Designing CI and MI organizations

- Organizational requirements for competitive intelligence
- Stages of development in CI
- Global study of competitive intelligence

Calof, J, Sewdass N, and Arcos, R. 2017. Competitive Intelligence a 10 year global development.

Calof, CI Evaluation Questionnaire

Calof, Jonathan L. and Sewdass, N. 2020. The impact of firm size on competitive intelligence activities.

1

What I hope you have learned…

- It is easy to collect, so:
  - It is very important to have a focused intelligence plan. The forms are your intelligence lifeline. You do not want to be asking a source to tell you all about the market or the customers or the competitors……Think Hathaway

- It is easy to collect and there are lots of available analytical techniques so:
  - It is very important that you have the appropriate organization set up to do that. The CI audit guide is about figuring out if you have the appropriate CI "organization"
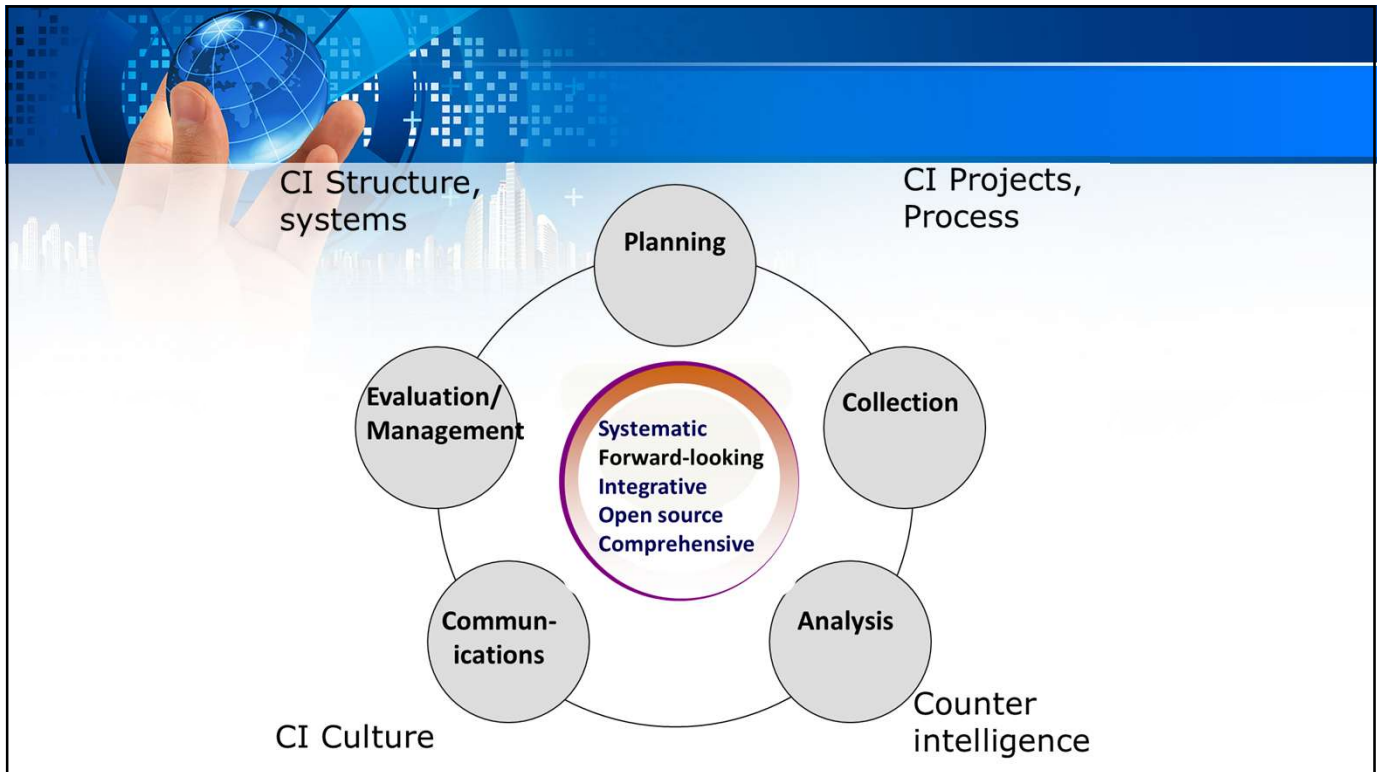
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Going way back to the beginning of CI's professionalization – Assessing CI Capability

- Do you have a CI unit Yes No
- Added a second question years later – Does it report to the CEO YES NO
- Mid 90's Herring and Norling 30 item questionnaire
- CI Audit guides were then developed by many

3

The Calof CI evaluation questionnaire

CI Structure, systems

CI Projects, Process

Planning

Evaluation/ Management

Collection

Systematic
Forward-looking
Integrative
Open source
Comprehensive

Commun-ications

Analysis

CI Culture

Counter intelligence

Areas being looked at in CI Audit guide

– CI process/structure/systems
– Awareness and culture
– Management of the CI function
– Planning, focus, CI breadth
– Collection
– Analysis
– Communications
– Evaluation
– Counterintelligence

Scoring the answers

- 1   Poor practice not good, should not be done

1   Basic CI practice

2   Advanced CI practice

3   World class CI practice

7

Process and structure

53 There is a central coordination point for receiving competitive intelligence information (1)

89 We have a competitive intelligence unit with at least one full time resource (1)

21 We proactively communicate the company's intelligence needs to employees. (2)

22 We have convenient ways for employees to report observations & information. (2)

68 We have dedicated staff and resources for the organization of competitive intelligence information (2)

95 We have conducted an internal knowledge audit (identify and catalog what people know, what reports they have, publications, etc) (2)

3 Our company has developed legal and ethical guidelines for the conduct of CI activities.(3)

20 Our company has incentives to encourage employees to report their competitive observations and information. (3)

90 Our competitive intelligence unit reports directly to the President or a senior Vice President (3)

96 We conduct internal knowledge audits on a regular basis (at least once every two years) (3)

99. Contribution to the CI efforts is discussed during employee performance evaluations (3).

8

Awareness and culture

16 Our company recognizes CI as a legitimate and necessary activity for business.(1)

38 We recognize the potential CI value of information held within our company. (1)

70 Most employees understand exactly what intelligence is (1)

18 Senior company management supports intelligence activities. (2)

54 We make intelligence training available to all our employees (2)

77 Our corporate culture encourages information sharing (2)

24 Senior managers use CI regularly in their planning and decision making (3)

46 Our company asks all employees what their view is of industry trends (3)

57 Our orientation session for new employees includes a briefing on CI policies (3)

60 The results from our intelligence process influence our corporate strategy and direction (3)

67 We regularly poll our employees, re what they view as future threats to our company's health (3)

Planning and focus

4 Our company is only concerned about the companies with which we directly compete (-1).

5 Our company produces intelligence reports and assessments on the competitors and/or emerging technologies that we believe are most important. (1)

110. All of our competitive intelligence projects begin with clearly focused and detailed project plans.(1)

26 Senior executives' stated intelligence requirements are used to focus our intelligence efforts and resources.(2)

29 Our company has a variety of methods for collecting current intelligence, such as organized methods to exploit conferences (2)

41 Key decision-makers are interviewed on a regular basis to determine the best method to deliver competitive intelligence findings to them (2)

104. We prioritize CI information needs on the basis of various factors such as level of urgency, influence of decision maker, and the availability of resources. (2)

58 We are concerned to understand the plans and intentions of not only our key competitors but also of key allies and partners, such as suppliers, distributors, investors and collaborators.(3)

84 We conduct intelligence project regardless of whether we have been asked to do it (3)

116. Some of our intelligence projects involve longer time horizons (e.g. 10 or more years) (3)

Collection

44 As long as the collection method is legal, we will use it (-1)

64 For a typical intelligence project we spend at least 50% of our time collecting information (-1)

10 Our employees regularly report information about our competitors to appropriate managers.(1)

17 Our company collects and uses patent and scientific literature to assess R&D programs and/or emerging technologies. (1)

86 Our company regularly scans help wanted ads to detect any possible hiring trends by our competitors (1)

33 Our contacts outside the organization are our most important source of information.(2)

45 All information collected is checked for accuracy and validated by at least one other source (2)

92 After collecting information whether it is from a person or from a documented source (eg the internet) we make a note about the quality/value of the source (2)

32 Company personnel (eg scientists, marketing staff, etc) are our most important source of information. (3)

85 Our employees have received formal training on how to collect information (eg an internet searching course or an interviewing course) (3)

Analysis

12 Our company analyzes our competitors' plans and strategies to predict and anticipate their actions. (1)

9 Our company produces assessments that address several possible outcomes of our competitors' actions and that identify the threats and opportunities those outcomes present for our company, new products, etc. (2)

28 Our company develops profiles of emerging technologies to better understand their characteristics, potential applications and market advantages (2)

101. We do win-loss analysis on key sales won and lost (2)

111. Business analytics are integrated into our intelligence program. (2)

14 We use formal psychological models such as competitor management profiling.(3)

31 We use information management techniques, such as data-mining, data-warehousing, OLAP or "business intelligence" software, to understand our customers. (3)

48 We know the mind set of the CEO's and other key executives of our top customers - how they view the industry, the degree of risk they are willing to take, the priority of their business goals, etc (3)

Communications

36 Our staff distributes intelligence findings throughout the company to anyone who is interested in them.(-1)

66 We have a standard template for the presentation of intelligence findings (-1/1)

30 Our staff distributes intelligence findings only to those who are authorized to see them (1)

115. We design our intelligence communications around the cognitive load capabilities of our intelligence users/clients (3)

Management and evaluations

71 We evaluate our intelligence results (1)

23 We interview our executives regularly to understand their intelligence requirements.(2)

105. We monitor the cost effectiveness of our competitive intelligence programs (2)

107. Our company audits whether the legal and ethical guideline, developed by the company, for the conduct of CI activities are followed? (2)

108. We have a process in place with which we can evaluate and measure the quality of the intelligence we developed. (2)

40 Key decision-makers are regularly surveyed/interviewed to verify that the intelligence products produced for them, satisfy their needs and provide (3)

69 Our web site has been examined to ensure it does not reveal information that would compromise us (1)

25 In our communications activities (media relations; marketing, advertising; etc.) we consider the potential CI benefits that competitors could gain from our disclosures (2)

43 Our company has developed guidelines for employees on what type of information should not be disclosed (2)

56 Our employees have been told what information is considered confidential/sensitive (2)

19 Our CI activities specifically include counter-intelligence, aimed at assessing the success of CI efforts directed against us. (3)

50 Every employee is given counterintelligence training (3)

The M-Brain now Valena Framework

The 6 Key Success Factors in a nutshell

FOCUS Strategic objectives define the intelligence stakeholders, and how broad and deep the intelligence coverage is.

ORGANIZATION The intelligence team's size, budget and skills empowering flexibility, the level of collaboration with stakeholders.

PROCESS From needs analysis to feedback, fully integrated with key business targets and processes.

TOOLS & AI Technologies and digital tools used for data collection, storage, analysis, and sharing.

DELIVERABLES Actionable and impactful, delivered in versatile and interactive formats depending on stakeholders' needs.

CULTURE The organization is intelligence-driven and has a vision to grow their business with informed leadership.

16

Valona Intelligence Framework

Competitive and Market Intelligence Maturity in 5 Stages

LEVEL 1
Informal

Relying predominantly on internal data.
Ad-Hoc approach to information requests.

Only individual executives

Today and the past

LEVEL 2
Basic

Operational and tactical level insights, focusing mainly on customers and competitors.
Basic regular engagement across all success factors

Teams at part-time efforts

Operational information 1 year

LEVEL 3
Intermediate

Some external information sourced and complemented by analysis.
Intelligence recognition with refined deliverables

Intelligence function and executives

Operational insights: 1-2 years

LEVEL 4
Advanced

Advanced market monitoring.
Intelligence becomes part of creating the company's future
Insights are generated to meet the strategic needs.

Top executives and mid management

Advanced Insights: 1-3 years

LEVEL 5
World Class

Always and capturing market opportunities ahead of the competition.
Every level of the organization is insights-driven.
A culture of intelligence sharing: delivering insights in varying formats in multiple places to have the optimal impact on target stakeholder groups

All levels of organizaton

Strategic insights 1-10 years

17

Example – Proccess questions

- Please rate how strongly you agree or disagree with each of the following statements:
  - 8. Our market intelligence people are doing a great job at analyzing the information needs of the end users in our organization
    - Strongly agree
    - Some what agree
    - Neither agree nor disagree
    - Somewhat disagree
    - Strongly disagree

18

- 9. Our market intelligence people are doing a great job at finding valuable information from publicly available sources
  - Strongly agree
  - Some what agree
  - Neither agree nor disagree
  - Somewhat disagree
  - Strongly disagree 13.

  12. Our market intelligence people are actively asking for feedback

M-Brain Intelligence Framework

The Market Intelligence Framework

	Stage 1 INFORMAL INTELLIGENCE	Stage 2 BASIC INTELLIGENCE	Stage 3 INTERMEDIATE INTELLIGENCE	Stage 4 ADVANCED INTELLIGENCE	Stage 5 WORLD CLASS INTELLIGENCE
Scope	No specific focus has been determined. Ad hoc needs drive the scope.	Limited scope, seeking quick wins. Focus is typically on competitors or consumers, and concentrated primarily on past or recent events.	Wide scope with the attempt to cover the current operating environment comprehensively.	Analytical deep dives about specific topics complement the comprehensive monitoring of the operating environment.	Broad, deep and future-oriented scope that also covers topics outside of the immediately relevant operating environment.
Stakeholder Management	Key stakeholder groups have not been identified and interaction is on an ad hoc basis. Intelligence practitioners are seen primarily as data providers.	Key stakeholders are identified and relationships are weak, but start to form. Background info sometimes provided in deliverables.	Stakeholder relationships are established and needs analysis conducted regularly. Intelligence deliverables are supported by analytical commentary and opinions.	Intelligence team regarded as internal consultants with deep understanding of stakeholders needs and is frequently asked for advice on intelligence findings.	Intelligence practitioners are trusted advisors to decision makers, with both tactical and strategic input. Stakeholder needs are anticipated in advance and proactively met.
Process	Reactive ad hoc process puts out fires as they emerge. Uncoordinated purchases of information.	Info collection from secondary external sources established. Little or no analysis involved in the process.	Secondary info sourcing complemented by primary info collection. Basic needs analysis and feedback collection conducted to support more sophisticated analysis.	All processes for collection and analytics established. Targeted communication of output to specific business processes and decision points.	Sophisticated processes to create Intelligence deeply rooted in both global and local levels of the organization. Intelligence fully integrated with key business processes.

https://www.m-brain.com/home/solutions/supporting-strategy-work/market-intelligence-framework

	Stage 1 INFORMAL INTELLIGENCE	Stage 2 BASIC INTELLIGENCE	Stage 3 INTERMEDIATE INTELLIGENCE	Stage 4 ADVANCED INTELLIGENCE	Stage 5 WORLD CLASS INTELLIGENCE
Digitalization	Digital collection of Intelligence without adequate filtering leading to information overflow. Digital storage and efficient dissemination is still not in place.	Basic storage of digital records emerges and information collection passes through simple filters. Intelligence distribution is partly digital through e-mail.	Digital collection of intelligence is improved but limited to a few aggregating sources. Dissemination of intelligence is primarily based on digital channels.	The Intelligence process and collaboration is fully supported by digitalization. Analysis is to some extent automated, using info from internal data and external big data sources.	Intelligence collection from a wide range of big data sources and to a large extent automated. Analysis and recommendations are supported by advanced predictive tools.
Deliverables	Ad hoc deliverables quickly put together from scratch. Formats are basic and most often PDFs, PPTs.	Regular newsletters and profiles complement ad hoc deliverables and formats become slightly more targeted.	Systematic market monitoring and analysis reports emerge as new and structured Intelligence output.	Two-way communication is increased in both production and utilization of Intelligence output. Deliverables are tailored in format and content to its audience.	High degree of future orientation and collaborative insight creation in producing and delivering the Intelligence output. Highly interactive deliverable formats.
Tools	Email and shared folders are the primary means for sharing and archiving information.	Corporate intranet is emerging as a central storage for Intelligence output.	Web-based Intelligence portal established to provide access to structured output and to offer self-service analysis tools. Users receive email alerts about new info.	Sophisticated channeling of both internally and externally produced Intelligence content to the portal. Multiple access interfaces to the portal in use.	Seamless integration of the Intelligence portal to other relevant IT tools. Lively collaboration of users through the portal.

https://www.m-brain.com/home/solutions/supporting-strategy-work/market-intelligence-framework

	Stage 1 INFORMAL INTELLIGENCE	Stage 2 BASIC INTELLIGENCE	Stage 3 INTERMEDIATE INTELLIGENCE	Stage 4 ADVANCED INTELLIGENCE	Stage 5 WORLD CLASS INTELLIGENCE
Organization	No resources specifically dedicated to Intelligence. Individuals conducting Intelligence activities irregularly.	One person is appointed as responsible for Intelligence. Increasing coordination of Intelligence work in the company. Loose relationships with external info providers.	A fully dedicated person manages Intelligence and coordinates activities. Centralized, internally or externally resourced info collection and analysis capabilities exist.	Advanced analytical, digital and consultative skills in the Intelligence team. Intelligence network with dedicated resources in business units in place. Non-core activities outsourced.	Comprehensive Intelligence skills in place. Internal network collaborating actively (also externally). Intelligence organization smoothly integrated with outsourced resources.
Management & Leadership	Intelligence management is absent and activities lack structure, processes and clear purpose.	Intelligence leadership emerges but is project-oriented. First benefits of intelligence efforts are demonstrated and recognized.	Structure, processes and purpose are being developed by an assigned leader with clear responsibility for the Intelligence program and its deliverables.	Intelligence leader manages change and has a team of practitioners and contributors. Intelligence operations are supported by a steering group / sponsor at top level.	A senior leader of Intelligence is managing operations, people, processes, budget and communities. A vision, mission and strategy are in place to keep intelligence future proof.
Culture	No shared understanding exists regarding the role and benefits of systematic Intelligence operations.	Some awareness of intelligence exists, but the organizational culture overall is neutral towards intelligence.	A moderate level of Intelligence awareness exists. Sharing of info is encouraged through internal training and marketing of Intelligence.	Intelligence awareness is high and people participate actively in producing content. Top management voices continuous support for Intelligence efforts.	A strong Intelligence mindset is reflected in the way people are curious towards the operating environment and how they co-create insights around it.

https://www.m-brain.com/home/solutions/supporting-strategy-work/market-intelligence-framework

Now you create CI audit questions

- Into your zoom rooms
- Present your CI Audit guide questions to each other
- Select two or develop two to present to the group
- Remember:
  - Must not be the same/similar to Calof 118 audit guide question
  - What element of CI are you measuring
  - How you would evaluate the answer the question (what is good vs bad)
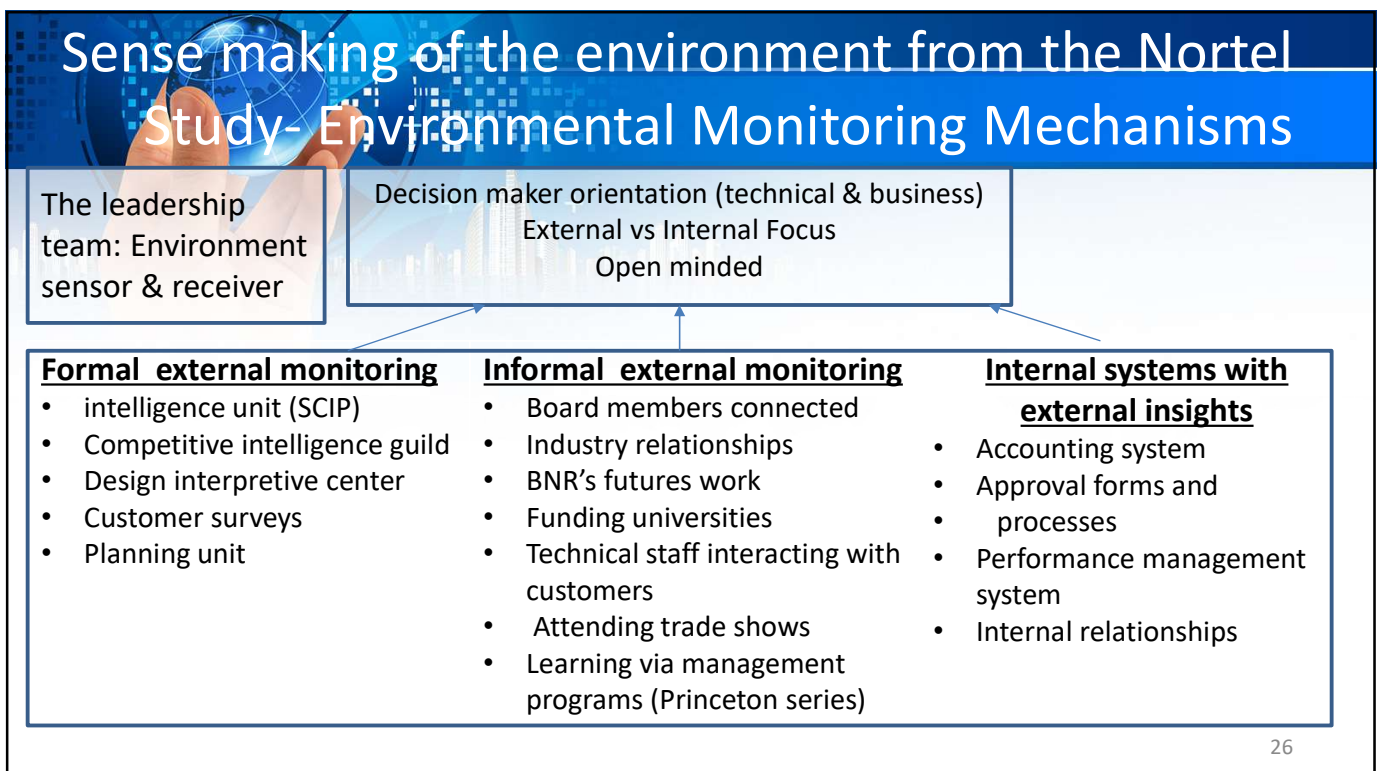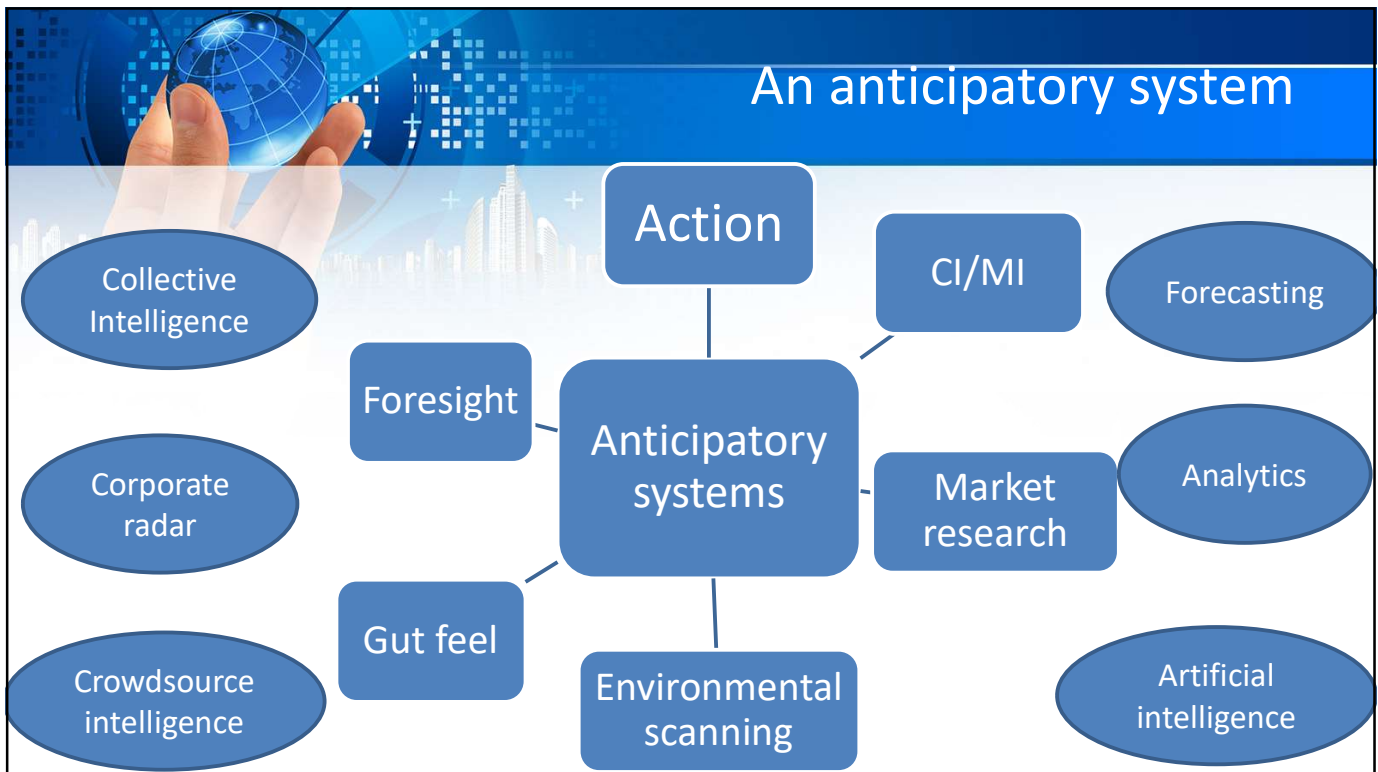
23

Final exam

- Multiple choice and short answers
- Questions about specific readings and about happened in class.

24

An anticipatory system

Action

CI/MI

Forecasting

Collective Intelligence

Foresight

Anticipatory systems

Analytics

Corporate radar

Market research

Gut feel

Crowdsource intelligence

Environmental scanning

Artificial intelligence

Sense making of the environment from the Nortel Study- Environmental Monitoring Mechanisms

The leadership team: Environment sensor & receiver

Decision maker orientation (technical & business)
External vs Internal Focus
Open minded

Formal external monitoring
- intelligence unit (SCIP)
- Competitive intelligence guild
- Design interpretive center
- Customer surveys
- Planning unit

Informal external monitoring
- Board members connected
- Industry relationships
- BNR's futures work
- Funding universities
- Technical staff interacting with customers
- Attending trade shows
- Learning via management programs (Princeton series)

Internal systems with external insights
- Accounting system
- Approval forms and processes
- Performance management system
- Internal relationships

26

13

Nortel pre – massive growth

Decision maker orientation (technical & business)
External vs Internal Focus
Open minded ???

Formal external monitoring	Informal external monitoring	Internal systems with external insights
• intelligence unit (SCIP) • Competitive intelligence guild • Design interpretive center • Customer surveys • Planning unit	• Board members connected • Industry relationships • BNR's futures work • Funding universities • Technical staff interacting with customers • Attending trade shows • Learning via management programs (Princeton series)	• Accounting system??? • Approval forms and • processes • Performance management system??? • Internal relationships

27

Nortel goes big: Removing processes that slow the company down (decentralize, cut steps)

Formal external monitoring	Informal external monitoring	Internal systems with external insights
• intelligence unit (SCIP) • Competitive intelligence guild • Design interpretive center • Customer surveys • Planning unit	• Board members connected • Industry relationships • BNR's futures work • Funding universities • Technical staff interacting with customers • Attending trade shows • Learning via management programs (Princeton series)	• Accounting system • Approval forms and • processes • Performance management system • Internal relationships

Going big creates stresses

28

14

The bubble bursts: cuts costs

Decision maker orientation (technical & business)
External vs Internal Focus
Open minded

Formal external monitoring
- intelligence unit (SCIP)
- Competitive intelligence guild
- Design interpretive center
- Customer surveys
- Planning unit

Informal external monitoring
- Board members connected
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Internal systems with external insights
- Accounting system
- Approval forms and
-   processes
- Performance management system
- Internal relationships

29

Don't forget the anticipatory system, foresight etc. articles also assigned for today

30