COMPETITIVE INTELLIGENCE

Information Science and Competitive Intelligence: Possible Collaborators?

by Jerry P. Miller

Editor’s Note: Over the past few months, members of the American Society for Information Science and the Society of Competitive Intelligence Professionals (SCIP) have been discussing the possibility of developing interassociation collaborations that would benefit members of both associations. As a result of these discussions, Debora Shaw, co-chair of the technical program committee for the upcoming ASIS Annual Meeting and incoming ASIS president, invited Jerry P. Miller to lead a session at the meeting, which is scheduled for 1:30 p.m., on Wednesday, October 23. The following articles describe the intelligence process and SCIP, look at possible areas for collaboration and explore some of the tools of competitive intelligence.

The demand for intelligence professionals is rising as for-profit and not-for-profit firms recognize the need to formalize their intelligence activities. This increased awareness stems from the pressures of the global marketplace as well as the favorable impacts of this process upon corporate revenues. As American businesses increase their participation in the international marketplace, success and survival hinges on good intelligence activity.

Whether a firm is protecting its corporate secrets or detecting those of competitors, intelligence work is critical, particularly for firms operating within a highly volatile industry, such as electronics or pharmaceuticals. The Society of Competitive Intelligence Professionals (SCIP), the professional association that services intelligence professionals, has nearly doubled its members within the past two years. This growth pattern attests to the increased awareness and importance of the intelligence process.

The Intelligence Process Defined

The intelligence process starts with the identification of the users of intelligence and a precise understanding of their intelligence needs. It proceeds with the collection and analysis of information concerning events in an organization’s external environment and the dissemination of the resulting intelligence (i.e., actionable suggestions and recommendations) to decision makers and/or strategists. As new needs emerge, the cycle is repeated. Every organization implements the process differently, with specific components being assigned to individual members of an intelligence team or with the entire process being outsourced to a research firm or even to a single individual. In some situations, specific components are inappropriate.
The focus of the decision-making process often determines the positioning of the intelligence process and, therefore, its nomenclature. Strategic intelligence emphasizes its relationship to strategic decision making and planning. Business intelligence incorporates the monitoring of a wide range of developments across an organization's external environment. Also aiming on the development of strategy, competitive intelligence focuses on the present and potential strengths, weaknesses and activities of the organizations with similar products or services within a single industry. Competitor intelligence emphasizes the acquisition of detailed and current information regarding a specific organization. Although each term shifts the focus, the typical process contains the central components of collection, analysis and dissemination of information to decision makers.

Basic Components of the Intelligence Process

The components of the intelligence process include identification of users and their needs, the collection and analysis of information and the dissemination of intelligence to decision makers and/or strategists. During the collection phase, intelligence professionals acquire relevant information from both primary and secondary sources. Primary sources may be industry experts (e.g., analysts and consultants), as well as customers, suppliers and key staff members within such departments as corporate communications and investor relations. Executives regard primary sources quite highly due to the uniqueness of the findings. Unless channeled to the appropriate decision makers, however, such valuable insights from others in a firm become lost in the rumor mill. Therefore, intelligence professionals can collaborate with members of the information systems department to develop and install a computer-based intelligence system for capturing and communicating this information on a consistent basis with minimal effort.

Secondary sources include various databases and print publications, such as analysts' reports, government publications, industry newsletters, annual reports, executives' speeches, technical reports, patent reports and publications generated by competitors. Because intelligence professionals rely on materials of high quality and credibility, they must confirm the accuracy of the data. Professionals can recognize possible gaps in the data and resolve discrepancies. Unlike primary materials, secondary sources are non-proprietary and readily available. Therefore, managers often regard secondary data as incapable of offering strategic insights. Consequently, intelligence professionals must add value by identifying unique patterns within the data.

Having gathered the necessary information, intelligence professionals determine the significant patterns that emerge in the data. The analysis phase often requires practitioners to approach the data from a perspective that is similar to hypothesis testing. Formulating a proposition, professionals evaluate the data to determine the validity of their assumptions as well as the probability of the forthcoming impacts. Most often, research questions focus upon specific developments within industries. The analysis may involve the use of statistical programs and various modeling techniques. Throughout this process, the practitioner may realize the need to acquire additional data; therefore, collection and analysis are not necessarily sequential stages. Although persistence and creativity are necessary throughout this phase, professionals must recognize the point at which further analysis would prove futile.

Professionals create useful reports by understanding the political characteristics of decision-making processes. For example, some organizational cultures support creative and challenging analyses that question the established perspective, while others permit analyses to merely confirm previously made decisions. The degree to which executives support the intelligence process determines what information and data-gathering techniques are used and how the data are interpreted.

The final phase of the intelligence process consists of communicating the analysis effectively. Understanding how decision makers want the recommendations to be presented further the credibility as well as the use of the report.

References

Organizational Objectives of the Society of Competitive Intelligence Professionals (SCIP)

- establish and promote competitive intelligence as a profession
- provide for the professional development of its members
- advocate high critical standards for the profession
- advance the interests of its membership

Decision makers may prefer formal research reports, brief outlines of the essential facts, or both. Regardless, executives favor succinct graphic displays rather than extensive prose. Decision makers may also require professionals to present their findings. Consequently, effective communication, including written and verbal clarity as well as an extensive use of graphics, greatly determines the extent to which decision makers consider the contents of the report.

Society of Competitive Professionals

The Society of Competitive Intelligence Professionals (SCIP), formally organized at its first annual conference in 1986, is a non-profit organization with the following objectives:
- establish and promote competitive intelligence as a profession,
- provide for the professional development of its members,
- advocate high critical standards for the profession, and
- advance the interests of its membership.

SCIP is governed by a 15-member board of directors, elected by the membership at-large. The board elects SCIP's president, vice-president and secretary-treasurer from among the elected directors. A standing committee supports research initiatives of its members and other qualified professionals and academicians.

Leila Kight, president of Washington Researchers, Ltd., and author of the following three-part article, was instrumental in recruiting members during 1984-1985 and served as the society's first president.

SCIP currently has more than 3600 members, most of whom are from the United States, though more than 200 are from Canada and nearly 400 from other countries. The society's membership has doubled over the past two years, which attests to the rising awareness of the importance of the intelligence process. The membership breaks down as follows:

- practitioners—88%
- vendors—8.2%
- academics—2.2%
- students—1.6%

Within their respective organizations, practitioners work in research and development, finance, sales and marketing, market research or new business development. Approximately 25% of the members work in the communications or chemical/pharmaceutical industries. Other industries represented include computers, defense/aerospace, industrial, banking/finance, health care and insurance.

ASIS-SCIP Collaboration

During the competitive intelligence session at the upcoming ASIS Annual Meeting, I will provide an overview of the intelligence process and SCIP, as well as explore with ASIS members various areas where we might collaborate on some research initiatives which will benefit members from both associations. I would hope to identify some areas within the four-phased intelligence cycle of obtaining requests for intelligence findings; collecting the information; analyzing and synthesizing information; and communicating findings and recommendations to decision makers. Possibly, SCIP could provide some seed money for one or more projects.

I look forward to an enthusiastic group of ASIS members attending this upcoming session to begin what promises to be an exciting and beneficial collaborative effort. If anyone wishes to begin the exploration prior to the Annual Meeting, please contact me through the SCIP office at 703/739-0696; fax: 703/739-2524; e-mail: postmaster@scip.org; or http://www.scip.org. See you in Baltimore!

Learn more about Competitive Intelligence at the 1996 ASIS Annual Meeting in Baltimore

Wednesday, October 23, 1:30-3:00 p.m.

Competitive Intelligence

This session will define competitive intelligence (CI) and differentiate it from competitor, technical, business and counter-intelligence; describe how the intelligence professional operates successfully within organizations; present the necessary competencies for successful CI professionals; and discuss ways that CI professionals can work cooperatively with ASIS and its membership.

Jerry Miller, Simmons College and the Society for Competitive Intelligence Professionals