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Time is Money

By Jack Miller

Time is money. Market intelligence costs money. You may not realize how often you trade one for the other,

Let's say senior management needs some analysis about a potential new market. A task force is created to do the research, collect information, and do the analysis. Eight people, six 2 hour meetings or conference calls over a two month period. 96 person-hours (I'll call them man-hours only because it's simpler). 12 man-days. Let's say, too, that everyone spends another three days on the project over a two month period. 24 more man-days. Total 36.

Let's say the average salary for the team is \$100,000.

A rule of thumb is that the cost of an employee is 1.8 to 2.2 times the annual salary. That covers benefits, expenses, IT support, HR support, administrative support, office rent and utilities. At one company that tracks cost on a project basis, it's about \$1,000 per person per day.

The cost for our little project is \$36,000. The good news is that this includes coffee and muffins for the meetings. The bad news is that a lot of these projects go nowhere.

Why do these projects go nowhere? Sometimes the analysis isn't decision driven. It's not really about a decision to launch a new product or enter a new market. It's just "nice to know" information. Sometimes, the research isn't deep enough. It raises more questions than it answers. Sometimes the question has no good answer, or it's the wrong question, or the solution isn't really feasible. Sometimes the people you need aren't really focused on the project, and you don't have all the resources you need.

Consider also, that there is even more cost to delaying a decision. Consider all the revenue that is lost if a new product is launched a month, or six months, or 12 months later than it would have been if the right intelligence was available sooner.

The other news flash is that this type of project might actually cost less and get done more quickly if you outsource it. Hire a professional who won't have conflicting priorities. Hire a professional with no axe to grind, no internal political baggage, and the experience to help you make sure you're asking the right questions and getting at the kind of intelligence you need.

But in any case, before you spend the money to get the intelligence, make sure it's Need to Know™ intelligence.

For Need to Know™ market intelligence, call Jack Miller at 203 925 0326 or email jack.miller@market-intell.com.

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