COMPETITIVE INTELLIGENCE TOOLS USED BY SMALL AND MEDIUM-SIZED ENTERPRISES

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Abstract

Small and Medium-sized Enterprises (SMEs) contribute highly to the gross domestic product, reduction in unemployment, wealth creation and improvement in the quality of life. Due to technology and globalisation, SMEs now compete with enterprises beyond the borders of their country. To survive in this global competitive business environment, SMEs seek for tools that offer competitive advantage. Competitive Intelligence (CI) provides competitive advantage to enterprises that practice it. While CI practice has been widely research for larger enterprises, there is lack of research on CI practice pertaining to SMEs. This research establishes tools used by SMEs in CI practice. The research was quantitative in nature and a self-administered questionnaire was used to collected data from owners/managers of SMEs**.

Keywords: Competitive Intelligence, Competitiveness, Competitive Advantage, Small and Medium-Sized Enterprises

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1 Introduction

Competitive Intelligence (CI) has been widely recognised as a tool that provides competitive advantage and helps in making quality decisions (Maune, 2014). Moreover, CI helps improve products or services quality and the overall quality of life (Du Toit and Sewdass, 2014). CI is a critical success factor for small and larger, for profit and non-profit, private and public, and local and international enterprises (Nasri and Zarai, 2013). Unlike industrial espionage, CI is both ethical and legal (Roitner, 2008). Information for CI is collected ethically and legally. To improve the quality of CI, enterprises quality checks information and information sources (Gainor and Bouthillier, 2014). Management of enterprises do not support CI practice unless it produces quality actionable intelligence (Bulley, Baku and Allan, 2014). Small and Medium-sized Enterprises are run by owners/managers (Nieman, 2006). SMEs that practice CI have management support. Though the majority do so informally, SMEs practice CI (Pellissier and Nenzhelele, 2013a). SMEs practice CI to gain competitive advantage over their rivals (Bartes, 2014a). Due to technology and globalisation, SMEs' rivals are both local and international (Pellissier and Nenzhelele, 2013a). Countries rely on SMEs for creation of jobs, reduction of unemployment, wealth creation, skills development, and economic growth (Fatoki and Odeyemi, 2011). The aim of this research is to establish the tools used by SMEs in CI practice.

2 Literature review

2.1 Definition of competitive intelligence

There are so many definitions of CI in the literature (Weiss and Naylor, 2010). Some scholars define CI as a product and some as a process (Brody, 2008). Roitner (2008) concludes that CI is both a product and a process. Most of these definitions differ because change of words, use of synonyms and emphasis (Brody, 2008). It has been argued that CI practitioners are too busy they do not have time to define CI (Fleisher and Wright, 2009). The existence of so many definitions in the field of CI creates confusion amongst scholars and practitioners (Colakoglu, 2011). Also, it makes CI to be a practice with unstable borders (Haddadi, Dousset and Berrada, 2010). Due to lack of agreement on the definition of CI, it has been confused with industrial espionage (Colakoglu, 2011). However, CI is different from industrial espionage because CI is legal and ethical (Haliso and Aina, 2012). Having realised the problem of endless definitions, Pellissier and Nenzhelele (2013)b analysed fifty CI definitions to establish commonality and differences in order to propose a comprehensive and universally acceptable definition. Pellissier and

Nenzhelele (2013)b define CI as "a process or practice that produces and disseminates actionable intelligence by planning, ethically and legally collecting, processing and analysing information from and about the internal and external or competitive environment in order to help decision-makers in decision-making and to provide a competitive advantage to the enterprise." This definition will be used for the purpose of this study.

2.2 Evolution of competitive intelligence

CI evolves from economics, marketing, military theory, information science and library and strategic management (Juhari and Stephens, 2006; Deng and Luo, 2010). Governments of countries rely on intelligence for protection of their citizens (Deng and Luo, 2010). Marketing departments of firms all over the world rely on intelligence for marketing, pricing and promotion of their products or services (Nasri and Zarai, 2013). Libraries rely on intelligence for quality sources of information for scholars (Fleisher, 2004). Strategists rely on intelligence to anticipate and prepare for future competition (Barrett, 2010).

CI has been around longer than the first time is officially practiced in business and recorded in the literature (Juhari and Stephens, 2006). Since its inception, CI has been practiced by public, private, for-profit, non-profit, large and small organisations. While CI is a relatively new business discipline, it is evolving in complexity and importance to keep pace with rapid business development (Heppes and Du Toit, 2009). Due to its benefits, more organisations are practicing CI either formally or informally (Nasri and Zarai, 2013).

Post-apartheid, South African firms have been exposed to global competition (Pellissier and Nenzhelele, 2013a). To survive in the midst of global competition, South African firms are practicing CI (Du Toit and Sewdass, 2014). This is confirmed by Muller (2006) who points out that CI took root in South Africa in the mid-1990s and early-2000s. CI in South Africa emerged from the business sector (Heppes and Du Toit, 2009). Although South African firms have been inward looking, they are starting to realise the importance of CI from year to year (Adidam, Gajre and Kejriwal, 2009). De Pelsmacker, Muller, Viviers, Saayman, Cuyvers and Jegers (2005) point out that enterprises that formally practice CI are growing in numbers and that CI is especially strong in the banking sector, the information technology sector, the telecommunications sector and the electric supply sector. Although CI practice has been widely in South Africa for for-profit organisations, there is lack of report of CI practice on non-profit organisations (Sewdass and Du Toit, 2014).

2.3 Competitive intelligence needs

Managers are paying more attention to CI and as a result there is a growing desire to fulfil CI needs (Barnea, 2014; Lin and Yan-Zhang, 2015). The end product of CI must satisfy the needs of decision makers and trigger new intelligence needs (Pinto, 2014). In order to have clear, unambiguous and easy to understand intelligence needs there need to be a two-way communication between the CI unit and the decision makers (Nasri and Zarai, 2013; Du Toit and Sewdass, 2014). Formal meetings must be organised for CI practitioners and decision makers to discuss the intelligence needs (Bartes, 2014b). Decision makers have plenty of intelligence needs and these needs must be differentiated from information needs, prioritized and translated into Key Intelligence Topics (KITs) (Prescott, 1999; Nasri, 2011; Degaut, 2015). KITs are those decision-based, strategic issues about which managers must be regularly informed to set and implement strategy (Herring, 1999). CI is aimed at answering KITs (Bartes, 2014b). According to Herring (1999), only intelligence needs that are of highest priority and key to the success of the organisation must be fulfilled with the scarce resources. KITs are established and clearly defined during the planning phase of the CI process (Yassine, 2014). KITs can come from different level of management such as strategic, functional and tactical (McGonagle and Vella, 2012). Quality CI depends on clearly defined and unambiguous KITs (Nasri, 2011).

According to Barnea (2014), KITs must cover world competition, tactical and strategic issues instead of just local competition and tactical issues. It is impossible to gain competitive advantage from CI without clearly defined KITs (Barnea, 2014). According to Herring (1999), there are three categories of KITs, namely strategic decisions and actions, topics requiring early warning and profiles, characteristics and descriptions of the key players. Strategic decision and actions includes the development of strategic plans and strategies. Early warning topics include competitor initiatives, technological surprise and government actions. Descriptions of key players include competitors, customers, suppliers, regulators, and potential partners.

2.4 Competitive intelligence awareness

Competitive intelligence growth depends on the creation of awareness of its benefits and a change in the way that enterprises deal with and view information (Muller, 2007). In today's global competitive business environment, only firms with CI awareness programme will survive (Căpăţînă and Vanderlinden, 2012; Bourret, 2012). CI awareness help raise competitiveness in a sector which increases quality of products and service (Wright, Bisson and Duffy 2012). CI awareness is a critical success factor

for CI (Nasri and Zarai, 2013). Although there is a rise in CI awareness, there is still a need for enterprises to raise awareness for CI (Garcia-Alsinaa, Ortoll and Cobarsi-Morales, 2013; Bartes, 2014b). According to Smith, Wright and Pickton (2010), there is a dearth in the literature regarding the awareness of CI.

Du Toit and Sewdass (2014) and Fatti and Du Toit (2013) recommend that South Africa enterprises should develop a competitive culture and create CI awareness amongst their employees. Raising CI awareness amongst employees is a major challenge and without a culture of CI awareness it is difficult to develop actionable CI (Nasri, 2012; Barnea, 2014). Employees who are unaware of CI tend to giveaway information cheaply to competitors or worse still get misinformed by competitors who are well aware of CI (Singh and Vij, 2012). Smith et al. (2010) identify the following methods of raising CI awareness: conferences, seminars, speeches and "breakfasts"; financial assistance; education and training; and collaborating entities; magazine; the internet; trade shows; social network; friends and families; business associates, blogs, competitors; television; workshop; business meeting, newspaper; and government finance.

2.5 Benefits of competitive intelligence

CI benefits all types of enterprises, including profit and non-profit enterprises, associations and government (Liu and Oppenheim, 2006). According to Hesford (2008), CI is a process that can reduce information uncertainty to such an extent that decision-makers can make better decisions regarding cost reductions, design and process improvements, new product introductions, product mix choices, etc. In addition, Muller (2007) points out that CI fulfils a strategic role in enterprises by providing quality information, increasing general awareness, and improving threat and opportunity identification. The benefits of obtaining CI for firms far outweigh the costs. The four major benefits are as follows (Johns and Van Doren, 2010): differentiation; cohesive marketing communication plans; pre-selling of an idea to the target market; and building credibility with the customers.

Pranjic (2011) lists the following benefits of CI: detecting profitable market niches; detecting competitors' strengths and weaknesses; detecting warning signals in case of political instability; detecting recession signals; detecting new administrative and legal possibilities and limitations; detecting new or potential competition; enhancing the reliability of prognoses on leading forces in a business environment; decoding competitors' intentions; improving the enterprise's ability to anticipate surprises; improving managers' analytical skills; faster and more targeted responses to market changes or reduced reaction time; identifying critical points of vulnerability; early warning of competitive threats;

identifying blind spots; synchronising information from all providers; conducting accurate market-place assessments for tactical moves; improving quality in strategic and tactical planning; an increased understanding of customers' current and future need; and increasing enterprise learning and sharing of knowledge.

2.6 Competitive intelligence practice tools

Information must be collected from valuable sources (Lewis, 2006). Information must be collected legally and ethically (Hesford, 2008). According to Yap and Rashid (2011) information sources are external or internal and personal or impersonal. Examples of these categories are given below.

• External personal sources: customers; competitors; business and professional associates who include executives of other enterprises, bankers, lawyers, financial analysts, academics and consultants; and government officials

• External impersonal sources: newspapers and periodicals; government publications; the internet and extranets; publications and reports of industry and trade associations; and conferences, business trips and trade shows

• Internal personal sources: superior and board members, peer colleagues and subordinates

• Internal impersonal sources: internal memoranda and circulars; internal reports and research studies; enterprise libraries; electronic information services that include information systems and intranets

Melo and Medeiros (2007) divide CI sources into two categories:

• Published information: articles; books; theses; papers presented at congresses and similar presentations; periodicals; government documents; speeches; analytical reports; government archives and those of agency regulations, registers of patents, etc.

• Unpublished information: sales people; engineering personnel; distribution channels; suppliers; advertising agencies; professional meetings; enterprises specialising in CI, reverse engineering, etc.

Collected information must be analysed to produce actionable intelligence. Wright, Eid and Fleisher (2009) suggest the following analytical tools for the CI process: various mechanisms; spread sheets and filtering databases; PESTE factors and SWOT analyses; teamwork and brainstorming; valuation techniques; financial ratios; and statistical programs.

Once the information has been analysed, it must be disseminated to whoever needs it for decision making. There are several dissemination methods from which enterprises can choose. Wright et al. (2009) suggest the following dissemination tools for the CI process: briefings and face-to-face meetings, e-mails, intranets, written reports, daily flashes, newsletters, as per request methods and conferences.

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2.7 Small and medium-sized enterprises

The importance of SMEs in creating jobs and economic wealth is globally recognised (Fatoki and Garwe, 2010). SMEs employ more than 95% of the world's working population and are the main source of employment in developing countries (Abor and Quartey, 2010). As a result, governments throughout the world focus on the development of the SME sector to promote economic growth (Fatoki and Gware, 2010). Fatoki and Gware (2010) reveal that in South Africa, SMEs contribute 56% of the employment in the private sector and 36% of the gross domestic product (GDP). However, gaining a competitive advantage presents an enormous challenge for SMEs. Prior (2007) is of the opinion that SMEs have many competitors that offer similar products or services and operate in the same markets and locations. Moreover, SMEs have limited resources. Prior (2007) suggests that CI is the key to SMEs' competitiveness.

2.7.1 Definition of small and medium-sized enterprises

According to the South African National Small Business Act 102 of 1996, 'small business' means a separate and distinct business entity (including co-operative enterprises and non-government enterprises) managed by one owner or more which, including its branches or subsidiaries (if any), is predominantly carried on in any sector or subsector of the economy and which can be classified as a micro-enterprise, a very small enterprise, a small enterprise or a medium enterprise.

2.7.2 Classification of small and medium-sized enterprises

The most widely used framework for SMEs in South Africa is set out in the South African National Small Business Act 102 of 1996, which defines five categories of enterprises in South Africa. The definition is based on the number of employees (the most common definition) per enterprise size combined with the annual turnover categories and the gross assets (excluding fixed property). The five enterprise categories are as follows (Abor and Quartey, 2010):

1. Survivalist enterprise: The income generated is less than the minimum income standard or the poverty line. This category is considered pre-entrepreneurial, and includes hawkers, vendors and subsistence farmers. (In practice, survivalist enterprises are often categorised as part of the micro-enterprise sector).

2. Micro enterprise: The turnover is less than the VAT registration limit (that is, R150 000 per year). These enterprises usually lack formality in terms of registration. They include, for example, spaza shops, minibus taxis and household industries. They employ no more than 5 people.

3. Very small enterprise: These are enterprises employing fewer than 10 paid employees, except mining, electricity, manufacturing and construction sectors, in which the figure is 20 employees. These enterprises operate in the formal market and have access to technology.

4. Small enterprise: The upper limit is 50 employees. Small enterprises are generally more established than very small enterprises and exhibit more complex business practices.

5. Medium enterprise: The maximum number of employees is 100, or 200 for the mining, electricity, manufacturing and construction sectors. These enterprises are often characterised by the decentralisation of power to an additional management layer.

3 Methodology

A survey was undertaken to collect data from SMEs in the City of Tshwane Metropolitan Municipality (CTMM) of Gauteng Province in South Africa. The CTMM is the largest municipality in South Africa. It is the capital city of South Africa. Data was collected from one hundred SMEs from nine locations in the CTMM using a quota sample. A quota sample was undertaken due to time and financial constraints. Locations were sampled in order to cover both urban and rural areas of the CTMM. The sample consisted of 74% urban and 26% rural SMEs in the CTMM. The locations included in the sample were Mabopane; Mamelodi; Soshanguve; Ga- Rankuwa; Eersterust; Atteridgeville; Winterveld; Silverton or Pretoria East; Pretoria CBD and Rosslyn. Data were collected using a questionnaire. Questionnaires were hand-delivered to enterprises that do not have access to e-mail. For the SMEs that had access to e-mail, the questionnaire was sent to them via e-mail. The questionnaire had two sections. The aim of the first section was to collect biography of SMEs. The aim of the second section was establish the awareness and practice of CI by SMEs.

One hundred and fifty questionnaires were distributed to the respondents hoping that at least one hundred would be returned by the cut-off date. Indeed, one hundred usable questionnaires were received by the cut-off date. E-mail and phone calls were used to follow up on distributed questionnaire. This ensured that the required one hundred questionnaires were returned. Therefore the response rate was 66.67%. The internal data reliability was calculated to be 0.806 (Cronbach' Alpha).

4 Results

4.1 Demographics

Of these one hundred SMEs that participated in the survey, only one respondent (1%) was a sole proprietorship; fourteen respondents (14%) were

partnerships; fifty five (55%) were close corporations; and thirty (30%) were companies. These forms of enterprises are defined by Nieman (2006) as follows: proprietorship: is an enterprise that has one owner and there is no distinction between the personal estate of the owner and the business estate. Partnerships: is an enterprise formed when a minimum of two and a maximum of 20 people conclude an agreement to do business as a partnership. Close corporation: is a separate legal entity and is regulated in terms of the South African Close Corporation Act 69 of 1994. The CC must be registered in term of this Act in order to attain separate legal entity status. A CC must have at least one member and not more than 10 members. Companies: is an association of people incorporated in terms of the *Companies Act 61 of 1973*. A company can have share capital or can be incorporated not for gain, in which case it will not have share capital. Eleven business sectors or subsectors were identified from the literature. Only two additional industries were added by respondents as others and these are: cleaning industry (1%) and media and marketing (1%). The remainder of the respondents are spread as follows: finance and business services (8%); catering, accommodation and other trade (19%); retail and motor trade and repair services (23%); electricity, gas and water (2%); community, social and personal services (18%); wholesale trade, commercial agents and allied services (5%); construction (8%); and manufacturing (12%).

Of the one hundred SMEs, fifteen (15%) had 21–50 employees, thirty (30%) had 11–20 employees, thirty six (36%) had 6–10 employees and nineteen (19%) had 1–5 employees. Concerning years of business operation, fifty (50%) were operating for 6 or more years, thirty nine (39%) were operating for 3–5 years and only eleven (11%) were in operation for 1–2 years. With regard to annual turnover, two (2%) SMEs were making a turnover between R6 million to R10 million, forty eight (48%) were making a turnover of between R1m and R5m and the rest (50%) were making less than R1m. Pertaining to owner or manager's educational qualification, five scales were identified, grade 8 to grade 10, grade 11 to grade 12, undergraduate diploma or degree, honours degree and masters or doctoral degree. Only five (5%) of the respondents had masters or doctoral degree, twenty one (21%) had honours degree, 47% had undergraduate diploma or degree and twenty seven (27%) had grade 11 or grade 12. Pertaining to owner or manager's years of working experience, only one (1%) of the respondents had less than one year of working experience, four (4%) had 1–2 years of working experience, fifty (50%) had 3–5 years of working experience and 45% had 6 or more years of working experience.

4.2 Competitive intelligence practice in small medium-sized enterprises

A five-point Likert scale ranging from 'strongly disagree' to 'strongly agree' was developed to establish CI practice in SMEs. Numbers 1 to 5 were used with number 1 denoting 'strongly disagree' and number 5 denote 'strongly agree'. The variables used to establish CI practice by SMEs are shown in table 1. The aim of variable 1 was to establish if these SMEs practice CI. A standard deviation of 0.687 indicates that there was less spread of responses to this variable. A mean value of 4.45 indicates that the majority of these SMEs practice CI. The aim of variable 2 was to establish if these SMEs outsource CI practice. A standard deviation of 1.202 indicates that there wide spread of responses to this variable. A mean value of 3.10 indicates that more than half of these SMEs hire people or other businesses to collect information on their behalf.

Variable 3 was aimed at establishing the formalisation of CI process within SMEs. A standard deviation of 1.078 indicates that there was wide spread of responses to this variable. A mean value of 2.01 indicates that the majority of these SMEs do not have a formalised CI process. The aim of variable 4 was to establish if SMEs know who their competitors' suppliers are. A standard deviation of 0.996 indicates that there was less spread of responses to this variable. A mean value of 3.41 indicates that the majority of these SMEs know who their competitors' suppliers are. Variable 5 was intended to establish if these SMEs hire CI professionals. A standard deviation of 0.943 indicates that there was less spread of responses to this variable. A mean value of 1.83 indicates that the majority of these SMEs do not hire CI professionals.

The aim of variable 6 was to establish if these SMEs know their competitors' strengths and weaknesses. A standard deviation of 0.856 indicates that there was less spread of responses to this variable. A mean value of 3.43 indicates that the majority of these SMEs know their competitors' strengths and weaknesses. The purpose of variable 7 was to establish if these SMEs collect information about their competitors and analyse it. A standard deviation of 0.659 indicates that there was less spread of responses to this variable. A mean value of 4.64 indicates that almost all of these SMEs collect information about their competitors and analyse it. Variable 8 was intended to establish if these SMEs know who their competitors' customers are. A standard deviation of 0.579 indicates that there was less spread of responses to this variable. A mean value of 4.26 indicates that the majority of these SMEs know who their competitors' customers are. The aim of variable 9 was to establish if these SMEs know the price of their competitors' products or services. A standard deviation of 0.522 indicates that there was less spread of responses to this variable. A mean value of 4.48

indicates that the majority of these SMEs know the price of their competitors' products or services. Variable 10 was intended to establish if managers of these SMEs support CI practice. A standard deviation of 0.761 indicates that there was less spread of responses to this variable. A mean of 3.63 indicates that the majority of these SMEs agree that their managers support CI practice.

Table 1. Competitive intelligence practice variables

Variable number	Variables for establishment of CI practice	Mean	Standard deviation
1	We practice competitive intelligence in our business.	4.45	0.687
2	We hire people or other businesses to collect information on our behalf.	3.10	1.202
3	We have a formalised competitive intelligence process.	2.01	1.078
4	We know who our competitors' suppliers are.	3.41	0.996
5	We have competitive intelligence professionals in our business.	1.83	0.943
6	We know our competitors' strengths and weaknesses.	3.43	0.856
7	We collect information about our competitors and analyse it.	4.64	0.659
8	We know who our competitors' customers are.	4.26	0.579
9	We know the prices of our competitors' products or services.	4.48	0.522
10	Our managers support competitive intelligence practice.	3.63	0.761

4.3 Competitive Intelligence Practice Tools used by Small Medium-sized Enterprises

The aim of variable 11 was to establish the sources of information for CI. All of these SMEs collect information for CI from their customers. Eighty eight (88%) of these SMEs collect their information for CI from their suppliers. Table 2 indicates the rest of the source of information for CI consulted by these SMEs.

Table 2. Sources of information for competitive intelligence

Sources of information for competitive intelligence	Number of respondents
Customers	100
Suppliers	88
Internet and extranets	74
Peer colleagues and subordinates	60
Business trips and trade shows	54
Business associates	50
Newspapers	50
Senior management	48
Conferences	35
Internal reports and research	32
Professional meetings	24
Board members	23
Advertising agencies	23
Consultants	22
Industry publications and reports	19
Academics	17
Government officials	15
Government publications	15
Intranet	11
Business library	11
Lawyers	8
Interviews and surveys	7
Internal memoranda and circulars	6
Bankers	5
Money facts	4

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Variable 12 was intended to establish the analytical tools used by these SMEs during the CI process. The majority of these SMEs use teamwork and brainstorming (93%), SWOT analysis (82%), macro-environment analysis (73%), and Value chain analysis (53%). Table 3 indicates the rest of the analytical tools used by these SMEs.

Table 3. Tools for analysing information collected for competitive intelligence

Analytical tools or methods for competitive intelligence	Number of respondents
Teamwork and brainstorming	93
SWOT analysis	82
Macro-environment analysis	73
Value chain analysis	53
PESTE	36
Financial ratio	16
Valuation technique	5
Statistical programmes	1

The aim of variable 13 was to discover what dissemination tools these SMEs used in the CI processes. The majority of these SMEs use face-to-face meetings (100%), e-mail (86%), 79 written reports (79%), and presentations (61%). Table 4 indicates the dissemination tools used by these SMEs.

Table 4. Competitive intelligence dissemination tools

Dissemination or distribution tools to present competitive intelligence results	Number of respondents
Face-to-face meetings	100
E-mails	86
Presentations	79
Briefs	78
Written reports	61
Newsletters	24
Intranet	18
Conferences	11
Seminars	9
Industry audits	4
Central database	3
Daily flashes	2

5 Discussion

The majority of these SMEs are CC. Perhaps this is because CCs are not required to compile annual financial reports and are therefore good for SMEs as they have limited resources. Perhaps this is because the majority of these SMEs are very small with at most ten employees and making less than R1m in annual turnover. These SMEs have to manage their scarce resources appropriately in order to remain competitive. To their advantage, the majority of these SMEs have been in operation for more than six years and their owners/managers have more than five years of working experience. They have therefore existed beyond the do or die years of small business growth. Most small businesses fail in the first five years of their existence. The majority of owners/managers of these SMEs had an undergraduate diploma. They have reasonable knowledge to make sense of some business transactions. The majority of these SMEs operate retail and motor trade and repairs, catering, accommodation and other trade and community, social and personal services. Perhaps these sectors require less start-up capital. May be these sectors do not have stringent entry barriers.

Despite their small size, these SMEs practice CI. However, they practice CI informally. They do not follow a formal CI process. This could be due to lack of resources as majority of these SMEs have fewer employees and make less than R1m in annual turnover. These SMEs hire people or organisations to collect information for CI. These SMEs know who their competitors' suppliers are. This could be to ensure that they do not pay more than their competitors for the same raw material. These SMEs do not hire CI professionals. It is not surprising that they practice CI informally as they do no hire CI professionals. These SMEs know their competitors' strengths and weaknesses. This information helps them in strategic planning. These SMEs know their

competitors' customers and the prices of their competitors' products or services. This information ensures that they price their products or services competitively. These SMEs have their managers' support in CI practice.

The majority of these SMEs collect information for CI from customers, suppliers, internet and extranet, peer colleagues and subordinates, and business trips and trade shows. Customers are the main source of information for CI for these SMEs. This could be because they come in contact with customers daily. The majority of these SMEs use teamwork and brainstorming, SWOT analysis, macro-environment analysis, and value chain analysis to analyse the collect information for CI. Teamwork and brainstorming is the most widely used analytical tool to produce actionable intelligence. The majority of these SMEs use face-to-face meetings, e-mail, written reports, and presentations to disseminate actionable intelligence. Face-to-face meetings are the most widely used method to disseminate CI by SMEs.

6 Conclusion

These SMEs practice CI informally. They do not have formal CI process and do not hire CI professionals. These SMEs collect information about their competitors' strengths and weaknesses, suppliers, customers, and pricing of products or services. This information is collected from customers, suppliers, and internet and extranet, peer colleagues and subordinates, and business trips and trade shows. Customers are the main source of information for these SMEs. Despite their small size and limited resources, these SMEs hire people or other businesses to collect information on their behalf. Collected information is analysed through teamwork and brainstorming, SWOT analysis, macro-environment analysis, and value chain analysis. The produced actionable intelligence is disseminated to decision makers through face-to-face meetings, e-mail, written reports, and presentations. These SMEs prefer using meetings to collect and analyse information and disseminate actionable intelligence hence the collection of information from customers and suppliers, teamwork and brainstorming for analysing information and face-to-face meeting for dissemination of actionable intelligence. These SMEs have their managers' support for CI practice. Management support is a critical success factor for CI.

These SMEs use different tools to practice CI. They prefer other tools over others. They prefer tools which are human intensive. These SMEs must strive to practice formally as it is a critical success factor for CI practice. They must appoint CI professionals as it enhances the quality of CI. Managers of these SMEs must continue to support CI practice as it ensures success. Future research must be conducted to establish why these SMEs hire people or other businesses to collect information on their behalf

despite their small size and limited resources. Research must be conducted to establish why these SMEs prefer human intensive tools for CI practice. Future research must be conducted to establish why these SMEs do not hire CI professionals and practice CI informally.

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