

COMPETITIVE INTELLIGENCE - HOW WELL INFORMED ARE YOU?

By Babette Bensoussan

Today is the age of information and information technology and, unlike previous ages, the problem is not a shortage of information. In fact it is quite the reverse, information overload, particularly for management.

This article addresses understanding information value, identifying the sources of value, the information needed and eliminating the rest. This is an integral part of the process of Competitive Intelligence, which can be facilitated through the use of appropriate information sources.

The issue at the bottom on the information overload trend is that 90% of what you will ever need is already in the public domain. Maybe not in the form that will directly answer your questions, but the pieces of your “intelligence” jigsaw are out there.

Data, Information and Intelligence

Let me explain by defining some parameters:

- DATA:** This would be facts that are unevaluated, uncollated or unorganised, such as a raw report (eg sales figures), image or broadcast.
- INFORMATION:** This is data that has been collated, organised and evaluated to derive some insight, usually widely disseminated and of generic interest. You would find this in newspapers, magazines, reports, etc.
- INTELLIGENCE:** This is analysed information and data that is predictive and is used as a basis for action and decision making. Often it is concisely tailored answers reflecting a deliberate process of discovery, discrimination, distillation, and delivery of data or information that has been evaluated, collated, filtered and presented to meet a precise need.

Intelligence is in fact a **PROCESS** that answers questions for specific individuals, addressing specific needs.

Technology – often called “business intelligence” at this stage is capable of collecting and collating raw data and doing some minor analysis, however in many instances, it is based on historical numerical data such as product sales by location.

Intelligence on the other hand covers numerical data, information such as one would find in the press, and through online information sources as well as human

intelligence, that is speaking to experts, colleagues or other contacts to unearth items of information that are precise in nature and all too often unpublished.

A number of years ago, at a conference in Canberra, Robert Steele, Chief Executive Officer of OSS Inc. USA, commented that *“At first glance it would seem that the age of the information revolution would be the best time for decision makers to get the information they need”*. The reality is quite the opposite for four major reasons:

- Too much information
- Too many potential sources
- Aversion to technology
- And no end in sight

Faced with these apparently insurmountable problems, decision-makers and indeed, managers responsible for providing information and intelligence most often make one of two harmful choices:

1. They either avoid the issue entirely and rely on their own limited reading time to get the information they think they need, or
2. They create wholly inadequate products, such as clipping collections or news summaries.”¹

I would add that there is a third harmful choice and that is believing that by employing a software or technology solution they will have the intelligence output they require to compete in the future.

And the internet won't give you answers either! (But that is another intelligence story.)

Using technology has its place in the intelligence process in creating a knowledge base for storing and retrieving information but it is not THE process. At this point in time, the human mind is still the only computer available to put together all the pieces of the jigsaw and devise an appropriate strategy.

Information Gathering

Not all information is of equal value, worth or credibility. Information may arrive distorted, almost always incomplete and usually with a bias either from its source or from the user. Information therefore needs to be verified. There are four main sources of information in the corporate arena, each able to validate the other in some way. These are:

Economic & Financial Sources: annual reports, trade publications, industry reports, databases and general media. One of the most obvious sources for public company

¹. (Steele, R. & Lowenthal, M., “Open Source Intelligence: Executive Overview”, October 1998)

competitors is the wealth of information available to shareholders. Here companies regularly advise updates on their activities and plans.

Corporate Sources: customers, suppliers, company brochures, advertising, etc. This information can be routinely gathered by marketing and sales staff and by being also on selected mailing lists.

Technical Sources: technical reports and journals, product manuals. This is often available on specialised databases such as Dialog or Factiva.

Human Sources: oral information by way of business networks, meetings, seminars, friends and experts. Here the greatest asset is the people within the organisation. To tap into this wealth of information one needs to find out who knows what and develop a method for gathering and processing the information. You need to attend trade shows, conferences, product and service demonstrations, and join industry associations.

From these sources you can gather product specifications, research and development intentions, key competitor and customer information, management structures and profiles, and financial arrangements to name just a few.

The gathering, delivery and application of quality information is essential to sound decision-making. The process is complex, and requires professional competence through a number of steps to ensure quality results. The process can appear deceptively simple and is often undervalued.

The problem overall is that there is no shortage of information. However, it is **not** actionable knowledge or intelligence as this stage in the process. It is at the next stage of analysis and thinking.

It is however important to remember that the ability to battle successfully in the business arena is directly related to the quality and use of information about your environment. This is a key function of Competitive Intelligence.

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