
Duration	3 years	Indefinite (Average 3 years)

Figure 1. Genilem and Fongit description

This study takes into account not only the needs related to counselling other businesses but also those relating to the management and setting up of the strategies of their own organisation.

The second objective of the study tends to detecting and identifying the similar needs of both these structures and defining the procedures valid for both organisations.

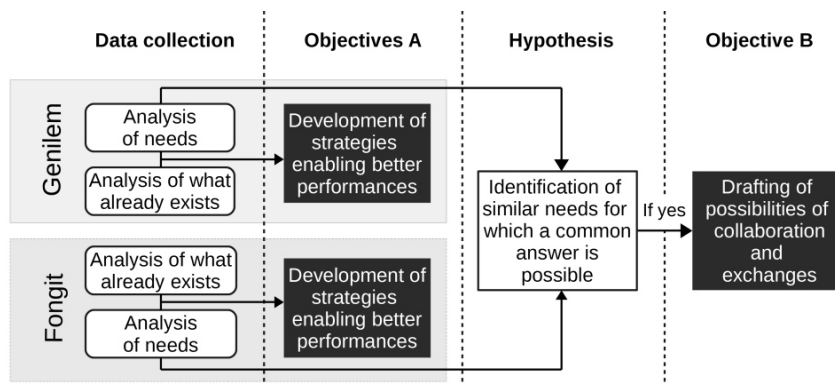


Figure 2. Objectives of this study

3 Context

Genilem and Fongit are both part of a complex network of organisations backing companies, in which each one has clearly defined specificities and fields of expertise.

The following diagram shows only a sample of these organisations:

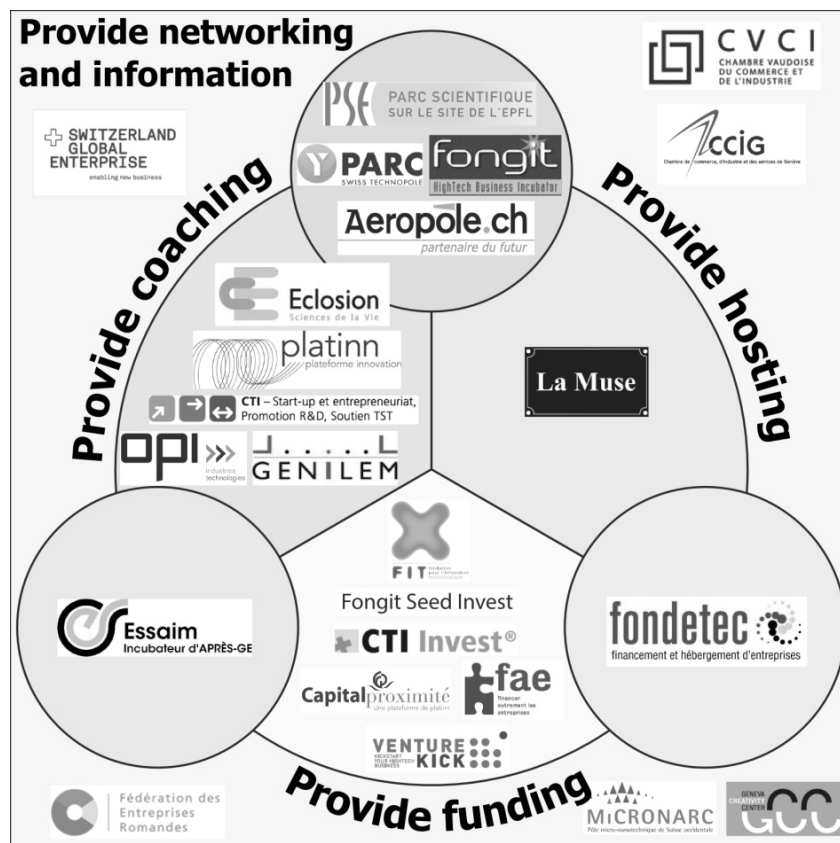


Figure 3. Organisations providing support to start-ups

One of the challenges consists in coordinating the efforts of this micro-cosm. The financial structure of these organisations varies considerably. Some are state owned, some are private – but they have either only their own funds or obtain state subsidies.

By defining the common needs of Genilem and Fongit regarding business intelligence, we wish to show that information strategy and management should be defined not on the level of each organisation but more globally on the scale of this heterogeneous system.

4 Method

Data has been collected through approximately twenty interviews with three categories of people: coached start-up leaders, Genilem and Fongit employees and representatives of two other organisations which sponsor managers, the OPI (Office for the Promotion of Industries and Technologies) and the GCC (Geneva Creativity Center).

To access additional information from companies benefitting from coaching, a questionnaire has been sent to most of them. Unfortunately there was a low return rate (7 out of around 50).

5 Results

This study led to the creation of two lists of almost 15 guidelines for each of the two organisations regarding competitive intelligence (objective A), of which several are given here. There are also various ideas to centralize certain processes (objective B).

5.1 Needs of the start-ups and recommendations

The themes related to competitive intelligence most often expressed in the questionnaires and during interviews are knowledge of the market and fundraising. But very few start-ups formalized their external data collection, and almost all prefer to look for information themselves.

It seems thus beneficial to train coaches in competitive intelligence, to enable them to train managers to gain independence and professionalism in handling both external and internal information.

On the contrary, for structures which propose entrepreneurial coaching, like Genilem and Fongit, it is not realistic to make a thorough competitive intelligence analysis for each company's market. There are clusters (Alp ICT, OPI, etc.) which already have a deep knowledge of the economic sectors and we think they should increase their effort to provide companies with this type of information.

Regarding the sources of funding of start-ups, it would be useful for both Genilem and Fongit to formalize their competitive intelligence processes in order to provide detailed information to the companies they coach. Centralizing the collect of this information could possibly be done through the Commission for Technology and Innovation promotion (CTI).

5.2 Specific needs of Fongit and Genilem

Coaches usually work independently – which, according to some testimonies, is one of the reasons they chose this job. We therefore stressed this point and suggested a series of measures to promote sharing and joint/cooperative work.

The coached companies have competitors; similarly there is fierce competition between incubators. It is therefore important for Fongit and Genilem to formalize their business intelligence practices and to watch the offers and conditions of other organizations in order to adopt a differentiation strategy and set up competitive offers to attract the most promising companies.

5.3 Global view and role of the government

This study has brought to light the greater role the State of Geneva could play as coordinator by setting up several practical measures to improve information flows. There is already a group which occasionally invites the managers of coaching organisations but the government could, for example, create a directory in which each actor of this network would figure with his specific expertise. Finding the right expert would be easier, which is precisely one of the major ways in this environment to obtain information.

The following diagram summarizes a proposal of role division between the various stakeholders:

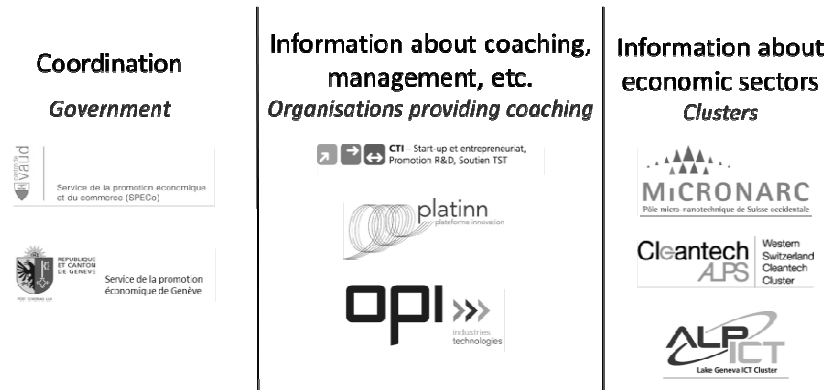


Figure 4. Distribution of roles among the partners supporting start-ups

5.4 Practical implications

This study provided an immediate benefit to the start-ups taking part in the project: the interviews enabled the managers to analyze their competitive intelligence practices, to become aware of the issues and, in the long run, to enhance the monitoring and analysis of their professional context. Thus they can professionalize their methods, which is a crucial issue for their survival.

Several start-ups will join their efforts with the HEG (Haute école de gestion de Genève) by carrying out students' projects or case studies linked with their course on competitive intelligence. This proves the extent of a lasting interest for this subject.

There was also an immediate benefit for Fongit and Genilem which were given a detailed assessment of their competitive intelligence practices and were able to launch new projects.

Partly due to this study, Fongit decided to create an intranet and pursued the new ideas formulated by the study internally in order to improve cooperation among its employees.

On the political level, this study also had an impact and contributes to the awareness that competitive intelligence must be dealt with on a wider regional level. The HEG is involved in these discussions which will possibly increase the support of the Government in order to enable companies to get better information and help them with their business intelligence.

5.5 Originality/value

This work suggests an innovative approach to the needs analysis of competitive intelligence. Our method results from a synthesis of several studies and analysis of case studies. It is fully and easily transferable to other contexts.

This work demonstrates the key role government can play as coordinator of the different partners. This study indeed shows the limits of the saying “in our field, everybody knows everybody” whereas, in fact, reality is closer to this basic truth: one knows those one knows ... which is far from everybody, especially for the newcomers.

A competent management of information connects people and enables each person to find the information he/she needs or at least the most relevant experts.

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