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Contents

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An Examination of the 'Classic' CI Model

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Abstract

In this article, an examination of the of the 'classic' Competitive Intelligence Cycle (CI Cycle) model is undertaken, using the literature published since the 1980s. Consideration is also given to the historical origins of this cycle, its implications and problems. Attention is drawn specifically to the ambiguous nature of the needs component in CI Cycle models, particularly regarding how this relates to the concept of key intelligence topics (KITs). The author speculates on other aspects of the current model which have emerged from US government intelligence practices which includes a discussion of the impact of these concepts on the practice of competitive intelligence.

Introduction

The classic Competitive Intelligence Cycle (CI Cycle) model as currently communicated to managers has three fundamental flaws. First, it is based on a very flawed United States government model, which is highly bureaucratic. Secondly, it erroneously includes in its needs component, a process that relies on the end users of Competitive Intelligence (CI) to provide their needs to the CI unit which is to capture those needs and respond to them. That expression of the model is defective. This process was actually designed for CI supporting strategy. So the model thus fails to support CI used at the tactical level or in competitive technical intelligence. Finally, it fails to provide a workable model for those individuals who both provide, and use CI.

What is the 'Classic' Model of the Competitive Intelligence Cycle?

The Competitive Intelligence Cycle (CI Cycle) has been expressed in wide variety of ways. A current expression of the classic model is as provided by Stephen Miller in a Society of Competitive Intelligence Professionals (SCIP) document (SCIP, 2007). The CI Cycle is generally considered to be a continuous process of 5 steps:

1. Planning & direction (working with decision makers to discover and hone their intelligence needs)
2. Collection activities (conducted legally and ethically)
3. Analysis (interpreting data and compiling recommended actions)
4. Dissemination (presenting findings to decision makers)
5. Feedback (taking into account the response of decision makers and their needs for continued intelligence)

The key area on which this article focuses is on the determination of needs, the first step specified above. This I where the classic CI Cycle points the CI process to the decision makers as the source of its direction. This model does not provide a full expression of what CI can do, and more importantly, how it should go about doing it. In addition, as will be asserted, holding to this restrictive definition actually may be the cause of some f the problems faced by CI. Before we can get to that point however, it is important to consider the context from which this model emerged.

The 1980s

The classic work introducing competitive (or competitor) analysis by Porter (1980) makes no provision for establishing needs or requirements. Rather, Porter provides a preset framework for analysis of one or more competitors, deals with the nature of these analyses and the related issues of data collection. Porter's process model has the following major steps:

- Collecting field data & collection of published data
- Compiling the data
- Cataloging the data
- Digestive analysis
- Communication to the strategist
- Competitor analysis for strategy formation

Following that model, at least for several years, those involved with CI tended to take the needs phase for granted. Eells & Nehemkis (1984) for example, described the organization of a *"corporate intelligence function", as one designed to "serve as an information aid to the chief executive officer in the execution of his broad responsibilities…geared to the strategic questions of the chief executive officer's choosing"* Eells & Nehemkis also gave the following as the critical responsibilities of the director of intelligence:

1. Obtaining the general information that is needed
2. Distilling out the most important information
3. Defining the issues from the information
4. Analyzing the issues for his particular company's needs
5. Recommending action to be taken
6. Briefing individuals and groups within the company's structure

Note that there is no mention of how it is that the intelligence director determines what information is needed or exactly what are the needs of his/her company. Three years later, outlining the procedures of the competitive intelligence process, Kelly (1987) described these functions in a similar way: a) define the issues, b) maintain the data base, c) determine consistency and d) spread competitor awareness throughout the company.

In connection with the first function, Kelly noted that the *"competitive analysis director should continually review and communicate to top management the key factors in competition."* By *"maintain the data base"* he meant keeping both data and end users up-to-date. Lastly, the phrase *"determine consistency"* was meant to make sure that the company was acting in accordance with *"both its goals and its environment".* Here too, the source of the CI Cycle's needs component is not specified.

During that same year, while stressing that *"no two intelligence outfits are the same"*, Meyer (1987) contended that the *"process of intelligence never varies"*, including within it, four basic steps: 1) Selecting what needs to be known, 2) Collecting the information, 3) Transforming this collected information into finished products and 4) Distributing these products to policymakers

When discussing the needs phase in his CI classic work, former National Security Council member, Meyer made it clear that this was the job of the analyst, and not of the end user, whom he called the policymaker. Meyer said *"This ability to think about subjects and issues in a multidimensional way enables an intelligence outfit to answer the key questions: What do our policymakers need to know to achieve their stated objectives ...It cannot be done effectively by policymakers. It isn't that policymakers aren't smart enough; of course they are. It is simply that they haven't got the time".*

At one of the Society of Competitive Intelligence Professionals (SCIP) earliest meetings, and again in print, Conley (1987) of Honeywell Aerospace gave a similar charge. He stated that the first step in a project-based approach to CI was to *"define your study objectives, tied to user needs".* That same approach, with slight modification, continued to be re-articulated the next year. Lanaham (1988) stated that the first step in a successful CI program is to *"make a survey of key competitive attributes and a specific wish list of data."* while McGrath (1988) advocated *"getting close to top management to stay in tune with their needs".* Thus we can see that in the initial expression, the CI cycle model's determination of needs was a responsibility placed on the CI unit, incorporating both an understanding of the competitive forces facing the company as well as the needs of the company's potential end users.

However, as the model was restated, there was beginning to emerge a passive model of needs determination, one premised only on receiving the statement of the company's needs from the end users. The then-head of Motorola's intelligence program observed that, following a first stage of environmental scanning, Motorola's program had moved into a second phase. That phase entailed having the CI program's priorities developed *"in conjunction with the CEO".* (Stone, 1988)
Again in that same year, Fuld (1988) described how to build an intelligence department. In doing that, he positioned the system as one where the CI function would be *"taking the research request".* It was the analyst's job, he stressed, to *"write up the (research) request as he understood it and show it to the client for approval".* This transformation towards a strictly user-driven process was not complete, at least in the late 1980s. In discussing other *"intelligence assets"* within a business, Fuld also noted that *"strategic planners gather intelligence in much the same way as do marketing executives. They … usually … draft the competitor profiles for the yearly strategic plans."*

Prescott (1989) defined the phases of a CI assignment as being the following: a) establishment of the objectives, b) collection of data. c) data interpretation, d) implementation which involves *"communicating and linking the analyses and their implications to the management process"* and e) updating. As with so many of his peers, Prescott's approach does not indicate whose responsibility it is to establish the objectives but the text does allow for the conclusion to be drawn that the "assignments" tend to come from outside of the CI function rather than from within the CI unit.

The 1990s

One approach in the 1990s continued to reflect the internalized approach to needs determination that seemed to underlie most of writings in the 1980s. McGonagle and Vella (1990) stated that the CI cycle included: a) establishing your CI needs, b) collecting the raw data for your needs, c) evaluating and analyzing the raw data, d) preparing, presenting and using your resulting CI, and e) feedback from/to each of the phases. The needs determination, while not explicitly the job of the CI function, was implicitly its responsibility.

Miller (1996) also reported on a roundtable originally titled *"Linking Strategy with Real World Information".* As will be pointed out below, the word 'strategy' was an important, but quickly overlooked, qualifier. The basic repositioning of establishing CI needs from a collaborative model or even the exclusive domain of the CI function to one of serving clients who establish all or virtually all of the needs, appears to have begun with the seminal article on Key Intelligence Topics (KITs) by Herring (1999). As shown below, that article not only described a system aimed at primarily supporting strategy, but it was also based on the US Government intelligence process, which is also discussed in more detail below.

The KIT process, as proposed by Herring, is designed to allow the CI director to identify and prioritize both senior management's and the organization's key intelligence needs. It involves both interviews with, and written submissions by, senior management who coordinate these inputs, and then uses them to determine not only what the CI unit should research, but to whom what intelligence is to be delivered. Herring acknowledges that the concept of KITs was directly descended from the National Intelligence Topics (NITs), which were used by the US Government in identifying its national level needs for intelligence. The goal of using NITs was to drive a process that would identify *"management needs that actually require intelligence and not information that could be acquired from their own departments or other government representatives overseas".* That was also the goal of the KIT process. In fact, the entire KIT process was premised on making sure that management was *"trained how to ask for intelligence."*   Herring also intended that KITs cover intelligence needs in one or more of three functional categories: 1) strategic decisions and actions, 2) early-warning topics and 3) descriptions of the key players.

What should be noted is that the following areas, which also utilize CI, were not covered at all by this approach: tactical intelligence, such as in support of sales & marketing (APQC 1999) and science and technology intelligence (APQC 2001). Herring himself noted that *"strategic decisions and issues"* support was *"the most important [category] for a successful CI program",* and later that these types of decisions *"have the most appeal to the executive group, important when establishing a new CI unit"* (Francis & Herring, 1999). Note that this could imply that the categories supported should change as the function moves from the establishment stage, but his approach does not explicitly suggest that direction.

The "Key Player KITs" were characterized as the *"least actionable"* (Herring, 1999) and also as *"the easiest to obtain"* (Francis & Herring, 1999). They are as intensively based on questions from the users as the intelligence supporting other categories of decision. In fact, Herring later indicated that there was an ideal distribution among such functional categories: Strategic Decisions and Actions – 35% or more; Early Warning Topics – 20% or more; and Descriptions of Key Players – 30% or less (Francis & Herring, 1999). It should be noted that, with this model, there is no flexibility in terms of adding additional types of decision-making to be supported by the KITs.

A rapid reading of the article might lead to the conclusion that the KIT system would allow for at least collaborative needs determinations. In fact, the KIT system as advocated by Herring had two modes, the responsive mode, and the proactive mode. However, proactive here refers not to initiatives taken by the CI function in terms of identifying CI needs and initiating CI research, but rather to the fact that the CI function takes the initiative to *"interview the appropriate company managers and decision makers, to help them identify and define their intelligence requirements"* (Herring, 1999). Herring himself acknowledged that there are three basic choices in intelligence production:

1. "Produce the CI *you believe* is needed by your management;
2. "Wait until they ask you for it; or
3. "Take the initiative and ask them what decisions and actions they are considering where good intelligence could help them make the right choices."

Herring's advice has been, it appears, ignored by all those who follow. He said that *"in reality you probably should be doing all three, but I would start with the third choice. The other two will evolve over time."* In other words, the use of KITs should not be restricted to producing the CI *"you believe is needed by management",* based on interviews, *etc., but rather that the CI function should be evolving into one where it "take[s] the initiative"* (Herring, 1999).

That point is never stressed again, nor has it been followed in practice. Rather, the use of the KITs began to create a CI Cycle model that is driven almost exclusively, or at times entirely exclusively, by the expressed needs of senior management.

Properly followed, the KITs and its associated model should have been taken as a first step in the development of the CI function and as applicable primarily, if not exclusively to supporting strategic decision-making. That has not been the case. One of the problems in getting from Herring's choice number 1, above, is the acknowledged fact that *"in practice KIT-interview projects always generate far too many KITs for the CI group to undertake"* (Francis & Herring, 1999). Given an overload at the start, it is unlikely that the CI function will ever be able to add other options to its process, so it is trapped in a subservient, passive mode, by the KIT process.

2000 and Beyond

By 2004, the seminal American Productivity & Quality Center's (APQC) benchmarking studies on CI generated a model of the CI process which clearly dealt with a group of 'primary clients' that generated the vast bulk of the work of the CI function. While it was possible that that some CI work may be generated by the CI unit as a response to market events, the CI unit was now perceived as being driven by requests, which had to be prioritized by using intelligence audits and *"key intelligence topic identification"* (Hasanali *et al*, 2004). By 2006, the bureaucratic paradigm that the CI process supports one or more end users, who in turn determines the scope and direction of the work of the function had become so ingrained that the subject was not even covered in a major SCIP survey (Fehringer, 2006).

What are the problems of using this as the appropriate model of the CI Cycle for CI as it is practiced today? First, the original source of this model, the US Government's classic model, is now recognized as a dysfunctional, bureaucratic model, so the CI Cycle model is built on a now-repudiated foundation, inheriting all of the problems such bureaucracy brings. Second, in operation, this CI Cycle model fails to respond to the needs of a variety of those now involved with CI. By its very terminology, it cannot be expected to deal with tactical intelligence, such as that in sales and marketing, as well as competitive technical intelligence (CTI). In addition, it has virtually no relevance to those individuals whose work in CI casts them as some combination of end user/analyst/collector. Finally, it may well be the source of several problems facing CI in operation. One of those is the three-year cycle. Another is the lack of clear career paths and there is also the inability to transform itself organizationally as strategic planning did.

The US Government Intelligence Model

To be precise, the model being used as the basis for the CI Cycle is not strictly speaking the US government model. It is the US Government's *strategic* intelligence production model, as Herring (1999) himself acknowledges. A look at the origins and history of that model shows that it had, and still has, significant problems which cannot help but be carried over to its CI offspring.

In the 1960s, at the non-strategic level, the governmental intelligence process was identified as having three phases, very different from the strategic model: 1) collection of information, 2) analysis of data, also called evaluation and production

and 3) dissemination of the conclusions. (Zlotnick, 1964; Ransom, 1959). At this level, there is no bureaucratic separation of needs (or requirements) from collection and analysis. It is only at the national intelligence (strategic) level that the government model has *all* of the characteristics of the current CI Cycle model. There, it is described as having the following steps or phases; a) requirements, b) collection, c) information processing, d) analysis and e) dissemination (Zlotnick, 1964).

Even those teaching the US National intelligence approach warned of its inherent shortcomings in the 1950s and 1960s: *"Intelligence process at the lowest combat [tactical] level, is an ideal of simplicity. The commander [end user] in this case understands the capabilities of the collector and can levy his requirements with no more than the usual difficultly than that oral communication entails. The decision maker in this case is also the analyst"* (Zlotnick, 1964).

"Compared with Strategic Intelligence, the point of view and problems of combat [tactical] intelligence are delightfully simple ([but that] does not imply that they are easy)." (Platt, 1957). *"The national [strategic] intelligence process…is complicated by the very scale of its activities. The analysts are separated…from the collectors, so that national intelligence calls for essential liaison activities and machinery for reconciling the requirements of decision makers with the capabilities of collectors"* (Zlotnick, 1964).

By the 1980s, the government (strategic) intelligence model was described in virtually the same terms as the classic elements of the current CI cycle (Schroeder, 1983):

> *Requirements*, the recognition and the validation of a need for intelligence
> *Collection*
> *Production,* the transformation of collected information into intelligence
> *Dissemination* to agencies needing it

This model clearly separates the collectors from the analysts, and both of these processes from the end users or decision makers (Schroeder, 1983). One review of intelligence in the 1970s noted that part of the reason for US intelligence 'failures' was that *"users don't drive intelligence production….There is a requirements system for collecting intelligence information…[but where it] breaks down is in translating the wide range of collected information into papers and studies that intelligently respond to the consumers' requirements"* (Giza, 1990). That is, the analysts are producing materials, but the end users are not telling them whether or not it is needed/wanted/useful.

More importantly, this entire governmental strategic intelligence process is premised on having a central authority that *"amplifies and publishes [the long-term national] requirements [for intelligence] as guidance for all U.S. national requirements control authorities."* That authority (or authorities) is, in turn, made up of persons or groups responsible for direction and managing the intelligence process. They *"validate intelligence production requirements and…disseminate intelligence to the appropriate users"* (Schroeder, 1983). In other words, it is premised on needing a bureaucracy carrying intelligence to the end users and needs to the collectors and analysts. Even before the

events of 9/11, this requirements model for governmental intelligence was under sharp criticism. A staff study by the US House of Representatives' Permanent Select Committee on Intelligence in 1997 noted that:

"The principal mission of the Intelligence Community is to supply policy makers with timely information and analysis that allows for informed, knowledgeable decision making. In order to fulfill this mission, the Intelligence Community must understand the prioritized intelligence requirements of policy makers. These requirements should not only play a central role in defining the mission, functions, and structure of the Intelligence Community, they also should drive the Community's collection, analysis, and budget. In an ideal world, the Community would be able to fulfill all actual and potential policy maker requirements in a timely, comprehensive manner. Unfortunately, the requirements process is complicated by the fact that it is often difficult for senior policy makers to focus on long-term intelligence requirements because they usually are occupied with more immediate, pressing issues and because, in many cases, they do not know what information they want until they actually need it. In addition to the difficulty of eliciting policy maker needs, there are political, bureaucratic, and resource realities that hinder the Community's ability to anticipate and satisfy all intelligence needs" (US House of Representatives, 1997).

In spite of the simplicity of the non-strategic model in the 1960s and 1970s, the bureaucratic approach of the strategic intelligence model began to infect the concept of requirements in models below the strategic (national) level, a process which has been transferred to CI as well.

"The process in which planners and Army intelligence analysts work together to support the development of Army planning cycle requirements is not synchronized or prioritized to produce realistic and timely results. Intelligence analysts must wait while planners debate the specifications for the intelligence product that will support analysis. This inevitably consumes valuable time needed for comprehensive intelligence assessment. When the Army intelligence analysts finally receive the formal request for products, the only prioritization given is usually in favor of products associated with data for high-end combat scenarios which are the focus of the Army's major combat simulations used in the planning cycle. Other full spectrum scenarios are accorded lesser status by planners. As a result, these scenarios are often ignored altogether in the intelligence assessment. Numerous redirections from planners can be expected, which further reduce the time available to complete the product. Since planning analysis timelines can slip only so much, the planners may not wait for the completion of current intelligence products. Instead, the planning analyses may move forward using out of date and incomplete intelligence. This is regrettable, because valuable opportunities to influence the planning cycle with relevant information are then lost" (Schilling, 2004).

"The intelligence process begins and ends with the decision maker who needs its support. Successful performance requires a locus in the government for deciding…whose requirements must be met. Without getting this right, an intelligence system is doomed to fail …. In the U.S. systems, managing what might be called the customer set is difficult because of bureaucratic politics …. The question remains how this conservative bias originally came about in a society that would seem to reward innovation, pragmatism, and change …. The cold

war rigidified U.S. intelligence …. Collection agencies needed relatively little guidance and sought it on only the most pro forma basis …. During the cold war, the customer set for intelligence varied hardly at all from one year to the next …. As the nature of warfare was changing and low-intensity conflict, nation building, and policymaking problems grew … [in a variety of] hotspots [in the 1990s], so did the deficiencies in intelligence support …." (Sims, 2005).

Things did not improve significantly during the late 1990s. As a post 9/11 critic of the US intelligence process described it thus: *"For years the culture of the intelligence community, in particular that of the CIA, has favored [long-term estimates over current intelligence]. But it is precisely in long-term analysis of familiar subjects and broad trends where secret information tends to be less critical and government analysts are for the most part no better and often not as good as their counterparts in academia and the private sector"* (Kouri, 2006),

Focusing on the requirements system, two other knowledgeable governmental intelligence critics have noted that *"the 'requirements' system has few friends. It is untidy, encumbered by process, and generally unaccountable"* (Simon, 2005) and *"[the basis on which intelligence managers decide where to put their resources] is often called 'priorities', which actually has two components: policymakers' needs and intelligence requirements. Policymakers' intelligence needs are not necessarily the same thing as formal 'intelligence requirements…. analytical managers must have an understanding of the longer-term intelligence requirements (whether they have been stated explicitly or not) as well as planned or unplanned events that will also need to be analyzed. "Therefore, there is a recurring demand on analytic managers to determine which issues are going to require analysis and which are not"* (Lowenthal, 2005).

Discussions among those looking at the US intelligence establishment often end up comparing the pre-9/11 strategic governmental intelligence model with the height of medieval knighthood, a system with limited opponents, rules (to some degree) of engagement, and combat, when unavoidable, between two heavily armed, and thus, relatively immobile armies. In dealing with terrorism, these observers note that the intelligence and military targets are now more mobile, less organized and centralized, and thus harder to locate and then to hit. They do hit back though, on their terms, with their own inexpensive weapons, and with savage effectiveness. Some have even compared the needed changes in intelligence and warfare to the changes driven by the 1346 Battle of Crécy.

At Crécy, the English forces, estimated as being somewhere between 8,000 and 12,000 men, faced a French army estimated as containing from 30,000 to 40,000 men. The English forces were largely armed with the longbow, and used them en masse against the armored French Knights, who were accompanied by thousands of crossbowmen. The thinking of that time, at least among the French, was that the archers would be slaughtered by the heavily armored Knights, if they survived the initial assault of the crossbowmen. In addition, it was believed that the skilled, aristocratic, Knights would make short work of the largely untrained archers, made up of commoners. But that thinking was based on the unspoken assumption that the

enemy would be as relatively immobile as were the French and their allies. Instead, the English chose to keep their troops dismounted and unencumbered with heavy armor.

The English bowmen, shooting as many as 10 arrows per minute, were victorious. After inflicting major casualties on the crossbowmen just as they came into crossbow range, they then slaughtered the attacking mounted Knights. The English suffered minimal casualties, several hundred according to one source, perhaps as few as 10 according to another, while the French forces lost between 5,000 and 10,000 Knights and crossbowmen. From then on, Knights were forced to fight on foot, while the longbow and infantry took the lead on the ground in fighting.

The same is true of what CI faces in the business world. CI units increasingly face mobile competitors, and competitors today who were not competitors yesterday. Yet, the classic CI model, as it is currently positioned, bearing with it both a misunderstood needs determination process as well as the burden of the bureaucratic approach imbedded in its very DNA, may be as ineffective in the current competitive environment as was the French armored Knight against the English longbow, wielded by unarmored bowmen.

This year, the US Congressional Research Service summed up what many have said about the current US Intelligence model over decades, *"International terrorism, a major threat facing the United States in the 21st century, presents a difficult analytical challenge. Techniques for acquiring and analyzing information on small groups of plotters differ significantly from those used to evaluate the military capabilities of other countries"* (Best, 2007). In other words, the US Government intelligence model does not work against small competitors, particularly agile ones, and tends to focus on capabilities rather than on tactics. Why should anyone assume that the CI Cycle model, derived from it, should fare any better?

Is the CI Cycle Model Really In Use?

The variety of case studies done under the auspices of the American Productivity and Quality Center during the late 1990s and early 2000s, when studied closely, appear to indicate that of the 26 'best practices' companies profiled there, those using the now classic CI 'requirements' model were actually in a significant *minority.* That is, the CI requirements model noted above was attributed to them, not observed as being used by them. In 7 cases, requirements were provided to the CI function by higher level management in whole or in the vast majority of cases, by assigning CI team members to track specific competitors on a continuing basis:

- Dow Chemical Company (APQC 1999, 78-79); APQC 1998, 21-22)
- Eastman Kodak & Co. (APQC, 2003, 97-100; APQC, 2001, 99; APQC, 1997, 27, 42-43)
- Fidelity Investments (APQC, 1997, 25, 27).
- IBM Corporation (APQC, 2003, 86-96)
- Merck & Company (AQPC 1997, 27-28, 46-47)

- Motorola (APQC, 1999, 109)
- Pacific Enterprises (APQC, 1997, 28, 48)

In 14 cases, some requirements were provided to CI function by higher level management, but the CI function also determined a significant portion of its work load, such as having a co-ownership program:

- Company A (APQC, 2000, 16)
- Amoco Corporation, Worldwide Exploration (APQC, 1999, 74-75)
- Avnet, Inc. (APQC, 2001, 78-81)
- Boehringer Ingelheim Pharmaceuticals, Inc. (APQC, 2001, 85; APQC, 2000, 17; APQC, 1999, 76-77)
- BP p.l.c. (APQC, 2003, 60)
- BT Retail (APQC, 2003, 74-78)
- Compaq Computer Corporation (APQC, 2000, 30-31)
- Glaxo Wellcome Inc. (APQC, 2000, 131)
- Metropolitan Life Insurance Company (APQC, 2003, 111-16; APQC, 1999, 80-81).
- Procter & Gamble (APQC, 1998, 79)
- SBC Operations, Inc. (APQC, 1999, 82-83)
- Sequent Computer Systems (APQC, 1998, 22-23)
- Shell Services International (APQC, 2000, 133)
- Skandia Insurance (APQC, 1998, 83)

There were 5 cases with another model in use or where the process could not be determined from the profiles:

- Bell Atlantic (APQC, 1997, 22-23, 40-41)
- Strategic Decisions Group (APQC, 1998, 23)
- The National Technology Transfer Center (APQC, 2001, 121)
- Telecordia Technologies (this appears to be decentralized and largely self-directed) (APQC, 2000, 22)
- Xerox Palo Alto Research Center (APQC, 1998, 86-87)

Thus we see that the CI Cycle model, as now articulated, may not even be used in the majority of cases, but it still called <u>the</u> model. This divergence between theory and practice must be corrected.

What Does Using This Flawed Model Cause?

Reliance on this flawed model has a number of consequences. First, in operation, this CI Cycle model fails to respond to the needs of a variety of those now involved with CI. By its own terms, it is not expected to deal with tactical intelligence, such as in sales and marketing, as well as competitive technical intelligence (CTI). In

addition, its implicit separation of the collection and analysis steps has limited application to one of the more common CI situations, the so-called lone operator, the person who does everything in the CI Cycle, and may even have CI as just one of the tools in their personal management portfolio.

The CI Cycle has virtually no relevance to those individuals whose work in CI casts them as a combination of end user/analyst/collector. In operation, the model separates needs determination from collection, collection from analysis, and analysis from utilization. To be fair, there are a few benefits to such a separation, principally the ability of one person in the chain to use another to keep focus and to help drive out problems such as personal or institutional biases.

Second, the attempt to apply a model that, at best, applies to only one context, supporting strategy, to all situations involving CI may well be one source of several of the problems facing CI in operation. One of those is the three-year cycle. That is a short-hand way of describing the fact that many CI functions tend to grow and thrive, and then, around 3 years or so, they wither or even die. One cause has been the fact that the client(s) of a CI function, over that period of time, have tended to be given all of the easy assignments, so that the work they face becomes more and more difficult, moving from historical and current CI to future CI, and from macro-level to micro-level (McGonagle & Vella, 2003). Given the flaws in the CI Cycle model, an additional cause may be the fact that the end users have no more questions to pose, for the same reasons, so they see no need for a CI function that depends on their continually articulated needs.

Another problem is the lack of clear career paths. That may be due to the psychological positioning of the CI function as a peripheral function, one that exists to serve those who actually make decisions and make things happen. A related consequence may be that placing the CI function as subordinate to the expressed needs of others at all times may product a tendency to take the path of least resistance in doing the requested research, particularly when the end users appear to have a tendency to ignore reports from the CI function. For example, witness this recent observation from a SCIP survey: *"Secondary sources continue to be a main source of information for many competitive intelligence professionals, often viewed as more important than primary or people sources. The most accessible and least costly (and unfortunately usually the least valuable) were viewed as the most important"* (Fehringer, Hohhof & Johnson, 2006).

A third issue is that, being based upon a bureaucratic approach, the CI Cycle model is not positioned to evolve to survive. An interesting parallel may be to the development of corporate planning, a parallel suggested 20 years ago (Vella, 1987) To summarize a long and complex history, corporate planning has tended to move from a bureaucratic model where planning and doing get split up, to a postmodern or network style model, that is one where *"planning head and hand-work is recombined and planning is de-centered to include the needs of customers and suppliers, as well as managers and teams of workers"* (Boje & Dennehey, 1999). To put it another way, to survive,

corporate planning often had to transform itself from being a function to being a process.

This is not to say that the current CI Cycle model is not applicable to some companies in some competitive environments. It is possible that it is working well when applied to strategy development in organizations which are themselves already highly bureaucratic, as well as those in what can be called less nimbly competitive, at least at the strategic level. Such organizations might be those that are in industries that enjoy significant barriers to entry, or major economies of scale and are typically slower moving. What is clear is that the current CI Cycle model does not apply to all active CI functions, and where it is applied, it may have significant negative consequences.

Are There Solutions?

A part of the solution to this problem may be found in the analogy to the history of corporate planning. That is, a new CI model must find a way to *"diffuse the collection, production and use of intelligence"* throughout the enterprise (McGonagle and Vella, 1996). Criticism of its US parent clearly indicates a new, less bureaucratic model is needed. One where the CI analysts and collectors have a greater ownership of the needs determination process, assuming that such a 'process' deserves to exist at all. Looking at the critiques of the US strategic intelligence model indicates that these criticisms may well serve as a kick-off point for a complete revision of the CI Cycle model, perhaps even developing several distinct models. Take for example this recent analysis of what US (strategic) intelligence ought to be.

"First…most of the time the U.S. government is best served by a loose collection-requirements system that relies on an intelligence, aggressive collector as the central actor…[where] customers provide priorities and guidance on what subjects are of interest, evaluate collector effectiveness, and provide expert support to collectors as required….A reformed collection-management system must allow the assumption of greater control by senior officials and operators [in cases involving either operational support or crisis response. Second, the United States need an on-line, round the clock system that conforms to the demands of modern decision making and not the convenience of intelligence bureaucracies. The current system uses a control model…that has been in services since the presidency of Chest A. Arthur Third, modern intelligence requires the entire tasking process to move…with an unprecedented degree of integration among collectors, analysts, and customers. Fourth, the collectors need more freedom of action and more support from those whom they serve….A meaningful percentage of collection resources should be reserved, with the policymakers' acquiescence, for the collectors' own use.,,[to] ensure flexibility as well as creativity of response" (Simon, 2005).

One approach, taking comments such as these into account, might be to limit the application of the Classic CI Cycle model only to strategy-oriented intelligence programs and then for only the first two years or so. In all models that begin with a significant reliance on the needs/requirements process, begin by building in a transition to at least 15% of the needs being initiated by the CI function by the end of

the first year, if the corporate environment does not allow for co-ownership or the option of embedding CI within the process to be served. Those now appear to be the preferable options.

Another approach would be to generate a separate model (or models) for tactics-oriented, target-oriented and technology-oriented CI, as well as for the lone operator and for the individual to whom CI is not a process but one of a variety of tools to be used on a daily basis. That is because any new model must take account of the fact that someone who is a combination of the collector, analyst and end user will, in fact, <u>must</u> operate differently from those in the Classic CI Cycle model. A starting point may be forcing those of us who study CI to look at it as a process to be used by many rather than a function to be manned by and serving only a few.

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