

THE UPS AND DOWNS OF ELICITATION

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“Baby stay clean, there’s no in between.”

– Elliott Smith

In the CI industry, consultants on the sell side have a proclivity for optimism when it comes to explaining just how good they are at getting competitor’s employees to open up in dialogue. For many on the buy side, collecting intelligence through interviews and elicitation sounds excellent, exciting, perhaps even sexy . . . though insight into the mechanics tends to be obfuscated by abstract dialogue about the big intelligence cycle.

In fact, the process of gathering information through human sources remains a mystery even within SCIP, and elicitation remains a closely guarded secret by those who do this kind of work. There is minimal available training literature, and few consultants are willing to teach the subject. Perhaps things will stay this way for as long as the Rolling Stones continue to tour, but at least we might begin to explore the subject by hammering out the distinct rewards and penalties of this approach.

MANY ARE CALLED, FEW ARE CHOSEN

Though many researchers learn to talk the talk about elicitation, few appear to be walking the walk. Corny, yes, but my point is that those of us within SCIP who maintain fluency in this kind of approach to information gathering are a strange minority, a coterie of researchers with an uncanny ability to cite the entire SCIP code of ethics from memory.

Professionals within corporate CI departments who consider using primary research are often constrained by the nature of their own employment arrangements. In plain language: it is an impropriety for a corporate employee to pick up the phone and elicit sensitive information from an employee of a competitor. This can raise contentious legal issues.

Oddly, a third-party researcher making those same calls would appear to be able to do as he or she pleases (within reason). And so a corporate figure interested in understanding exactly how such an approach might be both good and bad for business is well served by reading this particular column.

THE INTERVIEWER IS AN ELICITOR, BUT ELICITATION IS NOT INTERVIEWING

To clarify all of this, let’s work with a standard definition. Primary research is generally known as in-depth interviews, mostly by telephone, with industry and association sources likely to be knowledgeable about competitor activity, including the competitor’s own employees. Primary research is also referred to as interviewing and elicitation.

Elicitation is all about open dialogue.

As your dictionary might have it, elicitation is, “stimulation that calls up (or draws forth) a particular class of behaviors.” You might also refer to it as

evocation, summoning and so on, but in the parlance of the SCIP community, it is called elicitation (besides, *summoning* has such a witchcraft vibe).

Interviewing, on the other hand, is all about questions, although the term *interview* might be used by consultants to also describe a conversation in which information is elicited simply because it makes it all so much easier to digest. In an interview, a questioner puts forth pointed questions (both *yes/no* as well as open-ended) to gather information. The focus is not free-flowing conversation, though many interviews contain a large elicitation component. Where the term *interview* is used here, it refers specifically to *a conversation in which information is elicited*.

Elicitation is all about open dialogue, dialogue with a purpose. The researcher conducting elicitation is often speaking to many sources, gathering seemingly unrelated bits and pieces of data and then stepping back constantly to mind the aggregate. Like interviews, elicitation might focus on corroboration of current findings, validation of assumptions and so on, but never revolves around a rigid Q&A format.

ELICITATION AND COLLIGATION

What primary researchers really do through elicitation is about colligation, where isolated findings (and data points) are connected by hypothesis or joined together as observations and insights. This occurs mostly during the analysis phase, although good researchers are thinking about this during all stages of collection.

To a primary researcher focused on elicitation, questions are not a good thing. Questions are memorable.

Questions draw direct attention to the information you are obviously interested in obtaining (a question always seeks an answer). As a result, questions impede one's ability to move up, down, and sideways in conversation to gather additional insight.

Questions also cut dialogue short, which might be best understood by considering the not-so-talkative source who constantly reaches for yes and no answers. Questions also raise flags, prompting the targeted source to ponder whether or not he is legally allowed, or ethically prohibited, from responding. The point: questions are used sparingly during elicitation, often during superfluous rapport-building dialogue.

Always remember what primary researchers believe in: all people love to hear themselves talk. If a researcher knows exactly what he or she is doing, then feelings of privacy seem to just wash away, company loyalty doesn't factor in, and a source's general position of power within an organization seems to never turn into a governor of the dialogue engine.

ADVANTAGES AND DISADVANTAGES OF PRIMARY RESEARCH

Primary research presents its own slate of unique pros and cons. The single greatest advantage to primary research is unique information access. Imagine a meal that no one else orders (versus the all-you-can-eat buffet that is the internet).

Many research professionals invest incredible amounts of time fluttering through electronic resources in search of meaningful information. Unfortunately, we all see different shapes in the clouds. Search engines, while powerful, continue to fall short when it comes to efficiently delivering deep insight – they still can't think for us. The information primary researchers seek often does not exist in any database or repository accessible to web crawlers and search agents. It exists in the gray matter between the ears of other human beings.

Skilled primary researchers can glean tremendous insight through conversations with key industry participants – information that might otherwise never be found or is not

People are more current than print.

available through secondary research. This is the main reason why primary researchers prefer to go to the source, and recognize the need for a deep dive into the watery recesses of other minds.

THE LEAST CIRCUITOUS PATH

For skilled researchers in need of very specific data or opinions, there is no faster path to current information than direct communication with a well-informed source.

As a rule of thumb, the amount of time required, for example, to scour public and private databases looking for data on a private company is often a great multiple of the few minutes required to gather such information from one to three sources within the target firm. However, as discussed later, this is not always the case.

ONE OUT OF FOUR AIN'T BAD

When compared to other types of survey instruments, from web-based surveys to electronic communications, response rates from sources (direct responses to researcher calls and inquiries) rate highly. People often seem to enjoy talking to even the strangest of strangers when the approach is friendly, intelligent, and articulate.

Response rates increase dramatically when fueled by perseverance and strong elicitation and communication skills. Primary researchers often need to identify only three to five times the actual number of human sources required for dialogue.

Compare this to the standards for business to business direct marketing, where a *great* response rate is below three percent. Imagine the need to regularly round up 300 potential sources hoping for six to nine great interviews. In many cases, there might not be more than a handful of relevant sources to even speak with, as is often the case with small organizations, highly focused product/service research, or very narrow areas of expertise.

WE'VE KNOWN EACH OTHER FOR HOURS . . .

One of the most interesting elements of primary research is the ability to keep talkative sources talking for an unpredictably long time. When a source is well engaged and well controlled by the researcher, they can keep the conversation going for as long as humanly possible, provided there are no scheduling conflicts or major interruptions.

In countless instances, sources will state that they have only *five minutes* to speak and in turn wind up on the phone for well over an hour; this is the nature of human behavior.

BEND ME, SHAPE ME ANY WAY YOU WANT ME

When it comes to direct contact with sources, no other research method offers as much flexibility in design – particularly in elicitation, where free-flowing dialogue is the norm. Commentary and dialogue can be adjusted, rephrased, or otherwise altered and reordered in real time. Additionally, ideas and concepts can be demonstrated to elicit precise and targeted responses. One simply cannot get this kind of information with an old-school survey instrument.

ABOUT THE TIME-VALUE OF INFORMATION

The value of information is ephemeral; the more you are able to find out today, the more means you have to outwit and outmaneuver competitors.

The greatest disadvantage of secondary research is one of the greatest advantages of primary research: the information is consistently more current.

For example, rather than wait days (or weeks) for industry pundits to begin commenting on a major corporate transaction, a primary researcher might pick up the phone when he first hears the news and solicit input from any valuable source. Nothing else out there stacks up in terms of value.

GOOD NEWS: TIME IS MONEY

As touched upon earlier, primary research will deliver a far greater return on investment of time and resources than many secondary research efforts, particularly for current awareness or early warning. This is due to the high value of direct source information, the timeliness of such findings, and the additional advantages discussed above.

Also, where telephone research is the focus, tremendous cost savings are realized by obviating the need to get on a plane or drive to a series of meetings. For example, a firm with no interest in attending a conference or trade show to collect intelligence (conference fees, hotel, airfare, car, meals, etc.) may use the phone to reach attendees and fill in holes or explore items of interest. While that's absolutely not the best way to do tradeshow intelligence, it serves as a clear cost example.

BAD NEWS: TIME IS STILL MONEY

One of the great rewards of primary research is also its most serious potential disadvantage: time is still money. Primary research performed by even the best researchers is a daunting and time-consuming task; it is labor intensive, and there is very little hope for automation (knock on wood).

The less efficient or experienced the researcher, the more likely a project is to extend beyond completion date goals. For example, digging up a small private company's sales figures from ten years

ago in a database of business filings takes only minutes. Obtaining last quarter's closing sales and projections for coming quarters (never in those same databases!) requires calls, possibly many calls, taking much longer.

Information from human sources is best described as *there, but not always immediately accessible*. Accessibility depends on everything from source vacation schedules or poor memory to outright rejection of a researcher's line of dialogue. In plain economic terms, the whole cost of primary research – when factoring in salaries and outside vendor fees, plus such items as indirect labor costs (phones, electricity, et al.) – will almost always exceed the cost of secondary research, unless one is using an extensive array of high-end subscription databases.

WE ARE ALL SENTIENT BEINGS

There is always a risk of rubbing a source the wrong way. All elements of inflection, pace, accent, verbiage, and other elements of speech serve to influence the actual delivery of communications and might push buttons with a source (e.g., “I hate the French” or “Ugh, you remind me of my ex-wife”).

Also, all variations of conversation type (including direct questions where relevant) stand to turn off sources. This is much more likely to happen with question-intensive interviewing, where a source might at any time ask, “how many more questions do you have?”

EVERYBODY KNOWS YOUR NAME

Even where researchers offer sources constant assurance that they will not be quoted and that commentary will not be published, many sources still wish to remain invisible, period. Because a researcher contacting a named source directly has, by definition, rendered the source *not anonymous*, this is nearly impossible to resolve beyond delicately coaxing a

source into further dialogue through rapport building exercises.

In the end, a researcher encountering a high degree of push-back from sources – and working with a very limited number of sources in general for any one project – may find himself in a quandary:

- invest incredible amounts of time to build rapport and establish trust (which may conflict with timelines or associated project execution goals) or
- sacrifice partial integrity of findings (meaning literally less valuable input from fewer sources).

You might imagine that this particular issue is exacerbated when conversations take place in person.

PEOPLE LIKE TO TAKE VACATIONS

This disadvantage ties back into that same *time is money* theme. The need for primary researchers to regularly get in touch with, schedule, or coordinate dialogue with sources may put end-users of their findings ill at ease (executives, clients, et al.). Even with outbound calls made en masse, or

*Set expectations
with an eye
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scheduled dialogues on the calendar, there is always a risk of interruption or delay (much more likely than a disrupted internet connection).

Primary researchers must constantly plan far in advance and set expectations with an eye toward reality. This is sometimes exactly what information consumers do not want to hear. Although most source interviews take place with calls received out of the blue (not scheduled), not all sources

respond well to such unsolicited dialogue. It may put them on the spot, prompting rejection and forever shutting off the line.

This is just one more example citing how important it is for primary research buyers to understand just how skilled or experienced the actual collectors are. Not the partners who sold the project, but the people who are going to have to get the work done.

THE PHONE HAS NO FACE

Because so much of communication is physical, and because so many primary researchers rely upon the telephone as a collection medium, there is a clear potential for disconnect between what is said and what is meant. Researchers who weave circles around sources and generate astounding insights by phone are always unable to see how the source moves and emotes during dialogue. This includes everything from leveraging physical behavior (e.g., mirroring position to establish rapport) to more subtle opportunities to read serious cues, such as eye movement.

BEWARE THE ROGUE ELICITORS . . .

Hands down, the single greatest potential disadvantage to primary research is a lack of adherence to ethics or the law. We have seen members of our own SCIP community get into hot water during collection, and this very thorny subject is quite likely why so many researchers are hard-pressed to offer explanations and remain inclined toward blanketing the process in mystery.

The sad truth is that many rogue consultants do exist within the competitive intelligence community. They will lie, cheat, and steal to obtain information through and from sources. Such conduct is a transgression, independent of just SCIP's own codes for ethical behavior.

Perhaps SCIP's Competitive Intelligence Foundation publication, *Competitive Intelligence Ethics*, will help to bring this issue to light and prompt a new set of guidelines or standards for evaluation of SCIP members. Such a step forward might bring comfort to the many corporations who remain confused by this service, timorous when considering the use of such an approach, and altogether fearful of potential blowback or legal risks. For now, remember this: competitive intelligence is an unregulated industry full of unlicensed consultants. *Caveat emptor.*

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Calendar of Events

Round out your year of 2005 professional development opportunities by signing up for one or all of the following great SCIP events:

Competitive Intelligence Institute
October 24-26, 2005
Renaissance Washington Hotel
Washington, D.C.

SCIP European Summit
November 9-11, 2005
West India Key Marriott
The Docklands
London, UK

2006 Annual International Conference & Exhibit
April 26-29, 2006,
Disney's Coronado Springs Resort, Orlando, FL