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Designing a Corporate Intelligence Process

Almost all businesses these days exist in a rapidly changing and hyper-competitive environment. As a result, it is important for a firm to carefully monitor and respond appropriately to market trends, competitive moves, and macroeconomic events including legal, regulatory and technological changes[1]. In doing so, both threats and opportunities facing the company can be addressed in a timely manner. You don't want to go the way of Kodak, Blockbuster, RIM/Blackberry, Wang Labs or Digital Equipment Corp. (DEC). Rather, you need to respond and evolve like Fujifilm, Netflix, Apple and IBM have. Fortunately, we already collect and act on this type of information, just not always in the most efficient and effective manner. Building a robust corporate intelligence process involves three activities: organizing the subprocesses, training your employees, and monitoring as well as rewarding contributions.

Organizing

The corporate intelligence process involves five subprocesses:
- Identification of the type of data and information that would be of value to collect.
- Collection of the appropriate intelligence at an individual level.
- Consolidation of the intelligence at a corporate level.
- Analysis of the intelligence so as to understand and identify potential opportunities and threats in a timely manner.
- Developing strategies and action plans in response to the analysis and then implementing them.

With the explosion of information and its accessibility through the internet, it is critical that intelligence efforts are focused or they will quickly become overwhelming from both the collection and analysis aspects[2]. The value is in collecting and generating information (includes context/the who, what, when, where and how) and especially

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[1] See http://pestleanalysis.com/steep-and-steeple-analysis/

[2] A google search of "Uber" and "Toyota" each return over 380 million hits.

knowledge (understanding/ the why) not just data (the facts/ the what)[3]. Identifying and focusing on a list of targets (companies as well as market segments and technologies) is an obvious approach. Developing and maintaining a list of key questions is a second[4].

On an individual basis, everyone collects so called secondary information[5] by reading journals, news stories, and trade publications. Given the time constraints, this is generally focused on one's areas of expertise although some arises serendipitously. Interesting findings need to be shared and preferably discussed. Many of us are also exposed to primary information[6] of an intelligence nature through speaking directly with customers or hearing competitors speak at conferences. This type of information also needs to be recorded and shared. Its inclusion in trip reports is a good means.

At the corporate level, intelligence gathering needs to be coordinated. Casual sharing and discussion of intelligence findings is likely taking place already, but much more should be done. First, to focus efforts, a list of companies, markets and technologies should be created. This can be expanded or culled over time. Next, a central repository, in the form of a database, needs to be created to facilitate the collecting and reviewing of all the intelligence[7]. Again, it is important not to just create a data dump but to add comments and summary entries that convey the importance and possible implications of the intelligence findings.

To facilitate active sharing in larger firms, it is useful to create a database of employees and project teams listing their roles, interests and contact information[8]. Unfortunately, a single piece of intelligence does not just fall into one area such as a technology or a market and hence more than one person may need the information. In the case of

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[3] Defining knowledge, information, data by Alan Frost

[4] "Which product and how much can Competitor X produce in it's new 100,000 ft^2 plant announced in the newspaper" is an example.

[5] Similar to secondhand i.e. collected and summarized by others.

[6] Similar to firsthand information, usually verbally transmitted.

[7] I recently employed Evernote Business effectively for such an undertaking as it makes web clipping very easy.

[8] Examples would be the sales team focusing on Western Canada or the research team working on a new influenza vaccine.

larger competitors, an individual or preferably a cross-functional group should be assigned to track them given their portfolio and strategic complexity[9]. Many firms go a step further placing an individual or team in charge of coordinating the overall corporate intelligence collection and analysis activities.

Adding five minutes of intelligence sharing to all meeting agendas; preparing competitive, technology and market reports; preparing an intelligence newsletter; and having focused intelligence meetings are all activities that facilitate consolidation efforts.

Collecting, sharing and discussing intelligence findings needs to be followed by more detailed analysis. This involves periodically looking at all the collected information and developing scenarios of what might happen, at what probability, in what timeframe, and with what impact[10,11]. In most cases, this analysis generates more questions than answers which need to be researched or fed back into the corporate intelligence process.

The fifth subprocess involves developing strategic responses and action plans based on the analysis. This is the output of the corporate intelligence process and where the value is realized. There are many resultant actions that can be taken including: starting new projects or experiments, investing more (or less) in existing projects, crashing project timetables, in-licensing products or technologies, entering into collaborations, increasing marketing activities, lowering prices, expanding into new territories, filing or opposing patents, suing competitors for infringement, lobbying governments, and a heightened monitoring of a particular competitor, technology or market trend[12].

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[9] Examples would be a cross-functional group tracking various aspects of Uber: regulatory battles around the globe, market expansion, patent filings, and technological improvements and new offerings.

[10] See https://www.mindtools.com/pages/article/newPPM_78.htm for impact/probability charting

[11] The Delphi method is effective here where individuals develop scenarios independently and then come together to share and debate them. See https://en.wikipedia.org/wiki/Delphi_method

[12] The ultimate, somewhat theoretical, intelligence design involves the preparation of a decision tree with pre-determined actions based on the discovery of the answer to a key question. For example, if competitor X plans to launch product Y in < 3 months then we cancel our efforts; if they will launch <12 months then we'll double the investment in our efforts; and if they are >12 months from launch then we'll maintain our efforts as is.

Training

Given the importance of and coordination underlying a corporate intelligence process, it is important that all employees receive training. The purpose of the training is two-fold; to raise overall awareness and buy-in as well as to provide instruction on methods, processes and the associated tools. A training program should cover the following four aspects:

- The purpose and value of an ongoing corporate intelligence process.
- The organization of the process and its subprocesses along with the associated enabling tools.
- Intelligence gathering methods with an emphasis on ethical behaviour.
- Counter-intelligence awareness.

The case for corporate intelligence is obvious and there are many examples to support this claim[13]. However, employees need to be convinced that senior management is committed to the process, willing to provide the necessary resources and ready to take action to address opportunities and threats. Developing a thorough process, encouraging employees and building out the supporting tools is a start. As discussed in the next section, ongoing monitoring, communications and rewards are necessary to maintain the momentum.

As outlined previous, employees need to understand the five subprocesses and how they are expected to use the available intelligence tools to participate/contribute. Outlining intelligence gathering methods, sources of information, and some tricks and tips will lead to improved productivity. However, it is also critically important to explain how to carry out the collection methods ethically so as not to put the firm at risk of legal or reputational repercussions[14].

With this training in hand, all employees need to be made aware that other firms are undertaking similar programs and hence counter-intelligence measures need to be

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[13] See http://fortune.com/2012/12/20/how-the-biz-world-took-a-page-from-the-cia/

[14] The Code of Ethics of the Society of Competitive intelligence Professionals (SCIP) is a good start.

observed. This primarily involves not disclosing confidential information to others as well as keeping company files secure[15].

Monitoring and Rewarding
Collecting, analyzing and acting on the intelligence is an ongoing process. Hence, the intelligence process, training, monitoring and rewarding must all be designed to fit with and integrate into the corporate culture if it is to be sustainable. Like all change, this requires patience and understanding as well as frequent modifications and improvements. To keep the employees motivated, individuals and teams need to receive encouragement and rewards.
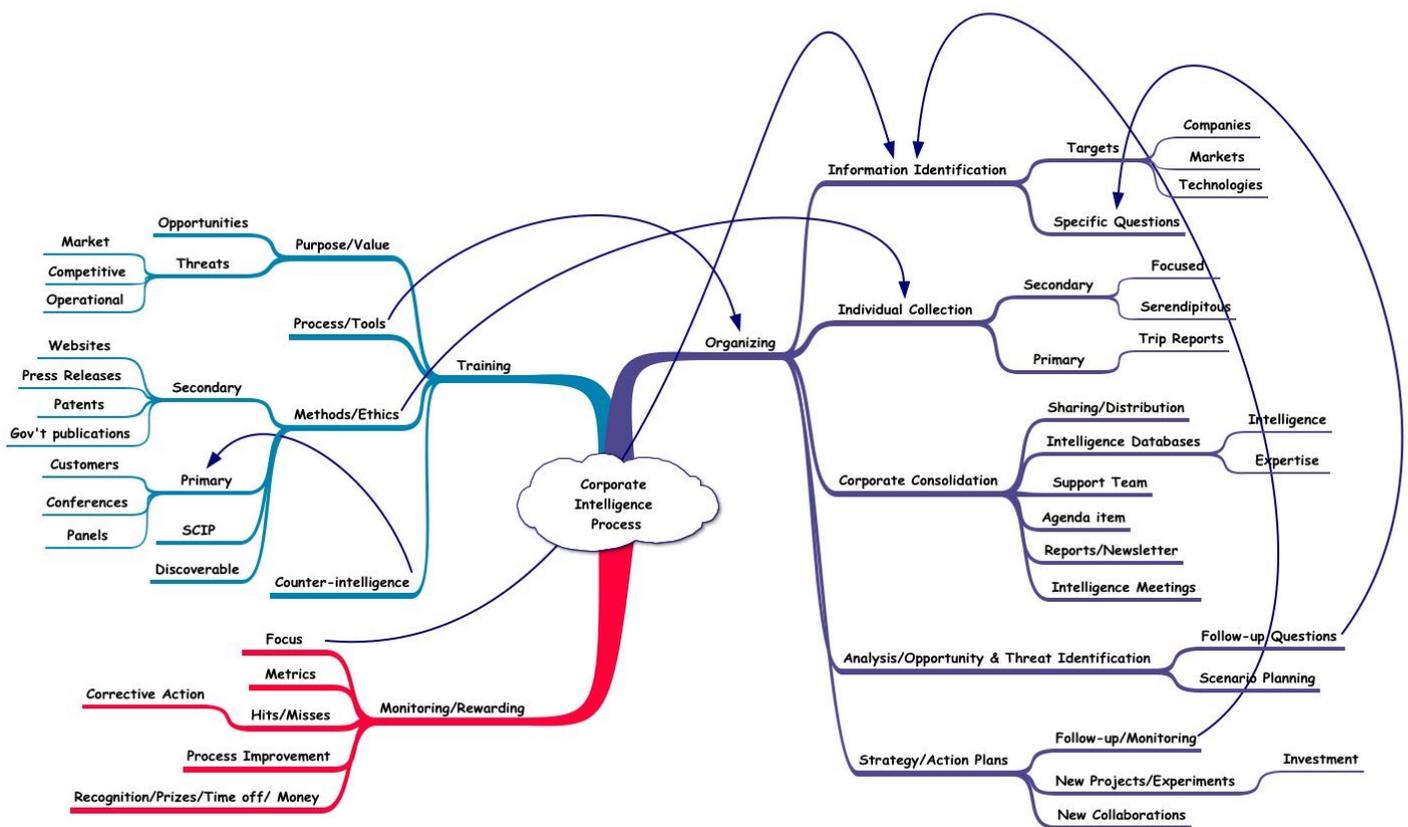
The activity metrics that can be tracked include: the number of items tracked (companies, technologies, markets), the number of contributors and users, the number

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[15] By sending all employees the company press releases, they will know what can be disclosed publicly. Everything else that they learn during the course of their work should be considered confidential.

of meetings, and the number of reports as well as the distributions of each of these. Process metrics include surveying employees as to ease-of-use, their time expenditure, the responsiveness of others to enquiries, and assessing the value of the resulting reports and summaries. Finally, effectiveness metrics include an analysis of the hits and misses (i.e. surprises) as well as how and why they were either identified or overlooked. It also includes an overall assessment of the value of the process, based on the actions taken that can at least in part be attributed to this process.

Rewards for involvement and contribution to the intelligence process on an individual or team basis can include recognition, prizes, time off and of course money[16].

Corporate intelligence is a critical activity that all firms should engage in. The size and resources of your firm as well as the characteristics of your industry (the number of competitors in addition to their size and capabilities, and the rates of change and innovation especially with respect to susceptibility to internet-based offerings) help determine your requirements. These could range from an simple system that is brought together at an annual planning session, to a full and formal process with dedicated staff and a shared databases at the core, or something in between.

The Society of Competitive Intelligence Professionals (SCIP) boasts over 3,000 members and 26 local Chapters, representing individuals from 60 countries and 50 industries, the top ones being consulting, manufacturing/industrial, financial services and pharmaceuticals[17]. Companies that are known for their intelligence processes include: 3M, Apple, Cisco, Ford, GE, Google, IBM, Merck, Pfizer, Royal Dutch Shell and Samsung to name just a few. Clearly, these are strong indicators of the importance of this corporate activity.

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[16] Michael Le Boeuf's out-of-print 1985 book entitled, "The Greatest Management Principle in the World" provides excellent guidelines.

[17] See https://www.scip.org/FAQs.php