Modern Market Intelligence for your B2B Business

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Introduction

In a rapidly changing landscape, businesses need an intelligence advantage to stay ahead of the curve. While market leaders acknowledge the importance of enhanced data and insights for better decision-making, many are not fully prepared to capitalize on these opportunities.

Market Intelligence (MI) refers to the process of gathering, analyzing, and interpreting data about a specific market to make strategic decisions. For B2B businesses, this involves understanding the market landscape, including competitors, customers, and industry trends.

In the highly competitive world of B2B commerce, understanding your market and staying ahead of the curve is vital for success. MI can provide businesses with the strategic advantage they need to make informed decisions, drive growth, and improve customer engagement. This article explores the role of market intelligence in the B2B landscape, its benefits, and the tools and techniques used to gather, analyze relevant data and some challenges.

B2B

Market research companies predominantly cater to B2C businesses, as data for these entities is more readily accessible and abundant. Furthermore, B2C companies are more inclined to invest in market intelligence reports, given the superior quality of data and insights. Nonetheless, obtaining accurate intelligence is crucial for B2B. Competitor analysis and industry trends are vital pieces of information that can either propel a company to the forefront or leave it vulnerable to disruption.

Another crucial aspect to consider for businesses operating in any market is determining the market size. However, estimating market size in B2B markets poses several challenges. These include defining the market, addressing low data availability for B2B products, calculating market size based on business rules, and reconciling expectations with reality.

Adapt to the competitive landscape.

Identify new markets.

Anticipate customer needs.

Build data driven strategies.

Optimize processes.

Fig1. Main motivations behind establishing a Market Intelligence Program

Defining the market entails determining the geographical regions and product categories to include or exclude. Data availability for B2B markets is often scarce, making it difficult to estimate market size. Additionally, calculating market size involves segmenting the market, accounting for prices, and estimating proportions for different market segments, which can be complex.

Fortunately, professionals in B2B environments can create customized market intelligence using various methods. The modern world offers a wealth of open-source intelligence (OSINT) available on the internet, including databases, social media content, trade journals, and news articles. Connecting these disparate pieces of information can lead to a more profound understanding of one's market, though the most reliable source of information is most often the CRM of the company itself.

Another approach to generating tailor-made market intelligence involves predictive modeling. Identifying the variables impacting a specific topic is crucial. For instance, B2B companies often serve as a vital link in the value chain, and their products and applications are typically more complex than those of B2C counterparts. Accurately estimating a specific commodity's market size may require analyzing end-product volumes and combining this data with market characteristics. By employing these methods, B2B companies can develop comprehensive market intelligence to guide their decision-making processes.

Despite these challenges, it is crucial for businesses to act on the market sizing information they gather. Accurate market size estimates can lead to data-driven insights, which, in turn, enable better decision-making. These insights might reveal underperforming sales teams, the need for strategy adjustments, or missed opportunities. Embracing such outcomes and adjusting accordingly can significantly benefit a company, as data-driven decision-making outperforms gut feelings or existing routines.

Gathering the Data

A successful (MI) project begins defining and prioritizing intelligence requirements. Stakeholder goals may vary within a company, from sales representatives seeking ways to stand out points to executives using MI for growth strategies and identifying a competitive advantage.

Once the intelligence requirements are clear information is collected from OSINT and human intelligence (HUMINT). Examples of valuable OSINT sources are job postings, Glassdoor reviews, and published interviews with upper management. A competitor's hiring plans can give insight into planned expansions and projects. HUMINT, on the other hand, involves gathering intelligence through interpersonal contact. Examples include tapping experienced sales representatives or conducting win/loss analyses with clients.

Different data sources are suitable for various industries. For instance, in manufacturing, there is an increasing interest in using weather data to deliver valuable insights for supply chain management. In the pharmaceutical sector, the Internet of Things (IoT), particularly with wearables, provides a wealth of market intelligence. In the oil and gas industry, a company may create an AI-powered knowledge platform for

planning, design, and incident reporting related to well drilling. In financial services, banks and investment firms increasingly rely on alternative data to shape their trading strategies.

As data sources multiply and organizations seek intelligence from unfamiliar industries or markets, businesses will need guidance to find high-quality insights. Often, they will encounter unfamiliar material from sources they cannot easily contextualize. The final step involves analyzing the collected data, transforming the gathered knowledge into actionable intelligence. Figure 2 summarizes the above steps when creating a MI report.

Fig2. A step-by-step guide to planning a Market Intelligence project.

Intelligence Products

When establishing quality standards for intelligence deliverables, it's useful to view the entire intelligence program as an organization that creates marketable products for end-users, like a company. Producing customized deliverables for ad hoc needs is expensive, challenging to manage, market, and measure systematically. The solution lies in a well-planned and executed intelligence product and process development, which enhances the professionalism of the intelligence program.

An intelligence product is the result of a systematic intelligence process, with defined users, resources, information topics, format, delivery channels, and schedule. Product development involves standardizing the format and production process of intelligence deliverables. The content will change each time, reflecting the latest insights and foresight related to business environment developments.

By implementing formal structures for producing intelligence products, the intelligence team may gain more time and flexibility. When the process of creating regular intelligence output follows consistent, predictable steps and schedules, team members can better assess the time and effort required for ad hoc assignments that are integral to any intelligence program. These deliverables are often delivered to the foresight manager. Big manufacturing companies like Evonik and BASF have skilled foresight managers that use these deliverables to define strategic goals for the year to come.

01 Identifying user groups and segmenting the internal market for intelligence products.

02 Ensuring a comprehensive understanding of the intelligence needs each product will address.

03 Appointing a product manager responsible for ensuring each intelligence product fulfills its purpose.

04 Defining a robust process for creating the product and allocating sufficient resources.

05 Systematically marketing the product, to promote the tangible output of the intelligence program.

06 Continuously gathering feedback from user groups and adjusting the delivery process and product accordingly.

Fig3. Standards for Intelligence Products.

MI for Supply Chain & Risk Mitigation

Market intelligence plays a crucial role in optimizing supply chain. By analyzing data on supplier performance, industry trends, and customer demands, companies can identify areas of improvement and make strategic decisions to enhance efficiency, reduce costs, and minimize disruptions. This involves evaluating supplier reliability, gauging the potential impact of geopolitical and economic factors on the supply chain, and identifying alternative sources of raw materials or components. Furthermore, market intelligence can help businesses proactively address changing customer needs, enabling them to optimize inventory levels, streamline distribution channels, and enhance product availability.

Geopolitical risks, such as trade disputes, currency fluctuations, or political instability, can also have a significant impact on business operations. MI enables businesses to monitor these factors, assess their potential implications, and develop contingency plans to minimize their impact on the supply chain, sales, and overall business performance.

Additionally, a MI department can help companies navigate the complexities of regulatory changes, ensuring compliance and minimizing the risk of penalties or reputational damage. By staying informed about evolving regulations, businesses can adapt their processes, invest in necessary resources, and maintain a proactive stance towards compliance.

As a bonus, market intelligence can facilitate collaboration between supply chain partners, fostering a data-driven culture that encourages information sharing and transparency. This collaborative approach allows businesses to collectively respond to market changes, mitigate risks, and seize new opportunities, ultimately driving supply chain resilience and agility. By leveraging market intelligence, B2B businesses can create a more responsive and adaptive supply chain, capable of navigating the challenges and uncertainties of today's global marketplace.

Sustainability and Market Intelligence

As companies increasingly recognize the importance of sustainable practices in their operations and decision-making processes, sustainability intelligence has emerged as a critical component of a comprehensive market intelligence program. Sustainability intelligence focuses on collecting, analyzing, and utilizing data related to environmental, social, and governance (ESG) factors, enabling organizations to better understand the impact of their actions on society and the environment while making informed strategic decisions.

Companies like S&P Global and IBM have recognized the growing importance of sustainability factors in market intelligence and decision-making processes. These companies have realized that such factors are critical drivers of business and investment performance. By offering ESG ratings, sustainability indices, and data and analytics on a range of sustainability topics, companies like S&P Global are helping their clients to identify sustainable investment and business opportunities, as well as to manage risks related to environmental and social impact.

Moreover, these companies are also incorporating sustainability into their own operations and strategies, setting science-based targets for reducing greenhouse gas emissions, and joining initiatives to promote greater transparency and accountability around sustainability issues.

Case Study: BASF Intelligent Mine

Recognizing the growing need for innovation in the mining industry, BASF has capitalized on this opportunity to combine their expertise in mineral processing and ore beneficiation chemistry with AI technology. The result is the 'BASF Intelligent Mine powered by IntelliSense.io', a platform aimed at enhancing mine operations' efficiency, sustainability, and safety.

Through comprehensive market intelligence, BASF has identified critical areas within the mining sector that demand digitalization and optimization. This insight led to the development of the open, real-time decision-making platform, designed to be easily tailored to individual sites within three months.

The platform supports various mining processes, such as grinding, thickening, flotation, and pumping, with Optimization as a Service (OaaS) applications. These applications predict and simulate future performance, generating process-specific recommendations, and creating efficiency improvements across the entire mine-to-market value chain.

This partnership with IntelliSense.io is a prime example of how BASF has effectively employed market intelligence to drive the development of cutting-edge technology and provide valuable solutions for its customers. In doing so, BASF has also solidified its reputation as a company dedicated to addressing industry challenges with forward-thinking and sustainable solutions.

Market Intelligence at AEM

AEM has effectively used market intelligence to identify and expand into new markets. Our modern MI department constantly explores opportunities to grow its customer base and diversify its product and service offerings.

Leveraging market intelligence, AEM has been able to identify relevant trends within sectors of interest such as sustainable fluids, e-mobility, and off-grid solutions. By analyzing data on customer preferences, consumer behavior, preferences, and purchasing power, along with local economic conditions and regulatory environments, AEM has gained valuable insights that have informed its market entry strategies and localized offerings.

AEM actively utilizes MI in managing its supply chain to reduce risk, improve product quality, achieve environmental and social goals, and enhance overall performance for the company, customers, and suppliers. By employing MI, AEM can make well-informed decisions and implement robust programs to educate and engage manufacturers.

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