# 2004 Rebound in CI Spending and Interest

ARIK JOHNSON, Aurora WDC

The issues surrounding CI best practices are often separate from the realities of running a CI function, at least in so much as reality is theory made practical. With that precept in mind, Aurora conducted an online CI Benchmarking Survey in the spring of 2004. Concluded in mid-June, the survey had an N-value of 245 completed participations (i.e., their submissions were validated by the survey's fraud detection algorithm, without statistical anomaly, as compliant with the qualifiers for participation).

The data below explains the summary findings of 22 questions posed in this online survey. (The full benchmarking data and analysis was made available to those who actually participated as an incentive.) You'll notice some of the total numbers of responses will vary – in some cases, more than one answer applied for each question (e.g., the software in use).

First, we sought to understand which industries were represented among those invited to participate – the 15,000-odd subscribers to our email newsletter, about half of whom have some involvement with corporate CI activities, the rest academics, students, service providers and anonymous subscribers. From this foundation, we determined the sector membership breakdown in Table 1. (If you don't see an industry, we've included it in the most obvious sector designation, for example, pharmaceuticals and biotech are included in healthcare, semiconductors and telecom are included in technology).

We also found a great diversity of company sizes, with a fairly even distribution between small, medium
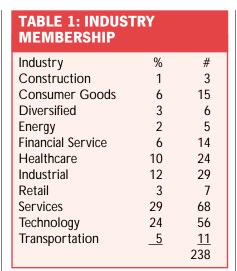
## TABLE 1: INDUSTRY MEMBERSHIP

| Industry | % | # |
|---|---|---|
| Construction | 1 | 3 |
| Consumer Goods | 6 | 15 |
| Diversified | 3 | 6 |
| Energy | 2 | 5 |
| Financial Service | 6 | 14 |
| Healthcare | 10 | 24 |
| Industrial | 12 | 29 |
| Retail | 3 | 7 |
| Services | 29 | 68 |
| Technology | 24 | 56 |
| Transportation | 5 | 11 |
| | | 238 |

## TABLE 2: COMPANY SIZE AND REVENUES

| 2003 Revenue | % | # |
|---|---|---|
| < $5 M | 31 | 73 |
| $5 M - $25 M | 13 | 31 |
| $25 M - $50 M | 3 | 7 |
| $50 M - $250 M | 7 | 16 |
| $250 M - $500 M | 5 | 12 |
| $500 M - $2 B | 15 | 36 |
| $2 B - $5 B | 9 | 21 |
| > $5 B | 17 | 40 |
| | | 236 |

| Employees | % | # |
|---|---|---|
| Less than 100 | 33 | 80 |
| 100 - 500 | 10 | 24 |
| 500 - 1,000 | 7 | 17 |
| 1,000 - 5,000 | 13 | 31 |
| 5,000 - 10,000 | 10 | 24 |
| 10,000 - 25,000 | 8 | 19 |
| 25,000 - 50,000 | 7 | 18 |
| 50,000 - 100,000 | 6 | 15 |
| More than 100,000 | 5 | 13 |
| | | 241 |

## TABLE 3: CI PROGRAM

| | % | # |
|---|---|---|
| No formal CI | 28 | 68 |
| 1 to 3 years | 19 | 47 |
| 5 years or more | 20 | 48 |
| 3 to 5 years | 17 | 40 |
| Less than 1 year | 16 | 39 |
| | | 242 |

## TABLE 4: WHERE CI FUNCTION RESIDES

| | % | # |
|---|---|---|
| Mktg. & Product Dev. | 20 | 48 |
| Strategic Planning | 22 | 52 |
| CI Department | 15 | 36 |
| Market Research | 19 | 45 |
| Research & Dev. | 4 | 9 |
| Sales | 2 | 5 |
| Engineering | . | 1 |
| Other | 18 | 42 |
| | | 238 |

## TABLE 5: WHERE CI TEAM BASED

| | % | # |
|---|---|---|
| USA/Canada | 56 | 131 |
| Europe, Middle East, Africa | 28 | 65 |
| Asia/Pacific | 5 | 12 |
| Latin America | 4 | 10 |
| Other | 8 | 18 |
| | | 236 |

and large enterprises, based on revenues and employees. (See Table 2.) More interesting was the age of the CI program itself. Twenty-eight percent of respondents had no formal CI program at all, while almost 20 percent were *veteran* functions, aged five years or more. (See Table 3.)

Stand-alone CI departments were among the minority of respondents,

with the vast majority — some 60 percent — reporting either through market research, marketing and product development or strategic planning. (See Table 4.)

The fact that a majority of respondents indicated the US or Canada as the headquarters of the CI team is likely influenced by the demographics of the respondents themselves. Since the survey was English-language based, the representation of Asia/Pacific and other non-English-speaking countries was low. Despite this, the prevalence of CI teams headquartered in the *west* is less surprising, simply comparing the relative degree of developing versus industrial economies in each region. (See Table 5.)

The budget figures are fairly encouraging, showing an overall growth in budget ranges across the board. There was a tripling of those represented in the $5-million-plus category, a doubling of those in the $1-$2 million category, and strong growth virtually everywhere else over the past four fiscal years. (See Table 6.)

One of the most interesting responses was to the question of which CI-specific software applications were in use. Not surprisingly, nearly one-third of respondents were using nothing at all, in terms of CI software.

Somewhat more interestingly, more than 30 percent of respondents were using some custom-built application developed in-house. This may be

### TABLE 6: CI BUDGET (PERCENT BY YEAR)

|  | 2001 | 2002 | 2003 | Expected 2004 |
|---|---|---|---|---|
| Less than $50,000 | 41.7 | 37.6 | 39.8 | 37.1 |
| $50,000 - $100,000 | 8.9 | 12.2 | 12.3 | 14.8 |
| $100,000 - $250,000 | 8.9 | 8.0 | 11.4 | 13.1 |
| $250,000 - $500,000 | 6.0 | 6.3 | 6.4 | 5.9 |
| $500,000 - $1 million | 3.8 | 4.2 | 4.6 | 5.0 |
| $1 million - $2 million | 1.3 | 2.1 | 2.5 | 2.5 |
| $2 million - $5 million | 0.9 | 0.8 | 1.7 | 0.8 |
| More than $5 million | 0.4 | 0.4 | 0.4 | 1.3 |
| Don't Know | 28.1 | 28.3 | 20.8 | 18.6 |

indicative that the applications currently available either aren't being viewed as specific enough to the user needs in relationship to their perceived value or there is simply a lack of awareness of the pre-built applications available. Finally, and for the first time, we have market share measurements of penetration by the major CI program management applications vendors in business today. (See Table 7.)

Despite all the rich data outlined above, the most interesting part of a study such as this is comparing peer measurements against one another. For example, what does a $2 billion pharmaceutical company spend on CI? Indeed, that level of data granularity is critically important for benchmarking purposes between peers by industry.

For those of you who completed the survey, thank you for your contribution and by the time you read this, you will have already received the aggregate data and our observations.

### TABLE 7: CI SOFTWARE USED CURRENTLY

|  | % | # |
|---|---|---|
| Custom, Intranet or Portal | 30 | 85 |
| Strategy | 8 | 23 |
| Comintell | 8 | 22 |
| Novintel/Viva | 4 | 10 |
| Cipher | 3 | 8 |
| Brimstone | 3 | 9 |
| Wincite | 1 | 4 |
| Traction | 1 | 3 |
| Other: | 9 | 25 |
| None | 33 | 91 |
|  | 1 | 280 |

For the rest of you, there's always the 2005 survey at *www.aurorawdc.com/ surveys.*

---

*Arik Johnson is founder and managing director of Aurora WDC and can be contacted through his website at* www.arikjohnson.com.